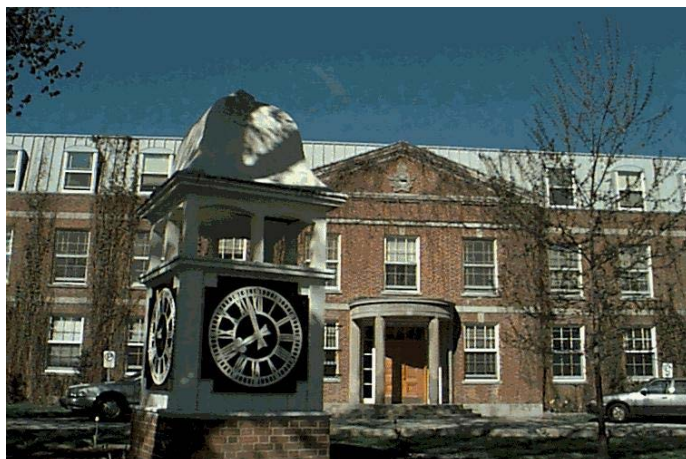


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Performance Management in the RCAF

Major G. Bourgoin

JCSP 40

Exercise Solo Flight

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SOLO FLIGHT ESSAY

Performance Management in the RCAF

By Maj G. Bourgoïn

12 May 2014

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La présente étude a été rédigée par un stagiaire du Collège des Forces canadiennes pour satisfaire à l'une des exigences du cours. L'étude est un document qui se rapporte au cours et contient donc des faits et des opinions que seul l'auteur considère appropriés et convenables au sujet. Elle ne reflète pas nécessairement la politique ou l'opinion d'un organisme quelconque, y compris le gouvernement du Canada et le ministère de la Défense nationale du Canada. Il est défendu de diffuser, de citer ou de reproduire cette étude sans la permission expresse du ministère de la Défense nationale.

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It is no use saying, “We are doing our best”. You have got to succeed in doing what is necessary!

- Winston Churchill

INTRODUCTION

Based on personal experience, this author believes that many Canadians think that government organizations are doomed to be inefficient. In fact, many government employees do not even recognise the part they play in trying to keep costs down as they work towards serving the public effectively. This author has had first-hand experience with such people throughout his 25 years career in the Royal Canadian Air Force (RCAF). Countless times he has heard members of the RCAF referring to the fact that “we are not in it for the money”, implying that, as opposed to for-profit organizations, the RCAF does not concern itself with the bottom line. To a fiscally responsible officer, such statements can be disheartening. Indeed it is difficult to measure the efficiency of large government organizations but that does not mean we should not try. Government organizations offer services to the public. The public trusts (hopes) that government employees treat tax money as if it was their own (and it is!) but it appears that many government employees do not make that connection¹. Furthermore, it is particularly difficult to measure the efficiency of the military, for many reasons: first, because technically, military units get ready, they don’t do. The RCAF, for example, rarely uses its F-18 fighter fleet in anger. How then can we assess its efficiency? Any performance formula should prove that the only way to be efficient in regards to fighters that rarely get used is to divest the fleet. But governments agree with defence experts that fighters are

¹ Based on the author’s experience with 25 years in the RCAF.

necessary for national security. If so, how many are required? What type? These are wicked problems that maintain the attention of many fiscally sensitive Canadians. Another reason is that lines of responsibility are often blurred by complicated hierarchies². This both dilutes the accountability of managers and diminishes their effectiveness in identifying and correcting inefficiencies because sometimes tasks and resources cannot be attributed to a specific person³.

Today, most large organizations use performance management processes to help them manage efficiently and many theories exist on how they can accomplish their mission while maintaining fiscal responsibility. Fortunately for Canadians, all government organizations, including the military, are provided with tools and guidance by The Treasury Board Secretariat (TBS) which oversees how Canadian government organizations manage their resources⁴.

Unfortunately, much inefficiency remains and the purpose of this paper is to highlight that the RCAF needs to improve its performance management tools, techniques and processes in order to provide Canadians with the best Air Force possible, given the resources allocated.

² Teri McConville, "The Principles of Management Applied to the Defence Sector." *In Managing Defence in a Democracy*, edited by Laura R. Cleary and Teri McConville (New York: Routledge, 2006), 121.

³ Ibid.

⁴ Treasury Board of Canada Secretariat Website, last accessed 1 May 2014, <https://www.tbs-sct.gc.ca/tbs-sct/index-eng.asp>

To validate that thesis, this paper will begin by examining the theory behind performance management to understand the basic principles at play and verify that current TBS direction is pertinent. It will then turn to TBS policy and extract the main characteristics of the current performance management system they prescribe. In the third section of this paper, we will take an in-depth look at the RCAF in regards to its performance management processes used at the strategic, operational and tactical level to glean a holistic point of view. The final section, which will reflect on the three previous sections, will suggest ways for the RCAF to improve in the future.

PERFORMANCE MANAGEMENT THEORY

Performance management means different things to different people. For example, human resource managers use this concept to develop human performance assessment tools. However, for this paper, performance management refers to how organizations dispatch their resources in order to achieve their goals.

Let's start with some basic definitions. Management can be defined as: getting things done through people⁵. This simple definition is useful when we reflect on the purpose of managers. If people get the job done, then perhaps efficiencies could be gained by getting rid of managers altogether? The problem is that as employees accomplish their tasks, they don't have time to look at the big picture and look for ways to improve processes. Managers are worth something when they are able to find

⁵ Teri McConville, "The Principles of Management Applied to the Defence Sector." *In Managing Defence in a Democracy...*, 109.

synergies that improve the overall output of an organization. This incessant drive to look for efficiency is prevalent in industry where enterprises compete between each other for limited customer bases. This drive also exists in government organizations because employees have the duty to deliver important government services at the lowest cost possible⁶. Over the centuries, the concept of management evolved to include much more than just supervising people. Henry Fayol (1916) identified five functions of management: *planning, organizing, commanding, co-ordinating and controlling activities within an organization*⁷. From this classical school of management, a concept emerged just after the Second World War: performance management (PM)⁸. Simply stated, PM can be defined like this: *measuring performance, integrating measured performance information, and using it*⁹. PM is about getting more output for less input. So to find efficiencies, first managers must ensure to understand the current situation from a historical perspective. Measures of output offer a glimpse of the present and past performance of organizations. The value of that glimpse depends on the relevance of the measure and the quality of the measurement. With quality historical data, trends can be detected and analysed. This analysis can reveal inefficiencies and astute managers can find ways to correct them. The basic problem behind performance management is that organizations are in a constant state of change. To verify that managers are implementing changes that add value, they must be aware of the state of their organization before they

⁶ Rhys Andrews, "NPM and the Search for Efficiency." In *The Ashgate Research Companion to New Public Management*, edited by Tom Christensen and Per Laegreid (Burlington, VT: Ashgate Publishing Company, 2011), 282.

⁷ Teri McConville, "The Principles of Management Applied to the Defence Sector." In *Managing Defence in a Democracy...*, 110.

⁸ Sylvie Jackson, "Performance Management and the Balanced Scorecard." In *Managing Defence in a Democracy*, edited by Laura R. Cleary and Teri McConville (New York: Routledge, 2006), 219.

⁹ Vital Put and Geert Bouckaert, "Managing Performance and Auditing Performance." In *The Ashgate Research Companion to New Public Management*, edited by Tom Christensen and Per Laegreid (Burlington, VT: Ashgate Publishing Company, 2011), 223.

implement changes and then track performance to assess if the changes had the desired positive impact. Too often, managers make changes, reacting to their environment, in an intuitive manner. Employees will naturally resist change but would likely accept it more readily if it was backed up by empirical data and logic¹⁰.

The balanced scorecard

The initial efforts in PM concentrated on financial aspects of organizations but that outlook was eventually recognised as ineffective and often seen as detrimental to organizations that were trying to find ways to improve overall performance and grow¹¹. This is because focussing on financial data alone can lead to wrong conclusions. For example, if organization X focusses on profit alone, then one possible change to improve performance could be to cut expenses. Up to a point, this could be a winning solution but too many cuts could lead to systemic deficiencies, putting the very existence of the organization at risk. Many other factors should also be considered to maximise performance. For example, income could rise, productivity could improve, or a new product or service could be introduced to improve the organization's value proposition. This is exactly what Robert Kaplan and Nolan Norton concluded when they researched this very concept in the early 90s¹². Kaplan and Norton developed and introduced the Balanced Scorecard (BSC). This performance management tool revolutionised the way managers think about their organizations and quickly became the most widely used and

¹⁰ Michael Rostek, "Managing Change within DND." In *the Public Management of Defence in Canada*, edited by Craig Stone (Toronto: Breakout, 2009), 217.

¹¹ Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Translating Strategy into Action* (Boston: Harvard Business School Press, 1996), vii.

¹² Ibid.

well-known PM tool around the world¹³. Kaplan and Norton said that “the name (balanced scorecard) reflected the balance provided between short and long term objectives, between financial and non-financial measures, between lagging and leading indicators, and between internal and external performance perspectives.”¹⁴ This holistic approach suggests that on top of considering the Financial Perspective of organizations, managers should also pay equal attention to the Customer Perspective, the Internal Business Perspective and the Innovation and Learning Perspective¹⁵. In doing so, managers ensure to consider all important aspects relevant to their organization before making decisions (see Figure 1).

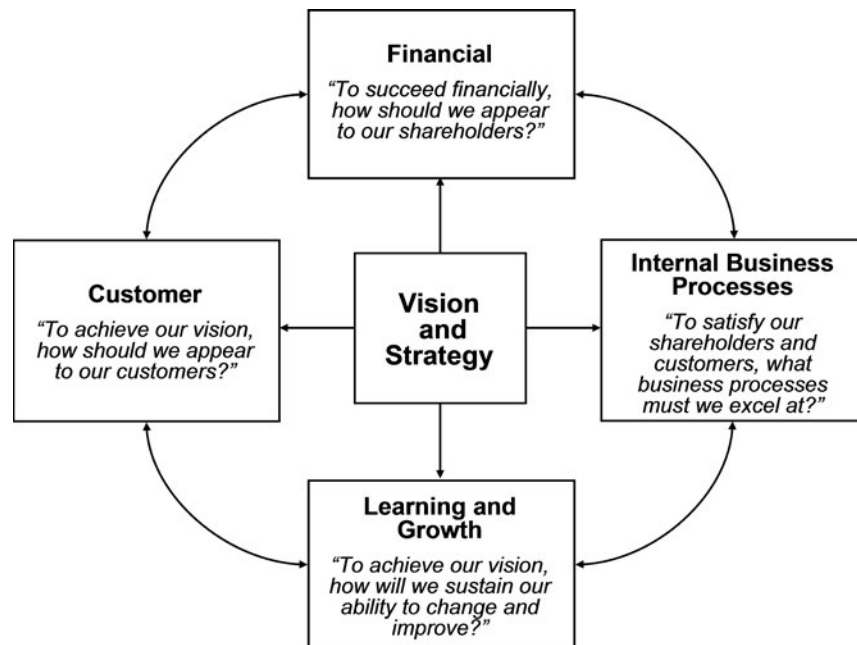


Figure 1 – The Balanced Scorecard

Source: Kaplan and Norton: *The Balanced Scorecard* (1996)

¹³ Sylvie Jackson, “Performance Management and the Balanced Scorecard.” In *Managing Defence in a Democracy...*, 223.

¹⁴ Robert S. Kaplan and David P. Norton, *The Balanced Scorecard: Translating Strategy into Action...*, viii.

¹⁵ *Ibid*, 8.

The Financial Perspective, as discussed above, matters because organizations exist at a cost. In this external perspective, managers ask how they look financially from the point of view of shareholders and stakeholders¹⁶. The outputs must, compared to similar organizations, out way the inputs, or the organization's future itself could be put in question. The opposing internal perspective, Innovation and Learning, asks: "how can we continue to improve?"¹⁷ It is meant to focus the manager's attention on the future of the organization by focussing on personnel skills, training, and product and services development. The Customer Perspective (external focus) looks at the organization through the eyes of its customers. Why do they need the organization's products or services, what differentiates the organization from others in the market, what other options do they have¹⁸? And finally, looking from the Internal Business Perspective, managers ask: "what must we excel at?"¹⁹ It considers internal processes, strengths and weaknesses, and products and services. Looking at these perspectives, managers get a balanced view of the organization which helps them consider what the organization is able to excel at, and to offer what the customers want.

The concept of the Balanced Scorecard appears simple today and it is fascinating that it was not put to paper long before. Technology was likely a driving factor in its invention because computers allow managers to gather and analyse more data than has ever been possible in the past²⁰. But what is most interesting about the BSC is that, as it was being developed and implemented, Kaplan and Norton realised that it is not just a

¹⁶ Ibid, 25.

¹⁷ Ibid, 28.

¹⁸ Ibid, 26.

¹⁹ Ibid.

²⁰ Ibid, 2.

performance management tool but it is also a great strategy formulation tool²¹! They realised that approaching markets with a balanced holistic view not only allowed managers to improve their organizations but it also provided them with a “strategy map” required to properly position the organization, helping them focus their resources where they could have the most impact²². This concept brings us to a more modern definition of performance management which was written by Andre de Wall (2007):

*PM is the process where steering of the organization takes place through the systematic definition of mission, strategy and objectives of the organization, making these measurable through critical success factors and key performance indicators, in order to be able to take corrective actions to keep the organization on track.*²³

This definition sums up well the BSC and it appears to take all modern aspects of management into consideration. However, some academics, striving to constantly improve business management processes, have developed a different PM approach which takes a different approach than the BSC: the Performance Prism.

²¹ Ibid, 199.

²² Ibid, 200.

²³ Andre De Wall, Robert Goedegebuure, and Patricia Geradts, *The Impact of Performance Management on the Results of a Non-Profit Organization* (Bingley, UK: Emerald, 2011), 2.

The Performance Prism

The Performance Prism idea was introduced by Neely and Adams in 2000 and takes a different approach to performance management than the BSC. Neely et al. argue that performance measures should not just be derived from strategies. In their mind, the wants and needs of all stakeholders must first be analysed before a strategy can be formulated²⁴. They argue that this approach should yield pertinent performance measures that focus at the core of the organization: the stakeholders. One strength of this approach is that it considers all possible stakeholders, some of which tend to be forgotten in other models. For example, this approach considers employees (this is important when considering making changes to the organization), suppliers and partners, all of which have a vested interest in the organization²⁵.

The Performance Prism approach includes five inter-related aspects:

- 1) Stakeholder satisfaction: what does each stakeholder expect from the organization?
- 2) Stakeholder contribution: how can stakeholders contribute?
- 3) Strategies: what strategies could the organization put in place to satisfy the desires of stakeholders while leveraging what they bring?

²⁴ Andy Neely, Chris Adams, and Paul Crowe, *The Performance Prism in Practice* (Bradford, UK: MCB University Press, 2001), 6.

²⁵ Manoochehr Najmi, Mohammad Etebari, and Samin Enami, *A Framework to Review Performance Prism* (Bingley, UK: Emerald, 2011), 2.

- 4) Processes: what processes are required, and possible considering the organization's limits, to enable the preferred strategies?
- 5) Capabilities: what skills and resources are required to permit the preferred processes²⁶?

Following this model, managers are able to infer “success maps” that align stakeholder interests and capabilities with strategies and resources²⁷. One other advantage of this model is that managers do not spend time on developing measures of performance until all stakeholders and resources are considered which implies that the strategies, in theory, should be realistic and the measures, useful²⁸.

Both approaches to PM are very useful in getting managers to think holistically about their organization, ensuring they consider all business aspects before making decisions. Furthermore, neither is prescriptive as they only represent basic concepts. Each organization should use them as a base to develop its own PM approach; an approach that makes sense to them.

Now that we have delved into the theory behind PM, we will shift our attention to the current approach to performance management that Treasury Board prescribes to ensure sound resource utilization by Canadian government organizations.

²⁶ Andy Neely, Chris Adams, and Paul Crowe, *The Performance Prism in Practice...*, 9.

²⁷ Manoochehr Najmi, Mohammad Etebari, and Samin Enami, *A Framework to Review Performance Prism...*, 2.

²⁸ Ibid.

TREASURY BOARD POLICY

The Treasury Board is a Cabinet committee of the Queen's Privy Council of Canada that was established in 1867²⁹. It is responsible for accountability, ethics, financial, personnel, and administrative management for all departments of the federal government of Canada.

The Treasury Board Secretariat is the administrative arm of the Treasury Board³⁰. Their vision is: “better government: with partners, for Canadians”. What they are trying to say through this vague statement is that TBS aims to improve government management processes to ensure Canadians receive the services they need at an affordable cost. They use the term “partners” for government departments because, although TBS sets the rules and provides management guidelines, they do not directly interfere in each department, preferring to let Deputy Ministers and their staff decide what works best for each of their respective departments. However, to promote accountability, the TBS has developed the Management Accountability Framework (MAF) which is used to assess the performance of the various departments³¹. MAF is also a system that provides pay incentives to strategic level managers who meet their organizational goals. TBS provides management frameworks and guidance to “partners” so they can manage resources effectively, efficiently and transparently³².

²⁹ TBS Website, last accessed 1 May 2014, <https://www.tbs-sct.gc.ca/tbs-sct/abu-ans/tb-ct/abu-ans-eng.asp>

³⁰ Ibid, <https://www.tbs-sct.gc.ca/tbs-sct/abu-ans/tbs-sct/abu-ans-eng.asp>

³¹ Ibid, <https://www.tbs-sct.gc.ca/maf-crg/index-eng.asp>

³² Ibid.

The main performance management guidance document they provide is the Policy on Management, Resources, and Results Structures (MRRS). The MRRS applies to all government departments and the current version (with minor changes) has been in effect since 2005³³. The objective of this policy is to ensure that government and parliament receives pertinent financial and non-financial performance information, from the various departments, to support Treasury Board resource allocation decision making. Three expected results are stated in the policy: managing for results, decision-making for results, and accountability for results³⁴. Evidently, TBS puts a lot of emphasis on “results”; the purpose of this focus is to be able to show Canadians what returns they get on their investments. Surely the genesis for this focus was political but it does, none the less, make for sound management, especially for public organizations. Deputy Head of Departments are responsible to develop their own MRRS that must include three parts: clearly defined and measurable Strategic Outcomes, a Program Alignment Architecture (PAA), and a description of the governance for each program of the PAA³⁵. Departments have to comply with the requirements of the MRRS or risk an allotment freeze by Treasury Board.

The reporting cycle for government expenditures begins before the fiscal year when each Department is required to “table” a Report on Plans and Priorities (RPP) to parliament. The RPP describes the goals that each department aims to reach during the year and the resources it requires to achieve them. Although quarterly monitoring of expenses is expected, departments only report to parliament at the end of the fiscal year

³³ Ibid, <http://www.tbs-sct.gc.ca/pol/doc-eng.aspx?id=18218§ion=text>

³⁴ Ibid.

³⁵ Ibid.

by “tabling” the Departmental Performance Report (DPR) which shows what has been accomplished by each Department in the fiscal year³⁶.

The RPP and the DPR are closely related to the PAA which departments developed to ensure that all activities relate directly to their Strategic Outcomes; managers who identify activities that do not relate to a strategic outcome should either reconsider their outcome or cancel those activities. The PAA is the main tool used by departments to monitor their performance and report to government. All expenses are assigned to their respective activities and this provides a clear performance measure to Canadians who can now see exactly where tax money is spent. For example, the Department of National Defence (DND) PAA (recently updated on the VCDS DWAN website) has 2 Strategic Outcomes: Defence Operations Improve Stability, and Defence Remains Prepared³⁷. In the PAA, all DND activities are streamed under Programs, Sub Programs and Sub-Sub Programs. For example, Search and Rescue is a Sub-Sub program of Defence Services which is a Program under the Strategic Outcome of Defence Operations³⁸. The PAA is a good tool for financial performance management because, under this framework, assuming that the costs were properly attributed, it is easy to observe the cost of distinct activities, like Search and Rescue. The PAA is also a good tool for non-financial performance management because, once populated with pertinent measures, it provides a strategic view of the results achieved by the department and the results can be easily understood by the average Canadian.

³⁶ Ibid, <https://www.tbs-sct.gc.ca/dpr-rmr/index-eng.asp>

³⁷ VCDS DWAN Website, last accessed 1 May 2014, <http://vcds.mil.ca/sites/intranet-eng.aspx?page=4430>

³⁸ Ibid.

In the first section of this paper we saw that the Balanced Scorecard is a very popular model for performance management in organizations. It is surprising to see that TBS did not embrace it in the long run. There are signs in the archives that TBS looked at BSC and strategy maps for a period in the early years of the 21st century³⁹ but that was short lived. TBS adopted the PAA model in 2005 with the MRRS and it appears in DND RPP and DPR as early as 2006⁴⁰. The reason for not using the BSC pan-government is likely because of the complexity of the organization. For now, the PAA provides a simple intuitive model that serves its purpose: to focus resources on what must be done.

Now that we have looked at the theory behind performance management and that we understand the TBS reporting requirements for departments, we will shift our attention to the RCAF and take a look at how efficiently it manages its resources.

RCAF PERFORMANCE MANAGEMENT PROCESS

This section will analyse current performance management practices within the RCAF to observe how they match up with theory and policy. To attack this complex question we will look at the organization from the strategic to the tactical level. This paper focusses on the RCAF and therefore will not take a closer look at the level 0 (L0) of DND however, based on two DND financial management audits, one from the Auditor

³⁹ R.D. Buck, *Information Brief for Balanced Scorecard Approach to Defence Performance Management* (NDHQ: 1190-1 (DDM 4), 14 Sep 2004).

⁴⁰ TBS Website Archives, last accessed 1 May 2014, <https://www.tbs-sct.gc.ca/rpp/2006-2007/ND-DN/nd-dn01-eng.asp>

General of Canada in 2009⁴¹, and the other from the Chief Review Services in 2012⁴², it will be assumed as adequate with the understanding that L0 performance management can only be as good as what is provided to them by the L1s, since performance measures should normally be rolled up from the bottom of the organization.

Strategic Level

As stated in the opening lines of this paper, the RCAF does not appear to have a culture that promotes sound performance management. It is therefore logical to first look at the RCAF doctrine to see if PM has been considered. *The B-GA-400*, the capstone doctrine document for the RCAF (last updated in 2010), makes no reference to performance management. It explains Command and Control but only in regards to effectiveness, not efficiency⁴³. *The B-GA-401*, which expands on the concept of Command in the RCAF, is a little more recent as it was published in 2012. It vaguely makes a reference to performance management, covered under the “continuous Command and Control activity” of assessing, which is defined as: *the process of estimating the performance of organizations, individuals... in order to advise the commander*⁴⁴. The next document in line is *Air Force Vectors*. It provides the RCAF with its long term vision and strategy. Contrary to the capstone doctrine, this recently published document (revised in 2014) fully incorporates the concept of performance

⁴¹ Auditor General of Canada, *2009 Spring Report of the Auditor General of Canada* (Ottawa: Canada Communications Group, 2009), para 5.58.

⁴² Department of National Defence, *Audit of Departmental Budget Management* (Ottawa: Chief Review Services, 2012), general conclusion.

⁴³ Department of National Defence, B-GA-400-000/FP-000, *Canadian Forces Aerospace Doctrine* (Ottawa: DND Canada, 2010), 53.

⁴⁴ Department of National Defence, B-GA-401-000/FP-001, *Canadian Forces Aerospace Command Doctrine* (Ottawa: DND Canada, 2012), 5.

management. It states that performance measurement is one of the three institutional responsibilities of the Commander of the RCAF⁴⁵. It clearly explains that resource management should include effective measures of performance that support the strategic vision⁴⁶. It even goes as far as adding Resource Management as a sixth Line of Operation (LOO) in the RCAF Campaign Plan, on an equal footing with Command, Readiness, Training, Military Family Support, and Force Development⁴⁷ (see Figure 2). From a doctrinal perspective, the RCAF shift, from an effectiveness only focus to an efficient and effective focus, appears to be recent.

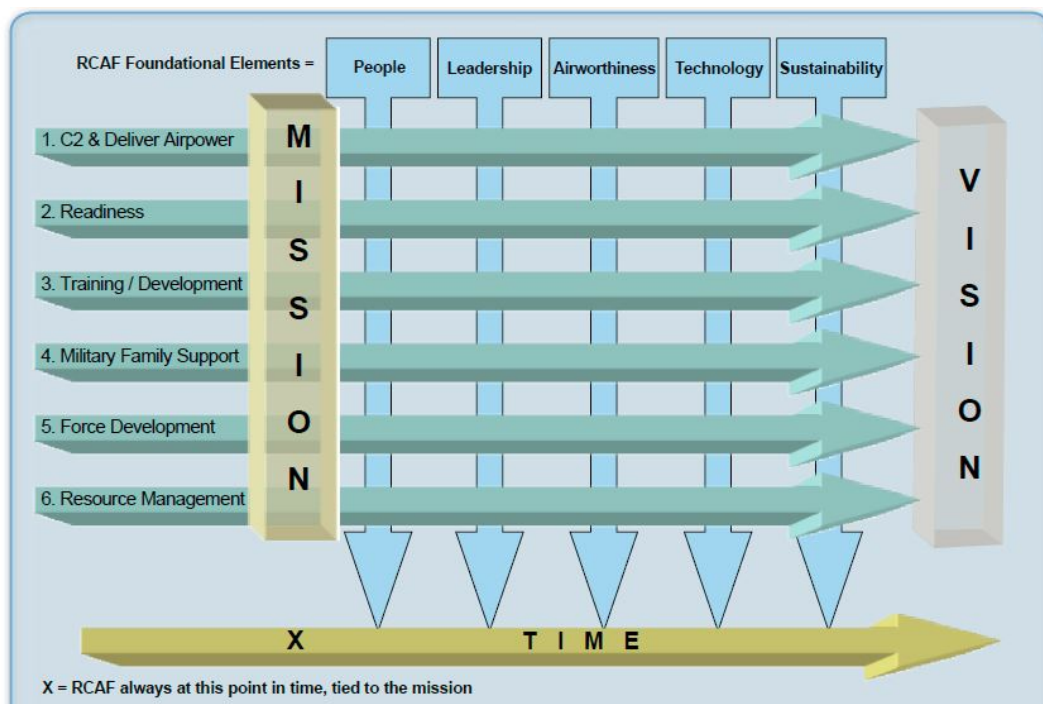


Figure 2 – RCAF Campaign Plan Framework

Source: *Air Force Vectors* (2014)

⁴⁵ Department of National Defence, A-GA-007-000/AF-008, *Air Force Vectors* (Ottawa: DND Canada, 2014), 30.

⁴⁶ *Ibid*, 32.

⁴⁷ *Ibid*, 2.

Empirical evidence: looking back as far as the 2006/2007 DPR, we can see that the RCAF has been reporting, up the chain of command, on performance for years⁴⁸. As years passed, there was a noted improvement on the quality of the reporting, but even the last report shows poor measures of performance. For example, to report on Aerospace Readiness, the performance indicator was: *Percentage readiness of units*. The actual result was reported at 100%⁴⁹. Is that possible? To Canadians, this implies that all equipment and personnel were ready to go at all times. At the very least, that measure is misleading because mission cancellations and delays are common in the RCAF⁵⁰. Another interesting measure is for Aerospace Forces Sustainment. In this case, the performance indicator was: *Forces are sustainable*. On a subjective scale of one to three, the answer was two⁵¹. So by looking at these two measures, it looks like last year, the RCAF could have done everything but just for a short time. This does not represent reality.

In reality, at the strategic level, the RCAF manages its resources through careful business planning. It follows a strict process that aims to use limited resources as efficiently as possible⁵². However, past attempts at PM were weak but they should be greatly improved with the rejuvenated RCAF PM guidance recently provided in the *Air Force Vectors* publication. Let's now look one level down, at the operational level.

⁴⁸ TBS Website Archives, last accessed 1 May 2014, <https://www.tbs-sct.gc.ca/dpr-rmr/2006-2007/inst/dnd/dnd01-eng.asp>

⁴⁹ Department of National Defence, *Departmental Performance Report 2012-13*, (Ottawa: Canada Communications Group, 2013), 62.

⁵⁰ Based on the author's experience with 25 years in the RCAF.

⁵¹ Canada. Department of National Defence. *Departmental Performance Report 2012-13...*, 70.

⁵² Department of National Defence, A-GA-007-000/AF-008, *Air Force Vectors...*, 4.

Operational Level

There are few signs of performance management at the operational level of the RCAF. Through discussions with staff at the 1 Canadian Air Division (1 CAD), this author recently confirmed that resource control is very important and much effort is spent on ensuring that fiscal responsibilities are met. Through the Defence Resource Management Information System (DRMIS), managers ensure that money is well accounted for⁵³. Also, an important function of 1 CAD is to manage the RCAF's fleet of airplanes. It relies on the Total Air Resources Management (TARM) process to accomplish this task. This is a very effective process that generates a yearly plan which assigns resources to the multiple "customers" of the RCAF (Navy, Army, VIP, etc...)⁵⁴. Airplane hours are closely monitored throughout the year to ensure the TARM is followed accurately because divergence from the plan could be costly. The airplanes flying hours are indeed well monitored, but what are the crews and planes accomplishing? Does it fall in line with strategic goals? If we transport cargo, are we filling the airplanes? These would be paramount questions to any commercial airline. No one can answer these questions because the operational data required for analysis is not readily available⁵⁵. The fact is that the RCAF uses antiquated tools and processes that do not provide operational staff members the information they require to even start asking these questions. A comment that consistently comes up when speaking with 1 CAD staff is that, due to their limited manning and tools, they are satisfied with simply getting the

⁵³ Auditor General of Canada, *2009 Spring Report of the Auditor General of Canada...*, and Department of National Defence, *Audit of Departmental Budget Management...*

⁵⁴ P. D. McFadden, *Total Air Resource Management Process* (NDHQ: file 3120-1 (J5 Plans 1-2), 10 Sep 2008).

⁵⁵ Based on discussions with 1 Canadian Air Division staff.

mission done. They have little time to ensure it was efficient. At least this is in line with the doctrine presented in the *B-GA-400* series...

To complete the RCAF PM picture, the next section will look at the tactical level of the RCAF.

Tactical Level

At the tactical level, the lack of PM of the operational level becomes evident. Again, accountability remains very important and by all accounts, units are properly recording their expenses and act with accountability⁵⁶. But conversations with tactical planners and operators reveal that inefficiencies are prevalent. For example, planners only look one month ahead to assign resources to missions. However, frequent changes often mean that missions have to be modified or cancelled. In joint operations, this translates to disappointed partners. In the transport world, it yields dissatisfied customers. With such a short time line, it becomes very difficult and expensive to charter a back-up airplane to see the mission through. Also, this means that in the future, the user might consider other options before trusting the RCAF, especially if the mission is considered important. This is far from matching the RCAF mission statement: "The RCAF will provide the CAF with relevant, responsive and effective airpower to meet the defence challenges of today and into the future".⁵⁷

⁵⁶ Auditor General of Canada, *2009 Spring Report of the Auditor General of Canada...*, and Department of National Defence, *Audit of Departmental Budget Management...*

⁵⁷ Department of National Defence, A-GA-007-000/AF-008, *Air Force Vectors...*, ix.

Interestingly, a wealth of tactical data that has been religiously gathered for the past 20 years could be analysed to find deficiencies but, due to antiquated technology, it seldom gets consideration⁵⁸. After taking a deeper look at the RCAF, it does not appear that performance management efforts were in line with the expectations from the Treasury Board Secretariat or that they meet the current best practice standards. Performance measures are monitored and reported up from the strategic level but they appear to be of little relevance. Fortunately, there seems to be a change in the air and the next section will look at what might be in the works that could help the RCAF become as efficient as it should be while remaining effective for Canadians.

RCAF PERFORMANCE MANAGEMENT WAY AHEAD

Doctrine

The recent incorporation of PM principles in *Air Force Vectors* should go a long way towards improving the efficiency of the RCAF. However this should only be seen as the first step and further indoctrination of the PM principles are required. Updates of the *B-GA-400* and *B-GA-401* to include PM guidance would ensure that sound PM practices become part of daily management in the RCAF by focussing the attention of managers on PM. Most importantly, a deep indoctrination of PM practices would ensure a pan-RCAF adoption of concepts that have been widely accepted in the business world and that are mandated by TBS.

⁵⁸ Based on the author's experience with 25 years in the RCAF.

Technology

The RCAF must modernise its technology to fully leverage the benefits of PM. Fortunately, some changes are already underway and should soon see fruition. For example, the RCAF is currently introducing a management software suite to assist with operational data management: the Unit Level Tool (UL Tool). It should be deployed before the end of fiscal year 2014⁵⁹. This software will provide managers and performance analysts the data they require to develop and monitor sound measures of performance. The new software is fully compatible with most modern hardware and will greatly enhance accessibility to pertinent operational data through a remote database. This database will allow researchers to pull the information they seek from the system, rather than ask for multiple personnel throughout the RCAF to push the information up. The UL Tool will improve the PM outlook but it could have a much greater impact if it was connected with adequate Enterprise Resource Planning (ERP) software. DND currently uses only two module of a proper ERP: Defence Resource Management Information System (DRMIS) and Human Resources Management System (HRMS)⁶⁰. DRMIS is used for the management of financial data and is also used for maintenance management on weapon systems, however the department recognises that further development is required before the capacity of the software can be fully utilised⁶¹. HRMS is used for human resource data. Most ERPs are modular and can be expanded but

⁵⁹ Andre Deschamps, *JCS (Air) Project – RCAF Tool (Flight Pro) Implementation* (NDHQ: CANAIRGEN 018/12, 241744Z Jul 2012).

⁶⁰ Based on conversation with Assistant Deputy Minister Information Management staff.

⁶¹ Auditor General of Canada, *2011 Fall Report of the Auditor General of Canada* (Ottawa: Canada Communications Group, 2011), para 5.28.

unfortunately, not all intended capabilities of HRMS have been delivered⁶². DND should consider the implementation of a full ERP suite if PM is to maintain its importance. An ERP would drastically improve the information management capabilities available to researchers and through automation would remove the pressures of reporting up from most levels of the department. One of the biggest benefits of an ERP for the RCAF would be to allow for much more transparent resource utilization. Such functionality could provide users with an interface to request RCAF support on-line and take advantage of last minute availabilities. This could, for example, reduce the number of empty flights.

New RCAF Performance Management Framework

Along with an updated *Air Force Vectors* came a revised RCAF Campaign Plan. As discussed above, the Campaign Plan now incorporates a Resource Management LOO which focusses the attention of managers on PM. As a sign that PM is gaining traction in the RCAF, the Campaign Plan presents a new Performance Management Framework (PMF) which incorporates pertinent measures of performance⁶³ (see Figure 3).

⁶² Department of National Defence, *Audit of Human Resource Management System Capabilities and Functionalities* (Ottawa: Chief Review Services, 2012).

⁶³ Department of National Defence, *RCAF Campaign Plan* (Ottawa: Comd RCAF, 2014), para 15.7.

RCAF PMF - Tier 1 Strategic-level Metrics

		Performance Measures								
Commander RCAF Strategic Role	Comd RCAF Strategic Responsibilities	Cmd & Deliver Air Power	Sustainment status	Global Engagements	Key Deficiencies & Lessons Observed	Flight Safety & Airworthiness				
		Readiness	Aerospace High Readiness Status	Unmitigated FG gaps & risks	Follow-on sustainment program	Flight Safety & Airworthiness	Readiness Audit Program	Maintenance		
		Training & Professional Development	Training Content/ Occupation structure	Training Delivery	PD Status					
		Military Family Support	Community Needs Assessment	CF Living Accommodation	Family Medical Support	Family Support for Deployed Members				
		Force Development	FD Governance/ Process	Strategy, Concepts, and Doctrines	Air Platform Replacements Projects	ISR Key Projects	Cyber and Space Key Projects	Synthetic Environment	Unmitigated Deficiencies	
		Resource Management	Corporate Governance/ Process	Environmental Issues	Resource Availability	Procurement Plan	Personnel policy and governance	Establishment & manning	Personnel Intake and Production	
			Personnel Enablers							
	Admin & Logistics Support	Key Infrastructure Issues	Corporate Footprint	War stocks	Support contracts					

Figure 3 – New RCAF PMF

Source: *RCAF Campaign Plan* (2014)

The new PMF provides the RCAF with measures of performance for each LOOs, across all the RCAF foundational elements (people, leadership, airworthiness, technology, and sustainability)⁶⁴. This holistic performance perspective will enable leaders to make performance informed decisions while the same measures will serve to generate reports up the chain of command, minimizing duplication of work for the RCAF⁶⁵. Supported by the technology mentioned in the preceding section, the new RCAF PMF will become a powerful management tool.

The Comd RCAF also tasked his subordinates to develop operational and tactical level measures of performance before the end of 2014 to complete the performance

⁶⁴ Ibid, para 15.11.

⁶⁵ Ibid.

picture for the RCAF⁶⁶. Once the RCAF PMF is complete, supported by technology, and understood by all RCAF personnel, the RCAF should be in line with best business practices and fully compliant with TBS requirements.

CONCLUSION

This essay was developed to highlight that the RCAF needs to improve its performance management tools, techniques and processes in order to provide Canadians with the best Air Force possible, given the resources allocated. To confirm this thesis, we first looked at the theory behind PM to gain a solid understanding of the issues at hand. The theory clearly points towards using common business practices and tools such as the BSC which provide a holistic view of the organization. This outlook helps managers make informed decisions that are aligned with organizational goals. Subsequently, we looked at the TBS policies and recommendations in order to understand what requirements were expected from the RCAF in regards to PM. TBS is clear: all government Departments must employ sound PM practices and use them to report to government and parliament. Equipped with that theoretical knowledge and aware of the policies involved, we then took a flight over the RCAF, from the strategic to the tactical level, to analyse its current PM practices.

In this RCAF PM review, doctrine was found to be lacking as few references to PM were observed in the capstone doctrine documents. However, very recent changes to *Air Force Vectors* show that the RCAF is starting to take PM seriously. From the

⁶⁶ Ibid.

strategic to the tactical level, accountability practices appear to be compliant with TBS requirements. Nevertheless, few signs of PM practices could be found. Although the RCAF does report on performance management up the chain of command, the measures employed appear cumbersome and irrelevant. At the operational and tactical levels, current operations are effective but it would be very difficult to confirm their efficiency. From this perspective, it appears that up until now, the RCAF focussed on effectiveness and accountability at the cost of efficiency.

While this research proves that the RCAF has not paid much attention to PM in the past, it does seem that a recent change in winds has occurred. The RCAF is currently developing modern PM tools and TBS compliant processes that show great promise. To ensure that these valuable tools and processes grow and become part of day-to-day RCAF operations, it would behove RCAF leaders to consider updating the capstone doctrine documents to fully incorporate PM concepts. The thesis for this paper should be revisited in a few years to ascertain that the changes have taken effect because Canadian tax payers deserve an efficient Air Force and Treasury Board demands it!

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