



*The 18<sup>th</sup> International Scientific Conference*  
**“DEFENSE RESOURCES MANAGEMENT  
IN THE 21<sup>st</sup> CENTURY”**  
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## **CHALLENGES OF NATIONAL DEFENSE RESOURCES MANAGEMENT**

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***Abstract:***

Defense resources management is a very difficult field to deal with especially in today's geopolitical environment. Although this specific sort of management is performed during the peace time the parties involved must comprehend it as if it was under war conditions. Through this paper I want to emphasize the fact that there is no management that is perfect but, nevertheless, management must be done. Also, the inability to produce viable war plans that could be integrated with other countries' plans raises the sensitive issue regarding the acknowledgment that some of the current planning methods need to be revised. Last but not least, another question is raised, namely what exactly could ever be accomplished without the involvement of the political factor and to what extent their involvement should be.

*Keywords: defense resources management; cost awareness mentality; technological progress; decision making process.*

### **Introduction**

Defense resource management is primarily concerned with the proper and efficient use of resources so that the decision makers achieve their projected outcomes. Since all the resources in the public sector, thus in military, is supplied by the taxpayers, it is expected that they would want to have a word regarding the results that they are expecting and the processes through which these results are achieved. Of course, there are certain limits to how the public society can involve in the overall process of managing public resources, but the democratic countries representatives are elected to assume responsibility in managing these resources for them.

Defense expenditure should be done in a transparent manner especially when you are a part of a collective defense organization or a part of a regional coalition. In a real democratic regime civil authorities must oversee the execution of all defense objectives and have a genuinely transparent control over the resources management.

Since defense resources management is a sensitive topic, it always requires a special treatment and a certain level of confidentiality. This issue already poses the first major challenge in managing the defense resources because there will always be different opinions on who should decide what is confidential and what it is not. After all we talk about public finances. Defense planning is inherently political so this task should fall into the responsibility of the political structures which through the legislation they should determine the extent of acceptable confidentiality.

The aim of this paper is to raise the issue of some defense resource management challenges faced by the authorities responsible with the planning, organizing, coordinating and monitoring the allocated resources in defense sector. Through this paper I will not try to identify all the challenges but rather the most conspicuous ones that could be faced by the middle and high defense management.



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## **1. Defense resources management**

### **1.1 Definitions**

“The question that emerges when first encountering the concept of defense resources management is *Why approach defense resources management as long as there is already the well-defined concept of management?* [...] Thus, the first to use it was the North American public management system as a result of the differences between the increasing requests for resources on behalf of the military system and the responsibility of civil governmental authorities to meet these and their willingness to do so under constraints such as: the amount of resources could be reasonably assured and the arguments underpinning the requests were clear and transparent. These clear-cut limitations were actually the result of overlapping missions of the armed forces services that led to requests for resources that served similar goals but for different entities. [...] Hence, the concept of *defense resources management* initially referred to defense expenditures.”<sup>4</sup>

The first time this kind of management was brought to the public attention in the US in the 1960s by Robert S. McNamara, former president of Ford, US Secretary of Defense and Chairman of the World Bank. In his trying to present this topic he identified the following issues within the armed forces services:

- “The lack of planning, organization, execution and control on short and medium term;
- The shortage of instruments to evaluate the accomplishment of goals as compared with the resources allocated and with the ones employed;
- The absence of a clear correlation between strategic analyses, resource allocation and defense budget elaboration;
- Rivalries among services generated by inequitable and subjective allocation of resources;
- The lack of a joint analytical grounding of resource allocation on behalf of all services;
- The absence of a unique plan in the field of defense planning on behalf of the State Secretary that should have framed an integrated vision on national security, priorities and inherent resources;
- The lack of unique budgeting for all services and hence the faulty perception that the budget was merely an instrument for financial management and not a management instrument that needs to identify priorities and balance resource allocation;
- The lack of a forecast for multiannual expenditures since budgeting was a yearly endeavor;
- The shortage of estimates on the expenditures generated by using armament during its whole life cycle.”<sup>5</sup>

These were the milestones in which the political and military leaders had to find a way to draft resource requirements in such a way that the newly built capabilities were large and flexible enough to cope with any unpredictable crisis and, also, the planned activities responded to the challenges imposed by an increasingly instable security environment.

After the paramount necessities for the defense sector were defined the matter of *how much is enough* had to be addressed. The only reference in budgeting came from the private sector and what it was left to do was finding a way to adapt the civilian methods so that you have an ideal

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<sup>4</sup> Instruments of defense resources optimization. defense resources management and performance management, Florin-Eduard GROSARU, pg. 127.

<sup>5</sup> Instruments of defense resources optimization. defense resources management and performance management, Florin-Eduard GROSARU, pg. 129.



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resources allocation to the military and in this way increasing the efficiency and effectiveness of the defense sector. This way it appeared the syntagm of *defense resources management*.

The Military Lexicon defines it as “the sum of means available at a given moment to meet the needs triggered by military actions”<sup>6</sup>. This concept explanation is almost similar to the one presented by the Romanian legislation regarding the National Defense which defined the defense resources management as “the sum of human, material, financial, and other resources assured and employed by the state with a view to supporting the defense of the country”.<sup>7</sup>

The Romanian approach of this definition was given in April 1994 by the Romanian Supreme Council of National Defense and states that “the defense resources management is the capacity and possibility on behalf of the Romania to defend and promote its fundamental national interests”.<sup>8</sup>

The gist of all these definitions is none other than defining the role of the state as the responsible part to provide the defense sector with the possibilities that in turn, the defense sector could provide the country’s security and the fulfilment of the engagement taken to the strategic alliances that the country is a part of.

There are many definitions given to the defense resources management, varying from simple to more complex ones depending on the approach. Another definition is given by W. Hinkle and V. Gordon who defined the resource management as “a complex process consisting in interrelated activities and that begins with the delineation of medium and long-term objectives, continues with outlining plans aimed at reaching these, with budget allocation for the aforementioned plans, with their implementation and ends with feedback and plan review.”<sup>9</sup>

A last definition presented here is the one offered by Mirela Puşcaşu who defines the defense resources management as “the sum of activities, skills, abilities, experience, competence and masterly endeavors to conceive, implement, correlate, coordinate and lead the process or processes meant to identify, evaluate, allocate and efficiently use human, material, financial, technological, information, cultural and other resources needed to generate and regenerate the forces, means and activities required to continuously optimize the national, European and international environment, as well as to put the concepts of security and defense into practice.”<sup>10</sup>

## **1.2. The role of the defense resources management**

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<sup>6</sup> Soare, C., Valentin, ARSENIE, Traian, BARBU, Constantin, ONIŞOR (1994) Lexicon militar, 2nd edition, reviewed, Chişinău: Saka, p. 281

<sup>7</sup> Law no. 45/1994 on the National Defense of Romania, published in the Official Monitor , part I, no. 172, 7 July 1994, with subsequent changes and additions, art. 14.

<sup>8</sup> The Integrated Concept on Romanian National Security, approved by Supreme Council of National Defense in April 1994, subchapter 4.3.

<sup>9</sup> Vance C., Gordon, Wade P. Hinkle, Best Practices in Defense Resource Management, Document D-4137, Institute for Defense Analyses, January 2011, USA, pg. 2.

<sup>10</sup> Puşcaşu, M. (2009) National Defense and Defense Resources Management, Bucureşti: “Carol I” Publishing House, pg. 46.



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To properly define the role of the defense resources management one must answer the question of what this kind of management is needed for? Firstly, is needed for the resources planning, thus avoiding the situations in which the resources are allocated arbitrarily or in regard to the influence that a certain decision maker may have.

Secondly, since the military spends public money, this kind of management has the benefit of consolidating the communication with the political leaders, military planners and none the less the citizens who sustain this defense effort.

Thirdly, any decision making regarding the national defense must be done in such a manner that it will serve the national interest and this kind of management helps decision makers to formulate their objectives taking into consideration the available resources and the surrounding environment forcing them to adjust these objectives until the final costs are calculated.

Last but not the least, defense resources management helps the decision makers and planners to avoid the procurement surpluses or deficits, offering them a certain predictability.

## **2. Challenges of national defense resources management**

### **1. Financial resource management**

“To carry out war three things are necessary: money, money, and yet more money!”<sup>11</sup>

Resource management, mostly financial resources management is a continuous analysis of the commanders’ goals and objectives in order to identify and ensure that they have the necessary money to achieve those desired end states. Resource managers on all levels should always be involved in resource planning so that they succeed in setting up the required capabilities. This involvement is mostly necessary when the acquisition of some armament systems or setting up some new structures are done at joint level and requirements can be changed very quickly. When sharing the financial resources, we must think in an integrated way so that we don’t end up entrenching the services. Too often the service commanders fail to make the difference between the personal success and mission success. The mission is none other than defending the country and raising to the expectations of the alliance you are a part of.

A faulty financial management has serious implications the worst of which being the force readiness gap between the assumed objectives and the current status. Financial management doesn’t mean only matching figures and having a zero balance. “Good financial management runs deeper than the ability to develop accurate financial records. It is being able to provide managers with clear visibility and control over inventories, being able to accurately project material needs, and being able to effectively balance scarce resources with critical needs. In short, effective financial management is essential to ensuring that the defense sector’s resources are productively employed in meeting our nation’s defense objectives.”<sup>12</sup>

One of the main challenges encountered in financial resource management is the fact that we do not always ensure the proper identifying of future costs. The pitfall here is that, willingly or not, resource planners fail to report huge amount of money in potential future liabilities. Most of these costs relate to the future costs regarding the maintenance of a piece of equipment, updating and upgrading of a high-tech weapon system, legal obligations and even environmental issues related to trainings. All too often we see major acquisition programs that on a first glance they seem to be very cost effective but in reality, the incremental costs are higher than expected. We acquire rocket systems and with no regards to costs all that the planners are interested in is the range, which, yes it

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<sup>11</sup> Marshal Gian Giacomo Trivulzio to Louis XII of France in 1499.

<sup>12</sup> Financial Management-challenges facing the DoD in meeting the goals of the Chief Financial Officer Act, pg. 1



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could be fantastic, but launching a single rocket could lead up to two million dollars in expenditures. What will happen when the current rocket model is not produced anymore, and we need to buy an updated version? More money spent on a capability that drains our defense budget and actually we keep it in hangars.

A possible solution to this is to properly identify the level of ambition and make decisions based on a Life Cycle Cost Analysis not on biases or influences of any nature.

Another challenge regarding financial management is somehow related to the one above, namely the inability of the defense system in protecting itself from fraud, waste, and abuse. Fraud is not always intentional, and it can take many forms due to the resource planners and managers' cognitive biases, faulty perception of the risks, faulty assumptions, incompetence or even corruption. You invest billions of dollars in a state-of-the-art armament system, but the computers needed for the campaign network are acquired “off the shelf” because there is no money left to spend. This makes it impossible the integration of that weapon system with the allies' systems on a real situation. Moreover, the maintenance requirements of some assets are either overstated or understated. This leads to additional costs the in turn leads to additional money needed and more explanations to the civilian society.

One solution here is to properly assess the requirements for a specific capability and match the limited amount of financial resources to those requirements. Also, another solution is to provide the decision makers, especially the political ones, with reliable cost information throughout the life cycle of that piece of equipment. “Problems appear when politics interfere with the management process itself. When political representatives are experienced in the military field, their involvement is of good influence. They understand and know how to read the directions for the future military development and, also, how much investment that means. If one has to come to terms with decision responsible people but without any military education, training or involvement, it surely is going to be more difficult to let them understand what the real challenges are to the military and, accordingly, the necessary resources.”<sup>13</sup>

A last challenge I want to address is related to the consolidation of the finance and accounting systems. Today in the military we work with too many payment systems and spreadsheets. Different accounting programs in different branches, different interpretation and applying of the same law in different structures, transportation, contractors, civilian payments, pensions payment, etc., lead to many disturbances in managing the financial resources. Today, financial management systems could hardly be relied upon to provide the decision makers with accurate financial information. A solution would be the improvement of the financial management system through the assessment of numbers and the skill level required for the work force in this field and the counselling provided by the public or private civilian sector or even the other countries' defense sectors.

“In addition, DOD needs to pursue short-term actions to improve the quality and reliability of the data in its current financial systems, such as (1) following and enforcing current accounting policies and procedures, (2) reviewing and analyzing its monthly reports to identify inaccuracies, and (3) taking action to correct the problems identified. These actions are not new or revolutionary, but rather fundamental internal control procedures.”<sup>14</sup>

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<sup>13</sup> Iulian N. BUJOREANU Romanian defense resources management under crisis conditions, Regional Department of Defense Resources Management Studies, Journal of Defense Resources Management No. 1 (1) / 2010, pg. 67.

<sup>14</sup> Financial Management-Challenges facing the DoD in meeting the goals of the Chief Financial Officer Act, pg. 12.



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**2. What should the defense sector do for itself and what should it outsource to others?**

Defense industry plays a key role in any democratic society. Nevertheless, there is no country in the world, not even North Korea that can develop and produce all the necessary goods services for the armed forces. Many countries, including NATO members have shifted their focus from the public defense industry to the private defense sector to produce certain parts or the entire assets. This was mainly because of the belief that work on a competitive environment, and this could be more efficient for the defense expenditures. But what about the situation in which a certain defense producer has monopoly? Is then the acquisition price for a certain asset determined by negotiations or by the market that... has only one producer of that item? That could lead to the pitfall of buying with no regards to the price or life cycle cost. In this new paradigm the military is no longer a producer but a consumer of technology. In the outsourcing of the defense industry, one must accept that in this game there will be both state and non-state actors involved. If the state is directly interested in territorial security and integrity and its people's welfare, the nonstate actors are solely interested in nothing else but the profit.

“A basic understanding of the resource management challenges is pertinent to understand why organizations (especially the military) outsource.”<sup>15</sup> So, the real challenge here is to identify as soon as possible exactly what you can do and what you must outsource. Lack of timely decisions, cognitive biases, faulty perceptions of the security risks, could hinder the process of setting up a capability needed in a certain amount of time on a specific place. Also, because of prejudice, cultural mindset, or lack of vision on long term you may end up acquiring other's used assets only to meet the requirements imposed by the policies of a security organization that you are a part of. If you lose the momentum of making sound decision you will find yourself facing the situation in which you will outsource to the national providers only the catering and cleaning services and an important amount of the budget would go abroad supporting other economies. It is a mistake to believe that a piece of equipment would be more reliable only because it comes from an outer source.

Governments should prioritize properly what they are willing to allocate to research and development and what it should be outsourced because the outsourcing poses yet another challenge, namely not to select the right suppliers. External suppliers could lead to increase costs regarding the maintenance and operating of the acquired equipment and that could lead to the unfortunate situation of having just a helicopter in a hangar rather than a capability.

To meet its role as a safe guardian of the national security, the government and military decision makers should not always look to the western countries' solutions. They do not always work. Actually, most of the time they don't. As a part of a defensive coalition, we are committed to share the burden of collective defense but at the same time we must set a strong and viable policy framework for a fully understanding of priorities and costs.

The bottom line in the matter of what or how much the defense sector should outsource is that a line should be drawn regarding the placement of a lethal force to a contractor. Also, the decision to outsource rather than investing in research and development requires the confidence that an external party will provide a more effective and efficient service than you could have on national level. Decision makers in the end have to relentlessly quest to find the best value for money and they have to acknowledge that they acquire not an asset but an effect on a target.

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<sup>15</sup> Michaeline Bhembe, Exploring the resource management challenges that prompted the South African military health services to outsource healthcare, Stellenbosch University, pg. 28.



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**3. Including of technological progress into the defense system**

“Military technologies have changed dramatically over recent decades. This is especially evident in the increasing emphasis placed on the use of information technologies and networking but also on weapons systems with increased speed, stealth, precision and lethality. To the extent that militaries attempt to capitalize on these technologies, they will necessarily transform the way they operate, the way they are organized and the way they are manned.”<sup>16</sup>

If forty years ago research and development especially in the western countries was a task of the military, today it is no longer the case since the technological advance is mostly driven by the civilian private sector. As stated above, military is no longer a producer but a consumer of technology. This increased focus on research and development raises the necessity of a strategy of how the military and the entire defense sector can take advantage of technological opportunities that may arise in the civilian context. The overwhelming speed of technological progress forces the military to find a strategy for agility and resilience that would allow it to adapt rapidly to the changing environment.

To address this challenge the decision makers should allocate time and resources, especially financial ones to identifying and tracking the newest affordable technology that could be incorporated into the military. The defense planners must come with sound and reasonable arguments to the political side of the game so that their procurement plans are approved and funded. Sometimes the proverbial 33 % of the budget allocated for infrastructure and acquisition might not be enough to cope with the security challenges especially in today’s environment when a major country has chosen to approach the matter of war in a rather archaically manner. We must accept the realities and acknowledge that some of the inherited ways of planning and budgeting need to be revised.

The second biggest challenge after identifying and tracking the available technology is the high almost prohibitive price of the newest equipment. This is mainly because the high tech relies on electronics. Also, besides the price, the electronics pose yet another difficult problem in regard to the military requirements since they have a relatively low life cycle, and the production is limited in time. Sometimes, due to the rapid technological development, that piece of kit or an entire asset should be disposed after just a number of only three to four years which is far less than a medium term for defense planning.

A solution to this matter could be a method of thought in an integrated way. As a part of a strategic alliance besides the capabilities that are necessary for the national defense there should also be several assets whose costs should be divided among the parties who are in need. We all should pay for it and place where is needed the most. For example, instead of each member country buying fighter jets that are depleting very fast the budgets only maintaining them, a certain number of countries that have a larger border with a probable aggressor should be endowed with these joint capabilities that are for common use not of a particular country. Otherwise, you might end up setting a very expensive air capability and use it only for air police. This is too costly and totally inefficient! On the other hand, a joint structure of this kind implies many interdependencies that could very fast lead to a series of vulnerabilities which in turn could and will be speculated by the enemy.

Another challenge regarding the inclusion of the technological progress in the military is the updating and upgrading of the equipment. The process of updating and upgrading the equipment can be significantly disruptive for the system as a whole. For example, the updating of MLRS

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<sup>16</sup> Hari Bucur-Marcu, Philipp Fluri, Todor Tagarev, eds. Defence Management: An Introduction, pg. 133.



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(Multiple Launch Rocket System) can take that artillery system “out of the game” as long as one year or even more. Can we afford this considering the incredible amount of resources invested in it? Probably not. And for the time length that artillery system is “benched” what other capability could deliver the same effect on the target? A solution could be the management of the upgrading in small tactical units as a section (platoon) or battery (company). The problem with this approach is that, as we can see in the last period of time, high tech equipment as HIMARS (High Mobility Artillery Rocket System) makes it almost impossible to operate only with one or two batteries since the computer algorithms from the Command Post chose almost instantly which section or battery should engage the target. Having one or two microstructures missing it could hinder the program and most probably it will self-protect by not launching any rockets at all.

Another solution to this issue of upgrading/ updating could be the development of an arrangement with a contractor that could execute the maintenance, upgrading and updating of the system whenever necessary not only in the warranty period. But that, in turn, will increase the costs of maintaining and operating the equipment and in the end, it is a matter of efficiency. So, aren't we buying a more than affordable piece of equipment that indeed could deliver an incredible effect on target but in reality, never use it? Probably, yes!

As a conclusion to the matter of technology inclusion in the military I think that a better understanding of realities by the decision makers should help. But the problem is that the decision makers on a political level must be advised. So, the military representatives should stop advocating for technology imported from the western allied countries only because they are manufactured in a certain part of the world or because they have proven to be efficient in certain battles. We should focus on innovation and co-innovation not only buying. Also, we should procure the technology we can afford to operate and maintain not with the cost of cutting the budget for manpower or training. If we acquire with no regards to costs, we might end up having a collection of very expensive scrap of metal that we proudly name it “capability”. This would not help us meeting the goal of defending our country and be a reliable party of a strategic coalition.

#### **4. Developing a cost awareness mentality throughout the entire military system**

The military system is not set up to think, it is set up to execute. Starting from this affirmation one could ask why a jet fighter pilot or a tank driver should bother about the costs involved in operating that piece of equipment? His most ardent requirement is to produce the desired/ ordered effect at a certain distance from the home base and in the most challengeable environment. Nevertheless, it could prove to be beneficial a widespread cost-conscience culture in the entire defense organization. Thus, there will always be overlaps and interfaces between the parties involved in funding, manufacturing and procuring an armament system and the parties involved in operating and maintaining it. The main challenge here is the “tribal behaviour” or the biased procurement. When negotiating a new asset acquisition there has been clearly seen a separation between the people in charge with the procurement, those who must maintain it and those operating it. That is exactly why it is necessary the development of a cost awareness mentality throughout the entire defense system.

The second challenge regarding this cost awareness mentality is how the responsible people in defense resources management could find a way that all the parties involved properly understand the implications of the cost benefit relation. Everybody should understand that the decisions for resource expenditure must be considered on a Life Cost Cycle basis. The LCC most often comprises all the resources necessary for that capability to operate in a certain environment in accordance with the CONOP. In the last two decades, because of the political changes, or the obligations as a member of a strategic alliance, the capabilities originally built up to coup with specific challenges





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must now operate in a totally different environment. This implies additional costs in updating the systems and costs in training for the deployable force.

**5. Transparency and accountability in defense resource management**

“After the start of democratic reforms and with the transition to market economy, the understanding of transparency has changed [...]. During the communist regime the defense budget was classified; access to this information was strongly restricted. Now the public is more mature and has acquired the capability to ask tough questions, to search for answers from the leadership and to discuss defense management problems openly. There is a demand for accurate and accessible information on crucial issues and for wide debate in society, and for more responsibility about resources to be taken by every interested organization.”<sup>17</sup>

Transparency and accountability in defense resources management are extremely important aspects of a proper allocation and management of resources. If the defense resources allocation and management is not transparent, the defense programs will never obtain the public support or the government cooperation. Moreover, if the defense system is not accountable to the people and government then it will become a cause of its own and it will not be aligned with the national and/or the regional interests and priorities. This state of facts will lead to corruption and the decision makers along with the stake holders would be focused mainly on self-interests. If you do not properly address the necessity of a capability, then the civilian commentators will not support you.

The challenge of transparency and accountability can be solved through a system of performance arguments that derive from clear objectives and necessary resources. This should be the base point of starting negotiations with the civilian sector, ensuring their better insight, proper understanding and a fully cooperation.

„Democracy cannot succeed unless those who express their choice are prepared to choose wisely. The real safeguard of democracy, therefore, is education.”<sup>18</sup> (F. D. Roosevelt)

Transparency in the military requires a continuous informed civil society. Not everybody can be nor wants to be an expert in defense resources management. Nevertheless, an uninformed, ignorant and uninterested civil society can create unhealthy civil-military relations, thus leading the way for the military to “go on its own way”. In solving this challenge, the academic institutions and NGOs along with the specific military structures as CIMIC (Civil Military Cooperation) should create and develop a minimum expertise in defense management so that the society is properly informed. The education structures need to revise their curricula and include at least elementary notions about the defense system.

**6. Voluntary reserve or conscription?**

We all are aware of the fact the in case of armed conflict the regular forces start the war, but the reserve is the one which finish it. An efficient defense can most probably be achieved with the use of reserve forces or voluntary reserve forces. During peace time there is no need to budget a large regular army, navy or air force especially when you are a part of a defense strategic alliance. Even so, there is a need for a trained reserve because they can back and support the regular forces' efforts. Having a reserve force has the benefit of enhancing the access to the defense system to other fields of professions and improves the civil military cooperation.

The decision to be a part of the voluntary reserve force is a personal one and it implies

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<sup>17</sup> Transparency in defense resource management – problems and solutions, Bisserka Boudinova, Information & security. An International Journal, Vol.11, 2003, pg. 73

<sup>18</sup> <http://www.brainyquote.com/quotes/franklind402955.html> # SCcj2jLe4KoXu46U.99.



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considerations beyond those associated with occupational choice. Young people, for example, could chose to enlist as a volunteer reservist just for adventure or for the fact that they want to do something different. They could also be drawn to the military uniform, the prestige given by wearing it, patriotism, by family tradition or just for the need to have a disciplined life. At the same time, they will be attracted by the system through the amount of money earned, too, benefits, educational opportunities, working conditions and even retiring rights. This means resources allocated so that they remain within the system once they entered.

As beneficial as a volunteer reserve force may be, it comes with a huge challenge. How do you maintain that force at a certain level of readiness? If we want a reserve force to be sustainable in the long term, it is necessary to invest in military education and training programs.

During an armed conflict armament is destroyed and the military personnel is wounded or killed. The challenge now is how fast can a military combat service support resupply and how fast the defense system can regenerate the most valuable of the resources which is the trained human resource? A solution to address this issue is to have periodical mobilization training exercises. But are these mobilization exercises enough to train a teacher, a bank manager, a taxi driver, a hairdresser, etc. to replace troops during the contact with the enemy? How long should the training periods last and how much financial resource should be allocated to make them fighters? In case of war the rate of replacement should be higher than the rate of destruction. Since this is a time related situation there is a need to produce equipment or generate forces at a higher rate. But to produce faster means to accept low quality and in turn to accept low quality means to accept even more losses.

Nowadays, some countries try to obtain a trained voluntary reserve force but with minimal costs. The reduced amount of resources invested in these sort of forces lead to an insignificant education and training results. The best result achievable is a reserve with low abilities to sustain and support a regular force in contact or even conduct an operation in contact with the enemy.

Recent events have shown us that we live in a rapidly changing security environment and we must find ways to continuously adapt to the new circumstances. A war is not only Ministry of National Defense's responsibility. At a strategic level different resources available must be identified during the peace time. This requires a proper legislation and the assurance that this law is respected unconditionally. Moreover, defending the country and accomplishing the demands of the alliances you are a part of, need an integrated effort of the entire people.

Another way of building a reserve force is through the conscription service. After the conscripts terminated their training period, they would become a ready to use reserve. Although most of the European countries renounced the conscription there are still NATO members countries which use this force generation tool. Of course, having a conscription-based force comes with advantages and challenges.

“The single most important advantage of conscription is the availability of a reliable supply of manpower at apparently low cost, at least to the military. It has other apparent advantages. It can, for example, be an effective tool of nation-building and social cohesion, especially through the notion of shared sacrifice. [...] But conscription also has its disadvantages. For one thing, though it is certainly not always the case, conscripts can be less than enthusiastic about military service and hence might not make the most effective soldiers.”<sup>19</sup>

The main challenge in training the conscripts is the relatively short period of time they serve. This amount of time is not adequate to provide the young conscripts with the necessary skills and

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<sup>19</sup> Hari Bucur-Marcu, Philipp Fluri, Todor Tagarev, eds. Defence Management: An Introduction, pg. 140.



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experience to deal with the complexity of the modern warfare. Not only they are not able to comprehend the integrated functionality of some very technological weapon systems, but they would not be able to comprehend the array of missions demanded by the new kind of security threats either.

Another challenge in setting up a conscription-based force is the fact that the continuous turnover of conscripted personnel may generate higher costs for training and accommodation. This could finally prove that a force based on conscription could be more expensive than a reserve based on volunteers. Also, the conscription might be detrimental to the economy since many young people, depending on the number set by a country, are being pulled out from the labour market since in the civilian life they would be an active part of the work force and taxpayers.

A solution to the problem of having a trained reserve force is to set up regional units with a clear number of volunteers who will work on a regular basis, much like the US National Guard. They would be specialized mainly in national defense situations leaving the regular army fulfill the requirements imposed by the collective defense alliances.

## **7. Human resources management**

“Human resources understanding and management is the area in which there is a lack of focused leadership and thus has, therefore become a significant core weakness.”<sup>20</sup>

You cannot separate the human resources management from the concept of leadership since this resource is the most valuable one and it is the job of the leaders/ commanders to properly address this issue.

The biggest challenge of the military leaders and decision makers regarding the human resources is to thoroughly understand that the most suitable method in measuring productivity is the man-hours. Each day has only 24 hours available and it is a well-known fact that the optimal productivity can be reached by a service man/ woman within the 8 hours working interval. The job of a leader is to quantify the task he received in how many man-hours are needed to accomplish it. Most often these calculations are done incorrectly or on biased assumptions. It is utterly important to balance the available human resources with the level of effort needed to finish a task. Regardless the level we are referring to, from strategic to tactical level the planners must understand their priorities and consequently allocate the necessary resources. Further requirements always imply more resources of all sorts. If this issue is not properly addressed than in regard to human resources, *fatigue* will occur and a fatigued soldier is not only the sign of a poor leadership but in turn, that soldier could become a liability. It may be a liability because the additional efforts may have a profoundly demoralizing effect on the staff. Combined with the dissatisfaction of other service men/ women throughout the organization, a seemingly small thing as fatigue could have a ripple effect creating yet more issues.

Another challenge regarding the human resource management is the obligation of the military planners to stay flexible on the issue of manning the structures and adjust the numbers in accordance with the missions they were created to accomplish or with the daily realities.

“Globalization and technology are making it imperative that militaries change their organizational structures, their concepts of operation and their equipment inventories, all with a view to achieving the agility and responsiveness needed to deal with a world of uncertain threats. As manpower is the medium through which all of these changes have to be achieved, it is essential that

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<sup>20</sup> Bill Hatch, Human resources seminar ppt. at DRESMARA, Braşov, 12 oct 2022.



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manpower management becomes equally agile and responsive.”<sup>21</sup>

The military system requires a long period of time to reconfigure and readjust itself in case this is needed. Cash flow, inflation, high costs associated with maintaining and operating capabilities, world events, changes of governments that come with the changes of priorities lead to shortages or surpluses of manpower in terms of numbers and in terms of occupational skills.

Manpower is the essential military resource, or it should be treated as such. Only if you have a highly motivated force the budgets can be changed into effective military capabilities necessary to accomplish the national and international security desiderates.

Managing the human resource means nothing else than getting the right people, with the right skills, on the right place, on the right time and motivating them to involve and work hard and intelligently. But having the manpower and motivating them is only a part of the solution, namely the output. The outcome is the readiness of that force and the ability to overcome any threat. That implies additional costs through training and evaluation.

Ultimately, the need for a higher number in military manpower is closely linked with the security and geopolitical environment and the matter of affordability.

Every country will respond differently to these challenges. Each one of them will have its own approach of how to manage the human resources taking into consideration historical data, level of economy, its culture and cultural legacies, etc. Also, force structures are relentlessly evolving and transforming themselves as a response to the external security and economical threats, level of national ambition and not the least, financial constraints. Accordingly, each country will determine the size and composition of its military.

Human resources management can never achieve its goals if it is not integrated into an effective defense planning and budgeting system that would inherently link the resources to the national defense strategy.

Another challenge of the human resource management is the fact that military system, unlike other institutions is a very closed system and even if there is a shortage of manpower that doesn't necessarily mean that everybody can be a part of the military. Admission within the military depends on the completion of well-defined tasks, including medical assessment in order to keep the force relatively young and vigorous. This raises the issue of motivating young people to seek a work environment which will ensure their promotion on a very well-established hierarchy. Nevertheless, the continuously changing demands in labour markets make the recruitment or human recourse very difficult. A simple salary seems not to be enough anymore. Younger generation is now looking for more than money, namely educational and career opportunities. For some this might be enough to compensate a higher payment in the civilian sector. The issue here is that the military has to ensure that it is perceived as a desirable employer.

The percentage of recruitment will be different because of the continuous changes in payment, work conditions, incentives, the intensity of deployment rotations, but most of all because of the unpredictable political, social and economic changes. Human resources managers must continuously focus on incentive strategies that would encourage the already trained service men/women to choose to remain within the force. This can only be achieved by reconciling the interests of both the employer and the employee. Within such a closed system an individual is motivated by a higher pay, reenlistment bonuses, and other benefits relatively similar to those available to him elsewhere. This way he/ she may opt to remain in the military. Of course, since the military is spending additional resources to recruit and retain the human resource it is expected that it will

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<sup>21</sup> Hari Bucur-Marcu, Philipp Fluri, Todor Tagarev, eds. Defence Management: An Introduction, pg. 130.



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retain only the most competent individuals.

### **3. Conclusion**

By any measure the defense resources management faces huge challenges. Manpower, assets acquisition, training and education, research and development, maintenance and operating, information and intelligence, and so many other resources must be integrated in a melting pot to generate operational capabilities with a high readiness able to provide a swift response to any threat. Of course, this is the desired state, but we must consider the fact that any attempt to analyze these challenges must consider the contextual factors as economy, the real level of democracy, regional security and not the least the level of ambition that the military has. The everchanging geopolitical environment may transform the today's challenge in tomorrow's opportunity. Take the case of the recent war in Ukraine which on a very cynical and unexpected way helped many high military representatives convince the political decision makers about the necessity of investing in defense. Hence, for the fiscal year 2023, Romania raised the allocated defense funding from 2 % to 2,5% of DGP.

The foundation of a modern and trained military finally relies on training, commitment and a proactive attitude of all defense system members and not the least the proper resource allocation. Only integrating these factors, will the efficiency and effectiveness of the military will be enhanced.

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