

Managing Risk in Today's Army

General Douglas MacArthur Military Leadership Writing Competition Submission

MAJ Brendan Gallagher

Staff Group #19D

March 2012

Of all the characteristics an organizational-level leader must exhibit, one of the most important is the ability to effectively *manage risk*. A three part analysis consisting of first, what recent U.S. Army doctrine has to say about the topic; second, how elements of risk are embedded within virtually every significant leadership decision in the current operating environment; and finally, the implications upon today's Army helps to shed light on this critical leadership issue. Through this approach, one can appreciate how and why the manner in which the Army addresses this topic will carry important repercussions upon the force as a whole.

The Doctrinal Context

Recent Army doctrine addresses the topic of risk in several publications, each of which addresses it from a slightly different perspective. It is worth a brief review of these outlooks to help provide a useful starting point from which to further analyze the subject.

First, ADP (Army Doctrine Publication) 3-0, published in October 2011, provides a conceptual foundation for the Army's recent shift to Unified Land Operations. Within its trim fourteen page length, it also directly addresses risk in the following passage:

The theater of operations often contains more space and people than U.S. forces can directly control. Army leaders make risk mitigation decisions about where and how to employ their forces to achieve a position of relative advantage over the enemy without alienating or endangering noncombatants.¹

The passage implies that every decision invariably carries an opportunity cost. When a leader decides to employ combat power or influence in a particular way, then that generally means he or she cannot employ those same resources in another potentially deserving location at the same time. Therefore a leader must remain cognizant of the operational variables (PMESII-PT) and the mission variables (METT-TC) in order to understand how the various dynamics interconnect and arrive at a decision.

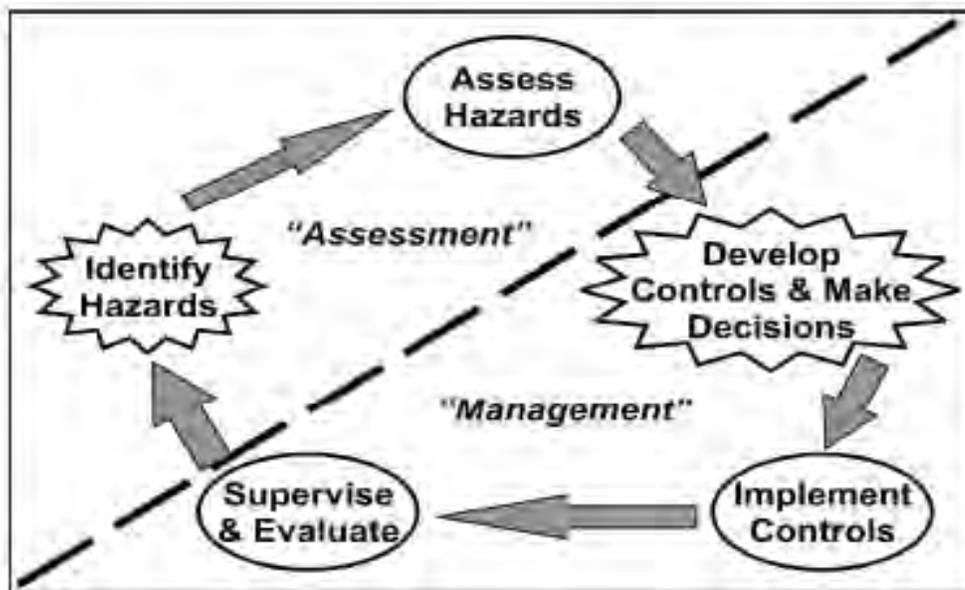
FM 5-0 (The Operations Process) dated March 2010 addresses risk as well. Specifically, as the manual discusses how to craft an operational approach, it expands upon the link between risk and resources. FM 5-0 stresses that “rarely does one organization directly control all the necessary resources,” and therefore a commander must determine “the acceptable level of risk to seize, retain, or exploit the initiative.”² Because resources are inherently finite, their employment will drive significant decisions which can impact which side gains or maintains the initiative. Where to allocate limited ISR collection assets, where and when to focus combat patrols, and where to emplace a combat outpost all exemplify examples of such decisions. In this way, FM 5-0 elaborates upon the connection between the allocation of resources and the assumption of risk.

Risk mitigation is addressed from a slightly different angle in FM 3-07 (Stability Operations), published in October 2008. It describes an “interdependent relationship among initiative, opportunity, and risk,” and insists that leaders “accept prudent risk to create opportunities when they lack clear direction.”³ FM 3-07’s incorporation of *opportunity* helps expand the horizon of the discussion. If a leader finds himself or herself unable or unwilling to assume some degree of risk at critical junctures, it could eliminate the possibility of generating or capitalizing upon such fleeting opportunities.

A recent example of this link between risk and opportunity was the 2007 Awakening in Baghdad, in which groups of former insurgents stepped forward to break away from Al Qaeda in Iraq. U.S. commanders at various levels knowingly assumed some obvious risk by allying with these groups in order to help marginalize or defeat Al Qaeda in Iraq. Although the Iraqi government continues to grapple with the long-term integration of these former insurgents, U.S.

commanders on the ground positively embraced this opportunity. This typified a clear example of the often challenging balance between risk and opportunity which FM 3-07 describes.

Finally, a slightly older publication, FM 5-19 (Composite Risk Management) dated August 2006 also addresses the topic of risk throughout its contents. In contrast to the previous publications, much of the focus of FM 5-19 is upon the mechanics of risk management. It lays out a step-by-step process, as depicted in the diagram below. The manual also addresses how to apply this process in conjunction with Troop Leading Procedures (TLPs), the Military Decision Making Process (MDMP), and overall training management. Although FM 5-19 tends to be somewhat formulaic in its approach, it nevertheless provides a concrete sequence for units to refer to during the decision making process.



The Army's Composite Risk Management (CRM) Process from FM 5-19 (Composite Risk Management)⁴

Collectively, these publications demonstrate the manner in which official Army doctrine has addressed the topic of risk in recent years. The publications help underscore several key points. First, they highlight the finite resource constraints which are an inherent part of combat

operations, and how risk is directly tied to them. Second, the publications underline the linkages between risk, initiative, and the exploitation of battlefield opportunities. Furthermore, they provide a deliberate process for units to attempt to follow as they work through such challenges. This doctrinal foundation helps set the stage for a consideration of how risk mitigation applies to the contemporary operating environment.

Risk and the Current Operating Environment

One must appreciate the fact that virtually every leadership decision is fraught with risk, since the presence of risk helps comprise the very definition of what a ‘decision’ is. According to the Oxford English Dictionary, a *decision* means “the making up of one’s mind on any point or course of action; a resolution, determination.”⁵ The definition implies a tradeoff between different paths – in other words, a leader must choose one action over another by comparing the respective costs and benefits. If one course of action is entirely risk-free in every way, then a decision is probably not required because the correct path is obvious. However leaders today rarely find themselves in such simple circumstances. More frequently there is a tradeoff, and rather than a straightforward choice between good and bad, or black and white, leaders today frequently find themselves operating in murkier shades of gray in which such stark contrasts are not apparent.⁶ In such instances, each potential path embodies different degrees of risk in various areas, whether in terms of risk to the overall mission, risk to subordinates’ lives, or other areas. It falls upon the leader’s shoulders to grapple with these competing factors, usually with incomplete information, limited time, and less-than-optimal circumstances.

A hypothetical example helps demonstrate this all-encompassing aspect of risk in practice in the current environment. Suppose a maneuver unit deployed to a combat zone

receives credible information regarding a high value target's (HVT) whereabouts later tonight. This particular HVT is a low-level insurgent financier whose transactions facilitate attacks against coalition forces. The unit had previously planned to focus on route reconnaissance operations during that same time period because the unit has endured numerous IED strikes, and aggressive reconnaissance during those hours helps deny key terrain to the enemy. The unit's commander and staff have carefully analyzed the situation and determined that unfortunately they do not have sufficient combat power to conduct both operations. Tonight, they must choose – either conduct a raid of the HVT's location, or focus on counter-IED patrolling. If they choose the raid, they may potentially capture the HVT but at the same time allow IED(s) to be emplaced due to the lack of reconnaissance. They can try to creatively mitigate that risk using ISR and other assets, but ultimately the unit will probably still assume somewhat greater risk from IEDs. Alternatively, a focus on route reconnaissance should help secure the routes which may help save soldiers' lives in the short term, but could also allow the insurgent financier to slip away for good. Either way, embedded within this decision are notable long-term consequences.

To further muddy the waters, suppose the unit also received scattered, unconfirmed reporting of an insurgent attack planned against a friendly combat outpost sometime in the next two weeks. With this additional information, perhaps another course of action would be to forego both the raid *and* the route reconnaissance, and instead use all available combat power to bolster the outpost's defenses. Yet such a decision would heighten the risk in those other two areas – facilitating the financier's possible escape, and allowing the emplacement of additional IEDs.

One can see from this admittedly simplistic example why there is almost never a straightforward risk-free path. The commander and his staff are constantly confronted with

many conflicting strands of data and intelligence, and each potential path entails differing degrees of risk. The risks may include the weighing of short-term versus long-term priorities, progress in kinetic versus non-kinetic areas, and countless other tradeoffs. The weight of the decision ultimately rests upon the commander's shoulders, yet the staff is also heavily involved, as the staff should provide him with a recommended course of action, including a method to mitigate the residual risks. Whatever decision the unit arrives at can have life or death consequences, and can directly affect mission accomplishment.

One should further appreciate that at the organizational level, a leader's decisions can generate exceptionally far-reaching effects. Whereas at the direct level of leadership units are generally smaller with impacts more readily apparent, at the organizational level there are usually many more factors at play, and results may be simultaneously more indirect yet more consequential.⁷ An organizational level leaders' job is often more challenging for this reason, because he or she must account for a wider degree of complexity with more protracted ripple effects. This often requires an even more sustained and focused application of judgment, experience, and creativity than is required at the direct level of leadership. All this renders the leader's decisions and the management of risk that much more important.

In the 'hybrid' environment the Army currently confronts, which includes both conventional and insurgent threats on an ever-changing battlefield, this assessment and mitigation of risk can be exceptionally complex. After a suicide blast or IED explosion or some other traumatic event, one may be tempted to look back in hindsight and critique the unit's leadership and ask why they didn't do things differently. Perhaps the easiest question to pose in retrospect is: how come they couldn't see the train coming? But before one travels down that road, one should consider the myriad of other threat streams and competing demands existing at

the time of the decision. One must attempt to acquire a true sense of what it was like to stand in the leadership's shoes at the time without the benefit of hindsight, in an environment with few unequivocally 'right' answers.

Implications and Relevance to Today's Army

All this carries important implications upon the exercise of leadership in the present-day Army. First, it is worth noting at the outset what will *not* be a useful technique for leaders to adopt in dealing with this challenge: risk aversion. Risk aversion entails an excessive desire to avoid risk at virtually any cost, which can paralyze a unit into inaction or squander key opportunities. In the current environment, this might be represented by units spending most of their time on fortified bases, hunkered down behind layers of thick defenses with minimal interaction. Such a posture relinquishes the initiative to the enemy, and may create a perception that U.S. forces are unwilling or unable to complete their mission.⁸ Risk aversion contributes to an excessively cautious approach⁹ which overly centralizes decision-making at higher echelons of authority, and tends to stifle individual initiative. Curiously, the only time FM 5-19 (Composite Risk Management) directly addresses the topic of risk aversion is in a single, brief sentence: "Do not be risk averse."¹⁰ The topic of risk aversion deserves further discussion throughout the ranks.

Army leaders at the organizational level and above should appreciate that even successful efforts to mitigate risk in the most prudent and logical ways can still result in occasional losses or outright disaster. Even when all the right precautionary measures are taken, U.S. forces still confront an intelligent, thinking, adaptive enemy, and 'the enemy always gets a vote.' Since no unit can guard against every threat at every place and time, there will invariably be instances in

which the enemy achieves a short-term success via a high profile attack, assassination, or some other action. Such a negative event may be accompanied by unflattering U.S. media coverage, a rise in organizational stress,¹¹ and an accompanying desire to hold *someone* accountable. Yet a rush to judgment may be profoundly unfair to the unit closest to the event, and also counterproductive to the long-term climate of the Army. A leader's goal is to try to establish conditions so such setbacks occur as rarely as possible, but with the implicit understanding that such setbacks cannot ever be entirely eliminated.

All this is not a recommendation to absolve commanders of accountability for their actions. Leaders unequivocally shoulder the ultimate responsibility for the decisions they make or fail to make, as well as the actions of their subordinate units. Yet there is an enormous gulf between a leader who consistently makes the best decisions possible in an ambiguous, uncertain environment and a leader who is simply negligent, careless, unfit for command, or fosters a poor command climate. There is also a fine line between justly holding leaders accountable for their actions, and scapegoating. The Army would be wise to bear such key distinctions in mind in the years ahead, in order to help foster the best climate possible. This is particularly relevant as the Army seeks to internalize lessons learned from recent high profile events.

This also helps illustrate why an unofficial adoption of a 'zero defect' approach – a phrase which gained prevalence in the Army during the 1990s – would be unfortunate. As the Army appears ready to begin a sizeable drawdown of units and personnel, there may be increasing pressure to only promote or retain those individuals with a spotless record, clear of any blemish whatsoever. Some highly qualified officers and NCOs could find their careers cut short due to a singular setback which occurred on their watch. Such an environment – or even the perception of such an environment – could have negative consequences. It could help prod

the Army towards a risk averse culture by instilling a perception that leaders cannot afford any mistake whatsoever. Commanders could increasingly choose to ‘play it safe’ during training and combat operations out of a desire to avoid jeopardizing their own careers. The widespread adoption of such a mentality could make it harder for Army leaders in the future to make a major decision containing significant risk. It would have been difficult, perhaps impossible, for Eisenhower to green light an invasion of Normandy, for example, had he been paralyzed by risk aversion or a zero defect climate.

Risk mitigation is not an exact science, and there is no such thing as a riskless decision. The process is an art, and even when performed brilliantly, leaders will still occasionally confront setbacks or even outright failure. The multitude of decisions an organizational leader is responsible for every day can literally have life or death impacts, either directly or through secondary repercussions. Yet a leader cannot eliminate every risk on the modern battlefield because no human could ever achieve such an endstate. Rather, a leader must intelligently assume risk in deliberate ways, while seeking to mitigate the residual risks in the smartest ways possible. Leaders have no choice but to carefully weigh all the various factors in the context of their own best judgment and experience, and commit to what they believe represents the wisest course of action, despite incomplete and often conflicting information.

True breakthroughs on the battlefield will often arrive through “a willingness to accept risk, and do things differently.”¹² Operation Overlord and Operation Market Garden represented examples of such risk taking during World War II, with strikingly different results. In the future, the Army’s success may not result from absolute perfection, but rather from experimentation, learning from failure, and the implementation of logical measures to manage risk. Such techniques should be encouraged rather than inadvertently constrained, as the Army strives to

find the right balance between the instilment of accountability and the encouragement of sensible risk taking. These two areas should not be treated as mutually opposing goals. Overall, the Army should appreciate that how this timely issue is handled will help influence the Army's trajectory in the years to come.

¹ Department of the Army, *ADP 3-0, Unified Land Operations* (Washington, DC: Government Printing Office, October 2011), 4.

² Department of the Army, *FM 5-0, The Operations Process* (Washington, DC: Government Printing Office, March 2010), 3-11 – 3-12.

³ Department of the Army, *FM 3-07, Stability Operations* (Washington, DC: Government Printing Office, October 2008), 4-2.

⁴ Department of the Army, *FM 5-19, Composite Risk Management* (Washington, DC: Government Printing Office, August 2006), 1-3.

⁵ *The Oxford English Dictionary*, Second Edition, Volume IV; prepared by J.A. Simpson and E.S.C. Weiner (Oxford: Oxford University Press, 1989) 332.

⁶ Jack D. Kem, "The Use of the Ethical Triangle in Military Ethical Decision Making." (Fort Leavenworth, U.S. Army Command and General Staff College, 2009), 25.

⁷ Department of the Army, *FM 6-22, Army Leadership: Competent, Confident, and Agile* (Washington, DC: Government Printing Office, October 2006), 11-2.

⁸ Department of the Army, *FM 3-24, Counterinsurgency* (Washington, DC: Government Printing Office, December 2006), 1-27.

⁹ Jim Michaels, "Top Officer Sees Military Caution As Backfiring." *USA Today* (June 15, 2010) online at <http://www.usatoday.com/news/world/2010-06-15-iraq--afghanistan_N.htm> accessed on 19 March 2012.

¹⁰ Department of the Army, *FM 5-19*, 1-2.

¹¹ Paul T. Bartone, "Resilience Under Military Operational Stress: Can Leaders Influence Hardiness?" *Military Psychology* 18 (Suppl.) (2006): S136.

¹² Yvonne Doll and Billy Miller, "Applying the Kotter Model: Making Transformational Change in a Large Organization," *The International Journal of Knowledge, Culture, and Change Management* Volume 8, Issue 1 (2008): 53.

Works Cited

- Bartone, Paul T. "Resilience Under Military Operational Stress: Can Leaders Influence Hardiness?" *Military Psychology* 18 (Suppl.) (2006): S131-148.
- Doll, Yvonne and Miller, Billy. "Applying the Kotter Model: Making Transformational Change in a Large Organization." *The International Journal of Knowledge, Culture, and Change Management* Volume 8, Issue 1 (2008): 53-60.
- Kem, Jack D. "The Use of the Ethical Triangle in Military Ethical Decision Making." Fort Leavenworth, U.S. Army Command and General Staff College, 2009.
- Michaels, Jim. "Top Officer Sees Military Caution As Backfiring." *USA Today* (June 15, 2010). online at < http://www.usatoday.com/news/world/2010-06-15-iraq--afghanistan_N.htm>; accessed on 19 March 2012.
- The Oxford English Dictionary*, Second Edition, Volume IV. Prepared by J.A. Simpson and E.S.C. Weiner. Oxford: Oxford University Press, 1989.
- US, Department of the Army. *ADP 3-0, Unified Land Operations*. Washington, DC: Government Printing Office. October 2011.
- US, Department of the Army. *FM 3-07, Stability Operations*. Washington, DC: Government Printing Office. October 2008.
- US, Department of the Army. *FM 3-24, Counterinsurgency*. Washington, DC: Government Printing Office. December 2006.
- US, Department of the Army. *FM 5-0, The Operations Process*. Washington, DC: Government Printing Office. March 2010.
- US, Department of the Army. *FM 5-19, Composite Risk Management*. Washington, DC: Government Printing Office. August 2006.
- US, Department of the Army. *FM 6-22, Army Leadership: Competent, Confident, and Agile*. Washington, DC: Government Printing Office. October 2006.