

Don't promote mediocrity

By Brig. Gen. Mark C. Arnold

Today's best junior officers, those with high talent and a strong calling to service, should become the admirals and generals who testify before Congress and serve as Joint Chiefs in 20 years. Retaining them is vital; losing them hurts our long-term ability to creatively transform the military as security challenges change. The U.S. military must replace its industrial-age personnel processes and insular culture with contemporary personnel and talent management systems that reward innovation.

In my career as a military officer and a corporate executive, I have seen several successful approaches to human capital reform; I can say from experience that their savings far outweigh their costs.

Largely unchanged since 1947, military human resources policies reward compliance, not performance or innovation. The HR bureaucracies are quantity-driven, not talent-focused. They are narrowly focused on assigning officers to jobs that align with their branch or specialty, with little consideration given to individual inclinations for assignments and almost none to past performance for O-2s through O-4s.

Yet the employment expectations of highly talented people changed a generation ago. The desire for lifetime employment has been replaced by a desire for lifetime employability. That means they vote with their feet when employers fail to reward performance, fail to give people a voice in their work and fail to fire bad bosses.

Indeed, a 2010 study by the Army Research Institute found that the main reason talented people leave is not the lure of a lucrative civilian career, but because mediocre people stay in and get promoted.

Year-group systems promote high talent at nearly the same pace as mediocre and below-average officers during their first 20 years of service. For instance, the active-duty Army promoted 99 percent of lieutenants to captain and 95 percent of captains to major during its 2011 boards. In 2010, selection rates for Army O-5s were 94 percent and above 85 percent in all other services. This is unheard of in the private sector. It rings loudly of institutionalizing mediocrity at best, and poisoning the pool of future senior leaders at worst.

A short list of overdue changes to the military personnel system includes efforts to:

- Promote top performers only when they are selected for higher responsibilities.
- Eliminate year-group and "time in grade" promotions.
- Find and release the worst performers at all levels.
- Establish a job posting system.
- Give senior leaders responsibility for assessing, hiring and developing talent.

- Allow top talent to choose non-command assignments.
- Establish succession-planning processes.
- Create assignment flexibility between active and reserve components.
- Learn from exit interviews.

The military should also do better at putting skills learned in college to immediate use upon commissioning, especially if that's what new junior officers want. Such skills may be in engineering, communication, information technology, behavioral sciences, marketing or other fields. This change would allow junior officers to build marketable competencies, something of value to themselves and the military.

All this would require the military's HR systems to achieve what seems impossible: balancing the military's current and forecast personnel needs with individual preferences. Yet such systems do exist — in civilian organizations that either make the best use of their people or go bankrupt.

Learning from Multinationals

The military's immense size, global scope and technological complexities can be compared with the largest multinational corporations, which have similar challenges retaining and exploiting high talent. Certainly, the military should not be enamored with business jargon and corporate practices that place the warrior ethos at risk; however, it should embrace common-sense methods that help retain and fully employ its best warriors.

At General Electric, a company with 320,000 employees, the development of highly talented people is given attention by top executives, even the CEO. Top talent is identified early, challenged through fast-track programs, and exposed to different regions and opportunities, and senior leaders determine if continued promotion and reward is merited. People are evaluated based on organizational performance and peer group comparisons, and in particular, during temporary service at "the next level." Top talent with ambition and vision is promoted to the executive level within 10 years.

Also, other highly talented people are allowed to remain in jobs they enjoy and are productive in. This suggests two changes the military might make.

First, dump the "up or out" promotion culture. Effective officers who are uninterested in command assignments or promotions should be allowed to serve until retirement at ranks commensurate with responsibility.

Second, prioritize — when possible — the individual's ability to choose assignments. Like members of the military, ambitious employees of corporations may work around the clock or move multiple times in pursuit of promotion, but they do it voluntarily. The military, by comparison, churns its entire uniformed force through "global rounding" assignments as if it were preparing every officer for promotion to admiral or general.

A better way to go might mimic the internal job-posting systems that corporations have used for decades. The company posts existing and forecast job openings; employees apply for assignments that

interest them; bosses review the array of available talent and, with the support of HR leaders, make their hiring decisions.

The military could work in similar fashion, with HR organizations helping to create talent-development plans that meet the needs of leaders, who select their subordinates. The needs of the services should remain the priority, and some less-than-perfect matching will be necessary. But reducing mismatches will increase job satisfaction, improve retention and save money.

Improving Performance

At GE, employees are evaluated with performance scorecards, senior leader involvement and 360-degree reviews.

The results from 360s are anonymous and not recorded in leaders' records. They are used as developmental tools, not performance evaluations. They are helped by "skip level" meetings, in which GE leaders regularly meet entire organizations one or two levels below in order to improve subordinate leader behavior and organizational performance.

Employee opinion surveys, similar to command climate surveys, are performed every two years with the same purpose. These processes and executive involvement identify leaders who are risk-averse or are rising on the backs of others, or whose self-interest takes precedent over organizational interest. Executive correction of wrong-headed behavior retains and improves very talented subordinates and other productive associates.

GE executives are hands-on with rising talent. In the military, this might take the form of regular meetings of high-performing O-2s with O-6s; O-3s and O-4s with two-stars; and O-5s and O-6s with three-stars. These meetings might include counseling sessions, mentoring, briefings to senior leaders, special additional projects, participation in staff meetings and, certainly, opportunities to evaluate flaws.

More concretely, the performance of high-talent, high-ambition leaders is tracked by senior leaders. The top 1,000 mid- to senior-level, high-talent leaders are tracked by GE's top 10 executives through an annual HR review. Called the Session-C process, it's a matrix that lists the top five growth traits and their components. Development plans are built on it; individuals and even entire leadership teams are assessed. Performance of high-talent leaders and their organizations is watched; some are culled, others are trained, prepared and challenged. The transparency of the Session-C process allows employees to accept it as fair, and not a "good-old-boy" system.

Enterprises like GE would go bankrupt if they promoted and handed increased responsibility to leaders simply for spending enough time in grade. (The military, of course, promotes in year groups first, and selects for higher-responsibility assignments later.) Instead, the average age of GE's top 190 corporate officers, those in the equivalent of two- to four-star ranks, is 45. Some early selects are in their mid- to late 30s. This was done by the military during World War I and World War II, when the nation's survival was at stake, with accelerated merit-based promotions of officers in their late 20s through age 40 to the ranks of O-5 through general-officer commanders and to senior staff leaders at combatant command levels.

Those decisive changes came with a price to the dozens of mediocre generals and admirals who were sacked. Similarly, corporate boards responsible for enterprise success are quick to fire underperforming

CEOs and other corporate officers. In my own corporate role as CEO, I have fired and replaced entire executive teams and toxic leaders in successful efforts to turn around underperforming global businesses. By comparison, the U.S. military has, in the past decade, fired fewer than 10 of its 950-plus active-duty admirals and generals. It's difficult to believe that even those selected for stars could have a 99 percent success rate, and it explains a culture of accepting mediocrity.

The military need not look only to the private sector for better personnel-management policies. The federal Nuclear Regulatory Commission developed its own programs to identify high-potential employees at every level of management. The NRC evaluates competency in 28 elements, and its executives are involved with the selection of high-potential employees. All senior leaders undergo 360-degree reviews and, as at GE, the results are not filed in personnel records but used for development planning.

The military might also think more flexibly about assignments in general. GE sometimes keeps top talent in a single job for up to five years in order to fully exploit their skills and create innovation. But corporations also recognize the value of allowing employees to roam far afield; the military equivalent would mean a greater acceptance of external assignments, such as interagency and intergovernmental jobs, corporate jobs and advanced civilian education during breaks from active-duty service.

High talent demands flexibility. However, the active-duty military manages its human capital like the priesthood: Once you leave, with rare exceptions, you cannot return. The reserve components offer "drilling" assignments where officers can continue to serve: Flex to a few years of geographic stability for their family in locations other than backwater military towns, learn new skills at civilian employment, then return to active duty. Officers' performance can be tracked during those years while in a reserve-component unit, and high talent, by definition, will be ready to serve as O-5 or O-6 commanders. Four years in those environments will not degrade a high-caliber officer's skills any more than assignments at the Pentagon or a foreign embassy. Such flexibility can enable service for 40 years of the best talent.

Finally, the military would do well to learn a bit more from its own officers by conducting candid exit interviews with those who leave before 10 years of service, as well as those who choose to remain.

Implications

Even though many military vocations have no civilian corollaries, our best junior officers with a strong calling to service have difficult choices caused by external tensions such as family and the internal tensions of flaws in the military's human capital policies.

The cost of switching to a merit-based talent system with assignment flexibility can be offset with various savings. The experience and education levels of senior enlisted personnel have vastly improved in the past 20 years. They, along with warrant and limited-duty officers, might be used to fill staff billets now reserved for O-3s through O-5s. And elimination of officer billets through reducing the size and numbers of headquarters in all services will also reduce cost and help create a creative and decentralized culture.

Solutions will require changes to regulations, promotion and assignment processes, and HR systems. Fortunately, this will slowly evolve into cultural rather than prescriptive improvements because high talent will quickly be promoted to senior levels that drive culture change. The military should

demonstrate that the best can be admirals and generals as early as age 40, in an enterprise that values creativity as security challenges change.

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