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**DEFENSE RESOURCES MANAGEMENT AND  
PERFORMANCE MANAGEMENT IN A DOUBLE-WAY  
RELATIONSHIP**

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**Abstract:** *Performance in Defense Resources Management is a condition of the harmonization of the politico-military requirements and the results of defense resource allocation in the current international political environment, as well as a consequence of the new geo-economic realities caused by relentless geopolitical changes. In this context, performance management tends to be a sine-qua-non condition for the existence and success of defense resources management. As such, the specific activities of optimum allocation of resources get, more and more, the configuration and composition of the specific activities to achieve systematic performance. Thus, performance management and defense resources management establish commonalities, logical and binding, even defining, links, up to, in some cases, confusion or assimilation.*

**Keywords:** *defense resources management, performance management*

### **Introduction**

A fundamental function of the organization management, planning is explaining the functioning of the systems composing the entity. Moreover, this creates mutual causation between the organization's objectives and the resources specific to the work processes that take place inside.

Defense planning makes no special note. Its development in the last 15 years in Romania highlights the exponential growth of the degree of realism and involvement of the political-military decision makers in this matter, through the construction of flexible targets and prioritization closely related to the actual level of availability of resources for defense. This translates into a good and lasting planning, exclusively oriented towards efficiency and effectiveness, in a word, performance.

This paper aims to identify the connections and interdependencies between performance management and defence resource management, allowing the establishment of a two way relationship between them that leads to a holistic, easy, smooth and consistent interaction.

### **Defense resource management and performance management in a two way relationship**

The only constant of the contemporary world is the change in many fields: political, social, geopolitical, geo-economic, economic, cultural, military, etc. In our opinion, perhaps the most difficult would be the economic field. The instability and its evolution set the tone for the changes in the life of humanity, with the highest coercive force and the greatest impact on the realities of the present, in comparison with all others. Most countries

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are trying hard to cope with the pressures and challenges of the XXI century. With economic changes, defense is involved in an almost continuous process of review of its missions and priorities.

In this environment, resource management plays a special role in the development of defense and, further, in the life of nations, resources and performance management principles are applicable at all hierarchical levels in the way ensuring success. The American specialist Herman Aguinis stated that: "*The strategies are created with the participation of managers at all levels. The higher the level of involvement, the more likely it is that managers will see the resulting strategies favorably. Once organizational strategies are defined, senior management proceeds to meet with department or unit managers, who in return solicit input from all people within their units to create unit-level mission and vision statements, goals and strategies.*"<sup>1</sup> Consequently, resource management techniques and procedures, applied correctly and on time, properly and at all hierarchical levels, generate positive results at any level of systems complexity, their absence permanently leading to the emergence of problems, which ultimately translate into high costs.

Defense resources management is, par excellence, an integrative function of the military organization, covering all aspects of the organization and ultimately affects the organization's relations with the external environment. As such, there are situations where the organization is forced to change to adapt to the external environment, while in other situations resource management is to be adapted to the organization. So "*the organization needs to adapt constantly if they are to achieve sustained success. An organization's performance management processes are the principal mechanism for assessing the impact of change and tuning the business in order to survive and prosper.*"<sup>2</sup>

Invariably, the leadership of any organization seeks to adopt the best ways (in terms of human, financial, informational and logistical resources) to achieve their goals, that is maximum efficiency and effectiveness under the conditions of limited resources. In other words, leadership is constantly seeking performance. From this perspective, efficiency and effectiveness, the expected final results of performance management, can be found in the same form, in defense resource management. This is a crucial convergence of the two types of management.

It is well known that the management of public institutions is a challenge in the current socio-economic conditions where budgets are limited, and the requirement to streamline the activities in this area is becoming more acute. The military sector is perhaps the most affected, and defense resources management should focus on the application of principles and methods used in performance management. Essentially, defense resource management is totally different from all other similar activities conducted in other public sector organizations, and the private sector. It involves complex and specific activities, using long term use equipment with high production and procurement times, requiring specialized personnel and relatively long stability in positions. For this large financial implications are necessary, in order to ensure an optimal capability / cost ratio, at which time performance management models find their application starting with establishing optimal goals, flexible, that would best meet the political requirements and continuing with the forecast of realistic results and tracking their completion. Therefore, "*the resources allocation decisions that shape a program budget rely on estimates of future costs and performance. Because even the best estimates embody risks that actual costs will be higher*

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<sup>1</sup> Aguinis, Herman, *Performance Management*, Pearson Prentice Hall, New Jersey, USA, 2007, p.50.

<sup>2</sup> Axson, A.J. David, *Best practices in Planning and Performance Management, from data to decisions*, second edition, John Wiley & Sons Inc., New Jersey, USA, 2007, p.23.

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*than projected or performance lower, the program budget requires annual adjustment to reconcile it with reality.”<sup>3</sup>*

In essence, the identification and application of advanced methods for processing policy objectives in public policy is very important, and the transformation should be situated above what was initially considered optimum. Thus, performance management in defense resources management ensures the compatibility between construction objectives and available resources, by creating planning and programming in a unified conception. It provides, therefore, the activities to achieve the objectives set through effective management, the integrated system of human, material, informational and financial resources allocated.

Simultaneously, there is an increase in the level of involvement and responsibility of specialized staff at all levels, in order to meet the programs established by the politico-military decision makers to optimize use of available resources. In this way, it facilitates civilian control over the process of allocation and use of defense resources available to the military. Transparency of objectives and mandatory consensus in the approval processes of programs, and then of the budget, are mechanisms leading to the strengthening of civilian control and accountability in the allocation and use of defense resources. The results will invariably show a clear understanding of the final cost of national security in the military area, as well as how to achieve military objectives planned, leaving them in achieving military capabilities. In other words, it performs the correlation between process inputs defense resource management - human resources, informational, logistical and financial - with outputs process embodied in military capabilities, ie process efficiency. Moreover, the performance management process facilitates defense resource management specific alternatives to obtain the same cost assessment capabilities, with possible implications in the medium and long arising from the use of resources under various programs, in a word, the efficiency of defense resource management.

In summary, we consider that performance management of defense resources is directly proportional to the institution's ability to attract the best resources and use them more efficiently and effectively in order to achieve the projected results. Thus, the performance of the military, in terms of resource management involves activities which, undoubtedly, are taken from performance management, with the same connotations and effects. As such, defense resource management needs performance indicators and, therefore, it starts with the identification and construction of indicators based on objective / policy requirement in the matter. The process of achieving these indicators is continuously monitored throughout its deployment, ensuring thus prompt intervention on activities for necessary corrections, and in the final process, the fulfillment of indicators is evaluated and the basis for the feedback required for the reinitiating of the resource management process are determined. We emphasize that the performance indicators of the institution includes indicators set for all the components of the military organization, and the systems and processes subsequent to the whole process of resource management.

In direct relation to the above, we think that for a correct quantification of performance indicators, it is necessary to identify and adopt or build a cohesive measurement tool, which should be based on three defining components: defining accurate measuring element, establish a clear measurement system and regulating the use of the measurement system. Using a distinct performance measurement tool helps to correct the substantiation of decisions on the optimal allocation of resources, especially in the military sector. Thus, “measurement is the key driver of improvement activity and this will entail

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<sup>3</sup> Vance C., GORDON, Wade P. HINKLE, *Best Practices in Defense Resource Management*, Document D-4137, Institute for Defense Analyses, January 2011, USA, p.V, in <http://www.researchgate.net/publication>, accesat în octombrie 2014.

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the measurement being feed back to those with the authority to make changes and those undertaking the activity being measured.”<sup>4</sup>." In this way, performance management provides the necessary tool for defense resource management, useful for determining the costs of each activity, and providing the most accurate measurement of the performance achieved, the development of an own standards system and ultimately a more accurate comparison of the results obtained with the costs during the course of the process, ie determining process efficiency. Moreover, in addition to specifying the costs of all the specific activities of defense resource management, priorities are specified in its development, and the required medium and long term plans and budgets are prepared. All these are based on clearly defined objectives, and quantifiable and measurable results, determining thus the levels of efficiency and effectiveness of activities and the whole process as a whole.

Following the above, we conclude by highlighting that Performance Management is achieved through creating simple relationships between the elements they manage, and thus provide the theoretical framework the Defense Resources Management needs to successfully fulfill its goals. In this way, top political and military decision, which underpins Defense Resource Management, is the basis for the effects materialized in national security, national policy priority, in which the allocation of defense resources which plays a key role. The result of this is the optimal and timely insurance of the resources available to the state, essentially, the efficiency of resource allocation. As such, obtaining the latter requires identifying and implementing the appropriate strategies of performance management.

Therefore, the connection that exists between the two types of management, is not only obvious, but makes us consider the existence of a causal link between them, the application of performance management in defense resources management may be seen as the effect of the political-military requirement and the cause of performance in allocation of available resources.

### **Conclusions**

Finally, our scientific approach emphasizes, once again, the close link between Performance Management and Defense Resource Management, and even their sequential merge. Performance in resource allocation has a strong impact on the military organization in all its aspects. Therefore, its proper management leads to reduce waste and the considerable improvement of the efficiency of organizational processes. Thus, there is an urgent need to use creative approaches on performance of all types of resources, in order to reduce costs, while maintaining high standards of efficiency and effectiveness of specific processes.

Therefore, the reason of "being" of Defense Resources Management is performance, and its proper management must become the first priority in all matters for defense policy makers, both political and military, in order to create and maintain a slim, powerful and effective defense sector.

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<sup>4</sup> Jackson, Sylvie, *Performance management and the Balanced Scorecard*, in *Managing Defence in a Democracy*, edited by Laura R. Cleary and Teri McConville, Routledge, New York, USA, 2006, p. 222.

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