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Organizational Structure Modernization

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ORGANIZATIONAL STRUCTURE MODERNIZATION

AIM

The aim of this service paper is to propose a modernization of the Canadian Armed Forces' (CAF) units' organizational structures to improve the effectiveness of the organization and positively contribute to the progress of CAF's culture.

INTRODUCTION

The subject of the Canadian Armed Forces (CAF) culture modernization has been around for over thirty years. First following the Somalia crisis¹ and now following several more recent cases of misconducts by high-ranking officers^{2,3,4,5}. The requirement to modernize CAF's culture is not only required to remove embedded discriminatory behaviours. The CAF's needs to reflect the changes in the Canadian cultural society especially as it is currently facing a recruitment crisis with more than 12,000 vacant positions⁶ out of the 101,500 regular and reservist authorized strength. Finally, the private sector has been progressing and experimenting in organizational culture to adapt to the changes of its internal and external environment while the CAF has been stagnant. CAF has been anchored to its traditions with many roadblocks.

In a military organization, military culture is a critical factor to ensure military effectiveness. But before reforming CAF's culture, it is important to express its characteristics and perform any changes diligently. No simple definition exists for CAF's culture as the culture of an organization is defined as the set of common attitudes, values, and beliefs that members of an organization acquire and that guide their behavior.⁷ CAF's culture also includes the doctrines and the long military traditions rooted in the behavior of the military members. The multiple aspects and intangibles of CAF'S culture makes it difficult to reform with a simple change of doctrine but must be addressed from all its different contributing factors. One of these factors is the organizational structure of the CAF.⁸ That structure influences the processes, interactions and dictates the social status of the members inside the organization. While the Department of National Defence

¹ M. D. Capstick, "Defining the Culture: The Canadian Army in the 21st Century," *Canadian Military Journal* (Ottawa) 4, no. 1 (2003), 47.

² Radio-Canada, "La GRC enquête sur le vice-amiral Mark Norman pour fuite de documents secrets," Last modified 18 Jun 2019, <https://ici.radio-canada.ca/nouvelle/1011466/vice-amiral-mark-norman-enquete-grc-divulgations-renseignements-classifies-construction-navires>.

³ Radio-Canada, "Le général à la retraite Jonathan Vance accusé d'entrave à la justice," Last modified 15 Jul 2021, <https://ici.radio-canada.ca/nouvelle/1809370/jonathan-vance-accuse-entrave-justice-forces-canadiennes-inconduite>.

⁴ CBC, "Canada's top military commander steps aside following sexual misconduct claim," Last modified 26 Feb 2021, <https://www.cbc.ca/news/politics/mcdonald-misconduct-allegation-1.5927517>.

⁵ CTV News, "Dany Fortin says 'career appears to be over' after leak of misconduct investigation," Last modified 22 Jul 2021, <https://www.ctvnews.ca/politics/dany-fortin-says-career-appears-to-be-over-after-leak-of-misconduct-investigation-1.5519792>.

⁶ National Post, "Military dealing with more than 10,000 unfilled positions amid growing pressures," Last accessed 19 Jan 2022, <https://nationalpost.com/pmnl/news-pmn/canada-news-pmn/military-dealing-with-more-than-10000-unfilled-positions-amid-growing-p pressures>.

⁷ John R. Schermerhorn, James G. Hunt, Richard N. Osborn, and Claire De Billy. *Comportement humain et organisation* (Montreal: Erpi, 2014), 11.

⁸ Chief Military Personnel, "Canadian Armed Forces Culture Change in 2021 – Getting to Where We Need to Be," Apr 2021, 9.

(DND) and CAF are structured in a modern functional areas model at the macro level, the micro level structures are based on the traditional highly hierarchical military structure. Multiplying the levels of middle managers for both commissioned and non-commissioned members, it is time to assess if a change is required. This service paper suggests that moderate changes to the current ranks authorized allocation will allow to reduce the level of hierarchical structure, improving performance, innovation, and communication inside CAF.

This service paper is divided in three parts, beginning with the context of the situation and the current rank representation inside CAF. It will present the organizational structure of CAF at the micro level influenced by the rank representation and the challenges it presents. Finally, it will introduce the benefits of a horizontal (flat) organizational structure to provide recommendations.

DISCUSSION

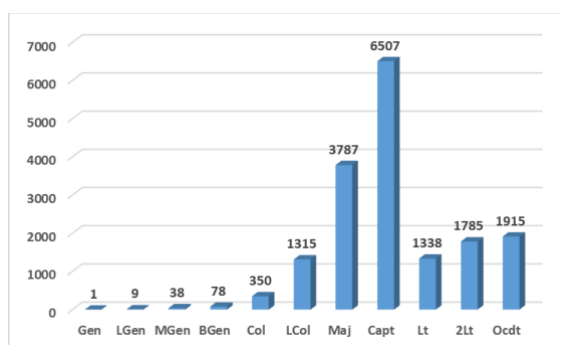


Figure 1: Regular force commissioned member's representation per rank.⁹

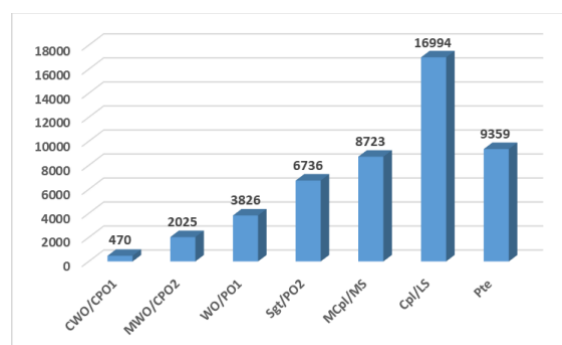


Figure 2: Regular force non-commissioned member's representation per rank.¹⁰

Current situation

Figures 1 and 2 present the regular force commissioned and non-commissioned members representation in number per rank. There is currently 17,123 officers for 48,133 NCMs which represents a ratio of about one officer for 2.8 NCMs. In comparison, the ratio in the U.S. military is one officer for 4.7 NCMs.¹¹ On the General Officers (GO) side alone, there is 126 Generals in the CAF for 65,130 members, a ratio of one general for about 517 members. In the U.S. Marine Corps, this ratio is one GO per 2903 personnel.¹² The numbers of officers have not generally grown over the last thirty years but their ratio has increased as the number of NCM has decreased.¹³ Nevertheless, these comparisons demonstrate that CAF is a top heavy organization compared to its southern neighbour.

⁹ National Defence. "Canadian Armed Forces Employment Equity Report", 2020-2021, A-4/13.

¹⁰ Ibid.

¹¹ Task & Purpose, "Why military officers are commanding fewer enlisted troops than ever before," Last accessed 16 Jan 2022, <https://taskandpurpose.com/news/how-many-officers-in-us-military/>.

¹² Ottawa Citizen, "Canadian Forces top-heavy with generals as rank and file shrinks," Last accessed 16 Jan 2022, <https://ottawacitizen.com/news/national/defence-watch/canadian-forces-top-heavy-with-generals-as-rank-and-file-significantly-shrinks>.

¹³ Ibid.

Figure 1 allow us to analyse the ratios inside the officer ranks. It is generally accepted in civilian equivalence that: Colonels and above are equivalent to executive positions; Lieutenant-Colonels and Majors are middle management; Captains and Lieutenant are supervisors or section heads; and Second Lieutenant and Officer Cadets are generally in a training phase. There is a total combined of 5,102 Lieutenant-Colonel and Major against 7,845 combined Captain and Lieutenant. This represents a ratio of only 1.5 Capt-Lt per LCol-Maj. The same observation can be made on the NCM side from the Figure 2 with a ratio of 1.76 Sgt per WO, 1.29 MCpl per Sgt or 1.95 Cpl per MCpl. It is also interesting that when grouping the managers and supervisors of the NCMs which are of the rank of Sgt and above against the qualified workers at the rank of MCpl and Cpl (Junior NCM), the ratio is 1.97 Junior NCM for each Sgt-WO-MWO-CWO. It is clear from these figures that in addition to have a hierarchical organization structure, CAF has a very vertical structure across most of the 18 ranks of its organization.

The fact that officers are taking more space inside CAF could be explained by the changes in CAF internal environment. This environment has become increasingly specialized and digitized, requiring higher level of education. The required education for NCM enrollment is a Grade 10 or 11 followed by an internal training for the member's specific trade. However, for most trades, CAF training capacity does not equate to a college or undergraduate degree. This leaves a gap where certain tasks are required to be performed by civilians, contractors, or officers. Officers are also enrolling at a higher rate than NCMs¹⁴ as they benefit from a higher organizational social status and benefits.

The low recruitment rate of the NCM could also be explained by an incompatibility between CAF and the new generation's culture. The perception of social classes inside CAF of officers on one side and NCMs on the other is not necessarily in line with the current Canadian values of equality. Also, a highly disciplined and hierarchical organization where new recruits are relegated at the bottom of a top-heavy pyramid for a decade might not be attractive to millennial and Gen Z generations.

CAF hierarchical structure

CAF has a hierarchical structured as it should as a military organization responsible to manage violence on behalf of its government. This structure has the purpose of organizing tasks, responsibilities, and authorities across this large organization. The vertical specialisation provides a hierarchical division of tasks that distributes authority and determines the levels at which important decisions are made. CAF members should be working collaboratively with individual different incentives while jointly committing to a common goal. However, the issue with the hierarchical structure is that it creates a gravitation towards the top. Hierarchy is a layered relationship of authoritative positions within the organization. Members are being given the illusion when entering the organization that every position is just a race towards the highest possible level. Promotions is being advertised as a synonym of potential, dedication, and excellence. There is a stigma around members satisfied with their current rank and promotion. The option of not participating (Opt-Out) to the annual Personnel Evaluation Report (PER) has been recently introduced in the Canadian Forces Personnel Appraisal System (CFPAS) but it is perceived as complacency. Performing members are discouraged from Opting Out of their annual PER. Promotion racing as a demonstration of performance, ambition and potential is still anchored into CAF's culture. This model of

¹⁴ National Defence. "Canadian Armed Forces Employment Equity Report", 2020-2021, A-6/13.

promotion accomplishes its objective at a certain extent to ensure the best individuals occupy the highest positions. However, it has the negative impact of removing the best performer from their current ranks and positions. CAF should be structured to create an environment where each position is occupied with the best and most appropriate member regardless of its location in the pyramid, the right person for the right job. To achieve this state, CAF requires to shift its organizational structure and its culture to keep the members where they should be regardless of their level within the organization. This would also require incentives for the members to remain in their positions and a change of culture.

While having several known benefits, hierarchical structures have some negative influence on the culture of an organization. As organizational structure has an effect on trust and job performance¹⁵, a multi-layered organization will impact the culture of that organization. In a highly vertical hierarchical structure as it is the case in CAF, ideas and recommendations are revisited by multiple managers which decreased the chances of any new ideas or recommendations to be supported by a lower level. While impacting the potential innovation that could emerge from lower levels, it also negatively affects communication inside the organization. Over time, these effects will degrade the trust between lower and higher-level positions and influence the behavior of the members. Hierarchical structures create a centralization and formalization that is “associated with less innovative behavior among employee”¹⁶. The impact of the highly vertical hierarchical structure of CAF also seems discordant with the implementation of the adopted doctrine of Mission Command. It is important to note that these negative effects are not homogeneous across CAF and innovation sometimes emerge within smaller sub-organizations. CANSOFCOM is an example of a smaller organization where ideas emerge from the lower level and are promoted through trust and communication. It is an example where higher level is devoted to ensuring members feel they are involved in the decision making process. Specialists at the lower ranks receive the recognition they deserve and can attain status without moving to the top of the hierarchy which would not increase the organization’s performance.

Towards a flat organizational structure

The flat organizational structure represents a cultural change adopted by many companies in the industry. This type of structure empowers the members with more responsibility in the organization while reducing the level of management required. It is known to improve the coordination, speed of communication between employees and creativity¹⁷ while facilitating the decision-making process inside the organization. This paper does not suggest that CAF should implement a flat organizational structure such as Facebook or General Electric. It is not realistic for a military organization subject to treasury board policies to adopt such posture. The internal and external environment of

¹⁵ Bambang Moertono Setiawan et al., "Effect of Organizational Structure, Leadership and Trust on Job Performance of Employee: A Case Study on Employee at Universitas Ternama," *International Review of Management and Marketing* 6, no. 4 (2016), 711-712.

¹⁶ Alisher Tohirovich Dedahanov, Changjoon Rhee and Junghyun Yoon, "Organizational Structure and Innovation Performance: Is Employee Innovative Behavior a Missing Link?" *Career Development International* 22, no. 4 (2017), 342.

¹⁷ Brazeal, Deborah V., Mark T. Schenkel, and Suresh Kumar. "Beyond the organizational bounds in CE research: Exploring personal and relational factors in a flat organizational structure." *Journal of Applied Management and Entrepreneurship* 19, no. 2 (2014), 100.

CAF is dictated in large part by an imposed and self-imposed bureaucracy. The achievement of a flat organization is more suitable for private industries that are able to implement a large level of adhocracy inside the organization with an emphasis on individual initiative and self-organization to accomplish the tasks. However, as the flat organization is the contrasting model to the hierarchical structure, there is a benefit of implementing part of the model to acquire its benefits.

CAF is structured at the macro level in functional areas with sub-organizations at multiple levels. It is realistic to move towards flatter organizational structures inside some of its units and sub-units, creating what could be called a flat pyramid. This change in organizational structure would require an adjustment in the military establishment to remove the top heavy nature of the current organizational state. As a result, less positions will also be available for advancement which will result in less advancement pressure for the members as well as a higher organizational effectiveness.

CONCLUSION

This service paper presented the current organizational structure of CAF at the micro level and its challenges. The structure of an organization is sometime defined as part of its culture and other times as a factor influencing it culture. While necessary because of the military nature of CAF, the current hierarchical and top-heavy structure is an impediment to job satisfaction, innovation, and communication. CAF is also an organization with a strong culture resistant to change which makes any radical changes difficult. Its stability provides meaning and predictability to its members. Therefore, changes to adapt to internal and external changes are difficult when dealing with traditional elements that are an integral part of the culture.

While several companies in the private industry have been evolving their culture to a less formal and hierarchical environment, CAF have maintained its status in accordance to military principles and traditions. Given the operational impact and risk of a major change, this service paper proposes a moderate adjustment to the rank representation for both officers and NCM. This change will allow to reduce the current top-heavy posture and incrementally implement a more horizontal structure.

The current hierarchical structure also promotes continual advancement at the risk of the organization's efficiency and the well-being of its members. To address this issue, it is proposed that the institutional benefits be adjusted to compensate and reward performing members that do not wish to progress to managerial roles.

The proposed recommendations are not radical changes but provide a transition institutionally and culturally while minimising risks.

RECOMMENDATIONS

It is recommended to incrementally reallocate positions in the next 10 years to augment in the applicable MOSIDs: the Captain/Lieutenant authorized strength by 6%; and the Corporal rank authorized strength by 12%. The reallocated positions must be abolished from higher ranks. The transition period of 10 years will allow the organization to adjust to the change and adopt a flatter organizational structure.

It is recommended that the pay increments of all categories be adjusted to allow continual incentive to remain at the same rank if desired. This change will require many approvals including by Chief Military Personnel and Treasury Board. This increase in pay can be funded in part by the reduction in higher rank positions as per the previous recommendation.

It is recommended that units and sub-unit implement horizontal organizational structure to the greatest extent possible while maintaining Command and Control (C2) and military effectiveness. Units should promote Mission Command, collaboration, innovation and communication from the lowest level.

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