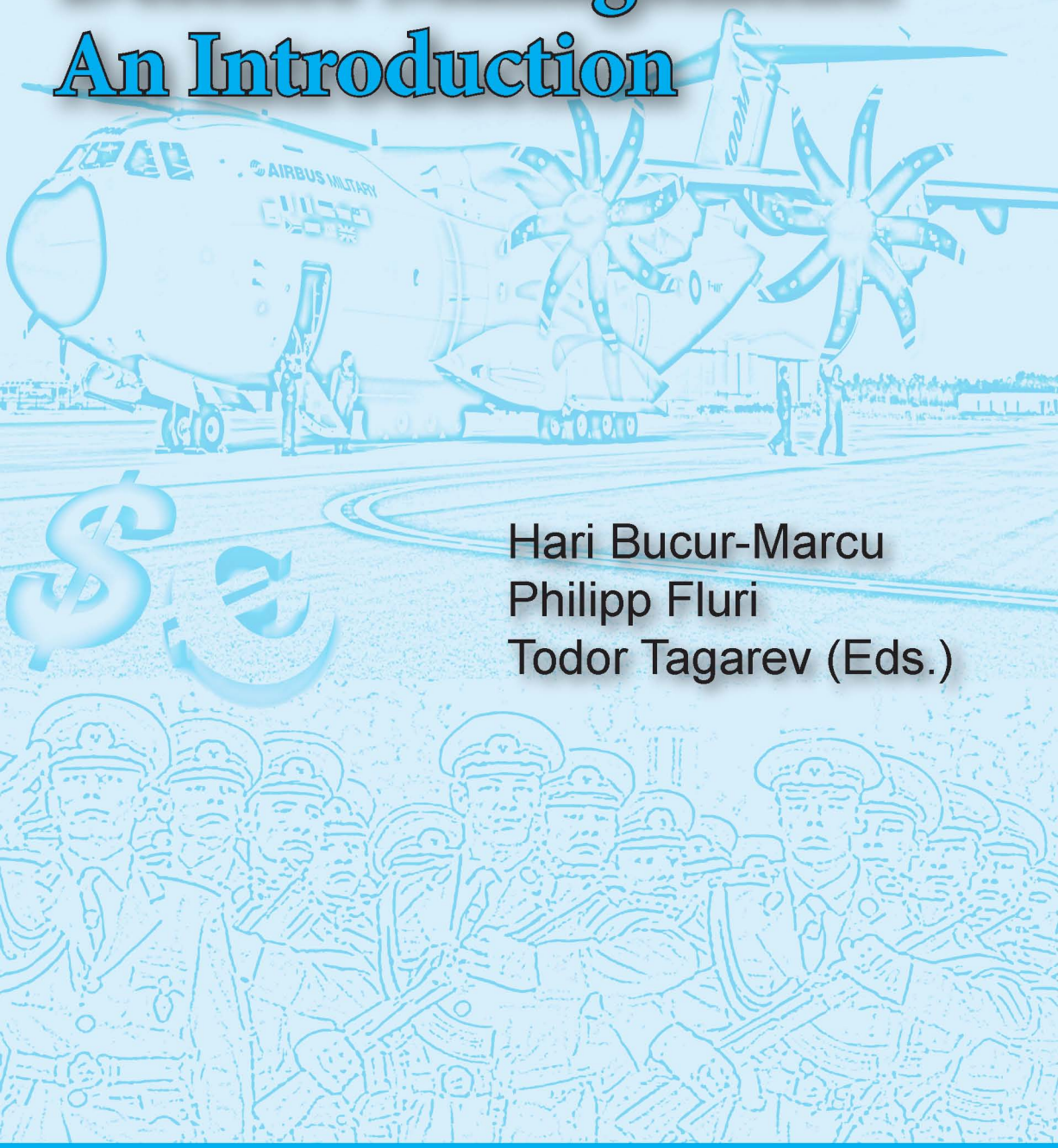
Defence Management: An Introduction



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Chapter 1

Governance, Management, Command, Leadership: Setting the Context for Studies of Defence Management

Valeri Ratchev

Introduction

The underlying idea of a modern defence institution is that it is able to define and achieve desired goals and objectives in an efficient manner and within an empowering democratic environment. Such defence institutions are effective, i.e., they are 'getting things done.' They are also efficient, that is they are able to produce desired effects without waste, minimising energy and costs. Transparency and accountability in the functioning of such defence institutions form the ground for genuine civil oversight of defence decision making and performance.

There are no more or less important among these facets of the modern defence organisation. Each one is unique and absolutely necessary for getting maximum results for minimum cost in defence. To some degree one could compensate the insufficiencies in one or another of them but in the long-term, only a well developed and carefully maintained package of these characteristics provides stable, effective and efficient defence institutions capable of meeting public expectations and contributing to the consolidation of democratic institutions.

The challenge to the modern defence institution at present is to provide a new balance between the tasks of the armed forces and the means available in order to create affordable armed forces with sufficient room for operations and capital investments. In an era of ever more constrained resources and changing strategic requirements, there is a growing need to extract maximum benefit from the money spent on defence. And this is the mission of defence management.

The requirements for effectiveness and efficiency are certainly not unique to defence organisations. Any business has to be effective and efficient in order to prosper, or even to survive. And yet, defence organisations cannot be managed purely like businesses. National defence has a comprehensive and in many cases vital role for a nation. It often has a strong impact on political, social, nation- and state-building developments and is managed like a profit-oriented corporation.

Therefore, this chapter provides an explanation of what is defence governance, how it differentiates from management and command and what is the role of strategic leadership. On that basis, we identify the areas of defence institutions that could be strongly enhanced through adoption of modern business practices. As a result, the value of defence management is explained vis-à-vis traditional military bureaucratic or command approaches.

The chapter does not preach a particular model of defence management. Instead, it sets the context for detailed examination of the key defence management issues in following chapters. The themes and issues presented here are based on data and observations in countries creating, reforming, or transforming their defence institutions and, without detailed elaboration, illustrate main points to be considered by those involved in arguing, planning, designing and implementing defence institution-building activities. Thus, it provides orientation to policy makers who want to learn how a defence institution could be developed as an effective and democratic pillar of national and international security, producing adequate defence at a socially acceptable cost.

Conceptual Orientation

A number of terms are used to explain how a defence institution is run – ‘government,’ ‘political directing,’ ‘governance,’ management,’ ‘public administration,’ ‘strategic leadership,’ ‘command and control,’ etc. In everyday language and institutional documents, these terms are often seen as synonyms. Actually, each of them represents a specific conceptual view and approach applicable in the overall national context or the specific context of a defence institution. Moreover, in the area of institution-building they are often perceived to be of a ‘Western’ origin (and concern) that have only recently rippled outward to other nations. Without simplification, they are relevant in a different manner to different political systems, state organisations and types of defence institu-

tions. And they could be appropriate to describe a country's historical development, culture, economic and social maturity, and strategic environment.

The efforts to create, reform or transform a national defence institution require the elaboration of a sufficiently coherent concept with adequate breadth and depth to provide guidance for building an organisation, capable of performing politically designated roles and functions effectively and efficiently. The lessons learned from the experience of other countries may be relevant but the political development of any single country makes its defence institution a particular case. Furthermore, although most of the central issues in defence institution-building, development and transformation are generic, and as such must be confronted in any democracy, the differences from one country to another "in history, security environment, and institutional structures can be so vast that the lessons learned in the older, more 'mature' democracies often are not fully relevant to new ones."[1]

Defence institutions could not be developed in isolation from the country's political, administrative and cultural realities. Defence is specific to a certain degree and could not be an island of rationalism, effectiveness and efficiency in a national environment where other governmental structures are deeply bureaucratised. Its development, reform or transformation could lead the national governmental modernisation process, which happened in many Eastern European countries in their preparation to join NATO. The basic concept of a defence institution should reflect issues like national administrative culture and traditions, existence of managerial capacity at the political, macro-organisational and performance levels, the private business environment, educational and training capacities, and the readiness of the society to accept radical innovations and comprehensive change.

At the same time, national defence in democratic societies is traditionally oriented towards external military threats. The predictability of the strategic environment of a country also impacts the elaboration of its specific defence concept. The national chain of command, the defence decision-making process, the procedures for defence resource allocation and the size of the defence budget, and the organisation, structure and dislocation of the armed forces are, to a large extent, a function of the national (societal, political, defence establishment) perception of military threats. The concept of organising defence and developing defence institutions depends on the level of the perceived threat. When the threat is high, the decision-making process becomes shorter and less transparent, defence institutions are more 'militarised' and the role of civilians is marginalized. When the country enjoys a stable strategic environment, es-

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[1] Thomas C. Bruneau and Richard B. Goetze Jr., "Ministries of Defense and Democratic Control," in *Who Guards the Guardians and How: Democratic Civil-Military Relations*, ed. Thomas C. Bruneau and Scott D. Tollefson (Austin, TX: University of Texas Press, 2008), 71-98; quote on pp. 71-72.

pecially when it belongs to a large and reliable alliance, the defence institution is less 'exceptional,' is more transparent and does not differ much from other public institutions.

In the case of intensive institutional development or deep organisational change of defence, however, it is difficult to contextualise the subject without first knowing what concepts are actually represented by different terms. Below we look at several main terms and their respective concepts: government and governance, management and defence management, public administration, command and control, and leadership.

'Government' and 'Governance'

The concepts of 'government' and 'governance' differ in terms of content and focus, and have different historical background. As explained by the authoritative Canadian Institute on Governance:

> a not-uncommon tendency is to use governance as a synonym for 'government.' This confusion of terms can have unfortunate consequences. A public policy issue where the heart of the matter is a problem of 'governance' becomes defined implicitly as a problem of 'government,' with the corollary that the onus for 'fixing' it necessarily rested with government.[2]

The root of the word 'government' in both Greek and Latin has the meaning 'to steer.' The dichotomy between 'government' and 'governance' originates in the answers of the two basic questions of politics: who should govern and how strong should governmental control be? And how should political executive power be distributed, both within government and the society?

Depending on 'who governs,' the historically established forms of government are: anarchy (no one rules), dictatorship (one-person rule); aristocracy (minority rule); democracy (majority rule) and unanimity (all rule). Democracy is only one of the forms of government. It is characterised by Abraham Lincoln as "government of the people, by the people, for the people." The ancient Greek philosopher Aristotle has said that "the true forms of government ... are those in which the one, or the few, or the many govern, with a view to the common interest."[3] Democratic government is about public purposes wherein the government itself should be the servant of the people—rather than their master—for the strength of real democracy depends on certain fundamental

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[2] Texts on the issue are available at the Institute on Governance' (IOG) website: www.iog.ca. This particular citation is from John Graham, Bruce Amos, and Tim Plumptre, *Governance Principles for Protected Areas in the 21st Century*, IOG Policy Brief No. 15 (Ottawa: IOG, August 2003), 2, available at http://www.iog.ca/publications/policybrief15.pdf.

[3] "Aristotle: from The Politics," c. 340 BCE, Book III, in *Internet Ancient History Sourcebook*, www.fordham.edu/halsall/ancient/aristotle-politics1.html.

rights and freedoms. These rights and freedoms must be protected to make sure that a democracy will succeed. Democracy is about equality. We put the emphasis on liberal democratic government following the classical explanation by Alexis de Tocqueville and others that liberalism is about freedom. Without going into details, we accept the thesis that modern societies of the 21st century aim to establish effective and efficient liberal democracies instead of building democracies without liberalism.[4]

The required level of strength of government in a democracy is determined by the understanding that governments have to be constrained, not that they be weak. People with authoritarian thinking perceive weakness when observing political processes and decision-making marked by transparency, debates and dissent, accountability and substantial public oversight and control. In fact, these are the underlying strengths of a democracy. Key components of governmental power in democracy are the areas in which it keeps monopoly of authority. Depending on the maturity of democracy and the development of the market economy, these may include, *inter alia*, monopoly of natural resources, land, roads and foreign policy. The use of military power and deadly violence should always be only in the hands of the democratic government. Hence the thesis that outside the state security sector there should be no military, paramilitary, police or intelligence organisations. All such organisations should be integrated into an overall political decision-making process marked by civil control in order to keep them effective and under democratic rule.

The existence of an effective system of checks and balances is among the most important characteristics of any democracy. It is aimed to guarantee that political power is sufficiently dispersed and decentralised to avoid any possible monopolisation and to keep the people in control of governance as much as possible. The use of checks and balances through separation of powers actually means more sharing of responsibilities and obligations than real division. This notion is very important for the proper design of mechanisms for formulating and implementing a defence policy.[5] In this environment, the strength of every centre of power is not to command, but to argue and persuade. The system can often be slow, complicated and even inefficient, but it provides an important protection against the potential abuse of power by any single party – an issue that every democracy must confront.

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[4] This thesis is perfectly argued by Giovanni Sartori, *The Theory of Democracy Revisited* (Chatham, NJ: Chatham House Publishers, 1987).

[5] For a definition of the term 'defence policy' and its relation to defence management refer to Todor Tagarev, "The Art of Shaping Defense Policy: Scope, Components, Relationships (but no Algorithms)," *Connections: The Quarterly Journal* 5, no. 1 (Spring-Summer 2006): 15-34, https://consortium.pims.org/the-art-of-shaping-defense-policy-scope-components-relationships-but-no-algorithms.

From the classic to the modern representative (republican) government, the state has been seen as a political society capable of establishing control through political choice. It determines the central government as the principal provider of control and regulations over the national (state) territory. In this capacity, the government has capabilities to defend this territory and the national interests using military power (alone or together with other instruments) and to defend and promote national interests abroad (alone or with allies) in case they are threatened by another military force. The fact that the likelihood of modern democratic states finding themselves in a classic type of war has diminished in recent years does not mean that this role no longer matters nor that government (the executive) is the only centre with authority and responsibility to determine and implement defence policy.

The wide use of the concept of 'governance' started only recently. Definitions of governance abound.[6] In accordance with Paul Hirst, governance is generally perceived as an alternative to the central (strong) 'government,' i.e., to control by the state. He outlines five versions of 'governance' in different political, international, business and social arenas:[7]

Corporate governance, which arises from having large and influential companies with highly dispersed shareholders on one side and an active professional management on the other, aims to provide transparency and accountability of the executive management and to prevent companies from becoming autocracies in an environment where democracy is the primary source of legitimacy.

Public governance, which arises from privatising traditional public administrative and service functions, aims to introduce a new model of public services distinct from that of public administration under hierarchical control and direct accountability to politically elected officials.

Social governance is arising 'in silence' as a new type of network-based governing that includes actors such as labour unions, business associations, NGOs and local authority representatives aimed at new, centrally bargained social pacts.

International governance uses the concept of 'governance without government' in the fields of international relations and regimes. It is based on the widely recognised fact that many global and international issues like global warming, international trade, arms control, and international standards in many areas cannot be solved by nation states alone. Internalisation of governance performed by inter-governmental agreements and powerful agencies like the International Monetary Fund, the World Trade Organisation, the World Bank, and the G8 expanding private actions and 'the retreat of

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6 Joan Corkery, ed., *Governance: Concepts and Applications* (Brussels: IIAS Working Group, International Institute for Administrative Studies, 1999), 368-371.

7 Paul Hirst, "Democracy and Governance," in *Debating Governance: Authority, Steering, and Democracy*, ed. Jon Pierre (Oxford: Oxford University Press, 2000), 13-35.

state' raises important questions about who controls these international supra-state actors and how, and do they limit the power and the capacity of democracy.

Good governance first gained ground in the area of economic and social development. Widely supported by western countries and promoted through the power of international agencies such as the World Bank and the International Monetary Fund as a set of economic and social-political conditions for their loans, 'good governance' is a concept based on the understanding that it is not possible to have effective economic management and a stable social environment without full application of democratic and market principles. The concept recognises the fact that development is not just the creation of markets and the promotion of investments and firm macroeconomic policies, but also that state and social institutions, laws and regulations, human and citizen values do matter. In this way, 'good governance' as a concept means an effective political framework conductive to private economic actions – stable regimes (not necessarily democratic), rule of law, efficient state administration and (real) civil society. As a strategy, it is aimed at developing a version of liberal social architecture with clear separation between limited state and, to the extent possible, self-regulating society and market economy. Defining the principles of 'good governance' is difficult and often controversial yet there is a list of principles around which there might be wide agreement, even beyond liberal democracies. Such an agreement rests in part on the considerable work done by the United Nations Development Program on international law and human rights:[8]

- Participation – all men and women should have a voice in decision making, either directly or through legitimate intermediate institutions that represent them. Such broad participation is built on freedom of association and speech, as well as on capacities to participate constructively.
- Consensus orientation – among differing interests, good governance mediates these differences to achieve a broad consensus on what is in the best interest of the group and, where possible, on policies and procedures.
- Strategic vision – leaders and the public have a broad and long-term perspective on good governance and human development, along with a sense of what is needed for such development. There is also an understanding of the historical, cultural and social complexities in which that perspective is grounded.

[8] United Nations Development Program (UNDP), *Governance and Sustainable Human Development* (1997). These principles with slight variations appear in many other UNDP documents. See, for example, *UNDP and Governance: Experiences and Lessons Learned*, http://mirror.undp.org/magnet/docs/gov/Lessons1.htm.

- Responsiveness – institutions try to serve all stakeholders and, respectively, implement adequate procedures.
- Effectiveness and efficiency – processes and institutions produce results that meet needs while making the best use of resources.
- Accountability – decision-makers in government, the private sector and civil society organisations are accountable to the public, as well as to institutional stakeholders. This accountability differs depending on the organisation and whether the decision is internal or external.
- Transparency – transparency is built on the free flow of information. Processes, institutions and information are directly accessible by those concerned, and sufficient information is available to understand and monitor their activity.
- Equity – all men and women have opportunities to improve or maintain their wellbeing.
- Rule of Law – legal frameworks should be fair and enforced impartially, particularly laws on human rights.

As mentioned previously, defence policy is formulated and implemented not only by the defence organisation per se but also by a variety of other governmental sectors and societal actors. Respectively, the issue of governance may be examined at two levels.

At the national level, governance relates to how other actors, such as state agencies, local administration, civil society organisations, businesses, and others may play a role in the process of shaping and implementing defence policy decisions, in particular when the decisions are on matters of public concern.

On the level of the defence institution, we can speak of organisational governance or governance in the 'organisational space.' It comprises those activities of the defence ministry for which it usually accounts to the Government, the President (when this position includes the function of supreme commander of the armed forces), and Parliament (or 'the board of directors').

To summarise the discussion on 'governance' as a concept, we can accept the following definition, often seen as universally applicable to each of the above mentioned five types of governance:

> Governance is the interactions among structures, processes and traditions that determine how power and responsibilities are exercised, how decisions are taken, and how citizens or other stakeholders have their say. Fundamentally, it is about power, relationships and accountability: who has influence, who decides, and how decision makers are held accountable.[9]

[9] Ibid.

Management and 'Defence Management'

The term 'management' historically has been and is used in a variety of ways. It can refer to the many decisions required to run a complex production or non-profit organisation, state agency or local administrative unit. This is a kind of descriptive approach used to explain management as a process and the jobs that managers and supervisors do. Alternatively, management could be applied by someone in order to direct people to achieve a concrete private aim with fewer resources and in the shortest possible time. We may use 'management' also to refer to a discipline of knowledge that has accumulated approaches based on political, economic, sociological, psychological or anthropological theory and philosophy in order to create a systematic approach (theory) of how particular aims could be achieved through 'scientifically' determined actions (strategy, policy), creating and using appropriate organisation and utilising determined (limited) resources.

The roots of modern management are in both administration and business, which should be the reference point when someone is adapting management principles and practices to other areas of public, private or personal activities. Management 'fathers' like Henri Fayol, Max Weber, and Chester Bernard have focused on total organisations, while others like Frederick W. Taylor, Henry Gantt, and Lillian and Frank Gilbreth aimed to increase productivity.[10] Both directions of these early studies of management involved research and applied work and formed the so-called administrative theory and scientific management as the backbone of classical management theory. Administrative theory emphasised management functions and attempted to generate broad administrative principles to serve as guidelines for the rationalisation of organisational activities. Taylor and his followers, on the other hand, insisted that it was possible to scientifically analyze tasks performed by individual workers in order to discover those procedures that would produce the maximum output with the minimum input of energy and resources.

Building on classical views on management, contemporary theories tend to account for and help interpret the rapidly changing nature of today's organisational environments.

Contingency theory asserts that when managers make a decision, they must take into account all aspects of the current situation and act on those that are key to the situation at hand. Basically, this is the 'it depends' approach. For example, the continuing effort to identify the best leadership or management style might currently conclude that the best style depends on the situation. If one is leading troops in combat,

[10] Frederick W. Taylor, *Principles of Scientific Management* (New York, NY: Harper & Brothers, 1911).

an autocratic style might be best. If one is leading a hospital or university, a more participative and facilitative leadership style may be recommended.

Systems theory has had a significant effect on management science and understanding of organisations. A 'system' is a collection of parts unified to accomplish an overall goal. If one part of the system is removed or changed, the nature of the system is changed as well. A system can be looked at as having inputs, processes, outputs and outcomes. Systems share feedback among each of these four aspects of the systems. In an organisation, inputs would include resources such as raw materials, money, technologies and people. These inputs go through a process where they are planned, organised, motivated and controlled to meet organisational goals. Outputs would be products, such as force capabilities. Enhanced quality of life or the state of national security would be outcomes. Feedback would be the information from clients or public perception of security provided by the state. This overall system framework applies to any system, including subsystems (departments, programs, etc.) in the overall organisation.

Complexity theory recognises that events in the organisation and its outer environment are rarely controlled since, with time, systems become more complex. In this evolution they also become more volatile (or susceptible to influences with cataclysmic effects) and must therefore spend more energy to maintain that complexity. As they expend more energy, they seek more structure to maintain stability. This trend continues until the system splits, combines with another complex system or falls apart entirely.

For the purpose of this book, management can be examined as a process of planning, organising and staffing, directing, and controlling activities in an organisation in a systematic way to achieve a particular common (institutional) goal. It is both a scientific method and an art of empowering people and making an organisation more effective and efficient than it would have been without management and managers (ministers, directors, commanders). Respectively, the four pillars of management are: planning, organising and staffing, directing and leading, and monitoring and controlling. These functions are universal no matter whether a manager runs a shoe store, a department or an air force wing.

Planning is the selection and sequential ordering of tasks that are required to achieve the desired organisational goal. Plans could be strategic, long-term or short term, deliberate or contingency. The plan explains the aim and approaches (strategy, policies, principles) and is the foundation for decisions on organising and staffing.

Organising and staffing is the assignment and co-ordination of roles, tasks and duties to be performed by the units or members of an organisation and distribution of the necessary resources among them in order to achieve a desired goal within a specified time-frame. It includes the process of recruitment, selection, training, placement and

development of the staff in accordance with their desired roles and tasks. The quality of the staff and the way it is organised determines the style of directing.

Directing and leading is the process of motivating, leading and influencing staff on the way towards achieving the common goal. Directing requires organisational sense and skills, and leadership capacity to motivate the followers through a congenial working atmosphere. Directing could be effective all the way through to the common goal if it is complemented by systematic monitoring and control.

Monitoring and controlling are the actions a manager (commander) takes to ensure that all his or her units are moving towards the objective in a coordinated manner. In other words, control is used to ensure that when the success of a unit in achieving its objective depends on an action taken by another unit, that action is taken.

These basic conceptual views, theories, principles and functions of management are applicable to a defence organisation. Obviously, the origin of the term 'defence management' is rooted in the understanding that the defence organisation is a large, complex and multi-layer institution as any other governmental or big business organisation.

Every big organisation needs planning, which is carried out by the manager. In one way or another s/he decides how the business will be run and/or what his/her unit will do over a period of time. In other words, the manager sets the objectives towards which s/he and all his/her subordinates will work. The big difference between industrial and military planning is that the military plans for war are all contingent, at least during peacetime – they are aimed at eventual objectives which will be pursued only in war. The industrial planner, on the other hand, is preparing for actual operations that are certain to take place within the next year or perhaps a year or two later. Defence planning that provides general preparedness for war is closer to industrial planning, because its purpose is to prepare soldiers and material in the right combination, albeit for an eventuality.

Every manager is building, maintaining, organising and staffing his or her organisation. A manager must decide what is the most economic combination of resources that would allow planned objectives to be accomplished. The same is applicable to the military commander's vision and concept of operations. Both do this to facilitate control of individuals and units as they work towards the achievement of the planned objective.

Managers and commanders direct and lead subordinates using different skills and instruments to increase their motivation and physical and psychological mobilisation, which, during a combat mission, could come to the level of self-sacrifice. The instruments are quite different indeed but the effect on pursuing the objectives is similar.

Monitoring and controlling the performance give the manager and the commander understanding about the effectiveness and efficiency of their decisions and the neces-

sary corrections in original plans. Whether of a market or a bureaucratic type, the control strategy must provide both managers and commanders with relevant, timely and reliable information on the progress, as well as on changes in the internal and external environment that may require corrective measures or a completely new strategy.

Nevertheless, the defence organisation differs in several specific aspects and any ambition to implement business practices and administrative techniques drawn from general examples should be carefully analysed. We do not seek artificial arguments in order to make defence a particular case. At the same time, a distinct defence management concept cannot, and should not, be detached from the approaches to managing other public and business organisations in the national democratic environment.

The relations between civilians and the military, among other factors, make defence policymaking and defence management distinct from other public policies and other established management models. Arguably, the particular model of civil-military relations in a country has a decisive impact on the defence organisation and its governance, management or command and control. The unique nature of the military—or what Samuel Huntington designates as its 'functional imperative'—is sometimes thought to be a barrier to the application of principles and practices from other disciplines such as management, administration, leadership, etc. Authoritative researchers of public administration and management note that applications of modern conceptual views from rapidly developing disciplines to defence policy "... often appear to fall short."[11]

Richard Kohn concludes that today the civilian control of the military presents two types of challenges: for mature democracies with experience of strong civilian control and military establishments focused on external defence, the test is whether civilians can exercise supremacy in defence policy and decision-making. Civilians can face great obstacles in exercising their authority at times when the military enjoy great prestige, possess advanced bureaucratic skills, believe that their ability to fulfil its mission may be at risk, or doubts the civilian leadership.[12]

New or newly-emerging democracies without much experience in combining popular government and civilian control face an even greater challenge: to assure that the military will not attempt to overthrow an elected government, or defy civilian authority. Then the chief requirement is to establish a tradition of civilian control, to develop a solid system of political neutrality within the military establishment and to pre-

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[11] Jason Dempsey, Jay Parker, and Thomas Sherlock, "Introduction to Civil-Military Symposium: Public Administration and Management," *Public Administration and Management* 10, no. 2 (2005): 57-60.

[12] Richard H. Kohn, "An Essay on Civilian Control of the Military," *American Diplomacy* 2, no. 1 (1997), www.unc.edu/depts/diplomat/AD_Issues/amdipl_3/kohn.html.

vent or forestall on a permanent basis any possibility of military intervention in political life.

Continuing his deliberations, Kohn argues that the task of building a modern defence institution is to establish and sustain civilian control over the formulation and the implementation of national security policy. In new democracies, the challenge is more formidable – in attempting to establish their supremacy over military affairs, civilians risk provoking disobedience of the military and—in lacking public support—perhaps even military intervention.

The difficulties in applying concepts, theories and practices from the civilian world to defence stem from the fact that war, as stated by Clausewitz and confirmed by recent experience in Yugoslavia, Afghanistan, Iraq and Chechnya, 'has its own grammar.' Modern and post-modern societies have developed a comprehensive understanding and political practices in national security policy decision-making in which defence/military policy are treated as a major component of security policy.[13] These include administration and organisation (establishment of a defence ministry), legislation (introducing defence laws), parliamentarian control (establishing a defence committee), public transparency and accountability (enhancing civil society's capacity on defence issues) and appointment of civilians in defence institutions, etc. In such an environment, the formulation, articulation and strategic balancing of national security and defence interests, distribution of roles and overall resource allocation among formulated objectives and security sector organisations are all the responsibility of civilian political leaders, not an autonomous purview of the uniformed military.

Performing such a role, civilian leaders use practices like 'political directing,' 'administrative and organisational management,' 'strategic and political leadership,' 'resource management' and 'feedback and control,' etc. Within the same framework, militaries use terms like 'staff work' (which is different than 'administrative work'), 'command and control' (which is different than 'feedback') and 'military ethos and leadership' (which do not coincide with social moral principles and pluralism-based political leadership). An excellent illustration on this coupling is provided by Peter Feaver who states that "the civil-military challenge is to reconcile a military strong enough to do anything civilians ask them to do with a military subordinate enough to do only what civilians authorize them to do."[14] The defence organisation (from a national or governmental perspective), its political directing and operational management, the national military chain of command and the leadership in defence should reflect these particularities to prevent degradation of the relations between civilians and the military into

[13] However, with very few exceptions, that is hardly the case for other components of the security policy.

[14] Peter D. Feaver, 'The Civil-Military Problematique: Huntington, Janowitz, and the Question of Civilian Control," *Armed Forces and Society* 23, no. 2 (Winter 1996): 149-178.

two mutually exclusive and contradictory groups. In any case, recognising the pivotal role of civil-military relations is critical for designing and managing defence institutions.

Accounting for these considerations, it is important to clarify what the 'ministry' (or 'department') of defence should do. In countries with a freely elected legislature, the defence institution is first and foremost a governmental body through which the elected executives issue guidance, instructions and orders to the nation's military. Second, it is also an operational headquarters where this guidance is transformed into operational plans and corresponding requirements for funding, human and material resources, legislation and other forms of support. Finally, the ministry should be the 'central administration' of national defence in general, dealing in detail with armed forces' personnel, finances, logistics, procurement, training, social support and infrastructure.

With all these functions in mind, there is a need for a proper concept of how to organise and run a defence ministry. There are three distinct areas – *political directing*, *command of operations* and everything else, which could be determined as the area of defence management. They have to be co-ordinated but require separate conceptualisation, widely different professional skills, leadership capacity and teams, and are based on different regulations and practices. It is not possible to perform all three basic functions using one and the same conceptual and procedural matrix. The objective of providing the nation with an effective, transparent, and accountable defence organisation puts a premium on the good organisation and adequate conceptualization of operations in each of those particular areas.

It has been suggested to look at a defence institution as 'a big business organisation' that could be run entirely as a business unit. Conceptually, this means implementation of a 'total defence management concept' based on respective concepts and practices of major industrial organisations, organised along functional lines. Actually, a detailed analysis of the 'defence product' from political, sociological, and social psychological point of view does not provide useful precedents. Products of defence are not only the combat capabilities of the armed forces,[15] but also a public and political sense of security, the international status of the country, the overall national character and its disposition to those of other nations, the collective sense about democracy and democratic governance, etc. Meeting such a set of diverse requirements presumes a complex yet differentiated approach to defence organisation and operation.

It can be concluded that, while modern management theories and practices can be useful in seeking general explanations and overall guiding considerations for organizing and assessing the performance of defence institutions, the application of specific management techniques should be limited to activities outside political directing and operational command such as human resource management, financial management,

[15] Todor Tagarev, "Methodology for Defence and Force Planning," in *Methodology and Scenarios for Defence Planning* (Sofia: Military Publishing House, 2007): 179-207.

weapon systems lifecycle management, material supply and service management, military installations and real property lifecycle management, as well as programme and risk management. The combined contribution of advanced management is vital for the success of defence transformation initiatives.

Public Administration

The main feature of the concept of public administration is the role of civil society in the governing process. As it is well known, civil society can only exist in a liberal democratic political environment. Hence, the application of the concept of public administration in its original form is possible only if a civil society exists, it is sufficiently mature and consolidated, and has the will and capacity to influence the government and the process of the governance. The governing powers, on the other hand, are sufficiently mature and understand that civil society's engagement gives more power and durability to the government and does not erode it. Woodrow Wilson, one of the fathers of so-called progressive thinking and the 28th president of the United States, raised questions about the appropriate level of citizens' participation in government decision-making in his 1887 article entitled *The Study of Administration*. He described the problem as "What part shall public opinion take in the conduct of public administration?" His answer was that public opinion shall play the part of authoritative critic. Wilson did not question the right of the public to influence the administration; rather, the question was how to provide for public participation.

Max Weber, credited as the father of modern sociology, wrote about the ideal type of this organisational form while analysing the phenomena of administrative bureaucracy. Weber's bureaucracy is based on the principles of fixed jurisdictional areas, office hierarchy and levels of graded authority. The structure of the bureaucracy is permanent and has the following characteristics: promotion based on merit; secure employee tenure; a pyramidal structure; authority in supervisory positions; and a system of explicit rules. Weber's bureaucracy supposes that an individual works his or her way up from the bottom of the pyramidal structure to the top, gaining authority and wage increases on the way. Weber's theory of bureaucracy is still relevant today. However, his notion of 'unity of command' (all orders come from one individual down the line) has been criticised.[16]

[16] For Luther Gulick, work division supervised by subordinates in a chain of command is a way to be more effective. He believes that "work division is the foundation of organisation; indeed the reason for organization." Gerald Garvey reasons that the central issue in classical organisational theory is the placement of authority and expert knowledge within the organisation. Actually, much of the contemporary literature focuses on the merits of putting authority in the hands of one leader versus distributing that power to line staff, and the risk accompa-

The famous scholar and writer Peter F. Drucker believes that the concept of public administration derives from management.[17] As he argues, after the Great Depression people were angry with all business managers that failed to overcome the challenge of rapidly growing industries and allowed the economic and social catastrophe with global implications. In order to avoid negative attitudes towards the managers of public affairs and services, they were distinguished from the compromised business managers through introduction of the concept of public administration.[18] A main goal of this new discipline has been to clearly differentiate the running of the public sector from both the political process and business practices.

Indeed, scholars focus traditionally on areas of public administration, such as classical organisational theory, Wilson's political vs. administrative dichotomy, federalism, and managing employees. Recently, the field of public administration was expanded to include a variety of modern topics such as policy analysis, economics for public managers, theory of motivation, leadership, ethics, decision-making theory, conflict management, effectiveness and efficiency, budgeting, accountability to and representation of the people, intergovernmental relations and human resource management. The fact that public administration derives from such a broad range of disciplines such as psychology, economics, political science, organisational theory and administrative law indicates that there is no 'one best way to govern.' This is not to say that the questions and problems of public administration are no longer relevant – in fact, they are as relevant today as they were over one hundred years ago.

The differentiation between political governance and running administrative bodies in the interest of civil society serves as a core element of widespread modern public administration concepts and practices. In a recent book, Anthony Bertelli and Laurence Lynn summarise the experience and theoretical findings in main texts on public administration and conclude that "they reveal a professional reasoning process that explores the interrelationships among democratic values; the dangers of an uncontrolled, politically corrupted or irresponsible bureaucracy; the corruptibility of the legislative process; the impressions of popular control of administration; and the difficulties of de-

nying that power – citations from Gerald Garvey, ed., *Public Administration: The Profession and the Practice* (New York, NY: St. Martin's Press, 1997).

[17] Actually, humans have been interested in the field known today as public administration since a time pre-dating Plato's *The Republic*, in which Plato discusses administrative issues of governance.

[18] Peter F. Drucker, *Management Challenges for the 21st Century* (London: Butterworth-Heinemann, 1999).

signing judicial and executive institutions that can balance capacity with control in a constitutionally appropriate manner."[19]

The politics-administration dichotomy is in the core of the debate on public administration concepts and theory. The premise of having dichotomy is that politics and administration serve different intentions. There is a clear distinction between elected politicians who are authorised by the society to govern and the experts-based administration that has—in practice if not in law—a dual role both to support the governing bodies in the implementation of their duties and to defend the interests of the society from political voluntarism. The basic aim of the elected-to-govern politicians is to generate ideas, establish sets of public objectives and make decisions on resources, activities and legislation in order to turn ideas into reality. The purpose of public administrators is to provide neutral expertise in support of the design and implementation of political decisions. In this understanding of the dichotomy, "administration lies outside the proper sphere of politics."[20] In the interplay between these two building blocks the politicians should design and guide the public administration to the maximum possible political extent. On the other hand, the administrators should be subject matter experts, neutral in providing their expertise and organised in professional hierarchy, distinguished from the political level, but under political control and leadership.[21]

Applied to defence institutions, the public administration concept should reflect the fact that in addition to politicians and administrators, the corps of military professionals also comes into play. These three parties construct the 'deadly triangle' of the defence organisation. The place of the political (elected) leadership at the top seems to be understandable but even this is questioned, as the experience of some countries shows. These are countries that apply the 'Prussian type' of higher military organisation – a 'General Staff,' subordinated directly or at least informally to the head of the state and not to the minister of defence. The role of the administration in this model is also questioned on the grounds that presumably the General Staff—and not the administration—is in possession of the defence expertise. The interest of the General Staff is to be the only body representing and presenting defence advice to politicians and to be responsible to as few levels of state hierarchy as possible (at a minimum, not to be responsible to the defence administration). Such parallelism is unavoidable even when the de-

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[19] Anthony M. Bertelli and Laurence E. Lynn, Jr., *Madison's Managers: Public Administration and the Constitution* (Baltimore, MD: Johns Hopkins University Press, 2006).

[20] Tansu Demir and Ronald C. Nyhan, "The Politics-Administration Dichotomy: An Empirical Search for Correspondence between Theory and Practice," *Public Administration Review* 68, no. 1 (January-February 2008): 81-96.

[21] Gary Miller, "Above Politics: Credible Commitment and Efficiency in the Design of Public Agencies," *Journal of Public Administration Research and Theory* 10, no. 2 (2000): 289-328, cited by Tansu Demir and Ronal Nyhan, ibid.

fence minister has formal control over the higher military. It raises many questions related to both civil-military relations and the effectiveness of the defence institution. The most important among them are:

- The lack of internal mechanisms to locate a balance between the priorities of senior members of the military and those of the minister of defence (in case of disagreement, the final judgement is made by the prime-minister or the president)
- A single source of expertise ("who else knows defence issues better than the senior military?") and the respective lack of alternatives
- A limited capacity for effective civilian control (in practice, only the minister personally has control)
- Overpopulated headquarters with considerable duplication of structures and functions
- The impossibility of applying modern management methods and techniques (the General Staff works as military staff even when performing entirely administrative functions).

The alternative organisational solution is to implement the so-called concept of 'integrated ministry of defence.' It is based on the presumption that the strategic commander of the armed forces in peace and war is a political figure – usually the president and/or the minister of defence, not a senior member of the military. The role of the senior military is to provide advice to authorised politicians and to organise the implementation of their decisions within the armed forces, i.e., s/he has no direct command authority. In this case, the military headquarters is established as 'joint HQ' and internal balance is provided through equality of two senior professional positions – the senior military officer and the senior civilian administrator. In case of divergence between civilian and military expertise, the arbiter is the minister of defence. The highest level of the defence organisation is integrated – departments with civilian and military personnel produce joint expertise and advice based on consensus.

In any case, there is a principal question about the distinction between the elected political leadership and the professional civilian and military administrators: can professional staff assist the politicians in defence policy formulation and implementation without jeopardizing their identity as managers grounded in the value of efficiency? Professional administrative officers and senior military staff play a unique role in a democratic political system. They operate at the intersection between the political and administrative worlds (plus the operational command in the case of defence) and determine both the way democracy operates in favour of the public interest and the efficiency of defence policy in providing a 'defence product' for the limited national resources dedicated to defence. Despite the desire of these managers and commanders

simply to do their job, they cannot avoid the fact that their role places them on a very prominent stage thus ensuring continuous examination of their roles, responsibilities and values as they continue serving the needs of elected officials who are operating in an even more challenging environment.[22]

In order to resolve the dichotomy between political and administrative roles, some countries place political appointees within the administrative structure of the Ministry of Defence. Usually, these are directors or chiefs of departments of critical importance for the formulation and implementation of the defence policy. Normally their positions are explicitly defined in a normative document. This is necessary to avoid eventual attempts at politicisation of the defence administration. In some cases, the legal norm defines how many employees the minister may assign on political principles. A number of governments have identified the need for a flexible approach, particularly in areas such as international military co-operation, defence policy and planning, and resource management. All political appointees come in service with the minister and can leave with his or her departure without labour rights concerns. In any case, the introduction of 'political appointees' requires precise legislative regulation.

Leadership

The defence institution is maybe the only one among all governmental agencies that definitely depends on leadership. Preparing to elaborate an integral defence management concept, it is important to understand the difference between management and leadership. A strong and charismatic leadership in defence can overcome most management insufficiencies, which is a rare occurance in large for-profit organisations. Leaders get organisations and people to change. As Michael Maccoby puts it, management is a function that must be exercised in any business while leadership is a relationship between the leader and the led that can energise an organisation.[23]

According to the current wisdom, managers are principally administrators – they write plans, set budgets, monitor performance and evaluate progress. In every large organisation, the management function is actually exercised by a number of managers at different levels – it is not necessary for all functions to be performed by the same people. This means that the team of managers, more than any one of them individually, is most important for the success of the organisation. Moreover, some functions

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[22] Questions asked by professor (Department of Public Administration, University of Kansas) and mayor John Nalbandian, "Reflections of a 'Pracademic' on the Logic of Politics and Administration," *Public Administration Review* 54, no. 6 (November-December 1994): 531-536.

[23] Michael Maccoby, "Understanding the Difference between Management and Leadership," *Research Technology Management* 43, no. 1 (January-February 2000): 57-59.

LEADERSHIP	MANAGEMENT
Leadership is an integrating relationship	Managers lead only by compelling people to follow their directions
Leaders use passion and stir emotions in organising people	The manager uses a formal, rational method of organising people
Leaders think innovatively	Managers think incrementally
Leaders follow their own intuition, which may be of more benefit to the defence institution	Managers do things 'by the book' and follow the institution's formal procedures
Institutions are often more loyal to a leader than to a manager	When a new leader is dedicated to changes, a conflict with traditional managers may arise
The leader is followed	The manager oversees
The leader believes that the organisation could work better	A manager knows how each layer of the system works

Figure 1: Key Differences between Leadership and Management.

can be performed by the team (department, sector, production unit), while others can be delegated to individual managers, thus freeing the team to do what they see as their primary job, i.e., a group of designers could delegate the administration to a manager. In this context, the manager is a leader only in the sense that the people are obliged to follow his directions related to a particular function.

In defence, leadership is of strategic importance. Its role is not only to build an honest vision for the future of national defence, the armed forces, and the people in defence, to formulate a credible strategy, to propose an adequate organisation to execute the strategy and to provide this organisation with necessary resources, but also to identify talent (people capable of performing the key jobs), to motivate these individuals to work productively and innovatively, to lead the organisation through all managerial functions and, generally, to build trust and confidence.

Command and Control

Command and control is an instrument and mechanism for producing concrete product(s) or value (for example, the accomplishment of a military mission). Command and control is about focusing the efforts of a number of entities (individuals and units) and resources towards the achievement of some task, objective, or goal. From this point of view, at the level of conceptualisation, command and control can be another synonym

of management. The similarity is visible especially when management is explained by a model of the overall decision-making process.

The NATO glossary defines 'command' as "the authority vested in an individual of the armed forces for the direction, coordination, and control of military forces," which is understood to include the respective responsibilities and activities in the implementation of orders related to the execution of operations.[24] Likewise, the U.S. *DoD Dictionary of Military and Associated Terms* defines 'Command and Control' as the "exercise of authority and direction by a properly designated commander over assigned and attached forces in the accomplishment of the mission...."[25]

However, militaries in different countries have specific experience in exercising command and control (C2).[26] Therefore, experts advise not to copy NATO, U.S. or another country's definition or model, but to focus on understanding the paradigm and the potential of a particular approach to command and control in order to develop a construct applicable to one's own realities. David S. Alberts and Richard E. Hayes present the philosophy of command and control exactly from this point of view.[27] They explain command and control through the prism of potentially universal application and define the following C2 functions as essential:

- Establishing intent: From the point of view of command, intent can be defined as a "concise expression of the purpose of the operation and the desired end state. It may also include the commander's assessment of the adversary commander's intent and an assessment of where and how much risk is acceptable during the operation."[28] In this definition, 'commander' is not limited to a particular level of command or to the civilian or military capacity of the commander. Having an adequate intent is not sufficient; the commander has also to express it adequately to guarantee that the staff and/or war-fighters understand and share his intent. Intent should also match the overall national security or national defence strategy.
- Determining roles, responsibilities, and relationships: Traditional notions of

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[24] *NATO Glossary of Terms and Definitions*, AAP-6(2008) (NATO Standardization Agency, 1 April 2008).

[25] *Department of Defense Dictionary of Military and Associated Terms*, Joint Publication 1-02 (Washington, D.C.: Joint Chiefs of Staff, 12 April 2001, as amended through 30 May 2008).

[26] Readers interested in the evolution of U.S. and other C2 concepts and models can find useful information at the website of the *Command and Control Research Program*, www.dodccrp.org.

[27] David S. Alberts and Richard E. Hayes, *Understanding Command and Control* (Washington, D.C.: Center for Advanced Concepts and Technology, 2006).

[28] *Department of Defense Dictionary of Military and Associated Terms*.

command and control assume a set of predefined hierarchical relationships that, for the most part, are fixed. But neither the existence of a hierarchy nor the static nature of relationships and assignments may be assumed. Roles, responsibilities, and relationships may be a result of self-organisation and may also change depending on time and circumstances. The determination of roles, responsibilities and relationships serves to enable, encourage and constrain specific types of behaviour. Within modern concepts such as network-centric warfare, collaboration is one such type of behaviour. David Alberts and Richard Hayes propose that assessments of the quality of a defence institution, i.e., the ability of a particular arrangement of roles, responsibilities, and relationships and their dynamics to perform the functions needed to accomplish intended tasks, should include consideration of: 1) the completeness of role allocation (are all necessary roles and responsibilities assigned?); 2) the existence of needed relationships; and 3) whether or not the assignees know and understand what is expected of them (in implementation of their roles). Issues of role overlap and role gaps are also relevant.[29]

- Establishing rules and constraints: A set of fixed and variable rules and constraints should be established within the command and control system. The rules and constraints reflecting a country's specific cultural, social, and behavioural customs and the traditions of its defence institution are fixed. Those that reflect the evolution of defence missions, environment, doctrine, capabilities and the flexible rules of engagement are variable. The extent to which established rules and constraints are understood, accepted and followed determines one of the important facets of the quality of command and control.
- Monitoring and assessing the situation and progress: One of the principles of defence performance is that it is based on first developing plans that should be executed later – after adequate organisational work and preparation. The whole set of initial conditions and preparation is subject to change. Thus, an integral part of any command and control system is how changes are recognised and adjustments are made. Monitoring and assessing any approach to command and control should cover the entire situation, its development and the overall process of planning, preparing and executing missions.
- Inspiring, motivating, and engendering trust: These three interrelated functions, normally associated with leadership, determine: 1) the extent to which individual participants are willing to contribute; and 2) the nature of the interactions that take place. The effects, the degree to which participants are inspired, motivated, and trust each other, and the products and services that

[29] Alberts and Hayes, *Understanding Command and Control,* 41.

are provided potentially affect transactions across the information, cognitive and social domains. The objects of trust are varied and include individuals, organisations and information collectors, as well as equipment and systems.[30]

- Training and education: Any system of command and control inevitably requires specific knowledge and skills that are products of education and training. This does not mean of course that the introduction of revolutionary military technologies leads to a requirement to educate all soldiers as engineers.
- Provisioning: The resources available constitute a critical factor in determining the feasibility of satisfying intent and the appropriateness of organisational arrangements. How well resources are allocated and utilised is often the determining factor in whether or not the intended purpose is achieved. Resource provisioning must be examined from both the institutional and mission perspectives, as well as from short- and long-term perspectives. The institutional long-term perspective relates to the development of defence capabilities. Provisioning in a mission context is almost always focused on the short-term and is about allocating available resources and sustaining operational efforts over time.

David Alberts and Richard Hayes provide evidence that these core functions are associated with command and control of any defence institution or mission. The functions may be carried out in many different ways. These differences boil down to how authority and relationships are determined, how decision rights are distributed, the nature of the processes involved, how information flows and the distribution of awareness. Specifying how these functions are performed determines the particular command and control approach and model.

Towards a Concept of Defence Management

The elaboration of a coherent concept for managing a defence institution is deeply rooted in the question: how unique is national defence compared to other national civic institutions? Answers can be found throughout the wide range of theoretical options and practices – between 'completely different,' 'different in some aspects only,' and 'completely civic.' If the focus is on the democratic spectrum of political organisation of societies, the answers depend on the sense of liberalism in a particular society. The three options differ in both subtle and unsubtle ways.

In the first case, 'completely different' could mean total exceptionalism of defence from the system of national civil service in terms of legal status, regulations, human and citizen rights, organisation of non-military segments, procedures for resource allo-

[30] Ibid., 43-44.

cation, transparency and accountability.

In the second case, 'different in some aspects only' means that a particular society and state have a comprehensive set of national security instruments that, as a system, are designed to meet the public demands of security. Hence, defence should be distinguished from other civil institutions only in extraordinary situations or issues.

The third case, 'completely civic,' is usually seen in mature liberal democracies where a well developed society has established mechanisms for full objective and subjective control and responsibility of security sector institutions. Powerful and effective civil control puts the state institutions, including national defence, on equal footing.

In their recent study, Tansu Demir and Ronal Nyhan argue that the dichotomy between politics and administration continues to influence public administration, mainly because many administrators still promote the ethics of their neutral competence to protect their independence from political intrusions.[31] This is particularly important in defence where the disassociation of the military from politics is not only important for the institution, it is even vital for the society. In any case, in the development of a modern defence institution a way should be found to resolve the strenuous relationships among the three principal functional areas of defence – the areas of politics, administration and command with distinct purposes. A clear division of authority and labour is required between politicians, managers and commanders, while maintaining the cohesion of the institution and the coordination of all organisational processes. This is very challenging and every country decides in its own way, based on historical traditions, social development and overall bureaucratic culture.

Social Systems Approach

A defence ministry is a large, highly complex organisation no matter the size of the national armed forces. Harold Leavitt has described such organisations as a "lively set of interrelated systems designed to perform complicated tasks."[32] Understanding the modern defence institution begins with recognising that national defence as a political and social function of the state/government is performed in a social systems context. Notwithstanding how well draft decisions on national defence are supported by information and analyses, their final version is determined by foreign policy considerations, internal politics, intra-governmental affairs, public-private relations and even individual behaviour. With the end of the former ideological and strategic struggle and the ongoing rapid advances of globalisation and informatisation, the political and social envi ronment changes quickly and in various ways. Modern public affairs are complex, di-

[31] Demir and Nyhan, "The Politics-Administration Dichotomy: An Empirical Search for Correspondence between Theory and Practice," 81.

[32] Harold J. Leavitt, *Managerial Psychology: An Introduction to Individuals, Pairs, and Groups in Organizations* (Chicago, IL: The University of Chicago Press, 1972), Chapter 24.

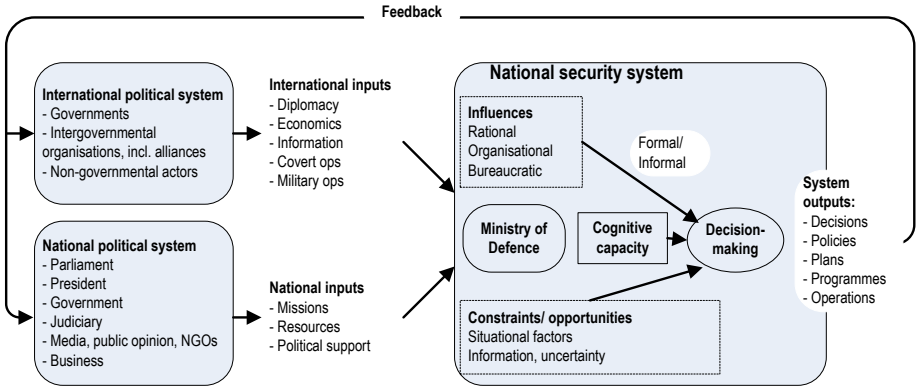

Figure 2: System Perspective on Defence Policy Decision-making.

verse and dynamic. Modern defence management is also complex, diverse and dynamic. A useful approach to explain the scope of the governance of defence is to define it in operational terms – what is it, what does it aim for, and how does it benefit society and the defence institution itself.

Following this line of thinking and basic management theory, it is useful to consider the external and internal contexts of defence management as interacting systems of a social nature.[33] Apparently, the defence institution is located among the most comprehensive social systems – the international political system to which the country belongs and the particular national social system. Both have distinct, and in many cases very different, types of 'input' into defence management (Figure 2).[34]

The international system exerts influence through the spread of threat perceptions, diplomatic manoeuvres, military technology developments, and creation of alliances and ad-hoc coalitions, among others. The international system is multi-dimensional and generally there is considerable conflict within it. Nevertheless, the most important members use direct relations or international norms and organisations to limit that conflict in its nuclear, ecological, human or trade dimensions. The term 'democratic community' may seem artificial to some but it does explain the policies (including the defence policies) of those governments that share common values and threat perceptions and contribute to the prevention, pre-emption and resolution of conflicts. While

[33] Briefly, a social system consists of two or more socially recognised actors who interact in variety of ways in achieving a common purpose or goal.

[34] An adapted version of a diagram used by Richard Norton in "Policy Making and Process: A Guide to Case Analysis," in *Case Studies in Policy Making*, ed. Hayat Alvi-Aziz and Stephen F. Knott, 11th edition (Newport, RI: Naval War College Press, 2008).

the international system is dominated by the behaviour of states, international inputs to national defence policies are also determined by the impact of international security and defence organisations and by non-governmental actors of a social (e.g., Amnesty International, Greenpeace) or business nature.

The national system defines the roles and mission of a defence institution, its strategy and organisation and provides available resources based mainly on the social perception for security-insecurity. Chronically insecure societies are suspicious, irritable and radical in terms of their social and political behaviour. Generally speaking, they are prone to making greater cutbacks of civil and democratic freedoms and radical decisions on regulations, defence budgets, and large-scale restructuring and contingency measures are adopted with relative ease. The defence institution itself should be capable of assimilating all these inputs using its cognitive capacity and producing outputs that both the national and international system expect to be rational and adequate in the circumstances. The organisational architecture is important during the respective process but more decisive is the influence of the bureaucratic culture, organisational behaviour and the people in the institution. For these reasons, no ministry of defence is equal to another even in mature democracies. To illustrate this statement, a defence manager failing to see the people behind institutional charts is a recipe for disaster.

In summary, the international and national political systems provide complex, continuous strategic and situational inputs into the defence policy decision making process. They may also be seen as 'customers' of the national 'defence product.' Of highest importance to defence policymaking is the international security environment, the foreign policy and security profile of the country, the governmental defence policy process and the roles of different stakeholders in its formulation and implementation.

The defence institution itself can be examined as a specific social system. It possesses all characteristics of the entire society such as traditions, culture, dynamics, internal relations, including the particularities during political transformation from totalitarianism towards democracy. The defence institution is crafted by people with their particular culture, interests and priorities that vary not only from one country to another but also, depending on a certain 'historical time,' personal agendas or goals.[35]

It has a specific organisation and operates under (frequently) unique norms, regulations and procedures in order to transform financial, material, human, and informational resources, dedicated by the society, into a 'defence product.' All this represents the internal context of defence management. Its particular aspect is that decision making on most important defence issues is not closed within the defence ministry, not even within the government.

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[35] Thomas C. Bruneau, *Ministries of Defense and Democratic Civil-Military Relations*, Faculty research papers (Monterey, CA: Center for Civil-Military Relations, Naval Postgraduate School, 2001).

The head of the state and especially the legislative branch play specific roles that in many cases reflect the specific national division and balance of political power, not only the rationale on defence matters. All these together represent the unique element of defence management – its fundamental civil-military character. The civil-military relations have pivotal role in defence management and that is exactly what makes defence different from any other governmental agency.

The articulation, strategic balancing and protection of the interests of national centres of political power are all responsibilities of the civilian leadership, while implementation is about the military. This sets the stage for a conflict. The conflict is essential and 'natural' for a democratic society and defence governance is dedicated to overcome it through the power of leadership and use of management skills. This is the moment to underline that only in this context the use of merely business management practices to run national defence is associated with failures. So are ambitions to apply completely bureaucratised planning and budgeting procedures that ignore advances made in business management.

In brief, the most important contextual internal shapers of defence policy are the defence institution with its human, financial and material resources, the national military doctrine and the maturity of national civil-military relations.

Integrated Context of Defence Management

In making defence management a rational instrument for defence institution-building, reform or transformation begins with recognising that all parties involved—politicians, managers and commanders—operate in specific external and internal contexts. It is important for politicians, managers, and commanders to understand and recognise how these contextual specifics influence the development of the defence institution and its performance. The continuum of defence policy formulation, implementation and evaluation describes the integrity of the external and internal context of defence institution (Figure 3).

The output ('product') of the defence system in a social context is generally the public and social sense of security and the defence and military capabilities that can be used by the government in different forms for variety of purposes. The measurement of the 'defence product' is a specific management problem. The existence of multiple stakeholders prescribes different evaluators – what is good for the minister of defence may not satisfy the requirements of senior military; what satisfies the military may not be accepted by the society, and so on.

From the point of view of business management, the assessment of the defence product is also complicated by the absence of 'competitors' or a 'market test.' This is so even inside of the military system of services. The fact that each military service—Army, Navy, or Air Force—has unique capabilities, doctrine, culture, and traditions

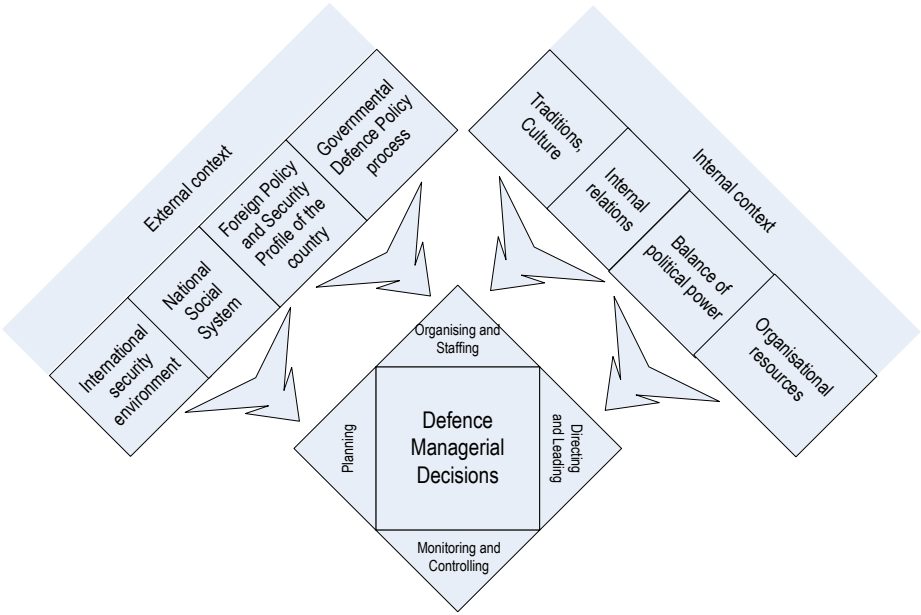

Figure 3: Internal and External Context of Defence Management.

creates another stage for conflict that the leadership should manage using mainly management techniques. In a more general context, the ambiguous relationship between organisational outputs and international outcomes makes it difficult to determine the contribution to national security of all security sector agencies. This is an area where perceptions and ideology may be as relevant as the actual data – measuring outputs is complicated by social, political, international and psychological factors.

Conclusion

Defence management employs a vast set of working methods such as operational, system and structural analyses, planning and programming, modelling and simulation, creation of alternatives, measuring performance and process improvement, project management, assessment of risks and many other methods and techniques applicable to different aspects of formulating and implementing a defence policy. It is the primary tool supporting any effort towards defence transformation.

Detailed examination of several defence management topics is provided in the follow on chapters. This chapter provided an elaboration of the differences among the notions of governance, management, administration, leadership and command, as well as of the role of civil-military relations in making the management of the defence or-

ganisation unique among all other state institutions and business organisations. Thus, the chapter sets a proper context for detailed studies of defence management, as well as for any attempt to enhance certain defence management mechanisms and the defence institution as a whole.