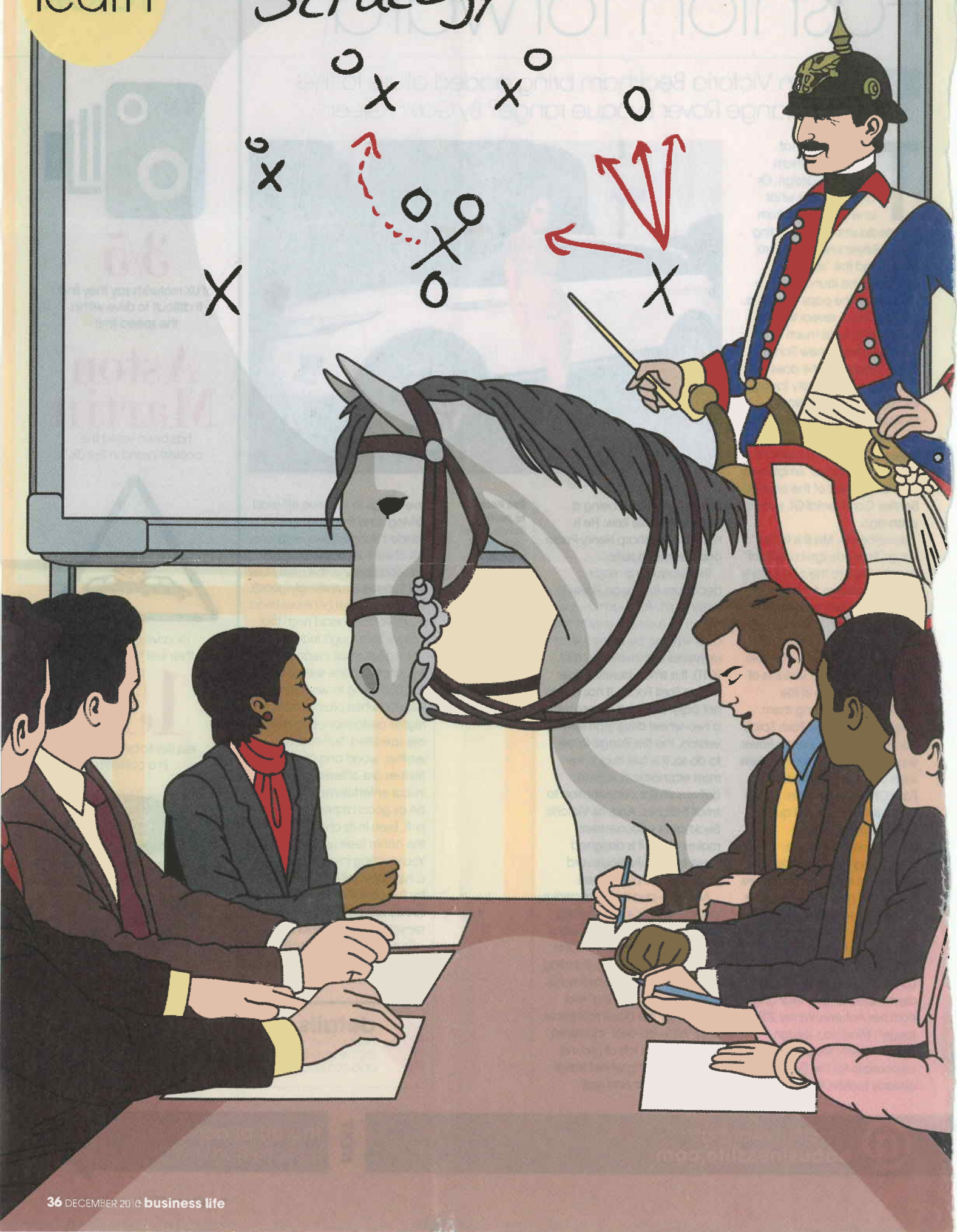


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Strategy



The Prussians are cunning

Military historian and business consultant Stephen Bungay examines the ground-breaking management techniques developed by the 19th-century Prussian army. They're perfectly suited to the 21st-century boardroom, he says

On one foggy day, on 14 October 1806, two Prussian armies were shattered and scattered by a French army at the twin battles of Jena and Auerstedt. Built up by Frederick the Great during the 18th century, the Prussian army had been the most admired and successful in Europe. Its defeat was militarily decisive and psychologically devastating.

In the wake of the disaster, General David Scharnhorst, the Prussian army's chief of staff, led a group of reformers dedicated to understanding why and how it had happened, and to transforming the organisation that had suffered it. "We fought bravely enough," Scharnhorst pithily concluded, "but not cleverly enough." The reforms he championed were based on his analysis of the catastrophe of the twin battles.

The Prussian army had been run as a well-drilled machine. It was highly centralised and nobody took action without orders to do so. It assumed what management guru Douglas McGregor famously labelled the 'Theory X' of human motivation: it achieved compliance through compulsion.

The French army of 1806, which Napoleon had inherited from the Revolution, had been raised from highly motivated citizen conscripts. It had no time to practise drill, so it made extensive use of light infantry, who engaged the lines of Prussians in an unordered swarm in which each man acted as he saw fit. Promotion was based on performance. The French army was, in McGregor's terms, a 'Theory Y' organisation: it achieved commitment through conviction.

The transformation of the Prussian army began with people and culture, spearheaded by officer selection and training. Scharnhorst was looking for a particular type: intelligent, independent minded, strong willed and impatient. In 1810, a 'General War School' was set up in Berlin to provide these entrepreneurial characters with a common

outlook, language and set of values. The right talent and the right behavioural biases were put in place as a first step.

In the long peace that followed Napoleon's defeat at Waterloo in 1815, the reforms lost urgency, but their spirit was kept alive by a few influential individuals. In 1857, a little-known figure was appointed chief of the general staff. When he assumed operational command of the Prussian army in the campaign against Austria in 1866, some of his subordinates were bemused. "This seems to be all in order," commented divisional commander General von Manstein on receiving an instruction from his commander-in-chief, "but who *is* General von Moltke?"

INDEPENDENT ACTION

Field Marshal Helmuth Carl Bernhard Graf von Moltke, born in the first year of the 19th century, was the main builder of the German army that emerged from it. He was both a practitioner and thinker in the fields of strategy, leadership, organisation and what we would today call management. He was the leader and teacher of a generation of German generals. In that role, he developed the army's basic operating model, which has become known as *Auftragstaktik*. It is perhaps his most lasting legacy.

Von Moltke espoused the cause of independent action by subordinates as a matter of principle. In his appraisal of his own victory over the Austrians at the culminating Battle of Königgrätz in 1866, von Moltke commented that the independent actions of two Austrian generals in pressing forwards, and so exposing their flanks, ultimately facilitated his victory. Remarkably, von Moltke exonerated them. It is easy enough to judge their actions now, he observed, but one should be extremely careful in condemning generals. Fear of retribution should not curb the willingness of subordinates to exercise their judgement. In the confusion and uncertainty of war, people who do so take risks. That must be

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ILLUSTRATIONS BEN HASLER

» accepted. Had they taken that aggressive action earlier in the day, or had they been supported by the rest of the Austrian army, they could have reversed the result of the battle. "Obedience is a principle," he asserted, "but the man stands above the principle."

It is therefore something of a surprise to find that in the self-critical *Memoire* on the 1866 campaign that von Moltke wrote for the King in 1868, two things he singled out for particular criticism were "the lack of direction from above and the independent actions of the lower levels of command". During the campaign, subordinates often acted independently without understanding how victory was to be achieved. He concluded that it was vital to ensure that every level understood enough of the intentions of the higher command to enable the organisation to fulfil its goal. Von Moltke did not want to put a brake on initiative, but to steer it in the right direction.

In 1869, von Moltke issued a document called *Guidance for Large Unit Commanders*. It was to become seminal. It opens by emphasising the importance of clear decisions in a context of uncertainty that renders perfect planning impossible: "With darkness all around you, you have to develop a feeling for what is right, often based on little more than guesswork, and issue orders in the knowledge that their execution will be hindered by all manner of random accidents and unpredictable obstacles. In this fog of uncertainty, the one thing that must be certain is your own decision... The surest way of achieving your goal is through the single-minded pursuit of simple actions."

To accomplish that single-mindedness, orders

SPECIFYING TOO MUCH DETAIL ACTUALLY CREATES UNCERTAINTY IF THINGS DO NOT TURN OUT AS ANTICIPATED

must be passed down "to the last man". The army must be organised so that it is made up of units capable of carrying out unified action down to the lowest level. The chain of command and the communications process should ensure that instructions can be passed on. But the chain of command can get disrupted so, at all levels, people must remain in charge. People should dominate processes: "There are numerous situations in which an officer must act on his own judgement. For an officer to wait for orders at times when none can be given would be quite absurd."

The problem is coherence. The solution was not to impose more control on junior officers but to impose new intellectual disciplines on senior ones. For senior officers, discipline involved "not commanding more than is strictly necessary, nor planning beyond the circumstances you can foresee. In war, circumstances change very rapidly, and it is rare indeed for directions which cover a long period of time in a lot of detail to be fully carried out."

Specifying too much detail actually shakes confidence and creates uncertainty if things do not turn out as anticipated. Furthermore, trying to get results by directly taking charge of things at lower levels in the organisational hierarchy is dysfunctional, for a leader thereby "takes over things other people are supposed to be doing, more or less dispenses with their efforts, and multiplies his own tasks to such an extent that he can no longer carry them all out... It is far more important that the person at the top retains a clear picture of the overall situation than whether some particular thing is done this way or that."

Having issued some warnings about what not to do, von Moltke formulates his positive guidance on giving direction as follows: "The higher the level of command, the shorter and more general the orders should be. The next level down should add whatever further specification it feels to be necessary.

"It is vital that subordinates fully understand the purpose of the order so that they can carry on trying to achieve it when circumstances demand that they act other than they were ordered to do.

"The rule to follow is that an order should contain all, but also only, what subordinates cannot determine for themselves to achieve a particular purpose."

The overall direction should be communicated in a cascade. Each level is guided by the intention of the one above, which whenever possible is articulated in a face-to-face briefing as well as in writing. Having been briefed about what to achieve and why, the lower



level specifies what it intends to do and repeats the results back up the chain in what has become known as a 'backbrief'. Understanding an order means grasping what is essential and taking measures to put that before anything else.

Von Moltke's solution to the problem he identified in the 1868 *Memoire* is simple, but remarkable. Consider the more obvious alternative.

Faced with a situation in which junior officers had a high degree of autonomy, but the organisation's actions were not aligned, most of us would think about the problem as a trade-off, with autonomy and alignment forming the ends of a single spectrum. The obvious diagnosis would be that the organisation had moved too far towards autonomy and needed to be dragged back towards higher alignment. We would make a trade-off.

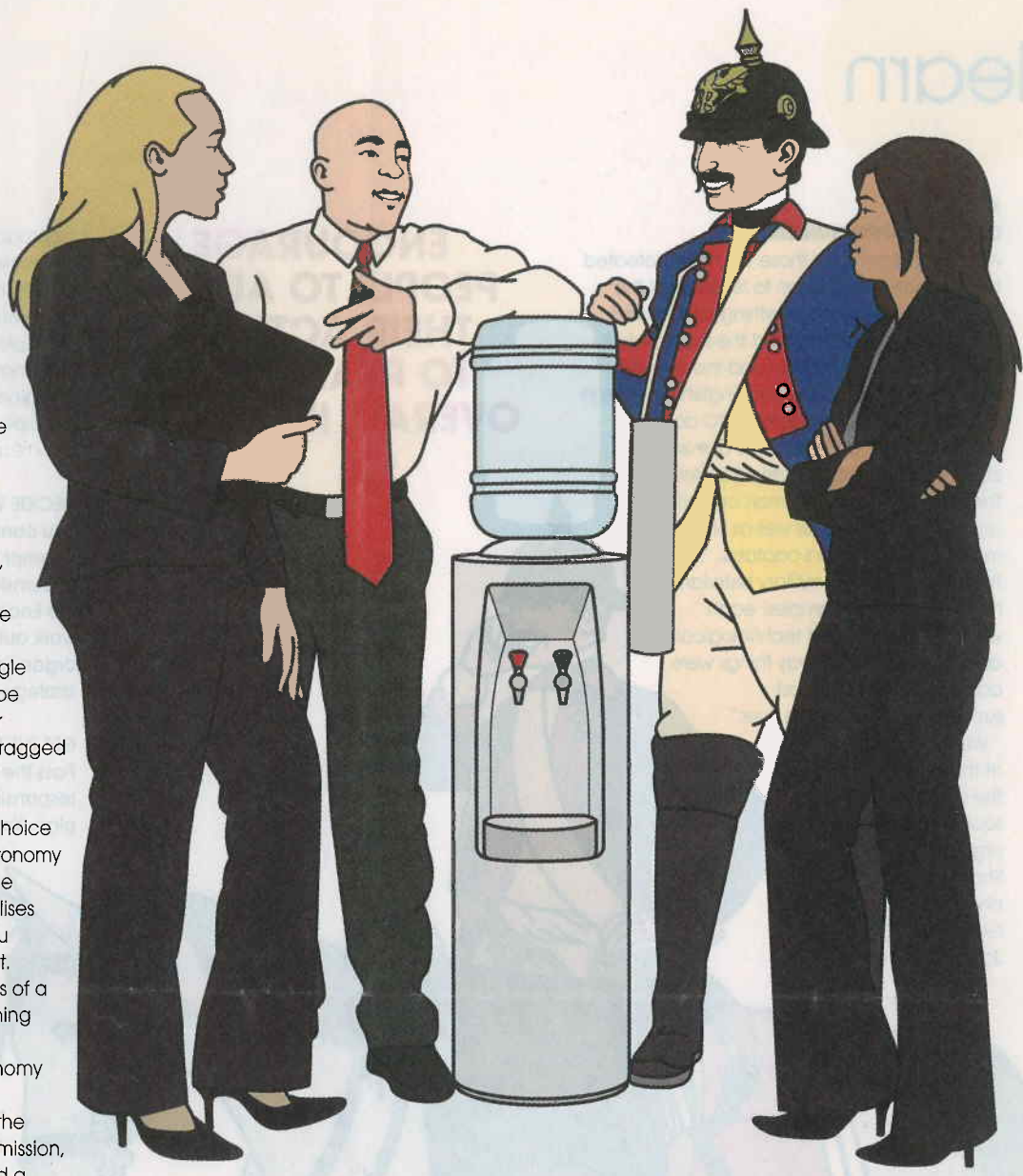
Von Moltke's insight is that there is no choice to make. Far from it, he demands high autonomy and high alignment at one and the same time. He breaks the compromise. He realises quite simply that the more alignment you have, the more autonomy you can grant. Instead of seeing them as the end-points of a single line, he thinks about them as defining two dimensions. Alignment is achieved around what to achieve and why. Autonomy is granted about what to do and how.

The basis of von Moltke's method was the articulation of an intent in the form of a mission, or *Auftrag*, which consisted of a task and a purpose. Accordingly, the approach became known as *Auftragstaktik*. Whilst other armies sought to manage chaos by controlling how, von Moltke sought to exploit chaos by commanding what and why.

This implied a new concept of discipline. Discipline was not about following orders but acting spontaneously in accordance with intentions. They coined the phrase "*selbstständig denkender Gehorsam*" - "independent thinking obedience". The moral and emotional basis of *Auftragstaktik* was not fear, but respect and trust. A German officer's prime duty was to reason why.

The result is that the organisation's performance does not depend on its being led by a military genius, because it becomes an intelligent organisation. Rather than relying on exceptional individuals, this solution raises the performance of the average. Being able to adapt to circumstances, the organisation will tend to make corrective decisions whilst executing even if the overall plan is flawed. In effect, von Moltke turned strategy development and strategy execution into a distinction without a difference.

Meanwhile, the French army waited for another Napoleon to turn up, and stagnated.



**THE CHAIN OF
COMMAND CAN
GET DISRUPTED,
SO AT ALL LEVELS
PEOPLE MUST REMAIN
IN CHARGE**

Another Napoleon did indeed appear in the form of the first Emperor's nephew, Louis, who in 1852 assumed the title of Napoleon III. Unlike his uncle, he was not a genius. In 1870, rivalry between France and Prussia turned into war. When the French army met the Prussian army on the field, the results of Jena-Auerstedt were reversed.

The techniques of *Auftragstaktik* were refined throughout the following decades, and its principles animated what is now generally acknowledged to have been the most formidable army fielded by any European power since Roman times.

In 1939-1941 that army won the most spectacular land victories in military history, even though it was misused by a maniac. Hitler's pathological drive for control eventually led him to turn the army's remarkable operating model on its head in pursuit of his incoherent and evil fantasies. But it took the combined forces of the rest of Europe and the two post-war superpowers five years to defeat it. In its last battle in Berlin in April-May 1945, what remained of the German army inflicted 300,000 casualties on the three Soviet army groups that finally overcame it.»

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DIRECTED OPPORTUNISM

After a while some of those who had defeated the German army began to realise that the Germans were on to something and started to devote some attention to the subject. As it crossed both the Channel and the Atlantic, so *Auftragstaktik* slipped into English as 'mission command'. It is now official NATO doctrine.

The principles and practices of mission command are scalable and transferable. They are found in the Roman centurions and military tribunes as well as Napoleon's marshals and Nelson's captains. "All these," one leading military historian has written, "are examples, each within its own stage of technological development, of the way things were done in some of the most successful military forces ever."

We also find elements of this way in some of the most consistently successful business organisations. Shortly after becoming chairman and CEO of General Electric in 1981, Jack Welch took over the

ENCOURAGE PEOPLE TO ADAPT THEIR ACTIONS TO REALISE THE OVERALL INTENTION

approach, calling it 'planful opportunism'. He quoted Moltke in a speech to the financial community in New York delivered on 8 December 1981, and it remained a lasting principle of his celebrated term of office at GE.

The name I have chosen for mission command in business is 'directed opportunism'. Its principles reinforce and are dependent upon each other:

DECIDE WHAT REALLY MATTERS

You cannot create perfect plans, so do not attempt to do so. Do not plan beyond the circumstances you can foresee. Instead, use the knowledge that is accessible to you to work out the outcomes you really want the organisation to achieve. Formulate your strategy as an intent rather than as a plan.

GET THE MESSAGE ACROSS

Pass the message on to others and give them responsibility for carrying out their part in the plan. Keep it simple. Don't tell people what to do and how to do it, but what you want people to achieve and why. Then ask them to tell you what they are going to do as a result.

GIVE PEOPLE SPACE AND SUPPORT

Do not try to predict the effects your actions will have, because you can't. Instead, encourage people to adapt their actions to realise the overall intention as they observe what is actually happening. Give them boundaries that are broad enough to take decisions for themselves and act upon them but not so broad that a mistake on their part would lead to disaster.

With great consistency, mission command allows an organisation to make rapid decisions in an uncertain, fast-changing environment and to translate them, without delay, into decisive action. It can exploit unexpected opportunities and recover from setbacks. Mission command unleashes human energy and acts as a motivator.

With an ancient lineage, the approaches von Moltke developed in the 19th century are perfectly adapted to the needs of business in the 21st century. The model is there. It is ours for the taking. ●

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Stephen Bungay's book, *The Art of Action*, is published by Nicholas Brealey, £20. For more information, go to stephenbungay.com



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