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## Bureaucracy, Organisational Learning and Resilience: ISI 2008-12

<https://www.e-ir.info/2016/08/04/bureaucracy-organisational-learning-and-resilience-isi-2008-12/>

JOHN STILL, AUG 4 2016

The Islamic State (IS) is under strain. Over the last two years the organisation has lost 40 percent of the territory it occupies in Iraq, and around a third of its members. Wages have reportedly been halved and defections have increased by 90 percent. However, IS has previously proved resilient and capable of learning from and adapting to such setbacks.

Referred to in 2008 by then CIA director Michael Hayden as “on the verge of strategic defeat in Iraq”, by 2012 IS’s predecessor, the Islamic State of Iraq (ISI), launched a campaign of co-ordinated attacks across multiple Iraqi cities and had a growing affiliate, Jabhat al Nusra, in neighbouring Syria. This resurgence laid the groundwork for its successor to become the wealthiest terrorist organisation in the world in 2014.

Discussions explaining this turnaround tend to focus on external factors. While ISI’s resilience cannot be explained without reference to broader political and military developments, discussing these in isolation from the organisation’s internal dynamics only offers partial insights. Far from solely of historical relevance, IS’s continued use of the administrative frameworks and management practices honed under ISI offer useful insight into how the organisation may seek to learn from current setbacks with a view to reversing them in future.

### **Bureaucratic Structure and Organisational Learning**

A recent RAND study based on captured internal documents suggested both ISI and IS formed as “multidivisional hierarchies”, known as “M-forms”. Organisationally, M-forms are characterised by senior leaders arbitrating between, and allocating resources to, semiautonomous sub-units led by middle managers. Sub units are typically functionally distinct and geographically separate from their organisation’s senior leaders. Traditional management science holds that M-forms are effective insofar as their senior leaderships devolve a significant amount of day-to-day decision making authority to mid-level officials.

While ISI’s forerunner, Al-Qaeda in Iraq (AQI), also adopted an M-form structure, senior Al-Qaeda figures accused the group’s leader in Iraq, Abu Musab al-Zarqawi, of failing to put the organisation on a viable path to “statehood”. ISI was formed in October 2006, four months after Zarqawi’s death, with a view to founding such a “state”. Ingram and Whiteside suggest ISI’s leader, Abu Ayub al-Masri, spent these four months reforming and reorienting bureaucratic structures to a more sustainable footing. Al-Masri learned a number of important lessons from Zarqawi’s experience and sought to embed these within ISI’s bureaucracy lest they be repeated.

Firstly, internal procedures, rules and functions required standardisation if the organisation was to transition from a terrorist group to a “state”. The greater autonomy permitted under Zarqawi had allowed middle managers to use force in a way that provoked potential allies and harmed broader political goals. Al-Masri attempted to repair some of this damage by offering offenders over to rival groups, including Ansar al-Islam in northern Iraq, for judgement. Greater accountability was further encouraged by sub-units’ consolidation at a more manageable, provincial level. The extension of bureaucracy to include the collection of everything from recruits’ demographic information to minutes of meetings, pay sheets, holiday allowances and vehicle records also boosted oversight.

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Secondly, al-Masri learnt Iraqis were unlikely to accept a “state” led by foreign nationals openly aligned with an international terrorist group. A growing number of Iraqi nationals, including Abu Omar al-Baghdadi, were appointed senior positions in order to address this, including in ISI’s first “cabinet”, announced in April 2007. The organisation’s alignment with Al Qaeda was also not publically disclosed during this time.

These changes came at a time of rising military pressure on ISI. By 2008, a surge in US troop and Sunni tribal forces, under the “Sahwa” (Awakening) movement, had pushed the organisation north into Ninewah province. Al-Masri’s preference for an expansive M-form structure had to reflect these realities. In order to prevent competitors from encroaching on ISI’s shrinking territory, greater control was again devolved to smaller, local sub-units. Throughout 2009 ISI began to operate as a more covert, criminal organisation whose operations grew in sophistication. Income increasingly came from elaborate extortion rackets and oil smuggling rather than armed robbery and car theft. Despite the relative lack of central government control, the presence of other armed groups blunted ISI’s claims to statehood by denying the group the legitimacy that stems from monopolising the use of armed force within a given territory. However, even within such an environment, well enforced protection rackets can convey a sense of crude legitimacy. Even at this low ebb, from a historical perspective, ISI’s claims to statehood had historical precedent. A proportion of the newly acquired funds were used to tempt Sahwa units to switch sides, while ISI drew fresh manpower from rural desert communities throughout Ninewah. Although the announcement of a second cabinet of ministers in September 2009 did little to bolster claims of statehood, it nevertheless suggested heavy casualties and territorial losses had done little to dent ISI’s aspirations.

By mid-2010, 34 of ISI’s 42 high level officials had been killed or captured, including al-Masri and al-Baghdadi. However, having embedded the lessons they learned into the group’s bureaucracy the impacts of their deaths on the organisation were blunted. One of al-Baghdadi’s final acts was to oversee the production of a “strategic plan”, released in January 2010. This made little mention of bureaucratic shifts but instead stressed the centrality of public support to ISI’s progress. Weakened by Sunni tribal forces in 2007, the plan’s authors advised tribes would need to be co-opted before a “state” could be formed. Acting upon this, middle managers exploited power imbalances exacerbated by the uneven influx of American funding for the Sahwa movement. ISI retained the bureaucratic and financial capacity to offer influential figures middle management positions within the group, an effort boosted after government efforts to reintegrate tribal militias fell short. Lastly, mid-level figures encouraged Sunni communities to form local Awakening Councils to protect themselves from government predations. These councils were overseen by ISI’s “religious emirs”, integrating the group’s bureaucracy into northern Iraq’s social fabric.

Contrary to being “on the verge of strategic defeat in Iraq” ISI proved capable of regrouping and learning from experience. The organisation’s ability to embed the lessons of experience within its bureaucracy helped it survive leadership decapitation efforts. On a more local level, more indigenised sub-units led by mid-level officials were better able to exploit specific social and economic grievances, promoting the view that ISI were preferable to Baghdad. While the decrease in attacks over this time was interpreted as evidence of the organisation’s strategic defeat, its later resurgence suggest this had more to do with a strategy of “playing dead” whilst waiting for more favourable conditions to present themselves.

ISI did not have to wait long. In March 2011 Iraqi Prime Minister Nouri al-Maliki lost Iraq’s parliamentary elections to Sunni-preferred Ayed Allawi, but retained power. That year, his government also violently repressed a newly formed protest movement, al-Harak al-Shaabi, in predominantly Sunni areas in Iraq. These developments coincided with President Bashar al-Assad’s use of violence against protesters in Sunni-majority Syria. Buoyed by sectarian grievances, it is testament to the efficacy and resilience of ISI’s bureaucracy how little time was needed for the group to translate the subsequent manpower influx into an increase in coordinated large-scale attacks, including across 13 separate Iraqi cities on 15 August. The organisation also retained the capacity and resources to form a splinter group, Jabhat al Nusra, in Syria.

Having been largely discounted in 2008, by early 2012 ISI’s focus had firmly switched from survival to expansion, setting the stage for the formation of IS in 2014. Despite enormous military pressure, fluctuating membership numbers and shifting geographic focus, ISI’s fundamental bureaucratic structure remained comparatively untouched over this time. These structures helped formalise lessons of experience via standardised guidance and record

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keeping. The practical application of these lessons by middle managers helped the organisation survive.

### **Relevance to Today**

IS's goals make it unlikely it will abandon an M-form structure willingly. The group's level of interest in governance is rare and if it is to build a state, internal hierarchy remains essential. Targeting the leaders of groups with this structure has previously had limited success in reducing their operational capacity in the long-term. From a management science perspective, it is middle managers who are responsible for applying senior leaders' directives to sub-units and ensuring oversight. Rather than leadership decapitation, military targeting of mid-level officials may thus prove more effective. However, larger, geographically dispersed groups, like IS, have many such mid-level officials, representing too broad a targeting set for many counterterrorism efforts. The political benefits of killing figureheads disincentives policymakers from this approach.

Secondly, given ISI's previous strategy of "playing dead" in the face of overwhelming force, longer-term military and political commitments are required to ensure IS cannot rise from the ashes. In light of its previous attempts to graft itself onto Iraqi society, IS's defeat should be measured less by body count and more by the success of Sunni reengagement with the country's central government.

Lastly, although adaptive and capable of learning, ISI's bureaucracy contained flaws. Strict adherence to internal hierarchy, and the leadership's reported intolerance for bad news, limited ISI's ability to learn from its mistakes. Given the bureaucratic and cultural similarities with IS, it is reasonable to assume this holds broadly true today. Targeted misinformation campaigns based on these weaknesses are thus likely to have a disproportionately disruptive effect.

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### **About the author:**

**John Still** is an intelligence analyst for a large corporate organisation. He is focused on security and political issues, including terrorism, civil unrest and organised crime in Europe, the Middle East and Africa. His research interests include organisational learning, with a specific focus on isomorphism and hierarchy.