

Integrating Innovation, Leadership, and Cultural Change

**Presentation to the
Workshop on Transforming the Culture of DoD
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Overview

- Insights on Innovation and Culture
- Insights on Leadership Development from Wye River Senior Leader Learning Workshop (26-28 Aug 03)

Fundamental Question

What do we mean by
Innovation in Defense?

Commander in Chief's Perspective

“Building tomorrow's force is not going to be easy. Changing the direction of our military is like changing the course of a mighty ship -- all the more reason for more research and development, and all the more reason to get started right away.

Yet, building a 21st century military will require more than new weapons. It will also **require a renewed spirit of innovation in our officer corps. We cannot transform our military using old weapons and old plans. Nor can we do it with an old bureaucratic mind set that frustrates the creativity and entrepreneurship** that a 21st century military will need.”

***President George W. Bush
Graduation Address
U.S. Naval Academy, May 25, 2001***

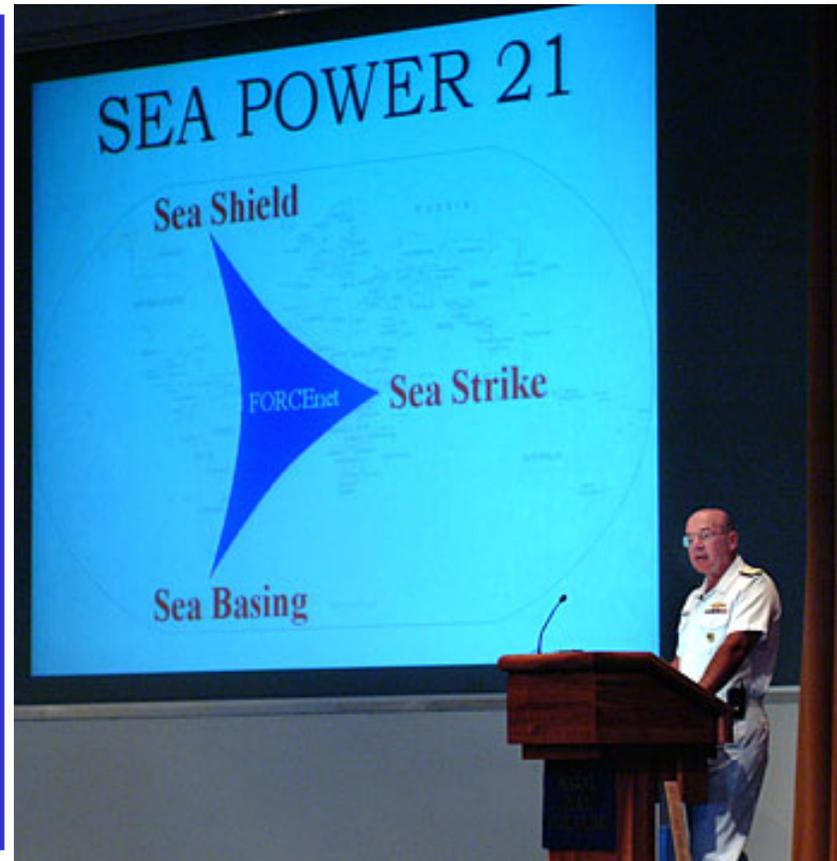
CNO's Perspective

“The key now is to accelerate this progress through a culture of innovation. ...*Aggressive innovation, experimentation, and education are fundamental to meeting the challenges of an uncertain future.*”

- CNO Admiral Vern Clark

Remarks at Current Strategy Forum 2002

Naval War College, Newport, RI



Military Innovation: Historical Insight

The history of innovation in carrier aviation says something of great importance about military innovation generally: it is not a process that usually proceeds in a linear way. But hindsight tends to make us think that it does. Because we try to compose coherent histories of innovation, we may actually overlook the uncertainty and chance that inevitably exist.

American & British Aircraft Carrier Development: 1914-1941

Transformation

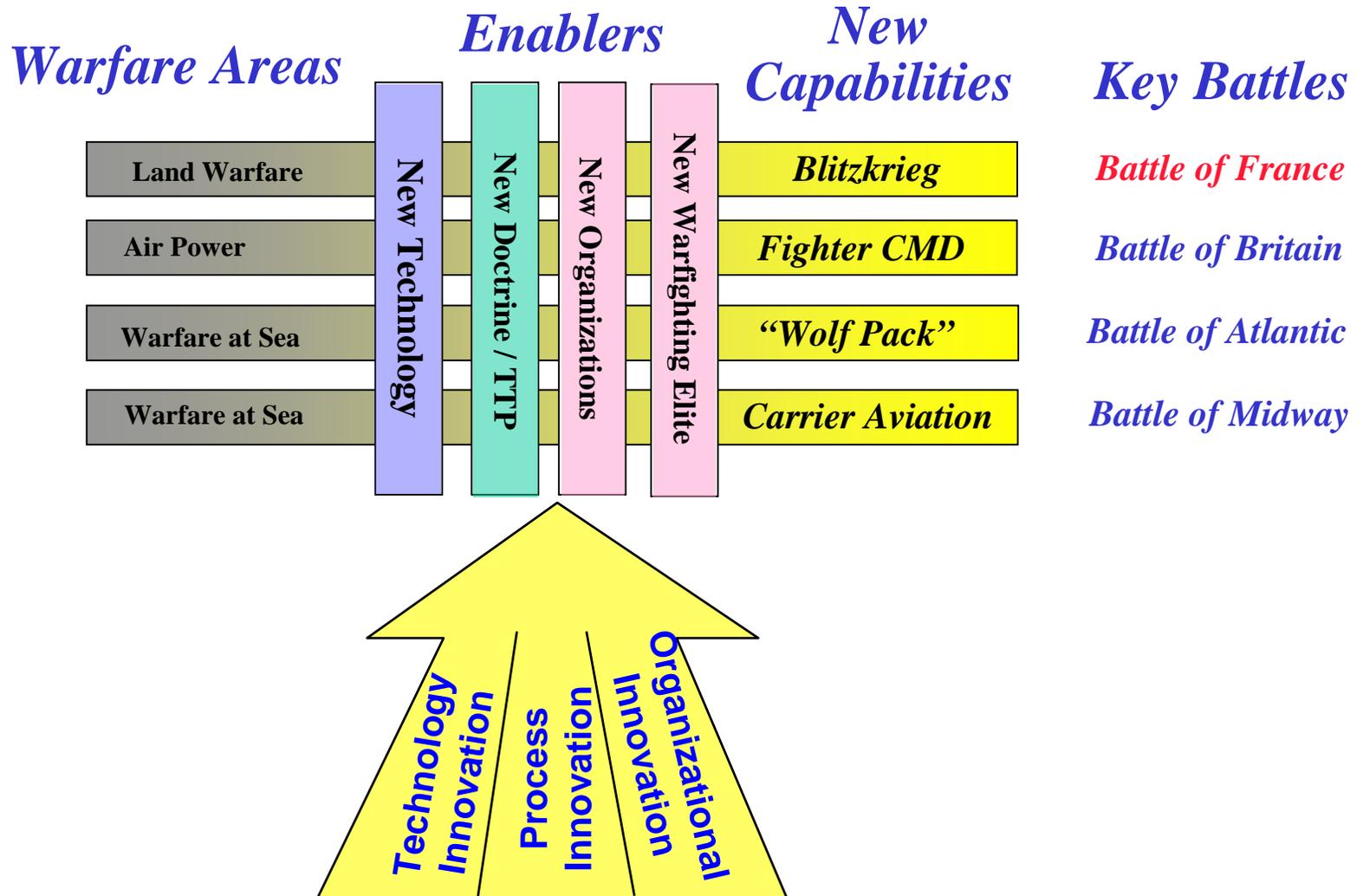
...Elements

- ✓ **Continuing process**
- ✓ **Creating/anticipating the future**
- ✓ **Co-evolution of concepts, processes, organizations and technology**
- ✓ **New competitive areas / competencies; revalued attributes**
- ✓ **Fundamental shifts in underlying principles**
- ✓ **New sources of power**
- ✓ **Broadened capabilities base**

- *New technology context*
- *Broadened threat context*
- *New strategic context*

A Broad and Sustained Competitive Advantage

Creating Competitive Advantage: Warfighting Innovation



Warfighting Innovation → Competitive Advantage

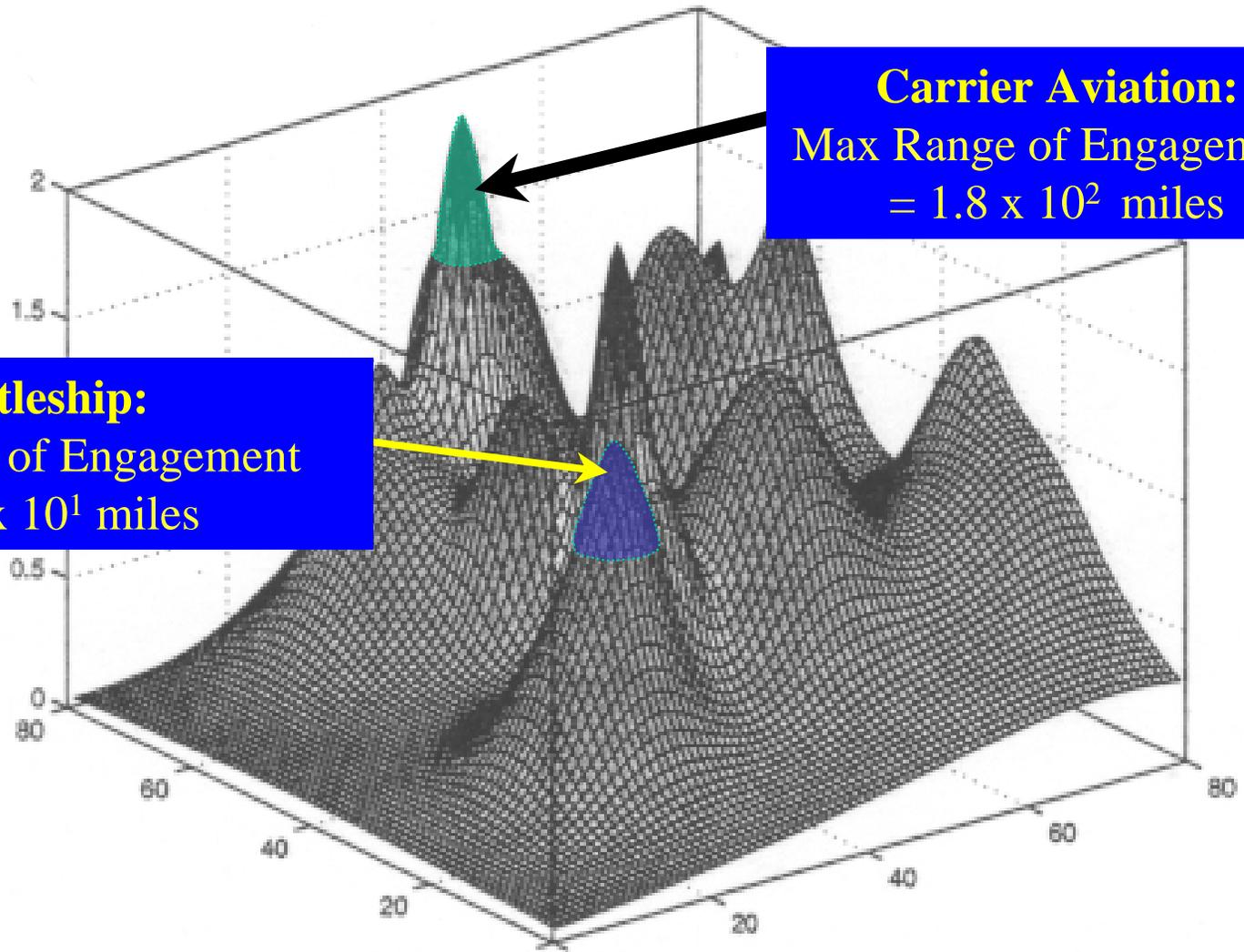
Creating Competitive Advantage

...Historical Insights

- Characteristics of *New Sources of Competitive Advantage*
 - Order of magnitude change in a key dimension of warfare
 - Emergence of “New Elite” – *Displacement* of “Existing Elite”
- Land Warfare: Sustained Rate of Fire
 - Rifle (1.8×10^1 rounds per minute)
 - Machine Gun (6×10^2 rounds per minute)
- Land Warfare: Sustained Speed Maneuver
 - Cavalry + Infantry
 - Mechanized Armor + Infantry + Air Power
- Warfare at Sea: Range of Engagement
 - Battleship: 1.8×10^1
 - Carrier Aviation: 1.8×10^2

Order of Magnitude Change is a leading indicator for a potential new source of ***Competitive Advantage***

Creating New Warfighting Capabilities: Warfare at Sea

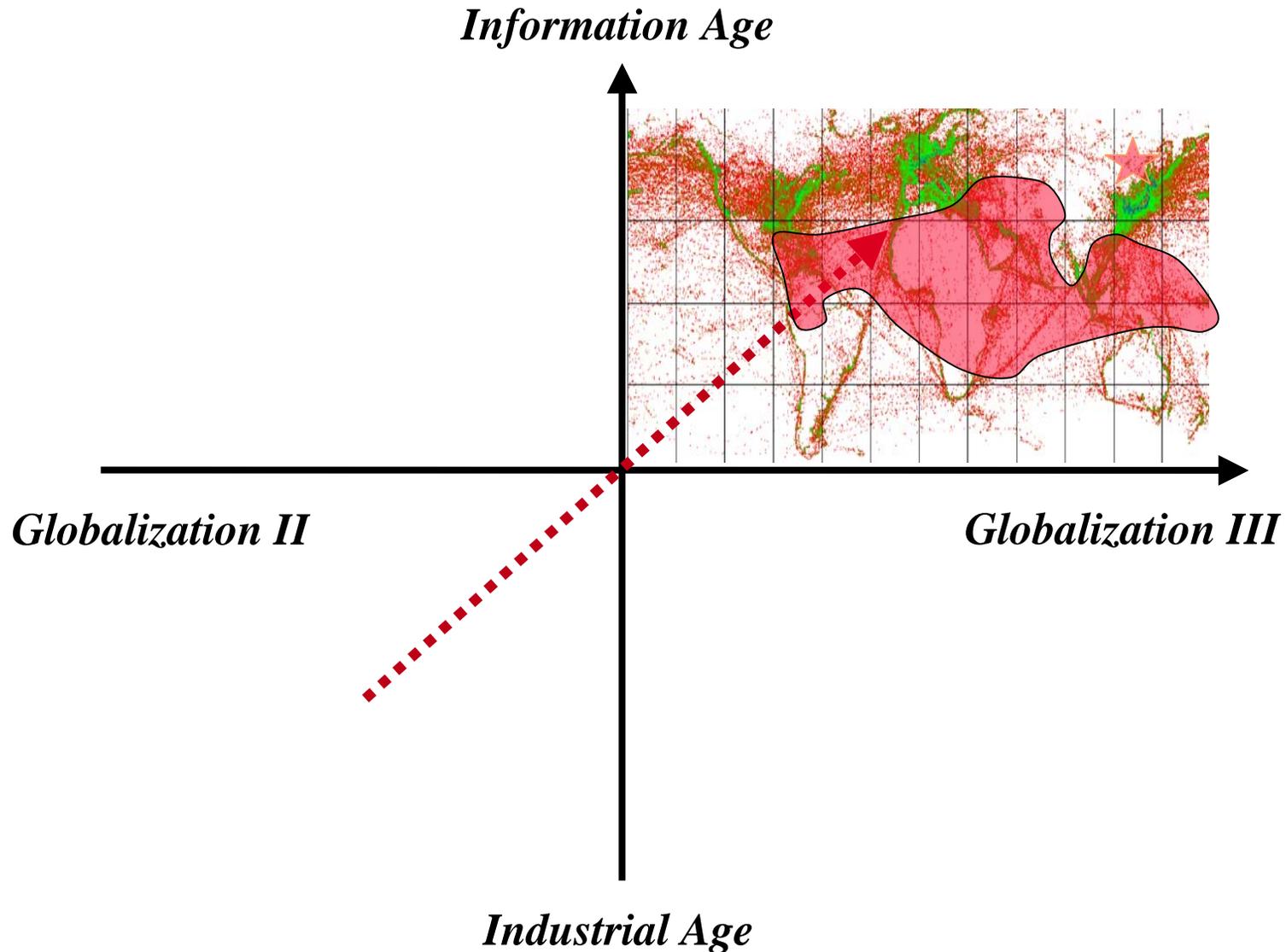


Carrier Aviation:
Max Range of Engagement
= 1.8×10^2 miles

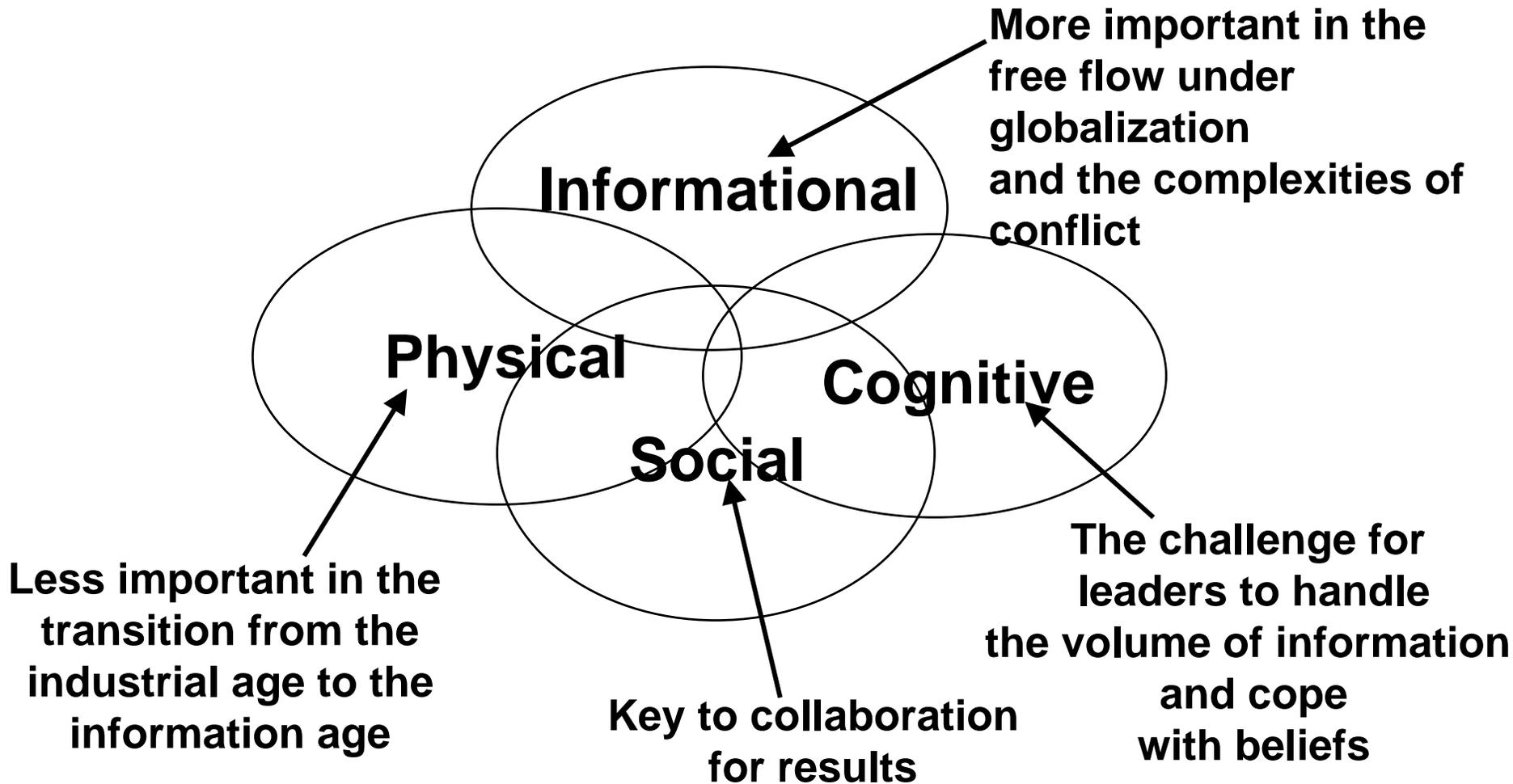
Battleship:
Max Range of Engagement
= 1.8×10^1 miles

Innovation is the methodology for exploring a Fitness Landscape

Meeting the Challenges of the New Competitive Landscape



Creating the Next Generation of Leaders: Focusing on the “Right Stuff”



What are the Implications for Culture?

Desired Organizational Behaviors?

Industrial Age

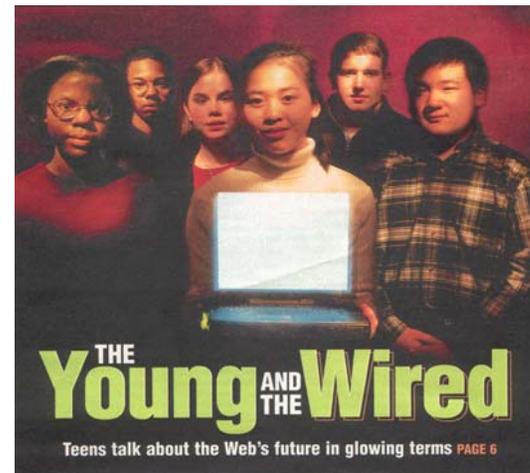
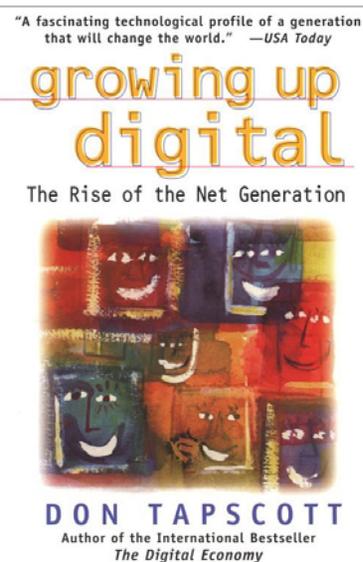
- Success = Scale + Scope
- Top Down - Centralized
- Vertical Integration
- Information Hoarding
- Local Awareness
- Arms Length Relationships
- Make and Sell
- Inwardly Focused



Information Age

- Success = Adaptability + Agility
- Empowering the “Edges”
- Virtual Integration
- Information Sharing
- Increased Transparency
- Collaboration & Synchronization
- Sense and Respond
- Externally Oriented
- Accelerated Innovation & Experimentation

- *New Rules*
- *New Behaviors*
- *New Competencies*
- *New Relationships*

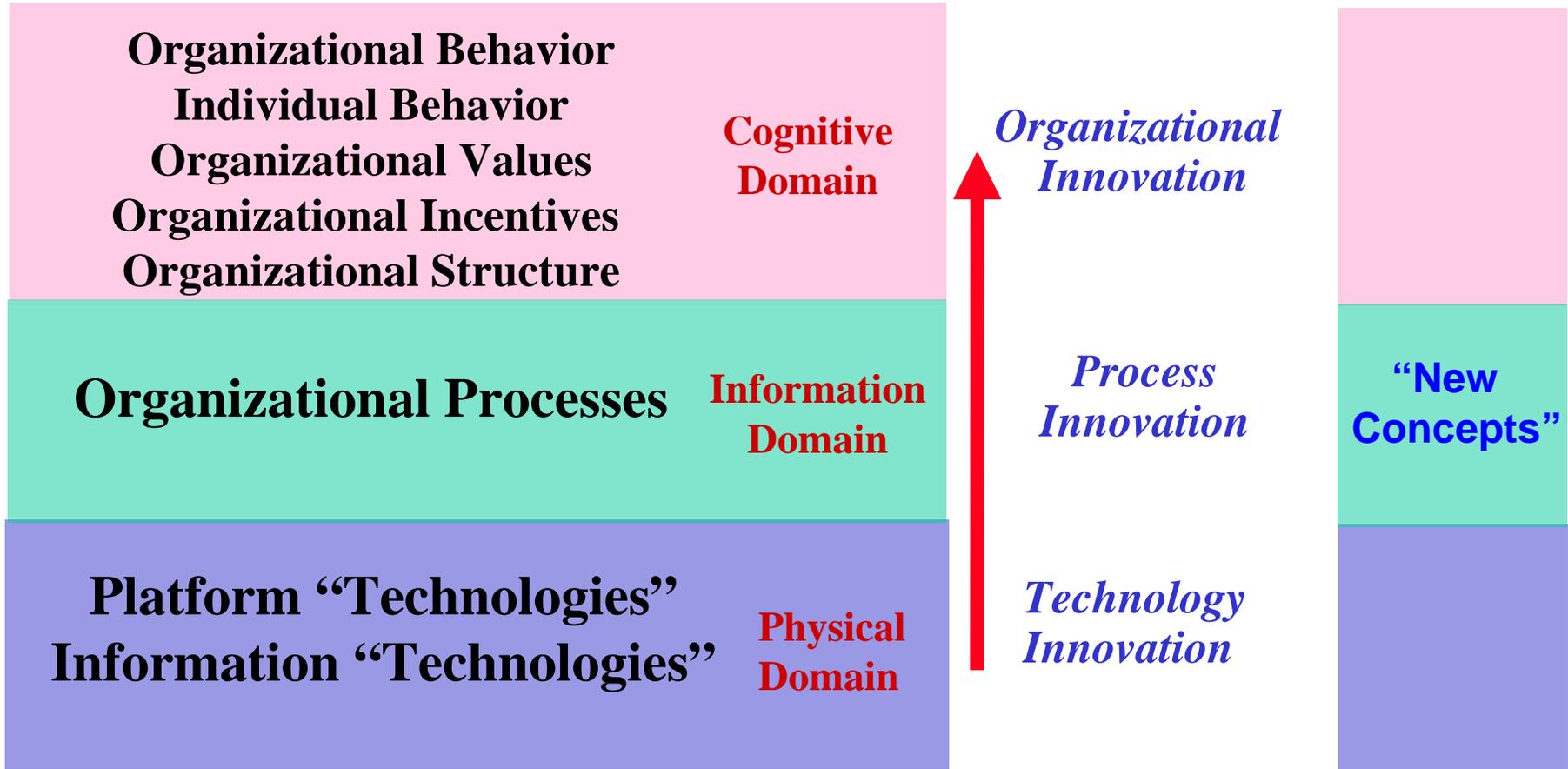


A Perspective on Warfighting Innovation

The process of creating and responding to new sources of competitive advantage revolves around innovation. Warfighting innovation is multi-dimensional. It involves innovation along the axis of technology, process, and organization. **It requires a culture that is open to change and willing to experiment with new ideas and concepts.** Perhaps most importantly, it requires a willingness to abandon the existing known to search for and exploit new sources of power.

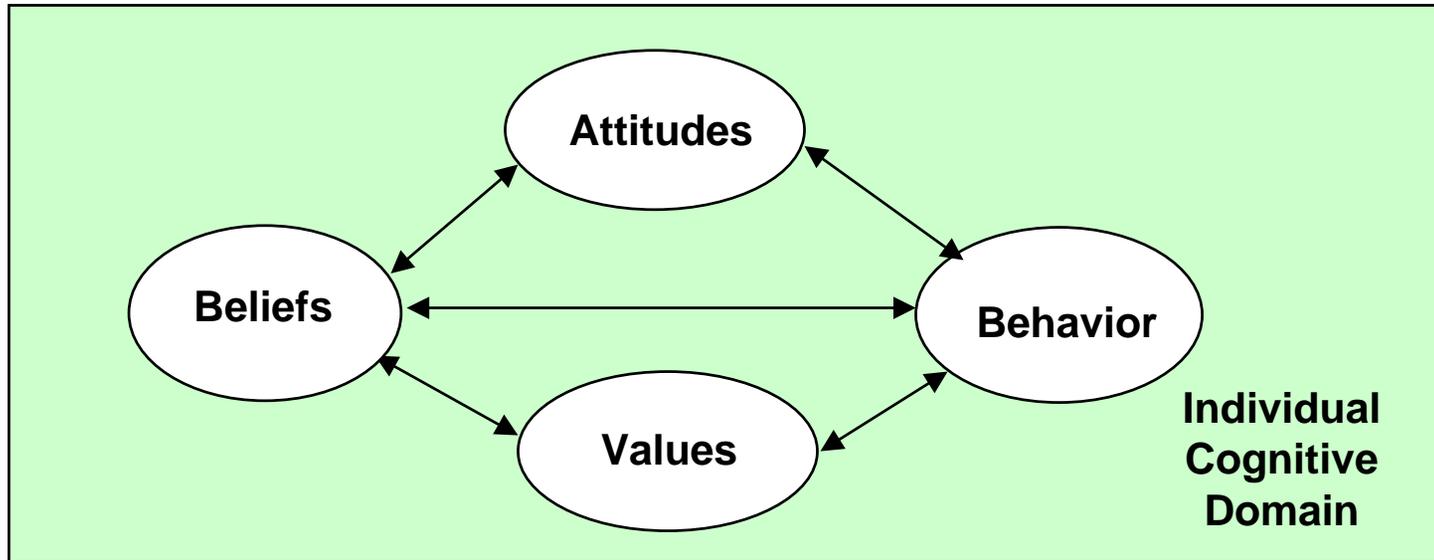
Creating Competitive Advantage: Overcoming Impediments to Innovation

Vision and Leadership are key to overcoming Impediments to Innovation

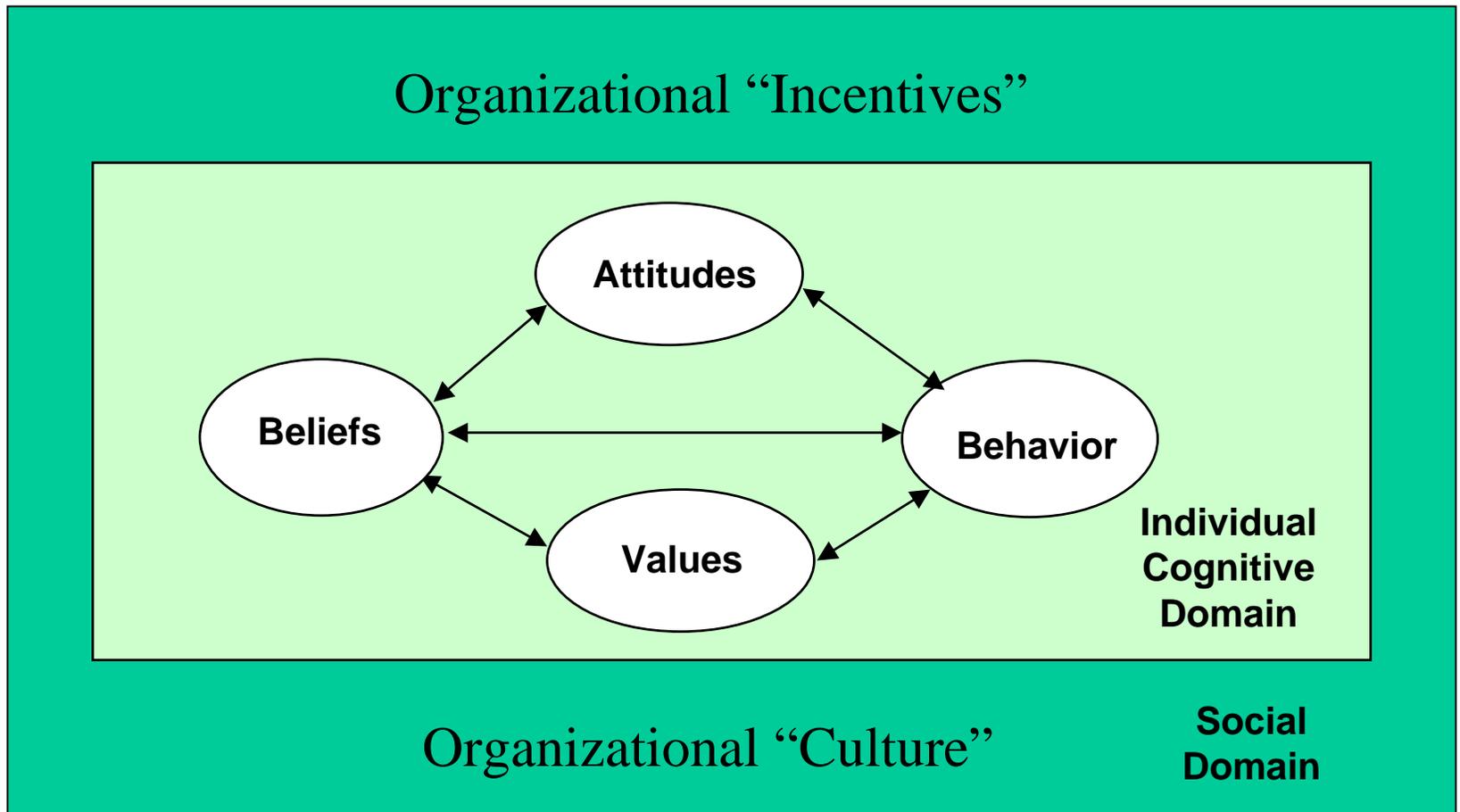


Increasing Level of Difficulty for Change

Elements of Culture



Elements of Organizational Culture

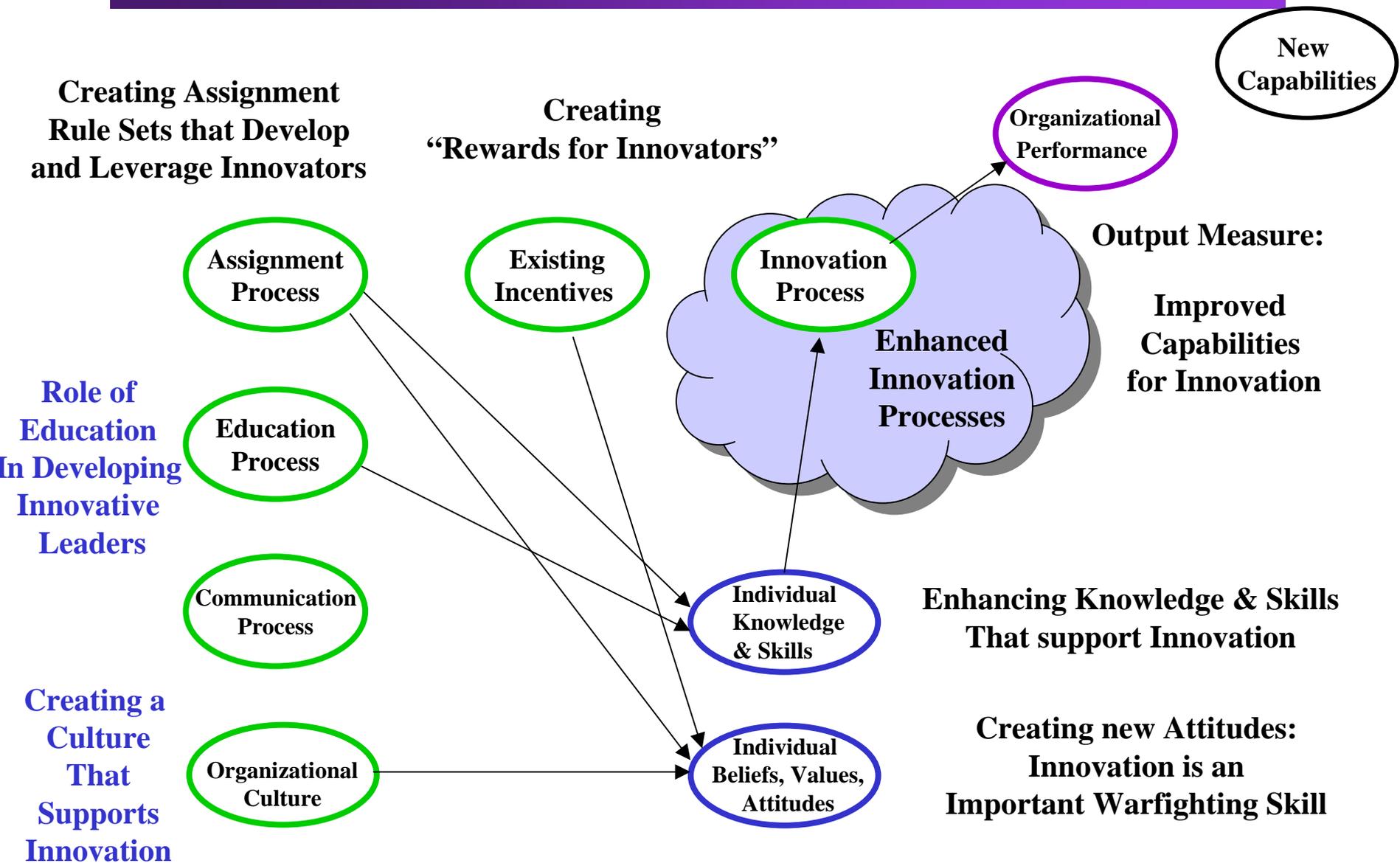


How is Culture Transmitted?

- Underlying philosophy and values of an organization
- How an organization is designed and structured
- Organizational systems and procedures
- Recruitment, performance, and promotion systems
- Stories, legends, and myths about key people and events
- Behavior modeled by leaders

Source: *Culture*, John Middleton, Capstone Publishing, 2002

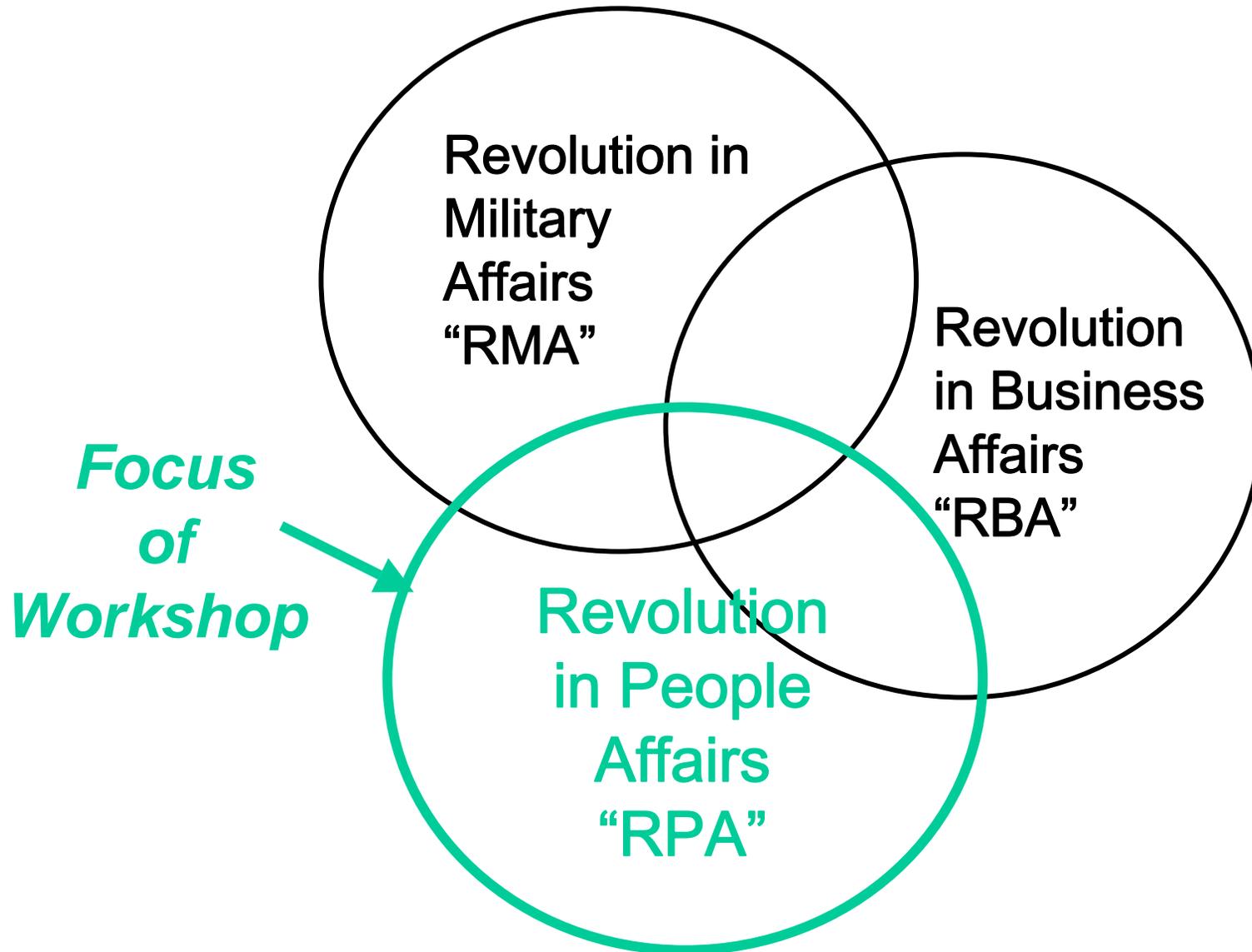
A Framework for Thinking about Innovation and Culture in DoD



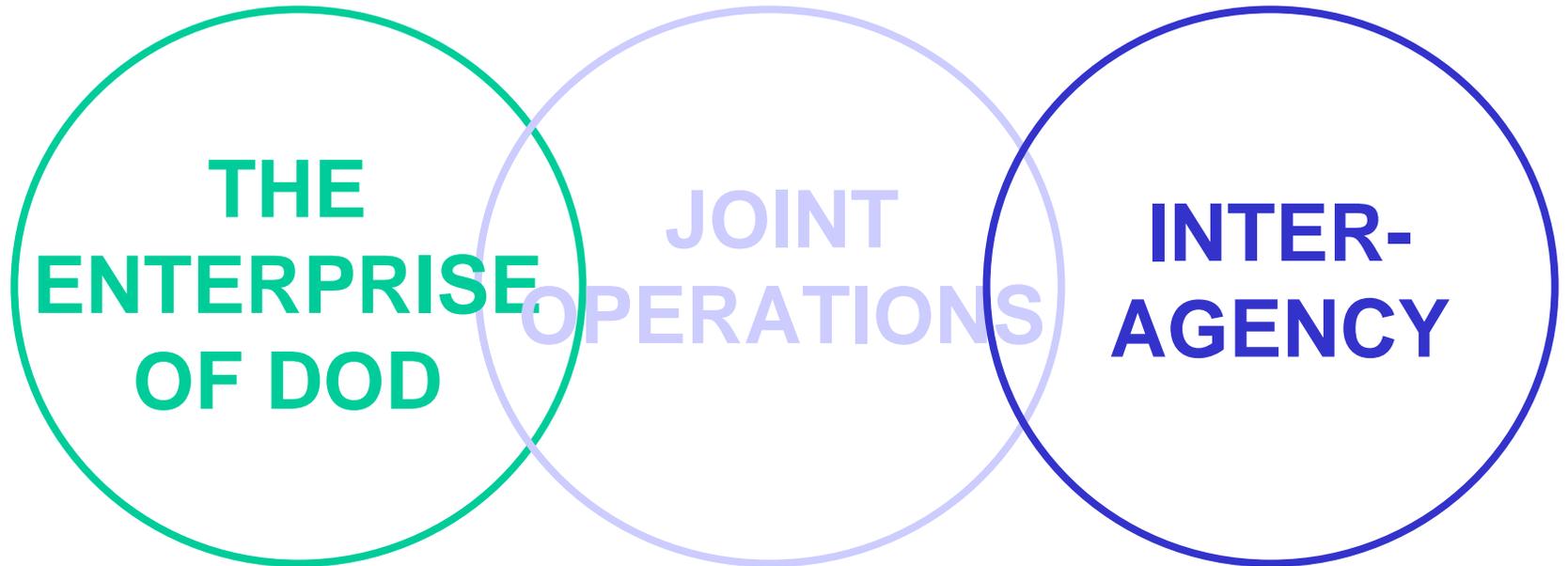
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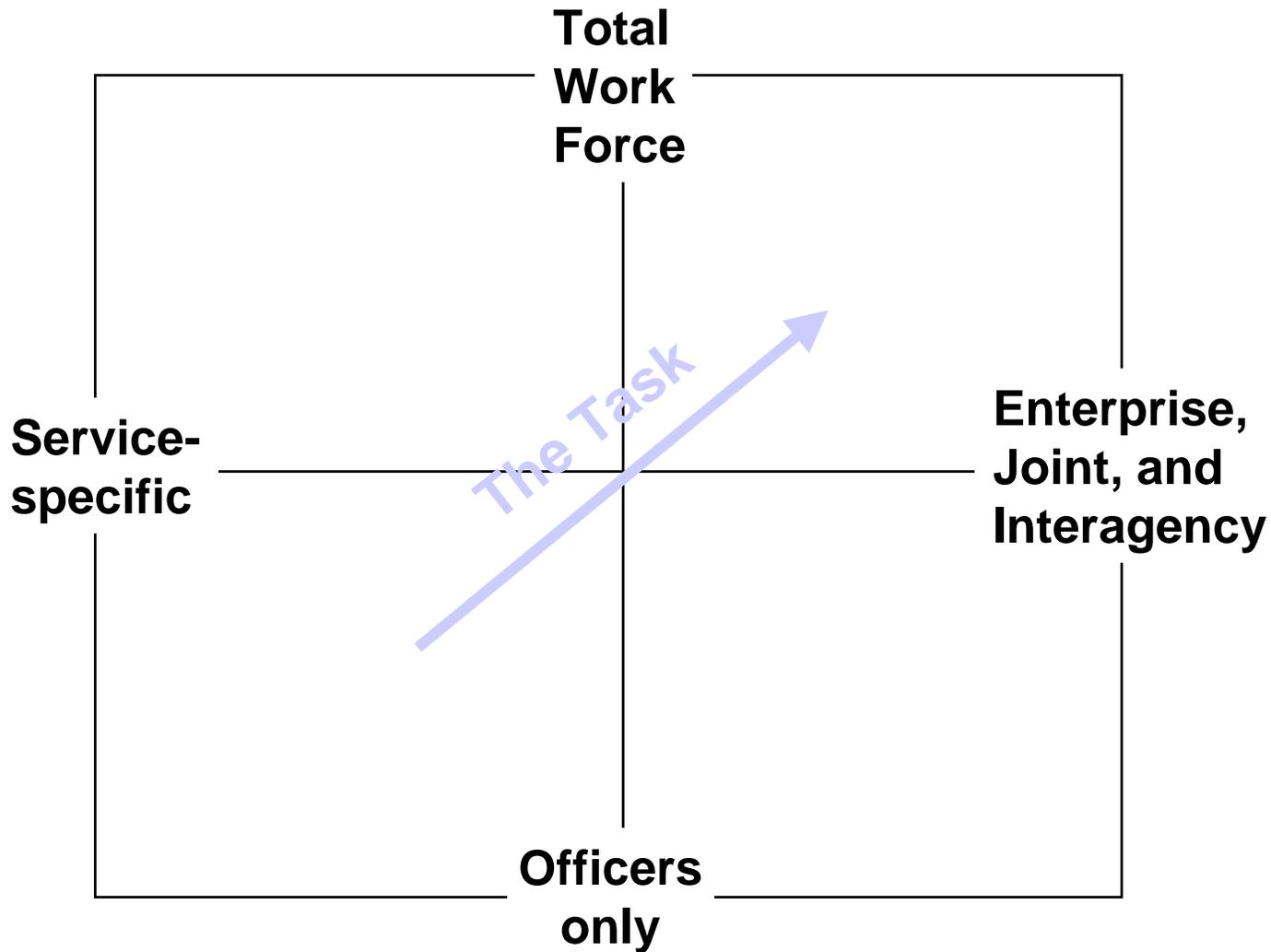
People and Transformation



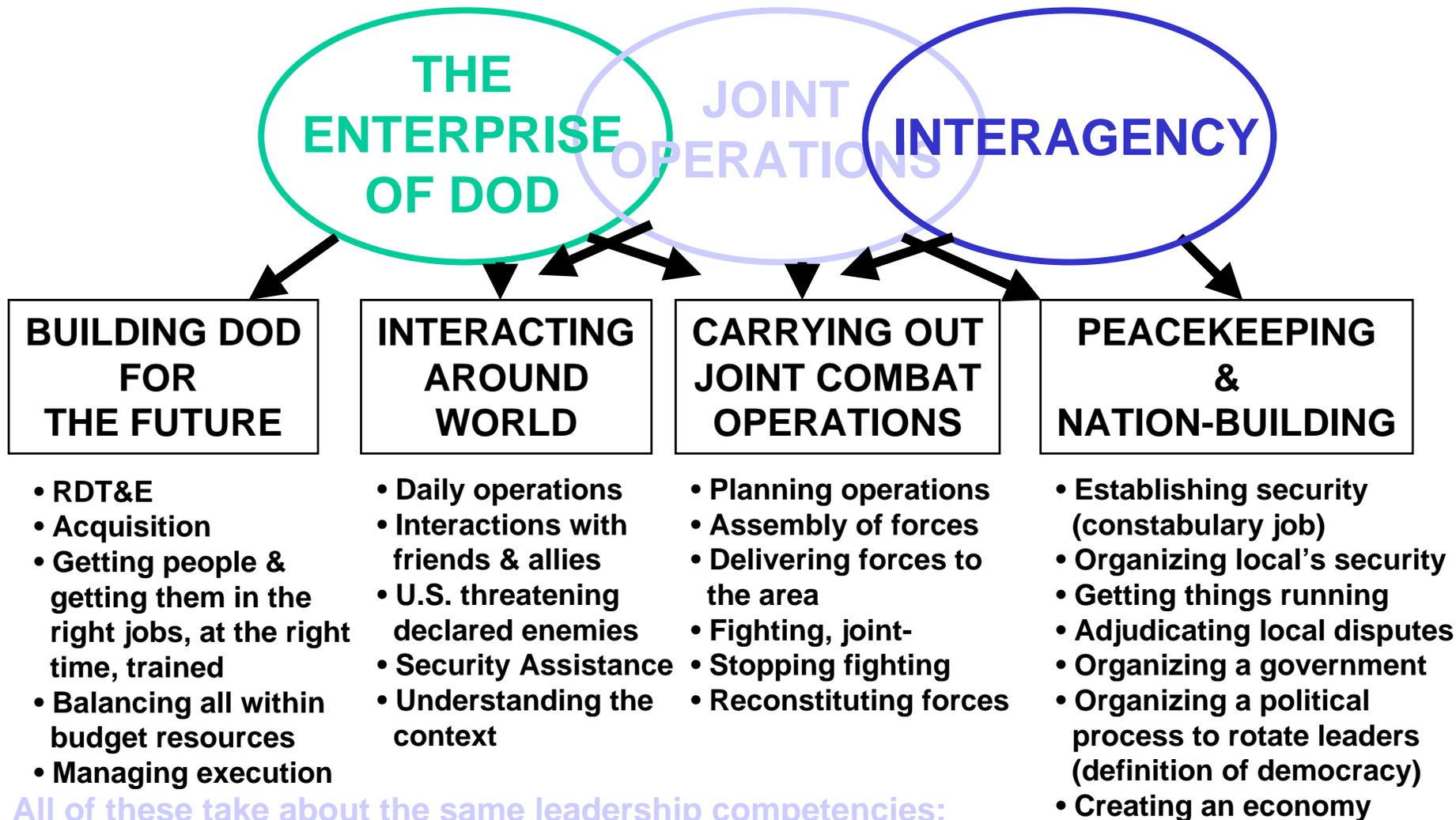
Creating the Next Generation of Leaders: The New Mission Space



Creating the Next Generation of Leaders: Future Draft Picks



Creating the Next Generation of Leaders: The Emerging Mission Space



All of these take about the same leadership competencies:

(1) Having the vision; (2) Finding the right people for the right jobs;

(3) Finding and applying resources with accountability; (4) Collaborating with all.

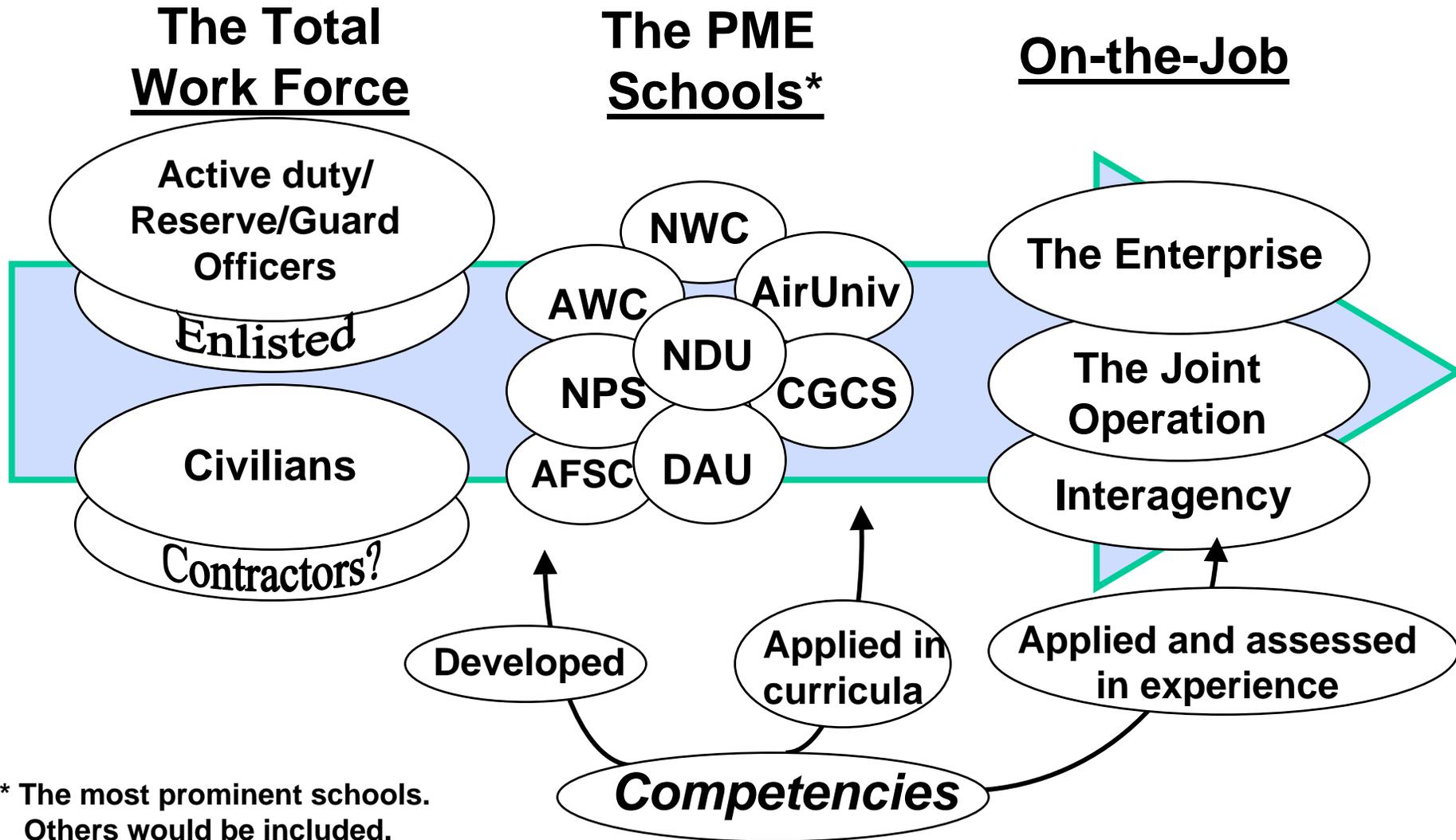
Creating the Next Generation of Leaders: Emerging Competencies



Creating the Next Generation of Leaders: What and How of Learning

	Common to Enterprise and Joint	Service- Specific
Competencies	80%	20%
	Experiential	Academic
Where Leaders Develop Competencies	80%	20%

Creating the Next Generation of Leaders: A Competency-Centric Approach



* The most prominent schools.
Others would be included.

Creating the Next Generation of Leaders: Reinforcing Desired Behaviors

Information Age

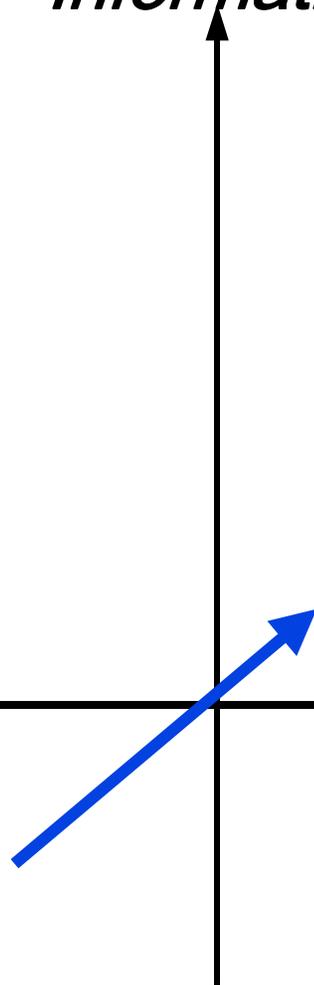
Desired Behaviors

- *Innovation*
- *Collaboration in DOD*
- *Interagency collaboration*
- *Achieving mutual understandings and relations with partners*
- *Sharing*
- *Understanding of the context*
- *Enterprise skills*
- *Leaders developing leaders*

Globalization II

Globalization III

Industrial Age



Questions?