ICI VIEWPOINTS

May 3, 2017

Retired General Stanley McChrystal: Service, Connection, and Flexibility

When General Stanley McChrystal took over the US military's Joint Special Operations Command (JSOC) in 2003, he was fully steeped in the US Army's command-and-control philosophy. But he soon discovered that his counterinsurgency forces in Iraq were facing a "constantly shifting terrorist network that was fast, lethal, and adapting to everything on the ground"—and that fighting this network required a different approach. "I can't stand to lose," he told ICI President and CEO Paul Schott Stevens at the opening of the Institute's 59th annual General Membership Meeting (GMM). "So we started to adapt."

JSOC was formed in 1980, after the failed attempt to rescue US hostages held by Iran, to enable the four branches of the US military to better work together. So, McChrystal explained, he had assumed command of an organization that already worked well, "with a great track record of successes, and the most competent commanders that there are." But what they found in Iraq was unlike anything they'd previously encountered—and "that meant everyone had to operate together in a way never dreamed of."

Patience, Persistence, and Political Will

Responding to a series of questions from Stevens starting with the terrorist attacks of September 11, 2001, and extending through today's involvement in Afghanistan, McChrystal emphasized that defeating an enemy half a world away that relies on a fervent belief in its ideology and that can blend into the surrounding population is not easy.

On the morning of September 11, McChrystal—a newly minted brigadier general—was heading out with his team on a parachute jump. "The nation was at peace when we took off," he remembered, "but everything had changed by the time we were on the ground. I had a sense we were at an inflection point. I didn't know how it would play out, but I knew it was significant."

From there, he saw first-hand how efforts to fight insurgents while helping the surrounding population sometimes suffered the effects of short-term, tactical thinking. "Counterterrorism efforts are by their nature tactical," he explained. "They are necessary, but to succeed in the long term they must be part of a larger strategy."

To succeed in any complex and shifting situation, McChrystal said, one must truly understand all the players involved, and work to create a solution that addresses as many of their concerns as possible. This approach is incredibly difficult, expensive, and time-consuming, he explained—and, consequently, is not necessarily popular among political candidates who want to make easy promises when running for office. But it is the only

approach that will help bring peace to a nation like Afghanistan, which has a troubled history, as well as a "new generation full of hopes and dreams" that deserves our help.

Success Is Only Temporary

Now retired and working with clients he serves through the McChrystal Group, his consulting firm, McChrystal works closely with organizations looking for "greater interconnectedness" to share the lessons he learned on the battlefield. He emphasized that companies wanting to thrive over the long term must understand that in constantly changing business environments—where sudden shifts may occur due to a number of forces, including advances in technology, shifting demographics or consumer preferences, or geopolitical change—success is only temporary, and "efficiency is less important than adaptability."

Companies can become more agile and flexible by increasing transparency and information sharing throughout the organization, he said, and by replacing a centralized command-and-control approach with a distributed model that empowers teams throughout the organization to make and implement decisions.

Ironically, as he rose in the military ranks and discovered that technology gave him the ability to micromanage like never before, he realized that this "was exactly the time when I had to draw the opposite conclusion." Given the speed that everything was happening, he realized he had to use that same technology to push information and decisionmaking ability down to lower levels in the organization.

In situations like this, he said, "a leader goes from being a commander on the battlefield to a gardener. A gardener doesn't grow anything. Only plants can grow. A gardener creates an ecosystem, and opportunities for plants to do what only plants can do." A true leader, he explained, doesn't have personal successes; their success comes from the success of their teams or clients.

Creating a Shared Experience

The themes of service and connection run strongly through McChrystal's military and business philosophy. Asked by Stevens to talk about the relative small number of young people who sacrifice to serve the nation, he praised the "extremely professional and capable" volunteer military force that the United States has, but shared his worry that the military is becoming "unconsciously insular—it's the family business."

It's important that the nation and its military share the same values and goals, he explained. "If a nation is looking in the mirror, it has to see its reflection in the military." If it doesn't, "it's bad for both sides."

Even though McChrystal has moved into private life, he still is promoting the values expressed in the Ranger Creed, which contains the phrase that became the title of his memoir: *My Share of the Task*. The creed acknowledges and reinforces that US Army Rangers are forever connected by their service—"it's a promise to every other ranger that, no matter what happens, if they're down, you're coming," he said.

Now, as leader of the board at the Service Year Alliance—which is working to make a year of paid, full-time service an opportunity for all young Americans—McChrystal is looking to create more connections among his fellow citizens. "The idea is to create a shared experience that every young American would have that would help connect us. Once you do that type of thing, you come out changed. It gives you an ownership stake in your

country, your citizenship. It's an apolitical idea that could help bridge the divides that exist in this country.

"Would it be expensive? Would it be hard? Yeah—but so what?" he asked the crowd, which applauded in response. "As President Kennedy said, 'We do these things not because they are easy, but because they are hard.'"

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.