

cedure which limit organization efficiency. In the past emphasis has been upon investigation and improvement of the detail work of operatives. Yet "if you have detail operatives 100 per cent efficient and have an executive at the top who is only half as good an executive as they are workers, you are going to lose a great deal more by the failure of that executive than you will gain by the efficiency of your workers." "Inefficiency begins at the top and trickles down; it does not begin at the bottom and trickle up."

A study of the function of a chief executive, a codification of principles and of practices governing the performance of his function, would constitute an immense step forward in the study of management. "I often sit in the presence of great business men," said the chairman in his opening remarks, "and bitterly regret that the knowledge that is confined within their minds must, because of lack of time or of willingness or of ability to communicate it, pass with them and not be left behind to guide others who follow in their footsteps. We are greatly at a disadvantage in spreading a knowledge and a philosophy of management because the leaders of business are so inarticulate." If they be inarticulate, and if for that reason we are at a disadvantage in spreading a knowledge and philosophy of management, there rests on chief executives a moral obligation to correct this sin of omission. There is no better place for a beginning than in a study of their own function in management.

The first group of propositions submitted as a basis for discussion follows:

I. Fundamental Aspects of Relationship

1. *The primary function of the chief executive, in his relations to his associates, is to inspire, inform and lead, and to coordinate specialized, related efforts to accomplish a defined common purpose, at the same time leaving to each staff executive responsibility and authority to devise and apply methods for accomplishing that for which he is responsible.*

2. *A chief executive can most effectively inspire, inform, lead and coordinate by development of the following procedure in relations with associate executives:*

a. *Consultation through conference concerning proposed purposes, policies and general plans, or modifications of these.*

b. *Information and explanation through conferences concerning adopted purposes, policies, and general plans.*

c. *Joint participation of associate executives in the translation of adopted plans into specific working plans and schedules.*

d. *Continuing inquiry through conferences concerning business conditions and tendencies, fundamental principles of management, and new ideas and practices in management.*

e. *Joint appraisal of results of operations, with emphasis on shortcomings, in order to determine and eliminate the causes of shortcomings.*

It was to this group of propositions that every speaker gave most of his attention; in part because they were first in order and in part undoubtedly because they are concerned with fundamentals. Within this group attention was given principally to the more general statement in paragraph 1; the more detail propositions in paragraph 2 were generally not separately considered. Every speaker agreed that the primary function of the chief executive is to inspire, inform, lead and coordinate. There seemed to be a general judgment, however, that these four words do not express all the fundamentals involved in the function of a chief executive. He must be a "taker in" as well as a "giver out"; he must be informed by his associate executives as well as inform them; he must receive inspiration from them; and even coordination of their work must be in accordance with some things which they give to him—their natural and acquired capacities, their individualities, their several good-wills.

With respect to inspiration, one speaker expressed the judgment that in many instances a chief executive might inspire his associates by virtue of a power in his personality, but that in many other instances that personal power might be absent—it is not always personal power that makes a man a chief executive. The chief executive should get over his "superiority complex." Of course there are geniuses, but generally the chief executive is not necessarily different in essentials so much as in accidentals from one of his department chiefs. The individual who sets out deliberately and consciously to inspire by force of his personality is likely to be a sorry failure. Inspiration may be effected probably more by creating an inspiring business and organization environment than by any personal power. This environmental inspiration may come from "the purpose and ideals of the business, the make-up of the organization, friendliness, common sense, personal efficiencies, and business manners and decencies."

With respect to information the chief executive is both a giver and a receiver. He receives information from his associate executives, who are nearer detail operations, out of their more abundant information concerning details of the business. They are as a whole more informed than he concerning those things to be seen by looking in upon the operations of business. The information which he has to give them is more likely to be, because of his outside contacts, concerned with the outside influences on the business, the environment in which it operates. It is in the contact of chief and associate executives that these separate groups of information are brought together. One speaker expressed the view that, on the one hand, greater opportunity should be given associate executives to have outside contacts that they might bring information from the environment filtered through their particular capacities for observation and interpretation, and that on the other hand, the chief executive should be more informed concerning inside technique so that, like the back on a football team, he might come in as "secondary defense" in emergency in the management of a department.

With respect to leadership, the question was raised, but not answered, as to what constitutes leadership. Leadership is something more than mere authority to direct; personal power to inspire is involved, superiority in information of far-reaching and vital importance is involved; capacity of vision into the future is involved. One speaker called attention to the necessity for imagination in a chief executive, and having it, of the necessity for contributing it in his relations with associate executives. Another speaker implied that the associate executives as well must and do have imagination, but that a special aspect of the function of the chief executive must be to specialize on imagination. "An executive in any position should go ahead of today. The so-called higher the executive the farther he ought to go ahead, and I have specifically taken it as a definite part of my job to watch 1935 and 1936. I want to watch and analyze trends. What is going to happen to this line, to that line? We want to take as much as possible out of the hands of Lady Luck; we want to know the natural course of events." It is a particular responsibility of the chief executive to exercise imagination as a starting point for investigation and scientific determination of the direction of progress.

It was generally agreed that coordination is a primary responsibility of the chief executive. Coordination

is to be effected first by clean-cut analysis of departmental functions and clean-cut definition of purposes and responsibilities. The chief executive should have the wisdom and the courage to put down in black and white a clear statement of purposes, policies and procedures. These understood, coordination is in large measure achieved. Coordination may be promoted by advisory conferences and committees, considered below.

It appeared to be the judgment of those who made reference to the matter that chief executives in efforts to secure coordination should not go too much into detail direction of the work of their executive assistants. Subordinate executives should have the privilege of that peculiar education for higher positions which comes from assumption of responsibility even at the cost of making mistakes. The responsibility of the chief executive in this connection is chiefly to see that the cost of education through assumption of responsibility and making mistakes is not greater than the value of the education derived from the experience.

Nearly every discussor referred to the proposition concerning conferences, and every one who considered it approved the proposition. It was agreed that conferences should pervade the organization, conferences not only of the chief executive with his principal executive assistants, but also of each responsible executive with his principal assistants, all the way "down the line." These conferences or committees should be advisory, not executive. They should be concerned with purposes, policies, projects, plans and problems of execution; they should be an aid to executives with strictly defined responsibilities and authorities; but they should not have executive power. That should be left to responsible executives.

There was general agreement that conferences should be genuine conferences, meetings at which individual sources of information and judgment can be tapped, at which individual abilities may be developed. The chief executive should not monopolize conferences as an opportunity for "lecturing, giving orders, and calling down for mistakes." One speaker, however, expressed the view that a chief executive is too busy a man to be concerned with a "debating club," that he has ideas to "get over," and that he may legitimately use the conference for this purpose.

In his discussion of the conference as a managerial institution, one speaker raised the question whether the chief executive of the earlier type is possible in the large organizations of today. A large portion of