"The first duty of Government is the defence of the realm". This truism comes from *The Armed Forces Covenant*, a Ministry of Defence document articulating the relationship between the state and the soldier. Despite this obligation, the government has pressed the armed forces through a root and branch restructuring since 2010. Because the process of this organisational design has lacked discipline and intellectual rigour, the conclusions are fundamentally flawed.

In this essay I will explain how organisational design ought to be done, outline the context pertinent to the armed forces, and explain why we are witnessing a chronic failure of government and a serious diminution of the state.

Organisational design is simple. One starts with market analysis, an honest appraisal of what commercial opportunities exist for a company, given its strengths and weaknesses. With this understood, the next stage is to construct a vision statement that focuses the energy of all involved. This not only articulates a goal, but also suggests the company's values, capabilities, and relationship to the wider environment. It can be aspirational, but must never be chimerical. The process of creation requires both intellectual rigour and the active involvement of the executive. Without these tenets, the final design will fail.

The vision translates, through constraints such as cash flow, capability levels, and geography, into something more tangible: the mission. This explains how resources and effort are transformed into an effect on the market; why an organisation exists and what it does. The mission is in turn supported by a handful of business processes. In a manufacturing plant, for example, there will be a business process for staff employment which could be made up of sub-processes for appraisal, bonus allocation, or grievance management. Once we understand the processes, we have a picture of the mechanics of an organisation; how it works to deliver the mission in pursuit of the vision.

Now we get to the art of organisational design. Business processes are broken down into their constituent steps, each of which will require certain capabilities. In a manufacturing process, one step might be receiving raw materials and organising them into bundles ready for the assembly line. This could require capabilities such as planning, or reactivity to fluctuations in demand. Once we understand the capabilities, these are broken down into skills such as the ability to drive a fork lift or manage a small team. Skills are then grouped into roles, and the 'wire diagram' finally emerges. We now have a pyramid constructed of

boxes (representing roles) joined by lines (representing relationships). We can see how the operator pulling the lever in the paint room acts within a sub process, which fits within a major process, which delivers a service to customers. All of this activity, day in day out, is channelled and shaped by the vision with which we started.

This description is, of course, a little simplistic. Organisations often find it difficult to articulate a vision because industries are dominated by one or two global players who shape the market in their favour and quash competition. An organisation's mission requires a pool of accessible customers. Processes rarely achieve perfect efficiency because of constraints like floor space, leave rotation, legislation, union relations, and managerial capability. Organisations are rarely built from scratch. But if design is more usually *redesign,* the need for clarity and rigour is all the more critical.

With regard to the armed forces, the 1998 Strategic Defence Review emphasized 'reaping the peace dividend' after the fall of the Berlin Wall. It seized the opportunity to reduce the defence budget from a whopping 3.9% of GDP in 1990, to 2.4% in 1999 and 2.5% today. Then three things happened. The first was that Tony Blair started deploying the armed forces on 'ethical' operations that boosted his profile as a world statesman. An intervention in Kosovo protected the Muslim Albanian population from the Christian Serb one. An expedition to Sierra Leone defended a terrified capital from a vicious jungle rebellion. Projecting such power justified the nation's place on the UN Security Council and left us feeling good about ourselves.

But in 2001, an international network of jihadis flew three aeroplanes at targets in the United States, hitting two of them. The attack was executed with extraordinary zeal but its legacy was unremittingly awful. It polarised the Christian and Muslim world and sent America on a bloody path of vengeance. Not wanting to miss the party, Britain chose to "stand shoulder to shoulder" with them and committed force accordingly. But then the third change occurred. Headlines became more critical, public opinion wavered, and resources became scarce. There was no longer a sense of balance between vision, mission, and capability. If the army withdrew from Iraq feeling bruised, it is withdrawing from Afghanistan feeling betrayed.

The coalition government came to power in 2010 with a mandate to tackle the massive inefficiencies in the education and health sectors. In doing so it was difficult to ignore the MoD overspend of £38bn, more than an entire year's defence budget. Thus, having been heavily burdened by unrealistic war aims and scant direction, the MoD also had to wield the knife.

Now let me combine the two parts of my narrative and explain why the subsequent restructuring of the British Army lacked detail at every stage and thus the final design does not meet the national need.

As stated, when designing an organisation one should start with a coherent analysis of the environment. The National Security Risk Assessment is the nearest document we have for this purpose. It categorises risks to the UK in terms of their probability and impact, and then prioritises them. This is where the weakness in the army's design originates. Of those risks deemed 'tier one,' only one (an interstate crisis) implies the use of conventional military force. The others (cyber warfare, terrorism, natural hazards) are perhaps better understood as threats to domestic resilience. Second and third tier risks are grouped together in a manner that does not make sense. Why is a biological attack on the UK (presumably low-probability, high-impact) bundled into the same category as a significant increase in organised crime? Why is an increase in terrorists trying to enter the UK (high-probability, low-impact?) grouped with an accidental release of radioactive material from a nuclear power station?

One reason for the tawdry analysis is the strong tendency in the civil service for decisive thought to be diluted between committees and working groups. The risk assessment was produced by a body called the National Security Council, an adjunct of the Cabinet Office, but without reference to the Joint Intelligence Committee. Another body, the Joint Committee on the National Security Strategy, has accused it of being too tactical in its thinking. From a confused process and weak structures, poor analysis flowed.

If the risk assessment is the closest thing to market analysis, the Strategic Defence and Security Review '*Securing Britain in an Uncertain Future*' is the nearest thing to a statement of vision and mission. Again produced by the Cabinet Office, this document defines our policy goal: to have an 'adaptable' security posture that delivers a resilient state and the ability to interdict trouble abroad. In order to do this successfully, it says, we must address the 'tier one' risks, deter attack, integrate governmental activity, and build on our alliances.

The document places the armed forces "at the core of our nation's security," and emphasises how challenging future conflict could be. It would involve both state and non-state actors. It would be asymmetrical. It would be conducted under close media scrutiny and in environments where the enemy could hide among civilians. Cyber warfare and intelligence gathering would be pivotal. Operations could be either short term or enduring and possibly involve deployment up to divisional strength.

With these factors in mind, the MoD is given a mission statement expressed as the 'seven military tasks'. This list continues the increasingly fragile logic behind the design process. Whereas the risk assessment majors on domestic threats (cyber warfare, terrorism, natural hazards), the military tasks retain an external, kinetic bias (defending the UK and overseas territories, projecting power through expeditionary operations, providing security for stabilisation). I do not doubt the veracity of the tasks, but they are not justified by the risk assessment, and the same woolliness pervades all subsequent documentation.

Because the market analysis lacks rigour, the vision fails to pinpoint an accurate goal and the mission lacks foundation. The fragility of logic is further amplified by the MoD leaping from mission to wire diagram without examining the processes, capabilities and skills required. In its hasty response to the defence review, it reduced the standing army, through four waves of compulsory redundancy, to a permanent strength of 80,000 (the smallest it has been since the 18th century) and a reserve strength of 30,000. This egregious decision demonstrates a woeful lack of understanding.

Whereas there is considerable logic in constructing an army of both full- and part-time staff (doing so keeps the army at the heart of society, it benchmarks favourable against other countries at a 70:30 ratio, it's cheaper, and it allows the military to draw on specialist civilian expertise) there remain considerable problems to overcome. The 30,000 target demands a near doubling of trained reservists within the next two years. This is hopelessly unrealistic given that it takes three years for many volunteers to reach trained status and the recruiting figures are already short. Unlike America, where volunteering is an opportunity to put one's professional skills at the service of the state, the British reservist sees the army as relief from the drudgery of work. He wants something fun and if he doesn't find it, he leaves. The government has announced that it will transform the reserve with £1.8m, but does not explain how. Even if the reservist starts training with the regulars, and new legislation protects both his needs and those of his employer, he remains in an invidious position. He has yet to earn the trust of his regular counterpart in a way necessary to make a 'whole force' concept work, but is not being given the resources (especially time) to do so.

Warfare is a team game. It is never a function of the Army or the RAF or the Royal Navy, but how all three work together. Being an infantry soldier is a muddy experience requiring high reserves of irony and sweet tea. But the accuracy of naval gunfire, and the certain knowledge that a helicopter would evacuate a casualty, are crucial to morale and fighting spirit. It is surprising, therefore, that so little structural consideration is given to inter service collaboration. In the same vein, the defence review emphasises the need for

"combining defence, development, diplomatic, intelligence and other capabilities" yet there is scant attention to both working with allies, other government departments, and the NGO community. In their response to the army design, the Royal United Services Institute (RUSI) points out that several key capabilities would have to be developed, not least a means of cross charging to other government departments for the use of military personnel in a civil emergency. In short, the army's design does not answer the exam question.

The document that communicates the future structure in a manner meaningful to soldiers is called *Transforming the British Army*, published in July 2012. An update issued a year later includes detail on where units are to be based and how other initiatives (pension reform, new employment and career models) are to be woven in. This document boils down the risk assessment and defence review into yet another mission statement, the 'core purposes' for the army. These are to provide "contingent capability for deterrence and defence; defence engagement and overseas capacity building; and UK engagement… to homeland resilience". What is not clear is how these purposes justify the subsequent structure. There will be a reaction force for short notice interventions and an adaptable force for enduring ones and defence engagement. There will be a balance between armoured and light forces. There will be a training cycle. But the design is clearly weighted towards kinetic warfare, a fist drawn and ready to throw. The logic gap between risk assessment, defence review and design is never closed. Whereas a cavalry regiment based somewhere along the A303 might be able to provide useful support to a flood relief operation in Somerset, it is easy to imagine other structures much better suited to the problem: heavy lift vehicles, emergency engineering, water purification, medical support. Furthermore, the design fails to address issues raised by other governmental inquiries: the Levene report into MoD efficiency and the Ashcroft review of veterans' employment. Both advocated structural and procedural change, and both have been ignored in the design.

Not only is the logic of the design flawed, but those responsible for getting it right have started distancing themselves. Following the publication of Army 2020, the House of Common Defence Committee conducted an extensive review that was quick to criticise but slow to provide solutions. It gleefully pointed out that the Chief of the Defence Staff was told (by a civil servant!) that the design must fit a 'financial envelope' and yet failed to challenge the Minister on the decision. It stated surprise that the National Security Council was not consulted, an allegation so specious as to be comical. Criticising the design from the safety of a committee room, long after the fact, is not a demonstration of democratic thoroughness. It is chronically weak management. It is shameful.

So who is to blame? New Labour for their profligacy? The generals for their unchallenging haste? The coalition for failing to fund its own vision? Does it matter anymore, since the organisational design is now complete?

We have an army trimmed of any fat whatsoever and yet expected to deploy just as it did when the defence budget was nearly twice the size and the staffing levels 31% higher. It has retained the basic formations that it always had and though this may be desirable, it is not justified by the risk assessment and defence review. Future success depends on the reserve being fully effective, but the risks in this are numerous. Morale across the officer corps is low because those bearing the brunt of pension reform (35 to 45 years old) are the very same people who carried the greatest burden during the wars in Iraq and Afghanistan. The design misses the opportunity to develop capabilities in joint warfare, defence engagement, cyber warfare, and national resilience. Feeling changes in the political wind, politicians are now choosing to criticise rather than show decisive leadership.

The design itself would not survive much political or military pressure. Independence for Scotland would remove yet more units from the order of battle and take the design below critical mass. The next defence review in 2015 could easily announce further cuts. There is no clear provision for how a future war would be funded. In the international arena we are seeing a return to global power politics (consider Israel, Syria, and the Ukraine) and yet we seem too fatigued, enfeebled, or insecure to get involved – something Mssrs Assad, Putin, and Rivlin are only too happy to exploit.

This week we are celebrating the anniversary of the start of the First World War, but do so a nation both impotent and self-deceiving. Either we must be able to project force abroad in order to guarantee security at home, or not. The defence review peddles the line that we are a global power, but it has hollowed out the army to the point where it is capable of little more than noisy self-defence. The UK has slipped into an eroded state without informed public debate. What we need, if we have the moral, political and intellectual courage to face the question, is a clear and honest view of where we stand in the world, our vision for ourselves. If there was something missing from *The Armed Forces Covenant*, it would be the duty of government to make that happen.

Bibliography

Ashcroft, Lord KCMG PC, February 2014, *The Veterans' Transition Review*
http://www.veteranstransition.co.uk/vtrreport.pdf

Chalmers, Professor Malcolm, September 2011, *Looking into the Black Hole: Is the UK Defence budget crisis really over?*, London: Royal United Services Institute Briefing Paper
https://www.rusi.org/downloads/assets/RUSIBriefingPaperSept2011.pdf

Her Majesty's Government, October 2010, *Securing Britain in an Age of Uncertainty: The Strategic Defence and Security Review 2010*
https://www.direct.gov.uk/prod_consum_dg/groups/dg_digitalassets/@dg/@en/documents/digitalasset/dg_191634.pdf

The House of Commons Defence Committee, 29th January 2014, *Future Army 2020: Ninth Report of Session 2013-14*
http://www.publications.parliament.uk/pa/cm201314/cmselect/cmdfence/576/576.pdf

House of Lords and House of Commons Joint Committee on National Security Strategy, 8 March 2012, *First Review of the National Security Strategy 2010: First Report of Session 2010-12*, London: The Stationery Office Limited
http://www.publications.parliament.uk/pa/jt201012/jtselect/jtnatsec/265/265.pdf

Levene, Lord of Portsoken, June 2011, *Defence Reform: an independent report into the structure and management of the Ministry of Defence*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/27408/defence_reform_report_struct_mgt_mod_27june2011.pdf

Ministry of Defence, July 2012, *Transforming the British Army: Modernising to face an unpredictable future* https://www.army.mod.uk/documents/general/Army2020_brochure.pdf

Ministry of Defence, July 2013, *Reserves in Future Force 2020: Valued and Valuable*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/210470/Cm8655-web_FINAL.pdf

Ministry of Defence, July 2013, *Transforming the British Army: An Update – July 2013*
http://www.army.mod.uk/documents/general/Army2020_Report.pdf

Ministry of Defence, *The Armed Forces Covenant*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/49469/the_armed_forces_covenant.pdf

National Security Council, *Fact sheet 2, National Security Risk Assessment*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62484/Factsheet2-National-Security-Risk-Assessment.pdf

National Security Council, *Fact sheet 5, Future Force 2020: Summary of size, shape and structure*
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/62487/Factsheet5-Future-Force-2020.pdf

 Phillips, Mark, June 2012, Army 2020: Roles, Capabilities and People, London: Royal United Services Institute Occasional Paper
https://www.rusi.org/downloads/assets/20120702_Army_2020.pdf

 Taylor, Claire, 19 October 2010, *A Brief Guide to Previous British Defence Reviews*, The House of Common Library

http://www.parliament.uk/briefing-papers/SN05714.pdf

The World Bank http://data.worldbank.org/indicator/MS.MIL.XPND.GD.ZS?page=4 viewed 27 July 2014