

GLS21 Notes: Mastering Risk

Every day, leaders across the world navigate how to assess, detect, learn from and respond to risk. Drawing from his new book, *Risk: A User's Guide* at The Global Leadership Summit, retired 4-star Army General, Stanley McChrystal, gave us a new system to rethink traditional definitions of risk and the role leaders play in facing uncertainty. In this talk, General McChrystal used the lessons he has taken from his career in the military and applied them to organizational psychology. He gave us a pragmatic approach to managing a new global landscape riddled with risks of all kinds.

Enjoy these official session notes from General Stanley's session to help you dive deeper into what you learned!

We have a risk problem

- If anyone struggles with humility, I recommend marriage. If that doesn't work, try grandchildren.
- We have a risk problem.
- In 1979, the Iran hostage crisis occurred. President Carter worked feverishly to get the release of our citizens. He then authorized a rescue attempt, "Operation Eagle Claw." The plan was complicated. There were ten steps in the process.
- It's hard to assess risk. If you look at each phase, they had about a 90% chance of success. Over the course of all ten steps, it makes the total plan about 2.5% chance of success. The mission failed.
- The rest of my career was impacted. We cannot let the nation down again. We need to mitigate every risk.
- We have a risk problem. What do leaders do about it? Leaders can't make risk go away, but they can think about it differently.

Experience at JSOC

- In 2003, I became leader of JSOC (Joint Special Operations Command). It's different from most military forces. The average age is 35. Everyone has a family and has been in combat before. You get a high probability for success because of the resources that you put at it.
- It gets harder at scale. It gets riskier at scale.
- I was leading a pyramid-shaped hierarchy against Al-Qaeda in Iraq. They were different. It was a constantly changing network. They were wickedly fast, lethal, learning very fast. In this environment, this atypical thing was beating us. |
- As we were performing well in the narrow sense, the overall situation in Iraq was getting worse. We tried doing more. It only got better when we started connecting missions. JSOC almost changed its DNA. It started functioning like the human brain. It made us faster and more effective.
- We were building an immune system. Immune system detects threats, assesses them, responds to and learns from them.

Commented [MP1]: I don't know if I missed something in the message but he wrote this as "A-typical" instead of "atypical" so I changed it. But if there is a reason to do it this way, please change it back.

- Risk immune system: narrative, structure, diversity, timing, adaptability, action, technology, bias. All connected by communication. All inspired by leadership.

Action - Do Something

- How often are we sitting around saying, "Someone ought to do something?" and yet no one moves.
- How do you overcome inertia? In JSOC, we had so many policies. We had a wall of policies around our organization. I asked, "What fool's policy are those?" The leader of Seal Team 6 said, "It's yours." I changed the policy: it can't be immoral or illegal. Otherwise, act.

Structure

- We have to empower people to act. The structure has to enable the people who actually have to do it to act.
- We kept structure for logistics, etc. We changed it for information. Information could flow in any direction.
- We pushed decision-making down. Push decision-making down until you're uncomfortable and then push it down one more level.

Communication

- We leveraged video conferences and opened up to people. 7500 people for 90 minutes a day.
- You didn't have to tell people what to do. They could figure it out. They knew the context.
- October 2003: 1 raid per week; August 2004: 18 raids per month; August 2006: 300 raids per month (kept that pace up for 2.5 years).
- The difference was how we communicated and made decisions.

Dr Martin Luther King's Leadership

- You can get everything else right but if leadership is wrong, you're always stuttering.
- The Montgomery Bus Boycott - it was a leadership effort of the community, not just Dr. King.
- In August 1963, Dr. King went to give a different speech. People were listening but not reacting. A friend says, "Martin, tell them about the dream." He shifts and changed American oratory history.
- He leveraged technology.
- He knew the structure needed diversity.
- He knew you needed to adapt (the Selma march).
- People believe in stories. He was arrested and put in jail 12 times. Every time it was to strengthen the narrative.
- Leadership - he knew he had to keep people moving forward.
- "If you can't fly then run, if you can't run then walk, if you can't walk then crawl, but whatever you do you have to keep moving."

- We have a risk problem, but we can fix it. It's up to us.

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