III. ISIL Capacity to Control, Civilian Support, and Local Elite Power Base

An Organizational Profile of the Islamic State: Leadership, Cyber Expertise, and Firm Legitimacy (Dr. Gina S. Ligon,8 Ms. Mackenzie Harms, Mr. John Crowe, Dr. Leif Lundmark, and Dr. Pete Simi, University of Nebraska Omaha, START, DHS)

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Executive Summary

Using an internal strategic organizational analysis, we found support for hypothesis two: the Islamic State is a durable movement in the geographic region it currently controls. There are three strategic resources and capabilities that we posit will allow ISIL to become a durable movement: (1) unique leadership style and structure, (2) state-of-the-art cyber usage (e.g., messaging and technology), and (3) organizational legitimacy in an unstable region. The Leadership Style and Structure of ISIL differ from those we have analyzed in 90+ VEO leadership teams. This particular characteristic is not only rare, but also would be difficult to replicate in another group given the historical conditions that gave rise to ISIL, as well as the participatory style that Abu Du’a al-Baghdadi has with his close followers (see section on Leadership/Human Capital Resources). The Cyber Sophistication of ISIL shows the expertise and diversity of their cyber and media team. After profiling this group’s use of cyber technologies for over a year, we have determined that they use a variety of technological platforms, diverse languages, and tailored messaging. The cyber technologies facilitate internal coordination (e.g., command and control) and focuses information flow externally with the broader Umma and potential foreign fighters (see section on Cyber Capabilities). Organizational Legitimacy has resulted from a unique combination of the strong leadership style, strategic branding, and consistent message. In other words, “ISIL Sells Success.” Our conclusion is that this strategy of promoting itself as a successful organization and with a pure mission (ideological superiority) leads to a perception of organizational legitimacy, which is particularly magnetic in an environment that is ripe with corruption, poor governance, and distrust of existing institutions (see section on Organizational Legitimacy and Branding). In the full report, we offer unique insights gained from examining ISIL through a business model. Using this strategic management lens, we found support

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for the hypothesis that ISIL is a durable movement in the geographic region it currently holds because of its rare, unique, and inimitable resources and capabilities.

Key Findings:

- Strategic differentiators of ISIL are the leadership structure, cyber expertise, and firm legitimacy. These resources and capabilities are rare, valuable, inimitable, and organized effectively to position the organization for success.
- ISIL has developed an organizational structure that may be resilient to leadership decapitation, given the power sharing style of al-Baghdadi, the strength and structure of the Shura Council, and the military prowess of the two Deputies (al-Anbari and Turkmani). The Shura Council will select the next Caliph; the group will be loyal to that person (likely from the Shura Council). Currently, the leadership structure is incredibly strong and resilient.
- Cyber expertise, manifested by a diversity of social media (e.g., Dawn) and internal planning (e.g., FireChat) platforms facilitates both recruiting and command and control in the theater. Among all significant players in the Global Jihad Industry, ISIL possesses the strongest cyber expertise and sophistication.
- Selling success is key to the notions of firm legitimacy that ISIL needs to portray. They will continue to attack new ground, show images of power and statehood, and send messages of “celebrity-levels” of Global Jihadism. In addition, they seem to select strategic targets and show patience and persistence in acquiring them (e.g., battle for Kobane was most likely for grain silos located there; their attacks seem to be centered around a) strategic tribal partners or rivals and b) critical infrastructure).

The Business Model of ISIL

One analogy to understand if ISIL is likely to become a regional Caliphate is to compare their organizational behaviors to those of a start-up prior to an Initial Public Offering (IPO), when it is important to convey success, legitimacy, and assess strategic resources and capabilities (Certo, 2003). Following this analogy, our approach is based on an organizational and leadership profile of ISIL (Barney, 1991). We analyzed the internal characteristics of the organization, within the broader context of the Global Jihadist industry, using a strategic framework to identify resources and capabilities that inform what is unique or intangible about ISIL as an organization and broader social movement. Our analysis offers a unique perspective because it focuses on internal facets of ISIL as an organization and provides insight into what support ISIL may seek out as they continue to legitimize their organization.

Our overall conclusion is that ISIL is a durable movement whose current organizational characteristics and observable actions suggest efforts to establish themselves as a legitimate organization with the potential and probable intent to establish and maintain local governance.

There are three general observations that led to this conclusion. First, our team currently estimates that ISIL has moderate-to-high support from the civilian population and local elite in both Iraq and Syria, as well as a high capacity to control within these regions. This assessment is in large part due to their control over critical infrastructure and key resources, which allow them to offer services to the local
population that the previous regimes did not consistently or universally provide (e.g., food, clean water, electricity). Specifically, certain actions taken by ISIL in recent months, such as using a portion of money from their oil sales to provide governance and food to the local civilian population and maintaining infrastructure necessary for the daily operations of local businesses and the elite, suggest an awareness that winning the support of the local population will ultimately allow them to maintain territory and governance in these regions over the long term more easily than if they took control of the population solely by force. The overall message is one that promotes the benefits of an ISIL regime for the population over the alternative regimes, despite the negative tone of global media attention. For the civilians, access to basic necessities may counterbalance the brutality with which the ISIL group deals with non-believers/apostates. This reflects an understanding of diversifying their brand image to meet the needs of different support populations.

Second, in regard to their high capacity to control, ISIL has established an effective and elite leadership team, as well as an advanced organizational structure, which strengthens their cohesion as an organization and allows them to recruit, train, and utilize a diverse array of expertise (e.g., cyber and technological expertise) to legitimize their organization. The participative, pragmatic leadership style embodied by al-Baghdadi and his close followers is a style commonly exhibited by successful state-level leaders, but is rare among VEO leaders (Ligon, Harms, & Harris, 2014). Strengths of this leadership style include a strategic (rather than emotional) approach to problem solving, information sharing among organization members with valuable knowledge and expertise to inform decisions, actions that promote the organization’s needs over the leader’s, and opportunities for autonomy and leadership among lower-level organization members that can foster loyalty to the group (Mumford & Van Doorn, 2002).

Third, the broader Umma and international support is currently estimated to be moderate-to-low, suggesting that the focus of ISIL is on establishing themselves as an independent, self-sustaining organization, rather than on aligning with other potentially powerful organizations or governments. This assessment is supported by the organizational branding efforts ISIL has engaged in, such as severing their alliance with Al Qaida and their affiliates and marketing themselves as a unique and more-successful alternative to other Salafist jihadi groups. ISIL has also shown little efforts to establish legitimate ties to other nation states. While one perspective may suggest that foreign governments are hesitant to endorse ISIL by aligning with them (due to their violence and negative press), an alternative perspective is that ISIL is avoiding partnerships with entities stronger than themselves to preserve their brand. The motivation behind this second perspective is that co-branding, despite the short-term financial and security benefits, often results in the collaborating organizations disavowing or diluting certain tactics and goals in favor of the alliance (Washburn, Till, Priluck, 2000). Given the efforts made by ISIL to establish legitimacy through operational successes and media victories, co-branding at this stage may deter them from establishing legitimate local governance in Iraq and Syria (i.e., ISIL is focusing on garnering local support before reaching out to global communities). While it is likely that ISIL may eventually attempt to gain stronger Umma and international support, their focus currently seems to be on organizational independence and legitimacy (Deephouse, 2000; Rindova, Petkova, & Kotha, 2007).

This analysis is based on a six-year longitudinal study of ISIL and other violent extremist organizations, sponsored by the Department of Homeland Security S&T and the National Consortium for the Study of
Terrorism and Responses to Terrorism (Ligon, Principal Investigator CSTAB 1.12; START). In the following sections, we will briefly outline the methods on which this report is predicated and highlight the results of the present effort to examine what makes ISIL magnetic as an organization.

**Method**

Drawing from a team with diverse academic expertise, we examined ISIL from the organizational strategy literature, organizational psychology literature, and marketing/branding literature using UNCLASSIFIED primary and secondary sources (Ligon, et al., 2014). This project employed a historiometric methodology in order to evaluate the strategic and comparative threat posed by ISIL. Following the steps described by Ligon, Harris, and Hunter (2012), we defined the sample that would provide the best comparative attributes to evaluate the Islamic State within the larger framework of global jihadists. After identifying the sample, we gathered data from primary and secondary sources, evaluated the organizations in our sample using the LEADIR (Leadership of the Extreme and Dangerous for Innovative Results; DHS S&T funded START CSTAB 1.12 project) content coding scheme, indices of technical capabilities and sophistication, and organizational and leadership characteristics.

A two-part framework was applied to provide the organizational profile of the ISIL. First, an industry analysis was conducted with first-level affiliated groups of al Qaeda Central (AQC). Industry level analysis examines forces that work on or against the “industry” in which ISIL operates, based on the stated ideology and competition for sympathizers to that ideology. Thus, for the present effort, we selected the industry of Global Jihad Affiliates of al Qaeda Central (e.g., al-Shabaab, AQIM, AQAP, Boko Haram, al-Nusra Front, and ISIL) as our unit of analysis. While ISIL is no longer affiliated with al Qaeda, the prior relationship, stated objectives, and proximity make this a viable comparison group of the global jihad industry. This “industry analysis” provided benchmarks to which we compare ISIL on its strategic resources and capabilities.

Second, we conducted an internal strategic analysis of ISIL to identify what resources and capabilities ISIL controls to develop and deliver its services to sympathizers and current members. Our specific focus was on the human and organizational resources and capabilities leveraged by ISIL, rather than surveying the population they try to influence.

Finally, we conducted a VRIO (Value, Rare, Imitable, Organization) analysis to evaluate the competitive implications of the resources and capabilities controlled by ISIL, specifically, the likelihood of ISIL developing and maintaining a viable regional caliphate. The following sections highlight our findings.

**Results**

Our analysis determined that there are at least three resources or capabilities that will allow for a competitive sustained advantage for ISIL: (1) leadership and human capital, (2) cyber sophistication, and (3) organizational legitimacy. Organizational Structure and Marketing/Branding are also capabilities of ISIL, but because these are not as costly to imitate (i.e., others in the Global Jihad industry also have strong organizational structures [e.g., AQIM] and marketing/branding tactics [e.g., AQAP]), we did not deem them as critical differentiators of ISIL. Using a comparative strategic analysis of ISIL compared to
other Global Jihad VEOs, we developed the following Table 1 to illustrate how ISIL differs from any of its allies and/or competitors.

Table 1. VRIO analysis chart of the global Jihad industry

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<th>Organizational Structure</th>
<th>Marketing/Branding</th>
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When examining rival VEOs in the Global Jihad Industry in Table 1 above, it becomes clear that no one organization has the bundle of resources and capabilities that ISIL currently possesses. The VRIO analysis indicated that some of these resources and capabilities may be easily imitated by rival groups in the Global Jihad movements. For example, al-Nusra Front has done a remarkable job playing on the grievances of the Sunni populace in how they have branded themselves as a viable group that is different from AQC (i.e., one that “gets things done” differently—and more brutally—than AQC has been able to deliver). In addition, AQAP has structured itself in a way that is efficient, legitimate, and sophisticated due to a long tenure in the region, similar to that of ISIL. Finally, AQC is still seen as the legitimate Global Jihad social movement and likely will retain that position unless ISIL continues to grow with foreign fighters and the broader Umma movement at a rate that out-paces AQC. One of the strengths of Usama Bin Laden’s (UBL’s) speeches was his tie of local grievances to the global mission of the “far enemy,” but to date, al-Zawahiri has not been an effective champion of that message.
The VRIO analysis does indicate two important findings. First, there are no groups currently that rival ISIL in terms of cyber sophistication, leadership/human capital, or organizational legitimacy efforts. This has important implications because we evaluated these particular resources as being extremely costly to imitate by other VEOs. First, the cyber sophistication that ISIL possesses is stronger and was acquired via the recruitment of experts in cyber technology and also via an extreme early investment in the equipment and infrastructure needed for such experts to work. In addition, the willingness to “cut losses” and expand to additional venues and platforms in social networking is unique to organizations in general, but particularly unique to ideological organizations who tend to have difficulty making changes to keep up with their environment (organizational adaptation). The cyber technology (e.g., the app “The Dawn” that ISIL built to allow access to users’ personal data) allows ISIL to exhibit a much more flexible, innovative approach to internet-communication technology.

Second, as detailed in the full report (Ligon et al., 2014), the leadership and human capital was acquired via a complex chain of events that would be difficult for any other violent extremist organization (VEO) to imitate. The unique characteristics of al-Baghdadi made him the perfect influential leader for the current context of social situations and environmental unrest (e.g., the timing of his detainment that coincided with elite former Baathists) and the subsequent roles he allows his top management team to play in terms of decision making and recruiting are remarkable examples of causal ambiguity and social complexity that make this particular resource a sustainable competitive advantage for this VEO.

Finally, the VRIO analysis indicates that even while certain groups share some characteristics of ISIL, no one group in its Global Jihad Industry can compete across all of the strategic resources and capabilities it possesses. For example, ISIL has strong leadership, cyber sophistication, and remarkable organizational structure that allow it to brand itself in a way that outpaces the narrative messaging provided by other VEOs. In addition, the organizational legitimacy (achieved through promoting ideological superiority to competing groups and strong organizational branding as an independently sustainable movement) it has garnered in the local population, with tribal elder elites and with the broader Umma, indicates that this organization should have the capacity to become a viable caliphate in the geographic regions it now controls.

Summary and Implications

The Leadership Style and Structure of ISIL differ from those we have analyzed in 90+ VEO leadership teams. This particular characteristic is not only rare, but also would be difficult to replicate in another group given the historical conditions that gave rise to ISIL, as well as the pragmatic participatory style that al-Baghdadi has with his close followers. Specifically, Baghdadi’s approach to leadership suggests that the senior leaders in the Syria and Iraq regions can execute the mission of ISIL as they see fit, rather than check in with Baghdadi for approval. This allows for a more tailored approach to military campaigns, as well as Baghdadi’s subordinate leaders having control in how their areas are governed. In addition, the leadership style that Baghdadi evidences is one that will often plan for succession and development among his leadership team, rotating assignments so that his top managers (the two Deputies and the broader Shura Council) obtain diverse expertise and experience in a variety of positions. This makes for a more robust decision making structure (i.e., the media wing senior council
would have had some experience in finance and thus know what kinds of messaging is more influential across certain types of donors), as well as a pool of potential successors in the event of a leader decapitation action. Note, most personalized/aggrandizing VEO leaders do not think this strategically about the health of the organization. As noted in the section on Organizational Structure in the full report (Ligon et al., 2014), ISIL is unique in that the top management team has a great deal of autonomy in decision making, is highly hierarchical and formalized, and expertise among top advisers is encouraged and valued. In addition, Baghdadi’s pragmatic approach to organizational leadership can be seen in his strategic moves to recruit highly desirable leaders for his top management team (e.g., former Baathists who were prominent in Saddam Hussein’s regime). Accordingly, we determined the overall leadership structure and style of ISIL to be a key resource that provides sustainable performance above and beyond what other VEOs in the Global Jihad industry have been able to execute.

The Cyber Sophistication of ISIL shows the expertise and diversity of their cyber and media team. After profiling this group’s use of cyber technologies for over a year, we have determined that they use a variety of technological platforms, diverse languages, and tailored messaging. The cyber technologies facilitate internal coordination (e.g., command and control) and focuses information flow externally with the broader Umma and potential foreign fighters (see section on Cyber Capabilities). This degree of cyber sophistication, coupled with ISIL’s understanding of marketing, organizational branding, and media relations (e.g., consider the GTA game campaign to recruit potential foreign fighters), enables a much more robust and fluid recruitment arm of the organization and highlights the kind of personal information they can access. This also demonstrates how ISIL has more robust Twitter accessibility (e.g., through the mobile twitter app “The Dawn” they developed) and social network site presence than other VEO groups that are currently not employing these technologies. These types of decentralized communication techniques are both prevalent and easily accessible to ISIL and are a key resource for this group when reaching out to members (e.g., the FireChat app allows for covert planning of coordinated attacks) and potential recruits in the broader Umma. When assessing the cyber sophistication required to execute the diverse array of strategies as detailed in this section, our research has shown that ISIL is a highly sophisticated group—and the level of expertise required to copy this level of sophistication would take years to develop and/or a targeted recruitment of members with cyber technology expertise.

Organizational Legitimacy has resulted from a unique combination of the strong leadership style, strategic branding, and consistent message (in other words, “ISIL Sells Success”). Our conclusion is that this strategy of promoting itself as a successful organization with a pure mission (ideological superiority) leads to a perception of organizational legitimacy, which is particularly magnetic in an environment that is rife with corruption, poor governance, and distrust of existing institutions. Specifically, we conclude that ISIL obtained an intangible reputation by combining resources such as leadership, structure, marketing, and performance, influencing brand communities (i.e., sympathizers) to form stronger ties to their organization as it increases in legitimacy, or promotes itself as a reputable, high-performing organization. In particular, ISIL spends a great deal of time and resources on communicating aspects of its legitimacy both to (1) its local populace and (2) the broader Umma. First, ISIL established a strong organizational brand by using their split with AQC to promote their organization as ideologically “pure”
and establishing themselves as a durable movement with sustainable resources and capabilities (e.g., controlling critical infrastructure and natural resources). Second, ISIL is capitalizing on discontent with the current regime in Iraq and Syria and garnering public support by providing basic services such as access to food, water, charity distribution, Sharia court, and education. A key difference between ISIL and other Global Jihad VEOs is its rapidly increased capacity to govern once it has taken control of a region or province. Finally, as the idea of ISIL becomes more diffuse across the region and more broadly (through mass media and peer-to-peer publicity, establishing control of territory, and offering intangible services), the ISIL organization is turning into a social movement, which is highly attractive to the broader Umma and local populations. Thus, we determine that the combination of resources and capabilities contributing to the overall legitimacy of ISIL is rare and difficult to imitate by competing organizations.

References


