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FUTURE UNITED STATES MILITARY ORGANIZATIONAL STRUCTURE

BY

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USAWC STRATEGY RESEARCH PROJECT

Future United States Military Organizational Structure

by

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CARLISLE BARRACKS, PENNSYLVANIA 17013

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ABSTRACT

AUTHOR: Lt Col William K. Babb
TITLE: Future United States Military Organizational Structure
FORMAT: Strategy Research Project
DATE: 01 April 2001 PAGES: 39 CLASSIFICATION: Unclassified

The strategic environment in which the United States military operates has experienced dramatic changes over the last decade and faces even greater changes in the next. This has lead to much discussion of a Revolution in Military Affairs (RMA). One question that arises in that discussion is whether or not the military is properly organized to meet these future challenges. This paper reviews the military organization contextual dimensions projected by our leadership and uses that to develop organization structural dimensions that will define the characteristics of the most effective organization design.
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FUTURE UNITED STATES MILITARY ORGANIZATIONAL STRUCTURE

The military is changing. Since the end of the Cold War and the Gulf War our military leadership has been contemplating the implications for the United States military. A great deal has been written about the Revolution in Military Affairs (RMA) and what the future military should be able to do, and more has been written about how technology will enable wondrous capabilities. But, the most important changes in this RMA will probably be organizational and doctrinal.\(^1\) In order to do all that is expected of it, the military must develop an organizational structure that will support these new abilities. Military leadership has in the past often neglected the importance of organizational design. The centuries old hierarchical organizational design paradigm is deeply imbedded in military culture.

This study reviews the most influential recent literature to establish what the organizational expectations are for the military. Current management literature is reviewed to identify the latest ideas in organization design. The study then selects a model organizational structure that matches the existing environment and expectations. I will then develop and describe the best organization design.

REQUIREMENTS OF THE FUTURE MILITARY

To identify the expected future contextual conditions, the existing futures literature is reviewed. There are many documents that project what the future U.S. military must be like and must be able to do. The 1997 Report of the Quadrennial Defense Review (QDR) and the 1997 National Military Strategy (NMS) both provide essentially the same picture of future expectations. The President’s 1999 National Security Strategy (NSS) and Joint Vision 2020 (JV2020) expand on the concepts presented earlier and are the most recent and authoritative sources reviewed. Joint Vision 2020 provides a good broad-brush vision of what the future of the Armed Forces will be. The reports of The United States Commission on National Security/21st Century provide a clear picture of where it appears the world is progressing and guidance for the U.S. government in general as well as for the military. Other documents reviewed about the future military tended to focus on how to transform the military in particular areas, or potential pitfalls to consider, without adding much substance to the projected requirements.

In order to discuss organizations, it is necessary to define some terms. Organizational dimensions are traits, or qualities, that describe specific organizational characteristics and can help in understanding organizations. According to organization theory, these dimensions are of two types, structural and contextual.\(^2\)
Structural dimensions describe the internal characteristics of an organization. The eight structural dimensions examined here will be: (1) Formalization, (2) Specialization, (3) Standardization, (4) Hierarchy of Authority, (5) Complexity, (6) Centralization, (7) Professionalism, and (8) Personnel Ratios.\(^3\)

Contextual dimensions are broader in scope and describe those traits that influence and shape the structural dimensions. The five contextual dimensions are (1) Size, (2) Organizational Technology, (3) Environment, (4) Goals and Strategies, and (5) Culture.\(^4\)

The contextual dimensions are to a large extent beyond the control of the organization. Certainly Goals and Strategies, Size and Organizational Technology are greatly affected by choices the organization makes, but they are mostly determined by the objectives of the organization. In the case of the United States military, the US government dictates those objectives. The Environment includes all the elements outside the boundary of the organization and therefore cannot be directly controlled. Goals and Strategies are choices an organization makes, but to be relevant and effective they must be reactions to input from the outside. For instance, the military’s imperative to win the nation’s wars is a goal imposed by the nation. Culture in an organization is an ethereal thing that usually just happens, but can be developed by an aware and dedicated organization leadership. To be effective, an organization must be structured within the context of the existing external realities. The first step in organizational design is to identify those realities.

SIZE

Size is the magnitude of an organization.\(^5\) It is important in the study of organizations because they are social systems. Size is typically measured as the overall number of people in an organization. Total budget or total assets also reflect magnitude, but do not indicate the size of the human part of the social system. Size provides a measure of the human dimension of the social system. The size of the whole organization is one measure. The size of specific components of the larger organization like corps, divisions, or companies provides additional indications of an organizations character.

Resources available to a nation to support its military are always limited. The United States is no exception. In the absence of a serious threat, it seems unlikely that the overall budget for the military would change much, in real terms, for the foreseeable future, and that means the size will not change significantly. In spite of any fluctuations that may occur, it is still one of the largest organizations in the world. Even its primary sub-organizations are huge. The Army, Air Force, Navy, and Marines are each larger than most other existing organizations in
the world. Even their sub-units of Armies or Air Forces are large. Not until the level of the Air Force Wing or Army Division is the organization down into the medium sized organization comparable to most businesses in the commercial world. The company or squadron is comparable in size to a small business. The military is a very large organization.

Large organizations are well suited to complex operations and to exploiting economies of scale, but they tend to develop mechanistic vertical hierarchies best suited to stable environments.6

ORGANIZATION TECHNOLOGY

Organization technology is generally how the organization does its primary function.7 This corresponds to the production or service activities in a commercial company. The military is unique in that its organization technology is focused on forcibly or violently imposing the will of the United States in any situation in which it is called upon to act. These activities may include anything in a continuous spectrum from humanitarian relief operations, to Peace-Keeping (PK), to Peace-Enforcement (PE), to Small Scale Contingency (SSC) operations, to war, to Major Theater War (MTW).

In recent years the military has become increasingly reliant on what has come to be called precision warfare. From precision munitions, to focused logistics, to precision maneuver, to every facet of the military arts, this precision ability is based on possession of superior technology brought to bear on military challenges. Our ability to understand and take advantage of the latest technologies is critical to our success. The fact that potential adversaries will have access to many of the same technologies that the US military will have makes it essential that we develop the ability to adapt through aggressive and intelligent innovation. The US military is complex and highly technological.

Success for highly technological organizations is strongly correlated to an organic overall organizational structure with low centralization and low formalization of procedures.8

ENVIRONMENT

This dimension refers to all those elements outside the military organization.9 It includes all other organizations including those of our own government as well as all foreign governments, International Organizations (IO), terrorist organizations, and Non-Governmental Organizations (NGO), and our relationships with each of them. It includes the state of technology and the condition of the economy in the US and all around the world. It also includes the pool of people from which we recruit military and civilian employees.
The environmental domain will be complex. Non-governmental organizations will increase in number and influence.\textsuperscript{10} Other nations and terrorist groups are aggressively pursuing the development of WMD.\textsuperscript{11} All the advanced nations of the newly globalized world will be threatened by state and non-state actors with the means and will to carry out their threats.\textsuperscript{12} Our potential adversaries are dedicated, ruthless, and unpredictable.\textsuperscript{13} Not only will potential adversaries use all the means at their disposal to oppose the US in its activities around the world,\textsuperscript{14} but they will adapt\textsuperscript{15} to counter whatever we do to achieve our goals. And it gets worse; the rate of change is increasing.\textsuperscript{16} Keeping ahead of these threats will not be easy, nor will we ever be able to be 100 per cent successful defending against them.\textsuperscript{17,18} The environment that the US military will operate in is extremely complex, unstable, and hostile.

Organizations that perform well in uncertain environments tend to have organic structures and emphasize decentralized and teamwork oriented operations.\textsuperscript{19}

GOALS AND STRATEGY

The goals and strategies an organization articulates and employs guide that organization in unique ways. They provide legitimacy and direction for the organization, give employees direction and motivation, and establish decision guidelines and performance criteria. They set out the purpose and establish the competitive techniques that set it apart from other organizations.\textsuperscript{20}

We need to build an organization with a strategic orientation and designed for long-lasting success.\textsuperscript{21} Our goals and strategies will have to confront any and all threats to our security and prosperity. Central to the purpose of having a military is the capability to ensure homeland security.\textsuperscript{22} In order to effectively project US power and protect US interests abroad, the US military needs the ability to rapidly intervene in critical situations with decisive expeditionary forces.\textsuperscript{23} Other capabilities\textsuperscript{24} include winning wars and contributing to the peace; faster, more lethal, and more precise combat power; development of new capabilities; realizing the potential of the information revolution; more flexible and responsive forces; and fully joint operational abilities. The United States will demand that its military have the ability to rapidly, effectively, efficiently, and economically employ any or all of these capabilities as needed.\textsuperscript{25} The ultimate goal for the future US military is to be effective across the entire range of military operations. A clear focus on these goals and a military organization designed for fast response will contribute to developing a successful organization.
An excellent organization is one in which top managers embody their foundation of core values, can communicate their vision, and promote a bias toward action. Goals and strategies of the United States must be grounded in the national interest. The most specific and definitive recent guidance concerning goals for the United States military comes from the Hart-Rudman commission on national security. The commission's vision for the US military is to retain the ability to fight and win major wars. Fundamental to our remaining effective against adversaries will be our top manager's ability to react to changes in the strategic environment and the adaptations of potential enemies.

A timeless fundamental for organizational excellence is simplicity of form. To develop a simple organization design for a military that can achieve full spectrum dominance the military will need to develop new doctrine, new organizations, and train and educate new leaders with the capacity for intellectual and technical innovation that can take advantage of new technologies. Effectiveness will be achieved by developing a decentralized organization that is flexible and innovative. Increased entrepreneurship in the organization will require a balanced measurement and control system.

Excellent organizations take the long-term view and understand their success is dependent on the productivity of their people. Only highly trained and dedicated professionals who work in a climate of trust will be able to achieve the goals of the US military. They must develop the relatively new and increasingly important skills needed to support humanitarian relief and constabulary capabilities. We will need to integrate competencies tailored to the specific situation and objectives, and participate effectively as one element of a unified national effort.

CULTURE

The cultural dimension of an organization describes the underlying set of key values, beliefs, understandings and norms shared by organization members. Culture is a generally descriptive term that addresses how employees perceive some key characteristics in an organization. These characteristics may include innovation, professionalism, outcome orientation, people orientation, team orientation, aggressiveness, and stability. The organization will develop the needed culture through its approach to selection and socialization of new members, the norms established by top management, and how it encourages innovation.
The future military will be an all-volunteer force composed of well-educated, motivated, and competent people who can adapt to the many demands of future joint missions. Military members will need to be individuals of outstanding character dedicated to selfless service of the highest ethical ideals of our nation. They will be professionals with courage, stamina, and intellect. The military will need to find new methods of recruiting and retaining the outstanding people needed to meet these requirements. Selection of individuals with the core values that enhance the culture will be a vital component of success. Identifying and recruiting these individuals will be challenging.

Once selected, new members of an organization must be socialized into the culture to prevent disruption. The military has traditionally socialized new members in boot camp. They will need to be taught that the military values people who are both talented and trained to exacting standards, and to embrace a philosophy of continuous learning. In order to achieve the flexibility required for the future military, military members will need to understand that extraordinary dedication, sacrifice, and the ability to adapt to the many challenges they will face are the expected norms. These future military members will be extremely valuable professionals who are adaptable, innovative, have precise judgment, are forward thinking, and have multicultural understanding. How effectively an organization socializes its members impacts their productivity, commitment and turnover rates.

Top management in an organization establishes the norms by their behavior. The leadership of the future military must act to promote organizational and conceptual innovation. Professionalism and close attention to detail are vital values to be advanced by the future military. The leaders of the future military should demonstrate a strong people orientation. The organization will have to reach out to the individuals and make them feel their contributions are valuable. Increased dependence on the reserve component will require that the military leadership address the concerns of reservists about the impact of military service on civilian careers. Attitudes about stability will have a big impact on the organization’s ability to retain the quality of professional it seeks. The organizational culture of embracing complex challenges will need to be balanced by seeking as much stability as possible for it’s members. How senior management responds to risk taking, in terms of pay, promotions, and rewards establishes a major component of culture.

Innovation is a key component of success in a complex and dynamic environment. But in order to achieve the innovation and flexibility required, organizational and doctrinal adaptations are necessary. In order to innovate, military leaders will need to develop a results
oriented attitude that rewards success instead of the lack of failure. The military will need to
develop structures that are flatter, cross-functional, less formalized, and depend on participative
decision making to positively influence innovative behavior.\textsuperscript{51} Such organizations are described
as having organic structures.\textsuperscript{52} Long tenure in management and job security are associated
with increased innovation.\textsuperscript{53} Management at all levels will need proper command and control
mechanisms and tools\textsuperscript{54} so they can take advantage of intellectual and technological
innovations\textsuperscript{55} to accomplish their missions. Members will need to know and understand the
value of their contributions to the success of their missions. Increased horizontal
communication and information flow across traditional organizational boundaries that integrate
effectively all non-traditional elements of national security policy with traditional ones\textsuperscript{56} increase
innovation.\textsuperscript{57} These organic organization structural variables are the ones that promote
innovation.\textsuperscript{58}

SUMMARY OF REQUIREMENTS

The U.S. military must be able to respond quickly and operate effectively, cohesively,
economically and decisively across the entire spectrum of military operations from full-scale
major theater war to humanitarian relief operations to peacetime engagement. It must be
prepared for long-term commitment to difficult situations. In addition, the US government needs
to develop new organizational mechanisms to manage the increasingly blurred lines between
the missions of the military, police, legal jurisdictions, and forms of warfare.\textsuperscript{59} It must do this
with the existing size force, leveraging advanced technology with creative, rapidly adaptable,
and robust strategies, in an increasingly dangerous and extremely unpredictable environment.
The following table captures the essence of the contextual dimensions for the future US military.

<table>
<thead>
<tr>
<th>Contextual Dimension</th>
<th>Future US Military Context</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Very Large</td>
</tr>
<tr>
<td>Organization Technology</td>
<td>Complex and Highly Technological, Non-routine</td>
</tr>
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</tr>
<tr>
<td>Culture</td>
<td>Strong Professionalism, Highly Motivated, Dedicated</td>
</tr>
</tbody>
</table>

\textbf{TABLE 1: SUMMARY OF PROJECTED FUTURE US MILITARY}
REVIEW MANAGEMENT LITERATURE

The preceding description of the contextual dimensions describes the setting that influences and shapes the structural dimensions of the future military organization. These structural dimensions describe the internal characteristics an organization and can be manipulated to build the best organizational structure to fit that contextual environment.

FORMALIZATION

Formalization refers to the extent of written documentation of procedures, job descriptions, regulations, and policy manuals. Very large organizations tend to develop a high level of formalization.60 This usually happens as a response to management's desire for control and uniformity further down into the organization. Successful organizations that work in complex and non-routine technologies tend to have low to moderate levels of formalization because they need the freedom to innovate unique and effective responses to the ever-changing new challenges they face.61 Organizations that operate in complex and unstable environments need the flexibility to respond to changing situations. High levels of formalization restrict the ability of an organization to innovate. Highly formalized organizations also tend to depersonalize the relationships and behavior within. Flexibility and innovation argue for lower levels of formalization. Unnecessary restrictions in this environment are counterproductive. Professionals are highly valued for their training, judgment and their ability to be flexible, and professionalism can be an effective substitute for formalization.62

The future military organization should strive to have as low a level of formalization as possible. Given that it will be very difficult to achieve that for a government organization, the military should be very careful to limit the onerous overhead of unnecessary regulations and policies. Professional training regularizes a high standard of behavior for employees and can reduce the need for formalization. To the extent it is necessary, formalization should indicate bounds of acceptable policies and thoughtful guidance, not explicitly define procedures.

SPECIALIZATION

Specialization refers to the degree to which tasks are divided into separate jobs. A very large organization tends to allow increased specialization.63 When a great many different, highly technical tasks are required, a high level of specialization is often required. Very complex and unstable environments usually require many different highly specialized skills. But, there is a limit to how much specialization is good for an organization. A point can be reached where human diseconomies resulting from boredom, stress, and fatigue of a too narrow job scope will

8
offset the advantages.\textsuperscript{64} Also, specialization will pose a challenge for horizontal integration, the amount of communication and coordination across organizational department boundaries.\textsuperscript{65} Effectiveness and innovation will depend on the availability of the right skills, applied at the right time, in the right amount.\textsuperscript{66} Specialization can create conflict between groups if not properly integrated, but it can also contribute to maintaining unique cultures and activities that perpetuate professionalism, dedication, and enhanced esprit de corps.\textsuperscript{67}

The future military will require a high degree of specialization for the many complex and technically demanding tasks it must perform. At the same time, it must manage the issues of human diseconomies from over specialization and horizontal integration. The military will need to find the balance between diversity of knowledge, skill, and function; and the need to effectively apply and coordinate those diverse approaches.

\textbf{STANDARDIZATION}

Standardization is the extent to which similar work activities are performed in a uniform manner. Large organizations tend to try to develop highly standardized procedures in order to realize economies of scale and quality control, but these goals are usually only possible in stable environments.\textsuperscript{68} Standardization is difficult or impossible if the organization is applying highly complex technology to non-routine tasks. Complex, unstable, and hostile environments are not conducive to standardization of tasks. Flexibility and innovation in an organization is hampered by standardization.\textsuperscript{69} Standardization in an unstable environment can negatively impact the motivation and moral of professional military members. It may be very difficult for the traditional military, which values standards and uniformity, to embrace an organization structure that emphasizes customization and innovation, but the value of these practices have long been recognized by some of the world’s best militaries.\textsuperscript{70} Napoleon’s army organized into unified combat arms that operated with considerable autonomy, and the German tradition of independent action based on the commanders intent, the practice known as \textit{Auftragstaktik}, are examples.\textsuperscript{71}

The future military should de-emphasize standardization if it is to achieve the flexible, innovative response capability it needs. This may require a significant paradigm shift for today’s military leaders.

\textbf{HIERARCHY OF AUTHORITY}

Hierarchy of Authority is the structure of the legitimate authority relationships, both vertical and horizontal. Very large organizations develop very deep vertical channels of authority.\textsuperscript{72}
Horizontal channels usually develop only to the minimum extent absolutely required because of the perception of competition between vertical channels. Complex technology applied to non-routine tasks often requires a unique set of skills or resources for each issue confronted. Bringing these skills and resources together can often mean bringing them across internal organizational boundaries, and this can easily cause counterproductive internal conflict if not properly managed. Effective horizontal integration can ease this kind of conflict. Flexibility and innovation require the cross boundary reach to bring together the most effective solutions. Empowerment of highly motivated professionals results from pushing the decision making authority and responsibility to the lowest appropriate level possible, broadening the span of control, and reducing the vertical hierarchy.

The future military will need to increase the nominal span of control and empower all levels of the organization to reduce the vertical hierarchy and facilitate the horizontal integration required.

**COMPLEXITY**

Complexity corresponds to the number of different activities or subsystems within an organization. Complexity can be measured along at least three different dimensions. Vertical complexity refers to the number of levels in the command hierarchy. Horizontal complexity refers to the number of different jobs horizontally across the organization. Spatial complexity is the number of geographical locations the organization operates in.

Large size and a complex environment implies a very complex organization. Many people and limited span of control increases the vertical complexity. The vast array of different jobs that support the many missions of the military makes it horizontally complex. The addition of many complex technological capabilities will further increase the organizational complexity. The complexity of the hostile environment demands increasingly complex responses from the military and that will be reflected in the complexity of the organization. Building flexibility and innovation as core values into the organization will help limit the increase of horizontal complexity by leveraging one capability to solve many problems. Dedicated, professional military members will mitigate the complexity of the organization by applying their skills and judgment to function horizontally and vertically across organizational boundaries.

The future military will be much more complex, but dedication and professionalism of a highly motivated military corps can exploit the increased capabilities and overcome the challenges of operating a complex organization.
CENTRALIZATION

Centralization refers to the level in the organization at which decision authority rests. In large organizations, lower level managers who are closer to the problems and have a more detailed knowledge of the situation usually make better decisions. Modern communication technologies make it easier for high level management to get very far down into the details of operations. It is often a disastrous thing for an organization when this happens since top managers are typically not experts in the details of the situation. A dynamic environment might seem to argue for greater centralization in order to improve the rapidity and coordination of response, but highly complex problems demand that lower level experts be empowered to deal with the problem. Empowered meaning that the individual or team clearly identified as responsible has the resources available in a timely manner with the authority to address the situation.

The military of the future will have to make a conscious effort to decentralize its decision authority.

PROFESSIONALISM

Professionalism is the level of formal education, training, and experience of employees. A high level of professionalism in an organization substitutes for bureaucracy and increases the effectiveness of the organization. Professional level skills are required to effectively employ complex technology in a complex and unstable environment. Setting the goal of developing a highly trained workforce recognizes the level of skill required and reinforces the professional attitude in the organization. Valuing the dedication and contributions of every individual member of the organization motivates a strong professional attitude.

The future military force will be composed of a highly trained corps of professionals.

PERSONNEL RATIOS

Personnel Ratios describe the deployment of people to various functions. Large organizations tend to have fewer top administrators and line employees, as a percentage of the overall work force, than smaller organizations. At the same time, they tend to have more professional staff and clerical workers, although size alone doesn’t establish a specific relationship. Complex and technical tasks may require more line employees. A complex environment may require more departments and therefore more professional staff to provide
support and coordination. A high-level of professionalism of all employees will reduce the need for professional staff and bureaucratic overhead.

The objective for the future military is to have a relatively small percentage of top-level administrators, less professional staff, and more line employees.

SUMMARY OF REQUIREMENTS

Now that both the contextual and structural dimensions have been identified for the proposed future military, a best-fit organization model can be selected. The following table (Table 2) indicates the theoretical, projected most successful structural dimensions of an organization with the indicated contextual dimensions.

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Future US Military Structural Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Size</td>
<td>Very Large</td>
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<tr>
<td>Organization Technology</td>
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<tr>
<td>Formalization</td>
<td>Low</td>
</tr>
<tr>
<td>Specialization</td>
<td>High</td>
</tr>
<tr>
<td>Standardization</td>
<td>Low</td>
</tr>
<tr>
<td>Hierarchy of Authority</td>
<td>Less Vertical, More Horizontal, Professionalism, Empowerment</td>
</tr>
<tr>
<td>Complexity</td>
<td>Extreme</td>
</tr>
<tr>
<td>Centralization</td>
<td>Low</td>
</tr>
<tr>
<td>Professionalism</td>
<td>Very High</td>
</tr>
<tr>
<td>Personnel Ratios</td>
<td>Increased Line, Reduced Staff</td>
</tr>
</tbody>
</table>

**TABLE 2: FUTURE MILITARY BEST-FIT STRUCTURAL CHARACTERISTICS**

THE BEST-FIT MILITARY ORGANIZATION

The United States depends for its survival on the military. It is the historical nature of the military that the only sustainable competitive advantage is the ability to learn and adapt faster than adversaries, and this is more evident today than ever before. Given the critical nature of the military’s mission, it is apparent that the military must pursue demonstrably successful global strategies for organizational excellence.
One business framework for analyzing organizational structure in an international market contrasts a globalization strategy with multidomestic strategy. The globalization strategy refers to a strategy where products and services are standardized worldwide. The multidomestic strategy is one where each country or locality is handled independently and operations are tailored to the specific needs of each area. These approaches are not mutually exclusive. Some kinds of products or services may find advantage by global standardization, whereas others may be optimized by customization for a specific locale.

A number of different business models have been developed assuming various levels of emphasis on each kind of strategy combined. Each of the different business models is characterized by their relative position in the globalization/multidomestic space as represented in the following figure (Figure 1).

**FIGURE 1: INTERNATIONAL MODEL ORGANIZATION STRUCTURES**

*International Division:* This business model describes a company that has expanded existing local or national organizational structures to operate in the international arena without fundamentally changing the structure or the way it does business. Often functionally organized,
when extended into the international markets these organizations have difficulties due to long
lines of functional hierarchy and insensitivity to market differences around the world.96

Global Geographic Structure: Companies with mature product lines and stable
technologies are successful when they organize around the division of the world into regions.
Independent regional divisions can exploit opportunities for local or regionally based competitive
advantages. Senior management in companies using a global geographic structure find it
difficult to do planning or coordinate operations on a global scale because each division is
focused on meeting the needs of its region. Companies like Dow Chemical successfully use
this structure while managing these problems.97

![Figure 2: Global Geographic Division Structure](image)

FIGURE 2: GLOBAL GEOGRAPHIC DIVISION STRUCTURE98

Global Product Structure: Organizations with this structure have divided operations along
product lines with each product division attempting to extend its operations worldwide. Each
product division organizes its international operations as it sees fit and plans, organizes, and
controls all organizational functions worldwide. This model works best when there is a demand
for similar products in all markets, thus providing economies of scale and standardization of
production. Product divisions often end up competing against each other instead of
cooperating, and some countries may not receive adequate attention from product managers.
Eaton Corporation successfully uses a form of worldwide product structure.99
Global Matrix Structure: The matrix model is designed to achieve vertical and horizontal coordination along two dimensions, such as region and product. The matrix organization works best when product standardization and geographical localization compete for and must share resources. A successful matrix organization is Asea Brown Boveri (ABB).
**FIGURE 4: GLOBAL MATRIX STRUCTURE**

*Transnational Structure:* This kind of structure may occur for very large organizations with operations in many countries that try to exploit both global and local advantages, technological superiority, rapid innovation, and functional control. It is similar to the matrix organizational structure except that it is much more complex in that it is designed to coordinate more than two competitive issues. The transnational model integrates many centers of different kinds. Subsidiary managers initiate innovations that become strategy for the whole organization. Unification and coordination are achieved through corporate culture, shared vision and values, and management style rather than through vertical hierarchy. Alliances are established with other company parts and with other companies. Successful transnational companies include N. V. Phillips that operates in sixty countries, Heinz, Unilever, and Proctor and Gamble.
FIGURE 5: TRANSNATIONAL ORGANIZATIONAL UNITS AND INTERLINKAGES WITHIN N.V. PHILIPS

Each of these organization structures has its own mix of contextual and structural dimensions. The following table (Table 3) contrasts the contextual and structural dimensions of the various organization structures.
<table>
<thead>
<tr>
<th></th>
<th>International Division</th>
<th>Global Geographic Structure</th>
<th>Global Product Structure</th>
<th>Global Matrix Structure</th>
<th>Transnational Model</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Size</strong></td>
<td>Medium</td>
<td>Large</td>
<td>Large</td>
<td>Large</td>
<td>Very Large</td>
</tr>
<tr>
<td><strong>Organization Technology</strong></td>
<td>Simple</td>
<td>Machines Stable</td>
<td>Machine Automated</td>
<td>Machine Complex</td>
<td>Complex High Tech</td>
</tr>
<tr>
<td><strong>Environment</strong></td>
<td>Simple Stable</td>
<td>Stable</td>
<td>Complex Stable</td>
<td>Complex Stable</td>
<td>Complex Dynamic</td>
</tr>
<tr>
<td><strong>Goals &amp; Strategies</strong></td>
<td>Survival Growth</td>
<td>Market Penetration</td>
<td>Efficiency</td>
<td>Flexibility</td>
<td>Shared Vision</td>
</tr>
<tr>
<td><strong>Culture</strong></td>
<td>Weak</td>
<td>Subcultures</td>
<td>Weak</td>
<td>Strong</td>
<td>Strong Professional</td>
</tr>
<tr>
<td><strong>Formalization</strong></td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td><strong>Specialization</strong></td>
<td>Low</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
</tr>
<tr>
<td><strong>Standardization</strong></td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>High</td>
<td>Low</td>
</tr>
<tr>
<td><strong>Hierarchy of Authority</strong></td>
<td>Bureaucratic</td>
<td>Bureaucratic</td>
<td>Bureaucratic Vertical</td>
<td>Bureaucratic Vertical</td>
<td>Less Vertical Less Vertical</td>
</tr>
<tr>
<td></td>
<td>Very Vertical</td>
<td>Horizontal</td>
<td>Vertical</td>
<td>Horizontal</td>
<td>More Horizontal</td>
</tr>
<tr>
<td><strong>Complexity</strong></td>
<td>Low</td>
<td>Medium</td>
<td>Medium</td>
<td>High</td>
<td>Extreme</td>
</tr>
<tr>
<td><strong>Centralization</strong></td>
<td>High</td>
<td>Medium</td>
<td>High</td>
<td>Medium</td>
<td>Low</td>
</tr>
<tr>
<td><strong>Professionalism</strong></td>
<td>Low</td>
<td>Low</td>
<td>Low</td>
<td>Medium</td>
<td>Very High</td>
</tr>
<tr>
<td><strong>Personnel Ratios</strong></td>
<td>Varies</td>
<td>Varies</td>
<td>Varies</td>
<td>Varies</td>
<td>Increased Line Reduced Staff</td>
</tr>
</tbody>
</table>

**TABLE 3: CHARACTERISTICS OF ORGANIZATIONAL MODELS**

The transnational model describes a structure that attempts to exploit both global and local advantages through the use of superior technology, rapid innovation, and functional control. This is a fairly close match with asserted requirements for the future military. The transnational model differentiates into many centers of different kinds. Operating on a principle of flexible centralization, it has a center of control for each country and a center for each capability. Center managers may initiate strategies and innovations that become strategy for the whole organization. Unification and coordination are achieved through corporate culture, shared vision and values, and management style rather than through the vertical hierarchy. Alliances are routinely established with other parts of the company and with organizations outside the company.

**COMPARISON TO TODAY'S MILITARY**

So far, this discussion has addressed the shape of the future US military without consideration of what the current military organization structure is. That raises the question of how the current military compares to the transnational organizational model, and if implemented, how would the transnational organization military look. The current military is
definitely a global organization. It is organized regionally through the regional unified commands, each command headed by a CINC. It also has the functional services, so it has already developed towards meeting globalization and regional pressures. I would describe the current military as having a global matrix structure. This regional-function matrix creates centers of control for each function in each region. For example, each regional CINC has a center of control for air forces.

Transnational organizations have many centers of different kinds. Today’s military is organized along the lines of the regional unified commands, covering huge regions of the earth, and the functional control of the services. The result is that the leaders of these centers are two boss employees. The future military would have many more highly targeted regional organizations developed around countries, several countries, or regional security organizations like NATO. Functionally, there would be less service identity and a more joint orientation. Some functions may be concentrated in one country, while other functions would be dispersed among many centers according to which arrangement is most beneficial.

Subsidiary managers initiate corporate strategy for a transnational organization. Today, regional strategies are controlled by the CINCs. Doctrine is developed and controlled by the services. In the future military, strategy and doctrine elements would be developed in the local centers and then disseminated throughout the organization. Different centers would need to focus on different missions. Some would need the traditional war fighting skills; others would focus on peacekeeping operations, while another would develop expertise in humanitarian operations.

Transnational organizations achieve unification and coordination through corporate culture, shared vision and values, management style. Today’s military has a strong culture, but it is very much influenced by the culture of the general population. People are very cynical and the high values are often considered corny or passé. Military leaders have not succeeded in getting the members of the military to share their vision of the future. The traditional mechanistic hierarchical management style is not in tune with today’s members. In the transnational military the emphasis will be on horizontal structure to achieve unity and coordination. Leaders build a context of shared vision, values, and perspectives among leaders who spread these elements throughout the organization. Promotion would be achieved by rotation through different jobs, divisions, and countries. Long experience would be valued because those members would be strongly socialized in the military. Experience and rotation through divisions and regions means that people would share the corporate military values and achieve unity of purpose.
Transnational organizations establish alliances with other company parts and with other companies. The current military has had considerable difficulty learning to operate according to the joint concept. Integrating and operating with our allies is becoming increasingly difficult for a variety of reasons. In the future, each part of the military would be able to reach out directly to assets and expertise as needed and easily integrate operations with other units. They would just as easily be able to integrate operations with foreign militaries, intergovernmental organizations, or non-governmental organizations.

**CONCLUSIONS**

Foremost among successful strategies is a fundamental strategic orientation for the organization. Part of strategic orientation is a deep understanding of what success is for the organization. Understanding success allows the organization to set clear goals and maintain focus in the increasingly turbulent world environment. Another part of strategic orientation is rapid response to changing situations so the organization can respond to opportunities as well as problems. To achieve this, top management must share a clear vision and effectively communicate that vision to the rest of the organization. They must embody the core values of the organization and have an inclination to take action. These characteristics support a corporate culture with a climate of trust, high productivity through empowerment, valuing of people, and an orientation of long-term success.

The US military is transforming to meet future challenges and it will have to transform its organizational structure to accommodate the new capabilities. The transnational model may be the best-suited model around which to design the future military.

Word Count = 5997.
ENDNOTES


3 Ibid.

4 Ibid., 18.

5 Ibid., 18

6 Ibid., 163.

7 Ibid., 18.

8 Ibid., 123.

9 Ibid., 18.


19 Daft, Organization Theory and Design, 98.

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Francis Fukuyama and Abram N. Shulsky, *The "Virtual Corporation" and Army Organization* (Santa Monica, CA: RAND, 1997), 32.


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