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WITHOUT PERFORMANCE MEASURING, ORGANIZATIONAL CHANGE IS A ROAD TO IRRELEVANCE

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Without Performance Measuring, Organizational Change is a Road to Irrelevance

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ABSTRACT

Organizational change in Canada's military has always been driven by the relative availability of resources coupled with the strategic intent of government. This means, Military Commanders must be selective in where to invest precious financial resources in order to maximize current and invest in future capability. This paper argues that the CF must measure its performance to ensure the success of any organizational change activity. Considering the significant potential for organizational disruption from the effort and the potential costs associated with failure to conform to government intent, there is a compelling argument to continually assess the effectiveness of the changes throughout the process. The proposed performance measurement tool offered in the latter part of this paper comes from a cursory analysis of business and military organizational change and performance measurement practices. By using it, the CF can ensure the success of its organizational change.

INTRODUCTION

> Transformation cannot be made to happen. The conditions that give rise to it can be understood and they can be made present in your enterprise. Transformation emerges as the consequence of many definable and fairly easily created circumstances. It is neither easy nor difficult. It does take a well designed and persistent effort over an extended period of time and this is something that few organizations are willing to sustain. There is no easy path to transformation and a group of consultants cannot come into your firm and do it for you.[1]

The Canadian Forces (CF) is a key instrument of national power used by the Government of Canada to keep Canadian citizens safe and secure, and to defend Canadian sovereignty and its interests on the international stage[2] Significant effort is required in order that Canada's Defence Department can invest in the capabilities it requires to achieve such an aim. So, how do we ensure the achievement of this aim? The international community continues to change. Available technologies continue to evolve and are increasingly more sophisticated. Threats materialize as these new technologies proliferate. Other threats decrease or morph over time as regimes of interest change their priorities and their respective allocation of available resources. It is for this reason that this evolutionary and dynamic process forces a country's armed forces to ponder continually whether their organization is sufficiently structured to face the emerging trends. Without performance measuring, organizational change can be a road to failure.

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[1] Matt Taylor, "The Process of Organizational Transformation." *Matt Taylor Web Site Portal*. Available from http://www.matttaylor.com/public/papers/transformation_process.htm; Internet; accessed 6 April 2012: 1.

[2] Department of National Defence, *Canada First Defence Strategy*, (Ottawa: Government of Canada, 2008), 1.

Organizational change, under a variety of names, has been going on since the creation of the armed services of Canada. Transformation is the name given to the most recent version of this activity taking place in the Canadian Forces (CF). The process can be very intrusive and involves the search for financial and personnel efficiencies that have the potential to significantly impact major chunks of the organization. Military Commanders must be selective in where to invest precious financial resources in order to maximize current and invest in future capability. Considering the significant potential for disruption from an organizational change effort and the potential costs associated with failure to conform to government intent, there is a compelling argument to continually assess the effectiveness of the changes throughout the process.

It has become all too common to hear senior officers observe that their respective organizations do not have the personnel required to execute the assigned mandate.[3] Conversely, some have commented that the sheer number of headquarters that exist within the Canadian Forces is far more than a force of our size requires.[4] These few examples suggest that the CF have not changed in accordance with the objectives, as laid out by the change activities that will be introduced in the next chapter. To this end, it seems crucial to develop a mechanism for performance measurement for even minor organizational change. For example, even the Operational Planning Process has a

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[3] Department of National Defence, NTPT Report: September 2010 – June 2011, (Ottawa: Chief of the Maritime Staff, 2011), 2-4/7. This document was in support of the Naval Transformation effort. During extensive consultations, it became evident that many of the organizations had the requisite billets to perform assigned tasks; however, those billets did not have personnel assigned to them. This led the Director General Maritime Force Development (DGMFD) to remark that without the personnel, the organization risked failure in the accomplishment of assigned tasks.

[4] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 230.

"review" stage.[5] The rationale for this seems clear in that there is need to confirm that the main effort still aligns with the mission, that it continues to be achievable and that changing circumstances continue to be taken into account within the overall plan. By ensuring that performance measurement is an integral part of the change process, the CF will be better prepared to make organizational changes to its force structure when politically directed or forced to do so by competing demands for scarce resources. Without such a means, the change process becomes ad-hoc and without an established end-goal, or is a lost opportunity to invest in critical capabilities which would maximize the efficient use of these scarce resources.

It is important to reiterate that organizational change within Canada's military has always been resource driven, a situation that will be explored in the next chapter. In order to argue the requirement for a performance measurement, the second chapter will introduce Canada's geo-political reality as a starting point for understanding Canada's defence policy. This will provide the background to discuss briefly four of Canada's most recent organizational change activities. Moreover, this brief historical glimpse will demonstrate the impact that fiscal imperatives play on Canada's military and the important influence defence policy and by default Canada's geographic reality have on shaping the need for organizational change. Finally, it will reinforce the lessons from Sutherland that Canada has the luxury of choice in how much to spend on defence, and that the military must work within this constraint to develop as much capability as

[5] Department of National Defence, B-GJ-005-500/FP-000, *The Canadian Forces Operational Planning Process*. (Ottawa: Chief of the Defence Staff, April 2008), 3-13.

possible.[6] The presentation of this material serves to illustrate the similarities between past change efforts and allows the author to hypothesize that the objectives of organizational change have only ever been partially achieved.[7]

The third chapter will then examine the organizational change process from both a military and business perspective, demonstrating the complexity of the process. It will provide an understanding of the concepts of organizational change both from a military and a business context in order to demonstrate that the process used by military change efforts is grounded in the same organizational change theory used by the business community. This will lead to the deduction that the solutions to organizational change problems found within CF activities will likely be found within this same theory. Finally, this will lead to the observation that change fails because we never achieve what we set out to do, thereby reinforcing the need to performance measure.

Finally, the fourth chapter will introduce the importance of the performance measurement, by presenting some of its concepts and its measurement frameworks. The applicability of these concepts to military change efforts will provide the necessary foundation for the creation of a new structure for measuring change performance within the CF. This paper will then offer supporting evidence to the validity of this framework as an appropriate measurement tool, by evaluating a part of the CF's most recent transformational process. Like previous chapters, the fourth chapter will also provide an

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[6] Douglas L. Bland, "Controlling the Defence Policy Process in Canada: White Papers on Defence and Bureaucratic Politics in the Department of National Defence," (Centre for International Relations Queen's University, Kingston, ON, 1988), 5.
[7] Ibid, 8.

opportunity to reinforce the complexities associated with organizational change. These chapters will also strengthen the argument that a performance measurement tool is a crucial component to the organizational change process. Considering that the idea behind measurement is to feed information about improvement activities to those who are able to make adjustments, this chapter will provide adequate support to the thesis that this activity must be incorporated into future CF change efforts to ensure their success.[8] Lastly, the paper will provide this new framework as an appropriate general performance measurement tool to assist future organizational change efforts and solidify that, without this effort, organizational change will likely fail, if performance is not measured.

[8] Laura Richards Cleary, Managing Defence in a Democracy, (London: Routledge, 2006), 21.

A RECENT HISTORY OF CANADIAN DEFENCE POLICY

INTRODUCTION

Douglas Bland once quipped that "Defence Policy is whatever the Prime Minister says it is." What he meant by this statement is that in the absence of formal policy documents, a government's defence policy is shaped by the actions and statements of the Prime Minister. This policy provides guidance to the CF by establishing the priorities for which it must be capable of responding. These "Strategic policies are – or ought to be – the basis of plans, military programs, major procurement decisions and the establishment of priorities for research and development."[9] "Some would argue Canada's defence policy is founded on the premise that there is no threat and that the Americans will save us if there were one."[10] The leaders of the CF do not have the luxury to make that assumption and as a result attempt to gain as much capability as is possible given the limited nature of resources made available for National Defence.[11] This drive is coloured by knowledge of the strategic reality within which Canada finds herself, as the officers charged with leading the institution are responsible for measuring the organization's effectiveness and relevance of the capabilities it possesses, and are accountable to the Canadian government to do so.[12] This means that government policy and budgetary

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[9] Department of National Defence, White Paper on Defence, (Ottawa: Her Majesty the Queen in Right of Canada, 1964), 12.
[10] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 9.
[11] Ibid, 10
[12] Douglas L. Bland, Chiefs of Defence: Government and the Unified Command of the Canadian Armed Forces, (Toronto, Ontario: [Canadian Institute of Strategic Studies], 1995), 26.

decisions will have a significant effect on the Canadian Forces, resulting in organizational change.

Canada has had several recent defence policies that have dramatically shaped the construct of Canada's armed forces. Although recent policies have been quite similar in their content, there have been occasions where strategic shocks have occurred internationally, forcing political leaders to adjust priorities, sometimes dramatically. Perhaps the most well known would include the massive build-ups required to participate in the global struggles of World Wars One and Two or the sudden collapse of communism, bringing the Cold War to a very abrupt end. When each of these conflicts concluded, economic and political imperatives forced a re-think of priorities resulting in a reduction in available resources and forcing organizational change upon the Defence Department.

This chapter will use Canada's geo-political reality as a stepping-stone into the presentation of a few of Canada's most recent defence policy statements. This will then provide the framework to discuss four of the Canadian Force's most recent organizational changes, commencing with Unification and Integration of the Canadian Forces. It will then look at the aims of the CF's most recent Transformational effort to substantiate the hypothesis that the main objectives of these organizational changes were never achieved.

CANADA'S REALITY

R.J. Sutherland introduces several notions that are fundamental to understanding Canada's geo-political reality. First from a geographic perspective, he argues that due to our proximity to the United States, Canada's security is inextricably linked to that of the US.[13] This means that there is an "involuntary American guarantee" to protect Canada from external threats to her security. This provides the government enormous discretionary flexibility when it comes to defence spending.[14] The danger is that Canada cannot take this guarantee for granted, as it comes with the responsibility of ensuring that Canada does not become a direct security threat to the US.[15]

Second, from an economic perspective, Canada is a member of the G8 group of countries, meaning that she is one of the wealthiest countries in the world, owing to her economic strength, technological competence and her access to natural resources.[16] None-the-less, governments of the day often have to balance this with the political pressure to fund large and expensive social programmes, such as health-care. All of this provides support to the notion that Canada has a natural alignment with the US given our interconnected economies, cultural similarities, and our geographical proximity.[17] It is this combination that ultimately shapes the Canadian Government's defence priorities and by consequence those of the CF.

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[13] R.J. Sutherland, "Canada's Long-Term Strategic Situation," *International Journal* 17, no. 3 (Summer 1962), 202.
[14] Ibid, 203
[15] Ibid, 202.
[16] Ibid, 203.
[17] Ibid, 205.

Below, a number of Defence Policy documents are introduced as examples, which depict the recurring nature of priorities and demonstrate that they are indeed shaped by Canada's reality. They also provide some insight into the change initiatives generated from these policy documents. More importantly, though, they provide confirmation of the pivotal impact the fiscal situation has on shaping both government will to retain military capability and the requirement for the military to adapt based upon this challenge. In order to provide some context to the documents, a brief synopsis of the security challenges being confronted in the periods is also provided.

DEFENCE WHITE PAPER – 1964

In light of several key events in the post-World War II period, Canada continued the evolution of her defence department. Specifically, the Soviet Nuclear Test of 1949 and its direct implications to the defence of North America, Canada's membership in NATO for collective defence and the invasion of South Korea in 1950 were all catalysts for renewed interest in the defence organization and a desire to ensure its readiness.[18] The Soviet Nuclear test in 1949 marked a significant shift in Canada's security situation. For the first time, Canada had a direct threat to her National Security.[19] This new threat, in combination with the instability on the Korean peninsula, provided support to the idea that Canadian Forces again had a role to play outside of Canada's continental defence requirements and this range of possible conflicts would likely require war fighting skills

[18] Danford William Middlemiss, and Joel J. Sokolsky, *Canadian Defence: Decisions and Determinants*, (Toronto: Harcourt Brace Jovanovich, Canada, 1989), 19-20.
[19] Ibid, 24.

and capability development within the military establishment, an idea that was further illustrated in the 1964 White Paper.[20]

The strategic situation mentioned above, though, was not the only reason that would generate change in the CF. There were questions over what level of defence Canada would invest in to ensure a balance between domestic, continental, and international pressures and how this investment would be allocated among the three services of the armed forces.[21] Additionally, the RCN's unauthorized deployment in support of Canada's continental ally during the Cuban Missile Crisis of 1962 served to reawaken a general mistrust of the military, felt within the Liberal Government of the time.[22] In fact, there was a perception that during this crisis, the military had "gone rogue" and had actually mobilized itself in support of the United States, despite the Government's desire to be consulted before mobilizing its armed forces.[23] This, in combination with the Defence Minister's belief that the competition amongst the services and the constant political manoeuvring for funding was severely detracting from their overall effectiveness, convinced him that changes within the military were necessary.[24] As he saw it, each of the services had their own set of war plans and was not geared to support the other in the event of war.[25] Consequently, the government moved to reassert their control over the military with a unified Defence Policy that shifted the defence focus

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[20] Douglas L. Bland, Chiefs of Defence: Government and the Unified Command of the Canadian Armed Forces, (Toronto, Ontario: [Canadian Institute of Strategic Studies], 1995), 214.
[21] Danford William Middlemiss, and Joel J. Sokolsky, *Canadian Defence: Decisions and Determinants*, (Toronto: Harcourt Brace Jovanovich, Canada, 1989), 25-26.
[22] W. A. B. Douglas, *The RCN in Transition, 1910-1985,* (Vancouver: University of British Columbia Press, 1988), 218.
[23] J. L. Granatstein, *Who killed the Canadian military?*, (Toronto: Harper Flamingo Canada, 2004), 79.
[24] Ibid, 73.
[25] Ibid, 73.

away from service centric priorities and required a unified command structure responsive to government direction, through a single Chief of the Defence Staff.[26]

Further arguments supporting the drive for unification were questions over whether or not the traditional tri-service division of military responsibilities was efficient. The perception was that there was a growing area of overlap that existed within the defence department and Unification was intended to address this in order to save money.[27] What is more, this growing "administrative tail" that included triplication of pay arrangements, recruiting, public relations and intelligence organizations was incomprehensible to members appointed to the Royal Commission on Government Organization.[28] This same report found that over 200 committees had become bottlenecks and inhibitors and it found that the Chairman of the Chiefs of Staff Committee had the right rank but no real authority to force the services to work together, nor did he have a staff for evaluating service demands, something those reporting found deeply disturbing.[29] An integrated Force under a single command structure was the solution that sought to ensure operational control and effectiveness, streamline procedures and decision-making and would ultimately reduce overhead. The report argued that this duplication or overhead and the bloated nature of the headquarters, at the expense of field forces, could be the source of considerable savings, both monetary and in terms of personnel. This became a driving force of the effort.[30]

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[26] Major-General Daniel Gosselin, "Hellyer's Ghosts: Unification of the Canadian Forces is 40 Years Old - Part One." *Canadian Military Journal* 9. No. 2 (2009), 7.
[27] J. L. Granatstein, *Who killed the Canadian military?*, (Toronto: Harper Flamingo Canada, 2004), 81.
[28] Desmond Morton, *Canada and war: a military and political history*, (Toronto: Butterworths, 1981), 181.
[29] Douglas L. Bland, *Chiefs of Defence: Government and the Unified Command of the Canadian Armed Forces*, (Toronto, Ontario: [Canadian Institute of Strategic Studies], 1995), 49.
[30] Desmond Morton, *Canada and war: a military and political history*, (Toronto: Butterworths, 1981), 181.

The 1964 White Paper on Defence served not only to announce the forthcoming Unification and Integration of the services into the Canadian Armed Forces (CAF), it identified the government's objectives for Canada's Defence Policy. They were to preserve peace by supporting collective defence measures to deter military aggression, to support Canadian foreign policy including that arising out of our participation in international organizations, and to provide for the protection and surveillance of our territory, air space and coastal waters.[31] The minimum requirements of this last responsibility is further defined as: "the ability to maintain surveillance of Canadian territory, airspace and territorial water; the ability to deal with military incidents on Canadian territory; the ability to deal with incidents in the ocean areas off the Canadian coasts; and the ability to contribute, within the limits of our resources, to the defence of Canadian airspace."[32] Additionally, the document identified that the military bears some responsibility for survival operations, search and rescue, communications and aid to civil power, further influencing the perceived requirement for military capability development. But, it was the unification effort which would dramatically shape the future force structure.

Little direction was provided in the document on how to accomplish the changes envisioned.[33] In the post war reflection, the organization had to contend with knowledge that military organizations would no longer have time to adapt and mobilize in response

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[31] Ibid, 5.
[32] Ibid, 12.
[33] Douglas L. Bland, *Chiefs of Defence: Government and the Unified Command of the Canadian Armed Forces*, (Toronto, Ontario: Canadian Institute of Strategic Studies, 1995), 77.

to a rapidly developing crisis.[34] Subsequent Canadian governments also recognized that due to the citizenry's dislike of conscription, providing air and sea forces had the least impact politically when there was clearly a requirement to participate in international events.[35] Finally, there was recognition that a modest investment in research and development provided the impetus for a technological alliance with like-minded nations to allow access into fields that Canada could not afford to investigate on her own.[36] The 1964 White Paper was different, though. It generated significant structural change from the top down, as government will was imposed on a resistant organization. The fiscal reductions, however, were similar to follow-on change activities in that they caused military leaders to seriously consider issues such as: where do Canada's interests lie, what adversaries will she face and what technologies will they have access to. The answers to these questions would serve as a guide for decision-makers to invest these limited resources in capability development while concurrently retaining other key capabilities held in the inventory.[37]

In 1980, the current Minister of National Defence released the results of a review of the efforts of Unification and Integration. In it, he indicated that his primary concern was the operational effectiveness of the Canadian Forces.[38] He also affirmed the benefits that the unification of the three services produced. The generation of more defence effectiveness was achieved from removing the unnecessary triplication of training, and

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[34] Desmond Morton, *A Military History of Canada*. (Edmonton, Alta.: Hurtig Publishers, 1985), 240.
[35] Ibid, 220.
[36] Department of National Defence, White Paper on Defence, (Ottawa: Her Majesty the Queen in Right of Canada, 1964), 8.
[37] Laura Richards Cleary, *Managing Defence in a Democracy*, (London: Routledge, 2006), 201.
[38] The Honourable Gilles Lamontagne, "Review of the Report of the Task Force on Unification of the Canadian Forces." *National Defence Response to the Report*, (Minister of National Defence. National Defence Headquarters, Ottawa. 17 Sept. 1980), 6.

personnel support services provided to the three services and the report emphasized the improvement of a unified command structure which permitted the Forces to more quickly and efficiently mount and support combined operations abroad.[39] This was the government's perspective, however.

One of the stated aims of unification was not to disregard this reality but to allow for unitary command and control of it.[40] But those responsible for the armed services saw each one with very distinctive roles that would not easily or effectively blend with the others.[41] As not enough of the senior cadre could be convinced of the utility of providing a unified and effective command structure, it was not achieved. This was due in large part to poor communications and messaging of the aims of unification and integration, a key component of organizational change that will be explored further in the next chapter.[42] After 15 years with the functional commands, the services began to reassert their distinctive natures and the "unification" effort remained focused only upon the administrative similarities in order to generate cost savings.[43] Accordingly, some cost savings were achieved; but the main objective of the change effort failed.

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[39] Ibid, 2-3.
[40] Ibid, 80.
[41] Vernon J. Kronenberg, *All Together Now: the Organization of the Department of National Defence in Canada 1964-1972*, (Toronto: Canadian Institute of International Affairs, 1973), 79-80.
[42] Ibid, 86.
[43] Desmond Morton, *Canada and War: a Military and Political History*, (Toronto: Butterworths, 1981), 198.

DEFENCE WHITE PAPER - 1994

Jumping ahead to 1989, the collapse of communism and the disintegration of the former Soviet Union ended the Cold War. The bi-polar world of East and West facing off against each other in a Cold War had disintegrated and in its place, a much more unstable world began to emerge. There was an increased demand for United Nations Peacekeepers of which Canada had been and continued to be a large contributor. With the Cold War concluded, though, there was considerable domestic political pressure to cash in on the "peace dividend," a term used to describe the perceived savings that would be realized by reduced defence spending generated by the disappearance of the Soviet threat.[44] What's more, the Canadian budget deficit had become so unmanageable that a majority Liberal government came to power on a platform to eliminate government waste and reduce spending while maintaining key social programs.[45]

In order to accomplish stated objectives, the new Liberal government, under the leadership of the Right Honourable Jean Chretien, set the tone by commencing a defence review and stating that in some areas of responsibility the department would do less.[46] Despite this, the government reaffirmed the priorities of the defence department as follows: the CF "…must maintain a prudent level of military force to deal with challenges to our sovereignty in peacetime, and retain the capability to generate forces

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[44] Andrew Fenton Cooper, *Canadian Foreign Policy: Old Habits and New Directions*, (Scarborough, Ont.: Prentice Hall Allyn and Bacon Canada, 1997), 113.
[45] The Right Honourable Jean Chretien, *Creating Opportunity: The Liberal Plan for Canada*, (Ottawa: Liberal Party of Canada, 1993).
[46] Joel J. Sokolsky, *Canada, Getting it Right This Time: The 1994 Defence White Paper*, (Carlisle Barracks, PA: Strategic Studies Institute, United States Army War College, 1995), 9.

capable of contributing to the defence of our country should the need arise."[47] This was the advent of an obsession to "do more with less," a term given to the idea that although resources would be curtailed, defence commitments would not be so reduced.[48] Additionally, Canada would remain an active player in multilateral and bilateral defence arrangements in order to promote collective security.[49] In other words, "Canada needs armed forces that are able to operate with the modern forces maintained by our allies and like-minded nations against a capable opponent - that is, able to fight `alongside the best, against the best'." These stated priorities were incompatible with each other and caused the Defence Department to make severe cuts to meet the challenges presented by Canada's fiscal priorities, a situation that formed the impetus for this next change effort in the CF and the Defence Department.[50]

The release of a new White Paper on Defence established the requirement for these considerable cuts all while maintaining combat capable forces in the three warfare domains of land, sea and air.[51] Canada also reaffirmed its requirement to be capable of participating in peacekeeping operations.[52] For the first time, though, the White Paper articulated the notion that peacekeeping was simply a point along a spectrum of conflict and that it could amount to more than placing forces between belligerent parties. As such,

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[47] Department of National Defence. 1994 White Paper on Defence. Available from http://www.forces.gc.ca/admpol/1994%20White%20Paper%20on%20Defence.htm. Internet; accessed 8 April 2012.
[48] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 220.
[49] Department of National Defence, *1994 White Paper on Defence*, (Ottawa: Her Majesty the Queen in Right of Canada, 1994).
[50] J. L. Granatstein, *Who killed the Canadian military?*, (Toronto: Harper Flamingo Canada, 2004), 165-169.
[51] Ibid.
[52] Joel J. Sokolsky, *Canada, Getting it Right This Time: The 1994 Defence White Paper*, (Carlisle Barracks, PA: Strategic Studies Institute, United States Army War College, 1995), 12.

there was still a need for fighting capabilities.[53] However, it also acknowledged the dire economic situation in which the country found itself and indicated that significant personnel force cuts and budget reductions would have to be absorbed all while maintaining a core fighting force.[54]

In an attempt to move beyond the traditional boundaries of organizational change in order to achieve drastic reductions in allotted resources, there was an endeavour to incorporate the latest theories from the business world into the efforts to modernize and streamline the operations of the CF.[55] In December 1994, the Management Command and Control Re-engineering (MCCR) initiative commenced in an attempt to rein in the burgeoning National Defence Headquarters bureaucracy and the perceived waste of defence resources.[56] This had a dramatic effect on the shape of the Canadian Forces due almost exclusively to the goal of cost cutting and reviving the notion that Canada would choose how much defence was adequate through a conscious decision to shrink its budget.[57]

The MCCR's stated aim was to reduce resources consumed by headquarters, infrastructure and wasteful business practices in order to ensure the preservation of

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[53] Department of National Defence. 1994 White Paper on Defence. Available from http://www.forces.gc.ca/admpol/1994%20White%20Paper%20on%20Defence.htm. Internet; accessed 8 April 2012.
[54] Lieutenant-Colonel Michael Rostek, "A Framework for Fundamental Change? The Management Command and Control Re-Engineering Initiative ." *Canadian Military Journal* 6. No.4 (2005): 70.
[55] Ibid, 67.
[56] Department of National Defence, *NDHQ 99: Review of Restructuring and Re-Engineering*, (Ottawa: Chief Review Services, 2001), 2.
[57] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 224.

combat capability.[58] Its underlying purpose was to re-establish the primacy of operations in relation to all other functions of the defence department, allowing for the reallocation of resources from other lines of operation that were not directly linked to this purpose. As with most CF reorganization efforts, the intent was to streamline processes throughout the department through the removal of duplication or overlap. In theory, the "re-engineering" process allowed for alternate service delivery and a general downsizing, thereby returning the surplus resources to the centre for redistribution of cost savings.

It again becomes clear that some goals were achieved and others were not. A review of the MCCR activity found that the objective to reduce the headquarters staff by the stated requirement of one third was achieved; however, the self-imposed requirement to reduce these staffs by half was not. According to the review published in 2001, the effort achieved a reduction in departmental costs of twenty-three percent.[59] This same review indicated that the initial re-engineering work of the organizational structure started but was never completed.[60] In other words, the focus appeared to be almost exclusively on the necessity to cut headquarters staffs and resources to reallocate to operations, not on the associated re-engineering of the structures to support it.[61] This was largely in attempt to ensure that operations did not suffer during this period of belt tightening. However, considering the magnitude of the budget cuts, a dramatic reorganization of the Forces was necessary. This included numerous base closures, major personnel cuts, reduction of

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[58] Ibid, 67.
[59] Department of National Defence, *NDHQ 99: Review of Restructuring and Re-Engineering*, (Ottawa: Chief Review Services, 2001), 6.
[60] Ibid, 7.
[61] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 226.

equipment and an elimination of some capability.[62] In fact, according to LCol Rostek, the MCCR fell well short of its stated objectives, either due to the focus to cut or due to the speed that the changes were occurring.[63] One of the highlights to this organizational change, though, was a debate that produced interest in joint capability planning within the CF,[64] the importance of which will be explored in the next chapter. Ultimately though, the sheer magnitude of changes reinforced the importance of the organizational change process in achieving stated objectives and emphasized the fact that Canada has a choice in defence allocations and would take advantage of this.[65]

INTERNATIONAL POLICY STATEMENT – 2005

Paul Martin became Prime Minister in 2003 at which time another pivotal moment in CF organizational change history commenced. By this moment in time, the government had eliminated the budget deficit and subsequently found itself in the enviable position of successive budget surpluses. At that time, the Prime Minister was looking for Canada to take on a much larger role on the international stage in support of international policy objectives.[66] To this end, he released Canada's International Policy Statement (IPS), entitled A Role of Pride and Influence in the World. In it, the government renewed its commitment to maintaining a capable military. It also outlined

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[62] Lieutenant-General (ret'd) Michael K. Jeffery, *Inside Canadian Forces Transformation: Institutional Leadership as a Catalyst for Change,* (Kingston, Ont.: Canadian Defence Academy Press, 2009), 3.
[63] Ibid, 226.
[64] Douglas L. Bland, *Chiefs of Defence: Government and the Unified Command of the Canadian Armed Forces*, (Toronto, Ontario: Canadian Institute of Strategic Studies, 1995), 276.
[65] Joel J. Sokolsky, *Canada, Getting it Right This Time: The 1994 Defence White Paper*, (Carlisle Barracks, PA: Strategic Studies Institute, United States Army War College, 1995), 29.
[66] Bill Graham, *Canada's International Policy Statement: A Role of Pride and Influence in the World*, (Ottawa: Her Majesty the Queen in Right of Canada, 2005) Message from the Minister.

the traditional defence priorities: "The Canadian Forces will continue to perform three broad roles: protecting Canadians, defending North America in cooperation with the United States, and contributing to international peace and security."[67] Moreover, it again required the "military to be effective, relevant and responsive, and remain capable of carrying out a range of operations, including combat."[68] The difference during this organizational change, though, was that the Defence Department was actually benefitting from a commitment to increased funding. That said, the fiscal reality and the desire to maximize the effect of these new resources led to Canada's own Transformation effort.

This organizational change would be further shaped by the security environment presented within the same document. Highest on the list of trends foreseen was the notion of failed or failing states.[69] By this stage, there were numerous examples of failed states that had required armed personnel contributions such as Afghanistan, Somalia, Haiti and the Sudan. The second challenge the government identified was the threat of Terrorism.[70] It had been four years since the attacks on the World Trade Centre in New York, and yet this one event had completely shifted Canada's view of security. Up until this point, Canada had continued to believe that the continent of North America was invulnerable to strife found in the rest of the world.[71] With the exception of the threat of mutually assured nuclear annihilation seen during the Cold War, 9/11 served as a turning point to Canada's perception of security.[72]

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[67] Ibid, 10.
[68] Ibid, 2.
[69] Ibid, 5.
[70] Ibid, 5.
[71] Ibid, 6.
[72] Department of National Defence, *Canada First Defence Strategy,* (Ottawa: National Defence, 2008), 6.

The document identified further security challenges posed by regional flashpoints that are vulnerable to the proliferation of Weapons of Mass Destruction (WMD). For example, North and South Korean continue to face each other in a standoff that has lasted more than fifty years.[73] Furthermore, Iran remains focused on developing a nuclear device in order to end what is sees as the undue influence the West holds over the region. Relations between Pakistan and India also remain an area with potential to deteriorate rapidly into open conflict. Moreover, Pakistan remains on the verge of failing as a state herself, which means that Terrorism, proliferation of WMD and her failure as a state are significant concerns for the global community in this unstable country.[74]

All this would set the stage for a new set of organizational changes that would occur within the CF. In 2005, the Prime Minister (PM) promoted Rick Hillier to the rank of full General, elevating him to the position of the Chief of the Defence Staff (CDS) of the Canadian Forces in order to implement the strategies articulated by the government's defence policy. To do so, General Hillier assembled a tiger team that would form the core of three CDS action teams (CAT).[75] He gave these teams broad latitude to investigate force development and generation, operational capabilities, and institutional alignment within the organization. All of these themes have been seen before, albeit with different names, emphasizing the repetitive nature of the CF's organizational changes.

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[73] Bill Graham, *Canada's International Policy Statement: A Role of Pride and Influence in the World*, (Ottawa: Her Majesty the Queen in Right of Canada, 2005), 6.
[74] Department of National Defence, *The future security environment, 2008-2030*, (Ottawa: Chief of Force Development, 2010), 66.
[75] Lieutenant-General (ret'd) Michael K. Jeffery, *Inside Canadian Forces Transformation: Institutional Leadership as a Catalyst for Change,* (Kingston, Ont.: Canadian Defence Academy Press, 2009), 25.

General Hillier's principle goal was to create the capacity for a high readiness expeditionary task force that was operationally effective.[76] This meant that the CF needed to be able to generate a variety of capabilities that were employable across the spectrum of warfare in order to respond to the call of government when Canadian interests were at stake.[77] Again, these were not new words.

To do this, the Canadian Forces embarked upon the first part of Transformation. Its stated goal was that the CF "will become more effective, relevant, and responsive, and its profile and ability to provide leadership at home and abroad will be increased."[78] Becoming more relevant meant that the available forces would be able to adapt their capabilities and force structures to the emerging crisis, either at home or abroad, in order to provide a scalable tool for government use and created to support a specific government objective, for example demonstrating Canada's will to play an important role on the global stage or even influencing allies. The goal of becoming more responsive envisioned a force that was capable of reacting rapidly to a crisis at home or abroad with the ability of transitioning swiftly into operations for extended periods, if necessary.[79] These statements articulated General Hillier's goal of having a joint force capability, consisting of land, air, or sea elements, that was adjustable and could have more or less capability depending on the prevailing circumstances and could be generated at will.

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[76] Lieutenant-General (ret'd) Michael K. Jeffery, "Inside Canadian Forces Transformation." *Canadian Military Journal* 10.No. 2 (2010): 13.
[77] Bill Graham, *Canada's International Policy Statement: A Role of Pride and Influence in the World*, (Ottawa: Her Majesty the Queen in Right of Canada, 2005), 2.
[78] Lieutenant-General (ret'd) Michael K. Jeffery, *Inside Canadian Forces Transformation: Institutional Leadership as a Catalyst for Change,* (Kingston, Ont.: Canadian Defence Academy Press, 2009), 45.
[79] Bill Graham, *Canada's International Policy Statement: A Role of Pride and Influence in the World*, (Ottawa: Her Majesty the Queen in Right of Canada, 2005), 24.

In order to put this into practice, the teams implemented a number of initiatives. First, General Hillier created a new unified command and control structure which centralized the employment of sea, land and air forces.[80] These structural changes spawned two separate Headquarters responsible for the Command, Control and planning of all Canadian operations. The first was Canada Command, responsible for all domestic operations and the second was Canadian Expeditionary Forces Command, responsible for all operations external to Canada. Although there were other elements to this effort, including the creation of the Canadian Special Operations Forces Command (CANSOFCOM) and the Canadian Operational Support Command (CANOSCOM), these two headquarters, also known as the dot.coms, were created to address a recurring command and control issue that recurs through 40 years of organizational change. Moreover, it is this specific example which will be evaluated in the performance measurement chapter.

This significant departure from the way the CF conducted business left the environmental components of the CF responsible to generate necessary forces for current operations as well as the development of future forces, but removed their responsibility for employing those forces on operations.[81] A further focus of this change effort was to improve the operational effectiveness of the CF by returning its focus to high intensity operations, a change from its peacekeeping legacy of the 1990s.[82] This implied that the Canadian Forces would be available for employment in harm's way to theatres across the

[80] Lieutenant-General (ret'd) Michael K. Jeffery, *Inside Canadian Forces Transformation: Institutional Leadership as a Catalyst for Change,* (Kingston, Ont.: Canadian Defence Academy Press, 2009), 29.
[81] Ibid, 45.
[82] Ibid, 13.

spectrum of warfare, should the Canadian Government so choose. This notion of being employed in harm's way also formed the impetus for a significant re-tooling of the force for these envisioned missions and a requirement to again reorganize.

CANADA FIRST DEFENCE STRATEGY - 2008

In 2008, the Conservative government, under the leadership of Prime Minister Stephen Harper, released the Canada First Defence Strategy (CFDS). There were few changes to the priorities established in previous defence policies and the global situation was largely unchanged from the Liberal's IPS. It did articulate the Conservative Government's intent to modernize the CF after many years of neglect.[83] To shape this rebuilding process, the government identified its strategic goals for the CF to be: the forces "must be able to deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by making meaningful contributions to international security."[84] By this time much of the work of the original Transformation effort had been completed which led to a "stocktaking" effort in 2010 and 2011.

This stocktaking effort was known as CF2020 Transformation and it continued the process of organizational change, specifically by reviewing the growth of personnel in all headquarters, but specifically those found in Ottawa.[85] To accomplish this goal, one

[83] Department of National Defence, *Canada First Defence Strategy*, (Ottawa: National Defence, 2008), 3.
[84] Ibid, 3.
[85] Department of National Defence, *Report on Transformation 2011*, (Ottawa: Chief of Transformation, 2011), IV.

of Transformation's activities was to investigate the idea of combining Canada Command, CEFCOM and parts of the Strategic Joint Staff (SJS) into a single headquarters responsible for executing operations. After 40 years of transformational activity, an effective joint command structure had been created; however, it was more than Canada could afford given available resources.[86] This new effort envisioned reducing the number of personnel employed in these headquarters organizations in order to free them up for use elsewhere. Another significant effort focused on finding potential efficiencies across DND/CF and to identify at least $1B of potential budget reallocations with the goal of protecting frontline units from cuts.[87] These objectives again brought the focus back to budgetary resources and the desire to use them effectively and efficiently. It also reinforced the linkages between Canada's Defence Policy and shaping of military capability to support those objectives, and revealed similar activities to previous change efforts. The difference between this effort and previous ones, though, is that Transformation 2011 attempted to implement previously incomplete organizational change objectives, an effort that was termed "unfinished business."[88]

CONCLUSION

This chapter introduced Canada's geo-political reality in order to generate understanding in why Canada's Defence Policies have been written the way they were. This provided the background to discuss briefly four of Canada's most recent organizational change activities, commencing with Unification and Integration of the

[86] Ibid, 46-50.
[87] Ibid, 66.
[88] Ibid, 8.

Canadian Armed Forces in 1968. The presentation of this material serves to illustrate the similarities between the change efforts and allows the author to hypothesize that the objectives of organizational change have only ever been partially achieved.[89]

Moreover, this brief historical glimpse demonstrates the impact that fiscal imperatives play on Canada's military and the important influence defence policy and by default Canada's geographic reality have on shaping the need for organizational change. It also introduced the lessons from Sutherland that Canada has the luxury of choice in how much to spend on defence, thanks in no small part to its geographic positioning on the border of a friendly Superpower, and that the military must work within this constraint to develop as much capability as possible.[90] Given this, any organizational change effort must consider its implications to the government's Defence Policy, while concurrently assessing the impact to military capability, all while working within the confines of the Defence Budget. The mixed results of the organizational changes introduced above, though, seed doubt as to whether the CF is conducting its efforts effectively. Consequently, the next chapter will introduce the concepts of organizational change in order to determine whether the CF change process is in-line with those of business practices and in an attempt to determine the root cause of failure of CF change activities.

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[89] Ibid, 8.
[90] Douglas L. Bland, "Controlling the Defence Policy Process in Canada: White Papers on Defence and Bureaucratic Politics in the Department of National Defence," (Centre for International Relations Queen's University, Kingston, ON, 1988), 5.

ORGANIZATIONAL CHANGE

INTRODUCTION

The previous chapter highlighted the fact that budgetary constraints imposed upon successive Chiefs of Defence Staff coupled with the geographic reality of Canada means that the CF will only acquire as much defence as the Country chooses to afford.[91] In other words, these financial pressures create the necessity to "streamline processes," the need to "find efficiencies," or to "efficiently and effectively" allocate financial resources to maximize the CF's ability to acquire capability. The process used by the CF to find these efficiencies is called organizational change. The previous chapter stressed the fact that the overall effectiveness of organizational change within the CF over the past forty years has been questionable at best. What is more, "respected writers on the subject of change management, including Kanter, Kotter, Handy and Nadler, are consistent in their view, through empirical research, that in excess of 80% of change programmes fail to deliver the envisaged benefit."[92] Consequently, this chapter will explore why CF organizational change fails.

Organizational change is a difficult and complex process that often creates enormous disruption within the establishment trying to change. According to Lance Berger, change management is defined as "the continuous process of aligning an

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[91] R.J. Sutherland, "Canada's Long-Term Strategic Situation," *International Journal* 17, no. 3 (Summer 1962), 222.
[92] Laura Richards Cleary, *Managing Defence in a Democracy*, (London: Routledge, 2006), 236.

organization with its marketplace and doing it more responsively and effectively…"[93] Although, this comment is business oriented, it is equally applicable to the military in that the organization takes its guidance from government, necessitating alignment with its policy.[94] He further states that "change management is grounded in the principle of continuous measurement and feedback on the people, processes, and systems within the organization."[95] This statement implies that there are a number of competing priorities that need to be continually evaluated. In the military context these competing priorities include defence policy, the employees, the budget, service (Army, Navy and Air Force) interests and our ability to integrate with allied forces.

This chapter will examine Kotter's change management theory. From this introduction, similarities amongst the military and business processes will be highlighted in order to show that the method used by CF is grounded within change management theory. Knowing that historically the effectiveness of organizational change within the CF is questionable, this chapter will also explore why organizational change efforts fail and will draw attention to where similar failure types have occurred within the CF's experience. Finally, this chapter will provide supporting evidence to the argument that change management failure within the military context can be attributed to a lack of performance measurement. This line of reasoning will then serve as the pathway to the third chapter's introduction to performance measurement concepts.

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[93] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: A Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 7.
[94] Douglas L. Bland, "Controlling the Defence Policy Process in Canada: White Papers on Defence and Bureaucratic Politics in the Department of National Defence," (Centre for International Relations Queen's University, Kingston, ON, 1988), 5.
[95] Ibid, 7.

ORGANIZATIONAL CHANGE FROM A BUSINESS PERSPECTIVE

According to Marti Smye and Robert Cook, organizational change begins and ends with people.[96] According to them, the key to organizational change is to get the employees moving in the right direction. In other words, successfully rationalizing why it is necessary to change will create the necessary foundation to commence the process.[97] John Kotter identifies eight-stages to the process for creating major change, all of which are related to convincing the workforce that there is need to change.

In the first stage, he identifies the need to establish a sense of urgency within the organization to demonstrate the compelling need to embark upon change.[98] This is likely the single greatest requirement in organizational change efforts because it establishes why the change activity is necessary. Without this sense of urgency, it is almost impossible to gain the requisite support within the organization to devote the amount of time and effort necessary to create the momentum for change.[99] To generate this impetus to transform, a leader could create an appreciation that change is necessary by allowing a crisis to develop or the leader may highlight the fact that a crisis is brewing and that failure to adapt will mortally damage the company.[100] Allowing a crisis to develop, however, is potentially reckless behaviour that could have serious and unpredictable repercussions on

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[96] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: a Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 362.
[97] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 118.
[98] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 61.
[99] Louis Carter, *Best Practices in Organization Development and Change: Culture, Leadership, Retention, Performance, Coaching*, (San Francisco: Jossey-Bass, 2009), 36.
[100] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 104.

the business and therefore is not a sound strategy.[101] Another way change leaders may kindle the need to change is to create dissatisfaction with the way the organization currently conducts business, by emphasizing its weaknesses and demonstrating how competitors have improved processes by adopting proposed changes.[102] Regardless of how this is accomplished, the goal is to convince workers to join the cause.

In the second stage, Kotter explains the importance of creating a guiding coalition of personnel to lead the process and ensure that it is not derailed.[103] Marti Smye and Robert Cooke raise the notion that this group plays into the psychology of people in that people tend to find change easier when they are part of a group that is moving in a common direction.[104] Moreover, managing large and complex organizations requires a supportive team. Therefore, Kotter argues that in order to provide sufficient momentum to change large organizations this guiding coalition must come from the power base or managerial level to ensure that those left out are unable to block change.[105] Second, he argues that this group must have sufficient expertise to facilitate informed and intelligent decision-making.[106] Third, the group must have enough credibility so that the employees take the work, generated by the change, seriously.[107] Finally, this group must be comprised of leaders capable of pushing the necessary changes.[108] Surprisingly enough both change advocates and those resistant to it "seek variety, embrace novelty and want

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[101] Ibid, 45.
[102] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 104.
[103] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 52.
[104] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: a Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 359.
[105] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 57.
[106] Ibid, 57.
[107] Ibid, 57.
[108] Ibid, 57.

change;" but their resistance is often coloured by different perceptions of the perceived urgency of the situation and a different view of the problem's solution, not usually from disloyalty .[109] The key role that this guiding coalition provides is a reinforcing and supporting mechanism that the change leader uses to overcome this resistance by communicating the requirement to subordinates, directing the implementation and committing their part of the establishment to the change process. In effect, this group becomes the change oversight group; which is ultimately responsible for the change activities. This group ensures that the plan is implemented on time, on budget and achieves the desired results; and if it does not, this group has the authority to bring the issues back to the change leader for additional guidance.[110] Again, it is about managing the people within the organization to achieve desired change.

In the third stage, he explains the necessity to develop a vision for where the institution needs to go.[111] It is more than this, though; the vision must serve not only to emphasize the need to change but must create the inspiration to support it.[112] The vision provides a graphic view of where the change leader sees the organization going in the future and serves as the basis for the change effort by clarifying why it is even necessary.[113] It also serves as a motivator to members of the institution, and if articulated correctly will even serve to motivate those less interested in the change effort. For example, imagine a company that is going bankrupt. In order to save the company, it

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[109] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 174.
[110] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: a Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 136.
[111] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 68.
[112] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 110.
[113] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 69.

may be necessary to fire many employees, something that is not palatable to the team. However, if this painful effort is not accomplished, the whole team will lose their jobs because the company will become defunct. The vision, in this case, could be as simple as to make the company once again profitable. Finally, it serves as the central idea from which managers throughout an organization can target their efforts. This clarity allows managers to evaluate their efforts and confirm that they are supporting the established vision.[114] Likewise, it serves to help them avoid leading their groups on endeavour that run counter to the vision, negating the requirement for continual dialogue and endless meetings that detract from the time required to implement the change while facilitating an increased pace of change with reduced associated costs.[115] As organizational change is a complex undertaking that likely is proceeding in a number of directions, it is critical that the vision serves to unify efforts throughout the organization. Needless-to-say, the guiding coalition also fulfils a supervisory role in ensuring that activities actually occur as described above.

Now that there is a vision of where the organization has to go and a sense of urgency has been created in the upper echelons with the guiding coalition established to drive the change, general support or buy-in must be acquired from the employee base in order to be successful. Vision is about educating workers on the way ahead and gaining their commitment to move forward.[116] Therefore, Kotter's fourth stage focuses on the importance of communicating this vision to staff with the goal of achieving the necessary

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[114] Ibid, 70.
[115] Ibid, 70.
[116] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: a Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 136.

buy-in by appealing both intellectually and emotionally to the audience.[117] This means that messaging must speak to the rationale for change, reveal an understanding of the perspectives of key stakeholders, and demonstrate understanding of how the change will affect the organization.[118] Moreover, it must include specific, measurable, attainable, relevant and time-bound objectives in order to allow the change activities to be achieved.[119] To be successful, the messaging must be simple. It must be passed in multiple forums; such as big and small meetings, memos, and formal and informal employee interaction. The message must be repeated often. "The most carefully crafted messages rarely sink deeply into the recipient's consciousness after only one pronouncement."[120] Inconsistencies must be explained and the leaders must set the example, consistent with the new vision. Moreover, two-way communication is also necessary. In order to gain and keep that support, it is also important to listen to the concerns of employees and set them at ease about the process, or correct the change effort when a legitimate concern is raised.[121] This will go along-way to winning over the organization to support the activities which lay ahead. Ultimately, the key to organizational change is "winning the hearts and minds" of the workers. This can only be achieved through communicating this vision.

Now it is time for action within the change process. Implementation must be based upon analysis and comprehension of the inner workings of the organization trying

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[117] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 89.
[118] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 118.
[119] Ibid, 118.
[120] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 94.
[121] Ibid, 98.

to change.[122] In the fifth stage, Kotter articulates the need to empower a broad-base of people across the organization capable of taking this action. Much of this is intended to overcome organizational resistance and is focused on: layers of middle management who second guess the vision and criticize subordinates supportive of the changes, or on huge staffs that are expensive and process driven and resist aims to increasing productivity, or on independent silos that don't communicate with the rest of the organization and have a slowing effect on the change process.[123] Assuming that the previous stages of organizational change have been successful, there is now a sufficient base of supporters at every level eager to facilitate that desired change. However, internal processes and the structure created within the company to work the processes may not yet be compatible to support change. In fact, Kotter argues that there are usually four main obstacles: structures, skills, systems and supervisors; that are generally encountered and may derail change activities.[124] Tupper and Deszca agree and argue that much of this resistance can be overcome through education, communication, participation, negotiation, and coercion if support is not forthcoming.[125] It is important to remember that resistance is all about people. Creation of a strong guiding coalition comprised of those with sufficient positional power, expertise, credibility and leadership coupled with a strong vision that is well articulated and creates a strong emotional attachment from employees throughout the organization, will do much to overcome this resistance when it appears. That said, it is not possible to remove all resistance; but, change efforts must seek to confront it and reduce it when it appears in order to facilitate the envisioned changes.

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[122] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 285.
[122] Ibid, 118.
[123] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 105.
[124] Ibid, 102.
[125] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 292.

In the sixth stage, Kotter presents the importance of generating short-term wins. The role of short-term wins is: to provide evidence that the painful process of change has been worth it, to reward change agents after a lot of hard work to demonstrate that their work has been useful, to give concrete data to the guiding coalition that the change ideas are workable, to undermine cynics by improving organizational performance, to keep bosses on board by providing evidence that the transformational activities are on track, and to sustain momentum.[126] This notion speaks to the fact that organizational change takes time and implementing short-term wins is designed to reduce the impact of resistance by demonstrating that change is occurring and will continue and providing ample supporting evidence that progress is being made.[127] In other words, it is about acquiring employee buy-in and providing evidence to reinforce and retain it. Therefore, short-term wins are something that must be planned into the change effort – they do not just happen.[128]

The seventh stage is very closely linked to the sixth. In it, Kotter explains the need to consolidate gains by reinforcing the successes of "short-term wins" all while facilitating more change.[129] To reinforce the success, there is a need to evaluate the results of the changes to confirm that the embarked path has achieved the established objectives. One of the roles of the guiding coalition is to evaluate these short-term wins against the established vision. This is done through an analytical process "…to provide

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[126] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 123.
[127] Ibid, 118.
[128] Ibid, 125.
[129] Ibid, 132.

those responsible for the management of change with a satisfactory assessment of the effects and or progress of the change effort to date."[130] Change leaders use this process to help define their continued need to change while frequently re-assessing whether the plan is producing desired results.[131] The advantage of this analysis is that it also provides the bulk of the arguments required to reinforce the successes in the "short-term wins," thereby facilitating continued support for the change activities.

Finally, in his eighth stage, Kotter explains the importance of anchoring the new approach within the culture, in order to solidify the process within the organizational structure.[132] Organizational Culture "is the pattern of basic assumptions that a given group has invented, discovered or developed in learning to cope with its problems of external adaptation and internal integration and that have worked well enough to be considered valid and therefore to be taught to new members as the correct way to perceive, think, and feel in relation to those problems."[133] This focus on culture stems from recognition that human behaviour will have a measurable affect on organizational effectiveness and reinforces the fact that people are the key to organizational change.[134] Culture exerts enormous influence over all within an organization and often without much conscious intent.[135] Therefore, it becomes extremely important that significant change take into account this established culture and either be compatible with it or

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[130] Louis Carter, *Best Practices in Organization Development and Change: Culture, Leadership, Retention, Performance, Coaching*, (San Francisco: Jossey-Bass, 2009), 528.
[131] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 324.
[132] Ibid, 147.
[133] Brian McKee and Sarah Hill, *The "How-to" of Organizational Cultural Change in the Canadian Forces*, (Ottawa: Defence R&D Canada - Centre for Operational Research and Analysis, 2007), 3.
[134] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: a Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 296.
[135] Ibid, 151.

change it appropriately in order to facilitate the implementation of the desired change. All this again reinforces the reality that organizational change takes time and that influencing the workers is key to the change efforts.

Having introduced Kotter's eight stage process to organizational change, we can see the focus is really to generate support for the change initiatives. As was regularly reinforced, it is a people focused process to create and maintain momentum within a group that is predisposed to resist. It is about shaping the interpretation of events to generate intellectual and emotional support for a process which will not be easy for those involved. The other thing to keep in mind is that the stages of change described here are, by their very nature, intertwined in order to bolster the worker's support for the change objectives.

Organizational change is more than just the workers, though. There is no question that they play an enormous role in the overall success of change efforts. However, there is also a need to consider the overall objectives of the change activities, plan the mechanics of their implementation and finally evaluate the process to determine if the objectives have been successfully implemented.[136] Kotter alludes to these requirements when he talks about the vision and providing a graphic view of why the effort is necessary.[137] He also speaks to the requirement indirectly when he describes the change leader communicating the message by offering the rationale for change, revealing an understanding of the perspectives of key stakeholders, and demonstrating an

[136] Louis Carter, *Best Practices in Organization Development and Change: Culture, Leadership, Retention, Performance, Coaching*, (San Francisco: Jossey-Bass, 2009), 5.
[137] John Kotter, *Leading Change*, (Boston: Harvard Business School Press: 1996), 69.

understanding of how the change will affect the organization.[138] Tupper and Cawsey also speak of its importance when they highlight that the level of understanding of the changes envisioned must include specific, measurable, attainable, relevant and time-bound objectives in order to allow the change activities to be achieved.[139] This deliberate measurement process is intended to account for the dynamic cause-and-effect relationships at work within organizational change, to measure whether targets are being achieved, all while providing a mechanism for monitoring the effects of change in order to facilitate learning and adapting to them.[140] All this demonstrates that performance measurement is equally important and integral part of organizational change.

ORGANIZATIONAL CHANGE IN THE CF CONTEXT

Now turning to organizational change in a military context, the CF has also gone through change activities on a number of occasions including: Unification and Integration in 1960s, Management Command and Control Re-engineering in the mid-1990s, Transformation in 2005 and most recently Transformation round two commencing in 2011. Having gone through this process on these previous occasions, the CF has created a "how-to guide" for its organizational change activities. This four-phase procedure commences with the following methodology: initially, a diagnosis or evaluation of the current situation is required in order to answer the questions of where the institution

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[138] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 118.
[139] Ibid, 118.
[140] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: a Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 94.

currently is and where it must go.[141] This is similar to the first stage argued by Kotter in that it serves to highlight the necessity for change.[142] As we saw in the previous chapter, Minister Hellyer's efforts to reshape the CF in the 1960s were born out of a desire for a unified Defence Policy that shifted the defence focus away from service centric priorities and required a single unified command structure responsive to government direction, through a single Chief of the Defence Staff.[143] It was also predicated on the fact that CF Headquarters had become bloated with inefficiencies and had absorbed significant personnel and financial resources that could be better used elsewhere in government.[144] In the mid-1990s, the Chretien Government commenced a defence review, stating that in some areas of responsibility the department would do less.[145] This became a force reduction effort where the overall size of the CF dwindled to just above 50,000, major equipment purchases were delayed all while the Canadian government continued to accept military commitments abroad.[146] The re-organizational activity associated with the new policy, called the MCCR, stated that the CF would maintain the same types of capability; but would do so with less money. The sense of urgency was born out of the need to cut.[147] In 2005, the paradigm shifted completely, the IPS released by the Martin Government reinforced the same priorities as previous defence policy statements but highlighted that additional financial resources would be made available to improve CF

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[141] Brian McKee and Sarah Hill, *The "How-to" of Organizational Cultural Change in the Canadian Forces*, (Ottawa: Defence R&D Canada - Centre for Operational Research and Analysis: 2007), 8.
[142] John Kotter, *Leading Change*, (Boston :Harvard Business School Press: 1996), 49.
[143] Major-General Daniel Gosselin, "Hellyer's Ghosts: Unification of the Canadian Forces is 40 Years Old - Part One." *Canadian Military Journal* 9. No. 2 (2009), 7.
[144] Desmond Morton, *Canada and war: a military and political history*, (Toronto: Butterworths, 1981), 249-250.
[145] Joel J. Sokolsky, *Canada, Getting it Right This Time: The 1994 Defence White Paper*, (Carlisle Barracks, PA: Strategic Studies Institute, United States Army War College, 1995), 9.
[146] J. L. Granatstein, *Who killed the Canadian military?*, (Toronto: Harper Flamingo Canada, 2004), 163.
[147] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 226.

capabilities.[148] Although again budget related, the objective was clear. After 911, the US had used the same arguments articulated by Sutherland that Canada was becoming a security risk to the US.[149] Bolstering CF capability, but specifically improving operational effectiveness, became the primary objective of Transformation.[150] In this case, all three change efforts had a clear raison d'être.

The second phase of the process focuses on consensus building.[151] This phase is comprised of identifying and consulting with the key stakeholders of the organization, developing the change plan and the indicators of success for it, and engaging in communications activities to signal the change to the institution. This phase is similar to Kotter's stages 2-4: creating the guiding coalition, developing the vision and communicating it to the organization; and is all designed to build the same level of buy-in described earlier in this chapter.[152] In the case of Unification and Integration of the CF, one man imposed the process.[153] In fact, Hellyer made very little effort to generate consensus or communicate the intent for his changes within Cabinet or the senior leadership of the Defence Department.[154] Moreover, very little effort was made to communicate the goals of the effort beyond the CFHQ.[155] The MCCR had a similar problem in that significant resistance to the efforts arose. For example, many

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[148] Bill Graham, *Canada's International Policy Statement: A Role of Pride and Influence in the World*, (Ottawa: Her Majesty the Queen in Right of Canada, 2005), 2.
[149] J. L. Granatstein, *Who killed the Canadian military?*, (Toronto: Harper Flamingo Canada, 2004), 213.
[150] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 228.
[151] Ibid, 13.
[152] John Kotter, *Leading Change*, (Boston :Harvard Business School Press: 1996), 52.
[153] J. L. Granatstein, *Who killed the Canadian military?*, (Toronto: Harper Flamingo Canada, 2004), 76.
[154] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 222.
[155] Vernon J. Kronenberg, *All Together Now: the Organization of the Department of National Defence in Canada 1964-1972*, (Toronto: Canadian Institute of International Affairs, 1973), 86.

departments failed to adopt the change methodology, the officer placed in charge of the re-organizational activity changed three times in 2 years, and there was little agreement on the vision of the change activity as the downsizing became the overriding focus of the effort.[156] In the case of Transformation, however, General Hillier created a strong vision and a well-respected guiding team to plan and implement it.[157] Then, he took every opportunity to communicate that vision in order to develop unity of purpose throughout the CF. Although Allan English, debates the success of the vision articulated by Hillier, the General was highly successful in building the requisite consensus and the momentum to sustain the effort.[158]

The third phase of the process is about implementation. It includes the necessity for creating short term wins, continued communication of change benefits, and development of feedback mechanisms. This phase encompasses Kotter's stages 7 to 9: empowering employees for broad-based action, generating short-term wins, and consolidating gains and producing more change. Very much like Kotter's process, this is again focused upon maintaining the momentum. Hellyer's Unification moved very quickly to establish the new position of Chief of the Defence Staff (CDS), it then aggressively pursued unification of the three services by creating the Canadian Forces and eliminating the three services.[159] The MCCR moved quickly to eliminate the individual command headquarters at the operational level and moved greater

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[156] Ibid, 226.
[157] Ibid, 229.
[158] Allan English, "Outside CF Transformation Looking In," *Canadian Military Journal* 11.No. 2 (2011): 13-16.
[159] Vernon J. Kronenberg, *All Together Now: the Organization of the Department of National Defence in Canada 1964-1972*, (Toronto: Canadian Institute of International Affairs, 1973), 68-86.

responsibility for domestic and international operations to the Deputy Chief of the Defence Staff (DCDS). It also established the four core processes for defence as: strategic direction, force generation, force employment and common support services from which significant structural changes were planned. However, there was significant resistance to radically redesigning the headquarters, resulting in a loss of support and momentum for the change initiatives, especially after the government directed cuts were achieved.[160] Interestingly enough, the CDS at the time did not even play a role in the activity.[161] Hillier's Transformation effort, though, was highly successful. Its aim was to address weaknesses in the structure at the operational level through the creation of Canada Command and CEFCOM in order to improve upon the operational planning group being abolished from within the office of the DCDS group.[162] As we saw earlier, this was all established in relatively short order, reinforcing the success of the effort and adding to what was already significant momentum for the initiatives.

"Finally, the military process concludes with a stocktaking phase in order to ensure the achievement of established organization change goals.[163] This phase looks to the success indicators created at the start of the process to judge whether the change initiatives have achieved what they set out to do. This process is envisioned to seek feedback from institutional stakeholders and other members to verify the process has achieved desired effectiveness and efficiency. It is also established as a planned pause to

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[160] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 225.
[161] Ibid, 226.
[162] Ibid, 228.
[163] Brian McKee and Sarah Hill, *The "How-to" of Organizational Cultural Change in the Canadian Forces*, (Ottawa: Defence R&D Canada - Centre for Operational Research and Analysis: 2007), 19.

change activities to ensure that the structure has an opportunity to solidify processes and reflect upon whether improvements have actually been achieved as intended. Hellyer`s activities associated with Unification achieved an integrated CF Headquarters (CFHQ) and made it more efficient; he slashed the number of ineffective committees and created a better capital programme acquisition process, and he saved millions of dollars from his efforts to reduce duplication.[164] He attempted and failed to create the first truly joint military force when creating a single service that would wear one uniform with a common rank structure.[165] The MCCR made significant headway in the process and achieved the requisite resource reduction targets directed by government, but failed to achieve those espoused by the defence department.[166] Additionally, the review of MCCR activities observed that a clear and consistent vision was lacking; consistent and aligned direction and communications regarding the change activities by senior management was confusing; and strategies to maintain momentum and continuity, especially in regards to senior management turnover; were completely absent from the activities.[167] On the other hand, the most well known achievement of Transformation was the creation of a drastically more effective group of headquarters to properly plan for and manage international and domestic operations.[168] In fact operations in Afghanistan over the past decade provide ample evidence in support of this statement, as do domestic operations.

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[164] J. L. Granatstein, *Who killed the Canadian military?*, (Toronto: Harper Flamingo Canada, 2004), 82.
[165] Ibid, 82.
[166] Department of National Defence, *NDHQ 99: REVIEW OF RESTRUCTURING AND RE-ENGINEERING*, (Ottawa: Chief Review Services, 2001), 6.
[167] Ibid, 9.
[168] R.R. Crabbe, L.G Mason and F.R Sutherland, *A Report on the Validation of the Transformed Canadian Forces Command Structure*, Report Prepared for the Chief of Defence Staff (Ottawa: 31 January 2007), 7-8.

This introduction, to the military change process, serves to demonstrate that a similar process, albeit one with differently named phases, is used by the military to achieve change targets. The historical chapter in concert with the observations found above demonstrate that there has been varying degrees of success across those change efforts embarked upon by the CF. The previous section also highlights the fact that the process is primarily focused on motivating the employees of an organization about to embark upon change and then on maintaining that momentum long enough to achieve the desired end-state. The similarities in process also support the argument that organizational change in a military context stems from change management theory. This suggests that the same theory may also offer clues as to why the process has had varying degrees of success.

SO WHY DOES ORGANIZATIONAL CHANGE FAIL?

So the question comes down to what is it that causes organizational change to fail? Kotter believes that organizational change activities fail when: a high sense of urgency is not established.[169] This is likely the single greatest requirement in organizational change because it establishes why the change is necessary and provides the motivation needed to inspire the workforce to act. Likewise he suggests that without the creation of a sufficiently powerful guiding coalition that is capable of: providing sufficient momentum to ensure that those left out are unable to block change, sufficient expertise to adequately facilitate informed and intelligent decision-making, with enough credibility so that the work generated by the change is taken seriously by the employees,

[169] John Kotter, *Leading Change*, (Boston :Harvard Business School Press: 1996), 4.

and comprised of leaders capable of pushing the necessary changes; the change effort will falter.[170] Similarly, he maintains that a powerful vision plays a critical role in directing, aligning and inspiring the endeavours of a large number of people within the organization, without which organizational effort will quickly lose support.[171] Equally important, he reasons, is the requirement to communicate the vision in order to achieve buy-in from those working in the organization.[172] After all, without their commitment and drive, the objectives will not be achieved. He also contends that if obstacles blocking the vision are not addresses, the change effort will collapse.[173] For example, managers that do not support change efforts or actively work against change efforts have the potential to undermine the whole activity if in a position of authority. Additionally, he firmly believes that the generation of short-term wins is essential to solidifying support for the change activity and for sustaining the momentum necessary for change.[174] These wins are designed to provide evidence that change is occurring in order to prevent workers from giving up on the activity or actively working against it.

Now that momentum has been gained, Kotter explains that there is a real danger in declaring victory too soon.[175] Getting change started, in other words convincing people to rally to the cause and maintaining momentum for change, is a long and arduous process which is why developing short-term wins is so important to solidify the belief that change is working. Patting your employees on the back too soon risks allowing

[170] Ibid, 57.
[171] Ibid, 7.
[172] Ibid, 9.
[173] Ibid, 10.
[174] Ibid, 11.
[175] Ibid, 12.

complacency to set in or for momentum to fall off resulting in the stalling of change efforts. Finally, he states that failure to anchor the change within the organization's culture is a mistake that will often derail change efforts.[176] To do this, he writes that a conscious effort must be made to demonstrate how the new behaviours or attitudes have helped improve performance and that succession planning then needs to have time to anchor the change into the next generation of manager.[177] Earlier in the chapter when Kotter's eight stage process to organizational change was introduced, the goal of these change activities was identified as gaining buy-in from the organization and maintaining the momentum of change. Ultimately, Kotter writes that not addressing any one component of his eight stage process could lead to the eventual failure of the effort.[178]

Lance Berger also submits that the key to organizational change starts and stops with people.[179] In fact, he states that there can be no change effort implemented until employee buy-in is achieved.[180] As buy-in takes time, even Kotter acknowledges that this is a lengthy process of demonstrating the urgent requirement to change coupled with a vision to address the requirement to change and a communication effort designed to ensure broad understanding of the proposed changes.[181] Both of these authors suggest that failure in change activities is normally attributable to the people within the

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[176] Ibid, 14.
[177] Ibid, 14.
[178] Ibid, 15.
[179] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: a Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 362.
[180] Ibid, 360.
[181] John Kotter, *Leading Change*, (Boston :Harvard Business School Press: 1996), 99.

organization. However, in all the change efforts discussed above, only Unification and Integration had significant resistance to contend with almost from the beginning.[182]

Tupper Cawsey and Gene Deszca, however, provide another perspective on what causes the failure of organizational change. In their view, "what gets measured affects the direction, content and outcomes achieved by a change."[183] In other words, what were the objectives and were they achieved? This is about more effectively monitoring and guiding the change activities. It is about measuring progress, making mid-course corrections and bringing the change about.[184] In all the change efforts introduced, none of them achieved all stated objectives. So, what does it matter that the workers within your organization were sufficiently motivated or inspired to continue, if the objectives of change are never attained? In other words, a lack of performance measurement is the most likely cause of failure to achieve CF change objectives.

CONCLUSION

This section has presented many of the complexities associated with organizational change. It has explored the similarities between change conducted in the business world and those in the CF. It has reinforced the similarities between the two approaches, reinforcing that the military process does stem from change management theory. Finally, it has introduced some of the reasons for failure in change management.

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[182] J. L. Granatstein, *Who killed the Canadian military?*, (Toronto: Harper Flamingo Canada, 2004), 74.
[183] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 321.
[184] Ibid, 322.

Therefore from the brief exposure to organizational change presented above, it seems as though the theory behind change is simple. It is the execution that has been the challenge. Considering the number of moving parts, including defence policy, budgetary pressures, service interests and employees; it is evident that there are many competing interests that must be considered. It is for this reason that an effort to change the structure or any of the components within the structure must commence with an analytical approach that investigates fully the reasons for the change and the perceived outcomes of conducting this said change. Moreover, considering the potential for significant disruption and the costs of failure, there is a compelling reason to assess continually the effectiveness of the implemented changes throughout the organizational change process. Why does change fail? It fails because we never achieve what we set out to do. Therefore, performance measurement becomes crucial.

THE NEED TO PERFORMANCE MEASURE

INTRODUCTION

> I was to learn later in life that we tend to meet any new situation by reorganizing, and a wonderful method it can be for creating the illusion of progress, while producing confusion, inefficiency and demoralization.[185]

Organizational change is a deliberate struggle designed to improve the effectiveness of an organization and move it from its current state to another that is better prepared to address the perceived challenges that the organization will face in the coming years.[186] The second chapter offers a form of report card on more recent organizational change efforts within the CF, supporting the argument that these efforts have only ever been partially successful.[187] Considering that eighty percent of all organizational change efforts result in a similar failing grade, the effectiveness of the change effort becomes important.[188] In fact, for benefit to be achieved, the performance measurement must "enable informed decisions to be made and actions to be taken because it quantifies the efficiency and effectiveness of past actions through acquisition, collation, sorting, analysis, interpretation and dissemination of appropriate data."[189] Without this performance measuring, organizational change can become a perpetual road to failure.

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[185] Petronius Arbiter 60 A.D.
[186] Tupper Cawsey and Gene Deszca, Toolkit for organizational change, (London: SAGE: 2007), 2.
[187] Department of National Defence, *Report on Transformation 2011*, (Ottawa: Chief of Transformation, 2011), 8.
[188] Laura Richards Cleary, *Managing Defence in a Democracy*, (London: Routledge, 2006), 236.
[189] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 145.

Organizational change within Canada's military has always been a complex endeavour that has been largely resource driven, a situation identified in the second chapter. This brief discussion offered a glance into the driving factors of this truth such as: the influence defence policy and by default Canada's geographic reality has on shaping the need for organizational change. This fiscal reality coupled with Canada's geographic situation means that future Chiefs of Defence Staff within the CF will only ever acquire as much defence as the Country chooses to afford.[190] In other words, these financial pressures create the necessity to "streamline processes," the need to "find efficiencies," or to "efficiently and effectively" allocate financial resources to maximize the CF's ability to acquire capability. Hence, the method that should be used to judge this achievement and how we arrive at it is the subject of this chapter, in order to ensure that failure in this endeavour does not become the norm in CF organizational change efforts.

In order to explore the importance of performance measurement, this chapter will first introduce what this concept entails and measurement frameworks that complement the organizational change process. Throughout this introduction, the applicability of these concepts to military change efforts will be presented. By doing so, a framework for measuring change performance within the CF will be created. The paper will then offer supporting evidence to the validity of these criteria as an appropriate starting point of measurement, by evaluating a part of the CF's most recent transformational process. Having identifying what needs to be measured and validating its relevance to the CF

[190] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 10.

context, this paper will propose these criteria as an appropriate general performance measurement framework, concurrently demonstrating the need for performance measurement.

PERFORMANCE MEASUREMENT THEORY

Peter Drucker, arguably the greatest management thinker of our time, suggests that there are few concepts as important to the performance of an organization as measurement, and yet it remains one of the weakest areas in management.[191] So what is meant by performance measurement? The idea behind measurement is that it feeds information about improvement activities to those who are in authority such that adjustments can be made, thereby ensuring that change activities effectively address stated objectives.[192] The importance in this endeavour is that it is the things that get measured that have a direct impact on the direction, content and outcomes achieved by a change initiative.[193] Thus, it stands to reason that it will have a significant impact on whether or not a change activity is successful. To this end, one can use a number of approaches.

First, the business approach to performance measurement has historically been tied to accounting.[194] This makes perfect sense, because a business that is unable to keep

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[191] Paul R. Niven, *Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results*, (New York: Wiley, 2002), 5.
[192] Laura Richards Cleary, Managing Defence in a Democracy, (London: Routledge, 2006), 21.
[193] Tupper Cawsey and Gene Deszca, *Toolkit for Organizational Change*, (London: SAGE: 2007), 33.
[194] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 3.

its expenses in check and which is unable to generate profits is doomed to fail. This same state of affairs does not exist within a military setting; however, similar pressures exist within it as well. For example, budgets help managers to look ahead by planning targets, anticipating problems associated with the plan and giving the organization purpose and direction to achieve the objectives.[195] After all, "any organization, whether public or private, has to live within financial constraints and deliver perceived value for money to stakeholders."[196]

For this reason, David Otley argues that there are three main functions involved in the measurement of a business's performance within the financial management framework.[197] The first function is that of financial planning and is the only one relevant to the military context. This function is critical for ensuring that an organization understands fully its operating plans and how they are influenced by financial constraints. Additionally, it includes ensuring the efficient and effective use of those precious resources in support of wider organizational aims.[198] In other words, this measurement looks at the financial resources available to a company and judges whether they are being used to bring additional value to the company.[199] The military reality of this is that it must simultaneously maintain aging equipment, support the new equipment procurement,

[195] Laura Richards Cleary, *Managing Defence in a Democracy*, (London: Routledge, 2006), 185.
[196] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 4.
[197] Ibid, 3.
[198] Ibid, 4.
[199] Ibid, 5.

train its personnel to use the old equipment while adapting to a transforming military, all of which places a demand on scarce fiscal resources.[200]

Yet, Paul Niven identifies some limitations to this framework. For example, financial measurements are an excellent review of past performance, but are not necessarily indicative of future performance.[201] Additionally, many change programs include significant cost-cutting measures. The military is no different, as was amply described in the second chapter. In the short-term, these cuts to activities often have positive impact on the company's bottom line. However, these activities repeatedly target long-term value-creating activities such as research and development, whose results will not be seen until the company flounders.[202] Consequently, there could be significant impact to the organization's future, something that does not usually get measured in the financial management framework.

Regardless, this function does provide some insight into the overall strength of the business. Additionally, this type of assessment is not without utility in measuring a military's performance. For example, a complete understanding of where the military spends its money is useful to ensure that the resources are being spent in an effective and efficient manner in the execution of assigned tasks.[203] Furthermore, an understanding of how these costs are escalating also gives some insight into where investment in

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[200] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 86.
[201] Paul R. Niven, *Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results*, (New York: Wiley, 2002), 6.
[202] Ibid, 7.
[203] Laura Richards Cleary, *Managing Defence in a Democracy,* (London: Routledge: 2006), 179.

technological advances may allow for the redistribution of these precious resources, thereby increasing efficiency.[204] Finally, parts of this review are useful to provide evidence to Canadians, "the shareholders," that the department is properly managing the financial resources entrusted to it for the purpose of protecting Canadians. Consequently, assessment of the financial management structure should be a component of the measurement tool used for judging the CF's overall performance in change management.

Considering the complexities of performance measurement, both in a private and public system, there are a number of methodologies, over and above the Financial Accounting System introduced above, which have been growing in stature.[205] This is because the financial accounting system overlooked many of the more subjective or intangible assets. To address this deficiency, Robert Kaplan and David Norton introduced the Balanced Score Card. This framework introduced customer, business process, and learning and growth as distinctive perspectives that are of equal importance to that of the financial perspective.[206] Additionally, the measures used on the balanced scorecard are derived from the translation of the company's strategy. What is most striking about this performance measurement tool is that its focus on the central issue of strategy is reminiscent of Kotter's argument that the issues of strategy and vision are really central to the organizational change process.[207]

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[204] Ibid, 186.
[205] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 3.
[206] Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Translating Strategy into Action,* (Boston, Mass.: Harvard Business School Press, 1996), 13.
[207] Paul R. Niven, *Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results*, (New York: Wiley, 2002), 13.

In looking at the customer, the questions that must be answered are: who is the target customer and what is it that we must do to serve them?[208] The argument that Niven puts forward is that by understanding your customer's perspective and what internal processes are key to meeting those demands, you can next turn to what gaps currently exist within both your structure and with the employees who support it, so that a strategy of change and learning can be created to address these shortcomings.[209] This is no different to a military force. Military commanders must seek to understand and support the national interest, so that they can provide an appropriate level of armed force when called upon, and so that they can generate widespread support both from the government and the wider population.[210] Judging this level of support will help facilitate an understanding of where the organization must focus its attention.

According to Bruce Clark, marketing performance too is largely dependent upon external forces, such as customers and competitors, or in terms of Canada's military, it would include political masters, Canadians and allies.[211] He explains, through a historic analysis of marketing, that marketing performance has grown to include market orientation, customer satisfaction, customer loyalty, and brand equity. Although these concepts again seem odd for use in the measurement of a military organization, it will become clear that some of these concepts are equally applicable. The term market orientation, also known as "market driven," implies that organizational activity is directly

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[208] Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Translating Strategy into Action,* (Boston, Mass.: Harvard Business School Press, 1996), 15.
[209] Paul R. Niven, *Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results*, (New York: Wiley, 2002), 16.
[210] Laura Richards Cleary, *Managing Defence in a Democracy,* (London: Routledge: 2006), 43.
[211] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 23.

related to an understanding of the market you serve.[212] In other words, the current demands, be it from government or the people of Canada, will shape the future requirements. Again, this is not a tangible measurement; but it does demonstrate the importance of the Defence White Paper, which provides a link between the goals of government and the people it serves and provides the backbone to shape the military from what government's defence security priorities actually are.

Customer satisfaction is also an interesting benchmark for a military force because it touches upon perception of the service provided.[213] It is really the notion that the people of Canada have certain expectations of the CF and some how the organization has to balance this with government intent and the fiscal reality.[214] To accomplish this, the Department of National Defence periodically commissions public opinion polls to gauge public perception of its performance.[215] There is trouble with this metric, though, as it is difficult to interpret and time consuming for the military to attempt to adjust these perceptions. A prime example of this is that even 20 years after the CF stopped conducting traditional "peacekeeping" operations, Canadians still believe that this is or should be the CF's primary expeditionary mission.[216] This stems from a lack of understanding of how peacekeeping has evolved since the days of the "Blue Berets,"

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[212] Ibid, 27.
[213] Ibid, 28.
[214] Thomas F. Keating, *Canada and World Order: the Multilateralist Tradition in Canadian Foreign Policy*, (Toronto, Ont.: McClelland & Stewart, 1993), 10.
[215] Department of National Defence, "Highlights of Public Opinion Research Projects - Annual Report 2009-2010 - POR in the Government of Canada," http://www.tpsgc-pwgsc.gc.ca/rop-por/rapports-reports/2009-2010/page-05-eng.html; Public Works and Government Services Canada, Version 2009-2010. PWGSC; Internet; accessed 21 April 2012.
[216] Lane Anker, "Peacekeeping and Public Opinion," *Canadian Military Journal* 6.No. 2 (2005), 23.

coupled with a genuine desire to help those afflicted with war.[217] That said, public will is often translated into election victories. Therefore, the government becomes the voice of the people and by default the guiding light or "customer" directing organizational composition.

Customer loyalty and brand equity, however, are a lot harder to judge as a metric within the public domain. Normally the definition of customer loyalty is whether customers are satisfied with product output and consequently remain customers for the long term.[218] It is easy to dismiss this concept as irrelevant to the works of the Canadian Forces until you incorporate a story like that of Colonel Russell Williams.[219] This was one of the saddest moments in the history of the CF and required significant public relations effort. However, due in no small part to the public support created during the tenure of General Rick Hillier, the CF was able to weather this very public storm with only marginal damage to its public image.[220] This result links directly to brand loyalty. Although this incident was a blemish on its credibility, the CF's performance in fighting an insurgency in Afghanistan, in combination with its performance in domestic and humanitarian operations, have generated an enormous well of public trust in the last decade. This is supported by a recent poll that suggests that a substantial number of

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[217] Ibid, 27.
[218] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 29.
[219] Former Colonel Williams was found guilty in breaking into the homes of two women and murdering Corporal Marie-France Comeau, an air force flight attendant.
[220] Department of National Defence, "Highlights of Public Opinion Research Projects - Annual Report 2009-2010 - POR in the Government of Canada," http://www.tpsgc-pwgsc.gc.ca/rop-por/rapports-reports/2009-2010/page-05-eng.html; Public Works and Government Services Canada, Version 2009-2010. PWGSC; Internet; accessed 21 April 2012.

Canadians trust the CF do their job well.[221] This trust may have reinforced the idea within the public psyche that Russell Williams was an anomaly and is not representative of the soldiers, sailors and airmen who serve within the CF.[222] It is for these reasons that the customer plays an equally important role in measuring the effectiveness of change efforts and should also be incorporated into the measurement tool used for judging the CF's overall change performance.

Now turning to the next perspective, it is important to examine the internal processes that exist within the organization and that are fundamental to its existence.[223] The principle reason for a defence department to exist is for the purposes of creating and sustaining combat capability.[224] Unfortunately, as was presented earlier in this document, this is a very difficult item to measure, for it points to the question of "how much defence is enough?" It is further affected by budgetary pressures, as that too will serve to limit what capabilities are retained and which ones are acquired. Between the years 1980 and 2000, some theorists proposed that understanding the operations of a business were just as important to finances, specifically attempting to measure how quality, time, cost and flexibility impact the company's product.[225] This is further highlighted by the fact that a military's quality is generated by recruiting good people, training them to an exceptionally high standard, equipping them with technologically sophisticated and very

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[221] Elizabeth Thompson, "Canadians trust military more than government: Poll," *Vancouver Sun* http://www.vancouversun.com/news/Canadians+trust+military+more+than+government+Poll/4014383/story.html; Internet; accessed May 19, 2012.
[222] Ibid.
[223] Paul R. Niven, *Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results*, (New York: Wiley, 2002), 16.
[224] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 86.
[225] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 45.

capable systems, providing a support system to supply the necessary maintenance all while providing a flexible capability to government when required.[226] This costs money.

Another area of significant import these days is that of time accounting.[227] In other words, the speed at which change is occurring has increased dramatically. Nowhere is this more evident than in the information technology realm where complete systems are becoming obsolete within a period of two or three years. When the planning horizon for combat platforms like ships is thirty to forty years, how is the timeline managed? The difficulty becomes that with our obsession to measure the performance we are introducing additional complexity to an already difficult problem.[228] So the question becomes, what else matters when it comes to measuring the performance of organizational change?

The Performance Prism is an equally useful tool in performance measurement, as it focuses on all stakeholders not just the shareholders.[229] In the case of the CF, the stakeholders include the Government of Canada; allies, particularly the US; the armed services within the CF; the service members themselves; and perhaps most importantly the people of Canada. Having identified the stakeholders, it becomes equally important to review the stated objectives of the organizational change effort to confirm that it is

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[226] Laura Richards Cleary, *Managing Defence in a Democracy,* (London: Routledge: 2006), 212.
[227] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 41.
[228] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 42.
[229] A. D. Neely, Business Performance Measurement: Theory and Practice, (Cambridge: Cambridge University Press, 2002), 151.

moving in the desired direction.[230] Another feature of this model is that it measures the processes in place to deliver organizational objectives and the capabilities required to do so.[231] In other words, the essence of the performance prism is that stakeholder satisfaction, strategies, processes, capabilities and stakeholder contribution are all relevant to organizational change; and, it is the recognition and understanding of this complex interrelationship of the components within the organization that will ultimately lead to the success of the change effort.

The above introduction to performance measurement highlights the sheer complexity involved in determining how well change is occurring within the military context. This does not imply that we should shy away from such a challenge. As we have seen from the varying level of success in past organizational change efforts, this drilling down into the details will provide better support to the activity and ultimately improve the output. Very much like in the embryonic stages of organizational change, true analysis and understanding of the organization are vital.[232] The difficulty with the models introduced though is they are not designed specifically to measure performance within the military. Consequently, the following paragraphs will introduce the facets that I believe are wholly applicable to a military organization, using the CF as the example.

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[230] Ibid, 151.
[231] Ibid, 151.
[232] Tupper Cawsey and Gene Deszca, *Toolkit for organizational change*, (London: SAGE: 2007), 33.

WHAT NEEDS TO BE MEASURED IN CF ORGANIZATIONAL CHANGE?

As we saw in the third chapter of this document, the process of organizational change must include significant effort to develop the requisite level of support from the organization itself in order to generate momentum to carry out the change.[233] The objectives of the change, identified within the process above, must also be accomplished before the endeavour ever becomes successful. Therefore, John Kotter's "Eight-Stage Process of Creating Major Change" identified a number of steps highlighting the need for change which are a useful starting point for measuring the success of change activities.[234]

In other words, the first measure of successful performance must confirm that the embarked change addressed the compelling need for the change. For instance, the most common drive to reorganize has always been the requirement to reduce financial costs, to reallocate current resources to higher priority items or just to make the process more resource efficient.[235]

Second, effort was made in the second chapter to articulate the importance of generating support within the organization for the change activity.[236] Equally important to the effort was the subsequent momentum generated to maintain the activity for a prolonged period.[237] Therefore as part of the performance measure, the question must be

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[233] John Kotter, *Leading Change*, (Boston :Harvard Business School Press: 1996), 85.
[234] Ibid, 33.
[235] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 4.
[236] Lance A. Berger, Martin J. Sikora, and Dorothy R. Berger, *The Change Management Handbook: a Road Map to Corporate Transformation*, (Burr Ridge, Ill.: Irwin Professional Pub., 1994), 360.
[237] John Kotter, *Leading Change*, (Boston :Harvard Business School Press: 1996), 123.

asked whether the requisite level of support has been generated and whether it is enough to carry the attempt through to its conclusion.

Third, to enhance the proposed framework, this model will take into consideration the principles of performance measure, as introduced above. With this in mind, the following questions must be answered: first, does the proposed change work within the existing financial constraints?[238] Although, the defence department is different from the business world and this difference stems from the notion of unlimited liability associated with employing soldiers, sailors and airmen in harms way when the need arises; this does not mean that attention need not be placed on financial constraints.[239] Consequently, the leaders of Canada's armed forces can only acquire as much capability as the country can afford.[240] This, as Douglas Bland argues, is because "the purpose of the CF is to use coercive force at the direction of the government."[241] To do so, the CF must budget accordingly to ensure that the department spends the financial resources assigned to it in an effective and efficient manner thereby maximizing the resources available for capability development.[242]

Fourth, does the change increase value to shareholders, does the change enhance the abilities or capabilities of the CF, and do the proposed changes adequately encompass

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[238] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 3.
[239] Christopher Dandeker and Lawrence Freedman, "The British Armed Services," *The Political Quarterly,* 73, No. 4 (2002), 465.
[240] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 14.
[241] Ibid, 14.
[242] Ibid, 10.

both governmental will and societal expectations?[243] In other words, how much defence is enough? There will always be a battle between the defence department and publically elected officials over this issue.[244] Military officers continually argue for increased defence budgets due to the escalating costs associated with technological advancement, interoperability with allied forces, and the capabilities necessary to ensure the safety of those service personnel that Canada deploys in harms way.[245] The creation of the Chief of Force Development, CFD, was to address many of the concerns that arose over the years about how the CF conducts capability acquisitions.[246] Capability Based Planning, CBP, was the answer and took inputs from documents such as Defence Policy Statements, the Future Security Environment Report (FSE) and the Force Planning Scenario (FPS) set to determine what capabilities the CF would require into the future.[247] The idea behind the process was to create a system that would provide an integrated organization dedicated to determining the requirements that the Canadian Forces would need to acquire for future operations. In order to answer the question, a balance must be achieved between defence policy goals and military capability requirements.[248]

Finally and most importantly, do proposed changes support the current government's plan for the defence department and does the effort enhance relevance and

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[243] Ibid, 10.
[244] Ibid, 9.
[245] Ibid, 93.
[246] Capt. Vance White, "CF Transformation and the Chief Force Development," *The Maple Leaf*, June 21, 2006, 4.
[247] Brent Hobson, "Obsolescence Challenges, Part 3: Identifying Future Capability Requirements," *Canadian Naval Review*, 4, No. 4 (WINTER 2009), 10.
[248] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 16.

responsiveness?[249] In democratic societies, it is crucial that a very basic question shape the composition of the armed forces.[250] That is, what is it that we seek to defend? In the case of Canada's defence requirements, CFDS identifies the current government's strategic goals for the CF as: the defence of Canadians, "a strong and reliable partner in the defence of North America," and to be able to "project leadership abroad by making meaningful contributions to international security."[251] To fulfil this mandate, the CF must be able to respond to domestic crises, and be able to work closely with other government departments to ensure the constant monitoring of Canada's territory and air and maritime approaches, in order to detect threats to Canadian security as early as possible."[252] Consequently, these requirements demand that the CF leadership invest in more than a constabulary force and actually mean that the government wants the CF to be modern, well trained and well equipped.[253]

The above framework may seem overly simplistic; however, considering the complexity of the system that it will be used to measure, it is seen as a key starting point to asking the right measurement questions. The answers are likely to be complex and will again require considerable analysis to determine where the change activity is and what needs to be done to keep it on track. The above framework is envisioned to be a continuous process. All this is to say, "No matter which measurement framework a management team decides to adopt. . . , there is still a need for managers to step back and

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[249] Adam N. Stulberg and Michael D. Salomone, *Managing Defense Transformation: Agency, Culture, and Service Change*, (Aldershot: Ashgate, 2007), 18.
[250] Laura Richards Cleary, *Managing Defence in a Democracy*, (London: Routledge, 2006), 32.
[251] Department of National Defence, *Canada First Defence Strategy*, (Ottawa: National Defence, 2008), 3.
[252] Ibid, 7.
[253] Ibid, 3.

review the efficiency, and effectiveness of their measurement systems," as it is this effort that will ultimately lead to the success of the change initiative.[254]

VALIDATION OF THESE CRITERIA

Now, using the performance measurement criteria, established above, we will evaluate the creation of Canada Command and the Canadian Expeditionary Forces Command (CEFCOM) to confirm the effectiveness of this measurement tool. It will reinforce the notion that the principles of organizational change remain simple; it is the execution that is difficult. First, the creation of the dot.coms addressed the perceived weakness within the office of DCDS to appropriately plan and assess the specific missions undertaken by the CF, both from an expeditionary and a domestic perspective.[255] The DCDS group responsible for these force employment activities numbered approximately 200 personnel, this contrasts with a group numbering over 750 today and sprinkled amongst Canada Command, CEFCOM, CANOSCOM and a potion of the Strategic Joint Staff.[256] There is no question that the DCDS group had a distinct operational tempo due to a different international and domestic situation to contend with, as demonstrated in the historical chapter. Unfortunately, there is a propensity of organizations to expand their workload proportionate to the personnel and resources allocated to them, resulting in continual growth.[257] The report on Transformation

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[254] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 143.
[255] Lieutenant-General (ret'd) Michael K. Jeffery, *Inside Canadian Forces Transformation: Institutional Leadership as a Catalyst for Change*, (Kingston, Ont.: Canadian Defence Academy Press, 2009), 42-43.
[256] Department of National Defence, *Report on Transformation 2011,* (Ottawa: Chief of Transformation, 2011), 47.
[257] Ibid, 47.

activities found that "the current construct met most criteria of effectiveness and excelled in some" of them.[258] Consequently, this performance objective was achieved at a cost of significantly more people and resources.

Second, the measurement framework must determine whether the requisite level of support has been generated and whether it is enough to carry the attempt through to its conclusion. In the case of Transformation, there was unquestionably strong support for moving forward and a generous amount of momentum was created to support the changes.[259] General Hillier's goal was to solidify the sense of urgency within the CF to move aggressively forward with CF Transformation.[260] Considering that seven years after the commencement of Transformation, the effort is still ongoing, there is considerable evidence that he was highly successful in this initiative and it is reasonable to conclude that this benchmark was achieved.

The third measure must confirm whether the proposed change works within existing financial constraints and whether the change ensures the efficient and effective use of resources. The answer to these two questions is clearly, no. General Leslie's Report on Transformation indicates that his team's work found that the structures of Canada Command and CEFCOM were more human resources intensive than the DCDS

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[258] R.R. Crabbe, L.G Mason and F.R Sutherland, *A Report on the Validation of the Transformed Canadian Forces Command Structure*, Report Prepared for the Chief of Defence Staff (Ottawa: 31 January 2007), iv.
[259] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 229.
[260] Ibid, 230.

organization that they replaced.[261] As we saw with the first measure above, the number of military personnel employed to fulfil the same role today as that of the DCDS Group has nearly quadrupled.[262] Although considered more effective, the new Headquarters organizations are too expensive, from a personnel perspective, for the CF to retain.[263] It should be noted, though, that when created, the objective was not to create greater efficiency or cost savings, the objective was greater operational effectiveness.[264] Moreover, the creation of the dot.coms occurred as financial pressures were relieved by successive budgetary increases.[265] For this reason, financial considerations do not appear to have been part of the planning process when developing the current command and control construct at the Dot.coms. However, when the personnel costs are weighed against the successes of recent operations in Afghanistan and most recently in Libya, it becomes clear that there is value in having such a command and control capability; it just needs to be smaller and less resource intensive.[266] The question that arises from this assessment is will the reduction in personnel adversely affect its ability to execute its mandate? Regardless of the answer, the current Transformation Report has advocated the creation of a single 3-star Chief of Joint Force Employment in order "to maximize efficiency, amalgamate operational planning and oversight functions currently carried out collectively by CanadaCOM, CEFCOM and CANOSCOM, and selected elements of the

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[261] Department of National Defence, *Report on Transformation 2011,* (Ottawa: Chief of Transformation, 2011),47.
[262] Ibid, 47.
[263] R.R. Crabbe, L.G Mason and F.R Sutherland, *A Report on the Validation of the Transformed Canadian Forces Command Structure*, Report Prepared for the Chief of Defence Staff (Ottawa: 31 January 2007), 7-8.
[264] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 229.
[265] Ibid, 228-229.
[266] Department of National Defence, *Report on Transformation 2011,* (Ottawa: Chief of Transformation, 2011), 47.

SJS.[267] Accordingly, additional effort would have been required to rectify the shortcomings observed in this change activity, as the original activity did not adequately consider financial constraints or whether the proposed change would ensure the efficient and effective use of resources.

The fourth measure must ensure that the change increases value to shareholders.[268] In other words, does the change enhance the abilities or capabilities of the CF, and do the proposed changes adequately encompass both governmental will and societal expectations? These aims were partially achieved in the announcement and subsequent stand-up of the dot.com organizations, all in relative short order.[269] Specifically, the Afghanistan mission, Operation ATHENA, provided both the testing ground and the justification for the CEFCOM structure. Unfortunately, an evaluation of the two commands found that "with the overwhelming and understandable emphasis on operations in Afghanistan," Canada Command demands for personnel and equipment often took a back seat to those required by CEFCOM, potentially jeopardizing Canada Command's ability to perform assigned missions.[270] In other words, this metric was only partially achieved and would have required additional direction and action to fulfil stated objectives.

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[267] Ibid, 49.
[268] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 10.
[269] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 229.
[270] Department of National Defence, *Report on Transformation 2011,* (Ottawa: Chief of Transformation, 2011),47.

Finally and most importantly, proposed changes need to support the current government's plan for the defence department and must ensure enhanced relevance and responsiveness.[271] Coming back to Canada's stated defence requirements, the Canada First Defence Strategy (CFDS) identifies the strategic goals for the CF to be: the forces "must be able to deliver excellence at home, be a strong and reliable partner in the defence of North America, and project leadership abroad by making meaningful contributions to international security."[272] If we consider this intent in combination with the significant number of operations to which the CF have been and are currently committed, it is clear that the structures created to support the planning and execution of domestic and expeditionary operations provided the requisite support envisioned by Government objectives.[273] The report on the validation of Transformation identified the effectiveness of the new CEFCOM structure in planning and executing a complex operation such as Op ATHENA, providing evidence both of its value in support of government intent and of Canadians' expectations.[274] Therefore, this objective was certainly achieved.

Given the answers to the questions above, it seems clear that some activity should have been redirected or refocused during this transformation activity. Base upon this very cursory glance at a specific example of organizational change, there is supporting evidence to the validity of these criteria as a new framework to be used in beginning to

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[271] Adam N. Stulberg and Michael D. Salomone, *Managing Defense Transformation: Agency, Culture, and Service Change*, (Aldershot: Ashgate, 2007), 18.
[272] Department of National Defence, *Canada First Defence Strategy*, (Ottawa: National Defence, 2008), 3.
[273] This website, http://www.forces.gc.ca/site/operations/index-eng.asp, provides insight into the operations conducted by the CF.
[274] Department of National Defence, *Report on Transformation 2011,* (Ottawa: Chief of Transformation, 2011), 47.

measure change activity performance within the CF. Having identified what needs to be measured and validating its relevance within the CF context, there is a reasonable argument to be made in support of the need to performance measure. To allow, the process to continue for so long without measuring performance is a potential waste of valuable resources. Consequently, a simple tool like this could provide valuable support to complex change initiatives much earlier in the process.

CONCLUSION – PROCESS IS SIMPLE, IMPLEMENTATION IS HARD

This chapter introduced the importance of the performance measurement, by presenting some of its concepts and the measurement frameworks that could be used within the organizational change process. The applicability of these concepts to military change efforts was adequately reinforced and by doing so, a new framework for measuring change performance within the CF is proposed. The paper then offered supporting evidence to the validity of these criteria as an appropriate measurement tool, by evaluating a part of the CF's most recent transformational process. That said, when Andy Neely and Mike Bourne conducted a study to determine why some measurement efforts succeed and others fail, they concluded that despite the best efforts of employees, there are some initiatives implemented from above for which the consequences cannot be predicted or planned.[275] It is this difficulty that reinforces the requirement to facilitate the

[275] A. D. Neely, *Business Performance Measurement: Theory and Practice*, (Cambridge: Cambridge University Press, 2002), 206.

organizational change with an established process, like in the CF "How to" guide, which includes this all important stocktaking effort.[276]

So what does all this mean? Organizational change is complex and will have a significant impact on the organization. Considering the number of people, the competing interests of stakeholders, and the financial consequences of getting it wrong, there is a compelling reason to test continually the validity of the effort through the creation of an adequate performance measurement tool. All of this reinforces that the performance measurement tool is a crucial component to organizational change, and yet it remains one of the weakest areas in management.[277] The idea behind measurement is that it feeds information about improvement activities to those who are in authority such that adjustments can be made to ensure that change activities effectively address stated objectives.[278] Consequently, it is a crucial activity that must be incorporated into future CF change efforts to ensure their success.

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[276] Brian McKee and Sarah Hill, *The "How-to" of Organizational Cultural Change in the Canadian Forces*, (Ottawa: Defence R&D Canada - Centre for Operational Research and Analysis: 2007), 28.
[277] Paul R. Niven, *Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results*, (New York: Wiley, 2002), 5.
[278] Laura Richards Cleary, Managing Defence in a Democracy, (London: Routledge, 2006), 21.

CONCLUSION

THIS PAPER'S OBJECTIVE

Organizational change in Canada's military has always been driven by the relative availability of resources coupled with the strategic intent of government. This means, Military Commanders must be selective in where to invest precious financial resources in order to maximize current and invest in future capability. Considering the significant potential for disruption from an organizational change effort and the potential costs associated with failure to conform to government intent, there is a compelling argument to continually assess the effectiveness of the changes throughout the process. A performance measurement tool is introduced in the latter part of this document and stems from a look at the historical results of CF organizational change efforts coupled with an investigation of change concepts. Although, the tool comes from a cursory analysis of business and military organizational change and performance measurement practices, it is offered as a starting point to ensure the success of future CF change initiatives. Moreover, it is driven by the arguement that the CF must measure its performance to ensure the success of any organizational change activity.

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DEFENCE POLICY CHAPTER

In order to argue this thesis, the second chapter introduced Canada's geo-political reality as a starting point for understanding Canada's defence policy. This provided the

background to discuss briefly four of Canada's most recent organizational change activities. Moreover, this brief historical glimpse demonstrated the impact that fiscal imperatives play on Canada's military and the important influence defence policy and by default Canada's geographic reality have on shaping the need for organizational change. Finally, it reinforced the lessons from Sutherland that Canada has the luxury of choice in how much to spend on defence, and that the military must work within this constraint to develop as much capability as possible.[279] The presentation of this material served to illustrate the similarities between past change efforts and allows the author to hypothesize that the objectives of organizational change have only ever been partially achieved.[280]

ORGANIZATIONAL CHANGE CHAPTER

Next, the chapter on organizational change presented many of the complexities associated with its activities. It explored the similarities between change efforts conducted in the business world and those in the CF, and it reinforced the similarities between the two approaches. This next provided necessary evidence to the deduction that solutions to the CF's change problems could be found within analysis of business experiences. Finally, this led to the observation that change fails because we never achieve what we set out to do, thereby reinforcing the need to performance measure.

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[279] Douglas L. Bland, "Controlling the Defence Policy Process in Canada: White Papers on Defence and Bureaucratic Politics in the Department of National Defence," (Centre for International Relations Queen's University, Kingston, ON, 1988), 5.
[280] Ibid, 8.

PERFORMANCE MEASUREMENT CHAPTER

Finally, the fourth chapter introduced the importance of the performance measurement, by presenting some of its concepts and its measurement frameworks. The applicability of these concepts to military change efforts was adequately reinforced and by doing so, a new framework for measuring change performance within the CF was proposed. The paper then offered supporting evidence to the validity of these criteria as an appropriate measurement tool, by evaluating a part of the CF's most recent transformational process. This chapter also provided an opportunity to reinforce the complexities associated with organizational change. All of this strengthened the argument that a performance measurement tool is a crucial component to organizational change process, and yet it remains one of the weakest areas in management.[281] Considering that the idea behind measurement is to feed information about improvement activities to those who are able to make adjustments, this chapter provided adequate support to the thesis that this activity must be incorporated into future CF change efforts to ensure their success.[282]

WHAT REMAINS TO BE DONE

It became clear throughout this work, that this paper only brushed the surface of what is a very complex problem both for the public and the private sector. The concepts are not difficult and when discussed separately are quite intuitive. The difficulty arises

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[281] Paul R. Niven, *Balanced Scorecard Step-by-Step: Maximizing Performance and Maintaining Results*, (New York: Wiley, 2002), 5.
[282] Laura Richards Cleary, Managing Defence in a Democracy, (London: Routledge, 2006), 21.

when talking about organizational change as a whole and attempting to understand the complex interrelationships that exist between the individual components of the organization. As discussed previously, the performance measurement framework proposed earlier is a rudimentary starting point for measuring change effectiveness. It is clear to the author that additional efforts are required to fully understand the second and third order effects that are generated from this type of activity. Meaning that the framework provides the important questions, but the metrics used to determine the answers remain incomplete.

CONCLUSIONS

Based upon the cursory overview of the organizational change efforts presented earlier, it is evident that the driving factors for change in Canada will remain unchanged Most importantly, this thesis emphasized how critical it is to ensure alignment with the Strategic intent of government, as ultimately they are the customer of the CF's product and the source of the department's financial resources.[283] Beyond this, though, it emphasized that hard choices will inevitably be made to find personnel and resource efficiencies, and to cut and eliminate duplication all for the purpose of facilitating the acquisition of new capability.[284] This means that Military Commanders will continue to be selective in where to invest financial resources in order to maximize current and invest in future capability. Considering the number of people, the competing interests of stakeholders, and the financial consequences of getting it wrong, it becomes clear that the

[283] Craig Stone, *Public Management of Defence in Canada*, (Toronto: Breakout Educational Network in association with the School of Policy Studies, Queen's University, 2009), 20.
[284] Ibid, 11.

performance measurement tool proposed can play a crucial role in the success of these change initiatives.

What is certain is that the Canadian Forces (CF) is a key instrument of national power used by the Government of Canada to keep Canadian citizens safe and secure, to defend Canadian sovereignty.[285] Available technologies will continue to evolve and will become increasingly more sophisticated. Threats will materialize as these new technologies proliferate. Other threats will decrease or morph over time as regimes of interest change their priorities and their respective allocation of available resources. The international community will continue to change, as will those who govern Canada and decide upon how much to allocate to the defence of this proud country. Consequently, this evolutionary and dynamic process will continue to drive the Canadian Forces to renew efforts in organizational change, forcing past performance to be measured, in order to be ready for future challenges. In other words, without performance measuring, organizational change can be a road to failure.

[285] Department of National Defence, *Canada First Defence Strategy,* (Ottawa: Government of Canada, 2008), 1.

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