

**Bleeding Talent: How the U.S. Military Mismanages Great Leaders and Why It's Time for a Revolution**

By Tim Kane

Palgrave Macmillan, 2012

288 pp. \$30

ISBN: 978-0-230-39127-7

Reviewed by

LINDSAY L. RODMAN

**T**im Kane's January 2011 article entitled "Why Our Best Officers are Leaving," published in *The Atlantic*, gave the world a preview of his new book and was the focal point of conversation across the officer ranks of the U.S. military. In early 2011, American military officers were nodding in agreement with the results of Kane's study regarding Army officers' decisions to stay in or leave the military. His article and book focus specifically on a sample of West Point graduates and their experience, but the outcomes and conclusions of his survey resonated across the Services.

The highlights of Kane's study are summed up in the answers to three questions:

- The most common answer to why officers left the military was frustration with the military bureaucracy (82 percent of respondents with 50 percent strongly agreeing).

- Ninety-three percent of respondents believed that most of the best officers leave the military early rather than serving a full career.

- Many of the best officers who leave the Service would stay if the military were more fully a meritocracy (90 percent).

*Bleeding Talent* makes a case based on this study, external data from the private

sector, and anecdotes that the military is a major source of great leaders and vital entrepreneurial thought. Veterans are disproportionately represented at the highest levels of American business. Yet the military has historically had trouble retaining that talent and applying it internally to spur entrepreneurialism within the military.

Aside from the survey itself, it is through anecdotes that Kane's depiction of mismanagement of high-performing field-grade officers will have real staying power with the reader. The most famous of these is the case of John Nagl—a prominent counterinsurgency specialist with substantial intellectual heft and educational pedigree—who left the Army as a lieutenant colonel after 18 years of service, just 2 years shy of a military pension and obvious qualification for promotion to colonel. Put simply, Nagl saw better opportunity on the outside for career advancement and to capitalize on his talents. A less-known and perhaps more telling anecdote is the story of Major Dick Hewitt, an Army officer who was hand selected for a prime command position in Korea that would have torn his family apart. Rather than sacrifice family for career, he left the Service in favor of eventual success as an entrepreneur in finance in central California. The ironic coda to this story is that Hewitt later met another of the command-selected officers who chose to stay in the Army despite being assigned to another duty station that did not work well for his family. After comparing circumstances, Hewitt discovered that the other officer had been assigned to a duty station that would have worked well for Hewitt's family; the other officer's wife was Korean, and she would have enjoyed being stationed in Korea. Had the manpower system allowed or enabled that conversation to happen earlier, both outstanding officers would have remained in the Service.

Kane uses this analysis to argue on behalf of a free market system that he calls the Total Volunteer Force (TVF) that would overhaul and revolutionize the military manpower system. He argues that a more flexible TVF would enable officers to move in and out of the military, and among billet assignments within the military, using human resource managers who are able to match talent, preference, and needs of the Service better than the military's current system of pairing virtually any free qualified mover with any free billet.

Kane himself acknowledges what a long shot his proposal is. However, even if the reader is unwilling to go as far as the author in terms of the solution, Kane presents a real and serious problem and makes a convincing case that the Defense Officer Personnel Management Act needs reform. His appendix is perhaps the most useful part of the book. There, Kane provides detailed results of his survey, complete with useful analysis and guidance in its interpretation. For those officers with whom Kane's original article resonated, the appendix provides the opportunity to dig deeply into academic analysis of the problem.

The military is rampant with griping about manpower assignments, distribution of special programs and incentives, and the general lack of meritocracy. While such complaints are bound to exist in any organization as a part of general human nature, this study starts to define a real problem and begins the process of forming potential solution sets. By surveying a broad range of West Point graduates and framing their responses in a thoughtful and accessible format, *Bleeding Talent* provides a voice for those officers within the system who are clamoring to be heard.

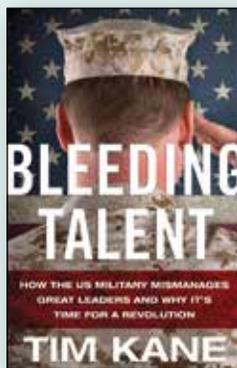
The concern among officers about the manpower system is more pronounced because of current and pending fiscal austerity measures and therefore merits attention and consideration at the highest levels of Pentagon leadership. Commentators across the defense world have produced numerous articles in the past few months about how to cut costs and downsize without significantly degrading our national security capability. The easiest way to cut, however, and the approach taken thus far, has been across-the-board reductions. In manpower terms, this translates into encouraging attrition, regardless of who is leaving, in order to draw down as quickly as possible.

Kane's book should be a cautionary tale. For each anecdote involving a successful, promising, entrepreneurial, and charismatic officer leaving the Service because it was unable to capitalize on his talent (unfortunately, there are no anecdotes about women), our leaders and policymakers should be considering manpower reform that would entice them to stay. We will face problems in the future that our leaders will have to solve with fewer resources and less manpower. We need our top entrepreneurs, most creative thinkers, and most talented leaders to ensure

that we do not end up with a hollow force. Kane's book has provided a useful resource with important insights that should be at the forefront of our concerns as we continue to reshape our force structure into the future.

## JFQ

**Captain Lindsay L. Rodman, USMC, is a Judge Advocate currently stationed at Judge Advocate Division, Headquarters Marine Corps.**



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In the *Chairman's Strategic Direction to the Joint Force*, General Martin Dempsey states that "In the years to come, our Joint Force will face several challenging transitions. We will transition from war. . . . We will transition from abundant to constrained resources. And, many Service members—and their families—will transition into civilian life. Any one of these would be difficult. All three together will test our leadership at every level."

In the midst of this leadership test comes a book with the intriguing title *Bleeding Talent: How the U.S. Military Mismanages Great Leaders and Why It's Time for a Revolution*. In it, author Tim Kane claims that now is the time for a change from the current rigid, coercive personnel system to a

more flexible, free market–based approach to ensure that we retain the very best military leaders.

Kane quickly establishes his credentials on this topic as a concerned veteran, entrepreneur, and economist. After leaving the Air Force, he reflected on his own experiences, on those of fellow veterans, and on a West Point speech in which then–Secretary of Defense Robert Gates stated that the greatest challenge facing the Army is its personnel bureaucracy. Kane laments that, in his view, "all branches of the military operate more like a government bureaucracy with a unionized workforce than a cutting-edge meritocracy" (p. 10).

To quantify these assertions, the author surveyed networks of 1989–2004 West Point graduates to understand the issue in greater detail. As an example of survey results, only 6 percent believed that the personnel system "does a good job retaining the best leaders," and only 32 percent believed the system "does a good job of weeding out the weakest leaders" (p. 15).

As a result of the survey, Kane concludes that the Services' use of market-based forces in the all-volunteer force (AVF) policy is effective at attracting innovative leaders. However, those leaders are then immediately subjected to a centrally planned, coercive personnel system to retain and advance them. It is this centrally managed system that eventually drives out some of the best talent. His proposal is to extend AVF's market-based approach into a career-long personnel system that he calls the Total Volunteer Force.

It would be easy to discount the notion of a market-based personnel system until we consider the dynamic that the current cadre of officers is now steeped in. The book quotes Army War College Professor Lenny Wong: "In today's Army, many junior officers . . . confronted with complexity, unpredictability, and ambiguity in a combat environment . . . learn . . . to adapt, to innovate, and to operate with minimal guidance" (pp. 54–55). This operational environment is diametrically opposed to the current personnel environment. The fear is that the best leaders will leave rather than be subjected to the current system.

Kane interestingly points out that today's system would not support a Robert E. Lee (an engineer) to lead an Army or a Joshua Chamberlain (a college professor) to lead a regiment (pp. 66–67). He also provides the reader a list of names of entrepreneurial leaders (characterized by innovation, open-

ness to opportunity, and decisiveness in uncertainty) who he believes would not survive in the current personnel system: Chester Nimitz, Alfred Thayer Mahan, Billy Mitchell, and John Boyd, to name a few.

The author effectively uses a chronology of the 20<sup>th</sup> century to lead the reader to an understanding of how this system has become so centralized and rigid. He begins by showing how Secretary of War Elihu Root employed the unskilled industrial labor methods of his time to form a professional army. He follows by describing how Secretary of Defense Robert McNamara centralized authorities in the 1960s. Kane culminates with an example of how today's computerized personnel system "optimally designates 15,000 officers [to careers fields] . . . in less than 10 seconds" (p. 120).

Kane's alternative model deserves a much more extensive reading, but here briefly is his foundation: give commanders conditional hiring authority; end the use of seniority (known as year groups) as the sole basis for job selection and promotion, but instead broaden the scope to always find the best candidates regardless of year group; and, ultimately, give commanders greater authority in determining compensation, deployments, promotions, and evaluations (pp. 136–141). The author ends his discussion by advocating 360-degree feedback as an essential element (an antidote to toxic leaders) to ensure that the best and brightest rise to the top.

I agree with the notion that those who have served in the military would embrace a much more adaptive personnel system. Change would require real leadership to assess, adapt, and overcome the institutional inertia of a system with a century's worth of investment. Unfortunately, time is not on our side. The rapid constraining of defense resources and the quickly changing international defense environment require that we adapt now to ensure that we retain the best leaders and not simply retain officers by the seniority-based methods of the past. If we do proceed down this path, change would also require great care. For example, cultivating a small cadre of disruptive innovators is essential in any thriving organization but having too many can have tragic effects.

I also agree with Kane's notion of supporting talented leaders who find themselves outside of accepted career tracks. They fall into two groups. To cultivate talented leaders who remain on Active duty, we need