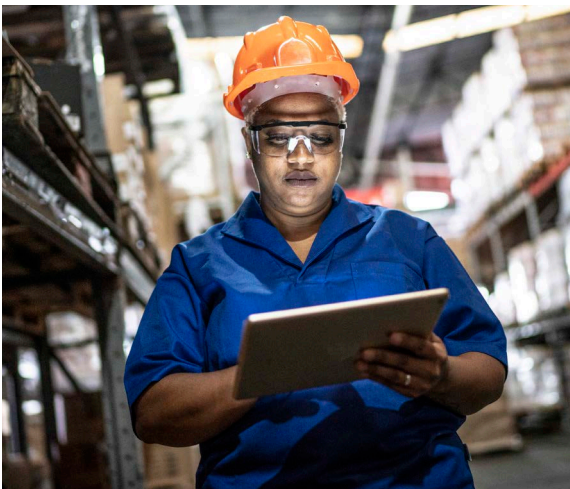


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# Developing Strategic Plans for Defense Human Resource Management

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## Case Study of Planning in the Office of the Under Secretary of Defense for Personnel and Readiness



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**S**trategic planning plays an integral role in guiding the work of many public and private sector organizations, including the U.S. Department of Defense (DoD). Indeed, work done at and on behalf of DoD since the 1960s has laid the foundation for modern strategic planning practices in organizations of all types (DonVito, 1969; Petruschell, 1968; Bracken, 1990). In public sector organizations, strategic planning can serve the goals of the organization’s leaders and the goals of higher-level elected and appointed officials who are responsible for guiding and directing the organization. Although

leaders of many organizations appreciate the benefits that strategic planning can offer, they wrestle with the principles they should use to guide a planning process and the methods they should apply to document and implement the resulting strategic plans.

We undertook a project lasting about six months that aimed to help leaders of public sector organizations of all kinds—and particularly those charged with the management of defense human resources—to identify and apply sound principles for their strategic planning. In this project, we first identified a set of principles relevant to public sector organizations

## KEY FINDINGS

The following are best practices for developing plans for defense human resource management organizations:

- Clearly anchor the plan in higher-level guiding documents (and seek opportunities to influence these documents).
- Balance top-down guidance that represents leadership’s strategic intent with bottom-up engagement that builds buy-in and capacity for planning.
- Frame goals and objectives that clearly express leadership priorities and provide direction to guide offices and organizational units, which should develop their own plans that support the main plan.
- Include both process and outcome objectives in the plan, with clear metrics for success.
- Complement a concise strategic plan with a substantial implementing system that will align activities, data collection and reporting mechanisms, and resources with the plan.
- Adopt a rapid and light approach to the strategic plan and implementing system to increase the likelihood of impact, especially if leadership turnover is likely.

engaged in strategic planning. We then applied and refined these principles for defense human resource management and (1) arrived at a final list of principles to guide public sector organizations' strategic planning (see Figure 1) and (2) assessed the content of the organizations' strategic plans. Specifically, we reviewed the content of the five strategic plans developed by the Office of the Under Secretary of Defense for Personnel and Readiness (OUSD P&R) between 2001 and 2020 (summarized in Table 1) in relation to the principles we identified.

As we discuss later, although each of the five plans was formulated with an intended plan period, rapid or unexpected leadership turnover meant that the last three plans listed in Table 1 were developed but not implemented.

To develop a set of key principles for strategic planning, we combined insights from several approaches. We analyzed research on strategic planning in both the commercial sector and public administration, with special attention to planning for defense organizations. We also reflected on our own experience in guiding and reviewing strategic planning efforts over the past three decades across several sectors. Some of this experience and lessons learned are documented in an earlier RAND Corporation Perspective on strategic planning principles for higher education organizations (Goldman and Salem, 2015). The appendix explains our approach in more detail.

In total, we present **13 key principles** to guide strategic planning in public sector organizations (see Figure 1). We organize these principles within **five broad topics**: (1) ground the strategic plan; (2) build a system and capacity for planning; (3) frame the organization's mission and understand its operating

environments; (4) articulate strategic priorities and objectives; and (5) monitor performance and allocate resources. The implications of these principles can be seen in the high-level guidance presented in our key findings.

These principles relate to both **the development of a written strategic plan** and, as we discuss later, **the implementing system** used to enact the plan within the organization. We examined the extent to which each of these principles was evident in the five OUSD P&R plans, and, to appreciate each plan's wider context and implementing system, we interviewed either the under secretary or the primary architect of the under secretary's plan. For both the examination of the plans and the interviews, we used systematic processes documented in the appendix.

In the next five sections, which correspond to the five broad topics, we share the results of our analysis. We then summarize the lessons that we learned about planning that may apply broadly to public sector organizations. Finally, we conclude with reflections on principles and practices to emphasize in future strategic plans for OUSD P&R and other defense human resource management organizations.

## Ground the Strategic Plan

### Articulate Motivations for Planning

To achieve the benefits of a strategic plan, the development effort must **articulate the specific motivations for developing a strategic plan**. These motivations can be pressures internal to the organization, ones that are external to it, and sometimes both (Goldman and Salem, 2015). For example, external motivations might include new government regulations, emerging technologies, or financial changes that require an organization to adapt. Internal motivations could include a general desire to exercise good governance or more-specific interests, such as aligning organizational structure with strategy. By understanding the motivations for a strategic plan, organizations can more proactively and precisely tailor their plans to meet the demands of various internal and external pressures.

#### Abbreviations

DoD	U.S. Department of Defense
DWC	Deputy's Workforce Council
NDS	National Defense Strategy
NSS	National Security Strategy
OUSD P&R	Office of the Under Secretary of Defense for Personnel and Readiness
QDR	Quadrennial Defense Review

FIGURE 1  
Principles for Strategic Planning in Public Sector Organizations



# 1.

## Ground the strategic plan

- Articulate the specific motivations for developing a strategic plan.
- Anchor the plan in higher-level strategic guidance.

# 2.

## Build a system and capacity for planning

- Institute a clear and formal process that balances top-down guidance with bottom-up engagement.
- Identify key stakeholders and determine their role in the planning process.
- Develop capacity for planning and implementation.

# 3.

## Frame the organization's mission and understand its operating environments

- Carefully define the business the organization is in.
- Identify and assess relevant internal operating environments.
- Identify and assess relevant external operating environments.

# 4.

## Articulate strategic priorities and objectives

- Specify a manageable set of high-level strategic goals linked to more-detailed objectives.
- Define strategic goals and objectives sharply enough to constrain courses of action.
- Balance the focus on process and outcomes.

# 5.

## Monitor performance and allocate resources

- Select performance indicators to measure accomplishment of the strategic goals and objectives.
- Develop an implementing system that guides activities and resource allocation to support the strategic plan.

TABLE 1

## Office of the Under Secretary of Defense for Personnel and Readiness Strategic Plans, 2001–2020

President	Under Secretary of Defense for P&R	Intended Plan Period	Document Length (pages)	Strategic Goals	Guiding Documents
George W. Bush	David Chu	2001–2006	4	8	Joint Vision 2020
George W. Bush	David Chu	2006–2011	16	17	2006 QDR, 2002 NSS
Barack Obama	Clifford Stanley	2012–2016	19	5	2010 QDR, NDAAs, GAO reports
Donald Trump	Anthony Kurta <sup>a</sup>	2018–2020	6	6	Secretary of Defense Guidance
Donald Trump	Matthew Donovan	2020–2030	20	5	2018 NDS

SOURCE: DoD, 2006, 2010, 2018; Joint Chiefs of Staff, 2000; OUSD P&R, 2001, 2006, 2011, 2017, 2020; White House, 2002.

NOTE: GAO = U.S. Government Accountability Office; NDAA = National Defense Authorization Act; NDS = National Defense Strategy; NSS = National Security Strategy; QDR = Quadrennial Defense Review.

<sup>a</sup>Kurta was performing the duties of the under secretary at the time the plan was developed. The other under secretaries listed were confirmed.

Drawing on our discussions with planning leaders and our own experience in planning, we suggest a few questions that can help identify motivations:

- What higher-level guidance must be addressed by the strategic plan?
- Which pressures, whether external or internal, demand responses?
- What are the biggest obstacles to change?
- Should strategic planning be used to reconsider the organizational structure?

In the context of OUSD P&R, the written plans do not record much of the motivations for planning, but our discussions revealed that leaders did consider several common motivations. In most cases, priorities and strategies articulated in higher-level DoD and executive branch guidance motivated the planning, at least to some degree. In the case of the 2006 and 2011 plans by David Chu, Secretary Donald Rumsfeld adopted a modified version of the Balanced Scorecard (Kaplan and Norton, 1996) in the Annual Defense Review (a precursor to the NDS) to guide the strategic planning of DoD organizations. The Balanced Scorecard frames four perspectives to consider in formulating strategy, to promote a balanced view rather than viewing strategy only through a single perspective (as financial performance might be used in the private sector). Other plans did not seem to follow a specific DoD-

wide approach but instead responded to various guidance documents, as we discuss in the next section. Analyzing the influence and aims of the organization's internal and external stakeholders is also valuable in framing motivations, which we discuss further in the later section, "Build a System and Capacity for Planning."

Most of the leaders we interviewed said that they aimed for their strategic plan to clarify and align activities across their organizations with a common set of directions. Clarity and alignment may be especially important in a complex organization such as OUSD P&R that is not primarily an operating agency but is instead responsible for policy and guidance that the services and other DoD operating agencies use to align their own strategies.

In at least one case, the OUSD P&R had been reorganized shortly before the strategic plan was developed. The leader in this case thought that if a strategic plan was used to justify another reorganization too quickly, it would undermine the staff's motivation to participate and buy into the strategic plan. Therefore, the leader specifically said that the plan would be used to align activities with the strategy, but not be used to restructure the organizational units.

Other leaders expressed concern that the structure they inherited might be unsuited to carrying out OUSD P&R's mission, especially if higher leadership had recently demanded changes in mission or strate-

gic approach. Those leaders had possible reorganization in mind as a motivation for planning.

Regardless of the actual motivations, our discussions with senior planning leaders and our own experience in planning (as reported in Goldman and Salem, 2015) indicate that articulating motivations clearly—at least within a core planning group—is important to making the plan serve leaders’ strategic intent.

## Anchor the Plan

Government organizations derive their authority and mission from higher-level agencies, laws, and the guidance of officials. Therefore, it is vital that a government organization **anchor the plan in higher-level strategic guidance**. As research on strategic planning for nonprofit organizations details (Allison and Kaye, 2015), successful planning takes stock of current information to generate a blueprint for action. This finding reinforces the importance of defense human resource management organizations anchoring their strategic plans in higher-level defense and national security strategies. The anchoring process also serves to clarify motivations and priorities for the strategic planning effort.

Across the five plans we reviewed, it was clear that each office grounded its plan in available guidance, such as QDRs, NSSs, and NDSs (listed in Table 1). We examined these guiding documents to identify concepts that we judged relevant to OUSD P&R planning. We then looked at each strategic plan to see whether and how it reflected these concepts in its mission, strategic goals, and environmental analysis, and we found that each of the five plans incorporated at least some of the main themes from guiding documents. However, some plans did more than simply highlight themes from guiding documents: They demonstrated throughout the text that specific planning objectives were derived from source material.

This connection between the strategic plan and guidance documents was especially evident in the 2006–2011 strategic plan developed under Chu. For example, the 2006 QDR says that the reserve component must be “operationalized, so that select Reservists and units are more accessible and more readily deployable than today” (DoD, 2006, p. 76). In response, Chu’s 2006–2011 strategic plan explicitly notes the need to convert the reserve component to an operational reserve. As another example, the 2006 QDR states that the implementation of Global Force Management allows “the Department’s leadership



to source forces flexibly for operations, regardless of where they are located” (DoD, 2006, p. 60); the 2006–2011 Chu plan aims to develop a force capable of responding to a broad array of threats and able to adapt quickly to changing demands. This kind of direct connection to guiding documents ensures that objectives and goals are appropriately aligned with the aims of policymakers and that a clear motivation is behind the various goals of a strategic plan.

In addition to reflecting the priorities of higher-level guiding documents in their planning, defense and human resource leaders also need to seek opportunities to shape the content of those guiding documents. The senior leaders we interviewed emphasized the importance of proactively addressing and integrating personnel management imperatives with other higher-level strategic priorities. Several of the guiding documents we reviewed, including the most recent 2018 NDS (Mattis, 2018), gave little attention to defense human resource management issues, pointing to the importance of personnel and readiness leaders contributing to these documents. If future defense human resource leaders do not raise personnel and readiness issues that could then be reflected in guiding strategic documents, leaders risk developing their strategic plans without adequate anchors in national priorities.

## Build a System and Capacity for Planning

### Institute a Planning Process

The strategic planning field establishes a clear and formal planning process as the soundest way to organize a planning effort (Tromp and Ruben, 2010). As we will discuss, our conversations with planners and our previous experience (e.g., Goldman and Salem, 2015) emphasize that balancing top-down strategic direction and bottom-up participation is a necessary aspect of any planning process. Therefore, planners **should institute a clear and formal process that balances top-down guidance with bottom-up engagement**. A systematic approach has been recommended by leading modern strategic thinkers (e.g., Hammes, 2010).

Figure 2 shows the elements of a general planning system depicted in the shape of a pyramid

reflecting the approximate amount of information at each level. We derived this from previous strategic planning work (e.g., Goldman and Salem, 2015), supplemented by our reflections on the insights gained in this project. The five levels of the pyramid trace the elements of strategic planning from developing vision and mission statements to establishing strategic goals, objectives, and key performance indicators. We will step through insights and advice related to each level of the pyramid in later sections. At the sides of the pyramid, we see the influence of the internal and external environments and stakeholders, which we will also discuss.

In discussions with OUSD P&R planners, we found that most did attempt to implement formal planning procedures that aligned with some or all of the concepts presented in Figure 2. The connections among the levels in planning illustrated in the figure are crucial to developing a sound plan. For example, one under secretary used a process recommended by Eliot Cohen, a prominent political scientist at Johns Hopkins University:

1. stating assumptions about the environment and problem to be solved
2. considering ends-ways-means alignment
3. prioritizing goals
4. determining a sequence of actions
5. developing a theory of victory—an answer to the question, “How does this end?” (Hammes, 2010).

Although this process was designed primarily for foreign policy, it has useful application for strategic planning. These five steps share several central concepts with our pyramid and depict a clear and formal process that can sharpen collective thinking and might improve the likelihood that an actionable plan will result.

Organizational balance is a crucial choice in planning—specifically, the extent to which the planning process should be driven from the top down, the bottom up, or some combination of the two. From our discussions with leaders, we understand that the five plans we reviewed were generated in an exclusively or primarily top-down fashion, typically with a small senior leadership group that determined goals and priorities. This group generally defined a core mission



FIGURE 2  
Overview of Strategic Planning Elements



and vision and then determined strategic goals. Given the hierarchical nature of defense organizations, this top-down approach seems appropriate, but there might be room for additional members of the organization to be involved without diverting the process from leadership’s strategic intent. A few of the leaders incorporated meetings with staff who were not part of the senior leadership team to generate buy-in and promote more-inclusive plan development.

Choosing between top-down and bottom-up processes almost inevitably involves a tradeoff (Tama, 2018). Top-down approaches typically make it easier to enact more significant change but might do so at the expense of organizational buy-in. Bottom-up approaches can build significantly greater buy-in but might do so at the expense of more-significant organizational change. Leaders should seek to balance the beneficial effects of both approaches in a formal planning system, but one approach might need to be prioritized to accomplish the main goals of leadership. It is important to communicate the selected process, be it top-down or bottom-up, and clearly delineate the opportunities for involvement, whatever they are.

### Identify Key Stakeholders

In strategic planning, it is important that stakeholders actively participate in the planning process and understand their roles within the creation of the final planning document. Thus, it is critical to **identify key stakeholders and determine their role in the planning process**. From the process side, management and defense research finds that an active, more-inclusive planning process generates increased buy-in from all parts of an organization and is associated with higher levels of job satisfaction (Kim, 2002; Tama, 2017; Sullivan and Richardson, 2011; Kohtamäki et al., 2012).

Stakeholders include individuals and organizations within the planning organization and those external to it who contribute to or have an interest in the workings of an organization. In the case of OUSD P&R, internal stakeholders include leadership and staff within the OUSD P&R organization. External stakeholders could include other DoD leaders, the services, and Congress.

Connected to the top-down/bottom-up tradeoff discussed earlier, our interviews with senior planning leaders highlight that there are tradeoffs involved when it comes to both the total number of stakeholders included in the planning process and whether the

process involves only internal or both internal and external stakeholders. As we observed previously, a more inclusive process typically improves individual investment, suggesting the potential value of casting a broader net; however, this widening may also come at the expense of more decisive and fundamental change (Tama, 2018). A process that involves fewer individuals can be more transformative in terms of policy, but it may result in less institutional buy-in.

With respect to actual planning documents, the strategic planning literature contains evidence demonstrating that effective strategy development must clearly identify specific stakeholders, determine their significance to an organization's future, and assess their salience—the degree to which priority is given to competing stakeholder claims (Ackermann and Eden, 2011). A successful planning document should thus specify key groups of stakeholders.

Several OUSD P&R plans identify individuals and organizations that are stakeholders with respect to the planning process, often including the Secretary of Defense, the military services, the Joint Staff, and Congress. Out of the plans we reviewed, the 2017 plan by Anthony Kurta shows the most thorough review of stakeholders because it not only identifies these individuals and organizations but also explains how these entities will interact with the planning process. This plan thus demonstrates strong stakeholder analysis—the identification of stakeholders *and* further detail about the role those stakeholders will play in the planning process. Our experience working in this field suggests that stakeholder analysis ought to also identify how stakeholder interests are addressed by the plan's strategic goals and objectives. We generally did not find such analysis and connections in the written plans and recommend that such a practice be considered for future plans.

## Develop Capacity

Institutions should **develop capacity for planning and implementation**. Developing an effective plan—and even more so, implementing the plan—requires the capacity of individuals in the organization to plan. Literature from the field of strategic planning in higher education also highlights the reality that strategic planning often involves change, and that

individuals must therefore be prepared with adequate education and management skills to oversee the development and eventual implementation of plans (Sangahan, 2009; Toma, 2010).

Institutions can build capacity for planning and implementation through education, professional development, and on-the-job experience. Some of the OUSD P&R leadership we interviewed said they aimed to build staff capacity during the planning process, but because these processes were driven from the top down, only a small number of key staff could be involved. Some planners sought to develop relationships with key managers who would be responsible for enacting various elements of a plan. Furthermore, several of the leadership teams developed formal structures (which we discuss next) to make individual offices or units aware of and accountable for their responsibilities under the strategic plan. We did not hear of any efforts to use formal training or education to build capacity, approaches that might be effective.

Planning also requires systematic access to information that can be used to frame goals, objectives, and targets—and monitor progress toward achieving them. If systems are not in place to generate regular and reliable measures of strategic performance, then both planning and implementation are likely to suffer. Achieving the benefits of planning requires both human capacity and performance information.

## Frame the Organization's Mission and Understand Its Operating Environments

### Articulate Mission Statement and Vision

In the late 1940s, train operators believed they were in the train business. They were wrong: Train operators were in the transportation business and subsequently lost out to competition from trucking and air freight. This historical example is just one illustration from early research on strategic planning for national security (Bracken, 1990). The example suggests that an organization, before taking any other steps, **must carefully define the business the organization is in**.



For those involved in strategic planning, this means that the specific purpose of institutions and subgroups within the institution must be properly identified in planning documents. A mission should identify the core business of an organization and its specific contributions to a larger organizational unit (e.g., DoD) or society more generally. Careful definition of mission is associated with improved instrumental function (i.e., work that brings about change), particularly for non-profit organizations (Pandey, Kim, and Pandey, 2017).

In reviewing the five plans, we found that each one defined the specific mission of OUSD P&R, identifying how OUSD P&R contributes to the larger goals of DoD and national defense more generally. The 2020 Matthew Donovan and 2011 Clifford Stanley plans also defined a *vision*, which is an inspirational framing of a desired future state of the organization. For example, the Stanley plan articulates a vision of a “bold, empowered organization committed to the development of the Total Force, actively shaping the environment and embracing selfless service to the defense of our nation” (OUSD P&R, 2011). Because of their purpose, visions are often shorter and less specific than the mission statement (though in the case of the Stanley plan, the mission and vision statements are roughly similar

in length). A vision can help to inspire and motivate members of the organization to achieve the mission, and the vision is also empirically connected to both individual and organizational performance (Kirkpatrick, Wofford, and Baum, 2002); therefore, it is worthwhile to articulate both a mission statement and a vision in a written strategic plan.

### Identify and Assess the Internal and External Operating Environment

Sound strategic planning should respond to the opportunities and constraints that arise from the environments an organization operates in. Environmental factors—both internal and external—inevitably shape opportunities and possibilities for planning (Ebrahimi and Banaeifard, 2018), which makes it prudent to explicitly identify what those factors actually are. As Stokes Berry, 2001, and Hix, 1991, observe, organizations in a planning process must understand the internal and external environments. As depicted in Figure 2, the internal and external environments can affect every level of strategic planning.

As part of the planning process, organizations should **identify and assess relevant internal operating environments**. In the case of OUSD P&R, culture

and constraints within the OUSD P&R organization make up the internal environment. In particular, scholars note that institutional culture can have a significant impact on organizational efforts (Sullivan and Richardson, 2011).

With regard to the internal operating environment, the two Chu plans present careful delineation of the missions of the offices and agencies that fall under OUSD P&R, which is helpful to understanding the scope of the strategic plan and, ultimately, the parties responsible for meeting those strategic goals. Nonetheless, in these plans, the connections between the internal environment and the strategic goals are implicit rather than explicit.

The other three plans have, at most, brief discussions of the dynamics within the organization that shape planning possibilities. Even when some discussion of the internal environment was included, the discussion generally lacked an explanation of how the environment motivated or shaped the strategic goals.

Aside from this internal assessment, organizations should **identify and assess relevant external operating environments**. In the case of OUSD P&R, the external environment includes organizational issues within the DoD enterprise outside OUSD P&R and broader political, economic, and social forces that shape strategic choices and plans. For defense strategic planning, external operating environments naturally include the geopolitical environment, but as planning research clarifies, external environments include those such as the domestic political context, which shape possibilities for institutions. The environments also include longer-term trends, not just immediate crises and priorities, that will shape the landscape in which an institution operates (Hendrick, 2010; Friedberg, 2008). External environments are subject to forces outside the organization's control. As a result, the evolution of the external environment (and some aspects of the internal environment) will naturally entail uncertainty. That uncertainty should



be reflected in the environmental analysis, and the analysis should be revisited periodically.

Four of the five plans we reviewed briefly described features of the external environment, whereas one plan, the Donovan plan, offered an extensive description of the external environment. This extensive description included aspects of both the military environment, such as great power competition with Russia and China, and leading societal trends, such as changing labor demands because of technological advances, which would play a role in shaping possibilities for OUSD P&R activity. This plan also recognizes how the environment's uncertainties will affect personnel and readiness, and the plan frames its goal of a "resilient and adaptive total force" as one strategy to respond to these uncertainties (OUSD P&R, 2020).

Given the kind of influence that both the internal and external operating environments will have on the extent to which a strategic plan can be enacted, future plans would benefit from explicit environmental analysis that is clearly linked to the strategic goals and objectives framed by the plan.

## Articulate Strategic Priorities and Objectives

### Specify Strategic Goals and Objectives

Early work from RAND in the field of strategic planning established a preliminary but enduring consensus regarding several core principles for strategic planning (DonVito, 1969; Petruschell, 1968). To start, successful planning **must specify a manageable set of high-level strategic goals linked to more-detailed objectives**. Our experience developing and reviewing strategic plans across a variety of organizations during our careers suggests the following guideline: Most organizations will be best served by defining between four and seven strategic goals, framed at a high level. This number of goals makes it easier to communicate the organization's major priorities to managers and members of the organization than would a larger number. Of course, organizations will have more-detailed priorities necessary to accomplish these strategic goals, which should be framed as specific objectives linked to each strategic goal. To aid in

communication and comprehension, our experience suggests that the number of objectives per goal also should be manageable, similar to the four to seven rule we propose, but with somewhat wider latitude if needed to cover key topics.

Consistent with the underlying principle of a manageable set of goals, most of the plans we reviewed expressed between four and seven strategic goals (as reported in Table 1). An exception is the 2006 Chu plan, which defined 17 strategic goals. The large number of goals suggests that this plan might have struggled to articulate clear priorities. Perhaps it could have been organized into a smaller number of broader strategic goals with the 17 more-detailed priorities framed as objectives in support of those goals.

As we discussed under "Articulate Motivations for Planning," the department used a modified version of the Balanced Scorecard (Kaplan and Norton, 1996) as a structure for strategic planning during Chu's leadership. The Balanced Scorecard included two important, longer-term perspectives: (1) the needs and aspirations of internal customers and (2) the ways the organization can learn and grow over time. Responding to these perspectives in framing strategic goals and objectives enables the organization to build an enduring strategy that goes beyond a narrow response to the particular challenges of the day (Kaplan and Norton, 1996). In the defense human resource management context, the internal customer perspective calls for a focus on supporting military members and civilian employees to maintain and develop resiliency, loyalty, and readiness. The learning and growth perspective draws attention to strategic actions that the organization needs to develop for the future.

### Provide Sharp Direction

It is not enough merely to define goals and objectives; good plans must **define strategic goals and objectives sharply enough to constrain courses of action**. In other words, strategic priorities must be articulated in such a way that mid-level managers cannot take the plan's guidance to permit any course of action they may consider. In fact, ambiguity in priorities—and, thus, lack of clarity regarding implications for actions—has been shown to be detrimen-

tal to organizational performance in federal agencies, while clearer, sharper goals are associated with better performance (Cohen, 2017; Chun and Rainey, 2005).

More recent planning research (Bryson, Crosby, and Bryson, 2009; Bryson and Hamilton Edwards, 2017), including that focused specifically on defense planning (Nemeth, 2016), finds that strategic plans must not only identify what may or should be done but also establish clear and overarching performance objectives. Research also indicates that the unsuccessful plans are most commonly those that fail to define priorities sharply enough to constrain actions. Specifying the time period for accomplishing objectives is a useful way to convey priorities, focus staff attention, and stimulate coordination.

Each of the five plans we reviewed included some explicit definition of strategic goals and objectives, ranging from improving recruiting practices to establishing data dominance in modern conflict. Both Chu plans and the Kurta plan represent strong examples in this domain, by outlining clear and explicit goals that were directly connected to the established OUSD P&R mission. These plans also formulated goals and objectives in ways that would constrain managers. If managers tasked with implementation can feasibly take any reasonably desired action and still say that it meets the stated goals or objectives, then those objectives and goals are not constraining, and the plan is unlikely to truly guide the organization.

Because of this, planners should strive to identify specific parties within OUSD P&R whose practices need specific reforms rather than falling back on more-general statements about improvements. For example, the Kurta plan frames a specific objective: “Develop a Total Force Resiliency Score in support of the Joint Staff Global Force Management Data Initiative” (OUSD P&R, 2017). If the plan had simply stated, “Improve resiliency measures,” the plan would not have provided implementing managers with nearly the same level of specific guidance. Specific, constraining objectives and goals make it far likelier that the priorities outlined in a strategic plan will be enacted. Objectives should also address uncertainty in a deliberate fashion, explaining how uncertainties in the environmental analysis might constrain, enable, or alter the strategies used to achieve those objectives.

## Balance Processes and Outcomes

It is not enough, however, for priorities simply to be established and sharply defined. Both the desired end state and the key means of reaching that end state should be considered in planning. So, in strategic planning efforts, it is best to **balance the focus on process and outcomes**. Priorities should be established in such a way that they allow for equal focus on the process as much as the final product (Cohen, 2017).

In both language and substance, the plans we reviewed were heavily weighted toward process rather than outcomes. Most of the plans made few references to outcomes; the references they did contain were simply to the very general outcome that was desired without any precise definition or measurement that would represent accomplishment of the outcome. The Stanley and Kurta plans paid the most attention to outcomes. For example, the Stanley plan stated a goal to “deliver quality healthcare at an affordable cost while improving medical readiness” (OUSD P&R, 2011). In a similar vein, the Kurta plan contained an objective to “[m]easurably improve the health readiness and, in turn, the lethality of the Force” (OUSD P&R, 2017). Both statements establish desired outcomes in ways that could be measured with relevant indicators. Nevertheless, each plan could have been strengthened by a greater focus on outcomes rather than process. This heavy favoring of process over outcomes is likely connected to the lack of defined performance indicators and targets across all five plans—a component of strategic planning we address in greater detail in the next section.

## Monitor Performance and Allocate Resources

### Select Performance Indicators

For any strategy, leaders must find a way to measure whether or not strategic objectives are being accomplished. The penultimate principle, then, is that planners should **select performance indicators to measure accomplishment of the strategic goals and objectives**. This task can be notoriously difficult when operating in a nonprofit or governmental context, where organizational culture can drive the



inclusion of a large number of indicators in an effort to measure every aspect of performance (Sawhill and Williamson, 2001). In contrast, strategic planning analysts recommend simpler, compact measurement systems that focus on key objectives. They advise developing measures that are easy to collect and communicate (Sawhill and Williamson, 2001).

Scholars have found that the indicators that most improve performance involve measures of efficiency and effectiveness, as opposed to merely counting quantities or expenditures (Pollanen et al., 2017). A plan should, therefore, contain a strategy that lends itself to monitoring achievements and assessing results and effectiveness (Allison and Kaye, 2015). This is consistent with management literature that suggests that successful firms are those that regularly share comparisons between company performance results and goals or planned performance (Upton, Teal, and Felan, 2001). These findings reveal two sides of the same coin: Strategies must be clear enough to be regularly and rigorously evaluated, and performance measures must be established such that they can be used to evaluate the success of a strategic plan fairly and accurately.

Planners should also consider the incentive effects of the selected performance indicators because organizational efforts tend to focus on the concepts that are

measured. It is therefore important to set targets that, when achieved, will be associated with true accomplishment of the plan's goals rather than unintended consequences. When strategies entail tradeoffs, it is helpful to identify indicators that can measure both sides of the tradeoff, e.g., benefits and costs.

In our review of the five plans, we found that none presented specific performance indicators to measure progress toward, or accomplishment of, the strategic goals. We did learn in conversations with OUSD P&R planners that in three of the five plans, supplemental or other internal indicators were developed, although none of them were made public. This lack of publicly declared indicators and targets makes it much harder for external stakeholders to hold the organization accountable for its performance. Indeed, limiting such external accountability (or external interference, depending on one's point of view) may be a reason these leadership teams did not include such indicators and targets in their public plans. Although there may be downsides to granting external actors some ability to hold OUSD P&R accountable, an absence of publicly declared indicators limits the extent to which stated objectives and goals must actually be achieved—much to the detriment of a strategic plan's implementation.

## Develop an Implementing System

Strategic planning is a valuable exercise, but unless an institution knows how to convert text into action, even sophisticated strategic plans risk becoming paperweights. Therefore, institutions should **develop an implementing system that guides activities and resource allocation to support the strategic plan**. Such a system might involve leadership assigning “implementation responsibilities among staff and organizational units appropriately and fairly” (Goldman and Salem, 2015) or promoting resource allocation and ongoing evaluation in alignment with the plan (Uzarski and Broome, 2019). Additional methods for effectively moving from planning to implementation include using budgetary discretion, establishing goals and key performance indicators, and successfully identifying the implementation environment (Rowley and Sherman, 2002). Each of these approaches, among others, allows an organization to move from the formulation of a plan to its concrete implementation.

Several elements are critical to ensuring that the strategic plan actually affects the organization and the performance of its mission. In addition to identifying objectives, it is good practice to identify the parties responsible for each objective and the indicators and targets (including numerical targets and completion dates) that will be used to track progress and accomplishment (Barber, 2015). Specifying the responsible parties and targets enables internal accountability for performance and can help diagnose problems and challenges that require mitigation strategies or a reallocation of resources.

Accountability, especially external accountability, should never be the *only* way a strategic plan is

linked to implementation. Implementation is complex, and it must work in concert with the strategic plan’s priorities. Actions can be aligned to strategic priorities by realigning resources: One of our interviewees quoted an aphorism, “a plan without resources is a mirage.” If a plan identifies strategic priorities yet does not appropriately direct funding toward those priorities, the priorities are unlikely to be achieved. Similarly, if funding is directed toward activities that are not essential to the plan’s goals and objectives, waste and confusion of effort could result. Strategic priorities should thus be brought into alignment with available resources for implementing the OUSD P&R plan and vice versa.

Similarly, organizational structure should be tailored to enact a strategic plan most effectively. On the one hand, it is desirable to have a structure that follows the logic of the plan’s objectives and goals. Such a structure promotes accountability by making senior managers responsible for large portions of the strategic plan. On the other hand, OUSD P&R has been reorganized several times, which can lead to uncertainty and burnout among staff. In this case, it may be more prudent to work within the current structure and use other means, such as accountability mechanisms and resource reallocation, to align efforts with the strategic plan.

Communication can also help align activities and increase staff engagement with the strategic plan. A well-framed plan offers a natural structure to communicate the organization’s accomplishments and challenges both to internal and external stakeholders.

The five OUSD P&R strategic plans we reviewed tended to present concepts briefly and at a high level. For instance, although all of the plans delineated strategic goals, they provided much less detail on the lower levels of the planning pyramid. They tended not to state objectives specifically and in ways linked to the strategic goals. And, none of the plans included key performance indicators and targets for measuring accomplishments.

In one case, the under secretary appeared to stop at the written high-level plan. In the other four cases, the under secretaries and their teams developed implementing systems with varying levels of detail and complexity. These systems tended to remain internal, most importantly including a series of

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Communication can help align activities and increase staff engagement.



objectives, key performance indicators, and targets, all linked to the strategic goals expressed in the high-level plans.

One of the central takeaways from our review of plans and conversations with OUSD P&R planners was that a higher-level, easier-to-develop system is usually a better fit for the organization. The Stanley plan's implementing system has over 200 pages of initiatives, responsible parties, indicators, and targets. The Donovan plan's implementing system has 51 pages with the same types of information. Neither of these elaborate implementing systems was ever put into practice because the position of the under secretary turned over and the new incumbent did not choose to continue the strategic plan or implementing system of his predecessor. As a result, the considerable effort that went into drafting those high-level strategic plans and the detailed implementing systems was largely wasted.

The period of Chu's leadership of OUSD P&R serves as a contrast to these experiences where implementing systems were not put into practice. Chu had a significant advantage of tenure in contrast to the other under secretaries. In the eight years of Chu's leadership, the office took an incremental approach to developing the implementing system over time rather than launching a major effort at the outset. At the heart of the system were quarterly review meetings for each major domain of the plan, to which the service Manpower and Reserve Affairs offices and other DoD stakeholders were invited. These meetings focused the discussion by using briefing charts displaying defined indicators and targets, with a stoplight color coding system to draw attention to indicators that were at, near, or below their targets. For example, one slide in a quarterly review briefing displayed the percentage of enlisted recruits during the current year who possessed at least a high school degree and who scored in the top categories of the Armed Forces Quality Test compared with objectives. According to participants, these quarterly reviews were helpful to identifying obstacles to progress, communicating and coordinating about these obstacles, and proposing solutions, such as new resource allocations and policy changes. Under Chu's leadership, OUSD P&R benefited from more gradual development of the implementing system, and a

much longer period to enjoy its benefits, compared with other leadership periods.

A gradual approach to developing the implementing system also allows productive exploration of alternative indicators and data sources, which can be accumulated over time into a robust monitoring system.

In any planning process, it is tempting to construct a highly detailed implementing system to maximize performance measurement and accountability. However, this level of detail may be inappropriate for OUSD P&R strategic planning. Given the potential for leadership turnover, we posit that it is more suitable for OUSD P&R to identify fewer objectives, indicators, and targets and ensure that they are specific and measurable. Building the implementing system gradually over time, as OUSD P&R did under Chu's leadership, strikes us as the best fit. Other organizations with longer expected leadership tenure may benefit from a more carefully defined and monitored implementing system.

## Lessons for Planning in the Public Sector

This project gave us the opportunity to develop a set of strategic planning principles that can guide public sector organizations. We examined the extent to which these principles were applied in OUSD P&R strategic plans developed between 2001 and 2020 by reviewing the written plans and conducting discussions with the leaders involved. This research has produced a set of lessons that can help public sector organizations in general, and defense human resource management organizations in particular, use strategic planning to increase their organizational impact and efficiency.

In developing strategic plans for public sector organizations, the first steps entail identifying the motivations to engage in the planning process and clearly anchoring the plan in higher-level guiding documents. Ideally, leaders should not just passively accept these documents, but seek opportunities to make sure that relevant topics are represented and integrated with other higher, more strategic priorities.

Developing a strategic plan calls for a system that builds and deploys the organization's capacity

for planning and implementation. In developing the system, leaders should aim to balance two potentially competing views of planning: top-down and bottom-up. The planning system should be grounded in top-down guidance that represents leadership's strategic intent. At the same time, a system that includes opportunities for bottom-up engagement can build the organization's buy-in and capacity for planning.

To have an impact, the strategic plan needs a manageable set of strategic goals, each linked to more-specific objectives that clearly express leadership priorities. Goals and objectives should provide constraining direction to offices and organizational units, which should develop their own plans that support the main plan. Without a suitable degree of direction, there is a risk that offices will fit their pre-existing approaches into a new strategic plan rather than actually being guided by leadership's intent.

A written strategic plan typically contains a high-level expression of strategic intent. The written plan should be complemented with an implementing system that breaks larger strategic goals into more-detailed objectives, assigns responsibilities, and identifies measurable indicators and targets for assessing accomplishment of the plan. The plan and implementing system should represent both process and outcome objectives with clear metrics for success. Especially when leadership turnover is likely, leaders should develop the strategic plan and implementing system quickly and with only a moderate level of detail rather than spending significant time and resources on planning activities that may not have an opportunity for impact.

## **Future Strategic Planning for Defense Human Resource Management**

At the time this report was prepared, a new administration was taking shape, with new leadership taking office in the top positions of DoD. Anticipating a change in leadership, we offer some reflections on how the new administration can undertake strategic planning for defense human resource management. We base these reflections on the lessons summarized

in the preceding section combined with analysis of early policy priorities of the new administration.

It is important for new OUSD P&R leadership to establish a new strategic plan for the organization as a whole and for each of its major elements, following the principles outlined in this report. Among these principles, it is especially important that the plan be anchored to higher-order national security goals and objectives established within the NSS or NDS.

Currently, an Interim National Security Strategic Guidance document exists, which serves as a precursor to an NSS under development; however, like earlier high-level guidance documents, it contains little discussion of defense human resource management beyond broad mention of the need to “invest in the people who serve in our all-volunteer force and their families [and] sustain readiness and . . . remain the best trained and equipped force in the world” (Biden, 2021, p. 14). In addition, this document calls for investment in the national security workforce and commitment to workforce diversity (pp. 14, 21). Although these broad issues provide some helpful guidance in anchoring a comprehensive OUSD P&R strategic plan, given the general nature of an NSS, we should not expect the forthcoming NSS to offer further guidance that could shape a defense human resource management strategic plan.

Previous administrations had the benefit of QDRs to inform development of OUSD P&R's strategic plan. Some of them, such as the 2006 and 2010 QDRs, contained detailed discussions of policy issues centrally related to OUSD P&R's mission areas. However, the QDR ceased being produced after 2014 and therefore will not be a source of guidance for the new administration. It falls on the existing 2018 NDS (Mattis, 2018) and the one to replace it in 2022 to provide such anchoring.

To provide anchors for future OUSD P&R strategic plans, the new NDS could explicitly feature a discussion of defense human resource management policy priorities that could cascade into the OUSD P&R strategic plan. The current 2018 NDS lacks these explicit anchors. The current NDS calls for “lethality” as an all-encompassing national security goal (Mattis, 2018). Nearly all of OUSD P&R's activities are seen as somehow related to lethality, but because lethality is unmeasurable as an outcome of

the NDS, the success or failure of OUSD P&R human resource policy initiatives cannot be demonstrated. NDS goals such as “cultivate workforce talent” appear as an afterthought (Mattis, 2018). As a result, OUSD P&R has little room to contribute visibly to the achievement of NDS goals and objectives, and hence OUSD P&R is vulnerable to criticisms of its relevance and use of resources.

Therefore, a key priority for OUSD P&R leadership should be to engage in the development of the next NDS, including proposing language which can act as an anchor for more detailed policy planning within the defense human resource management community. For example, OUSD P&R leadership could seek to embed its core mission areas as elements of the NDS. With today’s force, a core mission of OUSD P&R could be stated as “sustaining an all-volunteer total force of high-quality active and reserve military forces, civilians, and contractors that can fulfill both legacy and emerging requirements.” A statement such as this, if included as a requirement for achieving companion NDS goals and objectives, would provide a solid anchor for OUSD P&R.

Furthermore, because such a statement provides important anchoring for all defense human resource

policies and activities, including it in the NDS could help empower OUSD P&R to serve as DoD’s agent for *strategic defense human resource management* across the entire DoD enterprise. As human capital is fundamental to the achievement of organizational goals, it follows logically that top-level strategic guidance should emphasize the primacy of the strategic defense human resource management mission.

The top-level guidance would provide the foundation for OUSD P&R to establish supporting goals and objectives, which would further cascade from this statement into more-specific strategic goals and objectives for each major element in the organization. In principle, they can flow to the lowest level of the organization and be linked to performance plans for individuals responsible for executing the organization’s missions. Similarly, a well-anchored OUSD P&R strategic plan would provide important guidance to service secretariats and commands responsible for human resource management throughout DoD.

In addition to matters related to strategic human resource management, readiness and health of the force are mission responsibilities of OUSD P&R. Either or both missions could be included and dis-



cussed within a new NDS. Statements about these missions would allow OUSD P&R to anchor specific strategic goals and objectives more comprehensively for all of its major mission areas.

Early signs indicate that the new top leadership in DoD could be receptive to elevating and focusing high-level attention on OUSD P&R issues. The new Secretary of Defense, Lloyd Austin, issued a March 2021 memo entitled “Message to the Force,” which identifies “take care of our people” as one of three priorities to guide DoD’s efforts (Austin, 2021). This priority in turn identifies three subordinate priorities, “grow our talent,” “build resilience and readiness,” and “ensure accountable leadership,” and each priority mentions additional related policy issues. All three of these priorities connect directly to traditional OUSD P&R mission areas.

DoD has established a new governance structure under the oversight of the Deputy Secretary of Defense for advancing these priorities. Notably, it establishes a new governance body, the Deputy’s Workforce Council (DWC) to “address the Department’s people management, personnel policy, and total force requirements” (Hicks, 2021). The memo announcing these changes specifically mentions topics to be addressed by the DWC, such as sexual assault prevention and response; transgender issues; diversity, equity, and inclusion; workforce development and talent management; professional military education; and leveraging technology in support of workforce goals. The DWC is co-chaired by the Deputy Secretary and the Vice Chairman of the Joint Chiefs of Staff. This structure elevates these issues to a higher level of oversight than the other management actions affecting the defense enterprise discussed in this report.

Additionally, examination of the new Defense Secretary’s Advance Policy Questions, provided for his Senate confirmation hearing, identify policy matters and initial assessments related to defense human resource management and other matters within OUSD P&R’s purview. Topics addressed include readiness impacts of extreme weather, sexual assault prevention and response, active and reserve component end strength, recruiting and retention, diversity and inclusion, assignment policies for women, religious accommodation, military

quality of life and family readiness, nondeployable service members, military health system reform, suicide prevention, the DoD civilian workforce, and general and flag officer management.

Taken together, the topics identified in these documents differ in breadth and specificity and likely constitute too many topic areas to serve as independent goals or objectives in an NDS or OUSD P&R strategic plan. As we explain earlier in this report, strong strategic plans ought to frame a manageable number of high-level strategic goals. Each goal should be supported by a similarly modest number of concrete and constraining objectives.

New OUSD P&R leadership can frame and prioritize strategic goals that span OUSD P&R’s mission and then organize the more-detailed policy issues into objectives that are logically nested within the higher-level goals. We offer some examples of strategic goals, supported by objectives, which follow the principles outlined in this report and respond to priorities of the new administration (see the box, “Examples of Strategic Goals and Linked Objectives to Consider in Future OUSD P&R Strategic Plans”). These goals and objectives can be supported with a more extensive and detailed implementing system, preferably developed incrementally over time.

Organizing strategic goals and objectives in the simplest hierarchical fashion possible can help improve strategic planning and potentially suggest changes to organizational structure that both enhance implementation and provide more cohesive management of policy issues that cut across existing organizations. For example, we place matters related to diversity, equity, and inclusion under total force management to align them with talent management rather than with readiness (as was typical in previous plans). Similarly, in contrast to previous plans, we place matters related to military family quality of life, sexual assault and harassment, and suicide prevention together because they are closely aligned with each other and fit under the broader personnel readiness strategic goal.

In this report, we have provided a great deal of formal guidance that OUSD P&R and other defense human resource management organizations can use to develop their strategic planning systems. Practical realities, however, mean that turbulence and lead-

## Examples of Strategic Goals and Linked Objectives to Consider in Future OUSD P&R Strategic Plans

STRATEGIC GOAL: Manage and sustain the All-Volunteer Total Force to meet current and emerging DoD requirements.

### OBJECTIVES:

- Adopt an integrated talent management framework for active and reserve military and civilian personnel that enhances permeability across the force.
- Develop and enhance use of advanced technologies and tools, including artificial intelligence and machine learning, for microtargeting the recruiting market and for recruitment management.
- Enhance geographic and demographic diversity among recruits and recruiters.
- Develop and implement improved measures of *high quality* that enhance the pipeline of youth qualified for military service.
- Identify additional compensation flexibilities that better achieve retention goals while reducing payments that are not effective in changing service members' retention decisions.
- Enhance gender and racial representation among senior military ranks through mentoring programs and innovative personnel policies.

STRATEGIC GOAL: Promote and maintain personnel readiness.

### OBJECTIVES:

- Adopt a focus on required outcomes throughout the military education and training enterprise, and coordinate education more closely with talent management.
- Promote family readiness and quality of life through more systematic evaluation of costs and effectiveness of programs and services.
- Update sexual assault prevention programs to focus more intensively on sexual harassment and address all forms of sexual assault, and implement evidence-based practices, comprehensive planning, and continuous evaluation of these prevention programs.
- Identify additional approaches to reduce access to means for individuals at risk for suicide, especially with respect to firearms.
- Identify the prevalence of extremist groups and ideologies within the ranks and their effects on individual well-being, performance, morale, and readiness.

ership turnover may frequently interfere with the deliberate application of these principles. Policymakers should anticipate that an elaborate, lengthy planning process is likely to be derailed. Instead, leaders should remain agile. Quickly developing a concise, high-level strategic plan that follows these principles will allow the greatest opportunity to implement the plan and refine it over time.

In conclusion, our review of previous strategic plans and key principles for improving them provides a foundation for future planning that is applicable to defense human resource management. Although

much of this discussion is directed to OUSD P&R as an organization, the principles apply more broadly to other DoD organizations, such as service secretariats and commands responsible for human resource management. These offices can anchor their strategic plans to the OUSD P&R plan and higher-level service plans and other relevant Office of the Secretary of Defense plans. These principles may also be helpful in guiding organizations in other federal departments that are responsible for human capital management and in public sector organizations of all kinds.

## Project Methods

### Developing Principles for Strategic Planning

As mentioned in the introduction, we combined insights from several sources, including both first-hand experience and review of published literature, to develop a set of principles for strategic planning in public sector organizations. Because DoD is a public sector organization, we assume that these principles apply to planning in DoD. Also, two of us have personal experience developing and guiding strategic planning efforts in a variety of organizations, which we assume are applicable. Over the past three decades, Goldman has helped organizations—especially in higher education—develop formal strategic plans. Insights from that experience are documented in Goldman and Salem, 2015, which we reviewed at the start of this project. Winkler was a member of Chu’s team in OUSD P&R and a participant in the planning systems of that era. He also has spent his research career observing and advising the activities in the defense human resource domain that generated lessons for strategic planning in that domain.

We organized an initial set of principles using the insights reported in Goldman and Salem, 2015. We then expanded and refined these principles by reviewing literature related to management and strategic planning in business, nonprofit, and government organizations, including DoD. Literature sources included academic journal articles and topical popular publications and books from scholars and practitioners in the field of strategic planning and implementation. We identified sources using searches for terms we assumed to be relevant (such as “key performance indicators,” “strategic priorities,” “stakeholders,” and “strategic planning”) in search engines such as JSTOR, Google Scholar, and RAND databases. We focused our search between 2000 and 2021, with a handful of earlier citations related to specific points.

Following the literature review, we prepared an updated list of principles that reflect insights from our review. We determined that nine principles (shown in the next section) relate mostly to content

that can be found in written plans, while others relate mostly to the implementing system and are not typically documented in written plans. Using the methods we describe next, we assessed the written strategic plans according to these nine principles. In the course of that assessment, we made clarifications in the phrasing of the principles but did not change the intent of them.

We also used the principles, including early versions of principles primarily related to the implementing system, to guide our interviews, which are also described in the next section. Following the interviews, we analyzed the responses and formulated four specific principles that relate to the implementing system (shown in the last section of this appendix).

### Assessing Written Strategic Plans

For the nine principles that primarily apply to written documents, we developed a formal rubric to assess the alignment of each written plan with the principles. Specifically, we prepared a three-step grading rubric that helps codify the various strengths and weaknesses of a given plan, as shown in Table A.1. Each principle is evaluated for its presence or absence, and then, if present within a plan, for its quality. The three steps used in the rubric are as follows:

- **Absent (0).** The planning document gives no indication that the principle has been included or considered.
- **Present (1).** The principle is included in the planning document, but only at a simple level. There is minimal connection to higher-level guidance or consideration of the implications of, say, a given environmental context or set of priorities.
- **Robust (2).** The principle is included and provides meaningful connection to higher-level guidance. Additionally, its use includes detailed consideration of the implications a given topic has for personnel and readiness and the advancement of a specific strategy.

The rubric provides a narrative guide to assigning the ratings. Each of the three authors independently applied the rubric to each written OUSD P&R plan.

TABLE A.1

## Rubric for Assessing Written Strategic Plan Quality

Principle	0 Absent	1 Present	2 Robust
Define Business of Organization—Explicitly naming the institution's primary mission	No explicit mission statement or other definition of core business	Mission statement; basic description of mission	+ Vision statement or other broader vision; more sophisticated description of mission
Anchoring—Grounding the institution's primary mission in broader national security objectives	Most themes from higher strategy documents are absent	Most themes from higher strategy documents are incorporated, though only in general terms	Most themes from higher strategy documents are incorporated, reflect specific guidance, and build on anchoring text
Internal Operating Environment—The relevant institutional structures, cultures, and individuals within the organization shaping possibilities for action	No explicit discussion of internal operating environment	Short but insightful discussion, typically rather general and not clearly linked to goals/objectives	Longer/deeper discussion with clear relevance to goals/objectives
External Operating Environment—The political, foreign military, cultural, and other relevant forces shaping the activities of, and possibilities for, a given institution	No explicit discussion of external operating environment	Short but insightful discussion, typically rather general and not clearly linked to goals/objectives	Longer/deeper discussion with clear relevance to goals/objectives
Stakeholders—The primary individuals with a vested interest in, and influence over, institutional strategy and its execution	No explicit discussion of stakeholders or roles	Explicit list of stakeholders, possibly partial	+ Thorough list of stakeholders; discussion of roles for stakeholders
Define Goals and Objectives—Explicitly naming the primary goals and objectives the institution will pursue	No strategic goals (higher level) or objectives (lower level) listed	Strategic goals (higher) or objectives (lower) listed but not both or both goals and objectives listed with no logical linkages between them	Both strategic goals (higher) and objectives (lower) listed with logical linkages between strategic goals and objectives
Constraining Goals and Objectives—Goals and objectives identified with enough specificity to limit broad interpretation and drive particular courses of action by those tasked with implementation	No strategic goals (higher) or objectives (lower) listed or goals/objectives provide minimal constraint/direction to middle-level managers (evaluate at lowest level present: goals or objectives)	Goals/objectives provide some constraint/direction to middle-level managers (evaluate at lowest level present: goals or objectives)	Goals/objectives provide significant constraint/direction to middle-level managers (evaluate at lowest level present: goals or objectives)
Process/Outcome Balance—An even distribution of emphasis on desired outcomes and how they will be achieved	No strategic goals (higher) or objectives (lower) listed or nearly all goals/objectives are coded as either process or outcome (evaluate at lowest level present: goals or objectives)	At least a few goals/objectives are coded as process and a few coded as outcome (evaluate at lowest level present: goals or objectives)	Balance between process and outcome codes is within 1/3–2/3 (evaluate at lowest level present: goals or objectives)
Performance Indicators—Measures that help determine whether stated goals and objectives are being achieved	No specific performance indicators included	Some specific indicators included, preferably with numerical targets	Multiple specific indicators included, most with numerical targets, ideally linked to strategic goals or objectives

NOTE: + indicates that the conditions in the previous column are satisfied in addition to those stated.

We then compared our ratings and discussed any differences to come to a consensus. Using our combined analysis, we drafted the findings in this report qualitatively.

For some principles, we took additional steps aside from simply applying the rubric to the plan text as a whole. Specifically, for the anchoring principle, each member of the study team extracted passages from the guiding documents that we found represented priorities relevant to OUSD P&R's mission areas, and then we came to a consensus on which priorities to include in our review. Against this combined set of priorities, each member of the study team independently assessed the degree to which the plan document addressed each priority. We then reviewed each other's work, came to a consensus, and combined the individual priority-level assessments into an overall plan assessment.

In a similar fashion, for the process/outcome balance principle, each member of the study team rated each of the plan's goals in terms of whether it addressed processes, outcomes, or both. We then took a combined view of these goal-level ratings to select the rating for the plan as a whole, discussed the ratings, and came to a consensus.

In addition to providing this rubric to document our process, we reproduce it here so that organizational leaders can apply this rubric to their own strategic planning documents to conduct a self-assessment of how well their plans align to the principles articulated in this report.

## Assessing Implementing Systems

As we mentioned earlier, four principles related to the implementing system and were mostly not included in the written plan documents:

- Articulate the specific motivations for developing a strategic plan.
- Institute a clear and formal process that balances top-down guidance with bottom-up engagement.
- Build capacity for planning.
- Develop an implementing system to guide activities and resource allocations that support the strategic plan.

We assessed how well each planning process aligned with these principles by analyzing information we obtained from the interviews (using the guide reproduced at the end of this section) and additional, nonpublic documents from their implementing systems that respondents provided or described to us. We conducted this analysis through independent review of the interview notes and the provided documents, followed by a discussion to reach consensus.

To support this analysis, we interviewed the former under secretaries or senior members of their staffs to learn more about the process used to develop the strategic plan and its implementing system. We conducted each interview for about an hour and agreed not to attribute remarks to the respondent. In several cases, respondents offered us additional documents or other follow-ups by email. We took written notes on each interview and discussed the contents as a team. We used information from the interviews to refine the expressions of the principles and to identify examples that we use in this report to illustrate the application of the principles.

We reproduce our interview questions here. Note that in this protocol, P&R is the shortened form of OUSD P&R.

1. How were you involved in developing the strategic plan for P&R? Who were the other primary people involved?
2. What was the process like for developing the plan document?
  - If you recall, about how long did it take?
  - Did you reference guiding documents like the NSS, NDS, and QDR?
  - How were the priorities and draft text produced?
  - Did you use contractor support?
  - Was there a systematic review and comment process on a draft(s)? By whom?
3. Did you refer to previous P&R strategic plans?
4. How did you balance top-down leadership guidance with bottom-up input from mission areas?
  - Were there conflicts between these perspectives? How did you resolve them?
5. Who did you see as the important stakeholders for your strategic plan?



- (If not mentioned already) did you involve any stakeholders outside P&R in developing or reviewing the plan?
6. Was the core mission of P&R clear before you started the planning process or did you seek to refine it within the process? How?
    - Did you write/rewrite a mission and vision statement?
  7. Did you see the external environment or issues internal to P&R as most significant in crafting the plan? How did you respond to those?
  8. Did you see the plan as providing highly structured guidance to the offices within P&R or a more general sense of priorities that they could interpret?
    - How did you balance these possibly competing styles of planning?
    - How did the offices respond to the plan? Did they implement the priorities?
  9. Did you have other processes related to planning and performance measurement, such as tracking of performance indicators, that operated in addition to the written strategic plan document?
    - How were these implemented?
    - Who was involved?
    - Are there examples available that we could consult, even if we don't cite them explicitly?
  10. How would you assess the general capacity of P&R to conduct strategic planning during your time?
    - Did you make any efforts to build this capacity? How?
  11. If you were doing this again, would you do anything differently?
    - What is a good cycle length for follow up, reporting, and revision of the plan?

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Although leaders of many public and private organizations appreciate the value of strategic planning in guiding their work, they wrestle with the principles that they should use to guide a planning process and the methods that they should apply to document and implement the resulting strategic plans. This report describes the results of research that aimed to help leaders of public sector organizations of all kinds—and particularly those charged with the management of defense human resources—to identify and apply sound principles for their strategic planning. The researchers identified a set of principles relevant to public sector organizations engaged in strategic planning and assessed the degree to which the principles have been applied in strategic planning activities for the Office of the Under Secretary of Defense for Personnel and Readiness between 2001 and 2020.

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