Essay One
Leadership Lessons from General George C. Marshall
By
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Many people today don't remember George Catlett Marshall, but in the middle of the 20th century he was inescapable. A five-star general who later won the Nobel Peace Prize, Marshall was once described by President Harry S. Truman as the greatest soldier in American history. Other world figures agreed, and after World War II, the British Prime Minister Winston Churchill called Marshall the true organizer of Allied victory.

On 1 September 1939, Major General George C. Marshall was awakened by a 3 a.m. telephone call from the War Department. He was told that Germany, in a ferocious display of ground and air warfare, had just invaded Poland. Later that day, Marshall was sworn in as the 15th Chief of Staff of the United States Army. As was customary for Army officers in that resolutely peaceful time, Marshall and the other officers attending his swearing-in ceremony wore civilian clothes. Thus, on the very first day of World War II, Marshall, who had only been a general for three years, became the commander of an army that was astonishingly small by the standards of a heavily militarized world. Parenthetically, Marshall was also the only Allied strategic leader who served in the same position from the very first day of World War II until the very last day.

When Marshall became chief of staff, the clock of history started ticking. Marshall would later describe the period from 1939 to 1941 as the most challenging and difficult time that he experienced during the war. He knew that time was an irretrievable resource and, if he failed in his responsibilities, he might be required to throw badly equipped and poorly trained American soldiers into combat. The magnitude of Marshall's challenge may best be understood by considering the following: in order to build an Army of eight million by 1945, Marshall had to incorporate the equivalent of an entire prewar U.S. Army into his force structure *every month* for nearly five years.

This essay intends to show that Marshall's life and career are relevant to anyone with an interest in leadership. In order to demonstrate the relevance of Marshall as a leader, different aspects of Marshall's career will be presented and each of these episodes will be followed by a discussion that links Marshall's specific actions to general observations about leadership.

Marshall is first seen as a follower, someone who interacted with his leaders in a unique and memorable manner. Many leaders serve apprenticeships and the way that they act as *team members* provides insight into how they will act as *team leaders*. As we will see,

Marshall, as a member of a team, demonstrated specific behaviors that contributed to his success as a great leader because these lifelong behaviors greatly contributed to his ability to build trusting relationships with others.

The second aspect of Marshall's career that will be examined is one that is frequently overlooked in leadership studies. The most common perspective in the study of leadership is a vertical one- leaders are examined in terms of those who are above and below them on the ladder of leadership. While this perspective is useful, it is not comprehensive. Leaders interact with team members but they also spend a great deal of time interacting with peers. One example of a peer relationship for Marshall was the relationship he developed during World War II with Admiral Ernest King, the Chief of Naval Operations. This horizontal aspect of leadership, the interaction of those who have equal amounts of authority, is of great interest because it requires leaders to rely on their leadership influence rather than their management authority.

Next, we will examine the relationship that existed between the U.S. Army and Marshall during the first thirty years of his career. Relationships between organizations and leaders can provide important lessons on the development and use of that intangible resource known as leadership. Great leaders are a uniquely valuable resource and they are capable of providing an organization with sustained competitive advantage. It is worthwhile to see how organizations identify and develop their leaders. In this case, the surprising truth is that the U.S. Army was largely indifferent to Marshall's ability and, for most of his career, it failed to reward or take advantage of his extraordinary leadership qualities.

The final aspect of Marshall's career that we will examine is his skillful blending of the roles of strategic manager and strategic leader. One of the most noticeable aspects of this skill was Marshall's talent at spotting potential leaders, developing them, empowering them and using them in ways that provided benefits to the Army and to the young leaders themselves. Many people confuse the roles of leaders and managers. The ability to effectively use the authority granted by an organization (i.e. being a manager) is distinct from the ability to effectively use self-generated influence (i.e. being a leader). Marshall's achievements demonstrate the power of someone who could effectively combine both of these competencies.

Marshall and his leaders

Marshall's promotion to chief of staff in 1939 was the culmination of a military career that began thirty-seven years earlier. George Marshall was born in 1880 and grew up in the small town of Uniontown, Pennsylvania. He graduated from the Virginia Military Institute and was commissioned a second lieutenant in the U.S. Army in 1902. During Marshall's career, he consistently demonstrated characteristics that provided clear evidence of his

leadership potential. Marshall's defining characteristics as a leader were a lifelong combination of boldness of character, integrity, dedication to duty and professional competence. On the occasions when Marshall displayed these characteristics, it created an indelible impression that other soldiers remembered for decades. There are several "Marshall moments" that exemplified his leadership characteristics and signaled Marshall's potential throughout the U.S. Army. One of them occurred before Marshall even became an officer.

After his graduation from VMI, Marshall sought a commission as a regular Army officer. This was not an easy task in 1901. The Army was downsizing in the wake of the Spanish-American War and Marshall did not have the advantage of being a West Point graduate. In such challenging circumstances, most people would do one of two things. They might ask the Army for a commission and patiently await the Army's answer or they might abandon their martial dreams and pursue another career. Marshall did neither. Using a combination of boldness and initiative that became associated with him, he went to Washington to press his case to the McKinley Administration and to members of Congress. During this visit, Cadet Marshall decided to visit the White House and see the President in what Marshall's biographer describes as a "*moment of charming brashness and informality*." In that simpler, less security-conscious era, he simply walked into the President's office with a group of visitors and then stayed behind to ask for a commission. In his own words, Marshall recounted that "*Mr. McKinley in a very nice manner asked what I wanted and I stated my case. I don't recall what he said, but from that I think flowed my appointment (as a Regular Army officer)*."

Fifteen years after Marshall became an Army officer, America entered World War I in April 1917. One of the most consequential "Marshall moments" occurred during the early days of American participation in the First World War. America's entry into the war was a chaotic and disorganized time for the U.S. Army. Army officers were under an enormous amount of pressure from American political leaders and from allies to commit untrained and poorly equipped American soldiers to combat as quickly as possible.

In his first wartime assignment, Captain Marshall was on the staff of the 1st Division where he was responsible for operations and training. On 3 October 1917, General John Pershing, the commander of the American Expeditionary Force (and the most famous American soldier in the world), showed up to observe battle training by units of the 1st Division. For a variety of reasons, Pershing was dissatisfied with what he saw and he forcefully expressed his dissatisfaction by criticizing the division commander in front of Marshall and the rest of the division staff. Marshall was convinced that General Pershing had formed an erroneous opinion of the combat readiness of the division and had unfairly judged Marshall's commander. He started to explain matters to Pershing, who impatiently turned away.

Captain Marshall then grabbed the four-star general by the arm and forced Pershing to listen to his explanation. Needless to say, borderline insubordination and assault on a general officer are uncharacteristic actions for any junior Army officer. After Pershing left, the rest of the division staff assumed that Marshall had committed professional suicide and would face disciplinary action. In the words of a Marshall biographer, "*on the contrary, thereafter when Pershing visited the division he would often take Marshall aside to ask him how things were going. In the months that followed, it was clear that the general's respect and liking grew*."

Almost twenty years after his episode with General Pershing, Marshall was promoted to brigadier general and assigned to Washington as a deputy Army chief of staff. Although he had been an Army officer since 1902, he had only been a general since 1936 and, as a result, there were thirty-two Army generals who outranked him. In a prewar American Army where seniority meant everything, Marshall was considered too junior to be a viable candidate for the upcoming Army chief of staff vacancy. The fact that Marshall eventually won the position surprised many and it was primarily due to yet another "Marshall moment" display of boldness and dedication to duty.

In November of 1938, as the threat of war grew in Europe, President Roosevelt called a White House meeting with key members of his Administration. He wanted to discuss his proposed defense plan, which primarily consisted of a rapid expansion of American military airpower. Marshall had been the deputy Army chief of staff for less than a month and was one of the lowest-ranking people at the meeting. During the meeting, President Roosevelt asked each attendee if they agreed with his proposal. All of the attendees agreed except Marshall who flatly (but respectfully) disagreed with President Roosevelt's proposal. Other attendees at the meeting noted that Marshall's disagreement caused the President to be visibly startled. After the meeting adjourned, many of the attendees made it clear that they thought Marshall had effectively ended his career. This turned out to be far from the case because President Roosevelt reacted to the brash young leader in much the same way that General Pershing had. Both Roosevelt and one of his principal lieutenants, Harry Hopkins (another of the attendees at the meeting) formed very favorable impressions of Marshall. The following month, Hopkins, in his capacity as the Secretary of Commerce, asked to meet Marshall and they began a productive and friendly relationship. Five months after the fateful meeting, President Roosevelt invited Marshall to the White House and asked him to be the next Army chief of staff. Marshall accepted and afterwards he would always say that his relationship with Hopkins was the single most important reason for getting the job as chief of staff.

Speaking truth to power is an exercise that usually proceeds from the comforting assumption that the speaker is clearly right and the person in power is clearly wrong.

Sitting in the Oval Office, Marshall was not speaking truth to power; he was doing something more complex and less clear-cut. He was providing expert advice on strategy. Strategic choices are rarely obvious and reasonable people often disagree on the merits of a particular strategy. We know from history that conformity is a much safer approach than disagreeing with those in power. Interestingly, George Marshall's career was studded with risky and non-conformist moves that challenged people in positions of power. These episodes say a great deal about Marshall. In wartime, physical courage is the type of courage that causes soldiers to risk their personal safety on the battlefield. In contrast, ethical courage is a much rarer type of courage- but this is what Marshall demonstrated when, as a junior officer, he chastised a far superior officer in public, and later in his career disagreed with a president simply because he cared so passionately about his duty.

One of the key consequences of effective leadership is that leaders create trusting relationships and an outcome of Marshall's behavior was that he created trusting relationships with people that he worked for. As a young captain, Marshall received an annual evaluation report from the lieutenant colonel who was his battalion commander. When asked if he would like to have Marshall under his command again, the colonel wrote, "*Yes, but I would prefer to serve under his command*." Relationships such as this played a major role in determining the course of his leadership journey. Marshall's actions with General Pershing and President Roosevelt were clear demonstrations of his competence and his character trait of selfless service. His repeated willingness to put his personal interests at risk in order to carry out his professional obligations caused many people both inside and outside the U.S. Army to trust him and be influenced by him.

Marshall's actions are relevant to any leader and this relevance becomes clear when considering the following question- what is the corporate equivalent of Marshall's behavior? One difficulty with this question is that a fundamental assumption of neoclassical economics is that rational economic actors are motivated primarily by self-interest. Marshall was clearly not motivated by self-interest; he had no way of predicting how Pershing or Roosevelt would react to being contradicted in public. This discrepancy illustrates one of the fundamental enigmas regarding the concept of leadership. Living in a world where self-interested behavior is the definition of rationality, how are people going to be influenced by leaders who choose to renounce self-interest? Marshall's actions provide an alternative vision for leaders who want to develop their sense of principled leadership.

There is one last point to consider about Marshall's actions. It is true that these anecdotes provide insight into Marshall himself but it is equally true that they contribute to our understanding of Pershing and Roosevelt as leaders. One of the greatest challenges faced by strategic leaders is the challenge of receiving honest feedback, informed dissent or

timely reporting of bad news. I remember an occasion when an Army four-star general was talking to the cadets in my strategy class at West Point. He told the cadets that whenever he gave a speech, he would ask his staff afterwards how it went. His staff would invariably tell him that he had given an excellent speech. The general would feel good about himself until he went home and his wife would say, "What the heck were you thinking?" The bottom line is that strategic leaders often find it difficult to receive honest feedback. Pershing and Roosevelt demonstrated a basic leader competency in their interactions with Marshall by responding to honest dissent in a thoughtful and constructive manner.

Marshall and his peers

A common theme in leadership literature is the importance of good relationships between leaders and followers. An examination of Marshall's career reveals an additional skill demanded of great leaders- the ability to effectively communicate and work with other strategic leaders. Working with other leaders is far different, and in some respects, much more difficult than working with followers. In many cases, this leadership challenge is a question of boundaries. Leaders negotiate the challenges posed by boundaries on a daily basis. Within their organization, leaders confront demographic boundaries, functional boundaries and vertical boundaries up and down the chain of command. Boundaries also exist between organizations and these types of boundaries are especially tricky to negotiate. Leaders and followers within a single organization often comprise one team that shares common values and goals. In contrast, groups of leaders from different organizations frequently have widely divergent goals, priorities, and worldviews.

During World War II, Marshall spent a great deal of time persuading, informing, arguing, and negotiating with other leaders, including President Roosevelt, the British Prime Minister Winston Churchill, the British Chiefs of Staff and other American commanders such as Admiral Ernest King (the Chief of Naval Operations) and General Douglas MacArthur (commander of allied forces in the southwest Pacific). Even if we only focus on the American team of strategic leaders, we see a team whose members possessed a surprisingly diverse range of perspectives, goals, priorities and organizational boundaries.

The relationship between Roosevelt and Marshall eventually developed into a close and productive one. It stood in stark contrast to Marshall's relationship with General Douglas MacArthur. During the war, MacArthur was considered by much of the American press and many American people to be a hero who could single-handedly win the war in the Pacific. MacArthur himself was a charismatic and politically connected military commander who was convinced of two things: first, the war in the Pacific was more important than the war in Europe and, second, he should be the overall commander of U.S. forces in the Pacific theater. Marshall shared neither of MacArthur's convictions.

Status and past history added to the complexity of their relationship, MacArthur and Marshall were almost exactly the same age but MacArthur's career had been spectacularly more successful in the years before World War II. He had been a battlefield hero in World War I, the Superintendent of West Point when Marshall was only a major and the Army chief of staff when Marshall was a lieutenant colonel. Years later, in the global context of World War II, their roles were completely reversed. MacArthur's command of the southwest Pacific was a relatively small responsibility compared to Marshall's role as chief of staff. Yet, Marshall was the one who spent a great deal of time and effort keeping their relationship productive and focused on the war effort.

Marshall employed at least two specific strategies in his relationship with MacArthur. The first was a strategy of statesmanship. One surprising aspect of MacArthur's wartime record is that he never set foot in the United States during World War II; in fact, he was out of the country continuously from 1937 to 1951. If Marshall wanted to talk to MacArthur, he had to go to MacArthur and this was no easy task in the 1940s. After MacArthur had been driven from the Philippines by the Japanese in 1942, his headquarters was in Australia. So, after accompanying FDR to Tehran in late 1943 (where the Americans met with Churchill, the Soviet leader Joseph Stalin, and their commanders), Marshall--the senior officer--took the long and hazardous trip halfway around the world (in a propeller driven aircraft) to meet MacArthur in the South Pacific in order to discuss wartime strategy. It was the only meeting of these two soldiers during World War II and it demonstrated Marshall's statesman-like ability to manage personalities in pursuit of long-term goals.

Marshall also employed a bridging strategy during the war to improve the relationship between MacArthur and the leaders of the U.S. Navy. MacArthur was impatient with U.S. Navy leaders because they unanimously thought that the Navy should have the guiding role in the Pacific War and this belligerent attitude only worsened the friction between the U.S. Army and the U.S Navy in the Pacific War. World War II was the first time in American history that both services were required to work together on a global scale and there were no precedents for this type of cooperation. This situation required Marshall to maintain a delicate balance. He worked hard to have a productive relationship with Admiral King but he refused to tolerate King's constant criticism of MacArthur. At one point in 1944, Marshall threatened to walk out of a JCS meeting unless King stopped criticizing MacArthur. At a strategic level, a *modus vivendi* was achieved between MacArthur and the Navy by giving each their own Pacific strategy. Admiral Nimitz, from his headquarters at Pearl Harbor, owned the campaign that primarily consisted of the Pacific Fleet and U.S. Marines islandhopping through the Central Pacific. MacArthur, from his headquarters in Australia, owned the campaign that proceeded through New Guinea towards the Philippines. This approach to the distribution of military forces violated basic principles of war such as economy of effort and unity of command. It certainly mystified Churchill and the British

chiefs, but it enabled the Americans to employ a war-winning strategy with the least amount of inter-service conflict.

The relationship with MacArthur presented Marshall with one of his most problematic boundaries. It was a relationship that Marshall considered to be vertical (Marshall, as Army Chief of Staff, has authority over MacArthur who was a theater commander) while MacArthur considered their relationship to be horizontal (MacArthur acted like an equal to Marshall even though he was, in reality, in a subordinate position). In addition to the Navy and MacArthur, Marshall had to manage boundaries with many other strategic leaders in the exercise of his responsibilities during World War II. Most prominent among them were the boundaries that existed with congressional leaders, with corporate leaders and with allied political and military leaders. All of these boundaries required Marshall to use different leadership styles because one style of leadership was not flexible enough to deal with all of these different types of organizational boundaries.

The multiple types of boundaries that exist for any organizational leader present a formidable array of challenges. Boundaries can erase or substantially weaken the amount of one's managerial authority or leadership influence. Leaders might find their leadership diminished as they attempt to influence people on the other side of functional, demographic or social boundaries. One way to deal with organizational boundaries is to have leaders who are skilled at managing these boundaries. Different types of boundaries demand different types of leader behavior. So, for example, Marshall, as a military leader operating in a democracy, was required to employ one set of behaviors with military leaders and another set with civilian political leaders. Another way of dealing with organizational boundaries is to erase them. One of the lessons learned during World War II was that the organizational boundary between the Army and the Navy was unnecessarily obstructive and, in fact, it was erased after the war as both services were united into the Department of Defense.

Marshall and his Army

In stark contrast to its triumphant conclusion, much of Marshall's military career was full of challenge and disappointment. In 1936, Colonel Marshall had been a soldier for thirty-four years and he sometimes despaired of accomplishing anything of significance in his military life. Throughout his career, Marshall had been a brilliant and visionary leader but the U.S. Army of his day was not set up to identify and reward brilliant and visionary leaders. The U.S. Army of his day was set up to identify and reward seniority. During the long years that he was a lieutenant colonel and colonel, Marshall was treated in the same way as all other infantry colonels on active duty. It is not much of an exaggeration to say that Marshall's success during World War II occurred in spite of the Army's personnel system rather than because of it. If Marshall's career had rested solely in the hands of the Army personnel

system, he almost certainly would have retired as a colonel sometime before World War II and the loss to our nation would have been incalculable. Marshall's experience provides cautionary lessons for leaders and their organizations.

Marshall was a strategic leader whose accomplishments decisively influenced the course of world history so it might be surprising to learn that his promotion to brigadier general and his appointment as chief of staff were almost entirely due to personal effort and luck. The decisions made by the Army personnel system had little to do with Marshall's achievements. A military personnel system is designed to influence an officer's career in two different ways. First of all, it determines *promotions*, the means by which people receive increased amounts of responsibility. It does so by deciding how individuals are going to be evaluated and deciding on the criteria that will be used to determine promotions. As we will see, Marshall was not promoted because of his ability. He was promoted just like every other Army officer of the interwar years- based on the amount of time he had spent in the Army.

Marshall's promotion record clearly demonstrates that there was no connection between his ability and the way in which he was treated by the Army's personnel system. Marshall was promoted to lieutenant colonel in August of 1923. When the annual Army List was published the following January, it showed that the U.S. Army had 189 infantry lieutenant colonels. Marshall was ranked as number 182 on this list (based on his lack of seniority). Over the next ten years, the Army promoted, on average, sixteen infantry lieutenant colonels to the rank of full colonel every year and, as a result, Marshall slowly inched his way up the seniority list. Ten years after his promotion to lieutenant colonel, Marshall was finally promoted to colonel in 1933.

This vignette demonstrates a very profound aspect of leader development and shows us how bureaucratic processes can affect leader development in a positive or negative manner. In the Army of the 21st century, it is common during an officer's promotion ceremony for the presiding officer to remark that a promotion is not a reward for past achievement but recognition of future potential. Marshall's army of the inter-war years stands in stark contrast. Instead of looking forward and making promotion decisions based on potential, the U.S. Army of Marshall's time looked backwards and made promotion decisions based on seniority.

In addition to promotions, a military personnel system also determines *assignments*- the cumulative stepping stones of a military career. The process by which officers are paired with assignments can be crucial to military organizations. In an optimal sense, assignments (especially for senior officers) should not be ends in themselves. An effective assignment process fills organizational holes with qualified replacements but it also provides

opportunities that enable military leaders to prepare for positions of increased responsibility. Marshall's case shows that, despite his extraordinary ability, he spent his years as a senior officer in the commonplace assignments that were expected of any Army officer.

The period from 1920-24 was the only time that Marshall saw duty in Washington. He would not get another assignment in Washington until fourteen years later- only one year before he became the chief of staff. Marshall spent those fourteen years in the mundane world of the peacetime Army. He spent, for example, five years (1927-1932) as the assistant commandant of the Infantry School at Fort Benning where he was responsible for the academic instruction given to junior infantry officers. Marshall's biographers make much of his time at Fort Benning because this assignment had long-term consequences for Marshall and for the Army. During his time at Fort Benning, more than fifty future Army generals of World War II fame (such as Omar Bradley, Joseph Stillwell and Lawton Collins) served as instructors under Marshall's guidance. Marshall was able to meet and inspire a generation of young infantry officers and one army colonel later wrote that many officers were proud to identify themselves as "Marshall's men."

It is true that Marshall achieved a great deal during his assignment at the Infantry School but judging the significance of the assignment by Marshall's achievements is ex post facto reasoning. During the inter-war period, the Army had ten other schools for junior officers in addition to the Infantry School (e.g. the Engineer school, the Field Artillery school and the Cavalry school) and an assignment as an instructor or administrator in any of these schools was a normal duty for a field-grade officer. It was not particularly prestigious and the Army Lists of that time did not even specify the names of the commandants and assistant commandants of the different Army schools. In other words, just because Marshall achieved great results during this assignment does not mean that the Army had given him this assignment as recognition of his ability or potential. It was a routine assignment awarded on a routine basis to dozens of Army officers at this time.

After serving at the Infantry School, Marshall was promoted and spent three years as an infantry colonel (1933-1936). During that time, there were approximately 159 infantry colonels in the U.S. Army but none of them enjoyed the same reputation as Marshall. Even so, it was during this period that Marshall wrote to his old mentor Pershing "*I'm fast getting too old to have any future of importance in the Army*." A great deal of this pessimism was due to the fact that Marshall spent this entire three-year period as the senior instructor of the 33rd Division of the Illinois National Guard. Such duty was not a high-profile assignment. The Army at that time had fifteen other officers serving as senior instructors of various National Guard divisions and, while the majority were colonels like Marshall, at least thirty percent were lieutenant colonels or majors. In fact, the two Army officers who

had preceded Marshal as senior instructors of the 33rd division were not even colonels when they were given the assignment (one was a major and the other was a lieutenant colonel). From his retirement, General Pershing badgered President Roosevelt and General MacArthur to promote Marshall to brigadier general and this promotion finally occurred in 1936. Even after Marshall was promoted, he still had to spend two years supervising Civilian Conservation Corps camps in the Pacific Northwest before he was given an assignment on the Army general staff in Washington (barely one year before becoming chief of staff).

Marshall's story shows that even world-class leaders are not always easy to spot and cultivate in large, well-established organizations. Bureaucracies can use arbitrary criteria (such as seniority) to make decisions about assignments and promotions because those criteria are easy to measure or because they are thought to provide equity. It is instructive to examine the process by which a person of extraordinary ability was matched and made ready for a position of enormous responsibility. The point of this discussion is not to simply dismiss the U.S. Army of the interwar period because its human resource management system was based on seniority. The point is to show that organizations find it very difficult to choose the most effective set of criteria for identifying and developing future strategic leaders. The choice to use irrelevant or secondary criteria for promotion decisions can arise for completely understandable reasons and can sometimes be the result of rational organizational processes. But, as we saw in Marshall's case, organizations might end up paying high opportunity costs by the use of arbitrary or ill-considered decisions about human resource management. Marshall lacked many of the usual markers for promotion to general officer. He was not a West Point graduate nor had he ever led American soldiers in combat as a field grade officer. Yet he was superbly qualified to be the Army Chief of Staff in a world at war.

The most general lesson from this section relates to the strategic management of people within organizations. If people are the most important resource of an organization, then the way in which people are evaluated, developed and promoted is absolutely critical to organizational success. In reality, organizations that place leader development at the core of their business are so rare that Harvard Business cases are often written about them. Marshall's story shows that world-class leaders are not always easy to spot- even in large, well-established organizations.

Marshall the strategic manager

Between September 1939 (when World War II began) and December 1941 (when the United States formally entered the war), Marshall confronted one of the most difficult strategic management challenges of the twentieth century. When he became chief of staff, it had been twenty years since the end of World War I and the U.S. Army had spent those

twenty years in deplorable circumstances. Because of the poisonous legacy of World War I, the American people were unwilling to provide resources to the Army. Because of the debilitating effects of the Great Depression, the American government was unable to provide resources to the Army. Consequently, Marshall inherited an Army that was chronically undermanned, underequipped and underfunded.

In 1939, the active U.S. Army consisted of about 150,000 soldiers, which meant that it was comparable in size to the armies of Bulgaria or Portugal. To put this into strategic context, the entire U.S. Army in 1939 was smaller than the allied force that landed in Normandy on D-Day. In stark contrast, the German Army of 1939 (which, of course, was only one of several likely opponents in the upcoming world war) consisted of 3.7 million soldiers organized into more than one hundred divisions. Marshall had no way of knowing that the global conflagration of World War II began on his first day as chief of staff. He had no way of knowing that he had twenty-seven months until the United States entered the war in the wake of the Pearl Harbor attack. He had no way of knowing that something called D-Day lay fifty-seven months in his future. What was certain, however, was that he was under enormous time constraints and that he had to take rapid and decisive steps to build an army of millions. Building, organizing, equipping, training and deploying a force of this size is one of the most impressive organizational accomplishments in American history and it tested Marshall both as a strategic manager and a strategic leader.

One of the most spectacular examples of the dynamic challenge of keeping strategy relevant in a fast-moving world occurred during World War II. Military historian Maurice Matloff once wrote "*Of all the calculated risks taken by General George C. Marshall in World War II none was bolder than the decision in midwar to maintain the U.S. Army's ground combat strength at ninety divisions. Students of warfare will long debate whether the decision was as wise as it was courageous, as foresighted as it was successful*." The decision about the role (and therefore the size) of a wartime U.S. Army was directly related to a fundamental strategic question- in what way could America most effectively contribute to Allied victory in World War II? Unfortunately for Marshall, as America entered the war, there were two conflicting perspectives about the most appropriate American contribution to Allied victory. One idea was that America should become the arsenal of its allies, supplying war materiel to, among others, the British, Russians, Chinese and Free French. In contrast, there were others who thought that America should develop the Allied arsenal <u>and</u> build an army that was large enough to be a global actor for combat operations in Europe and the Pacific. Marshall supported the arsenal/army approach but that required him to solve three interlocking strategic problems.

For America's allies, the single most valuable American asset was its economy and it is hard to argue with this assertion. In his history of the Second World War, John Keegan flatly

states that "*Wartime Russia survived and fought on American aid. So too did wartime Britain*." The U.S. economy turned out to be so powerful that, by 1944, it was producing forty percent of the world's armaments and by the end of the war, the U.S. economy was as productive as the rest of the world combined. If Marshall was going to build an army to fight in the war, his first problem was to determine its optimum size. A demographic approach would lead to the conclusion that, based on the size of the U.S. population, the "*absolute ceiling on the number of men physically fit for active military service was estimated to be between fifteen and sixteen million*." Marshall, however, needed to take more than demographics into account. He needed an army that was big enough to help achieve victory but not so big that its manpower and supply requirements would gut the American economy.

Another major hurdle for Marshall and his decision about the size of the U.S. Army was the force of history. The "American way of war" always seemed to consist of fighting wars for which the United States was totally unprepared. At the beginning of World War II, it was by no means apparent that the United States had the will or the capacity to engage in combat operations on a global scale. In 1939, the U.S. Army had been systematically starved of resources since the beginning of the Depression. Rapidly building an army of several million soldiers meant that Marshall had to thread his way through an endless series of trade-offs. Every tank built in the United States and subsequently shipped to the British Army was one less tank for the U.S. Army. Every American 2 ½ ton truck sent to the Soviet Army was one less truck for the U.S. Army. Every ton of steel used to build aircraft carriers for the U.S. Navy was one less ton of steel available to build Army artillery.

Another major obstacle for Marshall was that the optimum size of an American army depended on making an accurate assessment *in 1942* about the combat effectiveness of American units that wouldn't be formed and trained until 1943 or 1944. The German Army, for example, began combat operations in September 1939. The U.S. Army began combat operations three years later when it invaded North Africa in the fall of 1942. Building the U.S. Army during the active combat of World War II was like rebuilding an engine while driving the car. How long would it take to catch up to the expertise of the other combatants? Could U.S. Army divisions with absolutely no combat experience be considered the combat equivalent of enemy divisions with years of combat experience? To raise this question to the strategic level- if Marshall wanted to invade Western Europe in a full-blooded cross-Channel invasion and if Germany had fifty divisions in Western Europe, how many divisions did America need for the invasion and subsequent combat operations?

Marshall and his subordinates eventually decided that America's contribution to victory required an Army of approximately seven and a half million organized into ninety divisions. This decision has been called "*one of the boldest calculations of the war*." It was designed to

produce fifty to sixty divisions for fighting in Europe, twenty to thirty divisions for fighting in the Pacific and five to ten divisions for a national strategic reserve. As it turned out, this decision was barely adequate and the United States nearly ran out of trained combat units before the end of the war.

The violence and attrition of global battlefields during the last year of the war produced a level of combat casualties that American military planners never imagined in 1942. In the fall and winter of 1944, as American soldiers fought their way to the German frontier, the U.S. Army was losing thousands of soldiers every week for months on end. In the fall of 1944, five American divisions were wrecked as the U.S. Army fought its way through the Huertgen Forest and it then suffered more than forty thousand additional casualties in the Battle of the Bulge in December. In the Pacific, the invasion of Okinawa in the spring of 1945 rivaled D-Day in size and scope. Eight American divisions (five Army and three Marine) were involved in the invasion of Okinawa and this battle also produced tens of thousands of American casualties. As a result, when the war ended, every active U.S. Army division had been deployed overseas and there were no units left in the American strategic reserve. This example illustrates that making strategic choices involves astonishingly high levels of risk and complexity. Assumptions made at the beginning of a strategic decision-cycle are often rendered irrelevant by unforeseen events that occur before the strategic decision is implemented. As Clausewitz pointed out, these types of decisions require leaders who display two distinct qualities. They have to be able to identify core strategic issues that are hiding in an ocean of tactical trivia and they need the moral courage to stick with their decisions while trying to implement them in a world full of uncertainty and friction.

Another noteworthy example of Marshall's ability to blend the duties of a strategic manager with those of a strategic leader was his ability to find, recognize and develop leadership talent in his organization. This ability was the product of decades of unrelenting work and Marshall worked on developing his talent-spotting ability even when he had no realistic expectation of ever achieving high rank. Marshall often had an interactive relationship with those he identified as having leadership potential. He served as a mentor and model for many of the young infantry officers in the pre-war Army.

Marshall excelled at identifying the leadership potential of young officers. One specific example of his talent spotting stands out because of its historic consequences for the United States. In early 1941, Dwight Eisenhower was an obscure lieutenant colonel who had spent twenty-six years in the U.S. Army. He had no combat experience from World War I and he had spent most of the 1930s as a member of General MacArthur's staff (both in the United States and in the Philippines). Despite all this, and to the surprise of many, Eisenhower's career rocketed as America entered the war. He began 1941 as a lieutenant colonel and by

1943, he was a four-star general. How did this meteoric rise through the ranks happen? The simple answer is that Eisenhower came to Marshall's attention. Marshall brought Eisenhower to Army headquarters in the first, frantic days after America's entry into World War II, gave him a dizzying array of challenges and six months later sent him to London as the commander of all U.S. ground and air forces in the European theater of operations. Marshall's choice was eventually endorsed by Allied leaders and by the end of 1943, Eisenhower was the supreme commander of all Anglo-American forces in Europe.

Marshall's behavior towards his fellow soldiers throughout his career greatly magnified his leadership influence. As chief of staff, Marshall made it clear he didn't want staff officers and subordinate commanders who identified problems for him to solve. He wanted people who identified problems, solved them, and then informed him of the results. One of the most vivid examples of this leadership philosophy occurred in 1946. Marshall had retired as Army Chief of Staff in November 1945, but President Truman immediately asked him to be his special ambassador to China. Truman wanted someone on the ground to mediate the war between the Chinese Communists and the Chinese Nationalists. Marshall's understanding was that he had approval authority over all U.S. action in China so that he would have leverage in his interactions with Chinese Chairman Chiang Kai-Shek and Communist Party leader Mao Zedong. Before leaving for China, Marshall handpicked Army Colonel James Davis to serve as his liaison officer in Washington.

One day, Colonel Davis learned the U.S. Treasury Department was planning to make a substantial loan to the Chinese Nationalist government and he was certain that Marshall knew nothing of such a loan. After unsuccessfully dealing with the bureaucracy at the Treasury Department, Davis marched to the office of the Secretary of the Treasury, Fred Vinson, to inform Vinson that he couldn't make such a loan. Vinson was a powerful Washington politician who eventually became Chief Justice of the Supreme Court and he certainly wasn't used to army colonels telling him what he couldn't do. Vinson, however, agreed to hold off on the loan, but he demanded to see Marshall upon his return to Washington. Marshall eventually arrived at Vinson's office with Colonel Davis and, and in no uncertain terms, he told Vinson that Davis had been absolutely correct in his actions. After the office call, Davis nervously asked Marshall if he had done the right thing in acting without orders. Marshall simply looked at him and said, "I never complained, did I?"

"*I never complained, did I?*" Consider the absolutely enormous amount of loyalty implicit in Marshall's words and actions. Marshall clearly demonstrated his philosophy of empowerment and, upon reflection, it is clear that empowerment is a complex mix of several different management and leadership qualities. Marshall was good at empowerment because he was good at identifying people who could effectively use the responsibility he gave them. One of Marshall's best-known attributes during his entire

career was the time that he took to remember people, evaluate their performance, and constantly re-evaluate their potential as circumstances warranted. More importantly, Marshall knew that expecting subordinates to assume responsibility was a two-way street. It also required Marshall to support them and his biography provides numerous examples of this behavior.

Marshall's interactions with his subordinates provide insight into the often-mysterious process of leader development. As we have seen, large bureaucratic organizations can often have great difficulty identifying and developing leaders. This organizational problem should not be surprising when we consider one of the most basic truths about leadership. Leadership at the tactical level and leadership at the strategic level are fundamentally different phenomena that require fundamentally different competencies. Proceeding from this assumption makes clear the challenge facing organizations as they seek to identify and develop those who have the potential to be effective strategic leaders. If we look at history, we see that those who are chosen as strategic leaders are frequently those who made a name for themselves as successful tactical leaders. The problem for organizations is that there is an enormous gap between tactical leadership and strategic leadership. Achieving success as a tactical leader is not an infallible marker for success as a strategic leader. Marshall's ability made him better than most at identifying those with strategic leadership potential.

Marshall's actions contain valuable lessons for leaders in the corporate world. In the early years of World War II, Marshall was faced with the daunting task of transforming the U.S. Army from the skeletal pre-war force of 1939 to the wartime global juggernaut of 1945. As any CEO will tell you, one of the most difficult challenges of organizational growth is the fundamental mismatch between facilities and people. It is relatively easy for organizations to build the facilities that they need to sustain rapid growth. Walmart can build stores, Starbucks can build coffeehouses and the Army can build barracks. The more difficult challenge of organizational growth is to "build" the leaders who are capable of managing those facilities. It is easier (and much quicker) to build a store than it is to build a leader who is capable of effectively running that store. It is easier to build an army post than it is to build an effective division commander. This mismatch is a fundamental constraint on organizational growth and Marshall faced nearly insurmountable challenges in this regard because he had to repeatedly pick leaders who could be entrusted with the lives of young American soldiers in combat.

The task of identifying and developing future organizational leaders is so complex, so time-consuming and so difficult to measure that many senior leaders in the corporate world simply ignore this responsibility. If they need senior leaders, they assume that they can go to a corporate headhunter and buy them from other organizations. Marshall reflects a

different perspective because developing leaders from within was a reflex action for him. In their famous book, "*Built to Last*," management authors Jim Collins and Jerry Porras reinforce Marshall's leadership perspective. Collins and Porras are interested in what they call "visionary companies" by which they mean companies that are particularly long-lasting, highly successful and widely admired. In their book, they attempt to distinguish visionary companies from their industry peers. One of their strongest conclusions is that visionary companies are far more likely to invest in home-grown leadership than their peers. In other words, great companies pay as much attention to the *continuity* of their leadership talent as they do to the *level* of their leadership talent. This is an approach to leadership development that Marshall would have found very congenial.

Lessons to be derived from Marshall as a leader

Although George Marshall wore an Army uniform for more than forty years, this case study demonstrates that he serves as a valuable, timely and relevant example for anyone interested in leadership. Marshall clearly showed that leaders are force multipliers for their organizations, in part because they establish an atmosphere of trust. Trust in the vertical dimension of leadership means trust up and down the chain of command. This type of trust is valuable because leaders never want to be the bottleneck through which all decisions flow. Think of the multitude of decisions that Marshall faced as he rapidly built and deployed an army of millions in World War II. Having subordinates who trusted him and were willing to take responsibility for making decisions greatly increased his span of control. But, as Marshall's example shows, empowering subordinates is not a simple undertaking. Empowerment is not simply a management technique that is used to make employees feel good about themselves. Employed correctly, it can be an effective process that expands the capability of an organization to make and implement decisions. Empowering subordinates is a twofold process: first it implies the ability to identify those who can employ responsibility in an effective manner, and second it implies a need for leaders who will relentlessly support their subordinates. Seen in this light, Marshall had mastered both dimensions of empowerment.

Trust in the horizontal dimension of leadership means trust between leaders of different organizations. Consider the eight American and British military leaders who made up the Combined Chiefs of Staff during World War II (Leahy, Marshall, King and Arnold for the Americans; Brooke, Pound, Portal and Ismay for the British). It is useful to spend time considering why Marshall became *primus inter pares* in this highly select group. One reason is that everyone trusted Marshall. For example, the British might have strongly disagreed with some of Marshall's ideas, but they never questioned his motives. Marshall was not perceived as self-serving nor as a commander who only protected the interests of the U.S. Army. He clearly demonstrated to President Roosevelt in his first White House meeting that he was willing to risk his career to reject a bad idea. His behavior earned the enduring trust

of Roosevelt, Churchill and the Combined Chiefs of Staff. These relationships were strong enough to endure the fears of military defeat in the first years of the war and the pressures of impending victory in the last years of the war.

Today, organizational leaders face the same challenges Marshall faced as he developed and employed his unique type of leadership influence. His life demonstrates several truths about leadership. We learn that people are primarily responsible for their own leadership development. Throughout his career, Marshall made personal (and risky) choices that contributed to his reputation as a trusted leader. We also learn that his power as a leader was based on the twin foundations of competence and character. He worked his entire life to develop the ability to accurately evaluate people before empowering them. He also showed loyalty to those in whom he entrusted great responsibility. As a result, while a world was at war and in its grim aftermath, Marshall gave inspiration, motivation, and guidance to millions.

Many people are interested in the study of strategy as we can see by the fact that the fields of management and business administration are frequently identified as the most popular undergraduate majors in the United States. The concepts of strategy and strategic leadership have existed for thousands of years in the military world so it is unfortunate that the military world of strategy is resolutely ignored by the business schools of America. Military cases and military leaders provide an alternate, complementary and useful perspective to leaders in today's corporate world. Marshall's case demonstrated that leaders in uniform face many of the same challenges as civilian leaders. As we saw, human resource management, team-building, leadership techniques and strategic thinking were a part of Marshall's world. They are also part of today's corporate world.