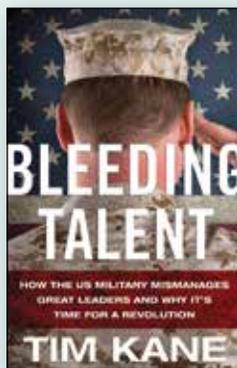


that we do not end up with a hollow force. Kane's book has provided a useful resource with important insights that should be at the forefront of our concerns as we continue to reshape our force structure into the future.

## JFQ

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### **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

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Reviewed by

GREGORY E. SCHWAB

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.

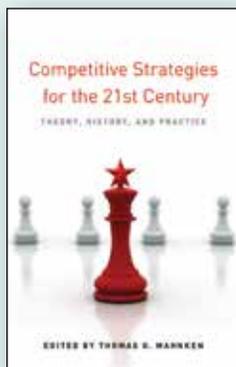
I agree with the notion that those who have served in the military would embrace a much more adaptive personnel system. Change would require real leadership to assess, adapt, and overcome the institutional inertia of a system with a century's worth of investment. Unfortunately, time is not on our side. 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

a program that would identify and shepherd them in a new separate career field—like environment. To cultivate those who traditionally leave Active duty, we need a program to allow a few to freely flow among various established career paths, academia, and even industry (modeled on the Individual Mobilization Augmentee program). The target of both is to capture unique talent when it is in the best interest of the Service without sidelining them from progression.

Ensuring that the joint force retains and promotes the best leaders to meet the challenges facing us will test leadership. Kane provides one possible pathway to get us there by unleashing market-based forces. *Bleeding Talent* is a thought-provoking call to arms. This book and its bibliography should be required reading for anyone attempting to assess and implement change with the goal of establishing a truly adaptive personnel system conducive to these challenging times. **JFQ**

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**Competitive Strategies for the 21<sup>st</sup> Century: Theory, History and Practice**

Edited by Thomas G. Mahnken  
Stanford University Press, 2012  
344 pp. \$29.95  
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Reviewed by  
F.G. HOFFMAN

Strategy has always been a difficult art, and the challenges that modern strategists now face make practicing that art even more daunting. Some argue that American strategic thinking is deficient, or that there is a black hole where U.S. strategy should exist. If true, that does not bode well. As the United States comes out of protracted conflicts in Iraq and Afghanistan, facing an age with myriad threats but fewer resources, the American strategy community must reinvigorate its intellectual tools if the Nation is to sustain its position and underwrite international order.

This requirement makes *Competitive Strategies for the 21<sup>st</sup> Century* a timely and relevant exploration of an intellectual concept known as competitive strategies. It is also a serious examination of the possible contours of Sino-American strategic interaction. In this volume, editor Thomas Mahnken of the U.S. Naval War College observes that “U.S. leaders need to develop a well-thought out strategy for competing over the long term, which mandates an enhanced ability to clarify and prioritize its goals, conduct a net assessment of enduring U.S. strengths and weaknesses, and formulate and implement a strategy that leverages our existing or attainable competitive advantages against a range of competitors.”

The concept of competitive strategies, originally developed by business strategists including Michael Porter of the Harvard Business School, offers a viable approach for defining and exploiting such a sustainable, competitive advantage. Purists will argue the adjective is unnecessary; strategies are supposed to be inherently competitive. But just as often, security communities fail to examine long-term trends in the operating environment and to identify the potential influence of investment in key technologies or geostrategically relevant capabilities that could reduce the potential for violence or establish the conditions for success should a contest of arms occur. While strategies should be competitive against designated adversaries, many are not.

There are numerous characteristics of competitive strategies, which focus on long-term interaction between defense establishments in peacetime, long before any conflict arises. The authors share an understanding of these fundamental characteristics: a long-term approach, a distinct opponent with a

defined set of strengths and weaknesses, and a concerted effort to align one’s own strengths against enduring weaknesses of the adversary. The goal of a competitive strategy is to induce one’s opponent to invest in the game we want to play, and channel his investments and attention into forms of competition that are the least threatening to us.

Like any anthology, several chapters stand out. The overall quality of these papers is high, and the volume includes detailed assessments on specific elements of Sino-American competition including missile developments, submarine warfare, and aviation capabilities. The strength of *Competitive Strategies* lies in the contributions of major strategists, including Steve Rosen of Harvard and Brad Lee of the U.S. Naval War College. The latter’s chapter offers a number of strategic insights drawing upon both European and Chinese strategic thinking and influences. His presentation of particular strategies (cost imposing, denial, attacking the enemy’s strategy, and attacking the enemy’s political system) offers a foundation for any student of strategy, and should be tied to the remaining authors’ more specific assessments.

Barry Watts, a former senior Pentagon official and retired Air Force officer, identifies a number of barriers to thinking strategically. His chapter merits a close reading and incorporation into the curricula of both civilian and professional military educational programs that delve deeply into strategy. Watts brilliantly captures the complexities of strategies as mere heuristics, and probes why our capacity to predict their effectiveness is limited and how our own rationality is fouled by human biases. He exploits the work of Richard Rumelt, author of *Good Strategy/Bad Strategy*, whose list of “strategy sins” correlates too highly with U.S. national security products. Anyone truly interested in understanding what makes strategy difficult should examine this chapter closely.

Another invaluable contribution comes from Jackie Newmyer Deal, president of the Long Range Strategy Group, a Washington-based consultancy. Deal has long been a student of authoritarian regimes and their decisionmaking. She notes that Chinese history and strategic culture suggest that the People’s Republic will seek to mask the players, processes, and outcomes of decisions. Manipulating information and