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'Favoritism is the secret of efficiency!' Admiral Sir John Fisher as the First Sea Lord, 1904–1910

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ABSTRACT

Favoritism in the organizational context is often regarded as dysfunctional and detrimental to organizational performance. On the other hand, it could function as a tacit-knowledge-based mechanism for making sure that the right people are in right positions in an organization, especially under conditions of rapid and forceful change. This study focuses on the leadership of the controversial Admiral Sir John 'Jacky' Fisher (1841–1920). Fisher, as the First Sea Lord of the British Admiralty, led the Royal Navy through a significant but disputed technological and organizational turnaround during the pre-World War I (pre-WWI) naval arms race between Britain and Germany. Fisher saw that he would achieve his aims essentially by appointing his favorites and cronies to key positions throughout the naval organization. The aim in this study is to highlight the most important facets of the phenomenon from a strategic-leadership perspective.

KEYWORDS

Favoritism; cronyism; nepotism; strategic leadership; turnaround; the Royal Navy; Admiral Sir John Fisher

Favoritism, the supposedly unfair practice by a powerful person or a group of persons of giving jobs, positions, and other favors to relatives or favorites, tends to be perceived as dysfunctional and detrimental to organizational performance. In general, it is argued that favoritism, and the related practices of cronyism and nepotism, in the appointing of people to routine jobs are likely to cause severe problems to the organization, hampering its performance at least in the long run (see e.g. Arasli, Bavik, and Ekiz 2006; Khatri, Tsang, and Begley 2006).

On the other hand, some studies put forward a more positive view of what is generally termed favoritism: it allows leaders to ensure the functioning of the organization in situations in which it is impossible to accurately and objectively monitor and incentivize subordinate behavior and performance (Prendergast and Topel 1996; Bellow 2003). In particular, this might be the case of visionary leadership in forming well-functioning top-management teams. Favoritism may thus constitute a tacit-knowledge-based mechanism for ensuring that the right people occupy the right positions, especially in times of rapid and forceful change.

From an ethical and philosophical perspective (Cottingham 1986), this study adopts the more positive view of favoritism, nepotism, and cronyism. The focus is on the leadership of

the controversial Admiral Sir John 'Jacky' Fisher (1841–1920) during his first tenure as the First Sea Lord of the British Admiralty in 1904–1910.¹ Against the backdrop of the emerging Anglo-German naval arms race before World War I, Admiral Fisher led the Royal Navy (RN) through a significant technological and organizational turnaround,² sometimes termed Sir John Fisher's naval revolution (cf. Sumida 1989; Lambert 1999; for recent papers on different historiographical viewpoints to Fisher's 'revolution', see Bell 2016; Seligmann and Morgan-Owen 2015). For instance, powerful new types of capital ships were introduced, including the Dreadnought battleship and the battle cruiser. Despite problems in its conception and implementation, the turnaround proved decisive for the ability of the RN to efficiently wage war against the Germans in the forthcoming war, which Fisher foresaw (Bell 2016, 115).

In the face of staunch resistance by a traditionalist group of high-ranking officers (the so called 'Syndicate of Discontent') in the Senior Service, Fisher and his team were adamant to try to push through a radical transformation of the RN before war broke out. For instance, hundreds of old, obsolete vessels were scrapped, and their crews were transferred to modern ships. Admiral Fisher saw the appointment of his favorites and cronies (i.e. the members of 'the Fishpond') to key positions throughout the naval organization as one of the most central prerequisite to be able to realize his aims in the turnaround process³. What is more, Sir John was also efficient in mobilizing a wide societal network to support his cause, ranging from King Edward VII to key journalists and politicians. He has been credited with coining the phrase: '*Favoritism is the secret of efficiency!*'. According to Fisher's memoirs, it was a phrase that was often used by his early commander, Admiral Sir James Hope, under whom he served in the Far East as a young officer (Fisher 1920, 29). Fisher's own leadership ideology was thus essentially based on the use of favoritism to achieve his (often-contested) aims. In recent scholarship, the so-called post-revisionist historians essentially make the same argument: 'the Fisher revolution' was less about an 'out-dated single-personality-driven-approach' and more about the complex administration of the Admiralty, in which Fisher and his disciples were able to overcome resistance to several important but most-often essentially evolutionary reforms with varying degrees of success (Seligmann and Morgan-Owen 2015, 939).

Consequently, the objective of this study is to offer a historical analysis of Admiral Fisher's favoritism during the naval revolution of 1904–1910 that will highlight the most important facets of the phenomenon from a strategic-leadership perspective.

Favoritism from an organizational perspective

Several studies in the fields of organization research and the social sciences in general report the negative effects of the related phenomena *favoritism*, *cronyism*, and *nepotism* on job satisfaction and job stress, claiming it as a problem for human resource management (Khatri and Tsang 2003, 289–303). Many of these studies were conducted outside the Western context in cultural spheres with especially strong traditions of favoritism and nepotism. A key result is that the non-favored members of the personnel gradually started to exhibit long-term attitudinal and motivational problems (e.g. job and organizational dissatisfaction and stress, leading to absenteeism and high employee turnover), resulting in declining personal and organizational performance.

Many governmental and other organizations have historically instituted more or less strict anti-nepotism policies (e.g. the US federal government in the late nineteenth century), aimed at curbing the power of superiors in the subjective evaluation and promotion of their

subordinates. In the most extreme cases, favoritism is considered almost equal to bribery (Loewe, Blume, and Speer 2008).

On the other hand, some recent approaches to favoritism are characterized by a more positive viewpoint. For instance, Bellow (2003, 11) argues for a 'new nepotism', as is evident in politics, business, and all professional life, when leaders effectively seek to promote their merited offspring or favorites to positions of power and influence. The author further posits that because nepotism is rooted in our biological nature, it should be dealt with openly, and treated as a leadership and organizational capability that can be practiced well or grossly mismanaged.

On a philosophical level, Cottingham (1986, 357) makes the case that favoritism in human behavior is, in fact, inevitable and even desirable. Impartiality in different decision situations is deemed practically impossible, or even immoral – and against human nature. What is more, whereas impartiality and relative objectivity may be recommendable in many organizational situations, at least in the case of routine jobs and lower-level positions (not least because most employees would probably naturally expect that from their employer), what takes place in the upper echelons may be drastically different. It has been established in strategy research that CEOs tend to hand pick their top-management teams to match their personality and leadership style (Rotemberg and Saloner 1993; Peterson et al. 2003).

Favoritism is often defined in the literature as favoring a person not on the basis of merit but because he or she belongs to a favored group, or solely on the grounds of the personal likes and dislikes of the superior. Cronyism, in turn, is a specific form of favoritism, referring to partiality toward friends and close associates. Finally, nepotism is traditionally defined as 'the bestowal of patronage by reason of relationship regardless of merit' (Simon, Clark, and Tiff 1966, 344–358). In this study, however, favoritism generally refers to the favoring by superiors of certain subordinates in their appointment (and potentially compensation) decisions that are based on their personal preferences for and (often tacit) knowledge about such persons.

It is traditionally assumed in the literature on organizational psychology that organizations overcome favoritism and nepotistic impulses through the use of systematized, science-based practices (e.g. 'objective' selection and appointment or 'talent management' schemes, incentive formation and reward systems), and not so much through direct anti-nepotism measures *per se*. However, most extant studies seem to indicate – in line with most of the relevant literature in economics – that these practices seem to be rather ineffective in their everyday application in organizations (Kwon 2006). What are the potential alternatives to systematic, scientific selection? 'Random hiring' has been proposed in the literature, but it is evident that rather than hiring randomly, organizational decision-makers have long relied on nepotistic approaches. What is more, nepotistic practices also may involve the transfer of human capital from one generation to the next (Jones et al. 2008).

Furthermore, as Khatri and Tsang (2003) argue, cronyism and favoritism are often seen in terms of an in-group (vs. out-group) organizational bias. The authors found that if there is cronyism inside an organization, in-group members tend to exhibit high job satisfaction, low organizational commitment, a high morale but lower productivity; all these outputs measuring low among out-group members. This division was highly visible in Sir John Fisher's naval revolution, which created a resistance movement ('the Syndicate of Discontent') within the upper echelons of the RN (see e.g. Freeman 2009; McLay 2015).

The present study examines favoritism more generally, however, as a strategy employed by a leader to staff an organization as effectively and as efficiently (on a subjective level)

as possible in a major turnaround situation, based on a superior's judgment (mainly tacit knowledge) of a subordinate or a group of subordinates. A further focus is placed on the use of favorite networks in handling the demanding turnaround situation and overcoming organizational resistance. In its historical approach to how Admiral Fisher created and appropriated the Fishpond within and beyond the RN during his most important reforms in 1904–1910, this study comes close to Dieleman and Sachs (2008) co-evolutionary analysis of how entrepreneurs (corporations) can merge into crony regimes (institutions) to fulfill their own strategic objectives.

The research site, the aims and the materials

As stated, this study concentrates on a critical sub-period of the Anglo-German naval arms race (see e.g. Padfield 2013; Seligmann, Nägler, and Epkenhans 2015) at the beginning of the twentieth century. The race ended when WWI broke out in August 1914.⁴ The Allied forces of Britain, France, and the US eventually emerged victorious from the prolonged war in November 1918. The Royal Navy had successfully endorsed a distance blockade of the German Empire and its seaborne imports and exports throughout the war, helping to force it into submission. The German surface navy and merchant ships were practically blocked to remain in their harbors.

Having routed the German Imperial Navy in its continued and occasionally threateningly successful efforts to wage unrestricted submarine warfare against Allied shipping in 1916–1918, the RN escorted the practically intact and undefeated German surface fleet (die Hochseeflotte/the High Seas Fleet) to internment at Scapa Flow. The Germans decided to scuttle their ships there in the summer of 1919 (Van der Vat 1982). On the whole, it could be argued that the large modern surface fleet of more than 20 dreadnought battleships and battle cruisers proved to be a huge strategic misinvestment from the German point of view.⁵ It did little to help the German Empire in realizing its war aims (Simsa 2012; Wolz 2013).

The success of the RN in WWI can be primarily attributed to its significant re-organization and technological progressiveness immediately before war broke out. The RN was in an arcane state at the beginning of the twentieth century, and its strategy and organization had changed little since Admiral Nelson's days more than 80 years previously (Gordon 1996; Freeman 2009). Naval technology was evolving rapidly, however, making the RN increasingly obsolete as a fighting machine. A key architect behind the turnaround of the RN was Admiral of the Fleet Sir John Arbuthnot 'Jacky' Fisher, the First Baron of Kilverstone. The current study focuses on Fisher's first tenure as First Sea Lord from October 1904 until January 1910, during which the major turnaround efforts of the RN were made or initiated (Lambert 1999, 97–195). Fisher was summoned back to the Admiralty by Winston Churchill after the war broke out in 1914, but due to the unsuccessful Dardanelles campaign, he resigned in May 1915. However, many writers have described Fisher's first term as the First Sea Lord as the most important phase in the career of the Admiral (Mackay 1973; Bell 2012).

Within the British Admiralty, the First Sea Lord⁶ was the admiral who directed all strategic, tactical, and organizational RN matters, assisted by three subordinate Sea Lords, who were also flag officers (Grimes 2012, 7–40). Fisher had been the Second Sea Lord of the Admiralty in 1902–1904, in charge of personnel matters, and during his tenure he had already initiated a challenging reform of officer recruitment and training in the RN (the so-called Selborne scheme, see Johnson 2014). He had also served three years as the Third Sea Lord and

Controller of the Navy, and was marked by decades of success at sea duty before embarking on his administrative career, which included commanding the British Mediterranean Fleet (Kemp 1960, xiv–xv).

The First Sea Lord was – at least formally – subordinate to a civilian First Lord of the Admiralty, and Fisher worked with an additional number of influential people during his two tenures. Among them was the Earl of Selborne, who as the First Sea Lord in 1900–1905 originally brought Fisher in as the Second Sea Lord after having been captivated by his arguments about the need for considerable naval reforms in the navy, and had him appointed First Sea Lord in October 1904. Fisher also worked with the Earl of Cawdor (1905), Lord Tweedmouth (1905–1908, overseeing the biggest organizational and technological reforms), Reginald McKenna (1908–1911, collaborating with Fisher at the height of the British naval construction program, and whom Fisher himself appreciated the most), and finally and most famously with Winston Churchill during the war (in the office of the First Lord 1911–1915)⁷ (Kemp 1960, xv–xvi).

Fisher's personal history and perplexing character are chronicled vividly in many books and biographies (e.g. Hough 1969; Mackay 1973) and in two autobiographies (Fisher 1919, 1920). He was of the middle class, born in Ceylon in 1841, and joined the Royal Navy at the age of 13. With his intelligence, perseverance, and eye for strategy, he quickly rose through the ranks, reaching the flag officer rank of rear admiral in 1890.

He was immensely popular on the lower deck, and an electric inspiration to the younger officers, who applauded his unconventional outlook. It was the beginning of the 'Fishpond'. (Kemp 1960, xiv)

Fisher was talented in captivating the imaginations of people from all walks of life. He was tireless in sending letters and memos in all directions in order to advance his cause. Together with personal discussions and the appointment of relatively independent committees of subordinates to realize special tasks, this is how he primarily mobilized his Fishpond. His communications were filled with exclamation marks, italics, and humorous acknowledgements, such as 'yours 'till the Hell freezes' and 'yours 'till the charcoal sprouts' (he even claims to have coined the abbreviation O.M.G. – Oh My God, see Fisher 1920, 78). Albeit largely forgotten by the general public today, he was a visible public figure in his time, when admirals held the position of celebrities in the public eye (Morris 1995, 15–16).

The Fishpond itself was a diverse collection of senior and junior officers both on land and at sea and civil servants within the naval organization. Fisher was also talented in recruiting a great number of 'affiliate' members into his personal network from different social strata of the British Empire, whom he deemed useful for his undertakings. These ranged from King Edward VII (his successor King George V was not as enchanted with Fisher as his father, but had much less political influence [Rose 1983, 71–73]) to key politicians, industrialists, and representatives of the media.

The focus of this article is specifically on Fisher's use of favoritism in initiating the massive technological and organizational turnaround in the RN, which he saw as his great strategic mission. Here, strategic leadership refers in its broadest sense to the strategic vision and wisdom of the leader(s) of an organization, coupled with the opportune taking of measures to promote learning and change so as to keep up with a dynamic internal and external environment (Ireland and Hitt 1999; Boal and Hooijberg 2000). Favoritism, in this special case, to be more specific, means the leader's ability to identify and place the right people in the right positions within the organization and its immediate network of external actors, so as

to facilitate or influence the actualization of desired change. Fisher clearly did not believe in formal assessment systems (especially the ones that existed in the RN at the time), as he strongly trusted the intuition of the leader in making the best possible selections (Fisher 1919, 244).

Fisher's well-documented personality and his leadership style lend themselves to theoretical scrutiny aimed at identifying the personal and behavioral aspects or 'facets' of exercising (positive) favoritism. Fisher naturally could not have achieved his 'revolution' alone (Marder 1956, 36–37; Bell 2012), and the Fishpond, briefly described in the following section, was an essential tool in the turnaround process.

However, it has to be borne in mind that Fisher was a deeply disputed character in his time, even immediately following the victorious Great War (Lambert 1999, 7–8). This has evoked a lively historiographical debate as to his goals and achievements as a leader (Sumida 2000; Bell 2012, 2013, 2015, 2016; Grimes 2012; Lambert 2012; Cobb 2013; Seligmann and Morgan-Owen 2015). Unlike other celebrity admirals of the era such as Sir John Jellicoe and Sir David Beatty, Fisher never fought his great battles with the enemy at sea, but rather from his office at the Admiralty. At the height of the reform process, a major dispute (the Great Edwardian Naval Feud) arose between him and supporters of Admiral Lord Charles Beresford, another powerful figure in the RN (Freeman 2009, xi–xii; McLay 2015). In addition to mismanaging the navy, Fisher '... was accused of nepotism, vengefulness, warmongering and hubris' (Morris 1995, 15).

With difficulty (and with the help of his friend and supporter King Edward VII), Fisher emerged victorious from the dispute, which had seriously divided the officers of the RN between two opposing camps. Perhaps it is the fierce opposition Fisher's leadership methods provoked in the naval organization that makes the case of favoritism presented in this paper even more interesting. He retired from his office in January 1910, having been elevated to the peerage moments before.

As mentioned, there has been an ongoing debate among naval historians as to how central and successful Fisher was in leading the naval revolution and how much of a revolution it constituted in the first place (Seligmann and Morgan-Owen 2015; Bell 2016). The leading authority of the so-called orthodox school of naval history, Arthur J. Marder, entitled his massive five-volume work a history of 'the RN in the Fisher era 1904–1919' (Marder 1961b; Marder 1963, 1966, 1969, 1970). However, revisionist scholars later challenged Marder's conclusions on the nature of the turnaround. In particular, Fisher's effectiveness in instituting a thorough turnaround was questioned, and attention was drawn to his underlying agendas (Sumida 1989; Sumida 2000). The 'secret' plans put under scrutiny have included, among other issues, the strategic role of the battle cruiser instead of the battleship, the use of 'flotilla defense' to defend the home isles and the 'technical-tactical synthesis' to use middle range gunnery in combat (Seligmann 2015).

What is more, the revisionist claim essentially stated that when Fisher and his disciples saw many of the hidden plans proven unsuccessful, they deliberately weeded documentary material from Admiralty archives to obscure their mere existence. It has also been suggested that significant amount of the official material was in fact originally written propagandistically to conceal Fisher's true intentions (Seligmann 2015, 968–971). Nicholas Lambert puts forward a well-known revisionist view that is centered around Fisher's personality and (often controversial or even negative) influence on the reforms undertaken in his name in the naval context of the early twentieth century (Lambert 1999, 2012). Eventually, the post-revisionist

or evolutionary scholars essentially strived toward a more nuanced view between the different camps. Essentially, the naval revolution revolved around the larger-than-life figure of Fisher, but the orthodox wisdom that the RN was a deeply reactionary organization that had been (or even could have been) single-handedly reformed has not been accepted at face value. Many of the reforms were evolutionary rather than revolutionary in nature, and had been initiated before Fisher's appearance on the scene at the Admiralty. Furthermore, Fisher's possible hidden agendas underpinning his reforms are to be seen as intricately intertwined with the bureaucratic machinery of the highly divided RN of the era (Grimes 2012; Cobb 2013; Bell 2015; Seligmann 2015; Seligmann and Morgan-Owen 2015). The debate continues.

However, the particularities of the diverse historiographical viewpoints notwithstanding, the Fisher case is essentially about one man's determination to have his way in implementing his vision simply to get things done. This allows an analysis of the potential advantages of favoritism in forcing the occurrence of major changes in an organization that was exceedingly change-averse, and of the disadvantages in alienating many figures who are relegated to the 'out' group.⁸

The research question addressed in the focal study is as follows: What personal and behavioral aspects or facets of Admiral Fisher's strategic leadership can be identified in his mission of reforming the Royal Navy in 1904–1910? In other words, what were Fisher's personal characteristics, and how was he able to capitalize on his 'Fishpond', especially while facing the fierce opposition to his reforms that arose from within the RN?

Finally, the Fisher case is interesting because it lends itself to meticulous scrutiny and after-the-fact theorization, having been so ardently documented by a number of notable biographers and historians (in addition to the above-mentioned works by Marder, Sumida, and Lambert, most notably, see Bacon 1929a, 1929b; Hough 1969; Mackay 1973). What is more, there is an abundance of published and commented primary material (such as letters, documents, and memos about the personal and professional life of Sir John Fisher) that date to the period analyzed in this study (see Kemp 1960, 1964 for the official Admiralty papers, and Marder 1956 for the admiral's personal papers). Finally, Fisher's own *Memoirs and Records* were essential in forming an interpretation of how the Admiral himself saw the issues under scrutiny (Fisher 1919, 1920). The analysis of the materials followed the traditional realist perspective to historical research focused on source triangulation and criticism (Vaara and Lamberg 2016).

Admiral Fisher's reforms

No powerful enemy had seriously challenged the Royal Navy of the nineteenth and early twentieth centuries since the battle of Trafalgar in 1805, and British men-of-war had successfully enforced *Pax Britannica* worldwide throughout the 1800s. The same period also witnessed the peaceful transformation from the age of sail and large wooden ships of the line to the age of steam-powered ironclads. With a few exceptions, the RN and the large British shipyards were leading the rapid technological developments in shipbuilding and armaments (Gordon 1996, 155–339).

At the dawn of the twentieth century, the dominant strategic doctrine of the RN – as of all significant navies of the time – was the Mahanian idea of a fleet consisting mainly of large capital ships (i.e. battleships) deliberately seeking to engage the enemy fleet in a decisive battle of annihilation.⁹ The strategy was named after the notable US naval historian

Admiral Alfred Thayer Mahan (1840–1914), who popularized the idea in his influential book *The Influence of Sea Power Upon History, 1660–1783*, in which he analyzed the evolution and tactics of the RN in its historical context (Mahan [1890] 1988). However, at the beginning of the twentieth century, many observers claimed that the RN had fallen into what could be characterized as ‘nostalgic lethargy’. For example, more effort was typically put into the impeccable paintwork on the vessels than to gunnery practice. Obsolete vessels were maintained in far-flung, often strategically unnecessary foreign stations. The organizational culture was rigid and authoritarian, and officers were claimed to lack initiative. The RN as an organization had, in many ways, become a prisoner of its own glorious past (Gordon, 1996, 155–192).

When Fisher became the First Sea Lord in October 1904, he immediately launched a sizable reform scheme for the RN as a whole. He and his disciples thought of the RN as a paralyzed organization unable to cope with the rapid progress in naval technology. From the very beginning his reforms encountered staunch resistance from the more conservative and conventionalist ranks of the RN. However, Fisher was adamant that his scheme be adopted as a whole:

... 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!!!** (Fisher 1920, 137)

The scheme

Fisher’s original scheme reported by many of the early scholars of reforms essentially comprised the following elements: (1) a novel distribution of the Fleet; (2) an emphasis on future types of fighting vessels (especially the new Dreadnought type of battleship, the battle cruiser, torpedo craft, and the submarine); (3) the introduction of the nucleus-crew system for ships in reserve; (4) the withdrawal and scrapping of out-of-date vessels, especially from foreign stations; (5) the overhaul of stations and new ways of defending naval ports; (6) further personnel reforms (especially in recruitment, training, promotions, and pay); (7) revision of the navy’s strategic and tactical doctrine (from the signals in use to the adoption of wireless telegraphy). What is more, (8) the navy dockyards were to be substantially reorganized (Bacon 1929a, 1–28; Kemp 1960, 9–11).

First of all, Fisher wanted the RN to be ready for a potential conflict with the growing German High Seas Fleet.¹⁰ During his first tenure as First Sea Lord, Germany started a rapid shipbuilding program that led to yet another great ‘naval scare’ in the UK, which was partially boosted by the scandal-seeking British press in 1909. Relatively early on, however, Fisher noted in a memo: ‘The only thing in the world that England has to fear is Germany and none else’ (Fisher 1919, 17). Thus, to counter the German threat of landing a sizable army in the UK, Fisher wanted to concentrate all available modern ships to home waters, especially the North Sea and the Channel. For Germany as a continental power, a large high-seas fleet was essentially a ‘luxury fleet’ – as Churchill as the First Lord of the Admiralty termed it in his famous speech in February 1912. In contrast, as far as the British Empire was concerned, the existence of a strong navy was akin to survival in meaning (Herwig 1980, 5).

However, there is ongoing debate between the revisionist and evolutionary scholars as to how Fisher actually intended to defend the home isles. The classical revisionist claim was that Fisher actually wanted to rely much more on ‘flotilla defense’, i.e. the use of inexpensive

mines, submarines, and destroyers, than what is presented in the orthodox accounts emphasizing the creation of what later became the Grand Fleet of dreadnought battleships (e.g. Lambert 1995). The evolutionary claim is that there actually was no clear strategy in this respect, and Fisher's team was not able to turn the dreadnought-dominated home defense strategy significantly toward flotilla defense (Seligmann 2015). The outcome – the Grand Fleet protected by cruisers and destroyers, has thus been seen as a sort of a compromise that emerged during Churchill's term as the First Lord of the Admiralty, in which Fisher's influence was far less pronounced than argued by the revisionist scholars (Bell 2015).

Second, Fisher undeniably pushed forward new types of fighting vessels. HMS Dreadnought¹¹ was launched in 1906. It was a revolutionary, all-big-gun battleship with ten 12-inch guns, heavily armored, and could travel at speeds exceeding 20 knots with its Parsons steam turbine engines. The commissioning of HMS Dreadnought also brought about a mental revolution in naval warfare: all older battleships were termed 'pre-dreadnoughts' or '5-minute battleships', because they were considered technologically so inferior to the new type. Yet, no knowledge existed in terms of how the novel vessels were to be utilized in case of war, which meant that new naval tactics and technologies had to be developed, most importantly in the fire control of naval gunnery (Sumida 1989, 71–110; Brooks 2005, 1–18). What is more, some officers criticized Fisher when HMS Dreadnought was launched on the grounds that with the advent of that one ship he had relinquished British naval pre-dreadnought supremacy. However, Fisher was convinced that Britain could out-build any rival nation – which it did (Kemp 1960, 300–389).

In addition to the above-mentioned flotilla defense debate, some revisionist scholars have advocated the so-called 'technical-tactical synthesis' (Sumida 2005). It has been argued that a 'hidden' tactical principle of the British existed, involving – instead of long range gunnery – steaming directly toward the enemy with the goal of unleashing a devastating cannonade at middle range, before quickly turning away to avoid torpedoes. Evolutionary scholars have questioned the mere existence of such a policy (Seligmann 2015, 978). What is more, another well-known revisionist claim is that Fisher actually wanted to focus his construction strategy on fast and lightly armored all-big gun battle cruisers that would be able to patrol the supply lines of the Empire against enemy raiders, making home defense primarily dependent on flotilla and not on battleships (Sumida 1989; Lambert 1995).

The advent of the dreadnought class of capital ships led to an unprecedented – and financially burdensome – naval arms race between Britain and Germany. Britain built 33 dreadnought battleships or battle cruisers in 1906–1914 against Germany's 24. Moreover, British dreadnought construction accelerated during the war, an additional 18 capital ships being commissioned in 1914–1918 against Germany's six. Meanwhile, both navies acquired a sizable cruiser, destroyer (WWI-era destroyers were called torpedo boats in Germany) and submarine force (Marder 1961, 439–442; Padfield 2013). As stated, Fisher was an early proponent of the submarine and the torpedo, which meant going against the dominant Mahanian preference for large fleets of capital ships. Fisher was ahead of his time in seeing the potential vulnerability of these gigantic ships to torpedoes, mines and, later, aircraft attacks. Fisher also was an early supporter of oil as fuel to replace coal and thus to get rid of the laborious coaling of vessels (Lambert 1999, 199–234).

Thus, the initial dreadnought battle fleet that later developed into the Grand Fleet of WWI was a compromise between the more radical and conservative views within the RN (Seligmann 2015). As stated, the fleet had a large number of capital ships but was supported

and screened by a large cruiser, destroyer, and submarine force. Furthermore, the public was so fixated on the idea of a large fleet of great battleships that it was impossible to abandon it as a concept (Lambert 1999, 38–72). The same navalist idea of building large modern surface fleets dominated the public opinion in many other nations as well.

Third, the introduction of the nucleus crew system meant that ships in the Fleet Reserve were now always manned with sufficient numbers to keep them in condition and ready for service within a short period of time. Fourth, Fisher called home and scrapped literally hundreds of older vessels with little or no fighting value. In doing so he was both able to save a lot of money for the RN to build modern vessels and to release officers and ratings to man the new ships. Again, he was criticized for reducing the number of British warships deployed throughout the Empire, ‘showing the flag’. Fifth, in a further effort to save money he planned changes in the number, location, and defense of RN stations all around the Empire (Kemp 1960, xvii–xxi).

Sixth, Fisher made further revisions in personnel practices. During his career as a captain and a fleet commander, he was genuinely interested in the welfare of those on the lower deck. He initiated reforms, in pay, uniforms, meals, and disciplinary procedures, for instance. He was also keen on recruiting more able men to become navy officers from the middle and even the working classes, capitalizing more efficiently on the talent pool of the entire nation. What is more, promotions would be made increasingly on the basis of ability and merit rather than seniority or class background. A Naval War College was established in Portsmouth to make personnel training more systematic and efficient (Bacon 1929a, 10–18).

Seventh, Fisher wanted to revamp the strategic and tactical training of officers on the higher organizational levels: captains and flag officers. In particular, he intended to emphasize the tactical handling of squadron against squadron, which required constant practice under all conditions. He also wanted more focus to be put on efficient long-distance gunnery and the use of the torpedo. Decentralization from the Admiralty was to be effected to as broad a reach as possible. Furthermore, the navy was to drastically renew its communications, moving from the more traditional signaling with flags to wireless telegraphy, which was to be adopted everywhere (Kemp 1960, xix). Even his opponent Beresford commended Fisher on having started these practical reforms already during times of peace (Freeman 2009, 51).

Finally, in addition to dealing with issues related to the Navy and the well-being and comfort of its personnel, Fisher also drastically overhauled the Navy’s Dockyards. He emphasized longer term contracts with private shipbuilders and contractors, shifting important technological and standards development increasingly toward the private sector. However, he was adamant that no corporation be granted a sustained monopoly over extensive periods of time in any major area of ship design and construction. He also emphasized that the specialization and standardization should quickly lead to considerably more rapid shipbuilding – eventually the Dreadnought was built in a year, whereas older battleships had typically taken two or three years (Bacon 1929a, 8–9).

What is more, Fisher actually managed to save millions of pounds in the navy estimates every year during his first term as the First Sea Lord (Kemp 1960, xvi). After his retirement in 1910/1911, his successors continued the large capital ship-construction program due to pressures from the Anglo-German naval arms race (Bell 2012, 2015). This program saved the RN from attack by the growing German High Seas Fleet in WWI. British superiority in dreadnoughts was so overwhelming and grew significantly during the War that the Germans never dared to consciously attempt to openly challenge the Grand Fleet to battle: the infamous

battle of Jutland in 1916 was essentially a German mistake, the British almost catching the entire enemy fleet in a deadly trap (Bennett 1964).

The Fisher-Beresford naval feud and its outcomes

The Fisher-Beresford naval feud was essentially a personal vendetta against Fisher orchestrated by Admiral Lord Charles Beresford (1846–1919) and his supporters in the RN. Beresford, who had been one of Fisher's subordinates, vehemently opposed parts of his scheme as the commander of the newly created Channel Fleet (1907–1909).¹² A recognized public figure and a war hero and a respected fleet commander and a long-term conservative Member of Parliament, Beresford was as proficient as Fisher in using his societal and media contacts to further his cause. He often boasted about his insubordination as a naval officer. When the only slightly more senior Fisher obtained the post of First Sea Lord, Beresford, rejected from his dream position, gradually worked out a systematic campaign to undermine his superior. According to Freeman (2009, xi), the papers of both admirals clearly show that Beresford fostered an all-consuming hatred of Fisher, waging an all-out war to have him removed. Fisher was naturally highly annoyed by the actions of his rival, but did not carry as much blame for the feud.

To hasten the story into a conclusion, once Fisher had managed to have him ousted from his command of the Channel Fleet due to insubordination, Beresford used his political and media contacts to persuade the Liberal Government launch an inquiry into Admiralty policies. Consequently, in 1909 Prime Minister H. H. Asquith set up a sub-committee of the Committee for Imperial Defence (CID) to report on the matter. The fact that Asquith agreed to set up an inquiry at the behest of his former subordinate highly offended Fisher in the first place. Beresford (and his supporters) did not do well in the committee hearings, which eventually upheld all Admiralty policies.¹³ However, as a result of Beresford's fierce anti-Fisher campaign both in public and in Parliament (which he had re-entered following the 1910 elections), the Cabinet increasingly began to see Fisher as a political liability. In practical terms he was forced into retirement at the end of 1910 – with a peerage as a farewell gift. Other men would continue to realize his scheme. He was embittered, but he thought his time would come again – as it did when war broke out in 1914 (Bacon 1929a, 29–58).

The fishpond: some key personalities

Fisher (1920) himself draws the reader's attention to the following people who made a major contribution to his success in the high posts he held in the RN. First of all, he constantly refers to the generosity and goodwill of King Edward VII. Lord Knollys, the King's private secretary, and Lord Esher, a key courtier, also played a central role in keeping the Court in favor of Fisher (Freeman 2009, ix; Ridley 2012, 408–419). The King took his views on naval policy in a relatively direct fashion from Fisher, who discussed them extensively with him and the two aforementioned courtiers (Dunley 2015). Fisher's relationship to Prime Ministers in 1904–1910 was slightly more tense: the conservative PM A. Balfour had been replaced in 1905 by the liberal H. Campbell-Bannerman, and in 1908 by another liberal, H. H. Asquith. The liberals were notoriously more critical toward the capital ship building program than the conservatives, as they wanted to see taxes used on social reforms and not on armaments. Nevertheless, with the help of the King and the navalist public opinion, Fisher was mostly

able to get his way (Dunley 2015). The relatively large savings in naval estimates that Fisher was initially able to achieve, for example by scrapping literally hundreds of obsolete vessels, were also applauded by the liberal government.

As to the Admiralty, Fisher (1919) himself states:

... it would have been impossible to have conducted those eight great years of ceaseless reform, culminating in the production of the most incomparable fleet that ever existed, had not the two Political Administrations, four First Lords, and every member of the several Boards of Admiralty been, as I described them in public, united, determined, and progressive. (247)

The good working relationships with his First Lords (especially Reginald McKenna) and members of the Board of the Admiralty were essential to the success of his turnaround scheme.

Many officers who had formerly served under him at sea also held key administrative posts in the Admiralty and related naval institutions. They have sometimes been called Fisher's 'seven brains' (Marder 1956, 331)¹⁴:

These are the seven brains: Jackson, F.R.S., Jellicoe, C.B., Bacon, D.S.O., Madden, M.V.O., Wilfred Henderson (who has all the signs of the Zodiac after his name!), associated with Gard, M.V.O., Chief Constructor of Portsmouth Dockyard, and who splendidly kept the Mediterranean Fleet efficient for three years, and Gracie, the best Marine Engineer in the world!

The most influential administrative positions were those of Director of Naval Ordnance (DNO), responsible for the acquisition of matériel, Director of Naval Construction (DNC), responsible for the design of new vessels, and Director of Naval Intelligence (DNI) (Hamilton 2011, 123, 162, 194–195, 232). Fisher wanted independent, talented men in his closest circle, and thus numerous members of the Fishpond had remarkable naval careers. For example, Fisher made Sir John Jellicoe the Director of Naval Ordnance in 1905, second-in-command of the Atlantic Fleet in August 1907, Third Sea Lord and Controller of the Navy in October 1908, and Commander-in-Chief, Atlantic Fleet in December 1910 (Bacon 1936).¹⁵

Fisher (1919) himself specifically names the following officers who worked as his Naval Assistants at the Admiralty:

... because they were out and away without precedent the most able men in the Navy: Admirals Sir Reginald Bacon, Sir Charles Madden, Sir Henry Oliver, Sir Horace Hood, Sir Charles de Bartolome, Captain Richmond and Captain Crease – I'll back that set of names against the world. (104)

Many of these officers also worked as DNOs or DNIs during the turnaround. Some became famous. Admiral Bacon, for instance, wrote Fisher's (and later Jellicoe's) biography, and Rear Admiral Hood perished in the battle of Jutland in 1916 when the battle cruiser HMS *Invincible* was destroyed.

Fisher (1919) mentions Admiral Sir Arthur Wilson and Admiral Sir Francis Bridgeman as distinguished sailors who helped him in gradually building up the Grand Fleet. Both Admirals, as First Sea Lords and Fisher's immediate successors in 1911–1913:

... altered nothing, and the glacier moved along, resistless and crushing all the obstacles in its path, and now, after the war, it has passed on; the dead corpses of the foes of the scheme are disclosed, and we'll bury them without comment. (247)

Although this, strictly speaking, might not have been completely accurate, it can be argued that the great turnaround effort continued in a calmer fashion once the leaders of the opposing camps had left the scene (Bell 2012).

People bringing about great advances in naval technology, both within and outside the RN, were central figures in Fisher's personal network. They included Sir Charles Parsons, the

inventor of the turbine; Admiral Sir Percy Scott, the prominent gunnery officer and inventor of the Scott director firing system; Sir Nathaniel Barnaby, the eminent Director of Naval Construction at the Admiralty; and two of his successors in the same position, Sir Philip Watts and Sir Eustace Tennyson-D'Eyncourt (Fisher 1919, 249, 255, 257–258). In terms of media notoriety, Fisher mentions William Thomas Stead of the Pall Mall Gazette as one of the greatest journalists he had ever known. On the political level, Henry Labouchere, the proprietor of Truth, and Mr. George Lambert, M.P. are also given credit for advancing Fisher's cause in public and in Parliament (Fisher 1919, 262–267). All in all, the Fishpond was a mixed bag of people from different social strata of the Empire, 'recruited' to serve Fisher's cause in a multitude of roles.

Leadership through favoritism: the case of Admiral Fisher

This section comprises an analysis of the personal and behavioral facets of Admiral Fisher's use of favoritism in achieving his aims in the naval revolution. Most of the citations illustrating his own ideas are taken from *Memoirs* and *Memoirs and Records* (Fisher 1919, 1920). However, the research materials capitalized upon also include a multitude of other research materials, most importantly his professional and personal correspondences. The facets that emerged from the research materials include the following: (1) Fisher's personality and his direct communication and leadership style, (2) his ability to choose the right persons for the right positions and to work with them as a team, (3) his identification of and loyalty to his own group (primarily the Fishpond described in the previous section) and, finally, (4) his selflessness and recognition of others' merits. Some of these facets come close in many respects to Marder's (1961a, 124–132) analysis of Admiral Nelson as a leader.¹⁶ However, the special case of favoritism addressed in this study suggests a different list of characteristics, albeit Nelson also seems to have been very efficient in his own practices of favoritism.

Fisher's personality and his direct communication/leadership style

Immediately after being appointed to the post of First Sea Lord, Fisher began to advocate his scheme of reforming the RN with all of his personal charisma and fierce devotion to his cause. This is echoed in his statement:

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)

Fisher's temperament and personal charm were widely acknowledged in naval circles, and he had clearly always held strong views about how things should be done. Even before the advent of the Beresford affair he had made enemies with a loose collection of officers who sought to block his advancement in the RN. He knew well that his personality and leadership style and methods caused deep worry and even hatred in the Navy. Unable (and unwilling) to change his style, he was unrelenting in his efforts to mobilize his own supporters and other sympathizers against this conservative block.

Fisher was naturally impulsive and generous in his affections, more of a radical than a conservative (he was even accused of being a socialist), and bewitched people around him with a cascading flow of ideas, anecdotes, reminiscences, and schoolboy jokes. He was relatively ageless and classless, getting on well with midshipmen and young lieutenants, as well

as with men from the working class. He wanted everything done immediately, dramatically, and in novel, more efficient ways. Fisher's magnetism acted very potently upon other people, in either a positive or a negative direction (Morris 1995, 60–61, 185).

Fisher wanted his naval revolution, and was not ready to let anyone stand in his way. At times, his enemies saw his actions as those of a technocrat, solely interested in the development and application of new naval technologies such as the torpedo, the mine, and the submarine (Morris 1995, 74). They claimed that he neglected strategy and history at the expense of his technological experiments. To an extent, the criticism of an overt infatuation with technology is probably accurate as he saw naval technology developing so fast that almost nothing of strategic value could be learned from the tactics of the past (he studied Nelson's leadership, however). He was a great believer in intuition and providence (and was also a devout Christian). He believed he had been brought to the RN during a period of lassitude to pull off a revolution – just in time before a new great war broke out.

Indeed, Fisher (1919) often quoted an essay he had 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.) (124)

He tried to live up to these principles to the greatest possible extent. With regard to the historical leaders he respected, his *Memoirs* (Fisher 1919) contain the following statement: 'I have always worshipped Abraham Lincoln. I have elsewhere related how he never argued with Judge or Jury or anyone else, but always told a story' (261). Fisher was also a deeply invested storyteller.

Marder (1961a, 124) – relying largely on Fisher's writings about Admiral Nelson – regarded personality as the most important leadership trait an admiral could possess. As to Nelson,

... He had personal magnetism, or the unique power, showmanship. He had an intuitive flair for the colourful and the dramatic in speech, gesture, and attire. ... Enthusiasm is an important aspect of personal magnetism. (Marder 1961a, 129–130)

The description could equally well have been about Jacky Fisher.

Fisher was very direct in his communication style, both verbally and in his body language. Of course, this was not to everyone's liking. Nevertheless, the people closest to him tended to appreciate his directness and ruthless truthfulness. In order to understand Fisher's leadership style, it was essential to understand his ways of communication. He always sought direct, informal contact with anyone he wanted to influence (having made personal contact, he often continued to communicate with an avalanche of letters and memos). He socialized in wide circles so as to meet and charm influential people, especially politicians or journalists he thought would be valuable supporters of his cause. On the other hand, unlike his opponent Beresford, he disliked public functions and high society. Like Beresford, however, he developed the skill of using the media efficiently to promote relations with the general public.

Not surprisingly, on the matter of the great naval feud some newspapers such as *The Times* wrote about him very sympathetically, whereas others were fiercely opposed to his ideas. Moreover, if Fisher once deemed someone useless or hostile, he could bluntly refuse to have anything more to do with him or her. As in his friendships, he was intense in his animosities. Nevertheless, as the case of the great naval feud described above aptly demonstrates, he could also overcome his hatred and act strategically, lying low when the situation required it (Freeman 2009, 50–51).

The ability to choose the right persons for right positions and to work with them as a team

Fisher firmly believed in the right and ability of true leaders to choose the right people for the right positions at the right time. In fact, he may have considered this the most important gift of any leader:

... Lord Spencer¹⁷ 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)

In a letter to the First Lord of the Admiralty, Lord Selborne, dated 25 October 1904, Fisher stated:

No doubt you think me horribly insistent in sticking out for certain men to fill the posts which will have so important an influence in the improvements and economies we hope to effect. My contention and belief is that it's no use whatever attempting to do anything unless we have the very best men, utterly regardless of their rank or anyone's feelings or any vested interests. ... Also I personally should be an idiot and should only make a mess of it if I permitted myself to be associated with anyone who I knew I should not agree with or is not the best man to be got ... (Marder 1956, 45)

Fisher clearly did not believe in formal assessment systems or procedures. He thought it best for leaders to personally choose the key people they were to work with. He stated on the selection of future sea cadets, for instance:

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)

He considered the selection and promotion practices of the RN at the beginning of the twentieth century outdated and mechanistic. The higher one was in the organization, the more attention should be given to the 'spiritual' characteristics of the person to be promoted to a certain post:

... 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)

On the one hand, Fisher (1919) strongly emphasized well-functioning personal chemistry between key leaders: 'The First Sea Lord and the Chief Admiral afloat have got to be Siamese twins' (108). On the other hand, he did not think that people even in relatively high positions necessarily needed to be highly gifted or intellectual – they just needed to suit the post and to work well with their superiors and closest colleagues:

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)

Fisher did not regard the expansion of the Naval War Staff at the Admiralty immediately before and during WWI a generally a wise move (Fisher 1919, 111), and he has received severe criticism for this. From a headcount of a couple of dozen officers under the DNI during Fisher's first tenure as First Sea Lord, the Naval War Staff grew to several hundreds toward the end of the war (Black 2009, 15–74).¹⁸ He did not appreciate the usefulness of such a large contingent of predominantly mediocre naval officers being confined to chiefly clerical tasks behind an office desk. Except for certain strategic intelligence information, he did not expect these Staff to be of much help to the RN's top leaders. The members of the

Fishpond, in his view, served him as First Sea Lord far better than any formally organized and recruited Naval War Staff could.

Fisher was able to engage in effective teamwork among his own confidants. He generally worked through his appointed committees (e.g. the Committee of Design, which worked out the details of HMS Dreadnought) to realize his plans. If he trusted the committee members he was keen on decentralization, and would not interfere personally unless it was necessary. In overseeing committee work, he was essentially interested in the speed at which his plans would be operationalized (Hamilton 2011, 215–221).

Identification with and loyalty to his own group

Ensuring identification with and loyalty to his group of supporters became a focal issue in Fisher's naval revolution. Fisher was evidently proud of the fact that, despite the strong opposition, he managed to work the turnaround through with the help of his network:

... 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)

Fisher was always very loyal to his supporters and friends, and early in his position as First Sea Lord he tried to win over his opponents in a cunning way. According to Bacon (1929b), he would approach an objector and say:

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 acquiescence all the easier. (108)

However, toward the end of his tenure, old age, opposition, and success made him more inclined to override his opponents (this was even more so during his second term as First Sea Lord, which is often seen as a leadership failure). He had been fatigued from Beresford's vendetta to the extent that he was inclined to see self-interested motives in people who were merely honest doubters. He also had a tendency to be dogmatic and unreasonable (Bacon 1929b, 110).

In general, however, he protected and defended his own men fiercely and remorselessly, as the case of the famous gunnery specialist Admiral Scott demonstrates. Fisher helped Scott to defend himself against his superior Beresford on many occasions, for example when the latter accused the former of not following his commands in squadron maneuvers (Freeman 2009, 156–159). Throughout the naval organization, Fisher's protégés and informants trusted him to protect them against the conservatives should problems arise. He could sometimes be rather indiscreet, however, such as in disclosing personal letters to others and even to the media when he thought it would benefit his cause (Bacon 1929b, 107–115).

Selflessness and the recognition of other people's merits

By most accounts, Fisher never did anything for personal gain. Despite his vehement personality, his biographers generally characterize him as a rather selfless individual, especially when it came to gathering a personal fortune. Even so, he was fiercely attacked in public during the naval feud, accused of forming:

'... syndicates and rings for my own financial advantage, using my official knowledge and power ... for making myself quickly rich!'. He goes on: 'I had another very brilliant opportunity of becoming a millionaire in AD 1910, but declined ... my finances have always been at a low ebb'. (Fisher 1920, 46)

Even if it was not millions, Fisher received several offers of lucrative employment from private shipyards and armament manufacturers. At least £10,000 a year was promised to him on several occasions, but – with some sarcasm – he said he was happy with the £2,400 he received from the Admiralty (Bacon 1929b, 63–65).

From many of Fisher's comments cited throughout this paper, it seems clear that he was keen on giving credit to people who – in his opinion – deserved it. This was not just the gentlemanly style of the day: he genuinely believed that deserving and loyal people should always get credit for their just actions. This also sheds light on why he was initially so devastated by the criticism and personal attacks of the Beresfordian clique. However, he quickly learned to harden his heart against such bouts – this was not the first time he had been criticized for who he was and what he stood for. Nevertheless, he was not completely immune to flattery either, especially in his later years. He saw himself and his vision of a new Royal Navy as rising above the views and demeanors of ordinary flag officers in the service, perhaps even as a new Nelson:

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, limitations, and future research

Admiral Fisher's use of his Fishpond in bringing about a turnaround in the RN at the beginning of the twentieth century is an appealing case of the power of benevolent favoritism in effecting an organizational turnaround and leveraging performance. As demonstrated above, despite fierce internal and external opposition, he managed to use his network to realize the greatest transformation in the history of the RN in a relatively short timeframe. While he was practically ousted from his first tenure as First Sea Lord a year earlier than originally planned, his supporters continued his work. Naturally, as the evolutionary historians point out, the reforms centered less around the person of the First Sea Lord than has been suggested by the orthodox and even by the revisionist scholars, rather continuing on their own initiative within the complex organization of the RN (Cobb 2013; Bell 2016). The success of many of Fisher's reforms has also been contested. All in all, however, Admiral Fisher's network of favorites was the central group of actors that dominated the more or less severely divided Senior Service for a considerable period of time in the early twentieth century.¹⁹ Although none of the facets of favoritism identified in this study are novel in the research on (strategic) leadership *per se*, this particular combination may be.

First, it is obvious that the personal charm and charisma of the leader have a very significant impact on attracting, motivating, and mobilizing a network of favorites. In this sense, the Fisher case could be seen as the traditional manifestation of charismatic leadership. Fisher was a strong, traditional leader who used very direct means of communication (discussion, speeches, and written communications to various audiences and individuals). His identification with and loyalty to his followers, and his selfless recognition of other people's merits

constituted the essential behavioral antecedents of the functioning Fishpond. However, as also demonstrated in the above analysis, the personality and communication style of a strong leader could also alienate a significant number of key actors. In this case, it seems that Fisher's once imposing personal traits became less attractive even to members of the Fishpond the more bitter the aging admiral grew – especially after the infamous Fisher-Beresford feud. It seems that every leader has a more or less defined life-cycle in the position depending on how well the once attractive and efficient personal traits continue to mobilize supporters. What is more, different kinds of leaders are needed in different leadership situations and contexts. Fisher the enthusiast was suitable in the turnaround situation, but he trusted the ability of his immediate successor Admiral Wilson, who was a very different type of leader, to continue his reforms (eventually, 'Old Ard Art' proved to be a failure as the First Sea Lord) (Lambert 1999, 206, 242–244).

Second, the efficient use of favoritism hinges largely on the ability of the leader to choose the right people for right positions, especially when it comes to the upper echelons of an organization. The heritage of bureaucratic thinking has fostered the belief that the task of the leader is to identify existing and potential high performers in the accessible internal and external talent pool of an organization, and to assign them to the most suitable posts according to their potential and past performance. It is often claimed that structured and objective talent assessment and management systems are needed in this task (see e.g. Lewis and Heckman 2006). The perspective of favoritism challenges this normative/objective approach, at least to some extent: a considerable extent of talent management is actually based on the intuitive feelings of leaders about the suitability of people in their personal networks for certain key positions. From this perspective, the objectivity of an individual appointment may well be a mere ex-post rationalization. This has hardly changed since Fisher's days. His explicit use of favoritism proved to be an efficient subjective mechanism through which to fill most of the significant RN positions with members of the Fishpond, who in his eyes constituted a very subtle hierarchy of talent. As stated, he gladly 'suffered fools' even in relatively central positions if they were useful to him. However, if his fools made wrong decisions or behaved unsatisfactorily, he was quick to abandon them, despite his usual loyalty to his own men. On the other hand, he allowed the most promising and talented individuals wide degrees of freedom (i.e. room for 'insubordination'). A good example is Sir David Beatty, whom Fisher promoted to the rank of rear admiral in 1910 by a special order in council because he had not yet served the requisite time as a captain (Lambert 2009, 344). What is more, Fisher was a firm believer in delegation and teamwork, and used different kind of committees and task forces to pull his reforms through.

Management fads may come and go, but there seem to be some more enduring phenomena in human leadership that persist, and the positive use of favoritism in situations of significant organizational change may constitute a prime example. The case reported in this study sheds some light on how leaders practice favoritism to potentially advantageous ends. An obvious limitation of the study is its focus on one individual historical case of exercising favoritism. The framework developed above should be applied in further historical studies in different situations and contexts. The individual facets or elements of the fourfold framework and their interplay over the years should also be studied in more depth. It is probable that as leaders and leadership situations change, formerly successful practices of exercising favoritism become less effective and novel ones have to be developed. What is more, as the Fisher case also aptly demonstrates, formerly successful leaders degenerate into less

effective users of favoritism on account of personal inertia and an inability to change, often because past successes that have made them less willing to question their own leadership style. Thus, it is important to study the *negative* effects of favoritism as well. Finally, it would be interesting in future research to explore the question of mobilization. How do leaders mobilize their networks of favorites in practice? What makes favorites follow their leaders? When and why do they stop?

Notes

1. Fisher stepped down from his post in January 1910, but was not put on the RN retired list until on his 70th birthday on the 25th of January, 1911; *Admiral of the Fleet The Right Honourable Lord Fisher of Kilverstone, G.C.B., O.M., G.C.V.O., LL.D., has been placed on the Retired List. Dated 25th January, 1911 (The London Gazette, 28460, 27 January, 1911, 695).*
2. Following key literature in strategic management (e.g. Schendel and Patton 1976; Grinyer and Spender 1978; Barker and Duhaime 1997), the term organizational turnaround is defined here as the implementation of strategic and operational actions required to save an organization from failure, based on an understanding of the causes of organizational decline. This requires visionary leadership, organizational restructuring, and the creation of a new organizational culture.
3. Bell (2016, 126) characterizes the historical debate about the nature and successfulness of Fisher's turnaround scheme as one containing the orthodox (e.g. Marder), the revisionist (e.g. Sumida, Lambert), and post-revisionist or evolutionary (e.g. Cobb, Grimes) schools of thought. Whereas the orthodox scholars saw Fisher's scheme as an aggregation of more or less successful conventional reforms, the revisionists primarily wanted to uncover the admiral's hidden agendas vis-à-vis the stated aims of his 'revolution' (which, after all, were not entirely successful, and the Fisherites were consequently claimed to have covered their tracks by writing fraudulent memos and by weeding Admiralty papers), whereas the aim of the post-revisionists was to provide an evolutionary, more balanced view between the two camps – most of the reforms of the RN in the Fisher era were claimed to be inherently evolutionary trajectories of technological and organizational change (see also Seligmann 2015; Seligmann and Morgan-Owen 2015).
4. The competition in developing novel technology and building new vessels naturally continued during the war, but it was no longer an arms race – the arms were in active use by the belligerents.
5. British vis-à-vis German merchant marine and naval tonnage figures in 1904–1914 were as follows. In 1904, the merchant marine figure for the UK was 1 869 thousand tonnes in sail (Germany: 576 thousand tonnes) and 8 400 thousand tonnes in steam (Germany: 1 713 thousand tonnes). Consequently, in 1914, the merchant marine figure for the UK was 1 301 thousand tonnes in sail (Germany: 507 thousand tonnes) and 10 285 thousand tonnes in steam (Germany: 2 832 thousand tonnes) (Mitchell 1992, 695, 699). When it comes to naval tonnage figures in 1914, the RN comprised of 2 205 (1904: 1 367) thousand tonnes of commissioned ships, and the Imperial German Navy 1 019 (1904: 736) thousand tonnes (Ferguson 1999, 85). The naval arms race accelerated with the new German navy laws in 1908/1909. The financial figures for naval construction (in millions of pounds sterling, 1996 prices) in the beginning of Fisher's term in 1904 were 14.1 for Britain (5.1 for Germany). For the later arms race years they were the following: 1908: Britain 9.4 (Germany 9.0), 1909: 11.2 (11.5), 1910: 16.7 (12.7), 1911: 18.9 (13.1), 1912: 17.3 (12.2) 1913: 17.1 (11.2) (Stevenson 1996, 8). The figures clearly show how Germany gradually 'lost' the arms race before the outbreak of the War.
6. Before Fisher's first tenure, the position was called the First Naval Lord.
7. As mentioned, the Churchill-Fisher era at the Admiralty falls beyond the scope of this article.
8. I thank one of the referees of this paper for pointing this out.
9. An alternative being the French *Jeune École*, a strategic naval concept developed during the late nineteenth century. It advocated the use of smaller units such as torpedo boats (or later submarines) to attack a larger battleship fleet, and commerce raiders capable of disrupting

the trade of the enemy (see Roksund 2007). However, this was mainly seen as a naval strategy for weaker nations. Fisher saw the future importance of the torpedo, the mine, the submarine and the destroyer, and his strategic vision combined them with a large surface fleet of modern capital ships (which he rightly thought would become obsolete in the long term) (for Fisher's ideas about flotilla defense, see Lambert 1995).

10. Fisher originally even wanted the RN to be able to overpower its recent allies France and Russia together (see Seligmann, Nägler, and Epkenhans 2015, xxv–xxvi).
11. Thereafter, all new capital ships of a similar type were called 'Dreadnoughts', even outside the RN. When Fisher received his peerage he chose 'Fear God and Dread Nought' as his motto.
12. Supporters of Admiral Beresford in particular criticized the deployment of the fleet in home waters, pointed to the inadequate numbers of flotilla craft, and claimed that there was a complete lack of war plans provided by the Admiralty (see McLay 2015).
13. According to Freeman (2009, 63), Beresford was a 'man of little brain' and a hot temperament.
14. In Fisher's own words (Marder 1956, 331).
15. After Fisher's retirement, Jellicoe was appointed Second-in-Command of the Home Fleet in December 1911 and, having also been appointed commander of the 2nd Battle Squadron in May 1912, he became Second Sea Lord in December 1912. At the outbreak of the Great War, on the 4th of August 1914, he was assigned command of the renamed Grand Fleet. Jellicoe was appointed First Sea Lord in November 1916, the post from which he was forced to step down in December 1917. After the war, he served as the Governor-General of New Zealand (Bacon 1936).
16. Marder (1961a) provides the following list of attributes of Admiral Nelson as a leader: (Marder's list reflected some of Fisher's ideas and writings about the great admiral) (1) Humanity and a sense of identification/winning confidence, (2) Thoughtfulness, (3) The leader as an external group representative, (4) Loyalty, (5) Tact, (6) Acting as an arbitrator and mediator of conflict and dissension among his officers, (7) Satisfaction of the need for recognition, (8) Selflessness, (9) The leader as exemplar, (10) Personality, (11) Professional expertise, and (12) Confidence in one's subordinates.
17. John Spencer, 5th Earl Spencer (1835–1910).
18. Officially established as the Admiralty War Staff in 1912, see Black (2009).
19. Despite being an interesting question, it falls beyond the scope of this article to explicitly follow the careers of the key members of the Fishpond during and after Fisher had left the service.

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