Balancing Act

Gen. George Casey looks to put the U.S. Army on firmer ground.

These are turbulent times for the U.S. Army, a massive organization that's still not quite big enough to handle the extraordinary demands being placed on it. As chief of staff, Gen. George W. Casey Jr. is on the hook for recruiting, training, and retaining troops to fight two wars—and planning for any number of unforeseen crises—all while operating at a level of accountability and transparency that your average Fortune 500 CEO would find untenable. (Last month, Secretary of Defense Robert Gates abruptly, and publicly, sacked Gen. T. Michael Moseley, Casey's counterpart at the Air Force, citing "declining standards" in nuclear security.)

The Army is the most scrutinized of institutions, never more so than when under strain, and its top leaders haven't traditionally made themselves available for questioning. But there's a new openness to fresh ideas and thinking, and in that spirit, Casey, appointed chief of staff in April 2007 after serving almost three years as commanding general of the Multi-National Force in Iraq, agreed to sit for an interview of unusual—even unprecedented—duration, with no ground rules. Over the course of an hour, he spoke about military collaboration with corporate America, the impending transition to a new administration, and why he's not overly concerned about the Army's shifting standards for recruitment.

And more communication is in the works: "I'm working on the notion of blogging," says Casey, who turns 60 this month. "I look at blogs periodically now, but the staff wants me to get out there and blog away. I'm not quite there yet, but I suspect I'll do that before long."

Matthew Budman, acting editor of *TCB Review*, met with Casey in his office at the Pentagon.

After thirteen months as Army chief of staff, what have you learned about steering an organization with some two million employees?

That it takes a long time to change direction. You hear the analogy about the supertanker all the time. When an organization like this gets out of balance, it takes a long time to put it back in balance; it's going to take us three or four years to get back to where we think we need to be.

When I came out of Iraq, I had about sixty days to transition. Part of that time, I just needed to regroup personally. The other part of the time, I had a transition team that I sent across the Army to ask them questions about the state of the Army now and what kind of Army we need for the future. They came back, and we put all that together.

So I came in with a notion of what I needed to do. But then I embarked with my wife on a four-and-a-half-month tour around the Army, where we got out and hit every different kind of unit and installation and talked to soldiers and talked to families. I took a few things out of that and modified what the transition team had said, and basically announced a vision of what it was we needed to do—and that was to put ourselves back in balance.

How do you go about getting buy-in for change throughout such a large and established institution?

The first thing a leader has to do is have the appropriate vision. The question I asked most in Iraq—and the question I ask most here as chief of staff of the Army—is: What are we trying to accomplish? The higher up you go, the more important it is that you answer that clearly. Once you have the vision, you have to have the strategy to execute it. So the next step is to build consensus. Part of it is done internally, in having folks help develop the vision and the strategy. I'll sit down and talk with my planners, and I'll think I've been very articulate, and they'll come back two days later and they've got 75 percent. Not bad. I'll talk some more, and they'll come back in two days and they'll have 85 percent. It takes a while.

There's an old Army adage that before you can impose your will on your enemy you have to impose it on your staff. You have to get your own staff to buy into your concept, because they then can help you sell it laterally and up the chain. We did that here within the building, but we also did it

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by my wife and I going outside and talking to people, saying: This is how we see it—is this how *you* see it? People generally came to the same conclusions about what we needed to do.

You know you're not going to get it exactly right, so you try to not get it too wrong.

With an organization this size, you must have issues with silos.

Yes. We tend to call them stovepipes—though I had lunch with a group president of Caterpillar, and he said, "We call them silos," and I said, "That's a much better word, because silos have much thicker walls." What we started working on was the notion of adopting an enterprise approach—not focusing on what's best for *me*, but what's good enough for *everybody*. And to do that, we have to change our culture, we have to change our governance models, and ultimately we'll have to change our organization. So we have started down that track.

It became clear to me after the first six months that we needed to think differently about how we were running the business. Well, the Army's not a business, but it's an organization with a multibillion-dollar budget, and we have to think differently about how we manage ourselves.

Is the focus on change mostly to improve operations?

That, and also because nobody believes that the budgets we're getting now will continue indefinitely. History tells us that as a war goes down or goes away, the resources to the military fall off a cliff. So we have to prepare ourselves to operate more effectively and efficiently, or everything we've built in the last decade will come unglued.

Do you coordinate with, or benchmark against, the other Joint Chiefs?

Oh, sure. We talk all the time. We have what we call a Tank, a room where the chiefs meet, and we sit down two or three times a week with the chairman of the Joint Chiefs, the vice chairman, and the service chiefs. We meet on a range of issues; we're always sharing ideas. And we meet with our staffs. I've sat down with the chief of staff of the Air Force, and his staff and my staff, to discuss a range of issues. I sat down with the commandant of the Marine Corps and his staff. We're constantly adapting and learning from each other. I have to remind my folks that *I'm* in a stovepipe, and we have to be broader than that. I have to think about not only what's good for the Army but what's good for the Department of Defense.

It's very interesting to me that when you watch the force operate in the field in Iraq and Afghanistan, it's agile, it's innovative, it's risk-taking—but you bring it back here and put it in this five-sided building, and the walls get pretty thick. We just published a new doctrinal manual that captures how we think we should fight in the twenty-first century, and if we operated in our business like we operated in combat, we'd be a heck of a lot better off.

I wanted to ask about long-term planning. Are you still in the process of developing the next Program Objective Memorandum?

Oh, yeah. We took a little different tack this year in that we tried to have the senior leaders identify the really big strategic issues that we needed to analyze, assess, and then decide on—and to do that in advance, before we turned the lieutenant colonels loose on putting money against programs. We've been going through that process for several months here.

But really, it goes back to asking ourselves: What do we want to accomplish with this program over the next five years? What are the alternatives to do that? How do we get the best Army for the cost?

With situations on the ground changing dramatically, almost month by month, it's hard to imagine planning five years ahead.

It really starts with the doctrine, and with the new field manual. We gave a lot of thought to the nature of future conflict. You know you're not going to get it exactly right, so you try to not get it too wrong, and then you build versatile capabilities that can do a lot of different things. That is the Army that we're designing for the twenty-first century. But it starts with how you see the conflict, and then how you operate in that conflict: What systems do we need to implement to operate that way in this kind of conflict? How do we need to train our people to do that? How do we need to organize our units to do that? Do we need different kinds of capabilities to do that?

We say that it takes about a decade to ingrain doctrine in an organization the size of the Army. So this really is a first step at the twenty-first century, but we believe the doctrine drives the development of the forces and the programs.

The Army's mission seems to continually expand—with nation-building and the possibility for involvement in new regions of the globe—at a time when, as you put it, it's out of balance. How do you keep people prepared to accept and engage these new challenges?

The name of our operational concept is Full Spectrum Operations, and the spectrum of possible conflict runs from peacetime engagement—training other armies, for example—all the way up to major conventional operations and everything in between, like irregular warfare, limited intervention, and peacekeeping operations. So one of the central questions that we're wrestling with right now is: How do you train

units and develop leaders to operate in that environment? It's going to be different than in the past, especially the leader development. It's a complex environment for a leader: It involves dealing with other agencies of the government, with local political leaders, and with indigenous forces. So we have to develop leaders who are very good at their core competency, whatever that may be, and broad enough to deal with complex and diverse environments.

You have to do that differently than just staying in your basic career field for your entire career. We talk about leaders taking time out of their operational field to do broadening things—working with industry, working with another agency of the government, working with a military assistance group, going to graduate school at a civilian institution. These things allow people to develop a much broader perspective so that when they get thrust into a confusing environment, they're not cowed by it and they can think their way through the complexities.

Speaking of working with industry, what is the Army learning from its collaborations with corporate America?

My predecessor twice removed, Gen. Eric Shinseki, started a senior-leader development program that began taking officers out to industry to get ideas. And we've started sending folks to a week at Kenan-Flagler Business School at the University of North Carolina at Chapel Hill, to get them to think about an enterprise approach and how we need to operate differently. So we've had officers out for the last eight years or so, having sessions with different businesses and industries around the country.

Our guys who go down to North Carolina think they're going to learn about how to run a business. What they find out is they *already* know how to run a business: They know how to manage; they know how to organize; they know how to develop strategy. The thing we need more work on is doing cost/benefit analysis. I continually get recommendations that say, "This is a good idea, and it costs this much—fund it." Nobody comes in and says, "I can give you this much capability for this much money, or *this* much capability for *that* much money, and I recommend *this*." We don't do that well. We need to get better at doing that.

I tell people there are three questions they need to ask when developing a course of action. First, what is it we're really trying to accomplish? Second,

are there alternatives to doing that? And third, is this the most capability I can get for the least cost? So that's the kind of thing I think we can pick up from the business side of things.

There's no market function in the Pentagon; there's nothing driving us to be more efficient. And we're at war, so there is a rightful, natural reaction to want to put as much as you can in the hands of the soldiers and leaders who are fighting the war. We just have to manage ourselves a little bit better.

What does the Army do that you think should be more common in the private sector?

My sense is that we invest a lot more in developing leaders than a lot of industries do. I spoke to a Fortune 500 conference up in New York about a year ago, and I said that the Army spends around $7 billion a year on leader development. I could tell by the audience's reaction that, *Wow*, that's a lot. But leadership really is our business.

Seven billion is indeed a lot.

Most of it goes into our education system—for officers, noncommissioned officers, and generals. Sergeants go to school at every level; each of the steps in the process prepares them for the next level. We would like to be in a position where you don't get promoted to the next level until you've been through the school, but we've had to modify that because of the combat and the tours, the rotations that the guys are making.

I've revamped the officer-training program to focus on strategic leadership and enterprise management. If you're a general, you can expect to take a basic course when you first come in about the introduction of strategic leadership. As a senior brigadier, you'll go down to the North Carolina program to talk about enterprise management. As a major general, you'll go out and have a session where you go visit industries and talk to them about how they manage transformation. Then I started a course for

our three-star generals. As they accept new responsibilities, we run a forty-eight-hour course here where we connect each one with a senior mentor who's had their job, and he talks them through kind of a personality assessment and says, "These are the skills you're probably going to have to work on that you haven't used much in this job." We get them to meet the key people here in Congress and in the department and around the other services that they need to connect with to do their job.

So it's a formal management-succession program.

Yes. We work to transfer the knowledge at every level. It's critical for us. It's building leaders.

At lower levels, is it easier to recruit and retain people during an economic downturn?

Yes, for obvious reasons. And we are doing OK on our recruiting. We have to recruit about 80,000 soldiers a year in the active force to sustain ourselves and grow the Army by about 75,000, which we've been directed to do.

Now, it's hard—there's no question about it. Only three in ten 17-to-24-year-olds are even eligible, and we're competing with the other services, with industry, and with colleges. But

we're doing it. In 2007, almost 300,000 men and women enlisted or reenlisted in the Army, Army Guard, or Army Reserve. That's a lot of folks. People are still willing to serve their country in a time of war, and every one of these men and women comes in knowing it's highly likely that they'll go to war. So they're coming in with a commitment. And thank God—for the country—that there are still men and women out there willing to do that.

Under wartime pressure, the Army has had to adjust standards for recruiting: granting more waivers, raising the maximum age to 42, lowering high-school-graduation goals. A few months ago, you told reporters that "we can accept some minor degradation in quality." How much degradation is acceptable?

We have a range of metrics, and of the major measures we are using, the only one we're not meeting is high-school graduates. We're probably 8 percent below the standard that we have set for ourselves. Otherwise, we're meeting our intellectual standards.

I hear a lot of talk about waivers. I'll tell you a funny story. My stepfather graduated from West Point in 1943. He was a big Montana boy—football player, basketball player, great athlete. They sent him down to New Orleans, and his job was to form a machine-gun battalion out of a New Orleans prison. Their choice was: You can stay here, or you can go with Ray. He formed them up, and by all accounts they did pretty well.

Today, we're far removed from anything like that. For a soldier to get a waiver, it's got to go through a ten-step process. The soldier gets eyeballed and dipsticked by about ten different folks. And if it's a serious offense—and most of the serious offenses were done when the individual was a juvenile—it has to be approved by a general officer.

Have these recruits—those admitted under the new standards—posed a challenge for commanding officers?

Not really. There's always friction with new folks, and frankly, some of it is generational. I remember when I was a company commander, I would say, "How come these three guys are such yahoos and why do I have to spend 90 percent of my time dealing with these three or four guys?" People are people; you never get past that.

Have you seen measurable differences in performance?

We have done studies of the men and women who come in under waivers, and interestingly, they're more prone to stay with us, to get promoted, to be decorated. They're also prone to be a little more mischievous and have minor disciplinary problems. But I'm not concerned that we're going to see a major degradation in the quality of the force.

I was just down at Fort Benning looking at basic training—and also presenting trophies at the Best Ranger Competition, which is a grueling three-day competition that pits the best infantry soldiers we have against each other in teams. I saw the same fire in the eyes of the rangers as I saw in the eyes of the soldiers in basic training. We're doing OK. We're doing OK.

Looking at tomorrow's Army, do you foresee less emphasis on physical work and more on knowledge work?

War requires both, and as I look at what we're asking our leaders to do, there's a physical dimension to all of it, so I wouldn't necessarily say more or less. A leader has to be physically fit to sustain him- or herself through the rigors of combat; if you're not, you get worn down, and you're not effective. That said, the twenty-first-century security environment is going to require more knowledge work, and we're moving more toward intellectual approaches to solving tomorrow's complex security challenges.

I used to tell soldiers coming into Iraq that for leaders to sustain themselves in this environment, they needed to find time every day to read, sleep, exercise, and think. You have to stay physically, mentally, and emotionally fresh.

We have to find a way to **reward** and keep the good **technical** folks as well as the great **leaders**.

What types of skills do you expect soldiers to need more of or less of in the future?

I look at it from two different perspectives. One is what we need our leaders to do: We need leaders who are broad enough and can think their way through complex problems. Then there's a whole different set of variables because running an Army of this size is getting more and more technical. So there are some technical skills in information technology, in budgeting, in research and development, that require folks who are not only good leaders but also have the technical skills that we need to run an organization of this size effectively and efficiently. So we have to find a way to reward and keep the good technical folks as well as the great leaders.

Going through news articles and punditry about the Army and its personnel, I was continually struck by the fact that all the details are extremely public. We learn every time that troops are reassigned, or an ex-con signs up, or an officer is accused of a violation. Does that transparency affect how you function?

It doesn't. I believe that transparency in whatever we do is key to our success; nothing gets better if you don't have the sunlight on it. So we try to be as transparent as we can be with

what we're doing. You can't hide things, so we don't try.

You hear that the Army's hollow or broken. It's not. It's just not.

How much of your daily job is crisis management? When something such as the Fort Bragg video exposé—of substandard barracks for returning troops—hits the national news, is it a major distraction?

When that video came out, I happened to be in Punta Arenas, Chile, which is on the Straits of Magellan. I can tell you: It didn't have a big impact down there. I called in; our guys here jumped on it. Over a period of days, we got the word out.

In my personal day, I probably don't spend more than fifteen or twenty minutes on crisis management. There are folks that are working it. They come in and talk to me, get some guidance, and move out. I am not so distracted by things that we can't do the important things we need to do.

Do you give much thought to brand management, reputation, risk?

One of the things I wrestled with, hard, is how to describe the condition of the Army. You hear that the Army's hollow or broken. It's not. It's just not. It's the most resilient, competent, professional, combat-seasoned force that I've been associated with in thirty-eight years. But that said, we're not where we need to be. How do you articulate that? You're speaking to the American public, to potential recruits, and to the men and women of the Army and their families. You have to be candid with the conditions, but you have to say it in a way that doesn't convey that, "Hey, we're all broken here." Why would anyone want to join a broken organization?

So I came up with the term "out of balance." That seems to have resonated with people. In the Army, we're going too fast and doing too many different things too quickly to take care of the troops and their families and to meet our other requirements besides Iraq and Afghanistan. It's just a fact.

That phrase did indeed resonate; it got a great deal of attention. Did people outside the Pentagon know what you planned to say?

It was not something I had to get approved by anybody outside the Army.

Now, the armed services strive to be above politics, but sometimes you have no choice—like when, in February, you appeared before the Senate and were asked to confirm or deny Barack Obama's anecdote about an Army captain in Afghanistan. Is it uncomfortable to be drawn into political disputes?

Yes, it is. We work hard to be apolitical. That's what the Founding Fathers expected of the military, and that's what we try to do. So in response to a specific question, you give the facts; the facts are what they are. That's what I did. People can do with the facts what they choose, but I was asked a question, and I gave the response.

And you knew that everyone would carefully parse your words afterward.

I know. But again, all you can do is stick to the facts.

Joint Chiefs Chairman Mullen warned in April that the transition to a new president will mark "a time of vulnerability" and that it will be "extraordinarily challenging" for the military. How do you go about preparing people for that transition?

First of all, it's the first transition in forty years when we are at war. So our first priority in the military will be to make sure that we don't lose any focus on the war effort, that we continue to adequately prepare the soldiers to do their jobs. It's also not the first transition in Washington, so people have done this many times.

You've seen half a dozen new administrations in Washington.

I have, though I don't think I've been in the Pentagon during a transition before. But for us it will be important to posture ourselves here so that the military actions to support the war continue. That takes some thinking and some planning.

And I think Secretary of Defense Gates is very conscious of the fact that this is a wartime transition, and he's focused on making sure that the transition of the civilian leaders is as smooth as possible. Most of the civilian leaders will change; most of the military folks will still be here. So it's on us to really bridge that.

When you hear the president, or a presidential candidate, hint that he or she might send troops to Iran or North Korea or some other hot spot, do you have to immediately begin thinking about how to prepare soldiers for those places?

We're doing that all the time. You heard me say we're out of balance, and we're out of balance because we're so consumed by what we're doing currently that we don't have time to adequately prepare to do other things. And we're stressing the all-volunteer force beyond what it was designed to do. So right now we don't really have the time to train for other areas.

They're already doing it in Korea, though. The rest of the Army is focused on coming and going from Iraq and Afghanistan, but the forces in Korea are doing training exercises among themselves and with the Koreans. We've had training exercises with the Japanese, focusing on a major combat-operation scenario.

What we try to do is build a basic capability to do different types of oper-

ations. Applying them in different parts of the world—in different environments, in different cultures—is something you can pick up relatively easily if you have your basic core competencies. We're constantly preparing to do a wide range of things.

And you're having to do it while being stretched pretty thin. In terms of recruiting, as you noted, only three in ten 17-to-24-year-olds currently qualify to serve—and that that may even go down in the future. Do you see ways to expand the pool of eligibility?

I think we as a country have a major challenge in improving our secondary educational system. One of the ways we have talked about is Junior ROTC programs at schools. Mayor Daley in Chicago has a robust program. The graduation rates coming out of those programs—the people going on to college or technical schools—are hugely significant. It's the discipline and producing a climate that's conducive to learning. Industry and business could sponsor Junior ROTC programs as a way of helping the education system across the country. It's less than $150,000 a year to fund a program; that's *nothing*. And they'd be helping us and helping themselves, because it's building civic responsibility and discipline in our youth, and there's not an expectation that everybody in Junior ROTC is going to join the Army or the Air Force. I think it could help us broadly in increasing the pool for the military—and for industry and business.

The Army Reserve has launched an initiative to partner with business and share talent. Do you anticipate more collaboration in the future?

Those types of programs are going to be continually important because of what we're asking our Guard and Reserve soldiers to do. The employers play a huge role in allowing trained senior folks to come into the Army and serve their country at a time of war. It can't be easy on the businesses that are doing this. So any type of program where we can partner with business to help them and help us—those are exactly the type of things we need to do.

It's not all about partnership, though—you also compete with employers for talent. Do you view particular industries as key rivals?

I really don't think about specific industries in those terms. That said, we do have challenges with keeping people, especially senior noncommissioned officers and technically skilled

junior officers. A lot of military contractors are hiring people away, and the information-technology industry is taking away some of our good signal folks. But the attrition rate for our captains is right at historical norms. You hear a lot about captains leaving the Army in great numbers, and it's just not true.

I've seen statistics to the contrary—attrition *hasn't* been dramatically rising?

Not really. I had our historians compare the captain attrition from 1965 to 1970 with the captain attrition from 2001 to 2007. It starts off about the same, by historical norms. In 1967, when the Army went to involuntary second tours in Vietnam, the line went straight up. Our line just keeps going straight across.

And the question really shouldn't be, Why are they getting out? The question is, Why are almost 90 percent of them staying in? It's because they believe in the values and ideals of the country. They believe they can make a difference in a time of war. And they want to be part of an organization that's the best in the world at what it does. Those are the kind of folks that the Army is made up of.

But noncommissioned officers leaving before their time is my number-one concern. We are the Army that we are because of our people, and it takes a decade to grow a captain or a senior noncommissioned officer; when you lose that talent it takes you a decade to get it back.

What more can the Army do to keep those people?

A range of things. We just sent a team to talk to the brigades coming back after being gone for fifteen months. They said fifteen months is too long and twelve months home is too short. So we have a program to increase the size of the Army, which will allow us to gradually increase the time the soldiers spend at home. And they said, Show us some daylight here—we need to see that over time things are going to get better.

We've actually moved along a deliberate program to increase the size of the Army, develop bonus and incentive programs to retain the mid-level officers, and develop a less frenetic way of returning the units to readiness after they return from a deployment.

Then we have a major effort with families. As I said, one of the things my wife and I came back with from our first four months was that families are the most brittle part of the force. I don't think the American people necessarily appreciate the difficulties that families go through when their soldiers deploy: You know the soldier's in combat and you never know that they're OK.

My dad was killed in Vietnam, and my mom wouldn't go to bed until ten o'clock because ten o'clock is the time when the notification guys wait until the next day. You live with that fear every day, and it drains you. Sheila and I came back and said we need to do more for the families here. So the secretary of the Army and I issued what we call the Army Family Covenant, doubling the amount of money that we're putting toward soldier and family programs.

We've been saying for years that you recruit soldiers and retain families. We have to go even beyond that, because the families have to believe that they are being taken care of. We talk about "Army Strong." It's the families that are really strong.