

Barnard's Regret:

Zones of Accountability and the Limits of Authority

Authors

Melvin J. Dubnick, Professor
Department of Political Science
University of New Hampshire

Melvin J. Dubnick teaches at the University of New Hampshire where is a professor of political science. He writes extensively on accountability and ethics, and has co-authored or co-edited volumes on accountable governance, public administration, regulatory policy, policy analysis and American government. He is a member of the National Academy of Public Administration, a former managing editor of *Public Administration Review* and professor emeritus at Rutgers University-Newark.

Jonathan B. Justice, Associate Professor
School of Public Policy and Administration
University of Delaware

Jonathan B. Justice is an associate professor in the University of Delaware's School of Public Policy and Administration. His academic areas of specialization include public budgeting and financial management, public-sector accountability and decision making, fiscal transparency and participatory budgeting, and local economic development.

Manuscript revised and resubmitted to *Public Integrity*, July 2012. Accepted November 2012

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Melvin J. Dubnick & Jonathan B. Justice

Abstract

Nearly two decades after publication of his seminal work, The Functions of the Executive, Chester Barnard had the insight that moral responsibility and accountability might be a more powerful principle for guiding individual actions within organizations than the executive authority he emphasized in his earlier work. This article begins the work of elaborating one direction in which Barnard might have developed his insight, by adopting ethical acceptance rather than self-interested indifference as the metaphor describing members' willingness to act in accordance with organizational needs rather than purely individual preferences. The alternative metaphor opens up opportunities for understanding how organizations structure their members' ethical commitments and suggests that leaders and managers can enhance organizational behavior and performance by working systematically to recognize, understand and (re)design organizational spaces of accountability and discretion.

Barnard's Regret:

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By all indications, Chester I. Barnard lived a charmed life in business, public service and scholarship. Many note his efforts and achievements in all three arenas as “exemplary”, and his legacy in the field of organizational studies was well established by the mid-1950s. [Note 1] Although his writing on organizations can best be labeled “sectorally generic,” his influence in the study of public administration has been notable if not (in many respects) defining (see Stewart 1989). Nevertheless, in his final years he did express some regret in terms of his academic work: that his preoccupation with questions of authority in modern organizations, as articulated in his landmark *Functions of the Executive* (1938; hereafter cited as *Functions*), diverted attention from an equally important topic: responsibility (Barnard 1958). In this paper we attempt to pick up where Barnard left off, by suggesting one way in which Barnard might have begun to develop that wistful insight into a refinement of his concept of organizations and their leadership, if he had been given the opportunity.

In the next section we articulate what we understand to be Barnard's regret and its implications, based largely on his insightful but rarely cited 1958 article. This is followed by an elaboration of the significance of Barnard's "zone of indifference" metaphor. Reframing that indifference metaphor by using Herbert Simon's (1947/1997) "area of acceptance" language opens up conceptual and practical opportunities for understanding organizational designs as embodying spaces for the exercise of ethical as well as technical judgment – zones of accountability – as well as lines of explicit formal authority. We then offer a framework that illustrates one application of this shift in perspective, demonstrating how the nature and scope of

organizational grants of discretion is shaped by the perceived likelihood and severity of inappropriate choices by individual members.

While there is considerable work still to be done if Barnard's regret is to be dealt with effectively in organizational theory and practice, this essay highlights for scholars and practitioners the importance and complexity of specifically organizational morality in Barnard's (implicit) understanding of organization and begins to sketch some of the implications for research and practice. In the process we introduce the concept of accountability spaces as a potentially useful tool for organizing and making explicit managerial understandings of how the design of various organizational contexts can shape the moral as well as technical performance of organizations and individuals within them.

Barnard's Regret

In my opinion, the great weakness of my book is that it doesn't deal adequately with the question of responsibility and its delegation. The emphasis is too much on authority, which is the subordinate subject. Now, all the teaching in business circles, and most of them in military and academic circles, is wrong from my standpoint. The emphasis is put on authority which, to me now, is a secondary derivative set up. (cited in Wolf 1995, 100)

The reference to "my book," of course, is to The Functions of the Executive, the product of a series of eight 1937 lectures which were converted to publishable form and released in 1938 by Harvard University Press. The quoted comment is from exchanges he had with William Wolf (1995) just two months before his death in 1961.

Between 1938 and 1947, Barnard actively engaged in writing that extended the various themes and ideas struck in *Functions*, and these were eventually published as a collection of

“selected papers” in *Organization and Management* in 1948, just a year after Harvard University Press issued a 10th anniversary printing of *Functions*. With one very relevant and notable exception detailed below, Barnard published little after that, but Wolf notes that in 1949 he did provide an outline for a proposed new work on “Organized Behavior and Processes of Decision.”[Note 2] Barnard’s original outline for the volume involved 15 chapters. After reflection, Wolf states, Barnard added a 16th—one that focused on “Responsibility”. Unlike the coverage of that subject in *Functions*, the title was not qualified by the term “Executive.” It is clear that Barnard had started to rethink the focus on authoritative relationships in his now widely cited work.

The proposed volume did not materialize, and the one exception to Barnard’s post-1947 lack of scholarly writing is noteworthy for the present effort. The 1958 article emerged from a lecture that was eventually offered as the lead article in the inaugural issue of the *California Management Review*. Rarely cited by his critics, that article, “Elementary Conditions of Business Morals,” contains the explicit expression of what can be termed “Barnard’s Regret.”

In “Elementary Conditions of Business Morals,” Barnard set forth his immediate project as “empirical” rather than theoretical, theological, philosophical or sociological. “What follows,” he noted, “is the result of reflection upon long personal experience in a wide variety of organizations—business, governmental, and philanthropic—with extensive opportunity for observation...” (Barnard 1958, 1). He then provided an intellectual autobiography of sorts to explain what brought him to the specific subject of business morals and his current (modified) views on organizations. He began by expressing what he had attempted to accomplish in *Functions*: “I was merely trying to describe or state the nature of the essential tool or apparatus

with, through, or by which executives have to work, as an indispensable introduction to the discussion of the practice of management and the problems of leadership” (Barnard 1958, 2).

Whatever his initial intent, Barnard noted that he accomplished with *Functions* more than even he had expected. He highlighted “two leading ideas” generated by the 1938 volume related to business morality, “although I was not aware of this until after publication.” The first idea was that formal organizations are social systems, each constituting “something much broader than a bare economic or political instrumentality or the fictional legal entity implicit in corporation law” (Barnard, 1958, 2). This perspective constitutes a widely acknowledged contribution of *Functions*, and is a key reason that the work’s publication is often cited as a watershed event in the development of organization theory. Less widely acknowledged was the other post-*Functions* revelation.

The second idea is that to a large extent management decisions are concerned with moral issues. Undoubtedly long before recognizing this I had had numerous experiences exemplifying it; but I had never distinguished between decisions of a technical or technological character, subject to factual and reasoned conclusions, and those involving a less tangible sensing of values. But this idea of moralities in organizations was one of issues arising within organizations, with little or no reference to prevalent moral conceptions in the great societies within which these formal organizations exist, nor did it take into account the obligations of incorporated organizations as legal entities. (Barnard 1958, 2)

In this insight -- one that Barnard characterizes in epiphanic terms as a “startling conception” (Barnard 1958, 2) -- Barnard holds that organizational moralities are distinctive creations of the social systems of which they are part. More to the point, rather than viewing

business morality as simply a reflection of some more general morality or the personal codes of individuals, he sees them as manifestations of the social dynamics within which they emerge and are nurtured. If this was the case, the significance of general standards of social morality and personal ethics to the organization was indirect at best, perhaps even irrelevant or dysfunctional in an organizational setting. Using social or personal conceptions of right and wrong as the analytic measure of business morality would not be appropriate. “Rather, business morality relates to ‘good of the organization,’ interests of society,’ and ‘prescriptions of law’” as they relate to the organization itself (Barnard 1958, 4).

This discussion of morality and responsibility differs in significant ways from Barnard’s treatment of “Executive Responsibility” near the end of *Functions*. There, having already put so much stress on the role of authority in managing organizations, Barnard focused almost exclusively on the competing moral codes facing those in leadership positions. It was their morality and special “sense of responsibility” that mattered most. This was explicitly evident in his view that the “creation of moral codes for others” (Barnard 1938, 279) and the “maintenance of morale” (231) (that is, the moral sense of those engage in organizational activities) were to be regarded as core functions of Barnard’s executives. He detailed these as a “process of inculcating points of view, fundamental attitudes, loyalties to the organization or cooperative system, and to the system of objective authority, that will result in subordinating individual interest and the minor dictates of personal codes to the good of the cooperative whole...” (Barnard 1938, 279).

There can be little doubt that Barnard assumed and maintained an instrumentalist perspective on morality (Feldman 2002, ch. 2), both in *Functions* and “Elementary Conditions”. Over the years he did not alter his underlying assumption that the organizational endeavor is critical to our civilization: “the dependability with which the burden of specialized activities is

carried on, and the dependability which we ascribe to those who do the carrying on, is the most essential aspect of modern civilization” (Barnard 1958, 13). But if that endeavor is to succeed it must rein in and/or subordinate the bothersome morality factors that might interfere with those activities. In *Functions*, Barnard leaves this task to the executives, and does so in a way that has resulted in charges of elitism and authoritarian predispositions. He portrayed executives as individuals who possess a higher sense of responsibility, and therefore are in a position to understand and instill in others what moral standards are appropriate and necessary for the cooperative functions that need to be carried out – and which are not.

Two decades later, however, he backed away from the reliance on executive authority to deal with the challenges posed by the increasingly complex moral milieu generated *within* modern organizations.

[The moral problem] takes on increasing importance with respect to one of the crucial problems of our times: how to secure the essential degree of coordination of a vast system of activities while securing the degree of decentralization and autonomy essential to initiative and, indeed, to responsible behavior. It is almost obvious that those who are not capable of dependable behavior cannot be entrusted with the making of local decisions. Yet, if this cannot be done the burden placed upon centralized authority for securing appropriate behavior over vast areas is in fact an impossible one.

Modern management, in the form of executive authority, has its limits in contending with the moral problems inherent to modern organizations. To assert such authority invites failure, for it alters the fact that the moral underpinnings of cooperation must be “freely accepted” in order to assure some degree of success.

The span of control is so limited that despite methods of specialized training and the

inculcation of the appropriate points of view authority could not sufficiently operate if it were not for the development, whether inculcated or spontaneous, of the moral sense to which we broadly give the name "sense of responsibility." *Responsibility cannot be arbitrarily delegated and, therefore, a high degree of effective autonomous behavior cannot be secured except as responsibility is freely accepted.* When so accepted the possibility of effective autonomous behavior is realized. (Barnard 1958, 13; emphasis added)

That statement highlights the distinctive nature of Barnard's view of responsibility. Barnard treated responsibility as the "power of a particular private code of morals to control the conduct of the individual in the presence of strong contrary desires or impulses," (Barnard 1938, 263) and held that "*responsibility is the property of an individual by which whatever morality exists in him becomes effective in conduct*" (267; emphasis in original). In contrast, Harvard's Carl Friedrich (writing shortly after Barnard's presentation at Harvard) and others perceived responsibility in administrative and contractual terms, as a social relationship involving "some agreement between such a responsible agent and his principal concerning the action in hand or at least the end to be achieved" (Friedrich 1940, 114-115). For Barnard, responsibility was a sentient "property" of being human,[Note 3] while for those who followed in the Friedrich tradition it was manifest in "role" expectations one assumes within an institutional context (e.g., Cooper 2012). In *Functions*, Barnard attempted to fit his conception of responsibility into the conventional administrative frame by relying on an empowered and right thinking (at least as far as the organization was concerned) executive, but he eventually (at least by 1958) regarded this approach as fundamentally flawed.

For the regretful Barnard, it is not executive authority but responsibilities related to organizational morality that must address the core problems of cooperative action among members of an organization. This is nothing short of a radical reconfiguration of the *Functions* argument, and Barnard is aware of that as he delivers his lecture. Organizational morality takes shape in concrete situations, and should not be treated as merely the same as externally derived abstractions that can be controlled and applied to practical behavior; it involves standards that emerge from within the social relationships that constitute the organized endeavor, and must be treated as such. The very morality that develops as a result of cooperative work – and the “sense of responsibility” for that organizationally conceived morality developed among the workers – is not easily subjected to the same treatment as religious or social or personal moral codes brought to (or imposed upon) the organization from outside. There may still be a role for executive functions that attempt to reshape or preclude the influence of external moral factors, but this role for authority is of "secondary" importance to the more challenging and critical task of dealing with an organization's internally derived morality.[Note 4]

Dealing with that task has proven to be difficult. One obstacle, according to Barnard, was that the task itself was often invisible, hidden from plain view by the language applied to organizational life. The conceptual problem faced by those seeking to assume a more “practical” view of organizational morality is thus exacerbated by the reluctance to apply “moral terms” to organizational contexts:

[M]oral terms are not much admitted in business or public affairs. The terms most used are "loyalty," "responsibility," "duties," and "obligations." Though such terms are ambiguous (*e.g.*, "responsibility" is often used to mean "legal liability" where no moral question may be involved) they are in fact loaded with moral implications. These being

the terms currently used, I shall from here on largely use them instead of "moral" or "morality" as being more convenient and as lending themselves perhaps to more easily intelligible discussion. (Barnard 1958, 5)

Here, again, there is a significant break with *Functions*, where Barnard had given “responsibility” (and the executive’s “sense of responsibility”) special status as a moral virtue in its own right – as a moral standard of a higher order that effectively distinguishes and defines the authority of those in executive positions throughout the organization. In “Elementary Conditions”, however, it is put on equal footing with other characteristics of the organizational moral order, e.g., loyalty, duty, obligation, commitment. Responsibility becomes the synonymic “key word” that forms an umbrella over all those aspects of the organization’s moral order that emerge as essential byproducts of consciously designed cooperative endeavors.

A second obstacle is the pervasiveness of moral dilemmas in organizational life. These include not just conflicts between organizational and external norms, but conflicts between fundamental ethical imperatives constructed within the organization itself. “Many of the moral collapses of individuals in active affairs result from their being placed in positions involving moral dilemmas which they have insufficient ability to resolve by invention and construction” (Barnard 1958, 12). Table 1 summarizes the various forms taken by an organizational moral order as described by Barnard in 1958. In one sense, this list (for which he made no claims of comprehensiveness) is no different from a list of “types or responsibilities” that might arise within any social system, formal or informal, focused on survival or on cooperation, traditional or modern. What makes this list special is that, in the context of a formalized attempt to create and sustain a cooperative endeavor (i.e., the modern organization), the inherently conflictual nature of these responsibilities poses a core challenge that must be confronted to avoid failure.

Table 1: Barnard's "Moral Responsibilities" in Organizations		
Type of Responsibility	From Barnard 1958:	Implied:
Personal	"...avoidance of criminal acts, gross and public immoralities and in particular stealing and lying; a willingness to recognize the interests of others to the extent of ordinary courtesy; and, finally, a willingness to discharge commitments, that is, to perform duties accepted, to honor promises" (5-6)	Individual morality
Representative	"By "representative" is here meant "on behalf of other," that is, not by the actor personally, but "in accordance with the aims or goals or by the methods determined by others." (6)	Agential morality
Personnel	"This relationship involves loyalties to individuals <i>acting in their official capacities</i> . Loyalty in this context means recognition of the responsibilities of others and the desire to support others in the discharge of those responsibilities, often by means thought to be erroneous and contrary to self-interest." (6)	Loyalty to other agents.
Corporate	"The imputation of moral responsibility [of the corporate entity]... can be realized only in the concrete action of trustees, officers, and employees. The moral decisions they must make, however, are not of the order of personal morality, nor of official organizational morality, but of a fictitious entity where responsibility and obligations are in many respects outside the possibility of relevance either to individual or to organizational morality." (7)	Fiduciary obligation
Organizational	"Many individuals feel an obligation to what they conceive to be an entity—an organization—that transcends personal interest or advantage." (8)	Loyalty to collective
Economic	"It has many forms from the simple conviction that one should discharge obligations with respect to debts to a moral horror of waste or of inefficiency." (8)	Commitment to values of economic efficiency
Technical/ Technological	"...the adherence to high standards of performance is a common characteristic of many kinds of technical and technological work, including the management of human' relations in cooperative enterprises." (9)	Commitment to professional standards.
Legal	"By this I mean much more than a propensity to conform to statutes, court decisions, regulatory rules. I include also the rules of internal and private character that are important aspects of the operations of formal organizations." (9)	Conformity to rules and mandated processes.

What Barnard realized late in life is that his initial (over)reliance on executive authority to meet the challenge of bridging or integrating these dilemmas within the organization's moral order was insufficient and perhaps made matters even worse. In short, the very capacity to deal with such conflicts can determine the effectiveness and success of organized endeavors. In lieu of the executive authority solution to dealing with the inevitable clash of responsibilities, Barnard briefly suggested at least three "methods" for resolving the conflict (Barnard 1958, 12):

- judicial, “essentially ... the process of narrowing and delimiting the areas of responsibilities, thus restricting the incidence of conflict”;
- reconciliation, “the process of demonstrating that apparent or alleged conflicts of responsibility are pseudo-conflicts based on false assumptions or ignorance of the facts” (effectively reframing the problem); and
- the “invention of concrete solutions” by “discover[ing] or construct[ing] another proposal which will effectively accomplish the ends initially desired without involving the deleterious effects to be avoided”.

What is most interesting about these alternatives to executive authority is that, rather than replace it, they actually shift the solution to the organization’s “moral problems” into arenas that merely transform -- rather than reduce -- the reliance on executive authority. The resolution of moral conflicts becomes a matter of imposing a legal order (judicial), a bargaining regime (reconciliation), or a techno-structural process (invention) on the organization. [Note 5]

None of these solutions addresses the possibility that the resolution of conflicting moral responsibilities can be built into the design of organizations and their management. In the concluding section of “Elementary Conditions” Barnard highlighted the significance and implications of his reanalysis of his previous work, and reasserted the problematic that was (and remains) central to the executive function within organizations. In a society that is increasingly dependent on complex organizations, it is not enough to focus on the scientific and technical challenges we face. We must also deal with the issues raised by the conflictual nature of these moral responsibilities. Moreover, this is not a problem resolved merely or even primarily through the exercise of authority, but through other means that, Barnard admits, requires further consideration.

It must occur to anyone who considers this subject that we are in a state of considerable ignorance. It simply is not known to any wide degree what are the number and the character of the moral problems that are faced by those who do the world's work. It is here, I think, that the universities in the future will have a great opportunity, for I doubt if those within our organizations can be sufficiently adept and objective to give appropriate study to the nature of the moral problems which they face"(Barnard 1958, 13)

It is the failure to address that problem in *Functions* that constitutes Barnard's Regret. In the end, however, his reflections on that regret leave open the question of how to deal with the moral problematics of modern organizations. The question addressed in the remainder of this essay is how he might have done so given the conceptual tools he authored (especially the "zone of indifference") and the themes he had developed in those final years.

Bringing Expectations and Accountability into Play

The argument offered in this section is that in time Barnard would have built upon the work of complementary thinkers such as Mary Parker Follett (whose major works precede *Functions*) and Herbert Simon (whose writings follow and explicitly build upon *Functions*) to take an even further step beyond Tayloristic models of scientific management than he already had in the Harvard lectures. In particular, Barnard might have extended his conception of organizations and motivation in ways that would expressly put administrative accountability – understood as a contextually specific instance of a broader phenomenon of human motivation – at the center of the cooperative dynamics of the organization in lieu of the primacy previously given in *Functions* to authority. This includes a reconceptualization of his "zone of indifference" that

Barnard might have found appropriate for his more “practical” approach to managing complex, cooperative social systems.

Barnard recognized that very few if any organizational tasks and roles could be structured in ways that eliminate every form of individual discretion. In fact, along with Follett and Simon, Barnard viewed one of the fundamental challenges of leadership and management to be how one shapes individual discretion within organizations in ways that elicit high-quality performance toward organizational goals (i.e., cooperation) without requiring excessive investments in managerial surveillance and direction. This can include not just what behavior to choose when more than one alternative is available, but also whether and to what extent individuals choose to invest "ingenuity and energy" in their work over and above meeting the requirements imposed on them by formal authority (Blau & Scott 1962, 140). Williamson, Wachter, and Harris (1975) termed this application of initiative and ingenuity "consummate" as opposed to "perfunctory" cooperation.

In other words, there is a distinct difference between merely doing as we are told and more affirmatively doing all that we can appropriately do. In *Functions*, Barnard put this problem in terms of the cultivation of “personal services” -- a core executive function that depends on the exercise of authority.

The second function [of the executive]...is to promote the securing of the personal services that constitute the material of organizations. The work divides into two main divisions: (I) the bringing of persons into co-operative relationship with the organization; (II) the eliciting of the services after such persons have been brought into the relationship. (Barnard 1938, 227)

To perform this function, the executive would focus on "the maintenance of morale, the maintenance of the scheme of inducements, the maintenance of schemes of deterrents, supervision and control, inspection, education and training" (231). These are burdens of the Barnardian executive in *Functions*, and each requires not merely various efforts at "maintenance," but the appropriate design of those relationships that were to be maintained. For Barnard, insightful and observant manager that he was, organizations were structures that shape human behavior and choices, and the authoritative tasks of the manager/executive are not merely to engage in directive activities, but also to design activities and organizational contexts, and the experiences members have of those activities and contexts. Both the directive and design functions of the executive, however, were limited by the natural social spaces within which humans interact.

At this point it is worth noting that among Barnard's significant talents as theorist of "practice" was his use of analogies drawn from other arenas to articulate alternatives to the more mechanistic analogies of the popular Taylorist views of the day. His work draws heavily and extensively from contemporary work in sociology, social psychology and cultural anthropology, with the use of the "social system" analogy being the most obvious example. Nor is he reluctant to borrow from less cognate disciplines (Barnard 1938, 75-76, note 7):

An organization is a field of personal "forces," just as an electromagnetic field is a field of electric or magnetic forces. The evidence of the effects, in both cases, is all that can be used to describe or define these forces; and the dimensions within which those evidences occur are said to define the field of those forces....

[P]ersons are the objective sources of the organization forces which occupy the organizational field. These forces derive from energies that are found only in persons.

They become organization forces only when certain conditions obtain in the field and are evidenced only by certain phenomena such as words and other action, or are inferred by concrete results imputed to such action. But neither the persons nor the objective results are themselves the organization. If they are treated as if they were, inconsistencies and inadequacies of explanation of phenomena ensue.

Among the most widely cited of Barnard's analogic frames (and the one of greatest interest for the present paper) was the "zone of indifference," a concept Barnard articulated using language borrowed from what were then still relatively recent developments in micro-economic theory by Francis Edgeworth and Vilfredo Pareto (see Moscati 2007, for a historical account). The central relevant notion is that an indifference curve encompasses an array of choices (differing bundles or combinations of goods that result from trading off one good against another within an overall budget) among which the consumer is literally indifferent. Along any single indifference curve, the consumer is equally pleased by any of the quite different scenarios of consumption presented along the curve – typically presumed to include extreme imbalances among the goods in the various bundles as well as bundles that have more balanced proportions of the goods in them. In other words, the choices can be starkly, qualitatively different, and yet the consumer could not care less which of them she takes.

In this sense, then, a zone of indifference may be understood to define a set of behaviors among which an actor is literally indifferent. Accordingly, Barnard noted that instructions that fall within the zone of indifference would be "unquestionably acceptable" (Barnard 1938, 169): whichever behavior management or colleagues ask an organizational member to choose will be no more or less preferred by her than any of the other choices within that zone. Thus, she might happily suspend her own will and moral judgment, and enact whatever is urged on her by

organizational authority. Choice within the zone, if not precisely directed by the organization, might then be highly unpredictable, even arbitrary, since the actor literally will not care which of the choices she adopts.

Going beyond the economic roots of the zone of indifference, Barnard's use of the "zone" imagery – as well as his use of "energy forces" – implies a fascination with the role of spatiality in human relationships. The zone is a social arena within which preferences, choices, options, values and actions interact, and it is likely to emerge whenever and wherever humans engage in a cooperative endeavor involving some form of directed purpose or objective. Of course, what interests Barnard is the explicit and consciously pursued cooperative endeavor, but his frequent citation of the work of social anthropologists and social psychologists is a clear indication that he well understood the "naturalistic" nature of social relationships underlying the zone of indifference.

This would eventually pose something of a conundrum for Barnard, for by adapting the logic of indifference from economics, he seemed to be effectively precluding the role of morality in organizations. The economic notion of preferences is fundamentally an amoral one. It emphasizes personal satisfaction rather than moral commitment or collective goals as its central concern – a point consistent with the idea of organizations as constituting economies of self-interested responses to incentives in the narrowest sense. That said, it should be noted that even in *Functions*, Barnard cannot fairly be portrayed as neglecting entirely the relevance to individual and organizational choice of normative commitments other than self interest, and the fact that he tasked executives with the need to engage in moral "inculcating" reflects his understanding that morality (in the form of "morale") could hardly be ignored.

Consistent with their shared interest in the way in which organizations and their leaders shape individual members' decisions (through interactions with those members' factual knowledge, values, and abilities), Simon (1947/1997) adapted Barnard's concept and used the language of an area of *acceptance* to describe the set of actions an employee will willingly and competently perform within a specific context. The language of acceptance is actually probably truer to Barnard's original conception, and unquestionably closer to his final articulation of business morals in "Elementary Considerations," in that it does not imply literal indifference among alternative preferences. Rather, it can be understood as encompassing a range of actions which may well differ in terms of how an actor feels about them, even though all are sufficiently acceptable (or at least are not so repugnant) that the actor will undertake whichever of them she is asked to perform, albeit not necessarily unquestioningly.

Importantly, the language of acceptance applied by Simon does not imply abandonment of individual preference among alternatives, only that the actor is prepared to accept authoritative or peer direction to act in ways that that may or may not coincide completely with individual preferences or any of the host of other categories of business morals articulated by Barnard in "Elementary Consideration". Furthermore, this later language and conception, free from the usages of neoclassical economics, is more explicitly amenable to incorporating a full range of human values and motivations, including those that are fundamentally other-oriented (i.e., accountable) as well as those that are grounded in personal satisfaction. This allows us to see the significance to individual administrative choice and behavior of organizational cultures, moral leadership, and other influences beyond just the expression of authority and the allocation of rewards and sanctions. Indeed, the metaphor of acceptance points to the operation of moral

responsibility *and accountability* as key motivators of action within organizations in ways that the indifference metaphor does not. [Note 6]

At this juncture, it is necessary to raise the issue of accountability – or at least how to conceptualize that now iconic term (Dubnick 2002). As the word is used here, accountability describes a social process by means of which individual actors are motivated to act in whole or in part with reference to the potential reactions of others to their conduct. This process includes a variety of component mechanisms including the communication of expectations by others, through organizational mandates and/or or through cultural norms and moral values; mechanisms through which others obtain and evaluate formal and informal accounts of conduct (e.g., direct interaction, observation, formal reporting); and formal (organizational or legal sanctions and rewards) as well as informal (expressions of indignation, resentment, or approbation) reactions. Accountable behavior then is individual action, in the sense that it is chosen and subjectively meaningful behavior, which is selected at least in part because the actor is concerned with how that action will be observed and evaluated through some one or more of formalized procedures and less formal social interactions, moral sentiments (Smith, 1759/1976; Wallace, 1994), and reactive attitudes (Strawson, 1962). Thus accountability shapes both action that is primarily self-interested, insofar as the actor is concerned with others' expectations and anticipated responses, and action that stems mainly from underlying motivations other than calculated personal benefit.

Viewed in this way, accountability can add a critical dimension to the zone of indifference/area of acceptance. While the creation of indifference relies on individual preferences, and acceptance on shared values and norms, *accountability is rooted in the interaction and interplay of expectations (broadly defined) between and among those engaged in the cooperative endeavor*. Derived from a variety of sources (Dubnick and Romzek, 1993), these

expectations inform individuals as to what will be perceived to be acceptable and/or appropriate behavior within given social action contexts.

Applying the logic of accountability, the determination of “acceptability” and “appropriateness” can be regarded as the result of a triangulation of three distinct perspectives: that of the self-interested individual; that of the perceived expectations of organizational “other(s)” (e.g., management; co-workers; citizens; clients) engaged in the relationship; and the extra-organizational moral pressures so central to Barnard’s reflections in “Elementary Considerations”. As Feldman (2002) noted, much of organization and management theory rooted in *Functions* is based on a dichotomous logic that pits the individual against the collective, thus reducing morality (usually regarded as an external interference) to something that must be eliminated or (as is the case with the view in *Functions*) “managed.” By 1958, Barnard was essentially seeking a means for integrating the moral factor (and all its associated problems) into the organizational calculus. One way to accomplish that objective is by providing a more central place for accountability accomplishes Barnard’s objective. The zone of indifference/acceptance can be re-conceptualized as a zone of expectations that encompasses the logic of accountability.

There is much to be gained by expanding Barnard’s zone of indifference and Simon’s area of acceptance to encompass expectations and accountability. At minimum, it breaks through that dichotomous logic of individual-organization conflicts inherent in the indifference/acceptance schemes by injecting a moral factor into the zone. Moreover, it provides an opportunity to approach the zone as a design (as opposed to strictly a management) problem involving the development of alternative “accountability spaces” in which the expectations for responsible cooperative behavior can be satisfied with minimal risk to the internal morality that makes cooperation in complex organizations possible.

Dealing with Barnard's Regret

Given the inevitability of discretion at every level and in virtually every activity of an organization, and its material significance to organizational efficiency and effectiveness (as well as to members' satisfaction and material rewards), a key responsibility of leadership in Barnard's earlier work was to facilitate wise, mission-appropriate exercise of discretion. The emphasis he placed on the primacy of authority was central to Barnard's Regret and reflected his recognition that he had not adequately articulated the way in which an organization's leaders bear responsibility, in effect, not for "holding people accountable" in a highly directive and sanction-driven fashion by relying on their indifference among choices, but rather for constructing spaces of social interaction within which people can act in a genuinely accountable (responsible) fashion.

It can only be speculated as to what Barnard might have accepted as a credible resolution of his Regret, but it probably would have involved an approach grounded on the practice of administration. From the lectures that led to *Functions* onward, Barnard was expressly and consistently engaged in giving theoretical and conceptual shape to the world of "practice." He was neither scientist nor philosopher (despite the fact that he was once called the "philosopher king" of management theorists) – nor did he aspire to such, even though he was supportive of Simon's "administrative science" agenda. For him, what knowledge he could impart was based on experience. The high regard with which he held the wisdom gained through practical experience no doubt spilled over into his views about the degree of discretion any individual should be allowed in organizational endeavors. Thus, it is not discretion per se that needs to be

given freer rein in organizations, but rather discretion tied to that “sense of responsibility” that comes from the practical experience of engaging in cooperative actions.

Indeed, when Barnard writes about the centrality of "thousands of moral dilemmas" (Barnard 1958, 10), "moral achievement" in "concrete conditions" (4), and "responsible behavior" (13) to both self-aware membership in large and complex organizations and the efficiency and effectiveness of those organizations, his point seems strikingly similar to contemporary urgings that organizational leaders and social institutions in general inculcate the core Aristotelian virtue of practical wisdom (*phronesis*). Aristotle (1962, 6.5, 6.7, and translator's glossary of technical terms) distinguished this fundamentally moral form of competence from *sophia*, technical or theoretical competence (for some recent applications of the concept to public administration, see Kane & Patapan 2006; Molina & Spicer 2004). While Barnard concluded by calling for empirical research to address a "state of considerable ignorance" (Barnard 1958, 13), he might well have agreed with the assertion that one of the most important functions of the executive is "to encourage the use of practical wisdom rather than inhibiting it" (Schwartz & Sharpe, 2006, 377).

Encouraging that practical wisdom which is relevant to the success of the cooperative endeavor – i.e., helping members to develop their skills for practical reasoning and systematically providing organizational “spaces” within which those skills may be appropriately employed -- should provide the central logical assumption of efforts to design a zone of expectations based on accountability spaces.

For our purposes, there are two factors that differentiate among alternative expectation zones: (1) the specificity of the task involved (from low to high) and (2) the level of autonomy (trust) required by the actor involved (low to high) (see Figure 1).

Figure 1: Zones of Expectations		
Level of autonomy for actor (trust)	Perceived need for directed action (control):	
	Low	High
High	Constitutive zone	Managerial zone
Low	Regulatory zone	Performative zone

The *performative expectation zone* is most relevant to those situations involving little or no room for errors that might prove costly or even catastrophic for the cooperative endeavor. Here, even though the likelihood of failure might in fact be low, there is perceived to be little or no room for excuse making and post hoc explanations, for if the error occurs it might be too late. Under normal conditions, the task to be carried out is deliberately made very specific, and the degree of discretion allowed the actor is extremely low. Unless the required act is performed as required, the entire organized process comes to a halt or potentially implodes. Discretionary action would mean failure, and the consequences might prove catastrophic.

For example, high reliability organizations (HROs) such as those designed for the day-to-day operation of nuclear power plants, often require mundane tasks that must be performed to assure that safe and secure operation of the facility. Acknowledging the status of a warning device by pressing a reset button every hour or so might seem inconsequential when done by a well-paid, highly knowledgeable engineer sitting at some control board, but the performative expectation can prove critical for the entire enterprise. The relevance of that individual's practical wisdom ought to be minimal under normal conditions. Those monitoring the day-to-day, hour-to-hour operations of the power plant may have been on the job for decades or even hold

doctorates in nuclear physics, but the degree of discretion as to whether or not to flip particular switch at a designated time in order to confirm the safe status of the unit is likely to be zero, absent special conditions or knowledge on the employee's part that require her to consider diverging from routine. Here the zone of expectation is very structured and specific, and as noted the space for offering excuses or explanation for error (the accountability space) is severely limited. Yet, truly "consummate cooperation" in these cases will also involve recognizing when abnormal conditions – an approaching tsunami, perhaps – require violation of standard procedures, even to the point of apparent disobedience regarding ends as well as means.

At the other extreme in terms of normal task specificity is the *constitutive zone of expectations*, so labeled because it involves little more than establishing (constituting) the setting within which the actor is expected to exercise a high degree of discretion in applying her technical expertise and practical wisdom. This involves organizational tasks that rely on substantial knowledge and perhaps years of experience – the kind of tasks where the actor is rendered less effective if overly constrained. The expectation is that she or he will use the practical wisdom gained over the years, and there is considerable room in the accountability space for excuses and explanations that might amount to nothing more than “better safe than sorry.” A “ship’s captain” metaphor is often used in the corporate world to justify the demands of some CEOs that (in order to maximize shareholder value) they be free of any of the formal limits and checks that might be imposed by a board of directors. But even without explicitly pushing their demands for an expansive degree of discretion, corporate cultures often fall into this constitutive zone. That cultural theme and the growing tendency to view “leadership” as critical has had its impact as well in the public and nonprofit sectors where, despite formal

systems of checks and balances, there is a tendency to defer to the decisions of a single actor or set of actors as a means for achieving organizational goals.

Perhaps more relevant to typical organizational operations and members are the two spaces where the consequences of failure are perceived to be much lower. In one, the *managerial zone of expectations*, reliance on the practical wisdom of workers is significant and task specificity low, but the level of discretion is limited to the area of means, not ends. Here is the zone of expectations where stress is placed on supervision and oversight to assure that the actions taken by those with discretion are in line with the purposes and objectives of the organization. Here the accountability space is designed by management to direct the energies and practical wisdom of targeted actors toward a specific end or goal. Modest amounts of discretion are appropriate, and the nature and consequences of members' roles and tasks require neither highly precise behavioral prescription nor empowering members to consider disobedience under extreme conditions.

The clearest example today is the reliance on high stakes performance measurement in American school systems under the pressures imposed by the federal government's No Child Left Behind policy. In response, K-12 teachers, long regarded as a competent (albeit under-compensated) professional class, are being subjected to demands through a managerial cadre (i.e., school administrators) that their actions as educators produce higher student scores. It is the zone where the observations derived from the perspective in Barnard's *Functions* are most relevant, and where executive authority is assumed to prove critical.

Finally, there is the zone where the need for control over the actions of workers is perceived to be low, but the level of trust remains low and there is some anxiety about granting too much autonomy. This is the *regulative zone* in which mechanisms are put in place to assure

and reinforce the competence of the organization's workers, but where in practice oversight is intermittent at best, and perhaps even ritualized to enhance the worker's sense of responsibility. The accountability space in this zone can have considerable breadth and depth, but it is ultimately limited by boundaries designed to render some actions inexcusable or "unprofessional."

The classic case study here is Herbert Kaufman's *The Forest Ranger*, a work that described in detail the establishment and maintenance of an organization culture that succeeded as a cooperative endeavor despite the wide spatial and temporal separation of agents (the Rangers) from the central office in Washington. Kaufman stresses that much of the success of the US Forest Service has depended on the professionalism and local competencies of the Rangers, but that their competency itself is tied closely to a highly developed regulative system based on an elaborate set of policies and procedures that cover everything from recruitment to record keeping to inspections and constant reinforcement of the Service's moral code – to the point of "brainwashing". In a very real sense, the Forest Service made the exercise of authoritative management unnecessary while nurturing a practical wisdom that embodied the agency's core moral principles.

Conclusion

Beyond the objective of dealing with Barnard's Regret, this paper represents an effort to revitalize the "zonal" constructs of Barnard and Simon that played such a critical role in the development of both organizational and management theory. It also provides an analytic frame for including the ambiguous, overused and frequently misused concept of accountability in the study of organizations. The two efforts intersect in the proposition that one important function of the executive is to design multiple social spaces of accountability within an organization in ways

that will appropriately exploit (or accommodate) the near universal tendency of people to act in anticipation of others' responses, enhance its members' skills of practical reasoning, and at the same time systematically work to recognize which task settings require particular shapes of accountability.

As Barnard's expression of regret itself suggests, this is probably something that adept executive leaders and managers already do, whether consciously or not. An implication for practitioners is that careful observation of emergent spaces of accountability within their organizations, and careful consideration of opportunities for redesign, can help them to understand and enhance organizational behavior and performance. A contribution academic researchers can make is to develop methods for making this understanding and design thinking explicit, testable, and reproducible. Whether the zone of expectations framework provided here achieves that purpose awaits further elaboration and application.

Notes

1. In his contribution to the inaugural issue of Administrative Science Quarterly in 1956, Talcott Parsons took note of the three major writers whose work was foundational to the contemporary analysis of organizations: Max Weber, Chester Barnard and Herbert Simon (Parsons 1956, p. 64, n. 1). Simon, in turn, was clear about his intellectual debt to Barnard in each edition of Administrative Behavior as well as his autobiography (Simon 1991, pp. 86-87).
2. One can only speculate as to the reasons for this, but intellectually his “project” had already been taken up by Herbert Simon, whose Administrative Behavior (1947/1997) was published with a Foreword by Barnard.
3. Barnard's view of responsibility is explicitly sentient in nature, an "emotional condition" generated by an individual's "sense of acute dissatisfaction because of failure to do what he feels he is morally bound to do or of doing what he thinks he is morally bound not to do, in particular concrete situations" (Barnard 1948, 96; emphasis added).
4. The key point here is that agreements among members of a given organization about what ethical standards should govern their actions as responsible members of the organization are established within the organization. Those organizational ethical standards may be informed by members' external moral commitments, personal and professional, but they are nonetheless constructed through social interactions within a specific organization. It is not necessary for present purposes to engage with the question of whether those external moral commitments are pure social constructions or derived from some foundational or transcendental source.
5. In its application, each approach involves the creation of roles for different types of executives who would assume positions no less authoritative and critical than the executive managers they would replace. The legal order solution requires a juridical system headed by “judges” to iron out the inevitable conflicts that arise from conflicting moral responsibilities; the bargaining regime requires a facilitator-executive who is engaged in helping to resolve (or even arbitrate) the conflicts among relevant parties when they arise; while the techno-structural solution would mean a reversion back to the Taylorist scientific management approach in which a committee of experts, examining the sources of the conflicts in depth, are empowered to engage in a continuous redesign of aspects of the cooperative endeavor itself. One can argue that Barnard’s solutions have in fact been operationalized with the advent of contracting out (usually performance-based), humanistic management, and TQM.
6. See Aaron Wildavsky’s (1987) view on “preferences” and preference formation, which he associates with the cultural theory originating with Mary Douglas.

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