

RESPONDING TO GLOBALIZATION: THE U.S. MILITARY AS A BUSINESS

BY

COLONEL FREDERICK J. GELLERT
United States Army

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U.S. Army War College, Carlisle Barracks, PA 17013-5050

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USAWC STRATEGY RESEARCH PROJECT

RESPONDING TO GLOBALIZATION: THE U.S. MILITARY AS A BUSINESS

by

Colonel Frederick J. Gellert
United States Army

Dr. Dallas Owens
Project Adviser

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U.S. Army War College
CARLISLE BARRACKS, PENNSYLVANIA 17013

ABSTRACT

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The U.S. Department of Defense (DoD) is a major employer and on many levels must perform as if it is a large business corporation. American business is changing as globalization affects workers, managers, production, sales, resources, and corporate culture. As an organization, what must the U.S. military do to thrive in a globalized world? This paper reviews the effects of globalization on the defense department and in the focused areas of structuring, manning, training, equipping, and funding. There are specific recommendations for the DOD leadership such as the need for a comprehensive study of globalization effects DoD-wide and increased foreign partnerships for material acquisition. The paper concludes with specific areas for future research.

RESPONDING TO GLOBALIZATION: THE U.S. MILITARY AS A BUSINESS

Globalization is a term in wide-spread use today. Recently popularized by Tom Friedman's book¹, the term globalization and the attendant study and debate has been around for some time. One sociologist tabulated the rise in bibliographical entries relating to globalization. In 1980, there were 89 sociology abstracts and 64 politics and international relations related books or articles with globalization in the title. In 1998, there were 1009 and 698 respectively – more than a ten fold increase.² Today, a subject search on the internet for the topic “globalization” yields 23.1 million references.³ Clearly, there is much interest in and study of the phenomenon called globalization.

There are a variety of definitions of globalization depending on the specific area of study, such as sociology, economics, business, and international relations to name a few. Generally, the definitions refer to international influences on various aspects of life inside societies. The definitions usually seek to describe sources and effects of globalization. For example, many authors describe the shrinking of the world and the compression of space and time as the fundamental effect of globalization.⁴ Friedman refers to the “Lexus and the olive tree” as a metaphor describing the tension between global economic integration and national identity.⁵ A business related web site describes globalized businesses and organizations as operating with greater competition at the same time they are being driven toward greater economic integration and collaboration.⁶ Another author refers to the receding constraints of geography on social and cultural arrangements. The fundamental facet of globalization is a greater linkage of people, business, society, and government across the globe which is enhanced by globe spanning technologies such as the internet and cellular

communications. That linkage and influences such as economic trends, technology diffusion, and worker migration can result in changes to social, humanitarian, and governmental norms⁷.

It is the changes in governmental norms that this paper seeks to assess regarding some of the expected impacts of globalization on the United States Department of Defense (DOD) and make specific recommendations. The first step in managing change is to assess the requirement for change⁸. In this case, the world and United States economies are changing and thus there is a need to assess this change as it relates to the military as a business organization. The Department of Defense is a large organization that behaves both as a business and a government agency. This paper will analyze globalization's effect on the Defense Department as a business-like organization. Specific recommendations will be organized using five of the nine Force Integration Functional Areas (FIFA) as outlined in the Army's manual FM 100-11 Force Management.⁹ The 5 areas are: Structuring, Manning, Training, Equipping, and Funding. (The remaining four areas are Stationing, Deploying, Sustaining, and Readiness.)

Why does the military need to be concerned with globalization? Primarily because the world landscape in which it will operate is becoming more globalized. The United States and other nations with which the military will ally are becoming more and more globalized. The A.T. Kearney/Foreign Policy Globalization Index quantifies the progress of globalization in the world. In 2006, it ranked 62 nations, about one third of the world's nations, to indicate their degree of globalization in several areas including trade, business, politics, and information technology. Those 62 nations comprise 96

percent of the world's gross domestic product (GDP) and 85 percent of the world's population. Examples of specific variables analyzed by the index include: the number of telephone users, the number of internet users, the value of foreign direct investment in national economies, trade balance, participation in peacekeeping operations, and membership in international organizations.¹⁰

The results clearly show the developed world is becoming more globalized – nations, businesses, and individuals are becoming more interconnected. More importantly for DOD, the United States is becoming more globalized, ranking third in the index behind Singapore and Switzerland.¹¹ All of globalization's effects are occurring inside the United States and changing the American social and economic norms. There are changes in information management, changes in work force dynamics, changes in demographics, greater interaction with foreign economies, and changes in international power structure. Adjusting to these changes is crucial for the world's largest defense department that must function in this national and world environment as both a business and a government organization.

Business Response to Globalization

Businesses, especially large corporations, are changing in response to globalization in fundamental ways – structurally, operationally, and culturally.¹² For corporations and small businesses alike, the number one requirement of globalization is to maintain the competitive edge. This primarily means being highly efficient and keeping costs low to achieve profit and growth goals for each venture or project. This is nothing new to business operation; however, globalization has increased the number of players involved, the speed of decision, and the magnitude of failure. At the 2006

annual Best Practices Conference of the Hackett Group, over 400 business executives came together to review operations in a global economy. “Excess cost is no longer an option” was a key theme.¹³ Global integration is affecting production, distribution, and work-force deployment.¹⁴

The two main areas of change for businesses and corporations based on globalization are out-sourcing and human resources. Out-sourcing has been driven largely by a search for cheaper cost, but out-sourcing is also proving to provide a better product. There are many more product and service providers available for a corporation to choose and the competition for work is keeping cost down and quality up. These providers can often provide the service at lower cost than the corporation can achieve doing the service in-house. Examples of production out-sourcing in the automobile industry are assembly components, such as electronics and plastics, and the robots that install them – all made by companies external to the car manufacturer. Examples of service out-sourcing are in tasks related to maintaining information technology systems and managing human resource functions such as employee benefits.

Human resources (HR) management is the other area changing as a result of globalization. The demographics and physical location of the workforce are changing. On-site employees are no longer the rule. This causes changes in corporate management of the workers. One business professor summed up the differences between traditional and globalized workforce management. Good HR practices remain important, including things like having clear job responsibilities and deliverables, recruiting high quality people and giving honest and effective feedback. On the other hand, managing a global, networked workforce means managers must be comfortable

in cultures different from their own. They must manage remotely, as their subordinates may be in several different countries, without losing the personal touch. You might have a unit head in Tokyo, a middle manager in Delhi, and the line workers in Jakarta. The modes of communication, deliverables and friction management are all much more formalized in this environment. That obviously leads to managerial challenges.¹⁵

It is clear that corporate organizations and business operation in general are changing because of globalization. The next question is how much business change is applicable to DoD?

Comparing U.S. Corporations to DoD

Before comparing DoD to a corporation, it is necessary to establish the business and corporate aspect of DoD. Without question, DoD is a government department operating inside the federal bureaucracy. It is less clear if DoD is also a business corporation operating inside the nation's economy, but at a minimum DoD does have business-like aspects to its operations. In fact, the federal government directs its departments to organize business functions in a specific way. The DoD Enterprise Architecture Business Reference Model describes at a high level how DoD business operations are aligned to those of the overall federal government.

The document lists four business areas for the federal government: Services for Citizens, Mode of Delivery, Support Delivery of Services, and Management of Government Resources. Each area is sub-divided into lines of business. The area of Management of Government Resources is the area most related to the topic under consideration of this paper and it includes the lines of management for: Human Resources, Supply Chain, Administration, Information Technology, and Financial. DoD

then divides its operations into four mission areas: Warfighter, Business, Intelligence, and Enterprise Information Environment. These are then sub-divided into tasks. The Business Mission Area includes: planning, sourcing (acquisition), property and material, human resources, information management, and financial management.¹⁶ It is clear that the federal government has directed DoD to perform at least some of its operations as a business. DoD has responded by developing a business-like structure and taxonomy that compares well to the corporate world.

Another point to establish the business nature of DoD is the Office of Business Transformation inside the headquarters of DoD. The office is focused on transforming business operations in a new strategic environment while better meeting warfighter needs. The priority of effort for business transformation is to significantly improve visibility and accountability of personnel, material, facilities, and financial operations.¹⁷ DoD recognizes its own business aspects and the need to adapt and improve those business operations. Therefore, the business and corporate nature of DoD is actually fairly well established in documentation and practice.

DoD operates most like a service industry corporation in that it buys material products – weapons, equipment, supplies - from the manufacturing industry and uses them to deliver a service to its customers, in this case providing national defense to the American people. The comparison of the DoD to a major U.S. corporation is appropriate but not complete. There are similarities but also major differences. The key difference is in the ultimate goals and measure of success. A corporation exists to produce a product or service that earns a profit for the shareholders. DoD exists to provide national defense to its shareholders, the American people, at the lowest cost. The goals are

different but the challenges of reaching the goal are very similar. The need to effectively manage people is the same: recruiting skilled workers, providing effective training and development, solving human resource management issues, and selecting capable leaders. Outsourcing is possible for some facets of DoD operations, but security concerns will mean that many defense functions must remain in-house or at least be tightly controlled from the headquarters. Businesses are driven almost exclusively by profit motives, though there are also intermediate objectives such as growth of the organization, care of the work force, or care of the environment that may not be exclusively profit motivated. DoD is not a profit generating organization, though there are desired efficiencies and cost saving for the nation's leaders and taxpayers. Given these similarities and differences, how should DoD respond to the changing global environment?

Analysis of DoD and Globalization

Structuring

Globalization is causing an increase in the tempo and quantity of international interactions across the world. Currently, the United States chooses to use the military instrument of power to conduct many of those interactions. The recent calls for greater use of the other instruments of power, including diplomatic, information, and economic in an inter-agency approach should decrease the need for the military instrument. However, for the near future the military instrument of national power is the most capable and useful. Thus, globalization will likely yield an increase in quantity and duration of military operations. This does not necessarily mean an increase in combat operations since the integration of globalization may help to mitigate some international

conflicts. It does mean that military forces will be going more places and doing more things, such as training with partners and building alliances, as there will be many more causes for interaction in the globalized world. Therefore, it is both necessary and logical to call for an increase to the available forces of the US military.

The 21st century global trade means increased need for security of air and sea transportation avenues. Not all security missions will be the responsibility of DoD, but some will and thus more ships and planes likely will be needed. Increased engagement of people in the world will invariably lead to more military missions both in conflict and in peace. In particular, the number of peace keeping operations is increasing. The United States will have more forces actively engaged in the future. It is easy to call for an increase in force structure, however it is extremely difficult to gain political and funding support for large increases in military budgets.

One way to increase force size while managing cost is to buy more of less expensive, but still highly capable forces. The US military has historically funded a smaller military of highly capable, technologically advanced forces, substituting quality for quantity. In the future, the amount of global engagement will begin to require more forces, but those forces will not need to be the most advanced. Many of the military problems of tomorrow will require a well trained force of capable leaders and forces using good equipment. The need to find and destroy hundreds of sophisticated tanks on a Cold War battlefield has been replaced by the need to control populations, stand guard over the interests of the United States, and to defend against less advanced enemies. This change in force structure is not only in equipping the force, but the size

as well. More small units vice fewer large units will allow DoD to conduct the variety and quantity of future missions.

Manning

The chief requirement of any organization is to have sufficient skilled workers and leaders to complete the work. A globalized world means a higher level of competition for skilled workers, especially those with highly specialized knowledge. Sam Palmisano, the CEO of IBM, considers the ability to obtain high value skilled workers as the single most important challenge for today's corporation.¹⁸ DoD is already experiencing competition for skilled workers, especially in technical fields such as intelligence and communications. The costs of recruiting and retaining employees, both uniformed and civilian, continue to rise. In particular, personnel costs over the last few years of combat operations have been so significant that tough choices have had to be made in moving money from equipment accounts to personnel accounts. DoD needs to accept this trend and ensure sufficient funds are provided to achieve and sustain a quality workforce without decrementing other critical budget areas.

Arguably since the 1990's, the U.S. work force has morphed from the industrial age model to a global one typified by the information age. Workers do not expect to spend a career in the same company. They are comfortable working in a fragmented structure where leaders can be geographically separated and work groups can come together ad hoc in a virtual environment.¹⁹ Despite a variety of changes in DoD to update work structures, many vestiges of the industrial era remain. Chief among them is hierarchy. Without question, a military organization must have leaders with absolute authority over their units. However, the subordinates in those units are less willing to

work in a hierarchical structure. How to satisfy both parties? Many businesses are replacing top-down decision making with bottom-up empowerment.²⁰ DoD must begin to embrace at all levels and in all areas the idea that decisions will be made more distributed and more locally. This idea is widely known and espoused throughout DoD, however it is not institutionalized.

Another potential change is to provide for greater worker mobility and “fragmentation” by allowing military personnel to more readily switch between the active forces and the reserve forces or even DoD civilian positions. This is becoming known as the “continuum of service.” Arguably, current personnel policies regarding active and reserve forces are based on industrial age and cold war models that no longer apply. Career mobility will provide greater flexibility for workers who will have more challenges and options in a globalized world. Periods of personal challenge and opportunity can be accommodated, thus aiding in retention. This also creates a more trained and experienced work force, in particular with a broad range of experiences that could prove useful later in an unpredictable future. DoD would gain much needed flexibility in managing the work force, likely at fairly low cost, to respond to the changes in requirements brought on by globalization.

Training

The military services will need to make it easier for retraining of one specialty into another. Personnel will likely change job specialties more frequently in the future than has been done in the past. At a minimum, personnel will need the ability to acquire new knowledge and skills throughout their service careers not just when they first begin military service or at well defined career junctures. The Reserve Components of the

military have historically conducted more personnel occupational specialty changes than the active duty forces. This is normally done because the parent service has made a change to force structure such as a transportation unit converting to a medical unit. The regulation covering Army Military Occupational Specialties (MOS) lists acceptable reasons for both voluntary and involuntary MOS reclassifications. It provides the guidance that reclassifications are to be carefully considered against the costs and benefits to the Army and the Soldier.²¹ The pro is the ability to adjust personnel skills to current needs of the military. The con is the cost of retraining and the turmoil in the administrative system. In the future, because the world and national environments will likely change more frequently than is true today, MOS reclassification may need to become a more routine action in which the benefit to the military is viewed in terms of future potential as much as current job requirements.

Equipping

The acquisition and management of equipment and material supplies by DoD is a huge business enterprise. The Deputy Under Secretary of Defense for Logistics and Material Readiness provided a summary of DoD's logistics operations in his 2005 testimony to a Congressional subcommittee: a \$129 billion defense logistics and supply chain enterprise, the second largest operator of warehouse space in the U.S., the world's largest fleets of ships and planes, and the largest consumption of petroleum in the world. Despite these enormous business operations, DOD considers business functions as a secondary mission to the primary function of war fighting.²²

Acquiring equipment and material goods is probably the one area in which the DoD can take the most lessons from the corporate world. Changes in military

procurement and other business functions are being caused by the diffusion of technology, advances in product development processes, efficiencies of corporate partnering, and the general trend of outsourcing. The military industrial complex will need to compete with the global economy more than it ever has in the past. This is because of increased use of commercial off the shelf items and because the defense related businesses are becoming more global. Military requirements will compete with economic requirements. No longer will the question of government spending be one of guns vs butter but now economic choices such as tactical display screens vs high-definition televisions or satellite communications bandwidth for cable TV vs military intelligence imagery. This will put military procurement expenditures under even greater scrutiny for cost efficiency and justification.

What exactly is happening to the defense industry world-wide as a result of globalization? A study group of the Council on Foreign Relations analyzed the changes experienced in the 1990's by the world's defense industries and proposed recommendations for the 21st century. Bitzinger describes the effects of globalization in the post-cold war defense industries. The globalization of arms production has changed the manufacture of weaponry from a single-country industry to a truly international cooperative effort. This has been driven by both declining defense budgets and also economic trends. The U.S. defense budget declined in real buying power by 35% during the period 1985-1996 with equipment procurement declining by 67%. The defense industry corporations have responded in several ways. Non U.S. companies have tried diversifying into non-military production. U.S. corporations have predominantly consolidated their industry with mergers, e.g. Boeing and McDonnell Douglas or

Lockheed and Martin Marietta. Another option is to increase sales to other nations, called Foreign Military Sales (FMS), and this is on the rise worldwide. Transnational trading of finished weapon systems is not a new phenomenon in the world. However, since the 1980's globalization has driven defense companies to partner with other nations' companies to co-develop and co-produce weaponry.

For example, the F-16 fighter has been produced in the U.S. but included parts from several European countries. More recently, the Army's Stryker vehicle was produced initially by a partnership of General Dynamics of America and General Motors of Canada. Beginning in the mid-1980's, the Nunn Amendment authorized expenditure of funds from DoD research and development (R&D) accounts for weapons development with US allied nations. Key examples were the NATO Frigate Replacement, Modular Stand-off Weapon, and the Autonomous Precision-Guided Munitions. Cooperation in basic research studies led to the development of vertical takeoff technology. A more recent practice involves offsets. Offsets are agreements that a country who buys a weapons system is offered to produce one or more of the components as a condition of the sale. This has been especially useful in growing manufacturing capacity in developing nations. Examples include F-18 deals with Canada and Spain and F-16 deals with Greece, Indonesia, and Taiwan. Another growing trend is the development of dual-use technologies and defense applicable components, particularly in computers, electronics, and telecommunications applications. The most significant change in the defense industry since the 1980's has been the shift from government led to industry led. Today it is the defense industry companies that are leading the transformation of the military industrial complex.

Companies are forming joint ventures such as Eurocopter which is jointly owned by Aerospatiale of France and DASA of Germany. Companies are also completing transnational mergers such as the purchase of America's Allison by Britain's Rolls-Royce.

In summary, the world armaments industry is less defined by sales of finished products and more by the commerce of military technology, production knowledge, and manufacturing deals. Defense companies are working together or outright merging to remain competitive. Unfortunately, the military services and DoD have been less willing to engage in collaborative efforts, preferring to fund specialized systems tailored to their specific requirements. This is potentially dangerous to the health of the US defense industry. By minimizing collaborative projects with other nations, DoD may actually be causing the US military technology advantage to erode as modernization becomes unaffordable and our partner nations take their business elsewhere.²³

In contrast with the preceding summary, there are authors who take a less favorable view toward the globalization of the defense industry. Dombrowski summarizes three arguments against the globalization of the defense industry as part of his review of naval industrial changes. First, the defense industry is a part of a nation state's governmental function and not the free market economy. Therefore, it does not respond exactly like business corporations to globalization. Second, national security and secrecy concerns will never allow the defense industry to become completely global. And third, there are alternative theories to globalization such as Americanism and regionalism.²⁴ Acknowledging these considerations, it remains clear that globalization has and will affect all aspects of the defense industry. Therefore, DoD

should embrace globalization and develop plans and processes to take advantage of the coming changes.

The very recent source selection decision of the U.S. Air Force for the replacement aerial refueling tanker to come from a foreign owned parent company ²⁵ highlights all the situations and arguments described above regarding the future of defense industry choices. A review of the decision will most likely occur, but thus far it appears the Air Force chose a foreign owned parent company based on cost and performance. This type of decision, even with Congressional back-lash, will likely be more the norm than the exception in a globalized world. DoD should adjust its procedures and policies now to accommodate the change, and request Congress codify those changes in law.

Funding

The greater speed of change in national, international, and economic factors means DOD needs the ability to readily adjust planned expenditures of money to garner the greatest impact for dollars spent. Current programming and budgeting processes are too slow and bureaucratic to work well in today's globalized world. One simple change to increase flexibility is for Congress to raise the threshold limits of budget changes that require their approval. This will allow DoD, and all the other federal departments, to make more effective and timely adjustments to planned expenditures. This is especially important as the ability to accurately predict the future under globalization is further compounded by the fleeting nature of opportunities.

In order for a corporation to take advantage of opportunity, it must have accessible and flexible funds. One of the ways corporations can develop new prospects

is through the use of venture capital. DoD and other federal government agencies have established venture capital businesses to take advantage of these possibilities. Examples include the Central Intelligence Agency's In-Q-Tel²⁶, the U. S. Army's OnPoint, and the DoD's Defense Venture Catalyst Initiative (DeVenCI).²⁷ DeVenCI relies on workshops, technology expositions, industry outreach, and web access to accomplish its goal of improving communications between the DoD and companies with emerging technologies. The use of venture capital methodologies seems very promising as a way to give DoD the flexibility to explore areas that today aren't even yet conceived.

Recommendations

DoD review. DoD should conduct a complete review of the department's situation, authorities, and requirements in light of the effects of globalization. This review should be conducted by a group with representation from all DoD agencies, military departments and services, relevant federal government agencies, and industry. This review could be conducted internally but might be more complete if conducted by one of the experienced research organizations, such as RAND or the Defense Science Board. The extensive review of the post-cold war defense industry conducted by the Council on Foreign Relations, described in the equipping section above, should serve as a model of study and a start point for the review. The DoD Office of Business Transformation could serve as the lead office in DoD for this globalization review. Their focus should change from financial and logistics efficiencies to a larger purview of the broad affects of globalization on the future of the DoD.

Structuring. The likely increase in quantity and duration of missions arising from globalization, both combat and non-combat, will demand more military forces. Since military budgets will likely not be raised to support huge increases in force size, DoD should look for ways to build more smaller, less expensive, but still highly capable military forces. The natural desire to build the best force possible will need to give way to building a force that is good enough to satisfy all the future requirements. Premier main battle tanks will give way to scores of other capable combat vehicles in Army units deployed in more countries than today. Aircraft carrier groups will give way to squadrons of mine sweepers and frigates operating all over the world simultaneously. State of the art fighter jets and bombers will become more squadrons of fighters, bombers, reconnaissance, and transport planes enabled by a robust satellite network. This does not mean DoD should give up technological superiority, but quantity will become as important as quality in a globalized world.

Manning. Changes in work force dynamics in the United States and the world will create the need to adjust personnel practices and policies more frequently than has been done in the past. Competition in the globalized economy for skilled workers will require increased funding in personnel accounts to attract the necessary labor force, especially those with technical skills. Workers expect to work in a more distributed, bottom up empowered work environment. DoD should look for ways to reduce hierarchy and empower the labor force with authority to make rapid and innovative changes. This is admittedly harder to accomplish in a military structure than a civilian corporation, however the benefit is similar and warrants serious consideration and adaptation. DoD should also enable greater work force mobility between active and reserve forces as

well as civilian positions. This will provide greater options for workers, thus aiding in retention, and also create a more trained and experienced work force. DoD can gain much needed flexibility in managing the work force and respond to the changes in requirements brought on by globalization.

Training. Most DoD training delivers a very prescriptive set of training opportunities focused on providing the skills necessary for specific jobs at specific times in a person's career. The globalized environment makes it very difficult to prescribe future required skills with much certainty. Therefore, DoD training management, systems, and resources will need to include more non-prescriptive training opportunities for all DoD personnel and especially for leaders. Skill focused training will always be necessary, but more resources will need to be allocated for things like full-time graduate school attendance, training with industry, and developmental training and assignments with inter-agencies of the federal government or even foreign governments. DoD will need to widen the aperture of "skills training" to remain effective as a globalized business and competitive in a dynamic labor market. DoD must become a learning organization as well as a training organization to meet the challenges of globalization.

Equipping. The DoD, in concert with the entire defense industry, must become more international in the way it procures equipment and supplies. The internationalization of material acquisition has been slowly growing out of necessity. Now it is time for it to further internationalize by design. Laws, policies, and procedures will need to be further changed to allow the best of foreign involvement in military procurements. This will ensure the best value for limited budget dollars to obtain the best capability available in the world.

Funding. DoD requires greater flexibility to adjust planned expenditures and do so rapidly to ensure DoD can gain maximum benefit from the rapidly changing business environment. Increasing the limits of Congressional thresholds for permissible changes to yearly budget expenditures is one simple way to gain flexibility and speed. The use of venture capital mechanisms is another way to gain flexibility, especially in the research and development arena. Without question, this is the area of change that will be the most difficult. The President and Congress will be very reluctant to release control to DoD, but that greater departmental authority may well have the greatest pay off of all the recommended changes. The ability to quickly take advantage of new opportunities will have risks, but will keep DoD in the lead of militaries throughout the world at the best price for the American taxpayer.

Future Research

There are several areas not addressed in this paper that warrant further research. The four force integration areas not addressed in the paper – Stationing, Sustaining, Deploying, and Readiness - will all be affected by globalization. Stationing forces on and deploying them from military bases will change based on globalization. The sustainment and deployment of forces, including delivery of day-to-day services and transportation operations, are already being globalized. Sustaining military forces in a globalized world will cause changes to business processes throughout the depth of DoD. Managing the readiness of military forces bears specific attention and analysis, especially those aspects of readiness derived from business-like processes such as maintenance or personnel recruiting. All four areas should be reviewed against the effects of globalization.

Another essential area of future research is a more detailed review of the changes being experienced by US and international corporations. Some of the details of corporate changes are not readily available in open sources, presumably to maintain “trade secrets”. There are numerous companies with globalization experience to give a broad range of effects: those companies who have experienced failure, growth, or other changes. This means further research will require time and expense to conduct on-site visits and interviews to learn the specific actions and results of corporations and companies responding to globalization. This effort, however, should gain particularly useful insights for the DoD to successfully adjust its business operations.

DoD should invest the personnel, time, and money to conduct further research and analysis on the effects of globalization on defense business operations. Defense business is similar to and completely linked to the non-defense business and both are immersed inside the globalization environment. Globalization will continue to grow in scope and accelerate in time and thus DoD must determine its new and twisting path forward in the globalized world.

Endnotes

¹ Thomas L. Friedman, *The World is Flat: A Brief History of the Twenty-First Century*, 1st rev. and expanded ed. (West, NY: Farrar, Strauss, and Giroux, 2006).

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