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Business Analogies at War: Insights from the world of business strategy

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THE business strategy literature has relied heavily on the military metaphor, equating the market place with the battlefield and the CEO with the general. However, if the metaphor is reversed, what light, if any, can contemporary thinking on business strategy shed on the way militaries make strategy?

There is one important reason for reversing the metaphor – business strategy literature has advanced considerably more than that on military strategy. The main reason for this, of course, is that the firm, under globalisation and the impact of the New Economy, has transformed so dramatically that alternative paradigms have emerged to challenge the classical orthodoxy. By contrast, the military remains largely mired in what Alvin Toffler has referred to as the ‘Second Industrial Revolution’ paradigm: hierarchical, centralized, and with a clear-cut separation of thinkers/planners from doers/implementers. All this is in spite of the advances in information technologies and systems, and the revolution in military affairs (RMA).

Clearly, there are limits to which the business metaphor can apply to the military affairs. Business is not war despite the propensity of popular business writers to conflate the two. Moreover, militaries differ from firms in many important ways. They differ to businesses internally in terms of chains of command and the amount of autonomy sub-units may enjoy and also externally in terms of the military’s relationship to the broader social-institutional milieu and its political masters. However, using insights from the business world could prove instructive in broadening the imagination in thinking about military strategies and organisations.

Classical Strategy: Hallmarks and Pitfalls

Classical strategy making, best personified by the military, is underpinned by a rational worldview. It is characterised by objective analysis, clear articulation of goals, the separation of conception from execution and a commitment to outcome-maximising behaviour. Furthermore, like the military, classicists view the strategy-making process as a rational and deliberate process of long-term planning where strategy emerges fully formed and ready for implementation. There is also an assumed natural convergence of conception, actions and resources towards objectives

Central to the classical school of both war-making and business planning is the heroic figure of the general/CEO, the key individual with whom responsibility and decision-making power

are concentrated. More than that, planning is done in the general's bunker or in the corporate boardroom, overlooking the military or business battlefield but sufficiently removed to afford safety and objectivity. An additional implication of this is that individual genius, be it Rommel or Iacocca, is the key determinant of victory. Hence, the implementation of strategy is a distinct phase from that of strategy formulation. Furthermore, the actual execution of strategy is assumed to be relatively straightforward, given the discipline of military/corporate hierarchy and culture. What this means is that, given the more prestigious status accorded to the planners, a failure of strategy more often than not is regarded as a failure of execution, not formulation.

An Alternative Perspective on Strategy

An alternative school of thought, emerging in the 1970s focusing on processes criticises the classical paradigm on two fronts - the assumption of rationality and the separation of formulation from implementation. It is this alternative school of thought that may have repercussions on the manner in which militaries are organised.

The first prong of the critique loosens the economic assumptions underpinning classical strategy by questioning the limits of human cognition as well as emphasising the idea that planners often operate under conditions of incomplete information and uncertainty. Incomplete information, coupled with the internal politics, means that strategy-making is better framed as a 'step-by-step' process, rather than a 'once-and-for-all' exercise. Strategies do not emerge fully-formed, but are in the continuous process of unfolding. In other words, strategies are not formulated, but *formed*. This sense of 'muddling through', reflecting internal political bargaining and bounded rationality, stands in stark contrast to the classicists' long-run grand designs. The classical paradigm fails to accommodate strategies that unfold in a Darwinian fashion; instead, strategy is seen as the grand conception of a visionary designer.

Because of cognitive limitations and biases, strategy planners also tend to accept the first satisfactory outcome instead of the most optimal one, usually doing this through the adherence to established routines and standard operating procedures. This then reinforces the strategic conservatism often present in organisations. Furthermore, by challenging the classicists' assumption of the organisation as a unitary, economic actor, the process-oriented perspective is able to account for the various interests entrenched in different departments or sub-units and to highlight the political processes of bargaining and compromise that very often shape how strategy is made.

The second prong of the critique focuses on the separation of planners from doers. The classical view of 'formulation first, then implementation' implies that structure follows from strategy, usually in a problem-free fashion. In other words, once strategy is formulated, organisational structure is transformed and adapted in order to execute the strategy. The process-oriented critique recasts this sequence as a dialectical one: inasmuch as strategy shapes structure, so too can strategy be shaped by existing structures and other parameters. Indeed, given organisational inertia and embedded interests, structure not only fails to fit strategies, but can also thwart them. Furthermore, by perpetuating the formulation-implementation dichotomy, strategy becomes a top-down driven process with little or no significant feedback mechanisms, where often the insight and first-hand experience of floor managers/company commanders or factory-workers/infantrymen are ignored.

At an even more basic level, formal strategic planning requires a high degree of stability and continuity. Analyses and forecasting are activities that are possible only if planners can ‘freeze frame’ the world. Strategies built on formal analyses then act as mechanisms that focus the military organisation on its goals. Unfortunately, strategies can also block out peripheral vision and hinder organisations’ ability to react to unanticipated externalities. The more clearly articulated the strategy, the more embedded it becomes in the organisation’s habits and in the minds of its planners. In business parlance, strategies impinge on the ability of militaries to *learn*.

Lessons from Business Strategy-Making

Admittedly, the jump from the business world to the military one is difficult despite the striking similarities. For one thing, cutting-edge business practices are possible because of the greater flexibility with which firms are able to evolve, adapt and even radically transform themselves. The comparative lack of flexibility and dynamism in militaries is more often the result of the constraints of politics, the nature of warfare and national security itself. It is at this point where the attempt to reverse the metaphor runs into difficulties: the deadly nature of warfare, and the different meanings of victory and defeat, make for a much more conservative organisational structure. They render hierarchy and chains of command more crucial than otherwise in the business world.

It may be unrealistic to expect militaries to implement such process-oriented recommendations. Even as the skill and education levels improve and greater autonomy is granted to sub-units, the military remains a bureaucracy *par excellence*. In any case, militaries continue to operate constraints laid on them by their political masters. What alternative business strategy thinking can at least do is to remind military planners of the pitfalls and limitations of classical strategy planning.

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