

portant thing is that each junior executive shall have laid out for him, or preferably shall lay out for himself, each year, a tangible objective for next year's work. The skillful executive will avoid arbitrary "bogies" and will seek to set up in each case an attainable, but not too easily attainable, objective. In many cases he will restrain the optimism of a junior executive who may wish to undertake an impossible task, just as in the reverse direction he may raise the limits of effort somewhat for those who are inclined to set too easy a pace. In some instances situations will develop, or exist, where a failure to go backward will represent high achievement, and it is quite as important that these special conditions shall be recognized, as that adequate programs for improved performance shall be established in other cases.

This personal measuring up of each junior executive's problems by the chief executive is one of the most important jobs that the chief executive can undertake, since nothing destroys the morale of an organization more rapidly than for mediocre men to secure advancement and credit, and for good men to be discredited, for reasons beyond their control. Certain factors in performance can always be measured with substantial fairness in a mechanical way, but the use of arbitrary bogies in all cases is usually more harmful than the crudest work that can be done on the basis of a full study of all the factors involved in each situation.

Since this question of bogies and of credit for performance strikes so directly at the question of organization morale, it is frequently desirable for the chief executive to utilize a disinterested committee of his subordinates for the establishment of the annual objectives. It is important that the members of this committee shall be capable and disinterested, but it is even more important that they shall be so recognized by the junior executives whose performance is to be measured on the basis of their decisions.

Freedom for Experimentation

An entirely separate problem from the setting up of an annual and other objectives is that of allowing to the junior executives, and perhaps even more particularly to the unit staff specialists working in association with such executives, a reasonable latitude for the trial and development of new methods. The initial setting up of standardized or

semi-standardized methods throughout an organization, if done intelligently and with due regard for special conditions, need not be destructive of organization morale and initiative, provided it is clearly understood that suggestions for future changes and improvements will always be welcome.

Experimentation and change always cost money, but a skilled executive will always permit an occasional experiment to be undertaken, even though in his opinion clearly foredoomed to failure, rather than to have the impression spread throughout the organization that no suggestions for changes in methods will be welcome. It is even possible to set up a definite routine for experimentation, under which the requirements will be:

1. That the junior executive proposing a change in methods shall outline in writing the proposed change, the advantages expected, the cost of an experimental trial and, finally and most important, the cost of reverting to standard practice again if the experiment proves to be a failure.
2. That any experimental change shall be submitted in advance to the appropriate general staff specialist and shall not be undertaken unless the junior executive, after studying the comments and criticisms of such specialist, still feels that the experiment will be worth while.
3. That the annual cost of all field experimentation shall be limited to a sum total representing a reasonable outlay for the maintenance of this particular type of initiative in the various units that are involved.

Uniformity in Personnel

Still a further consideration, closely connected with the building up of a sound *esprit de corps*, is that of establishing a reasonable uniformity as to the intelligence and character of the individuals that are on similar levels, or are otherwise brought closely into contact within the organization. It is a very true saying that there is no hatred like that of a second-rate mind for a first-rate mind. There may be a few rare first-rate intelligences that have the Machiavellian qualities necessary to avoid conflict with second-rate intelligences but, generally speaking, the conflict between the two is bitter and inevitable, and will be aggressive on the part of the second-rate intelligences as long as these are in the majority. If, therefore, an executive

wishes to raise the standard of any group, by introducing one or more higher intelligences, he must be prepared to see these conflicts continue until the second-rate intelligences are reduced to a minority and are thus compelled to assume a defensive position.

A very similar situation exists when the differences are those of character rather than intelligence. The old saying regarding the single bad apple in the barrel holds true in such cases, and the retention of even one selfish and unscrupulous individual as a member of an otherwise sound group may do damage to the organization morale that much earnest effort in other directions cannot offset.

The necessity for a reasonable uniformity in intelligence and character arises in considerable part from the need for uniformity in practices and treatment with respect to members of any given group. The authority and latitude that may be given to men of intelligence and sound character will very certainly be abused by those of lower qualities. In a similar way, the restrictions and closeness of supervision, that are necessary in dealing with unintelligent and unreliable employees, will be seriously resented by those who are trustworthy and intelligent.

To assure a reasonable uniformity in the character and intelligence of the members of any given group in an organization, one of the most useful and effective expedients is that of having all new appointments and promotions passed upon by a selected group of junior officers, who are in position to act disinterestedly and without embarrassment and represent, as nearly as possible, the upper level in character and intelligence of those who are to be appointed. Long experience justifies the statement that a selected group of this kind will recommend appointments and promotions of a sort gradually to raise the quality of personnel and the standards of performance, and will do a much better job in this respect than can be done by a single executive, or even by a skilled personnel officer, working alone. The groups that are called upon for such advisory work should not, however, be determined arbitrarily on the basis of position or title, and should be varied from time to time according to circumstances. In general, it is better that the consultations should be in confidence with the executive and that the group should not even meet formally as a committee. If this procedure

is followed, and if, in particular, the individuals consulted are known to be thoroughly respected throughout the organization, the morale of the organization will be steadily built up, and office politicians and trouble makers will be automatically eliminated.

The Dead-Ended Employee

And now for a final special consideration bearing on the question of general *esprit de corps*. The progressive executive is almost certain to draw to himself an excess, rather than a deficit, of talent. His organization will be alive and constantly changing rather than fixed and immovable. Under these conditions he will find, as time goes on, an increasing tendency for both the older and the younger men to become dead-ended without adequate chances of promotion. Such conditions inevitably react upon morale, and the skilled executive will make it one of his primary obligations to seek outside of his own organization, if necessary, for opportunities into which these otherwise dead-ended individuals may step, not as a matter of compulsion, but as a matter of free choice. The good executive may occasionally lose a desirable subordinate if he maintains always an attitude of willingness to see any subordinate better his opportunities, but his reputation in this respect will spread and an occasional loss of the kind indicated will be more than offset by the improvement in the caliber and qualities of incoming applicants.

The Use of Special Incentives

As has been indicated before, the organization that has a thoroughly sound general *esprit de corps* will be apt to secure almost automatically from its personnel the limit of their efforts and good-will. Nevertheless, there can be no question as to the advantage of paying tangible premiums for tangible and directly measurable results. However, to discuss in detail even a fraction of the bonus and premium plans that have been proposed or are in operation is impracticable for our present purposes. The most that can be done is to indicate a few cautions and safeguards.

The first of these cautions is with respect to the setting up of any plan on the basis of purely theoretical considerations as to how employees should feel and act. It is a general and very excellent rule, in attempting to learn any particular fact, to