

# HISTORY OF MANAGEMENT. THE CONTRIBUTION OF ROBERT McNAMARA TO THE DEVELOPMENT OF MANAGEMENT SCIENCE

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*The idea of developing this theme by the team of authors from two prestigious institutions in the field of military higher education institutions mainly aims at demonstrating the necessity of carrying out general military management studies, emphasizing more eloquently, and on this line of approach, the managerial peculiarities of the military organization as a subsystem of the social system. In addition to the theoretical considerations that will base the choice of pioneering case study by Robert McNamara in the field of defense resource management, it is also highlighted, by developing previous authors' ideas or recent references in the literature, the hypothesis that the army itself, institutionally speaking, has been an authentic model of managerial development.*

**Key words:** *management, planning, science, defense resources*

## 1. GENERAL CONSIDERATIONS

As stated in the summary, is a real need that, when discussing management schools, the contributions of the respective authors should be mentioned, more focused with what the political, social, economic, technological, national and/or international context in which the ideas were crystallized and subsequently imposed actually meant. Manuals specific to academic disciplines such as management bases or general management contain insufficient references from this point of view for a much more relevant outline of a solid framework of integrated analysis of the subject. In the field of economics, the study of some disciplines on history and economic thinking or economic history has been imposed over time and is already a tradition in the curricula of faculties in this domain, with tangible benefits for acquisition of knowledge and training of skills. We believe that in this context, the question whether there is a history of management, as a discipline of its own to provide professionals and students input elements for understanding some fundamental concepts of work selected within the discipline but which would also be a binder in relation to

other disciplines in the social sphere is justified.

There are very few remarkable references at national level to support this idea. The most important position in this respect is that of the reputed Professor Petrescu Ion, who, starting in 2017 such a research line, even called History of Management (also the title of the first volume of the series to be produced), mentioned on the slip cover of the work the following: *“I define the History of Management as a collection of writings in which the events, processes and managerial phenomena of the past are recorded. Through it, management theorists and practitioners can travel back in time to get information from which they can learn about great leaders who have lived and acted in the past, and their works that are still needed today. The history of management gives identity to today's management, reflecting in recent times the past of management together with its success and inadequacies, its victories and failures.”* [3]. Synthesized, the author describes this discipline as a source of inspiration, as a science of synthesis and last but not least, as an element of great spectacularity, as a component of national history. Although in

another thematic register of managerial culture, references that converge to the same belief, we find Professor Ioan Abrudan, a true creative school manager at the Technical University of Cluj-Napoca. In this sense, the references to the managerial aspects of the activity and works of Aristotle, Plato, Marcus Aurelius and the approaches on Neagoe Basarab and the beginning of the Romanian managerial theory [1] can be considered unique in the national academic landscape.

By appealing to history as both content and temporality, aspects of the military organization, phenomena and processes related to conflict and war, characterizing and influencing with different intensities the development of humanity in all its aspects are also required. It is worth mentioning here that P. Drucker's work provides examples of military activity to discuss and analyze managerial patterns. More thoroughly, developments in strategic management, logistics management, operational management, project management, or organizational leadership are based on milestones specific to the military institution, the managerial performance of some great personalities of the military world (Dwight David Eisenhower, George Marshall and Stanley A. McChrystal) frequently quoted in specialty papers specific to the field of management.

As a result of the accumulated expertise and the possibilities to disseminate identified, learned and internalized lessons, a special case of good practice is also the co-optation, after withdrawal from operational activity, of known military personalities within professional associations or within companies that deal with managerial consultancy. The statement of Walter Isaacson, the author of *Steve Jobs* and *Innovators*, is thus eloquent in this sense, in a preface to a reference work published in 2016, in fact an international bestseller: *"The experience of General McChrystal and his colleagues and their examination of the experiences of others has taught him that because of the great complexity, the reductionist management of solving these problems has become inefficient*

*in our connected world. To be a successful organization, efficiency is necessary, but not enough. It has been in the twentieth century, but is now rapidly overtaken by the accelerated and exaggerated impact of some small players like terrorists, startups and viral trends."* [6]

## **2. ROBERT McNAMARA'S EXPERIENCE AND PROFESSIONAL EXPERTISE**

Defining a problem specific to management history, and in particular, military management, means dealing with a question that has unclear, controversial issues that require clarification and explanation, which in turn leads to difficult conversations to a common point of view. Our thinking as specialists or researchers in a field can often mislead us, leading us to a false understanding of events and circumstances, which in turn causes deficiencies in our analysis of certain contexts. Thus, the need to use structured analysis of problems as general methodological reference points appears, to our belief structuring being the basis, the foundation, for the analysis of the facts. However, we must also take into account the pertinent and objective way of what concepts such as mindset and bias might imply. We state this because, even if management is a relatively young science, each of us, in researching a particular subject, comes with our own experience and expertise, formed and accumulated over time in different ways, which implicitly exerts an influence on the way we interpret the information at one time, by placing it in a certain context or pre-existing framework.

When attempting to bring to life the landmarks of a managerial personality, we must admit that in most of the situations there are two great possibilities which might determine even two major categories in terms of falling in a classification: people whose educational past does not announce any evidence of subsequent managerial performances and people for whom we attach from the beginning, given the educational

path, the possibility of spectacular evolutions on a professional level. Robert McNamara (figure 1) falls under this latter category, the famous universities (University of California, Berkeley, Harvard Business School) where he attended various forms of education and his positions (assistant professor, the first president of Ford who came from outside the family, secretary of defense, president of the World Bank), being sufficient arguments in the sense of the previously mentioned.

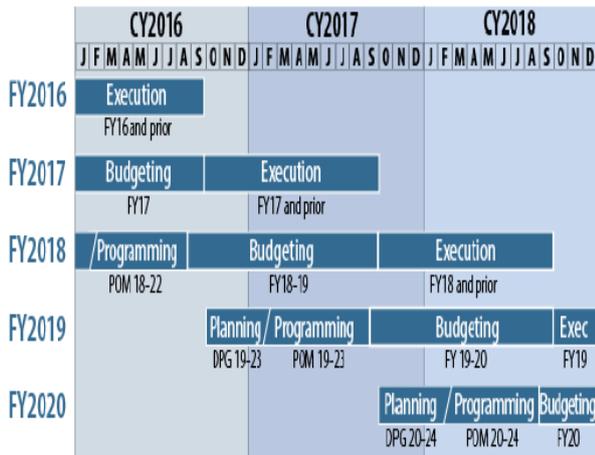


**Fig. 1** Robert McNamara with members of the Defense Staff [8]

Without minimizing in any way the importance of the other functions held, in fact an objective demonstration of developed managerial capabilities, we point out in particular some aspects of the defense activity (1961-1968). From the outset, it should be noted that managerial style is based on facts and figures, systemically analyzed, harmonized and integrated through the use of statistical methods and techniques well-known in earlier periods. Thirty-five years later than the moment of taking over the defense mandate, just as pragmatic, he said: *“Put very simply, it was to define a clear objective for whatever organization I was associated with, develop a plan to achieve that objective, systematically monitor progress against the plan... The objective of the Defense Department was clear from the start: to defend the nation at minimal risk and minimal cost, and, whenever we get into combat, with minimal loss of life,, [7].*

It is well known and unanimously accepted that in the contemporary society the public finances are part of the money relations through which, in the process of distribution of the gross domestic product, the funds necessary for the fulfillment of the functions and tasks of the state are formed, distributed and used. The combination of economic and operational criteria is the principle that suggests the optimal dimension of engaging defense resources, taking into account both the economic possibilities and the nature of the possible dangers.

Corroborating what has been said in the two previous paragraphs, we can observe that, in the present case, we are basically dealing with a paradigm shift in defense management, in a complicated historical context for the US. It is undoubtedly a crucial moment in the development of military managerial science, when a line of thinking like „everything for the front” is transformed into „securing security costs”, indicators such as the cost-effectiveness ratio being brought to the forefront of analyzes substantiating the decisional variants of strategic options. As a scientific contribution, it is among the most famous lessons inscribed in the history of management by an author, with a certain continuity in relation to the operational research approaches, developed predominantly after the end of the Second World War. Phil Rosenzweig, an expert in modern management, remarked in an objective study about management evolution that *“perhaps more than anyone else, Robert McNamara personified management in the 20th century”* [4]. Even though it has undergone transformation over time, McNamara’s defense planning system (**Fig. 2**) has proven to be a viable managerial tool that would soften the ambitions of some component leaders (forces, commandos, etc.) of the military macro system, still applied today, in different forms in different states, including Romania.



**Fig. 2** Using the defense planning managerial tool currently in the US [5]

One of the aims pursued by the implementation of this managerial tool was the development of frameworks for assessing the way and the extent to which the objectives previously achieved (the evaluation of results) were closely correlated with the level of resources used (inputs) and the resources estimated as necessary. Also, with the use of medium-term mission-oriented programs, it was intended to link the strategic analyzes, resource allocation decisions under the programs, and short-term defense budgeting. It should be noted that defense planning, as a viable mechanism to cope with geopolitical changes, has, over time, seen several types of resources, including: resource constrained planning, historical expansion-based planning, planning based on skills and basic missions, capability-based planning.

An important source of problems in military management prior to the McNamara system implementation was related to defense budgeting and budgeting itself, as this was done separately by the categories of forces, being approached as a simple accounting and expenditure control system. The defense budget was not regarded as a managerial decision-making tool but only as a current way of grouping expenditures, not prioritizing them according to the most important goals [2].

This genuine system of systems somehow overlaps with the resource planning process, taking on the information from strategic

planning and capability planning processes as well as from the procurement planning process and integrating them into major programs. The major goal is to provide an overview of the future, a picture that could be resized depending on changes that occurred at the level of priorities, analysis prerequisites, financial thresholds, the availability of some resource categories, etc.

The system presented was also introduced from 1999 in the Ministry of Defense in Romania, with the help of the American experts from the Institute for Defense Analysis as a suitable solution for the management of the transformations required to be operated at that time in the military structures after ten years of democratic functioning of the military organization, correlated with the strategic objectives of security and defense.

### 3. CONCLUSIONS

Joseph Joubert, French essayist, general inspector of the French universities during the Napoleonic government, known mainly for his later work "Thoughts" (1838), said that the worst thing about new books is that we are preventing them from reading the old books. Under the auspices of this observation, the present paper is also a "manifesto" for the proper reconsideration and valorization of past achievements in the history of management science development, even if the trend of publishing specialized papers in this field is now almost exponential.

Helped by his previous experience in managing civilian corporations and analyzing systems, Robert McNamara (1916-2009) has contributed to the restructuring of military organization management by optimizing the defense resource management system, increasing the focus on the need to plan, organize, implement and control in the short and medium term, which is also the origin of the multiannual programs. It is for the first time that the defense budget is seen as a useful tool for managerial decision both in the public sector but also in the private sector.

It is well known that management has evolved from eminently practical activities

that, over time, following verification and validation processes, have been accredited as theories. It has been noted that, in scientific terms, especially in the military field, given the organizational peculiarities, both organizational charts should be tested in terms of method value certification: both from theory to practice and in the opposite direction. In this context, it can be argued, as stated in the introduction, that management history can be a means of rationalizing knowledge in the field.

In the 21<sup>st</sup> century it can be said that we are seeing a slight escalation of "soft" aspects in the field of management to the detriment of the "hard" aspects. Knowing that McNamara was a supporter and practitioner of managerial systems based on figures and statistics, we consider justified the direction of study characterized by the question "when does the quantity mean too much, in management, to the detriment of quality?"

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