



## Towards a professional army... efficient and effective military-Earth thinking notebook

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L'Armée de Terre dans la société

"The politics and strategy of war are a perpetual competition between common sense and error."

**Charles de Gaulle.**

**The introduction of performance management and monitoring tools is a positive and necessary development, but must be carried out with discernment when applied to the public sector and to the Ministry of Defence in particular. Uncritical acceptance of business practices can weaken command and be detrimental to the effective conduct of operations.**

In France, the search for performance in the public sector, understood as the optimization of services rendered to citizens, the evaluation of public policies that aims to estimate the value of public intervention by relating its results, impacts and needs, and the application of business models are not new. However, their approach has evolved over the last twenty years. Thus, dashboards or other tools for monitoring and measuring performance at regular intervals, which have come from the private sector, are multiplying. Defence is no exception to this trend, confirmed by the increasing use of commercial terms. This is generating many fears and criticisms due, among other things, to the American example, which illustrates the potential abuses.

As such, the introduction of management and control tools is a positive and necessary development, but must be carried out with discernment when applied to the public sector and the Ministry of Defence in particular. One should beware of a current drift which consists in conceptually promoting, in a kind of modernist "novlanguage", synergy, efficiency, management [1] . The point is not to refute this useful orientation but to underline that an uncritical acceptance of business practices can weaken command, to

the detriment of the efficient conduct of operations. It should not be deconstructed, but used on a solid and proven foundation. On the contrary, in an increasingly modern army, in order to accompany restructuring and the search for performance, it seems appropriate to restore responsibility and visibility to command.

### **Performance and the use of business practices are necessary**

First of all, performance evaluation is necessary because it aims to improve management or planning capacity, to measure whether results meet the objectives set and to introduce corrections to achieve them with the ultimate aim of creating value. While in the business world, value creation is generally associated with increased profit, in the public sector it should be understood as the optimization of services to citizens. In the specific field of defence, it is a question of territorial protection (including deterrence) and the projection of forces to defend the country's interests.

The search for performance in public services goes back to the post-war period in order to manage resources for the reconstruction of the country in the best possible way. In 1946, the Central Committee of Inquiry into the Cost and Performance of Public Services was set up to propose measures to reduce costs and improve the quality and performance of the services of the ministries and agencies responsible for providing a public service. In 1968, the rationalization of budget choices was launched on the model of the US Planning Programming Budgeting System to rationalize budget choices and control the results through system analysis and cost-effectiveness studies. Finally, in 2001, a decisive phase in terms of the performance of the New Public Management (NMP) was reached by moving from a logic of means to a logic of results with the Organic Law on Budget Acts (LOLF). The strategic objectives are broken down into 900 indicators that measure three aspects of performance: effectiveness for the citizen, quality for the user and efficiency for the taxpayer.

On the other hand, the use of these practices has grown with the reduction of differences between the private and public sectors. Admittedly, in the private sector, the objective of economic profitability is inherent in a business project that must be self-financing in order to be sustainable, whereas in the public sector, State financial support makes this objective take second place: the main purpose sought is the satisfaction of the general interest. However, the State is increasingly emphasising the objective of reducing deficits, i.e. the search for profitability. This rapprochement is accentuated by the fact that public services are now in competition with each other or with the private sector. They produce goods and services while being subject to financial, technical and human constraints. Among these bridging factors, outsourcing makes it possible (at least in theory) to achieve cost savings while obtaining a comparable or higher level of service than before. Moreover, the increasing use of contract workers in the public service is leading to the application of management methods traditionally used in the private sector in order to remedy the shortcomings frequently reproached[2] (rigid, costly, inefficient, over-centralised, insufficiently innovative).

**The use of performance and business practices must be used with discernment because there are still significant differences with the private sector.**

Firstly, public services do not choose their clientele, as all users must be satisfied according to the principle of equity and equality of citizens, whereas private companies may select certain "segments" of customers.

Second, the ends and the means to achieve this differ. The main purpose of any business is to make a profit while complying with an existing social and legal order. On the contrary, Clausewitz reminds us that in war the existing rules are often violated and the ultimate goal is to protect oneself, destroy the enemy's wealth and take over his territory [3]. 3] A wrong decision is likely to threaten the very existence of the nation. Therefore, the war must be won as quickly as possible, regardless of the costs involved[4].

Thirdly, the human factor plays a central and critical role. The aim is to enable people to work as a team, so a commitment to common goals and shared values is required and controlled. In the military, equipment is simply a means, not an end. The importance of man is fundamental: victory, in the sense of Clausewitz, consists of a confrontation of wills (getting the enemy to bend to the will of the victor) and depends largely on the cohesion of its small units[5]. Moreover, the psychological state and reaction of individuals under stress cannot be fully known, anticipated or measured in any meaningful way.

Fourth, civilian and military leaders must take risks in decision making. The higher the level of responsibility, the higher the stakes. Despite technological advances, a leader rarely knows all the elements of a given situation. In business, the opportunity cost and return on investment depend on the risk of the project. However, individual risk is not necessarily serious and some businesses grow by transferring their risks. On the contrary, the military leader cannot share it or delegate it to subordinate levels. He is responsible for decisions affecting the planning, preparation and execution of campaigns. He takes calculated risks which are not of the same nature as the head of a company: in one case bankruptcy, in the other the defeat of the country[6].

Finally, leadership[7], not management, is one of the most critical aspects of war. The purpose of management is to enable people to perform together through common goals, values, structure and training. Material superiority explains why the US Army relies primarily on management to solve military problems [8]. At the same time, the importance of entrepreneurial values was precisely the reason for the inability of US officers to perform well in Vietnam [9]. On the contrary, leadership cannot be measured because it is essentially immaterial. Armies that traditionally use it, such as the German army in the past, are much more effective in increasing their power and compensating for inferiority in materials. In this sense, while the format is diminishing, it seems appropriate to question the risks of an overly managerial approach down to the lowest levels.

Consequently, a systematic and direct application of commercial practices proves to be risky and potentially dangerous.

First of all, the idea gradually spread that it was possible to invent a world where decisions were based on numbers and on what could be quantified. For example, US Secretary of Defense McNamara sought to apply Ford 's business model by vetoing any investment that did not bring immediate benefits. The Toffler brothers have unfairly helped to influence the belief that "the way we wage war reflects the way we create and

build the world's wealth" [10], claiming that a new knowledge-based economy was the result of a revolution in the way we conduct warfare (network-centric warfare). Yet the nature of warfare, as Clausewitz explained, does not change and remains independent of technological and economic developments. The Pentagon's emphasis on business practices leads to an over-reliance on the various indicators assessing progress on the battlefield. They too often replace the judgment and independence of the leader [11].

Second, the use of indicators is subjective. The authority arbitrarily selects the criteria to be counted and evaluated. It is difficult to assess unknown elements even if the measures are properly established. For example, the assessment of enemy deaths, which became irrelevant after Vietnam, has resurfaced in Afghanistan in order to undermine enemy propaganda and strengthen public opinion. However, it is not a reliable indicator (the Taliban are removing bodies, for example) and should not be used to measure the progress of the war, especially in an environment where population control rather than casualties is the key to victory. Too often, indicators have little or no value, report data that make no sense as such, are rather short-term (daily or weekly in Afghanistan) and too simplistic to embrace the complexity of the theatre.

As a result, there is a growing emphasis on efficiency at the expense of effectiveness, understood as the ability to win battles, defeat adversaries and achieve political objectives. [12] Efficiency is the relationship between the results achieved and the resources used, and aims to avoid waste, which seems commendable. [13] By eliminating redundancies and focusing on centres of excellence, firms can improve their competitive position, even if they abandon other markets. In defence, the result would be almost complete homogenisation to eliminate redundancy and capacity cuts to part with what does not bring immediate added value (cf. McNamara). In western navies, an increasing number of missions are assigned to a decreasing number of platforms, which reduces costs. The inherent risk is that they will no longer be able to fulfil all missions. However, defence cannot "abandon a contract". Therefore, the precautionary principle should apply, as the search for short-term efficiency may lead to a decrease in effectiveness in the long term. However, none of today's decision-makers will be held responsible. Similarly, in the logistics field, the new assumption is that changes in the company and in the environment (information revolution) are so rapid that it is no longer possible to predict and therefore plan for them. The assumption is right, the way to do this is wrong, as suggested by Operation Iraqi Freedom. Indeed, the concept is inherently inflexible, vulnerable and incapable of serving priority needs.

**It is necessary to anticipate the future savings required and to envisage new avenues of reflection in order to preserve the effectiveness of defence.**

In this perspective, the following recommendations could be beneficial and applicable in the areas of human resources management, accountability of each level of the decision-making chain, governance management and armament programmes:

- Human resources. The officer corps should be contracted out, which would make it possible to retain only the necessary number of personnel and reduce the wage bill (performance). Part of this gain could be used to increase officers' pay in order to maintain the quality of recruitment (creation of indicators) while compensating for the new risk (precariousness). In addition, the conversion process could be completely outsourced for all military personnel. Thus, the departing soldier



would be completely seconded for a variable period of time depending on his or her time spent in the institution. The organisation, private or public, would have a target contract aiming at a certain conversion rate in the short and long term. In addition, the introduction of a system of incentives applicable to the organisation and to the soldiers themselves (bonuses and penalties) would make it possible to carry out rapid and effective retraining. Many human and financial savings (unemployment) would thus be made, and this genuine conversion policy would indirectly attract new candidates for recruitment.

- **Accountability.** The shortcomings in the operation of the defence bases (BdD) and the Louvois system reveal the dilution of the notion of responsibility. In order to obtain an efficient system, clear levels of responsibility should be re-established in which personnel can identify themselves. This is particularly important because, for the military, the chief is responsible for his men. However, he has to have the time to take care of them. More than ever, subsidiarity must be given priority over transversality, which only creates a recurrent and time-consuming need for coordination; this point is also valid for governance reform. It is also necessary to make staff at each level responsible by means of a profit-sharing scheme that would not be limited to financial criteria alone, if the reform/work carried out is progressing well, and by penalising if not. This implies first of all, as in the British army, special joint management for very high-potential officers so that they can remain in post for longer (four/five years) so that reforms can be implemented and monitored [14]. In this respect, the private world shows that it is possible, and even recommended, to promote a limited number of young talents. All that is needed is to put in place a system that allows them to leave the institution earlier by encouraging integration into the rest of the public service or a departure into the private sector. Such a system would be truly efficient because it would avoid wasting time and talent.
- **Governance.** A balance needs to be struck between excessive centralization (lack of flexibility) and undue decentralization (redundancy). The armed forces have perhaps gone a little too far with centralisation, and the British experience can be useful in this respect. The Minister and the Chief of Defence Staff decide on the major programmes of the future because these are strategic choices and duplication must be avoided as far as possible. However, once these choices have been made, and in all other cases, the various armies should have their own financial resources because they are best placed to define their needs/priorities.

On this point, the British model shows a clear increase in efficiency and a decrease in unnecessary expenditure. In a similar way, the multiplication of tasks assigned will likely make the General Secretariat for Administration increasingly inefficient because it is sprawling. The supposed gains in manpower through centralization operate up to a point beyond which the disadvantages prove to be greater than the meagre income initially expected.

- **Weapons programmes.** Savings can be made, in particular as regards delays in the delivery and operational commissioning of new equipment. If the company is at fault, then it will have to pay compensation (which in reality is rarely the case, even if contractual clauses provide for the payment of penalties). However, delays are often due to reductions in funding, which lead to a reduction in the rate of deliveries, a freeze or even the definitive cancellation of the programme. This has an extremely high financial cost which often only allows for short-term savings (in the medium term: compensation payments, other related or connected programmes are delayed).

As a result, operational efficiency is directly affected (i.e. equipment reaches the last phase of its life cycle before it reaches the end of its life cycle).e of its successor), which leads to the extension of certain programmes or the purchase of other off-the-shelf equipment, resulting in de facto additional costs and the creation of microparks. Therefore, better management based on commercial practices is needed.

In the end, defence is most likely right to try to structure itself by importing and adapting civilian methods, as these do indeed increase the efficiency of administration and improve the design of weapons and equipment.

However, the real difficulty lies in the fact that no civilian structure has so many trades, and therefore no single model can correspond or be transposed as it stands, particularly because of the public service mission. It is therefore a question of adapting the civilian management system rather than copying it, while at the same time endeavouring to preserve what makes the armed forces unique and effective. Effectiveness is the key to success in warfare, while efficiency is the primary consideration in making a profit from business activity. Indeed, the unconditional adoption of trade measures could lead to neglecting the intangible factors of the military environment. In the same vein, indicators and commercial practices should remain tools in the service of objectives and not become an end in themselves.

**Ultimately**, success will be achieved through decisions made by the military leader based on his or her judgement and experience. The use of business models in the planning and conduct of the war itself, as well as in the evaluation of the performance of forces in combat, can have disastrous results, as shown by the American experiences in Vietnam or Afghanistan [15]. 15] The lessons of history cannot be ignored without exposing oneself to great peril.

1] The allocation and control of resources, whether human, material or financial, to achieve defined objectives.

2 ] Galdemar, Are the criteria for evaluating social policies relevant?, 10.

3] Carl von Clausewitz, "13 ] Carl von Clausewitz, "On War"( Princeton: Princeton University Press, 1976), 76.

4] Michael I. Handel, " (Princeton: Princeton University Press, 1976), 76.Masters of War: Classical Strategic Thought"( London: Frank Cass, 2001), 138.

[5] Dr. John Johns, research director of Management Study Group on Military Cohesion: "15 ] Dr. John Johns, research director of Management Study Group on Military Cohesion: "Cohesion in the U.S. Military"(Washington: NDUP, 1984), 4.

6] Field Manual (FM) 22-103, Leadership and Command at Senior Levels (Washington: HQ Department of the Army, June 21, 1987), 33.

7] The art of influencing directly or indirectly, and the ability to create the conditions for success in achieving desired results.

8] Milan Vego, "Is the conduct of war a business?" (JFQ, 2010), 56-57.

[9 ] Richard A. Gabriel, Antagonists: "19 ] Richard A. Gabriel, Antagonists: "A Comparative Combat Assessment of the Soviet and American Soldier" ( Westport: GP, 1984), 83.

[10 ] Alvin and Heidi Toffler, "War and Anti-War: Survival at the Dawn of the 21<sup>st</sup> Century". (Boston, MA: Little, Brown and Coy, 1993), 2-5.

11] For this paragraph, see Milan Vego, *Is the conduct of war a business?* (JFQ, 2010), 58.

12] Bastien Irondelle, "Democracy, Civil-Military Relations and Military Effectiveness", *Revue int. de politique comparée*, 2008/1, 117-118.

13] It appears to be a follow-up to Foch's principles, in particular the economy of forces. However, in his thinking, these principles only make sense because they make it possible to be more effective, not more efficient. In the same way, the mobilization of the whole country in the event of a rise to extremes, as Clausewitz suggests, only aims to make armies more effective. In this sense, the efficiency/effectiveness opposition remains relevant if it is confronted with the principles of warfare.

14] Staying in office longer in order to gain coherence has become a necessity that goes far beyond the case of the very high potentials. Command posts should also be extended to three years (as in the gendarmerie or certain Western armies), as should posts for personnel who follow armament programmes, for example.

15] Milan Vego, *Is the conduct of war a business?* (JFQ, 2010), 57-65.

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