

“FAVORITISM IS THE SECRET OF
EFFICIENCY!” ADMIRAL JOHN FISHER’S
NAVAL REVOLUTION 1904-1911

Dr. **Henrikki Tikkanen**

Professor of Marketing

Stockholm Business School &

Aalto University School of Business, Helsinki, Finland



Admiral of the Fleet Sir John Arbuthnot Fisher (1841-1920), 1st Baron Fisher of Kilverstone,

The Anglo-German Naval Arms Race 1906-1918

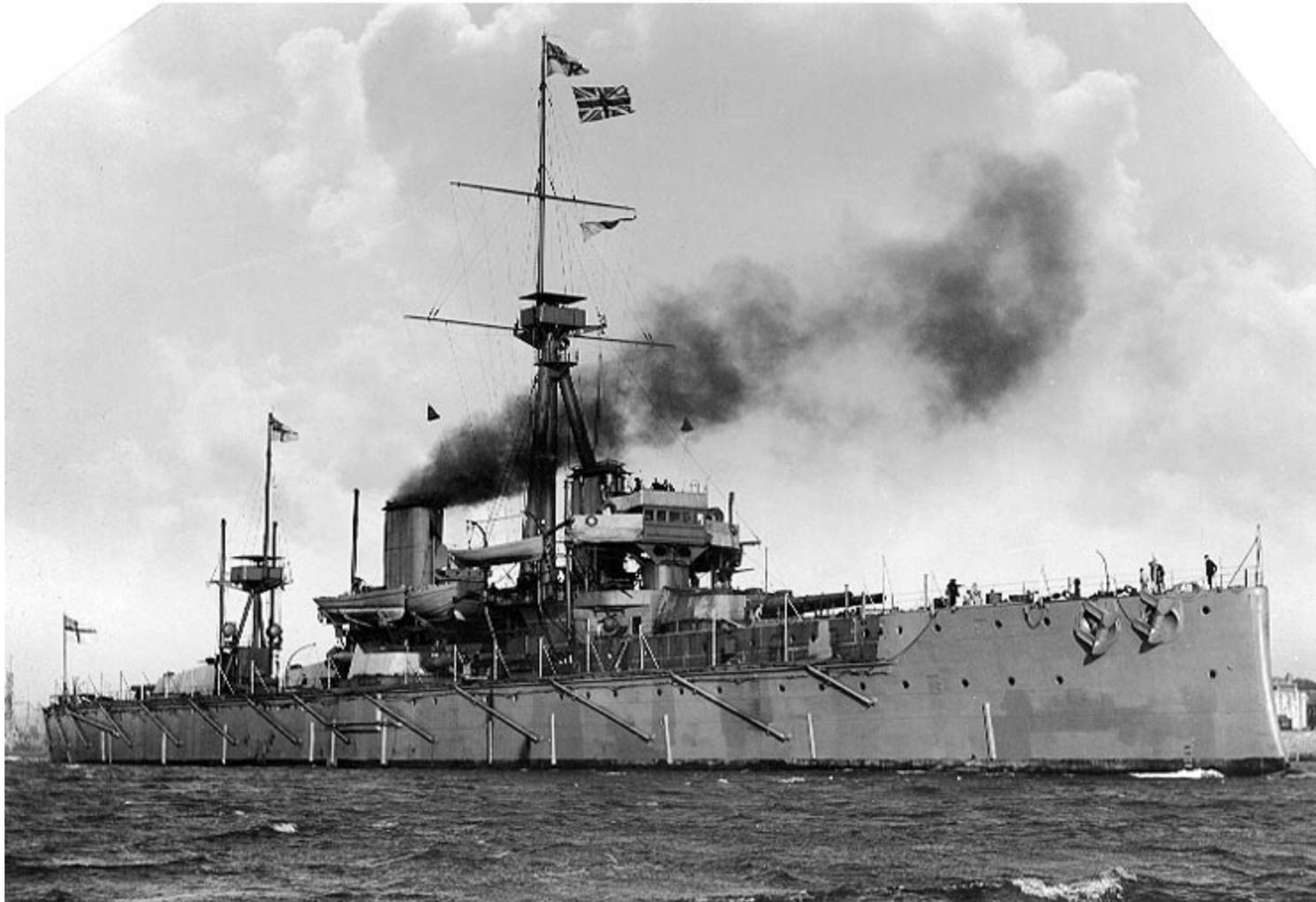


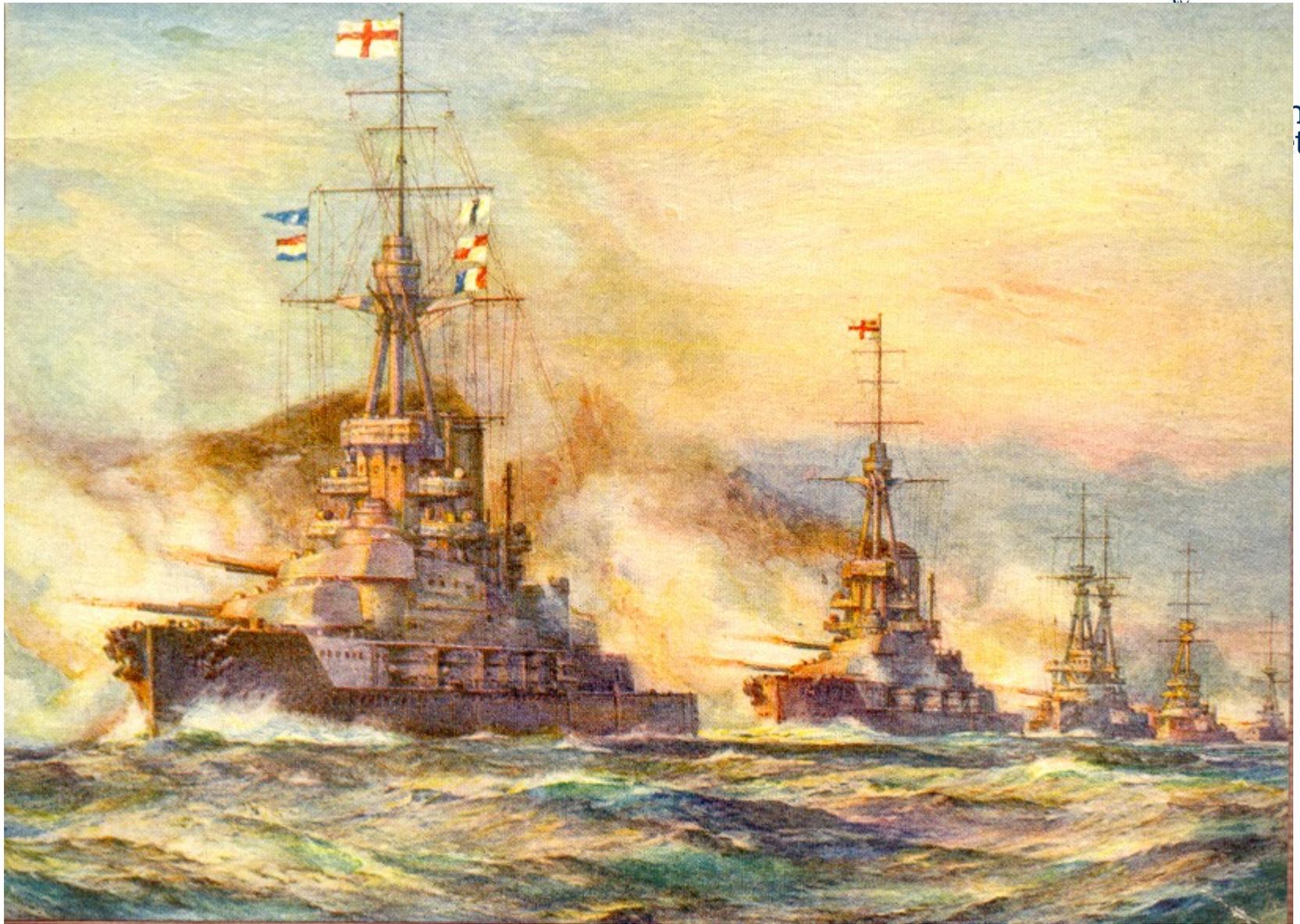
- The British, masterminded by Admiral Sir John Fisher, had revolutionized naval warfare by commissioning the HMS Dreadnought in 1906.
- The large 21 000-ton turbine-powered, heavily armored battleship with 10 large 12-inch guns, capable of 21 steaming knots, made 'pre-dreadnought' battleships obsolete literally overnight.
- The evolution of novel weapons such as sea mines, torpedoes and submarines quickly changed the traditional logic of naval warfare.
- The new technology required a significant strategic, organizational and especially cultural turnaround in the Royal Navy.



Stockholms
universitet

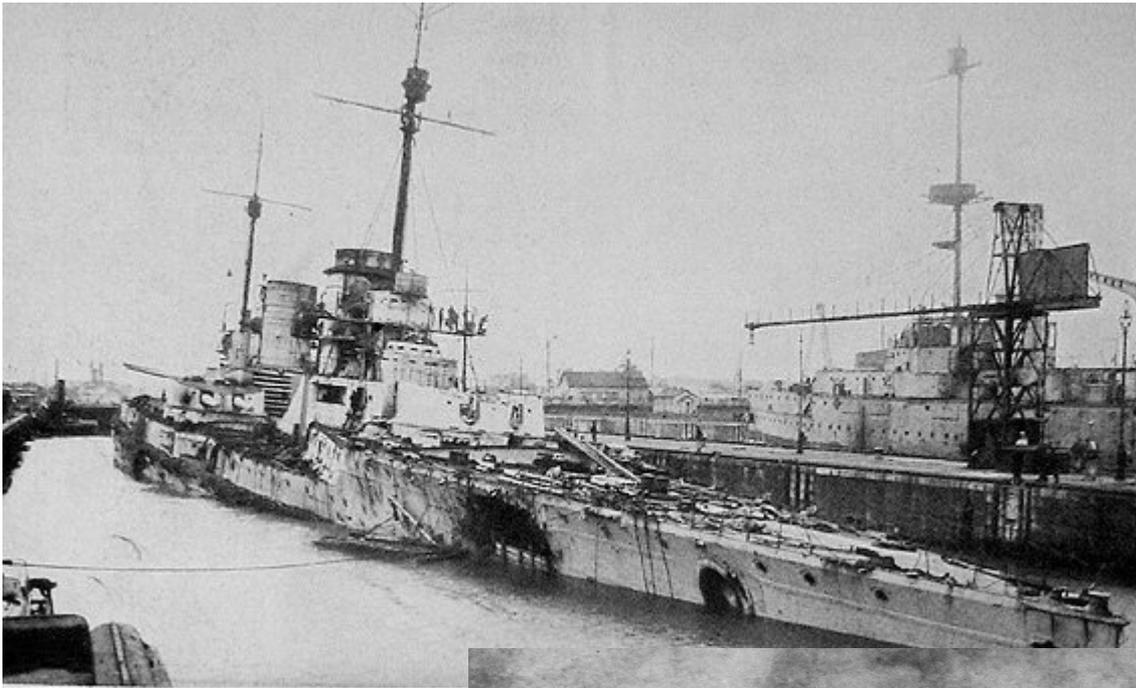
Photo # NH 63367 HMS Dreadnought (British battleship, 1906)



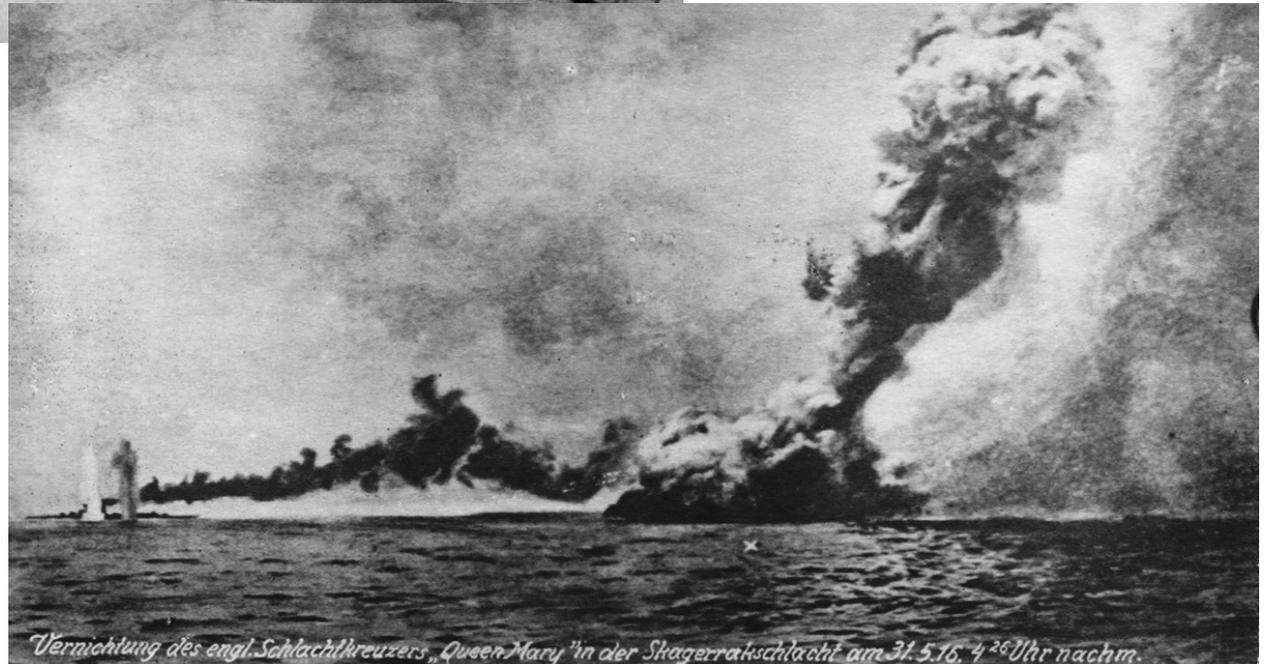


ns
t

Adm. Jellicoe on HMS Iron Duke, Vice-Adm. Sturdee on HMS Benbow at Jutland



Stockholms
universitet



Paper Context & Objective

- During the arms race in 1904-1911, Admiral Fisher as the First Sea Lord of the British Admiralty led the Royal Navy (RN) through a significant technological and organizational turnaround, often termed Sir John Fisher's naval revolution (Lambert, 2002).
- This was centrally achieved by appointing Admiral Fishers' favorites and cronies, i.e. members of 'the Fishpond', "...an unshakably loyal coterie of aides, friends and admirers" (Morris 1995:15), to key positions throughout the naval organization
- By providing an historical analysis of the role of favoritism in Admiral Fisher's naval revolution, this paper aims at highlighting the most important facets of the phenomenon from a strategic leadership perspective.

Strategic Leadership

- Absorbative capacity of the person/organization (capability of learn)
- Adaptive capacity of the person/organization (capability to change)
- Managerial wisdom of the person/ vis-a-vis the culture of the organization (understanding social actors & networks, perceive variation and evolution in the environment, take right action at a right time/ vision & strategy process)
 - Mediated strongly by the personality of the leader (demographics, energy, effort & perseverance)

Favoritism

- Favoritism, nepotism and cronyism usually seen as detrimental to job satisfaction, organizational culture and performance (anti-nepotist policies, systematic assessment and promotion schemes, 'talent mgt')
- Neglecting the tacit dimension of leadership, esp. in the upper echelons?
- Would 'random hiring' be better alternative?
- Favoritism as an age-old (even biologically rooted) tradition in most societies & organizations

Favoritism in this Study

- The present study, however, examines favoritism more generally as a strategy employed by a leader to manage an organization as effectively and efficiently (from his viewpoint) as possible in a major turnaround situation, based on the superior's judgment (mainly tacit knowledge) of a subordinate or a group of subordinates.
- In Admiral Fisher's controversial but in the light of history successful use of favoritism in reforming the Royal Navy in 1904-1911, what kind of personal and behavioral aspects or facets can one identify that made his favoritist practice so effective? In other words, what was Fisher actually like and what did he do to so efficiently capitalize on his 'Fishpond', especially in facing the fierce opposition to his reforms arising from within the RN?

Why is the Fisher case interesting

- (1) the RN of the early 20th century, one of the largest and most powerful military organizations in human history, underwent a successful turnaround ('the naval revolution') just before its performance was seriously put in test in WWI,
- (2) Fisher's visionary strategic leadership and especially his ability to efficiently exploit an extreme case of favoritism within his personal network seem to be a significant explanation to the success of the mentioned turnaround effort, and
- (3) Fisher's well-documented personality and his leadership style lend themselves to a theoretical scrutiny in order to reveal the personal and behavioral aspects or 'facets' of exercising (positive) favoritism.

Research Materials

- The case is ardently documented by a number of biographers and historians (most notably, see Bacon, 1929a; 1929b; Marder, 1961b; MacKay, 1971; for Sir John Fisher's naval revolution, see Lambert, 2002; also Sumida, 1989).
 - The leading authority on British naval history in the WWI era, Arthur J. Marder, named his massive 5-volume as a history of “the RN in the Fisher era 1904-1919”.
 - The Sumida-Lambert challenge to Marder in Fisher's dominant role
 - Andrew Gordon's (1996) *The Rules of the Game* analyzed how the culture and ethos of the Pax Britannica –era RN gradually changed towards the battle of Jutland in 1916 (though Fisher was not given the main role here)

Materials...

- A large number of published and commented primary materials (letters, documents, memos etc. from the personal and professional life of Sir John Fisher) exist for the period analyzed in this study (for the professional papers, see Kemp, 1960; 1964; for the personal papers, see Marder, 1956). They have also been extensively capitalized upon in conducting the historical analysis underpinning this study (Navy Records Society... Jellicoe papers, Pollen papers etc.).
- Finally, Fisher's own Memoirs and Records (1919; 1920) were centrally used in forming an interpretation of how the Admiral himself saw the issues under scrutiny in this study.

Sir John's Naval Revolution 1904-1911

“...it will be obvious then that the whole of this business is a regular case of “the house that Jack built”, for one thing follows on another, they are all interlaced and interdependent! That’s why it was said to begin with:- The Scheme! The whole Scheme!! And nothing but the Scheme!!!” (Sir John Fisher’s Memoirs and Records, 1920)

Sir John's Naval Revolution 1904-1911

The Scheme

(1) a novel distribution of the Fleet, (2) a highlight on the future types of fighting vessels (esp. the battleship, battle cruiser, torpedo craft and the submarine), (3) introduction of the nucleus-crew system for ships in reserve, (4) withdrawal and scrapping of out-of-date vessels, especially from foreign stations, (5) revision of stations, and new type of defense of naval ports, (6) further revisions in personnel (esp. in recruitment, training, promotions and pay), (7) revisions in the strategic and tactical doctrine of the navy (starting from signals in use to the adoption of wireless telegraphy). What is more, (8) the dockyards of the navy were to be significantly reorganized.

Sir John's Naval Revolution 1904-1911

"...Fisher reduced the Estimates by £3,500,000 in his first year, by a further £1,519,500 in his second, and by another £1,427,091 in his third. With these reductions there came also a startling increase in efficiency through-out the fleet, combined with a far more flexible organisation of bases and dockyards and a system of mutual support as between fleets and squadrons geared to the probabilities and possibilities of potential coalitions directed against Britain." (Kemp, 1960, xvi)

The Fisher-Beresford naval feud

- A vendetta against Fisher by Admiral Lord Charles Beresford (1846-1919) and his proponents in the RN. Beresford, Fisher's earlier subordinate, vehemently opposed most parts of Fisher's scheme as the commander of the newly-created Channel Fleet (1907-1909) (cf. 'the syndicate of discontent').
- Beresford dismissed in 1909, but returned to Parliament as MP. PM Asquith's enquiry in 1909 (sub-committee of CID).
- Fisher retired in Jan. 1911, created the 1st Baron Fisher of Kilverstone (remained in the CID)

The 'Fishpond'

- King Edward VII and his key courtiers (Lords Knollys & Esher)
- Key officers in the board of the Admiralty, in the Admiralty (esp. DNI, DNO, DNC) and afloat (Bacon, Wilson, Bridgeman, Hood, Scott, Oliver, Madden, Jellicoe, Beatty...)
- Key politicians and media representatives
- Lots of junior officers afloat

Personal and behavioral 'facets' of Admiral Fisher's use of favoritism

- (1) Fisher's personality and his direct communication and leadership style,
- (2) his ability to choose right persons to right places
- (3) his identification and loyalty to his own group, and, finally,
- (4) his selflessness and recognition of others' merits

Personality and style

- “Two qualities rule the world: emotion and earnestness. I have said elsewhere, with them you can move far more than mountains move multitudes. It's the personality of the soul of man that has this immortal influence.” (Fisher 1919:115, emphasis in original)
- “From the “Warrior” I went to the gunnery school ship, the “Excellent” of my manias began to display themselves, the result being that three times I lost my promotion through them.” (Fisher, 1919: 150)
- Fisher often liked to quote an essay he had once written about Admiral Nelson’s key attributes as a leader: “I. Self reliance (If you don't believe in yourself, nobody else will.) II. Fearlessness of Responsibility. (If you shiver on the brink you'll catch cold, and possibly not take the plunge.) III. Fertility of Resource. (If the traces break, don't give it up, get some string.) IV. Power of initiative. (Disobey orders.)” (Fisher, 1919: 124).

Right persons to right places

- "...Lord Spencer had the same gift of selection—it's the biggest gift that a man in such a position can have, and the life, the fate of his country may depend upon him. Only war finds out poltroons." (Fisher, 1919: 244)
- "Similarly, with the selection of boys for the Navy, I didn't want any examination whatsoever, except the boy and his parents being 'vetted,' and then an interview with the boy to examine his personality (his soul, in fact). " (Fisher, 1919: 123)
- "...I just mention all this to show what I've done for Jellicoe because I knew him to be a born Commander of a Fleet ! Like poets. Fleet Admirals are born, not made ! Nascitur nonfit!" (Fisher, 1919:63)
- "If you take a little of the best Port Wine, the best Champagne, the best Claret, and the best Hock and mix them together, the result is disastrous. So often is it with a Board of Admiralty. That's why I have suffered fools gladly." (Fisher, 1919: 242)

Identification and loyalty

- “ ...all were against me in 1904 I when the Navy was turned inside out — ships, officers and men. A New Heaven and a New Earth! 160 ships put to scrap heap because they could neither fight nor run away!” (Fisher, 1919:62)
- “My dear fellow, I know exactly what you think about the scheme; I know you will say so and so ...now I will show you the other side. ...In this way, he never allowed the doubter to state his objections, and so to commit himself; the opponent was therefore in the happy position of having nothing to retract, which made his assuance all the easier.”

Selflessness and the recognition of other's merits

- Fisher was accused of forming "...syndicates and rings for my own financial advantage, using my official knowledge and power ... for making myself quickly rich!" (Fisher, 1920: 46). Furthermore, he states: (p. 46) "I had another very brilliant opportunity of becoming a millionaire in AD 1910, but declined ... my finances have always been at a low ebb".
- "...there is nothing less conducive to the fighting efficiency of a fleet than a stingy admiral!" (Fisher, 1920: 46).
- "A Sea Officer can never be an efficient clerk; his life unfits him. He can't be an orator; he's always had to hold his tongue. He can't argue; he's never been allowed. Only a few great spirits like Nelson are gifted with the splendid idiosyncrasy of insubordination but it's given to a few great souls." (Fisher, 1919:111)

Conclusions

- None of the facets are novel in (strategic) leadership research per se, their combination may be. The above historical analysis demonstrates how these facets worked together in the case of Sir John Fisher's naval revolution to make the desired changes happen in the focal organization, the RN.
- The Fisher case can be seen as a very traditional manifestation of charismatic leadership.
- Every leader has a more or less clear life-cycle in his position as far as how well his once attractive and efficient personal traits function to mobilize his supporters. What is more, different kind of leader is needed in different leadership situations and contexts. Fisher the enthusiast was a suitable leader for the turnaround situation.

- Efficient use of favoritism greatly hinges on the ability of the leader to choose right persons to right places. The heritage of bureaucratic thinking in organizations has led us to believe that the task for the leader is to identify existing and potential high performers in the internal and external, accessible talent pool of an organization, and assign them to the most suitable posts according to their potential and past performance. This may be a great fallacy.
- Fisher saw the members of the Fishpond as a very subtle hierarchy of talent. As stated, he gladly 'suffered fools' even in relatively central positions if they were useful for him. However, if his fools made wrong decisions or behaved badly, he was ready to quickly abandon them, despite his usual loyalty to his own men. On the other hand, he allowed great degrees of freedom for the most promising and talented individuals.
- An interesting future research question is mobilization. How do leaders actually mobilize their networks of favorites in practice? What makes favorites follow?

Thank you!