

## THE ARMY'S ERA OF MANAGEMENT

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From a scientific point of view, this is the era of atomic power and supersonic speed. From a military point of view, this is the era of increased firepower, mobility, and flexibility. From an industrial point of view, this is the era of improved management. The role of good management in the United States Army has become of increasing importance in supporting the Army's mission of providing for national security.

Prior to World War II each Army post, camp, and station had a distinct individuality generally reflecting that of the commanding officer. In these enclaves there were almost as many standards of management as there were posts. The day is past when such diversity in management procedures is acceptable. There is room for only one standard of management -- the most efficient and best.

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Numbering over a million soldiers and 400,000 civilians directly associated with it, the Army is a great fighting organization and at the same time, a great administrative organization. The two cannot be separated because they are a unit of effort. The Army administrator in his office contributes directly to the success of the fighting leader in the field who, in turn, must administer intelligently and efficiently the combat unit which he commands.

As applied to the Army to describe its administration operations, the term "big business" is not an exaggeration. Many people like to compare the size of the Army with the size of private corporations, although obviously the two are not entirely comparable. The purpose of a business is to produce profits; whereas the Army's purpose is to produce security, a product which cannot be measured in dollars and cents. Yet to carry out its mission, the Army is necessarily one of the world's largest organizations conducting business-type operations.

The size of the Army and its deployment throughout the world create management problems that did not exist prior to World War II when military forces were smaller. Weapons, ammunition, vehicles, and other equipment are much more costly today than before. The new weapons and equipment add new possibilities to the strategical and

tactical employment of Army forces but also add increased costs to Army budgets. To pay these bills, the Army must hold down administrative costs. To this end, we look to improved management to assure that not a dollar is wasted or diverted from our primary purpose of having a combat-ready Army.

The conduct of Army business is a challenge to our leaders. To do their jobs, they must have considerable knowledge of science, finance, engineering, and business methods. They need to keep abreast of the latest techniques in many fields of management. Some of these techniques are readily available for adoption from the civilian world; others peculiar to military requirements must be devised within the Army itself.

There is constant activity in the Army to improve its business procedures. To cite a few examples, I would mention the following: management appraisal surveys of selected organizations, such as depots, Technical Services, and installations to include small elements, such as motor pools and processing points for personnel; studies of major functions such as procurement, storage, issue, and reclamation; reviews of administrative procedures, such as the volume and flow of paper work; and surveys of the utilization of manpower, materiel, and facilities. The Incentive Awards Program stimulates improvement in various areas by offering incentives to new ideas and by helping to instill the need for

improvement and cost consciousness in the minds of all Army personnel, both civilian and military. Almost 62,000 separate suggestions were submitted during FY 1955, which benefited the Army by over \$20 million during one year.

In the Army, as in any other large organization, efficiency depends to a large degree upon the ability to identify and reward deserving personnel. For several years the Army has been developing a method for measuring the work performed in non-tactical operations under the name of Performance Analysis. By this procedure, we undertake to determine the productivity of manpower by relating the time expended in doing a piece of work to the number of man hours which should have been spent according to an established standard. Thus it is possible to determine a relationship between individual and ideal performance. This approach gives a way of measuring the effectiveness of individuals and their relative contributions to the attainment of the job objective. Thus, the ideal standard established by the system becomes a sort of par for the execution of the work and provides an incentive to the workmen to reach that par.

The Army gives recognition in its school system to the need for better trained military and civilian managers. Courses have been incorporated emphasizing general management, management engineering, and financial management.

Under the training program for general management, the Army school system provides officer courses on present-day concepts of management and upon new developments in administration. These management subjects are given progressively increased emphasis as officer students advance through the various echelons of the school system. Whereas in the past, the school curricula included almost exclusively tactical instruction, now they give due recognition to the fact that an officer spends perhaps half of his time in non-tactical installations in positions requiring a business type of training.

At the top of the management training program in the school system is the Command Management School at Fort Belvoir which gives senior officers and key civilians advanced training in this field. The course lasts for three weeks and each year accommodates about ten classes of 50 students each.

The Army also utilizes the civilian school system to supplement instruction in general management. It sends officers to special management courses such as those at Harvard and Pittsburgh Universities. Here our officers exchange experiences with their counterparts in private industry to the mutual benefit of soldier and civilian. Through these mutually beneficial contacts, the Army has access to the best management concepts and practices in the civilian world.

The Army has a mounting requirement for technicians who specialize in various aspects of management. In order to develop individuals of this sort, the Ordnance Corps operates a Management and Industrial Engineering School at Rock Island Arsenal. This valuable institution is available to train personnel drawn from the entire Army. It provides a series of short, intensive courses in various analytical and control techniques which are needed by the engineers and operators of the industrial type activities of the Army. To date, about 5,000 students have completed these courses which range from management seminars to studies of work planning and control.

Excess paper work has always been a plague in the Army and the bane of the junior officer. Effective steps are being taken to reduce the volume of paper work wherever found. As a result, the Second Hoover Commission's Task Force on Paper Work Management noted that the Army had less paper work on a per capita basis than many large private companies. By rigidly restricting the creation of new reports, by improving the design of forms, by expediting the disposition of records, and by reducing the over-all number of documents printed it is possible to make continuous progress in this fight against excess paper work.

Among the important Army management programs, the Army Program System adopted in 1950 deserves particular attention. This system provides a method for directing and administering the Army's

varied activities which are grouped into functional areas called Programs. This is the Army's method of telling widely dispersed commanders what to do and how to do it. In addition, the Programs provide guidance as to the necessary men, money, and materiel needed to accomplish assigned tasks.

As in the case of big industry, the first step in Army programming is a determination of over-all objectives in functional fields such as personnel, materiel, and facilities. Then, specific objectives are established and published in program documents along with the necessary supporting policies and schedules. In turn, the operating agency, such as an overseas command or a technical service, prepares more detailed plans in support of those emanating from higher authority.

The Program System operates at all levels of command. At the Department of Army level are the over-all programs of work to be accomplished by the entire Army. Throughout the chain of command, each command receives guidance from the next higher echelon in formulating its own plan of operation. In this way the entire Army is tied together with common, planned objectives, each organization carrying out its portion of the total effort.

Planning and executing a program are two management steps which are obviously necessary to accomplish objectives or missions. However, it is also imperative to review and analyze the progress being made in

carrying out the plans, so that we may know not only where we have been, but also where we are going, and how well we are doing. Much as an industry continually studies trends in sales and adjusts its production to them, the Army constantly reviews its programming in the light of changing world conditions, manpower ceilings, and other factors that might require a modification of the Programs. By such a periodic review and analysis we gauge our progress, maintain synchronization of operations, and set new goals when necessary.

Within the last few years, the Army has also developed a financial management plan to assist management both at the departmental level and at subordinate command levels. It consists of six elements: cost of performance budget, financial property accounting, stock funds, consumer funds, integrated accounting, and internal audit. A major goal is the development of the cost of performance budget, whose successful development and use depends on many of the other elements. Such a budget will enable a commander to forecast his need for resources by applying the costs of doing the work. Under the old plan, the commander was given, not money, but free issue of supplies. Now, if he is to live within his cost budget, the local commander must spend his money wisely and only for those items which are essential to accomplish his mission. The value of this new system is that, by giving the consumer -- that is the local commander -- money, and by requiring him to purchase his

supplies with that money, he will be in a position to exercise more careful accounting of the financial value of resources required to carry out his mission.

The various elements of the Financial Management Plan have been tied together in a single operating system, called the Army Command Management System. There are two aspects of this system, one for Class I activities, and the other for depots. The Class I Command Management System, already in operation at Fort Jackson, Fort Gordon, and the Military District of Georgia, is a systematic procedure for relating financial operations to the installation's programs from their inception, and also for concurrently evaluating performance in financial terms. It provides the commander and his staff with operating statements which reveal actual budget costs compared with original budget estimates, the manpower used compared with original estimates, and the effectiveness of the performance of personnel.

The Depot Command Management System applies to depots the same general objectives as the Class I Command Management System, and is already installed at Letterkenny Ordnance Depot and the Atlanta General Depot. Present plans for Army-wide use of the Command Management System are well advanced throughout the continental United States. They should be completed and in operation during FY 1957.

Men, Money, and Materiel have been the traditional "Ms" in our logistical equation. But the complexity and extent of our logistical activities are such that we must impose the fourth "M" -- Management -- on our operations to produce a combat-ready Army. No other military service has forces deployed so widely about the globe as does the U. S. Army. In consequence, our management personnel must plan and operate against unusual time and space factors. The Army logistical staff must not only provide a large volume of supplies to its using units, but must also seek to simplify logistical operations, increase operational effectiveness, and decrease costs.

Logistics management involves more than the procurement and distribution of supplies. It involves the use of people as well. The proper handling of manpower is more essential to over-all success than the handling of supplies. The efficient management of over one million men requires the highest order of leadership to derive the maximum contribution from their aptitudes and potentialities. They must be properly selected, assigned, and trained. The effective must be recognized and rewarded, the ineffective identified and retrained or replaced. Directing these operations we need able professional leaders.

Good management is, indeed, merely one expression of good leadership. Today, the good commander must also be the good manager.

In many ways, it is more difficult to provide effective leadership in the management field than in the tactical field, but it is as essential in the office as on the battlefield. It is the purpose of the Army to develop leaders in management who will display in our offices, shops, and depots the universal qualities of leadership: professional competence, human understanding, and personal integrity. With such men in charge of Army business, there can be no question about the effective use of the national resources made available to the Army.

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