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ACQUISITION RESEARCH PROGRAM:
CREATING SYNERGY FOR INFORMED CHANGE

# Persistent Perspectives on Defense Management Reform

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## Abstract

Management of the massive and complex organization of the DoD is costly, difficult, and attention-getting. Efforts to improve DoD management are persistent with proposals, recommendations, mandates, and initiatives coming from a variety of internal and external sources. This paper explores the types and sources of Defense management reform initiatives to understand better what constitutes Defense management, where management reforms originate, and what aspects of DoD management most attract reformers' persistent attention. Topics appear to fall into identifiable categories: acquisition and logistics, operational, financial management, facilities and energy, organizational change, and technology. Types of reform recommendations seem to fall into three typologies: organizational, process, and culture change. Given the persistent nature of defense reform, understanding sources and types of Defense reform proposals can better inform DoD leaders in making choices about reform they will act upon as they lead management reforms at the enterprise level.

## Introduction

The total budget authority of the U.S. Department of Defense (DoD) exceeds $700 billion. The DoD has more than $2.9 trillion in assets, $2.8 trillion in liabilities, three million employees, and more than 4,500 defense sites in nearly 30 million acres of land (Cronk, 2019). It is no wonder then that management of this massive and complex organization is costly, difficult, and attention-getting. The Naval Postgraduate School has an entire graduate school focused on educating officers in topics of Defense management. As officers rise in rank in their services, their time and tasks are centered more on management of the enterprise than directly on warfighting.

Efforts to improve DoD management are persistent. Proposals and initiatives come from a variety of internal and external sources. This paper explores the history, types, and sources of Defense management reform initiatives to understand better what constitutes Defense management, where management reforms originate, and what aspects of DoD management most attract reformers' persistent attention.

### Defining Defense Management

What is meant by the term management or, more specifically *Defense management*? What sort of activities fall into this domain, who is responsible, and what issues arise?

The Business Dictionary provides a useful definition of management: "Management consists of the interlocking functions of creating *policy* and *organizing*, *planning*, *controlling*, and *directing* an organization's resources in order to achieve the objectives of that *policy*" (Business Dictionary, 2019, emphasis added). In the case of Defense management, this definition centers on the *accumulation* and *deployment* of resources to support the operational missions of the DoD. Policies about resource management are made in the upper echelons of the department. The department must be organized to implement those policies, and plans for allocating and spending those resources must be made. Resource activities throughout the department must operate within certain controls and directions.

Galvin (n.d.) describes Defense management as how our government translates national security policies and strategies into trained and ready forces for combatant commanders—units of personnel and equipment that mobilize, deploy, conduct and sustain operations, redeploy, and demobilize (p. ix). Robert Work, former deputy secretary of defense, describes the DoD's Title 10 responsibilities this way: "There are many ways to state [the DoD's] mission. I prefer the following: to recruit, organize, equip, train, educate, exercise, retain and maintain a Total Joint Force that is ready and prepared for war and operated forward to preserve, enforce, or compel the peace" (Work, 2018).

The DoD chief management officer helps to define Defense management further by identifying eight domains that constitute the department's "lines of business:" Human Resource Management, Financial Management, Real Property Management, Acquisition and Contract Management, Logistics and Supply Chain Management, Healthcare Management, Community Services, Cyber Defense and Information Technology Management, Testing and Evaluation (DoD, 2018, p. 5). It is useful then to think of the functions of organizing, equipping, training, educating, exercising, and retaining take place within these eight business domains.

### Title 10 Authority and Responsibility

The legal authority and responsibility for Defense management is rooted in U.S.C. Title 10. In 10 U.S.C. § 10, Subtitle A, Parts I through V, the statute identifies the major categories of Defense management: Organization, Personnel, Training and Organization, Service, Supply and Procurement and Acquisition. 10 U.S.C. identifies the various officers within the Office of the Secretary of Defense responsible for management in these functional areas, including the chief management officer and under secretaries for Research and Engineering, Acquisition and Sustainment, Personnel and Readiness, and Comptroller/Chief Financial Officer (10 U.S.C., 2019). Galvin (n.d.) lists the following as Title 10 functions under the law:

- Recruiting
- Organizing
- Supplying
- Equipping (including research and development)
- Training
- Servicing
- Mobilizing
- Demobilizing
- Administering (including the morale and welfare of personnel)
- Maintaining
- Construction, outfitting, and repair of military equipment
- Construction, maintenance, and repair of buildings, structures, and utilities and the acquisition of real property and interests in real property necessary (p. 78)

### Shared Responsibilities

All of this is not to suggest, however, that management of the DoD is solely a function of higher headquarters. In fact, the Pentagon actually directly manages relatively little and instead functions more as the source of department-wide management policies and resource allocation decisions. Lower echelons, both headquarters and operating

organization, participate heavily in day-to-day management of financial resources; people; physical resources and facilities; logistics, supply chains and inventories; business systems and information technology; and ordering, buying, paying for, maintaining, using and disposing of much of the DoD's *stuff*.

### The Efficiency-Effectiveness Dilemma

A particular concern when considering Defense management is the efficiency–effectiveness dilemma. We often hear advocates of various management reforms assert that some aspect of the Department's management must become more efficient and effective. But efficiency and effectiveness are not synonymous and can, in fact, be in conflict. Efficiency is essentially an economic measure. In its simplest construct, efficiency is determined by the ratio between inputs and outputs. Increased efficiency is achieved by increasing outputs while holding inputs constant, or decreasing inputs while holding outputs constant, or some combination of the two that increases the ratio of outputs to inputs. Effectiveness on the other hand is a measure of results. It asks the extent to which a given objective was achieved, usually independent of the costs involved. Thus, it is possible that the DoD could be extremely effective, winning wars for instance, while ignoring economic efficiency. On the other hand, it is conceivable that the DoD could emphasize economic efficiency at the expense of effectiveness. Thus, asking warfighters to use their cheaper weapons first would likely degrade effectiveness, but asking managers to ignore efficiency might mean that fewer weapons are bought. The conundrum here, therefore, is to determine where concern for efficiency is appropriate and desirable. Generally, the case can be made that efficiency concerns mostly likely are appropriate in the management domains identified previously.

### Budgetary Considerations

Some management reforms, including many internally-generated reforms, are initiated in response to budgetary considerations, either in response to budget constraints or to develop financial resources for new or higher priorities. Two of the stated goals of the DoD Chief Management Office include these objectives: "to reduce the cost of doing business throughout the Department" and "to increase mission focused funding" (DoD, 2019). Effects on DoD management of the Budget Control Act of 2011 are discernable in a "changed culture and vocabulary of senior DoD leadership; and Subsequent initiatives focused on overhead reduction similar to longstanding cost-reduction efforts" (Tufts, 2018). The reforms proposed in 2011–2012 for reducing headquarters size, cutting low priority contracts, and fielding new business systems came in response to deputy secretary Robert O. Work's concerns over the topline limitations under the Budget Control Act (Levine, 2020, p. 3). The Army's "night court" process of budgetary reviews produced a reported $33 billion to be reallocated to weapons development programs (McCleary, 2019). As of March 2020, Secretary Esper and Under Secretary Norquist have directed the Defense-Wide Review. The Review resembles a zero-based program and budget review, focusing first on Defense-wide agencies for fiscal years 2021–2025. The goal, Esper said, is "to seek opportunities to reallocate resources & reinvest back into our top priorities" (Defense Business Board, 2019).

Other management reforms cut widely across the department, as did the Defense Management Review (Cheney, 1989) and the resulting flow of numerous Defense Management Review Decisions from Deputy Secretary Donald Atwood.

## Sources of Defense Management Reforms

In considering issues of defense management, there are both internal and external entities that have something to say about them. The sources of concern for Defense management vary widely. They include internal officials and organizations such as senior

leaders and advisors, and external sources such as the Congress, GAO, and assorted think tanks. Occasionally, Defense management has also been affected by presidential management initiatives and special commissions.

### Internal – Appointed Leaders

Appointed leaders (i.e., secretaries and deputy secretaries of Defense and secretaries of the military departments) are a common source of management reform ideas. Most would probably agree with former Secretary Robert Gates that "Failure to fix our institutions, and to do so urgently, can have catastrophic consequences for our way of life, our financial security, our national security, our freedoms and, at times, our very lives" (Gates, 2016, p. 22).

Nearly every Defense secretary has had a management agenda of some size and scope. Francis and Walther (2006) found that all secretaries from James Forrestal (1947–1949) through Donald Rumsfeld (2001–2006), excepting the very short term in office of Clark Clifford, pursued management agendas. In terms of numbers of initiatives, Secretaries Louis Johnson (1949–1950), Caspar Weinberger (1981–1987), and William Cohen (1997–2001) had the most with 42, 36, and 45 individual initiatives, respectively (Francis & Walther, 2006, p. 112). As shown in Figure 1, the topics of these reforms fell principally into five categories: acquisition and logistics; budgets, plans and programs; financial management; facilities and energy; and organizational structure (Francis & Walther, 2006, p. 111). Cohen's (1998) "Transformation for the 21st Century" proposed 17 reform measures to streamline the infrastructure and re-engineer business processes in acquisition, education, information sharing, transportation, travel, and facilities and property management.
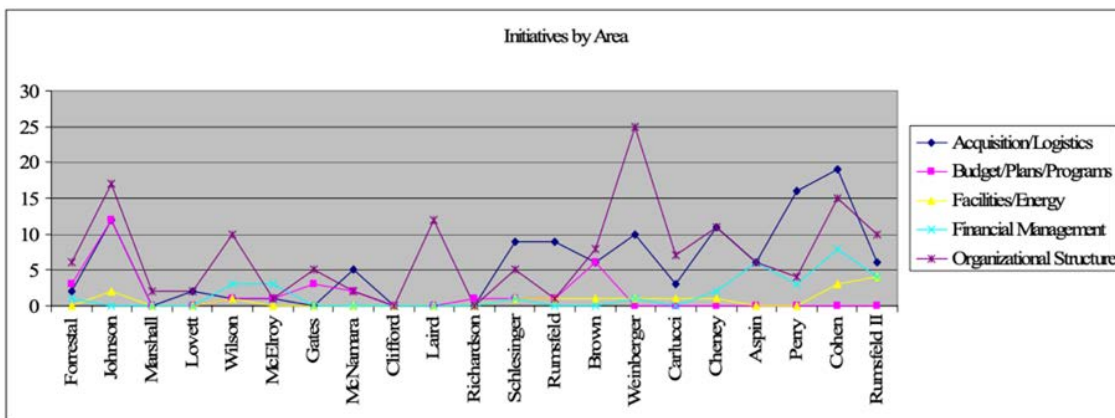


**Figure 1.  Initiatives by Area**
Source: Francis & Walther (2006)

Eaton (2018) extended the Francis and Walther (2006) study to secretaries of Defense after 2005, but only for acquisition as it was the most frequently addressed topic. Secretary Robert Gates's (2006–2011) acquisition initiatives focused on procurement for urgent current warfighting needs and staffing levels in the acquisition corps. Gates also promoted the Better Buying Power initiative to achieve affordability, incentivize productivity, promote competition, improve tradecraft in services, and reduce non-productive processes. Secretary Leon Panetta (2011–2013) extended Better Buying Power and the "fast lane" for buying systems. Secretary Chuck Hagel (2013–2015) further extended Better Buying Power and also promoted his Defense Innovation Initiatives, creating the strategic capabilities

office. Secretary Ashton Carter (2015–2017) created the Defense Innovation Unit Experimental (DIUx).

### Internal – Chief Management Officer

Acting on a strong recommendation from the GAO, and over the objections of the DoD, the FY 2008 National Defense Authorization Act (NDAA) mandated the designation of chief management officers (CMOs) in the DoD and in each of the three military departments (Brook, 2015, p. 38). Subsequently, in the FY 2016 NDAA, Congress elevated the CMO to the number three position in the DoD with expanded authorities to compel management reforms throughout the Department. The goals of CMO-driven initiatives are to: create a long-lasting culture of innovation, empowerment, and improvement to reduce the cost of doing business; lead the integration and optimization of enterprise business operations; deliver performance-driven shared services and an exceptional customer experience; expand data analytics capability and cultivate data-driven solutions; and decrease overlap and duplication throughout Defense business operations (DoD, 2019). The Congress now seems to be questioning the CMO that it created just three years ago. The FY 2020 NDAA requires studies by the Office of the Secretary of Defense (OSD) and the Defense Business Board on whether the CMO position has been successful, "with the stated goal to disestablish the Chief Management Officer position altogether" (Mehta & Gould, 2019).

### Internal – Advisors, Defense Business Board

Some Defense management initiatives are derived from secretarial or presidential management agendas. For instance, Secretary Rumsfeld's initial management reform emphasis was on cost reduction, improving quality, reducing redundancies, and adopting best business practices (Rumsfeld, 2002). These priorities in turn were translated into Business Enterprise Priorities (BEPs) to address personnel, acquisitions, material, finance, common supplier engagement, and real property accountability. The Department's Business Management Modernization Program (BMMP) and Defense Business Transformation Agency (DBTA) were created to institutionalize parts of the DoD change program (Brook & Candreva, 2007, p. 62).

The DoD's business management is also the subject of advisory groups, primarily the Defense Business Board (DBB). The charter of the DBB is to "provide the Secretary and Deputy Secretary of Defense, as well as other senior leaders, trusted independent and objective advice which reflects an outside private sector perspective on proven and effective best business practices for consideration and potential application to the Department" (DBB, 2019). Studies conducted by the DBB over the past four years have addressed such topics in acquisition, workforce costing, test and evaluation best practices, logistics, innovative culture real property management (DBB, 2019).

### External – Commissions and Presidential Initiatives

Defense management has sometimes been the subject of special study commissions and has often been impacted by presidential management initiatives.

The Private Sector Survey on Cost Control (the Grace Commission) was appointed by President Reagan to apply a private sector viewpoint toward cost reduction in the federal government. It made over 2,000 recommendations, including some for the DoD such as changing military commissary operations, revising military retirement, and reducing progress payments (GAO, 1984, p. 29). Many of the commission's recommendations required Congressional action which was largely not forthcoming.

The recommendations of the Blue Ribbon Commission on Defense Management (the Packard Commission) established in 1985 by President Reagan led the DoD to issue

the Defense Management Report (DMR) which, in turn, formed the basis for the management reform agenda of Defense Secretary Cheney in the Bush (41) administration. These reforms were aimed at long-term budgetary savings through streamlined management practices and efficiency measures such as consolidation of like functions and improved cost management. For instance, finance and accounting were centralized in the new Defense Finance and Accounting Service (DFAS), civilian personnel management was centralized in the Civilian Personnel Management Service (CPMS), and a consolidated revolving fund, the Defense Business Operating Fund (DBOF), was created (Brook & Candreva, 2007, pp. 60–61).

The Clinton administration's National Performance Review (NPR) theme of reinventing government included information technology integration, cutting costs, streamlining processes, improving customer service, and experimentation. During Secretary Aspin's short tenure as secretary of Defense, there was a focus on cost reduction through dual-use technology (Aspin, 1994), and during William Perry's term as secretary of Defense, themes of cost reduction and enhancing defense reform were continued (Perry, 1995).

The President's Management Agenda (PMA) of the George W. Bush administration addressed five areas targeted for management reform throughout the federal government: human capital, improved financial management, competitive sourcing, electronic government, and budget and performance integration. In the DoD, an initial management objective was to "increase effectiveness through increased accountability and efficiency" (Rumsfeld, 2002) with emphasis on cost reduction, improving quality, reducing redundancies, and adopting best business practices. The DoD identified six major, strategic, high-leverage initiatives, called Business Enterprise Priorities (BEPs), addressing personnel, acquisitions, material, finance, common supplier engagement, and real property accountability (Rumsfeld, 2003).

### External – Congress

The Congress can be a major source of mandates for Defense management. These mandates can come in standalone legislation. For instance, the Defense Weapon Systems Acquisition Reform Act of 2009 directed organization changes by creating the Office of Cost Assessment and Program Evaluation (CAPE) and the positions of director of development, test and evaluation and director of systems engineering (Weapon Systems Acquisition Reform Act, 2009).

Congress also tends to exercise control over defense management through the budget process, specifically through the annual National Defense Authorization Act and the annual defense appropriation. Candreva (2018) notes the increase in the number of pages in the NDAA from 300 in the FY 1990 NDAA to 584 in FY 2016 and a similar increase in the number of general provisions in the appropriations bills "increasing refinement of policy directives and funding, limiting the discretion of defense officials. … In sum they add to the administrative burden of the department" (p. 148). In the FY 2020 National Defense Authorization Act alone, Congress addressed defense management in these areas:

- Acquisition Workforce
- Defense Civilian Training Corps
- Leveraging Outside Experts
- Eliminating Bureaucracy and Streamlining Processes
- Military Healthcare
- Contributing to Healthy Communities
- Supporting the Civilian Workforce
- Military Housing Reforms
- Improving Military Education and Child Care. (U.S. Senate Armed Services Committee, 2019, p. 8)

Steele (2018) examined management mandates in the NDAA between FY 2001 and 2017, finding that Congress enacted management reform mandates largely in the areas of organizational structure, acquisition and logistics, budgeting and financial management and facilities and energy, with the most frequent being in organizational structure and financial management and budgeting. Some notable congressional mandates in this period included creation of and later changes in the Chief Management Officer, transfer of security clearance investigations from the Office of Personnel Management (OPM) to the DoD, limitations on the size of the Office of the Secretary of Defense (SECDEF), creation of a space operations officer career field for the Air Force, reorganization of the office of the SECDEF for administration of duties relating to homeland defense and combating terrorism, mandating greater use of fixed price contracts, and separating the Office of the Under Secretary of Defense for Acquisition, Technology, and Logistics into two offices—Under Secretary of Defense for Acquisition and Sustainment and Under Secretary of Defense for Research and Engineering—and requiring the DoD to produce an annual strategic management plan.

### External – Government Accountability Office

The Government Accountability Office (GAO) is perhaps the source of the largest volume of studies, audits, initiatives, and recommendations for Defense management. "The GAO is an independent, nonpartisan agency that works for Congress. […] GAO examines how taxpayer dollars are spent and provides Congress and federal agencies with objective, reliable information to help the government save money and work more efficiently" (GAO, 2019a). The GAO's staff of analysts, auditors and other specialists is organized into 14 mission teams, one of which is the Defense Capabilities and Management team. This team works in seven issue areas, three of which are clearly involved with Defense management: Defense infrastructure, strategic human capital management, logistics support, and Defense business operations (GAO WatchBlog, 2014).

Between 2014 and 2017, the GAO made a total of 1,122 individual recommendations to the DoD, averaging 280 per year. For this period, it identified 68 priority recommendations in the areas of acquisition and contract management (25 priority recommendations), readiness (14), financial management (11), health care (7), cyber security (5), headquarters management (3), support infrastructure (2), and information technology (1; GAO, 2018, p. 25). Subtracting out readiness and cyber security as more operational than management in nature, 72% of the GAO's recommendations in this four-year period addressed management issues in categories similar to those seen from other internal and external sources.

In 2019, the GAO issued reports addressing topics in acquisition and contracting: reverse auctions guidance, communicating regulation changes and industry-government change. It also issued three reports on financial management topics: contract financing, contractor business systems; one each in logistics and personnel: prepositioned stocks and improved reporting on civilian personnel. This list demonstrates the detailed breadth and scope of GAO reports and recommendations.

The GAO also addresses Defense management through its biennial High Risk List (HRL) which serves to identify programs the GAO believes have the greatest vulnerability to waste, fraud, abuse, and mismanagement. Eight of the programs on the 2017 HRL are specific to the DoD, and six have "contract" or "acquisition" in the title. Six have been on the HRL for more than 20 years (Gamble, 2018). Current programs on the HRL are DoD Approach to Business Transformation, DoD Business Systems Modernization, DoD Contract Management, DoD Financial Management, DoD Support Infrastructure Management, and DoD Weapon Systems Acquisition (GAO, 2019b).

### External – Think Tanks

Finally, an additional source of ideas for defense management reform is found in think tanks, consulting groups, and advocacy organizations. The Heritage Foundation (2019), for instance, has issued reports and proposals such as cutting non-defense research, eliminating domestic dependent schools, reforming military health care, reforming the basic allowance for quarters, and civilianizing military commercial positions. Similarly, the Brookings Institution (Miller & O'Hanlon, 2019) addressed the size versus capability argument in defense acquisition.

Some think tank managements specialize in defense studies, often in response to specific client requests. The RAND (2019) Corporation, for instance, recently released studies on using data analytics in acquisition (2019) and the costs of overseas basing (RAND, 2013). The Institute for Defense Analysis (IDA) has reported on incentives for program managers (IDA, 2018), military health care (IDA, 2019b) and the acquisition workforce (IDA, 2019a). LMI (2017) has issued a report on using blockchain technology in the military supply chain.

Other think tanks are centered on DoD business practices. The IBM Center for the Business of Government (2015) has produced numerous such reports on topics including an entire series on defense acquisition topics such as better buying power in defense acquisition. The center has also issued reports on career development (IBM Center for the Business of Government, 2009a), and professional services acquisition (IBM Center for the Business of Government, 2009b). Similarly, Business Executives for National Security (BENS) has addressed such topics as fuel costs (BENS, 2012), reforming the defense acquisition enterprise (BENS, 2009) and talent management (BENS, 2015).

## Analysis

To understand further the sources of defense management reforms, we examined publications, documents, reports, and summaries to categorize management reform recommendations by topic and by type.

### Reforms by Topic

Topics addressed by the sources identified previously appear to fall into identifiable categories: acquisition and logistics, operational, financial management, facilities and energy, organizational change, and technology. Table 1 provides examples of proposals in these topical categories.

**Table 1. Examples of DoD Reforms by Topic**

| Acquisition and Logistics | Operational | Financial Management | Facilities and Energy | Organizational Change | Technology |
|---|---|---|---|---|---|
| (GAO) Department of Defense: Additional Actions and Data Are Needed to Effectively Manage and Oversee DoD's Acquisition Workforce | (GAO): Missile Defense: Actions Needed to Improve Transparency and Accountability | (Heritage) Cut Non-Defense Research from the Defense Department Budget | (DBB): Best Practices for Real Property Management | (Heritage) Reduce Excess Infrastructure | (DBB): Implications of Technology on the Future Workforce |
| (GAO): Defense Acquisitions: Better Approach Needed to Account for Number, Cost, and Performance of Non-Major Programs | (RAND) America's Strategy-Resource Mismatch | (GAO) Military Compensation: DoD Needs More Complete and Consistent Data to Assess the Costs and Policies of Relocating Personnel | (GAO): Defense Infrastructure: Energy Conservation Investment Program Needs Improved Reporting, Measurement, and Guidance | (Heritage) Combine Military Exchanges and Commissaries and Reduce Commissary Subsidies | (DBB) Information Technology Modernization |
| (Heritage) Increase Use of Performance-Based Logistics | (GAO): Defense Acquisitions: Missile Defense Program Instability Affects Reliability of Earned Value Management Data | (DBB): Managing DoD Under Sustained Topline Pressures | (RAND) Overseas basing of U.S. military forces: An Assessment of Relative Costs and Strategic Benefits | (DBB): An Assessment on the Creation of USD for Business Management & Information | (LMI) Leveraging Blockchain Technology to Improve the Military Supply Chain |
| (Senate Armed Services Committee) Acquisition Workforce Reform | (GAO): Prepositioned Stocks: DoD Needs Joint Oversight | (IDA) A Study of Financial and Non-Financial Incentives for Civilian and Military Program Managers | (BENS) Finding Efficiencies in the Business of Defense: Reducing Fuel Cost for the Defense Logistics Agency | (BENS) Business Getting to Best: Reforming the Defense Acquisition Enterprise | (RAND) Assessing the Use of Data Analytics in Department of Defense Acquisition |

### Reforms by Type

Types of reform recommendations seem to fall into three typologies: organizational, process, and culture change. Table 2 provides examples of proposals of these types.

**Table 2. Examples of DoD Reforms by Category**

| Organizational | Process | Cultural |
|---|---|---|
| (Congress NDAA) DoD Chief Management Officer | (GAO 2010): Defense Management: DoD Has a Rigorous Process to Select Corrosion Prevention Projects, but Would Benefit from Clearer Guidance and Validation of Returns on Investment | (GAO 2011) Military Personnel: Personnel and Cost Data Associated with Implementing DoD's Homosexual Conduct Policy |
| (Heritage 2019) Combine Military Exchanges and Commissaries and Reduce Commissary Subsidies | (DBB): Implementing Best Business Practices for Major Business Processes in the Department of Defense | (DBB 2011) A Culture of Savings: Implementing Behavior Change in DoD |
| (DBB): An Assessment on the Creation of USD for Business Management & Information | (GAO): Defense Acquisitions: Better Approach Needed to Account for Number, Cost, and Performance of Non-Major Programs | (DBB 2012) Public–Private Collaboration in the Department of Defense |
| (Heritage) Close Domestic Dependent Elementary and Secondary Schools | (Heritage 2019) Increase Use of Performance-Based Logistics | (DBB): Enhancing the Department's Management Capabilities |
| (Congress NDAA) Restructure USD(AT&L) | (GAO): Military Compensation: DoD Needs More Complete and Consistent Data to Assess the Costs and Policies of Relocating Personnel | (DBB): Implications of Technology on the Future Workforce |

Simply due to the number and scope of GAO work on DoD topics, the GAO's studies and recommendations span the entire range of topics and types of defense management recommendations. Other organizations appear often to be more targeted. For instance, the Heritage Foundation's recommendations, though primarily in the organizational categories, are aimed at cost reduction and efficiencies. The Defense Business Board, true to its charter, focuses on recommendations that would bring private sector business management practices into the DoD. Congress tends toward structural reform, reorganizing parts of the DoD or creating new offices to deal with perceived problem areas.

Acceptance and implementation of reform recommendations is uneven. Certainly those enacted by Congress in the NDAA get implemented, but those unsolicited from external sources appear to get less attention. The GAO reports on the implementation status of its major recommendations. The GAO summarized its priority recommendations and the extent to which their recommendations have been implemented in Figure 2.

We designated 68 recommendations to DOD as priority recommendations. These recommendations were presented in reports issued from FY 2014 through FY 2017.

Table 6: Status of Priority Recommendations Made to the Department of Defense in Reports Issued in Fiscal Years (FY) 2014 through 2017, as of September 30, 2018

| Topic area | Open | Closed - implemented | Closed – not implemented | Total | Percent of total |
|---|---|---|---|---|---|
| Acquisition and contract management | 17 | 6 | 2ª | 25 | 37% |
| Readiness | 14 | 0 | 0 | 14 | 21% |
| Financial management | 7 | 4 | 0 | 11 | 16% |
| Health care | 5 | 2 | 0 | 7 | 10% |
| Cybersecurity | 1 | 4 | 0 | 5 | 7% |
| Headquarters management | 2 | 1 | 0 | 3 | 4% |
| Support infrastructure | 2 | 0 | 0 | 2 | 3% |
| Information technology | 0 | 1 | 0 | 1 | 1% |
| Total | 48 | 18 | 2 | 68 | |
| Percentage of total | 71% | 26% | 3% | | |

Source: GAO analysis of GAO Results Phase System data. | GAO-19-245R
Note: Priority recommendations are those that GAO believes warrant priority attention from the heads of key departments and agencies.
ªThese two recommendations related to the acquisition of the Littoral Combat Ship. Subsequent DOD actions in this area made these recommendations no longer applicable, and therefore we closed the recommendations as unimplemented.

**Figure 2.    Priority Recommendations**

Successful implementation depends first on acceptance of the proposed reform. But according to Levine (2020), it takes more than that: successful reform initiatives need to "provide a targeted solution to the right set of problems …, must be enacted or approved [and] require strong leadership and continuous engagement" (p. 5).

## Observations and Conclusions

The topic of Defense management is the subject of persistent proposals for reform and improvement. These proposals come from multiple sources inside and outside the department. The sources of reforms are highly perspectivized, dependent upon the interest and nature of the source. For instance, the GAO employs an entire permanent research and audit team to scrutinize DoD management with an eye toward the Congress as a public forum for discussing management issues and as a potential source of legislative mandates. Insiders like the Defense Business Board bring private sector perspectives to Defense management issues. Other insiders, including the CMO, various internal committees and under secretaries, focus on improving the processes and practices inside the Department. Reform proposals from outsiders, on the other hand, can be based in policy preference like cost reduction or streamlined acquisition practices. Lastly, some internal reforms are driven by the constraints of external policies such as the efficiencies driven by spending caps under the Budget Control Act and subsequent congressional budget agreements.

Whatever the source, the DoD remains the target of persistent perspectives on management reform. Reform is difficult. As Levine (2020) observes: inefficiency is embedded throughout thousands of different work processes and organizational structures; change is likely to encounter institutional resistance; and reform requires upfront investments of time and resources (pp. 3–5). Given the persistent nature of defense reform, understanding these attributes along with the background, sources, and types of defense reform proposals can better inform DoD leaders in making choices about what type and sources of reform they will act upon as they lead management reforms at the enterprise level.

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