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# Chester Barnard's moral persuasion, authenticity, and trust: foundations for leadership

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## Abstract

**Purpose** – The purpose of the paper is to position Chester I. Barnard as a “management pioneer,” someone who offers an example of management theory through moral persuasion, authenticity, and trust in his “acceptance view of authority” and “zone of indifference.” The work of Barnard is supported by philosophical foundations that provide prophetic lessons for present day leaders.

**Design/methodology/approach** – The approach used to research the topic was inductive reasoning and constructive hermeneutics. Primary resources relied upon Barnard's foundational work in *The Functions of the Executive* as well as books and journal publications by scholars such as Isocrates, Aristotle, Smith, Kant, Weber, Follett, Gadamer, Bennis, Drucker, Cartwright, Heames, Harvey, Lamond, Wolfe, and Wren.

**Findings** – The research demonstrates the significance of Chester I. Barnard as a “management pioneer.” Barnard provides wisdom for effectively navigating the twenty-first century organization under the auspices of the “acceptance view of authority” and “zone of indifference.” These concepts are predicated on Barnard's moral persuasion, authenticity, and trust as foundations for leadership. His work is a testament for bridging the gap between theory and practice and provides a model from which business schools can educate present and future leaders.

**Practical implications** – The paper examines the underpinnings of Barnard's “acceptance view of authority” and his “zone of indifference” as predicated on morality, authenticity, and trust in creating effective organizational leadership for the twenty-first century. The work has practical applications in the education of present and future business leaders by academic institutions.

**Originality/value** – In support of Chester I. Barnard as a “management pioneer,” this paper explores some of the less commonly discussed implicit qualities and philosophical foundations for Barnard's moral persuasion, authenticity, and trust that promote the success of his “acceptance view of authority” and “zone of indifference” in the twenty-first century. The timeless quality, application, and potential for leadership education, ensure Barnard's position as a “management pioneer.”

**Keywords** Management theory, Authority, Trust

**Paper type** Viewpoint

Chester Barnard rightly takes his place in an issue dedicated to celebrating the lives and works of management pioneers. His acceptance view of authority continues to be one of the most valuable and easily understood concepts for today's business students. He led the way in our understanding the importance of morality, authenticity, self efficacy, and trust in the workplace. The wisdom in his insistence on our taking personal responsibility, listening to our intuition, and striving for flexibility and balance is restated by successful contemporary scholars including, but not limited to, Drucker, Davenport, Goleman, Boyetzis, McKee, Quinn, Bunker, Wakefield, and Bennis.



The chaos of the present economy has everyone, even the purported “experts,” scrambling for prescriptions that will cure the market ills. Power and sovereignty continue to wreak havoc on those countries struggling for economic survival (Parker, 1995). The global nature of the market, technology, and population diversity, exponentially enhance the complexity of the chaos. The challenge of the situation, however, is to accurately diagnose the causes of present day struggles and subsequently to seek solutions that may provide a more permanent and pivotal place from which to engage and respond to these challenges. The permanent and pivotal place is contingent upon the lessons provided by past pioneers as well as those who are embroiled in the tumult of today. Barnard’s understanding of the integral connections between moral persuasion, authenticity, trust, and personal responsibility create contemporary lessons and a body of literature from which twenty-first century scholar and business leaders can continue to learn. His theories remain current because they are a lynchpin between classical management thought and more contemporary theory which is situational, relationship, and results oriented. Numerous universities, such as Brown, Princeton, and Rutgers, have recognized Barnard’s importance by bestowing honorary doctorate degrees on him (Trahair, 1994; Wolfe, 1973). The depth and applicability of his research, combined with the endurance of his ideas over time, suggest that we do not need to wait for the latest issue of popular magazines or newspapers to find the answers to today’s market mayhem. As a management pioneer, Barnard has already offered such insights for those willing to listen.

### **Barnard biography**

Chester I. Barnard was born in Malden, Massachusetts in November of 1886. His foundations for pragmatism, perseverance, and pursuit of independent thought were a product of his family life in New England. The loss of his mother, when he was five years old, propelled him into a world with maternal grandparents who encouraged meaningful debate and the development of Barnard’s musical talent. His intellectual development and industrious self-study earned him a position in Mount Hermon [prep] School and later a position at Harvard. Barnard supported himself by working as, among other professions, a piano tuner, a farm worker, a leader of a dance band, and a typist. Barnard’s study of economics and languages did not result in a degree because, in his words, “I couldn’t carry the load and do all the work I had to do to eat” (Wolfe, 1973, p. 7). Undaunted, Barnard left Harvard in 1909 and began what would be a 40 year career at American Telephone and Telegraph (AT&T).

Barnard was hired at AT&T in 1909 and spent approximately ten years as a staff statistician before being promoted to the position of assistant vice-president and general manager of the Bell telephone company of Pennsylvania (Wolfe, 1973). By 1922, Barnard saw the improvement of the workers as a way to improve the organization. Barnard believed that the organization was a social entity, as opposed to spots on an organizational chart; a place where cooperation was essential for success (Wren and Greenwood, 1998). Barnard intuitively understood that securing cooperation required unique incentives, both monetary and non-monetary (Wren and Greenwood, 1998). He believed the following concepts to be among those that are essential to the achievement of organizational goals:

- cooperative attitude between units;
- cross training of personnel;
- interdepartmental instruction;

- organizational efficiency and effectiveness;
- authenticity;
- trust;
- personal responsibility; and
- leadership flexibility and balance.

Cooperation, cross-training, and interdepartmental education, formed the foundation for his first writing about management topics. His first paper was followed in 1925 by a speech at Pennsylvania State College in which he recognized the role of general and specialized education in the evolution of management (Wolfe, 1974). Two years after his speech, Barnard was promoted to president of the New Jersey Bell telephone company in 1927. Thoughts conveyed in Barnard's initial writings and lectures were conveyed again during the Harvard Lowell Institute lectures in 1937-1938. Those lectures formed the basis of his only book *The Functions of the Executive*. In addition to his book, Barnard published 37 articles.

In lieu of constant publications, Barnard's time was spent practicing what he taught. Like the ancient philosopher Isocrates, Barnard believed that ideas were valuable when translated into action. Isocrates, a teacher of rhetoric in Athens during the fourth century BC, was one of the first to seek application of knowledge as opposed to expertise without application (Poulakos, 1997). Isocrates was interested in education for the purpose of developing insights necessary to take appropriate actions in the world (Isocrates, 1980). Barnard's interest in application was evidenced by his multi-faceted career in situations such as those at New Jersey Bell telephone. His work at New Jersey Bell required him to merge two corporate cultures; Delaware, and Atlantic telephone and telegraph company that operated in a large number of smaller markets with a new company that had a big city orientation and was focused on consolidating property purchases from the New York Telephone Company (Wolfe, 1973). When asked about the momentous task, Barnard humbly explained that his role was that of manager and teacher. Barnard's teaching skills were honed for public, as well as non-profit, corporations. While Barnard was working at the New Jersey Bell telephone company, during 1942-1945, John D. Rockefeller urged him to serve as president of the United Service Organization (USO). During his reign at the USO, the number of units expanded from 692 to more than 3,000 and an estimated 30,000,000 men were being served each month. According to Barnard, his success was based on moral persuasion because the USO operated on a moral basis, with the exception of having to raise money (Smith, 2000; Wolfe, 1973). For Barnard, moral persuasion was most important and preempts authority as well as other leadership qualities (Smith, 2000). Barnard's experience transferred to several other appointments, including consultant to the director of the federal Office of Scientific Research and Development, member of the Committee on atomic energy, president of the Rockefeller Foundation, and chairman of the National Science Board of the national Science Foundation. Despite his successes, he did not escape criticism about his career at Bell, and this is seen as part of a broader question about the ability of someone to see the philosophical and to act simultaneously in the role of leader. The question and connections between philosophy and the marketplace application are still persistent today as apparent by the absence of literature connection these two streams of thought (Byrne, 2002). Barnard, however, like Isocrates, understood the significance of philosophy and practice.

With the above biographical sketch as a reference, this paper examines Barnard's acceptance view of authority and the apriori conditions of moral persuasion, authenticity, and trust that culminate in lessons for leadership that were relevant at the turn of the twentieth century and are still relevant today. For example, Barnard's acceptance view of authority extended the views of Follett and her ideas about leadership, cooperation, integration, and giving orders. Follett saw the importance of reciprocity in the connectedness between coworkers and chief executives (Follett, 1927a), the importance of creating solutions outside of traditional boundaries in integration (Follett, 1925a), the distinction between participation versus mere consent and the ability to activate participation among the workforce (Follett, 1927b), and in the distinction between "power-over and power-with" other people when discussing the mechanics of giving orders (Follett, 1925b). Barnard's work is also integrally related to ideas from German philosopher Gadamer's (2004) discussion about hermeneutic circles that value the reciprocal relationship between the parts and the whole of an entity in a continuous cycle that offers an opportunity to fuse new horizons for all involved. Barnard's understandings are incorporated in the contemporary writing by Bunker and Wakefield, who focus on the significance of leading organizations amidst the often competing demands posed by corporate structure and employee emotion. Balancing structure with emotion offers a foundation for leadership authenticity that serves as a basis for developing trust between a leader and subordinates. This type of trust and authenticity facilitates the success of Barnard's acceptance view of authority and his zone of indifference. Barnard's influence is evident in the work of management scholar Peter Drucker and his discussion of business and confucianist ethics (Malcolm and Hartley, 2009). Bennis also echoes Barnard when he emphasizes the importance of privileging cooperative action to manifest change and the importance of leaders who prioritize relationships within and outside of an organization (Bennis, 1999; Bennis and Nanus, 1997).

All of this scholarship provides a framework of circularity that continues ad infinitum as contextual challenges are presented to an organization or are anticipated by the leadership of an organization. Examining each of these components and correlating these ideas, will offer a clear description of the proposed connections.

### **Barnard's acceptance view of authority and the zone of indifference**

Barnard (1938) wrote about the acceptance view of authority in *The Functions of the Executive* and explained that a person will accept "a communication as authoritative" when four conditions are met. The four conditions are:

- (1) he can and does understand the communication;
- (2) at the time of his decision he believes that it is not inconsistent with the purpose of the organization;
- (3) at the time of his decision, he believes it to be compatible with his personal interest as a whole; and
- (4) he is able mentally and physically to comply with it (Barnard, 1938).

According to Cartwright (1959), Barnard recognized that authoritative was inherent in all communications and, further, that the "person, role, or group capable of giving authority to communications possesses power." Essentially, Barnard recognized the situation as paradoxical, that is, trying to ensure cooperation from an individual who is

able to control the situation (Barnard, 1938). He explained that individuals cooperate because often the orders are issued in accordance with the acceptance view of authority detailed above or because a request resonates within a “zone of indifference” where authority is not questioned (Barnard, 1938). *The Zone of Indifference* reflects a range of acceptability based on the expectations of an individual who joins a given organization (Barnard, 1938). Admittedly, Barnard explained that the zone can be expanded based on the degree to which the request offers inducements that exceed the sacrifices. The leadership of retailer Phar-Mor knew this when issuing orders to temporarily alter profit reports until such alterations totaled \$500 million (Gilmore, 1995). Senior finance department executives were convinced that they were being “team players” who were harmlessly altering documents that were used for internal reference only. Likewise, the leadership of Enron understood this idea when issuing orders that ultimately led to the demise of the company. Initially, Enron leadership orders were within a “neutral zone” that was barely acceptable; yet people like Vice-President Sherron Watkins operated in that zone for a year before changing her beliefs and becoming the infamous whistleblower (Nam and Lemak, 2007).

Leaders who are mindful of the *Zone of Indifference* are able to make requests that fall within the “zone” and, subsequently, are more likely to get employees to cooperate. Southwest airlines, for example, discourages mindless obedience in favor of proactive engagement on the part of employees (Hartley, 2006). Orders, such as this, help to reinforce the communal sense of the people working for the organization (Barnard, 1938). The frequent exchanges help to build trust between the leaders and followers (Joseph and Winston, 2005). The communal sense influences those issuing orders and the cycle continues, to the benefit of organizational efficiency.

Underlying each of the components of the acceptance view of authority are philosophical and managerial concepts that underscore the significance of Barnard’s work and solidify Barnard’s pioneer efforts as seen in his acceptance view of authority. For example, Barnard’s acceptance view of authority requires that individuals understand what is being asked. Understanding, in this sense, extends beyond the speech acts described by Austin (1975) and Searle (1969) to a common language and common contextual meaning as noted by German philosopher Gadamer (2004) in *Truth and Method*. Gadamer (2004) recognizes the challenges in establishing common meaning when people are approaching a subject or situation from a different historical consciousness. He advocates the recognition of historical consciousness in others and the movement toward a fusion of horizons that is most evident in application. Recognizing the significance of others through an authentic understanding facilitates trust, a trust on which Barnard’s actions are contingent.

Barnard’s acceptance view of authority also explains that an individual must consider the request to be in the best interest of the group and also, to be in the best personal interest of the individual. The mindset that considers the role of the individual related to the role of the group relates to Aristotle’s (1999) discussion of the parts to the whole and whole to the parts or Gadamer’s (2004) discussion of hermeneutic circles. The very construct of an appeal to the individual and to the group presumes that the request is being made in a way that is persuasive as grounded in Aristotelian (1991) rhetorical concepts that emphasize audience and the appeals to emotion, logic, and character. Based on the effectiveness of the leader’s rhetorical skills, organizational employees will respond in a desirable manner (Aristotle, 1991). The weight afforded the individual versus the group will vary by culture

(Adler, 2008). In making a request that others will view favorably, a leader must also possess an understanding of others in the spirit of *sensus communis*, a communal sense that withstands the imagined judgment of multiple others (Kant, 1792). Communal sense implies that the leaders must have an understanding of those with whom he or she is communicating and Barnard's early emphasis on "intuition" or "common sense" is supported by Kant's definition (Novicevic *et al.*, 2002). The communal sense, and subsequent alteration of the leader's message, will enhance the possibility of cooperation from the employees and impact the formation of future messages from leaders. Barnard was a pioneer in applying these concepts to business. Examples can be seen in Barnard's leadership behavior of 1933 when, after five years as the president of New Jersey Bell telephone and having endured the strife of the depression, Barnard announced to employees that both hourly and management and stockholders would share in the struggles of the time. At that same time, and in concert with the communal sense of the Bell worker, Barnard explicitly supported the efforts of the National Recovery Administration (NRA) and the National Industrial Recovery Act (NIRA) by offering more in work hours and wages per hour than the minimum industry standards that the NRA required (Scott 1992).

Finally, Barnard's acceptance view of authority recognizes that compliance is dependent upon the mental and physical abilities of an individual to comply with such requests. The mental ability to comply could be framed as intellectual ability in the form of Drucker's knowledge worker who possesses the transferrable intellectual tools necessary for competition in the global market (Drucker, 2005). Interactions with the knowledge workers were examined by Thomas Davenport (2005). The knowledge workers, who represent approximately 28 percent of the US workforce and 32 percent of the workers in the UK (Davenport, 2005), possess a vast skill set that permits flexibility in lieu of reliance upon one company, one department, or one industry. In addition to mental abilities, Barnard considered the physical abilities of workers to comply with requests. Based on the advent of new technologies and legislation for protection of workers under the Americans with Disabilities Act, individuals are able to physically comply with more requests than in the last 20 years and certainly more so than in Barnard's time.

By understanding the mental mindset and the physical abilities of others, the leader is able to construct requests in accordance with a communal sense, so as not to violate Barnard's "zone of indifference," or to anticipate objections and to explain why the request is being made in spite of the violating the zone of indifference. Note that the zone is "exceedingly broad" in situations where the authority of the position, is coupled with respect for a particular leader in that position (Wren and Greenwood, 1998). Barnard anticipated the needs and desires of workers and had confidence that organizations would be able to provide sufficient inducements to broaden each employee's zone of indifference in order to facilitate compliance with the manager's orders. In current marketplace application, these inducements may take the form of objective incentives such as money, prestige, and participatory decision-making or from persuasion based on appeals to loyalty or other abstractions (Wren, 1979). Barnard's acceptance view of authority and his approach to the "zone of indifference" incorporate thoughts of leadership qualities, morality, and competencies that facilitate interconnectedness and cooperation through communication.

### **Barnard on interdependency, leadership competency, and morality**

Barnard's initial work on *The Functions of the Executive* detailed the interconnectedness and purposefulness of the people working within the structure of an organization in a spirit

of cooperation, albeit some more successful than others, and in response to contextual challenges of the marketplace. He focused on the role of the executive in sustaining an organization and the role of the organization for the executive. In Barnard's view, one could not succeed without the other; the executive and the organization are interdependent just as the market and the organization are interdependent. He emphasized communication and understanding as tools toward authenticity and trust that continually recycle themselves in a circular pattern for the good of the individuals and the good of organization through efficiency and effectiveness. Barnard's view of the interdependencies in organization is mirrored somewhat in Adam Smith's (2000) discussion from *The Wealth of Nations*. Smith (2000) writes at length about economic issues of the time and the common thread of interdependence throughout society. For example, Smith (2000) discusses the interdependencies and coordination that exists between labor, wages, profits, stock, land, supply and demand, towns and villages, the mercantile system and the exchange and purchase of goods and services. Barnard's interdependency and coordination within an organization could be viewed as a microcosm of Smith's interdependency and coordination within society.

Examining further the interdependencies inherent in organizational leadership, Barnard (1948) recognized that the organization was comprised of individuals and that leadership was dependent upon the individual, the followers, and the stable or unstable context of operation; the qualities of the leader could not be divorced from the followers or the context. For Barnard (1948), leaders had to possess a unique ability to judge the right course of action given the aforementioned circumstances, to balance technical abilities and specializations with non-technical leadership skills, to coordinate the efforts related to an entire organization, and to possess the ability to successfully act on all of these skill sets. The significance of these abilities and skills could not be overstated and could not be substituted with intellect alone. Barnard (1948) recognized the danger in privileging abstract college educated intellect above other types of occupational knowledge and skills.

Barnard's leadership experience was gleaned during economic instability of the depression era and his description about the leadership role and credentials was developed during a time of relative economic stability during and following Second World War. He wrote during a time when leadership was generally not viewed as a strategic endeavor but a way to influence employee morale, and thus organizational effectiveness and efficiency, through a spirit of cooperation (Miles and Miles, 1999). The role of the leader evolved to focus on the ingenuity of ideas and the ability of people to enact those ideas in the 1960s, strategic and financial creativity through merger and acquisitions in the 1970s, and, finally, operational and strategic leadership connections necessary to increase productivity and reduce costs in the 1980s and 1990s (Miles and Miles, 1999). For Barnard, though, there were "five key competencies that every executive of "the future" needed to brace themselves with beyond their formal institutional instruction" (Heames and Harvey, 2006, p. 36). Included in these key competencies are:

- (1) a mentality that includes a wide range of interests and imagination;
- (2) an intellect that embeds lifelong learning as a necessary tool to engage the future;
- (3) a foundation of human relations and the ongoing development of relationships within social systems;



- (4) a rhetorical understanding about the role of audience and persuasion in human interactions; and
- (5) a rational behavior that includes intellect as well as wisdom.

These competencies offer a holistic portrait for leadership that incorporates the qualities necessary to guide the educated and entrepreneurial mindset of the twenty-first century worker. Barnard (1938) crafted a timeless template for leaders, strongly supported by the philosophical foundations, that encompassed technical, general, and moral aspects of leadership. Technical aspects include skill sets, technology, perception, knowledge, memory, and imagination. The general aspects influence the quality of leadership action through “determination, persistence, endurance, courage” (Barnard, 1938, p. 260). These qualities are sometimes used collectively to describe “responsibility” or a quality of human conduct (Barnard, 1938). Moral aspects of leadership, also categorized by Barnard as a responsibility, are more complex.

Barnard emphasizes that individual moral codes and the importance of morality cannot be ignored when examining the role of an executive who, among other duties, must be able to create morals for others (Barnard, 1938). Barnard’s insistence on creating morals for others is particularly poignant across the collapse of morals among corporate leaders at places such as Ford-Firestone with the tire recall, the more recent Toyota recalls, Martha Stewart with insider trading, the ponzi schemes of Bernie Madoff, scandalous practices surrounding the home mortgage markets of Fannie Mae and Freddie Mac, and the questionable retirement and bonus packages that date back to 2003 with the president and chief operating officer of the New York stock exchange. The collapse of executive leadership is also evident in the ongoing controversy about executive compensation and bonuses payments made to those “leaders” who have wreaked havoc on companies and industries, such as American International Group, Inc. and Bank of America. Barnard (1938) recognized that challenges surrounding morality occur when the personal moral codes conflict with the expectations of the organization; these challenges often present an “either, or” proposition. That is, the executive opts to retain personal moral codes and to withdraw or resign from the organization, or he chooses to abandon his personal moral codes in favor of the organizational expectations. More detail on the complexity of the moral codes of a leader is discussed by Novicevic *et al.* (2005) in the context of outcomes such as:

- moral deterioration;
- moral paralysis;
- moral disengagement; and
- moral creativity.

With the exception of moral creativity, each of these moral outcomes carries an implicit degree of dissonance for the leader, dissonance between what a leader perceives as expected versus what the leader personally perceives as morally correct (Novicevic *et al.*, 2005). The dissonance increases when the choice between the desired and personal course of action is dramatically different than the expected public course of action (Novicevic *et al.*, 2005). These are the same type of challenges previously identified by Aristotle’s discussion of virtues in *Nichomachean Ethics* (Aristotle, 1999). Despite the dissonance, a leader who possesses moral creativity is able to engage imaginatively

in creating alternative moral solutions to business challenges and in establishing a moral climate for others (Novicevic *et al.*, 2005). This creativity, according to Barnard (1938, p. 281), “is the highest exemplification of responsibility” because it mandates a connection between the personal and the organizational moralities.

Barnard’s discussions about the moral aspects of leadership closely parallel some of Max Weber’s concerns. Weber believed that authority flowed downward, and he divided authority into categories that were different than Barnard’s. Still, there is some overlap of thought between the two men. Weber identified legitimate, traditional, and charismatic qualities as a basis for legitimate authority (Gazell, 1970). Further, Weber recognized that authority is predicated upon the compliance of the subordinates in the organization, or upward authority; this upward authority parallels Barnard’s ideas about cooperation (Gazell, 1970).

A second area of overlap with Weber is the necessity of moral foundations in capitalism. Barnard’s experience in industry, New Jersey Bell Telephone for example, combined with his experience at the USO, demonstrated his belief in the power of voluntary cooperation and in the significance of non-monetary incentives. Weber, in his examination about the connections of religious groups and capitalism, noticed that there were some groups of people who seemed to be content after achieving a given target of production while other groups of people who possessed a work ethic that perpetually sought more (Novak, 2005). Weber recognized that “the pursuit of wealth, stripped of its religious and ethical meaning, tends to become associated with purely mundane passions, which often actually give it the character of sport” (Weber, 2003).

### **Barnard on balance, authenticity, and trust**

Beyond the interdependencies, leadership competencies, and morality, Barnard assumed that successful executives could balance the competing demands presented within and outside of the organization (Barnard, 1938). Barnard’s balance is achieved through the integration of differences and the avoidance of extremes. This underlying premise is referenced by Wolfe from an unpublished commencement address given by Barnard at the Polytechnic Institute of Brooklyn on June 17, 1936. In that address, Wolfe (1974) specifically discussed the struggle to attain balance, to avoid extremes, and to subordinate individual interests for the good of a larger purpose. Barnard is associated with the idea of balance because he identified the executive as a “lynchpin” between internal and external stakeholders (Lamond, 2005, p. 1278). Barnard’s balance is grounded in the work of Aristotle in his discussion of the particulars of the virtues and vices of character in the Doctrine of the mean from *Nichomachean Ethics* (Aristotle, 1999). In this Doctrine, Aristotle advocates pursuing the mean between extremes.

Barnard also recognized the importance of authentic interaction with stakeholders (Lamond, 2005). Balance and authenticity have also been discussed by two contemporary authors, Bunker and Wakefield, from the Center for Creative Leadership. Both authors see balance between competing dialectics in the market as a pre-condition for building authenticity and trust in leadership, qualities that are apriori to Barnard’s acceptance view of authority and zone of indifference (Bunker and Wakefield, 2005). For example, the current market mandates that many companies make changes or transitions in order to remain competitive. Many leaders mistakenly emphasize only the structural and logistical aspects of organizational change, which encourages compliance but fails to recognize the corresponding emotional and psychological transitions that must occur to secure

commitment from employees (Bunker and Wakefield, 2005). The complexity of such marketplace situations and challenges are not remedied by “best practice” or “quick fix” programs but by thoughtful and “straightforward” authentic leadership (Bunker and Wakefield, 2005). Authenticity is achieved, in part, when leaders pay attention to the structural and emotional aspects of transition within themselves, in order to relate to the communal sense of others (2005). Fostering this communal sense can enhance leadership authenticity and, ultimately, facilitate necessary organizational changes. Authenticity is also improved by understanding the emotional climate of the organization’s employees, understanding the obstacles that prevent employees from making adjustments, and by improving the executives’ learning abilities so that they might benefit more from these experiences (Bunker and Wakefield, 2005). Configuring leadership roles in this new way attempts to balance the needs, strengths, attitudes, and urgencies of the market while simultaneously enhancing authenticity and trust in the emotionally charged environments of today’s organizations.

These contemporary ideas about balance and authenticity can be traced to Barnard’s acceptance view of authority and his “zone of indifference” or, in other words, the zone of acceptability (Barnard, 1938). For example, in the event an employee is asked to do something on the fringe or on the outside of the zone, leader should take great care in crafting such a message not only to avoid an oppositional response but also to encourage cooperation.

Further, Bunker and Wakefield’s discussion of balance between competing demands directly relates to Barnard’s successful leader as someone who balances individual interests and organizational interests which, at times, are in conflict with one another. These individual and organizational interests are otherwise known as personal responsibility and organizational responsibility. Personal responsibility is interpreted to mean the character of the leader, adherence to publicly accepted moralities, and the enactment of such responsibilities (Novicevic *et al.*, 2006). Organizational responsibility references a public expectation or official role, in addition to the popularly supported construction of corporate social responsibility (Novicevic *et al.*, 2006). Personal and organizational responsibilities relate directly to the acceptance view of authority when an individual must simultaneously recognize what is good for the self and good for the group. Executives who are able to negotiate between personal and organizational values are able to engage in moral creativity and to act authentically (Novicevic *et al.*, 2006). Barnard’s characteristics of moral creativity can be attributed to a leader who possesses “(1) transparent honesty/character; (2) moral courage; and (3) experience-informed intuition” (Novicevic *et al.*, 2006). Barnard’s authentic leaders “having a genuine sense of the self, are adaptive to situational and organizational demands, but do not sacrifice personal moral codes. When critical events occur, the authentic leader retains self-confidence and self-esteem” (Novicevic *et al.*, 2006, p. 72). In fact, Barnard notes, during the most serious challenges to creative morality, few can respond objectively unless the response is based on a personal conviction that the decisions being made are for the good of the organization (Barnard, 1938). Enacting moral leadership requires trust. For Barnard, trust develops based on mutual ability, cooperation, communication, and common purpose. Trust is seen as the outcome of authentic leadership behavior in Bunker and Wakefield (2005), as integral to transformational leadership that ignites intellectual interests while caring for the emotional needs of employees (Bass, 1990), as a critical component of the twenty-first century leader identified by Warren Bennis (1999,

1989), and as foundational to servant leadership (Joseph and Winston, 2005). Specifically, servant leadership recognizes trust as being based on:

[...] the level of confidence that one individual has in another's competence and his or her willingness to act in a fair, ethical, and predictable manner. Trust is a multidimensional construct involving interpersonal trust, dyadic trust, organizational trust, political trust, societal trust, peer trust, and trust between superior and subordinates (Joseph and Winston, 2005, pp. 6-7).

Scholar Bennis (1989) explains that "new leaders" must be able to generate and sustain trust with others in an organization. In his discussion, he also mentions that "new leaders" appreciate others and are not intimidated by talent, communicate and remind people of what is important in order to capture a "collective focused energy," and they demonstrate civility toward the followers thereby forging an alliance. These characteristics all enhance the components of trust and authenticity and "cannot be faked." Bennis understands that "new leaders" are those people who are interested in others and that sincerity will translate to trust. This type of trust, enhanced by authenticity and developed on moral foundations, operates in the interest of others. Barnard recognized these qualities and this cycle of reciprocity in his acceptance view of authority and zone of indifference.

### Implications

In conclusion, Chester I. Barnard recognized the significance of the individual amidst the social organization. Hopefully, with Barnard's wisdom, the readers who envision themselves as leaders now or in the future will see guidelines for successful leadership through his acceptance view of authority, zone of indifference, and all of the related characteristics and actions which have at their core, morality, authenticity, self efficacy, and trust. Barnard understood the formal authority conferred by an organization on its leaders, yet he simultaneously understood that authority exercised from the top-down was not enough to maximize efficiency and effectiveness of an organization. Chester Barnard believed that executive authority required technical skills and knowledge, emotional skills such as endurance and persistence, and moral leadership. He realized that leaders who were able to access the general impressions and viewpoints of employees could be more persuasive in constructing communication and in enhancing labor relationships to the benefit of all involved. Barnard knew that top-down management was a myth, something that Bennis (1989) wrote about in his discussion of leadership myths that resonate in popular press and academic writing. Bennis (1989) concisely explains that the most innovative genius will fail if the followers are not willing to cooperate.

Chester Barnard provided the foundation for leadership trust over 80 years ago. Barnard's combination of organizational structure with organizational humanity illustrates the wisdom that he offers leaders and scholars of the twenty-first century. This wisdom is a road map for human partnerships to negotiate successfully the needs of the individual with the demands of the organization and the market. Barnard's philosophical beliefs are an illustration of theory in practice that offers a pivotal place from which to engage and respond to the challenges seen in the current business climate.

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