

Marshall on Leadership - A Guide for the Compliance Practitioner

General George Marshall was not only one of the greatest generals that this country has ever produced but he served as US Secretary of State, Secretary of Defense and was the architect of the European recovery plan which bears his name, the Marshall Plan. Nominated by President Franklin Roosevelt to be Army Chief of Staff, Marshall was promoted to General and sworn in on September 1, 1939, the day German forces invaded Poland, a post he held until the end of the war in 1945. As Chief of Staff, Marshall organized the largest military expansion in US history, inheriting an outmoded, poorly equipped army of 189,000 men and, partly drawing from his experience teaching and developing techniques of modern warfare as an instructor at the Army War College, coordinated the large-scale expansion and modernization of the US Army. Though he had never actually led troops in combat, Marshall was a skilled organizer with a talent for inspiring other officers.

Many of the American generals who were given top commands during the war were either picked or recommended by Marshall, including Dwight Eisenhower, Leslie McNair, Mark Wayne Clark and Omar Bradley. Indeed Marshall is well known for having promoted Eisenhower over 300 higher ranking generals to lead the American Expeditionary Forces. Scholars have long debated whether Marshall kept a 'little black book' of promising young officers who might merit future promotion. One thing that is more certain is that Marshall did have a very clear idea of the qualities he looked for in promoting someone to officer. In a letter he wrote to General John Pershing in November 1920, Marshall listed his views on the qualities of a successful leader. I found many of these qualities transcend the military officers and are useful when evaluating employees to become compliance practitioners or Chief Compliance Officers (CCO). The qualities Marshall listed are as follows:

1. **Good Common Sense.** In this area, Marshall favored character over raw intellect. In the compliance world today, the compliance practitioner must know not simply how to work with a business unit, but use compliance to create value. In other words, as Mike Volkov is want to say, do not be 'Dr. No'. Additionally Marshall did not seek the outlier, the individualist, the eccentric or the dreamer but a person well-grounded in good old American know how.
2. **Have Studied Your Profession.** Marshall wanted officers who had studied the science of not only military operations but all areas appurtenant thereto, such as logistics and other branches of services. The same is true of the compliance practitioner, particularly with the evolving nature of a minimum *best practices* compliance program.
3. **Physically Strong.** Here Marshall is not talking about simply being physically fit, which is requirement in the armed forces, but rather having the fitness to get out into the field. Marshall wanted men who would be in the middle of things. In other words, put 'boots on the ground' and learn what is going on in the field, outside of the corporate office.
4. **Cheerful and Optimistic.** While Marshall based this requirement on the specific circumstances of the American democracy and a two-ocean protection, I believe that his

traditional reasoning that American soldiers needed to be led by officers who were optimistic and resourceful is equally valid in the compliance context. Sometimes, the compliance practitioner is required to do less with more and given the dearth of case law available, decision making calculus based upon a solid reasoning is often required.

5. **Display Marked Energy.** This is related to the physical fitness component cited above. However, it also relates to finding solutions in the face of rapid action. In the compliance world ‘NO’ is not always the best answer but for many it’s the easiest answer. Compliance practitioners are being called upon more frequently to supply answers to complex business situations and they must not simply say ‘that is an FCPA violation’ if it is in reality a high risk proposition, yet one which can be managed effectively with the proper controls in place.
6. **Extreme Loyalty.** This is where Marshall specified a ‘team player’. I recognize that the compliance practitioner must stand apart to provide objectivity and I am not talking about US company’s which actually force compliance practitioners to change well-reasoned decisions on what may constitute a Foreign Corrupt Practices Act (FCPA) violation. Here Marshall wanted level headed team players who were both competent and cooperative.
7. **Determined.** Here Marshall wanted men who were steady and level headed. This meant that in the face of a rapidly shifting battlefield they could be counted on to soldier on and, more importantly, avoid gross errors of judgment which would cost American lives. Fortunately in the compliance arena, we rarely face anything so catastrophic but if compliance practitioners do not do their jobs, large amounts of a company’s time, resources and money can be put at risk if a FCPA is alleged and an investigation ensues. One needs look no further than Wal-Mart on this score.

General George Marshall was a transformational leader of the US Army. He accomplished this largely through focusing on people. This is also true for a CCO or other senior leader who has to set up a team to deal with a high profile area in a business. It is often said that the true mark of a person is how he or she does in tough situations. One of the best quotes I have ever heard about the US Army Officer Corp from World War II is by the historian Bernard Lewis who said “what was really new and original [about American officers] was the speed with which they recognized their mistakes, and devised and applied the means to correct them.” If you can imbue your Compliance function with people who have this trait, or can learn this skill, you will go quite a long way towards having a world class program.

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