WAR AND BUSINESS PLANNING

Lycourgos Hadjiphanis
Intercollege Larnaca Campus

Nicosia, Cyprus
American Hotel Lodging and Educational Institute

Abstract

Business and military planning are two opposite management styles, which have many similarities and differences. This report compares and contrast business and military management processes. It discuses Sun Tzu's principles of war, and how these principles can be applied in business organizations. This report also compares and contrast business and military leadership. It concludes that there is a strong relationship between military and business leadership because business organizations can learn a lot from the lessons of the military planning.

War and Business Planning

Introduction

Business and military planning share many similarities, because both concepts have comparable core processes. Military planning is the nonstop practice in preparation for future assigned tasks and involves an examination of all aspects of war operations (Wong, Maher., & Lee, 1998). Management is the process of planning, organizing, leading, and controlling the use of resources to complete effectively the goals of the organization (Schermerhorn, 2006, & Daft, 2008). These two definitions address some similar characteristics in terms of future objectives and corporate processes to complete the different goals. However, the significant differences in business and military management planning is the fact that military plans are linked to forces that are prepared to fight and win. In contrast, the scope of business management planning is to develop different strategies and plans to help the organization operate successfully in the competitive marketplace. This marketplace is associated with the battlefield because managers need to have all the necessary skills and abilities to operate their organizations in the international market. Sun Tzu, the author of the oldest military book, the *Art of War*, indicates that when the militaries prepare for war they must consider the weapons, armies, terrain, and logistic supports. In the business world, managers need to check many factors in competition such as culture, the shareholders, the resources owned, and the different policies (Tung, 1994).

Organizations in the 21st century have adopted the managerial ideas, organizational methods, and the leadership concepts from the field of military management. For example, the idea to dispatch the army for just a cause, and emphasis on the device of strategies and the study of military tactics, are linked to business management. Terms such as headquarters of the organization standing for its leading body, command system in production, standing production management organization, strategies decisions and many other terms, have been taken from military terminology (Farrell & DeRose, 2000)
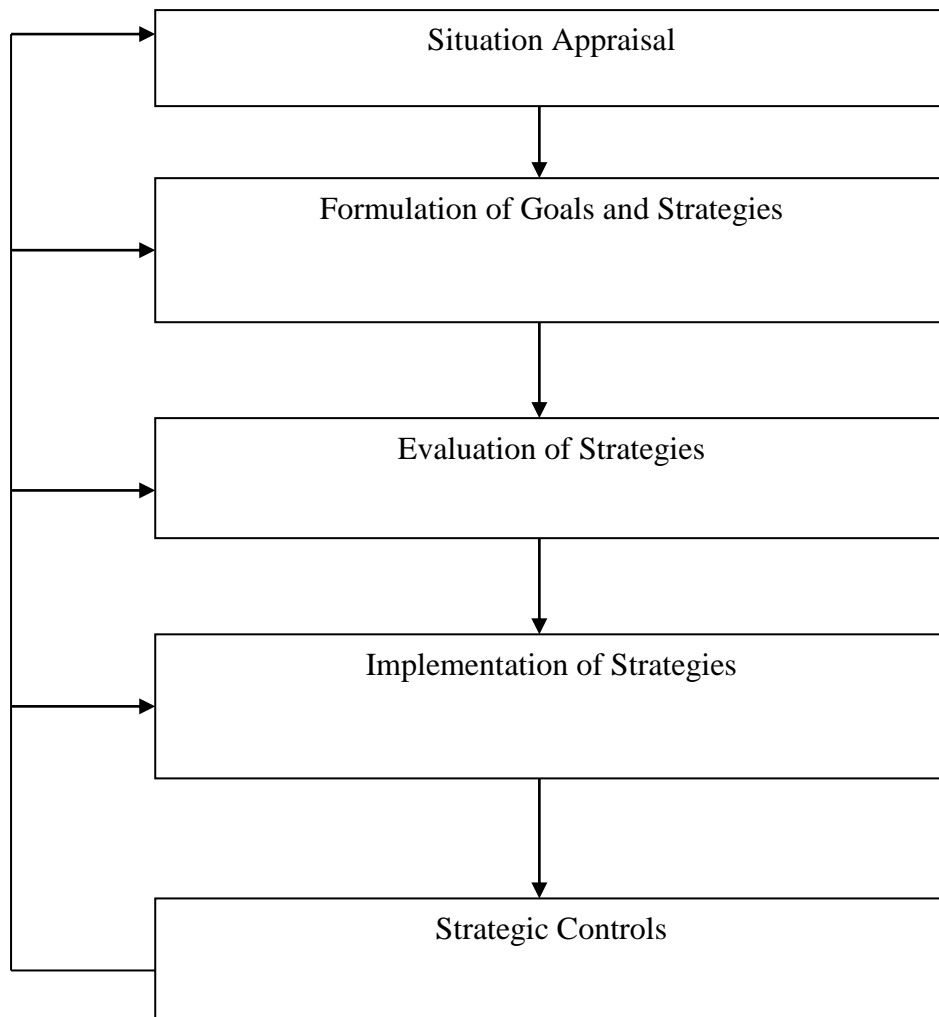
War and Business

The above-mentioned definitions of war and business management planning indicate that there is a strong relationship between these two sciences. Evidence suggests that some principles of Sun Tzu are relevant to management and marketing disciplines. Sun Tzu in his book suggests that before fighting, the military must develop a detailed plan (Tung, 1994). This is significant relevant to the different corporate strategies and marketing plans organizations develop to face their competitors. When business organizations develop and implement different strategies and programs, they will need to think about the different changes that will take place in their strategies because their external environment is rabidly changing. During warfare or in business competition, military executives and business managers need to face changes in these dynamic environments. These circumstances force managers to correct their strategies to reach the changing situations. The above example, indicates that management is strongly associated with the principles of war, and hence, with the principles of Sun Tzu, because businesses can collapse through poor management practice and implementation. At war, poor military management planning can cause the death of many people, the loss of many weapons and the battle itself. At marketplace, poor business management planning can cause the decrease of the market shares of the organization.

Many researchers indicate that there is a blood relationship between war and business planning. As a consequence, the principles of Sun Tzu can be applied in today's business operations. Sun Tzu advocates that the conditions of war can also be essential in gaining competitive advantages in the marketplace (Wee, Lee., & Hidajat, 1991). These researchers made an important evaluation between the principles of war and the principles of business management. They propose that Sun Tzu's principles of war can be divided into five fundamental categories, which are linked to the strategic planning process. The model below shows these five fundamental categories (See Figure 1).

A study by Fennelly (2004) reveals that there is a significant interrelationship between Sun Tzu's principles of situation appraisal and of strategy implementation. This researcher points out that through strategic management, all organizations analyze their internal and their external environments, create and implement strategies to respond to these environments, and look for strategic control systems to feed back to the process of formulation and implementation of strategy. Marketing tools such as the P.E.S.T approach and the S.W.O.T analysis help business organizations to analyze their marketing environments to understand better their competitors (Kotler, 2003). Apparently, it seems that organizations, which analyze their macro-environment and their micro-environment, are able to emphasize more on adaptability in their strategy implementation. Sun Tzu indicates that countries need to consider the internal and the external forces that affect their war strategies and planning. These forces include moral influence, climate, terrain, training, and discipline, and are linked to the strategy implementation organizations adapt to attack their competitors.

Another study by Wann, Chih, and Jung, (2004), reveals that there is a significant interrelationship between Sun Tzu's principles of situation appraisal and strategic control, which indicates intelligence and security. The author of Art and War advocates that countries need to have the most valuable information regarding their enemies and their environments, before they attack. In the real business world, this is particularly true, because organizations need to conduct marketing research to analyze their internal, their external environment, and their competitors. Organizations need to know what competitors

Figure 1. Strategic Planning Process

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│              Situation Appraisal              │
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│        Formulation of Goals and Strategies     │
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│              Evaluation of Strategies          │
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│               Strategic Controls               │
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(Wee, Lee., & Hidajat, 1991)

offer and how to gain a competitive advantage. Consequently, competition in the business world can also be very evil, because organizations develop strategies that have significant impacts over their competitors. For example, the practical implications of comparative advertising are to put the competitor in a bad situation and to destroy them if possible.

The above studies show that if organizations conduct an internal and an external environmental analysis and maintain adaptability in strategy implementation, while using strategic control with security and intelligence, they will be able to achieve their goals and objectives. Organizations need to focus their attention on strategic controls to reach their organizational goals. It is very important for the organizations to have the information regarding their competitors to know their strengths. This will help organizations to learn from them and attack them when the time comes. It is also very important to keep their competitors from knowing their corporate strategies and planning strategies (Wann, Chih., & Jung, 2004).

The above model, which consists of the five core stages of the strategic planning process, begins with the situation appraisal and ends with strategic controls. These strategic controls perform as useful instruments to the beginning of this process. For example, when organizations conduct marketing research to obtain information, it has some major implications

for the other stages of the strategic management process. Consequently, organizations need to make the necessary changes to take advantage of the new information. This example applies to the planning of strategies in war and business. Sun Tzu advocates that a win on the battlefield depends on the experience of the military executives most of the times (McComb, 2001). This reflection is related to the conflict between different organizations in the marketplace around the world, because business is a war of gaining market shares and competitive advantages. It is obvious that the crucial idea of Sun Tzu's theory plays an important role in the development and implementation of different strategies and planning in war and in business.

<div align="center">Business Leadership and Military Leadership</div>

There is a strong relationship between business and military planning, because both of these concepts require effective leadership which requires a core vision. This vision gives both military and business leaders the basis for positive actions and growth in their own environments. These leaders need to develop strategies and planning to meet the goals and objectives of their organizations. As a consequence, ethics, and process are some of the most fundamental characteristics that leaders must employ to reach that vision. These characteristics help leaders to implement strategies to plan and direct the business and the military operations. However, there is one significant difference between vision for planning in a business organization and vision for planning in a military organization. This significant difference is linked to the final outcome of this planning. The vision of the army is to fight the enemy and win the battle, whereas the business organization operates and competes with the other business organizations in the marketplace to gain a market share and a competitive advantage. The difference is associated with the different environments that each of these organizations operates and not necessarily with the leadership process that they use to implement their strategies (Popper, Landau., & Gluskinos, 1992).

Ethics is a critical element of leadership and is related to business and military planning. Leaders need to consider the different ethical principles and values in their decision making process to avoid unsafe actions against their employees and soldiers. They need to focus their attention in the decision making process, which is not always an easy job, because different ethical dilemmas and situations arise when the values are in conflict (Morden, 1996). These ethical dilemmas, values and principles are different for the leader who operates in a business environment than the leader who operates in a military environment. For example, the scandal of WorldCom and Enron provide some examples of lack of ethics in practical situations. These companies failed to apply ethical principles and codes in their businesses. These unethical examples force other businesses to implement different ethical principles and rules in their daily operations (Schermerhorn, 2006). The military has had some of the same unethical situations such as the different massacres in Vietnam, Bosnia, Serbia, and Vietnam and Russia.

Business and military leaders must act as role models and apply the principles of ethics to their inferior. As a result, they will minimize the development of any ethical weakness that will create negative effects to their organizations. The issue of ethical weakness is a very important aspect leaders need to face in the business organization and in the military organization. Military leaders need to avoid ethical weaknesses and apply the values of loyalty, duty, selfless service, and integrity, because are very essential to a military planning. Effective military leaders need to develop ethical military planning, because the lives of their men are in the hands of those who practice the issue of ethical behavior.

Process is another important component of leadership and is linked to business and military planning. The military process that engages the functions of command, control, organizing, and leadership is quite similar with the business process which involves the functions of planning, organizing, leading, and controlling organizational resources (Daft, 2008., & Popper, Landau, Gluskinos, 1992). The command function of military management process is very similar with the planning function of business management. Both functions help their organizations to set objectives, determine what the objectives and goals should be, and how to reach these objectives (Drucker, 1999). They also help people to understand the mission and the vision of their organizations. The control function of military management process is similar with the controlling function of business management process. Both functions help their organizations to implement successfully their strategies in the environment they operate. The military management function of control and the business management function of controlling, measure work performance, and evaluate results to objectives (Schermerhorn, 2006).

Management by objectives (MBO) is a very important concept that business organizations and military organizations use to manage their activities and their management decisions. Different visions, strategic intents, and long-term planning are some concepts that are linked to the MBO. These concepts propose that business organizations and military organizations can be coordinated through the performance of their shared objectives (Dahlsten, Styhre & Williander, 2005). The benefits of the MBO, such as the development of greater communication between business or military management and employees on organization objectives and the creation of effective rewards and motivation systems, help these organizations to successfully implement the function of controlling in their management process (Simpson, 1993). Business organizations and military organizations use the function of organizing to split the responsibilities to their different departments, distribute their resources, and manage their work actions (Pfeffer & Veiga, 1999). The function of organizing helps the business organization and the military organization to create a corporate structure, and share out authority on their decisions that influence their goals (Higgins, 1994). Eventually, the management of the military organization and the management of the business organization need to provide authority to the leaders of each department to direct, plan and control the different tasks.

The function of leading helps business and military organizations to develop an effective organizational culture, to communicate the goals to their employees, and to motivate them to achieve their tasks (Briscoe & Hall, 1999). This function is interrelated to the business and the military function of planning because leaders can motivate their employees and soldiers to finish the goals and objectives of their organizations. The management of these organizations is responsible to develop motivation systems and implement effective leadership styles to give direction to the different teams. It is highly likely that, military and business leaders use quality circles to increase team spirit, motivation, and commitment towards job performance (Chuan, Ping & Ying, 2000).

Business leaders in the 21st century need to know the fundamental principles of war, because this will help them to transform a slow-moving workforce into a dynamic, energetic group. A study by Sandys (2004) reveals that there are four fundamental principles for winning in a business environment which are as follows:

- Have a clear vision and strategy, sustain the corporate objective, and be able to change plans.
- Organize to overcome opposition.
- Show tactical flexibility.

- Install inspiring frontline leadership to gain a competitive advantage

The first principle indicates that war and business set and meet long-term and short-term objectives. The most important aim of the short-term objectives is to defeat the enemy. However, both business and military organizations need to change their strategies to reach their long-term objectives. Organize to overcome opposition is the second principle that business and military organizations use to coordinate their strategies (Sandys, 2004). These organizations need to organize and coordinate their long-tem and their short-term strategies to run properly. As a result, in business and military planning, the leader must be in charge of the whole situation to be able to coordinate the different operation systems.

The third principle for winning in a business environment is to show tactical flexibility, because is essential to cope with the different changing situations. It is very important for the leaders not to develop their strategies with too detailed instructions. They need to trust, and demonstrate confidence in people in charge to accomplish their tasks (Sandys, 2004). Install inspiring frontline leadership to gain a competitive advantage is the final principle that business and military organizations need to adapt for winning in their environments. Business and military leaders need to adapt the five functions of culture for winning in the environment that they operate. These functions of culture are as follows:

- Defines the boundary between organizations.
- Communicates a sense of identity for its members.
- Make possible the generation of commitment to something larger than self-interest.
- Improve the stability of the social system
- Serves as a sense-making and control mechanism for fitting employees in the organization

<div align="right">(Robbins & Judge, 2007)</div>

Military and business leaders need to put in practice the first function of culture by helping their employees and their soldiers to recognize their duties. The fundamental objective of the second function of military and business culture is to make people understand and respect the individuals who hold top positions, because they have the spirit of winning. Leaders need to implement the third function of culture by developing effective commitments to the vision and the mission of the organization. This will help their people to commit to the different values of their organizations the fourth function of culture help leaders to make people understand the high standards and the control systems of their organizations. This function helps leaders to push employees and soldiers to create high job performance.

Military and business leaders use the fifth function of culture to shape the behavior and attitude of the employees and soldiers to understand better the environment they operate. As a consequence, leaders need to recruit people who will be compatible with the business and the military culture. These functions of culture provide evidence that there is a strong relationship between military and business leadership regarding the implementation of a culture within their organizations. However, the differences are associated with the practical implementations of culture in these environments (Steven, 1989). For example, wise military leaders need to position themselves where they can exert the greatest influence on the most important issues (Sandys, 2004). The above principles of war are strongly associated with effective leadership in business organizations, because they provide the fundamental basis for a successful work performance.

Differences Between Business and Military Leadership. The different challenges military and business leaders manage in the 21ˢᵗ century become more similar, when an individual moves up the business and military organizational ranking. Leaders in the business and in the military area typically have similar value systems regarding the larger issues of life (Ulmer, 2005). Nevertheless, there are some fundamental differences between business and military leadership. The first crucial difference is that 95 percent of the generals have a masters or doctorate degrees, whereas only 35 percent of the corporate leaders have master's degrees (Ulmer, 2005). Second, the differences in approaches and methods of leadership can be related to variations in the military cultures, which put mission achievement above life itself (Ulmer, 2005). Ultimately, living within military culture bonds people together, because they share difficult times over the years in strange places, and they develop strong and loyal feelings towards their team and their leaders. Third, the army cannot practice its business in context except on the battlefield. During training, all people who are involved to the military organization perform tasks similar to those in wartime. Still, without the horrible realities of battle, even the most difficult training exercises cannot replicate the stress of combat. Hence, the evaluation of military leadership effectiveness presents an alarming challenge.

As a general rule leadership in the military is different. These differences are very crucial because soldiers are expected to die if necessary to finish the task at hand. This situation can create extraordinary leadership implications. Military leaders can create commitment, and a shared value of mission that will cost the lives of people if necessary. It is highly likely that military leaders can be instrumental in building that commitment to lead to tactical success in the battlefield. Obviously, business leaders who do not operate in such circumstances need to understand the military leadership lessons and the battlefield lessons, because these lessons will help them to lead successfully their organizations. They need to build essential commitment to the organization that can maintain creative independent action, a factor that characterized the true legacy of great leaders.

<div align="center">Conclusion</div>

Business and military planning share many similarities, because both concepts have similar core processes. They implement the same functions of management but they have very different visions. This significant difference is related to the final outcome of this vision. The vision of the military is to fight the enemy and win the battle, whereas the vision of the business organization is to operate and competes with the other organizations to gain a competitive advantage in the marketplace. There are also significant differences in business and military management planning. The military plans are linked to forces that are prepared to fight and win whereas, business plans are associated with the development of strategies and plans to help the corporations to operate successfully in the marketplace. Organizations in the 21ˢᵗ century have adopted the managerial ideas, organizational methods, the leadership styles, and the different terminologies from the field of military management. Many studies indicate that there is a blood relationship between business and military planning. They also propose that business management is linked to the principles of war, and hence, with the core concepts of Sun Tzu, because organizations and armies can collapse through poor management practice and implementation. These principles of war are strongly related to effective leadership in business organizations, because they provide the fundamental basis for a successful work performance. Still there are some fundamental differences between business and military leadership, because war creates extraordinary leadership implications. Military leaders do not deal with market shares and other business situations, but they deal with human lives. Clearly, business leaders need to understand the military leadership lessons, and how army leaders

behave at war, because these lessons will help them to lead successfully their organizations. Eventually, these lessons can help business leaders to plan the strategies in the marketplace.

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