

## Innovation in Self-Defense Force (Military) Organization

*Takashi Saito*<sup>1</sup>

### **Introduction**

Today, some Japanese electronics manufacturers, who once led the industry in the world, are trapped one after another in a business slump due to competition from growing electronics makers of emerging countries. And Japanese society, hemmed in by a sense of stagnation, now treasures the word “innovation” as if it were a magic bullet. On the other hand, some Japanese companies have successfully grown their businesses by quickly closing uncompetitive parts of their operations on the basis of the “selection and concentration” management strategy. While it is unclear if these companies have succeeded in the innovation of their organizations, there are many books by Peter Drucker and Jack Welch placed for sale in Japanese bookstores today.

Now, when we turn our eyes to the security environment of Japan, the roles and missions required of the Self-Defense Forces (SDF) are expected to further diversify. In addition to the increasing instability of the Korean Peninsula and the growing military power of China, the SDF must get ready for large-scale disasters such as a big earthquake expected to hit the country in the near future. Moreover, the SDF will also likely be required to contribute to protecting the stability of international public goods (global commons) such as oceanic-, cyber- and air-space. On the other hand, amid the weakening demographic base due to the decrease in the younger population and the exacerbating fiscal foundation as a result of an aging society, the SDF is right now required to “select and concentrate” its resources. I believe the sense of crisis that the SDF has to reform its staff mentality and innovate its organization is widely shared.

But once we start formulating concrete steps for this “selection and concentration,” we will soon face such difficult and agonizing questions as

---

<sup>1</sup> Adviser, Hitachi, Ltd., Former Chief of Staff, Admiral (Ret.)

follows: “How should we prioritize the diversifying of missions?” or “Aren’t such reforms destabilizing the spiritual foundations of the military (SDF) organization that, as the last bastion for the national security, must show iron unity and act decisively once the command is issued?” As these “selection and concentration” examples show, the military (SDF) organization has more internal obstacles for innovations than do private companies. And based on my 40 years of experience and knowledge as an SDF officer, I would like to clarify which factors are hampering innovation, and show some guidelines for solving the problem.

## **1. An Ideal Organization for a Time of Drastic Environment Change**

While it is unclear if they were his own words, Charles Darwin, who was the first to make a scientific argument for the theory of evolution, is said to have made the following statement: “It is not the strongest of the species that survives, nor the most intelligent that survives. It is the one that is the most adaptable to change.” An evolutionary biology theory built upon Darwin’s thinking says that, in order for a species to survive as it adapts to environmental changes, it would be important for it to have some variants within the group (or its genetic characteristics). That’s because a species that has adapted to the current environment would face a risk that, when the environment changes abruptly, it might not be able to adapt to the change, and thus become extinct. But if the species has variants inside the group, some of them might be able to adapt to and survive the new situations, passing the species’ DNA on to the following generations.

While it is perhaps going overboard to apply an evolutionary biology theory to a military organization, the theory will still give us some inspiration when we think about how to innovate within a military organization. Right now, the space in which we seek to provide security is not limited to a geographical space but is being extended to include a new domain of “cyber space,” which is outside the traditional concept of space. This broadening of space could change the concept of a state that was conventionally formed on the basis of geographical ideas, and it is hard to predict the direction in which the change would proceed. Should the environment change in such an unpredictable direction, an organization would need to have within itself a small number of various

personnel, i.e. variants, to cope with the change adequately.

Then what is the DNA that a defense organization of a state must pass on to the future generation? I believe it boils down to a DNA that prompts the SDF to serve as “the last bastion of national security.” This spirit carried by the DNA was tested in their dedicated activities in the aftermath of the Great East Japan Earthquake. The DNA dates back to well before World War II and it survived the drastic environmental change following Japan’s defeat in the war and it has been passed on to the SDF. But we cannot rest easy yet.

In the aftermath of the earthquake, it was basically traditional soldiers who were physically well-trained that contributed a great deal to accomplishing the rescue operations. But in the new domain of cyber space, “cyber warriors” who are in charge of the sphere’s security jobs do not need the physical features of a Rambo. While carrying the DNA of “the last bastion of national security,” the warriors are required to have not a robust body backed by a healthy mind, but a special brain backed by a healthy mind. Here, I have shown a “cyber warrior” as an example, but a manager of an organization or of the military must recruit various, albeit a few, as a certain ratio of the whole group, and overcome the difficulty of managing their career paths in the organization on account of their minority status, thus preparing the organization for a possible drastic environmental change in the future.

## **2. “Selection and Concentration” amid Diversifying Missions**

The increasing social security expenditures stemming from the aging of the Japanese society are weighing on the country’s fiscal conditions, and most certainly keeping the future defense budgets tight. In such an environment, the defense budget is required to make not a simplistic, across-the-board change but a change by “selection and concentration” in order to cope with the drastically changing security environment. But capabilities that the SDF possess are impossible to assess by one unified yardstick: the implementing of this “selection and concentration” by the SDF requires difficult assessment.

Functions demanded of the military are diversifying. They are required to be prepared for conventional forms of warfare, and unconventional ones such as war against terrorists. They need to be able to respond to natural disasters, as well as to be capable of conducting peace-keeping operations and cyber wars. In

sum, the scope of missions for the military is expanding while its required capabilities are diversifying. Up until recently, for example, it was the norm at the SDF that disaster relief would be carried out with the same capability as that of usual military defense. But the norm may need changing when considering the Great East Japan Earthquake and expected giant earthquakes in the near future. Most of the expected disastrous situations arising from such earthquakes can be dealt with using the existing equipment for national defense, while we may need new equipment specifically tailored to large-scale disasters. How then should we strike a balance between the two? There is already a balance of allocation among the currently deployed equipment, each of which has different capabilities within the budget limits. But when we purchase equipment with a new function, we need to rebalance the above mentioned allocation. It is easy to be said in words. Still, it would require a significant amount of negotiations and adjustments to achieve its result in the huge bureaucratic organization of the military (SDF).

The services of the armed forces are being integrated for joint operations in many countries. The joint operations capability currently aims to tackle clear and present dangers, and they require equipment for this from the short-term perspective. Contrary to this however, each service looks towards the long-term perspective to decide which equipment to have. It has to have adaptability to the strategic environment change and also contribute to maintaining defense industrial and military operational bases. Then how should we strike the balance between the two perspectives?

The Japanese government last year relaxed the rule that had limited them to the United States as the only partner country for international joint development and production of defense equipment. Given the recent conditions of defense budgets globally, every country invariably must save money to stay afloat by promoting joint development and production. Still, we need to ask what the equipment is that Japan must preserve for the manufacturing base within the country. We often come across “made-in-Japan” products that in fact rely on foreign-made parts. Therefore, we need a new perspective free from vested interests in order to distinguish equipment that must remain home-made from those that are suitable to joint-development, and others that can be imported from any country.

There is hardly a person who, like God, can deliver the right answers to

these questions. So my suggestion is to establish a “Committee for Selection and Concentration” composed of experts from the Joint Staff Office, Ground, Maritime and Air Self-Defense Forces, and ask for its recommendation.

### **3. The Issue of Excessive Self-sufficiency**

It is natural for any military organization to make plans on the premise of emergency. The Japanese people’s strong pacifism as a result of their experiences of World War II have instilled fears in the minds of the SDF that it cannot expect help from the public in times of emergency, prompting it to be obsessed with the idea that the SDF must cope with situations all by itself. Seeking self-sufficiency is important as one’s mindset, but it is rather dangerous to dogmatically take the idea into consideration for every policy step. That’s because there is little room for significantly increasing personnel expenses. In order to use resources effectively, we must assign SDF (military) staff to jobs that cannot be substituted by anyone but themselves and leave the other jobs to the private sector as much as possible. I believe this practice would strengthen the overall defense capability of a nation. For example, one of the lessons from the Great East Japan Earthquake is the need to boost transportation capability. And the SDF has embarked on upgrading its flexible mobilizing ability as one of the essential factors for a “Dynamic Defense Force.” But if the SDF alone tries to provide transportation needed for the flexible mobilization, it needs to allocate a substantial share of its resources for transportation, ending up with shortages of weapons to fight with despite sufficient transportation capability for sending soldiers to the battle area. What is necessary here is the “selection and concentration” capability to distinguish the transportation equipment that the SDF must possess on its own, and others, such as trucks and ferries, which the SDF can borrow from the private sector. In addition, a comprehensive transport command needs to be established to control the SDF and private-sector in an integrated manner. This concept can also be applied to maintaining equipment. It is essential for SDF to promote the use of external maintenance resources by distinguishing the capabilities that the SDF must hold on its own from those it does not.

This idea is applicable not only to civil-military cooperation inside Japan but also to cross-border cooperation with allied or friendly nations. We need to consider the possibility of international cooperation in using resources such as

jointly selecting and maintaining equipment or sharing large cargo planes in preparation for giant disasters.

Next, we should actively recruit retired SDF officers from a view point of effective use of human resources. The SDF has a reserve self-defense official system for the use of SDF retirees. This system is for filling the personnel shortage in the field in an emergency. However, the experiences of the Great East Japan Earthquake show that excessive burden was placed on the headquarter staff who were forced to provide long period service. The same could happen in military contingencies. In order to address this problem, a new system may be needed under which SDF officers who retire in the ranks of middle management are registered as reserve and called upon as reinforcement for HQ staff in times of need.

In sum, senior SDF officials should recognize that the SDF can no longer do everything on its own, and promote the efficient use of resources further.

#### **4. Senior Commanders and Managerial Skills**

It is a vital issue for private corporations to improve managerial efficiency, and their managers at various levels are given an opportunity to hone their managerial skills. For example, an executive officer is tasked with the choice of whether to transfer factories overseas to use cheap labor or to invest in domestic factories for further automation to cut cost, while a low-level manager chooses the supplier of materials in small amounts. In the case of the SDF, even senior commanders are given limited discretion over executing their budget because of the overall budgetary framework. It sets spending limits item by item with the result that the personnel budget or equipment procurement budget has its own ceiling, for example. Consequently, senior officers in the position of managing the SDF are not given an opportunity of choosing an increase in personnel or in equipment within a given amount of budget or of balancing between the internal personnel costs and outsourcing expenses within a set personnel budget. As a result, they have no chance to cultivate their managerial skills.

In spite of the difficulty for changing the budget system fundamentally, it is important to give as much discretion as possible to senior officers within the limits of the current system, and help them develop managerial abilities.

## **Conclusion**

I touched on the importance particularly of reforming senior SDF officers' managerial abilities and of creating a system to realize "selection and concentration" for the organizational innovation of the SDF. When trying to reorganize an entity, we tend to be trapped in the initial stage of the endeavor just considering one plan after another almost endlessly, whether or not it really works and accomplishes the goal. In order to escape from such a trap, we should stand on the premise that no perfect organization can be established. Extremely speaking, I believe a reform in an organization, even were it insufficient, would vitalize the minds of its members towards promoting innovation in the organization.