BARNARD'S THEORY OF EDUCATION FOR EXECUTIVES

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CONTENTS

1. INTRODUCTION

There is no difference of opinion concerning the usefulness of an education program for executives. It is however, a matter of controversy whether an executive education program alone can produce excellent executives. There are also disagreements about the role in educating executives of university and other vocational education programs as well as education programs within the company itself. In addition, there are differing opinions about the contents or curricula of education programs for the executive.

As is well known, C. I. Barnard advocated the necessity of an education system for executives a long time ago; at the same time he suggested that excellent executives could not be produced by an education system alone.

In an interview with Barnard, William B. Wolf asked him how one, as an academician, should train people for management. Barnard's answer was as follows:

> Well, I don't know the answer to that in respect to management or to any other thing. I would say that a prerequisite to effective training is a familiarity with the subject matter, a familiarity that is based upon interests and not upon analysis. How do you teach people to write good English? Well, that's the kind of a question you are asking, how do you teach people to write good English? Well, I don't think there is any doubt that there's some point in having instruction in the subject, but I think there's a lot of doubt as to how effective that can be for the great majority of students. They get something out of it, but not the thing you are trying to teach them.[1]

[1] William B. Wolf, *Conversation with Chester I. Barnard*, Ithaca; Cornell University, 1973, pp. 20–21.

In this paper we wish to discuss (1) which abilities can be taught through an educational program for executives and (2) which qualities cannot be taught, according to C. I. Barnard's theory. We will also systematize Barnard's comments on what a person who wishes to become an excellent executive in the future should do to acquire those abilities which cannot be taught in an educational program.

2. BARNARD'S THEORY OF EDUCATION FOR EXECUTIVES

As is widely known, Barnard included his article, "Education for Executives" (1954) in his book, *Organization and Management*.[1] Therefore, it would seem that we should focus our study of Barnard's theory on this article. However, this article does not present his whole theory.[2] It is necessary to supplement the information from this article with material from his other papers, if we want to understand Barnard's theory completely. Of course, the "theory of education for executives" has such a close relationship with his "theory of the executive" that all his works actually supplement this thesis. In this section, however, along with his article,[1] we wish to discuss two of his papers which deal directly with the problem of education for executives: one is a personal letter Barnard wrote in 1930 to Dean Amory R. Johnson of the Wharton School of Finance, the University of Pennsylvania. This letter is entitled "University Education for Business." The other source is the manuscript of a lecture he delivered at (Dean Sackett's) Industrial Conference at Pennsylvania State College in 1925. This lecture is entitled "The Development of Executive Ability." First, I will discuss Barnard's letter, then, his article, and finally, a few points from his lecture manuscript.

In his personal letter to A. R. Johnson, Barnard classifies the chief faculties, or abilities, required in executive work as follows, more or less in this order of importance: (1) personal integrity (which he variously calls high character, poise, sense of responsibility, etc.), (2) intellectual capacity or intelligence, (3) scholarship,[3] (4) power of concentration, (5) power of persua-

[1] C. I. Barnard, *Organization and Management*, Cambridge: Harvard University Press, 1956, pp. 194–206; hereafter referred to as *Organization and Management*.

[2] Barnard writes as follows:

> I shall not undertake to discuss either curriculums or pedagogical methods or their results. I prefer, instead, to limit my statement to what I think executives need, whether or not these needs may be met through formal educational means; and I restrict myself to a few points which I consider inadequately understood or much underemphasized. Ibid., p. 194.

[3] What Barnard means by scholarship is the ability to observe facts, to differentiate them, to develop a scheme of classification and classify them, to deduce general principles from them, and to use these principles inductively.

sion, and (6) personal attractiveness. Barnard suggests that we might point out other such faculties, but that the key to executive ability is how to combine these faculties properly according to the nature of specific problems; for instance, the executive whose job is to manage the working conditions of employees should have more intellectual capacity than scholastic ability, while the executive whose job is general management of a large-scale company should have more scholastic ability than the sales manager has.

Barnard suggests that the following points be considered in the education of the executive within schools:

(1) Training people in school for specific positions in a specific type of business should be avoided.

(2) The nature of the executive function should be explained to the students; for instance, success in high level executive positions depends upon the skillful application of combinations of underlying abilities. Such a skill is acquired by experience in business.

(3) The underlying faculties involved in executive work should be taught, for example, fundamental techniques and orientation needed by executives, and the general techniques used in persuading.

(4) Generally speaking, the education offered in those schools with adequate curricula will help students develop their underlying executive faculties. The merit of the business school is its ability to develop the student's faculties in connection with types of business activities and the general techniques of business. In this way, business school, more than any other kind of school, instructs the student in the general techniques and knowledge needed to succeed in the business world.

In this letter, Barnard points out often the importance to the student of engineering training. This type of training allows the student to acquire the skill to approach a problem analytically, numerically, and specifically. Barnard also emphasizes the necessity of acquiring general knowledge.

Barnard points out that accounting (including statistics) is the most important subject to be taught throughout a four-year course in business school. His reasons are as follows:

> My reason for emphasis upon accounting is that it is the universal language of business; that it is the central technique of all business and that its philosophy necessarily leads to a general understanding of a wide variety of types of fundamental business operations. It affords rigorous intellectual training in many directions, much more so than most subjects which I personally know about that are given in colleges.[4]

[4] C. I. Barnard, "University Education for Business." A personal letter to Dean Amory R. Johnson, Wharton, School of Finance, University of Pennsylvania, September 9, 1930, p. 20.

In addition, Barnard makes the following point about the teaching of accounting: "In my opinion, accounting and statistics as given in the college business school should not be given at all from the standpoint of making expert accountants."[4]

Following accounting, Barnard recommends studying English in order to improve one's ability to communicate. Next in importance is the study of the principles of economics and law. He emphasizes the importance of understanding the fundamental categories and the general style of thinking in these fields, de-emphasizing the study of specific subjects. Barnard disagrees with the tendency to emphasize management techniques in business school, suggesting that this area be considered on the same level as such subjects as sociology and political science.

According to Barnard, since the skill to coordinate properly one's underlying (fundamental) abilities[5] is acquired through experience (i. e., largely by repetitive effort) and imitation, this skill can only be acquired after graduating from school.

While his personal letter to Johnson is written only about executive education in business schools, Barnard's other two papers consider education in general, including education within industry.

In his 1945 article,[6] Barnard discusses the following five qualifications of executives, which he thinks can be taught to some degree: (1) broad interests and wide imagination and understanding, (2) superior intellectual capacities, (3) understanding of the field of human relations, (4) the ability to persuade, and (5) understanding what constitutes rational behavior toward the unknown and the unknowable.

By broad interests and wide imagination and understanding, Barnard means "an understanding of what goes on in the world and of the nature of the interests served by and underlying its activities."[7] According to Barnard, as I will discuss later, organizations endure in accordance with the breadth of morality of the top executive; that is to say, an important function of top executive leadership is to create a new moral code for others in order to solve the conflicts among various kinds of moral codes within the organization and thus produce stable, predictable organizational behavior. The ability to create a new moral code largely depends upon understanding, interest and imagination. Barnard recommends studying the humanities and the sciences as a part of the student's general education in order to develop these faculties. Barnard's paper "Elementary Conditions of Business

4 "University Education for Business." p. 20.

5 This skill is one of the general abilities which will be discussed in the next section.

6 "Education for Executives."

7 *Organization and Management*, p. 196.

Morals"[8] discusses this topic.

The second qualification that Barnard describes is superior intellectual capacities. These capacities are related to the ability to formulate organizational purposes and objectives. Barnard writes:

> For executives, ··· the world of the future is one of complex technologies and intricate techniques that cannot be adequately comprehended for practical working purposes except by formal and conscious intellectual processes.[9]

Intellectual capacity includes the ability to make accurate distinctions, to classify, to reason logically and to analyze. Barnard suggests that intellectual habits acquired through structured study in school are useful for developing such capacities.

Barnard emphasizes that understanding the field of human relations is of primary importance to the executive and that human relations is the most important area of the executive function. According to Barnard, it is very important to understand human relations because, even though a good organizational scheme may have been worked out on paper and men competent to fill the respective positions recruited, the organization still might not function well. He points out the following three factors as the reasons for such an outcome: (a) local conditions of the organization, (b) level of trust among members, (c) level of communication among members.

First, if no one understands the local conditions or knows how to interpret the changes in the environment to which the organization constantly has to adjust, the members of the organization will not be able to cope with changes. Every organization has its own management style, mode of interpreting business rules, and manner of adjusting to changes in the environment; these are sometimes called precedents, previous instances or company customs (tradition). Most of this behavior is a result of patterns produced by past experience.

In a sense, organization means division of responsibility for decision-making and division of labor. Because of such a system, members of the organization are unaware of conditions in other departments; that is, every member knows about only his own job. Although members behave and make their decisions without understanding the environment beyond their own jobs, the organization usually maintains its balance as a whole because every member behaves in accordance with the above-mentioned precedents, previous instances, or company customs. Such patterns allow the members

[8] C. I. Barnard, "Elementary Conditions of Business Morals," *California Management Review*, V. 1, N. 1, (Fall, 1958), pp. 1-13.

[9] *Organization and Management*, p. 197.

to know how to behave or how to meet change without jeopardizing the balance of the organization. In other words, when each member of the organization has knowledge of precedents, previous instances or company customs, he can carry out his work without conflicting with other members or other departments, and without distroying the balance of the organization.

The second reason why the organization might not be functional if the executive does not have a knowledge of human relations is the possibility of a lack of trust among members. We learn to trust others through our experience in dealing with them. Without trust in other people, the members of the organization will not be willing or able to delegate authority to their subordinates or follow their superior's instructions. In other words, complete cooperation cannot be achieved among people who do not know each other very well.

The executive must also understand human communication. A member might not understand what another member says without experience in communicating with others. The same words in the same context often have different meanings when uttered by different individuals. As Barnard says:

> We understand people easily through our experience with them, which teaches us their special uses of words, the meaning of intonation and gestures, whether they are matter of fact or emotional, given to exaggeration or understatement, are reliable or unreliable, are reticent or voluble, and many other subtle characteristics of communication. Without the confidence that accompanies this kind of understanding, reticence, hesitation, indecision, delay, error, and panic ensue.[10]

Barnard recommends that the following three themes be taught in a course on human relations: (1) the inevitability of nonlogical behavior on the part of human beings, (2) the nature of general social systems, and (3) the structure of formal organizations.

In relation to the first theme, Barnard constructs his theory of organization on the basis of the "non-economic man model." According to this model, people are moved by various kinds of needs and have limited abilities and only limited information. Barnard rejects the "economic man model," which claims that people behave rationally and have all the necessary information to act. Barnard emphasizes the necessity of teaching students at the initial stage that much of human behavior is motivated by non-rational, reflex sentiment. His paper entitled "Mind in Everyday Affairs"[11] discusses

[10] Ibid., pp. 201–202.

[11] "Mind in Everyday Affairs: An Examination into Logical and Non-Logical Thought Processes," in his *The Functions of the Executive*, Cambridge: Harvard University Press,

this problem.

Barnard's book, *The Functions of the Executive* presents information on both the nature of general social systems and the structure of formal organizations. In reference to the former, he explains the essential features of a cooperative system, in which the simple law of cause and effect does not operate; that is, he explains the character of an open system. According to Barnard, the research on this subject has been insufficient, but he concludes as follows:

> ··· for the present, at least, it might well be presented to the young student not so much as science but rather as something much better than any common-sense understanding of the world he lives in can be.[12]

According to Barnard, the structure of the formal organization "··· is defined as a system of consciously coordinated personal activities or forces ···"[14] and has its own purpose and demands. Barnard suggests that we think about such a system in terms of the biological analogy: it is "··· something that is living, that has to grow up, and that is ever progressing or regressing with changing states of equilibrium of the human forces involved."[15] Previously, the organization was often thought of in terms of the mechanical analogy; that is, it was thought of as a static and fixed entity, like a machine.

According to Barnard, the fourth qualification for executives is the ability to persuade: the ability to explain to others what one is doing, or thinks he is doing, and to justify an action in one field in its relation to other fields. Barnard writes:

> Certainly, one of the most important limitations, as well as one of the pre-eminently important difficulties of the modern executive, is the inability adequately in writing or in conference or in addressing substantial bodies of people to express intelligibly the facts with respect to complex situations of which he may alone have an understanding.[15]

It is rather easy for the executive to explain situations which have been caused by the law of cause and effect, but most situations which the executive must explain are more complex. In these cases, executives "··· have to think (often 'feel' is more appropriate than 'think') in terms of complex interdependencies in which no simple cause-and-effect logic is accurate or even intelligible."[16] Therefore, as Barnard explains, "··· executives have to

1938, pp. 301–322; hereafter referred to as *The Functions.*

12 *Organization and Management,* p. 199.

13 *The Functions,* p. 72.

14 *Organization and Management,* p. 200.

15 Ibid., pp. 202–203.

learn to think not only in the terms which are most convenient and appropriate from their own point of view but also in terms of other men and from their points of view."[16]

The fifth qualification that Barnard describes is that of understanding what constitutes rational behavior toward the unknown and the unknowable. The facts that (1) we often have to act without sufficient knowledge and (2) there is much that is unknowable require such understanding. There is already too much available knowledge to remember, and yet there are more unknowns and unknowables in the world than what is already understood. Barnard thinks that executives should know how to act under such unknown or unknowable conditions. His paper entitled "Methods and Limitations of Foresight in Modern Affairs"[17] deals mainly with this problem.

According to Barnard, what we should strive for in educational institutions is "…to help the student to learn how to continue to educate himself."[18] We can give students only preliminary training and discipline, an initial orientation and a limited amount of knowledge. The necessary knowledge or abilities must be acquired through the initiative of the individual subsequent to institutional education. There should also be some programe to help executives develop their abilities within industry. Barnard points out four programs suitable for this purpose:[19]

(1) Training in conferences where management problems are discussed.
(2) The utilization of staff positions for the study of special aspects of management problems and their application to particular conditions.
(3) The re-assignment of men possessing management ability from one type of management work to another at reasonably frequent intervals.
(4) Special intensive courses of instruction for managers.

These descriptions suggest that Barnard was thinking about such programs presently known as on-the-job training, the career development plan or career programming.

3. THE QUALIFICATIONS OF THE EXECUTIVE AND THE NATURE OF ORGANIZATION

The portion of Barnard's theory of executive education reviewed in the previous section mainly deals with those abilities which can be taught by

[16] Ibid., p. 203.

[17] C. I. Barnard, "Methods and Limitations of Foresight in Modern Affairs," Address delivered to the Thirtieth Annual Convention of the Association of Life Insurance Presidents, N. Y., December 4, 1936.

[18] *Organization and Management*, p. 195.

[19] C. I. Barnard, "The Development of Executive Ability", Manuscript, Address delivered to (Dean Sackett's) Industrial Conference, Pennsylvania State College, 1925, pp. 5-6.

others. However, there are other qualifications one needs to become an expert executive which cannot be taught. Therefore, it is important to examine further what these necessary faculties or abilities are.[1] In his book, *The Functions of the Executive*, Barnard points out three necessary qualifications for the executive; (1) the quality of responsibility, i. e., the capacity to be dominated by the organization personality, (2) general personal abilities, and (3) specialized personal abilities based on particular aptitudes and acquired techniques. As for these two types of personal abilities, Barnard writes as follows:

> The first kind (i. e., general personal abilities) is relatively difficult to appraise because it depends upon innate characteristics developed through general experience. It is not greatly susceptible of immediate inculcation. The second kind (i. e., specialized personal abilities) may be less rare because the division of labor, that is, organization itself, fosters it automatically, and because it is susceptible to development (at a cost) by training and education.[2]

The necessary specialized personal abilities can be developed through training and education. Furthermore, an excellent staff organization will supplement individuals' specialized abilities. The instruction in educational institutions focuses mainly on these specialized abilities. At this point, we should examine the other two qualifications of the executive in order to understand what are those necessary abilities which cannot be taught.

The quality of responsibility, or the capacity to be dominated by the organization personality, is "the most important single contribution required of the executive, certainly the most universal qualification."[3] This quality is least susceptible to tangible inducements and is not developed by education. Executives with this capacity always contribute their efforts to the organization in accordance with the demands of organization (organization's moral codes) and are not dominated by personal immediate impulses, desires or interests. This capacity is an indispensable element in the maintenance of the organization's communication system, which is a function of the executive. Since "executive" means "person who is the communication center

[1] In his paper, "The Development of Executive Ability," he points out six abilities that should be the principle qualifications of the executive; (1) the ability to determine the purpose or objectives of the organization, (2) the ability to organize, (3) the ability to persuade, (4) the quality of leadership, (5) balance, and (6) flexibility. Barnard thinks that the first three qualifications can be developed by general and specific educational methods, but that the other three qualifications cannot be taught. He does not, however, make clear what these latter three qualifications mean.

[2] *The Functions*, p. 222.

[3] Ibid., p. 220.

of an organization," if the executive gives priority to his personal desires over organization desires, the communication system of the organization will break down. On the other hand, if he is governed by the organizational personality and acts in accordance with organization moral codes, his behavior will be stable and predictable enough for people, especially his subordinates, to have some positive expectations of the organization in the future. According to Barnard, it is an indispensable precondition to the essential functions of the executive[4] that members of the organization have positive expectations of or faith in the future of the organization. This is the function of leadership.

According to Barnard, members always compare their satisfaction with the organization with the sacrifices they suffer from contributing to the organization. When their satisfaction is greater than their sacrifices, by their subjective evaluation, they will continue to contribute to the organization. When the members evaluate their satisfaction with the organization, they usually have certain expectations about the future. They think about not only immediate satisfaction but also future satisfaction, which they expect to have through the attainment of organizational purposes. Such an expectation can be produced only through the stable, predictable daily actions of the executive. Without such a positive expectation or belief, people would not be able to compare their satisfaction with their sacrifices in terms of a long period of time; They would think only about immediate satisfaction, that is, money. In such a case, no organization could give enough money to its members to secure a high enough level of contributions to survive.

It is also an indispensable condition in the formulation and definition of the purposes, objectives, and ends of the organization that every member have the above-mentioned positive expectations of or belief in the future of the organization. The concept of organization implies a system of human efforts in which the processes of decision are distributed and specialized. All employees collect information concerning their specialized jobs, analyze it, and then try to find the strategic points in it. Then they report this information to their superiors. All superiors collect the necessary information from their subordinates, analyze it, and then report their interpretations to their own superiors. Through such a mechanism, the top executives receive all the information concerning the organization which is collected and analyzed by the specialists in every department. This allows the top executives to have a great deal of good information, which one individual alone could not obtain. The executives analyze this information and define

[4] The essential functions of the executive are the following three functions; "first, to provide the system of communication; second, to promote the securing of essential efforts; and, third, to formulate and define purpose." Ibid., p. 217.

or redefine the general purposes of the organization. These general purposes are divided into many detailed objectives in accordance with the division of labor in the organization. For instance, the top executive communicates these general purposes to the appropriate department heads. These department heads decide on intermediate objectives, which they then communicate to the representatives of each section within their departments. The sections then work out specific plans for achieving goals, and finally, every employee realizes these specific goals according to his own judgement. Therefore, as Barnard explains:

> The formulation and definition of purpose is then a widely distributed function, only the more general part of which is executive. In this fact lies the most important inherent difficulty in the operation of cooperative systems—the necessity for indoctrinating those at the lower levels with general purposes, the major decisions, so that they remain cohesive and able to make the ultimate detailed decisions coherent; and the necessity, for those at the higher levels, of constantly understanding the concrete conditions and the specific decisions of the 'ultimate' contributors from which and from whom executives are often insulated. Without that up-and-down-the-line coordination of purposeful decisions, general decisions and general purposes are mere intellectual processes in an organization vacuum, insulated from realities by layers of misunderstanding.[5]

Thus, Barnard emphasizes the need for all members to understand and to accept the general purposes of the organization; however, at the same time, he also says, "…in general, complex organizations are characterized by an obvious lack of complete understanding and acceptance of general purposes or aims."[6] This is because the members have limited comprehension and communication faculties. Ordinarily, members interpret the information communicated by others through their already-acquired knowledge. Because of this, there are many kinds of differences in comprehension among them due to their differential biases. Furthermore, since every unit organization collects and analyzes specialized information in accordance with the division of labor, naturally the quality of the information in individual unit organizations is over-specialized. For instance, the members of a marketing department do not know much about the conditions of factories. In like manner, the members of a production department are unaware of market conditions. These differences in acquired information will produce differences in thinking and in decisions made. Therefore, unit organizations and even

[5] Ibid., p. 233.
[6] Ibid., p. 137.

individuals within each unit organization differ in their perception of the general purposes or individual concrete aims of the organization. Thus, as Barnard says:

> It is belief in the cause rather than intellectual understanding of the objective which is of chief importance. "Understanding" by itself is rather a paralyzing and divisive element.[7]

The belief in or expectation that the organization has a common purpose and that the member's individual desires will be satisfied through the accomplishment of that purpose, encourages members to attempt to understand correctly the information they receive, excluding their biases. In the same manner, members are encouraged to cooperate with each other by making compromises or finding new solutions when their opinions conflict with each other. Such an expectation or a belief is a fundamental element in keeping communication in the organization accurate.

As described earlier, the quality of responsibility cannot be developed through education. Formal organizations sometimes try to establish this sense of responsibility by sanctions, but the effects of this technique are slight. "Only the deep convictions that operate regardless of either specific penalties or specific rewards are the stuff of high responsibility."[8] Therefore, we can discover who has this quality only through observing people's behavior. Barnard says:

> Almost uniformly, in all types of organizations, persons of executive capacity are assigned initially to executive positions of low rank. The fact of sense of responsibility is there demonstrated. The conditions of these lower-rank positions are those of relatively limited moral complexity and possibly somewhat lower states of activity. The chief difference between the lower and the higher ranks is not in the capacity of responsibility but in the condition of moral complexity.[9]

We cannot, however, say directly that the person who has a strong sense of responsibility is always governed by the organizational personality and always behaves in a stable manner. When people participate in a formal organization, they are requested to obey the organization's moral codes. At times, these moral codes may include conflicting ideas and sometimes may even conflict with a person's private moral codes. Lower-rank executives have less connection with these conflicts because the number of moral codes

[7] Ibid., p. 138.
[8] Ibid., p. 270.
[9] Ibid., p. 275.

which they have to consider is small by function of the division of labor. For instance, a sales manager in a small district is only required to think about organization moral codes concerning sales activities and about his subordinates' and his own private moral codes. However, a division head in the independent divisional system has to consider many kinds of organization moral codes ; for example, marketing, production, finance, public relations, personnel, industrial relations, company law, customs of the business world, informal organizations within his company, private moral codes of his subordinate, and his own private codes. Therefore, the higher the executive position is, the higher is the possibility of conflicts among the various moral codes and executive has. If an executive does not have enough ability to solve these conflicts, he will experience a paralysis in action, accompanied by emotional tension and ending in a sense of frustration, blockage, and uncertainty or in loss of decisiveness and lack of confidence. Otherwise, he will choose one moral code and violate the other codes, which will result in his feeling a sense of guilt, discomfort, dissatisfaction, or a loss of self-respect. His behavior will become unstable and other people will be unable to predict how he will act in the future. In this case, his subordinates will lose any positive expectations they have in the future of the organization. Therefore, the higher the executive position is, the greater is the ability needed to solve the conflicts among the various moral codes. Barnard includes these abilities in his concept of the general personal abilities needed by executives.

According to Barnard, the other necessary qualification which cannot be taught is general personal abilities. These abilities include "…general alertness, comprehensiveness of interest, flexibility, faculty of adjustment, poise, courage etc."[10] They are relatively difficult to appraise because their developments depend essentially upon innate characteristics.

From the executive functions' point of view, we can point out two kinds of concrete abilities related to these general personal abilities ; one is the ability to solve conflicts among codes, which was already discussed, and the other is the ability to formulate the general purposes of the organization.

Barnard indicates three methods of solving these conflicts among codes. "The first may be called the judicial method. This is essentially the process of narrowing and delimiting the areas of responsibilities, thus restricting the incidence of conflicts."[11] This method is a function of the formal organization, as mentioned above. The lower-rank member has less chance of experiencing conflict among moral codes, while the member of higher rank has a very great chance. This judicial method may not offer a resolution for such conflicts for all members.

[10] Ibid., pp. 221–222.

The second method is called the method of invention of concrete solutions. Barnard explains this as follows:

> ··· where a proposal which seems desirable from one standpoint appears to involve consequences that are seriously deleterious in some respects, the solution may be to discover or construct another proposal which will effectively accomplish the ends initially desired without involving the deleterious effects to be avoided.[11]

This method is a kind of technical solution. For instance, when a new production technique which will greatly reduce production costs includes some dangerous procedure, there will be a conflict between the economic code and the employee safety code. If a new automatic machine for that procedure could be invented, such a conflict would be resolved. Executives must possess the abilities of discrimination analysis, imagination, invention and innovation in order to use this second method.

The third method of resolving conflict is that of reconciliation. As Barnard explains:

> (This is essentially) the process of demonstrating that apparent or alleged conflicts of responsibility are pseudo-conflicts based on false assumptions or ignorance of the facts. This is a process continually in use in organizations; it is frequently expressed as "changing the point of view." It also frequently involves redefinition of jurisdiction.[11]

This process is one of morally justifying a change in or new particularization of purpose or an exceptional case in order to create a sense of conformance among moral codes. Executives should take such actions in order to resolve conflicts not only for themselves but also for their subordinates. Recent developments in science and technology make it easier to solve conflicts using the second method, but there are still some conflicts which can be resolved only through this third method, especially at the higher-rank executive positions. In such cases, how many people would agree with the executive's interpretation or explanation becomes the most important problem. His interpretation or explanation is based on his sense of values. Thus, as Barnard says:

> Organizations endure ··· in proportion to the breadth of the morality by which they are governed. This is only to say that foresight, long purposes, high ideals, are the basis for the persistence of cooperation.[12]

As an increase in such conflicts accompanies the development in scale

[11] C. B. Barnard, "Elementary Conditions of Business Morals," p. 12.
[12] *The Functions*, p. 282.

of the organization, the development of the executives' general abilities is necessary. Thus, along with the development of the scheme of the organization, the selection, promotion, demotion and dismissal of executives becomes necessary in order to maintain the organization's system of communication.

Executives, especially top executives, must have the ability to judge who is qualified and who is not. As this judging ability can only be taught superficially, executives have to learn it mainly through their own experience.

According to Barnard, experience in formulating the general purposes of the organization is also important. The development and the maintenance of the organization depend upon the acquisition of a surplus of organization utilities, which consist of physical materials, social relations and personal activities. Barnard's theory is based on the "non-economic man," who recognizes as utilities materials, money, desirable physical conditions, social status, honor, power, reputation, and so on. The organization utilities are those elements which the organization itself determines to be useful for its purposes. The organization transforms these organization utilities into many kinds of inducements and exchanges them with its contributors for various kinds of contributions from them. The organization combines and arranges these contributions in order to create new organization utilities. Executives, especially top executives, have to make an effort to acquire a surplus of organization utilities through this process. But Barnard says:

> Since there can be no common measure for the translation of the physical, biological, economic, social, personal and spiritual utilities involved, the determination of the strategic factors of creative cooperation (that is, a formation of the general purposes—added by the author of this paper—) is a matter of sense, of feeling of proportions, of the significant relationship of heterogeneous details to a whole.[13]

The general purposes of the organization are usually defined by the top executive, to whom all information concerning the organization is sent. At times, the top executive defines these general purposes on the basis of feelings or vogue perceptions. In fact, sometimes it might be undesirable that the problem to be resolved become clear and concrete because that might mean that it is too late to solve the problem. Therefore, problems should be defined using intuition and premonition. Barnard concludes that, executives, especially top executives, should have "…the sense of fitness, of the appropriate, and that capacity which is known as responsibility"[14] to perform their functions.

[13] Ibid., pp. 256–257.

[14] Ibid., p. 257.

4. BARNARD'S OPINION OF SELF-EDUCATION

As noted above, the ability of responsibility, by which the executive prefers organization moral codes to personal needs, is "…a matter of right or wrong in a moral sense, of deep feeling, of innate conviction, not arguable; emotional, not intellectual, in character."[1] The ability to resolve conflicts among moral codes and to be able to sense an imbalance in the organization's equilibrium is also "the dramatic and aesthetic feeling that surpasses the possibilities of exposition, which derives chiefly from the intimate, habitual, interested experience."[2] The qualifications of the executive which cannot be taught through formal education are affective qualities, which can be mastered only through experience.

Now let us examine Barnard's suggestions for how to develop such a feeling, conviction or intuition through own experience. In terms of this topic, it seems to me that Barnard's handwritten manuscript entitled "Self Education" (not dated) and his typed manuscript entitled "The Approach to Wisdom" (not dated) are important materials. They were written for several young people who wished to become executives, and they include useful suggestions for developing such a feeling or intuition. Barnard says in the latter article, "Your task in living is to do things that serve purposes, and most of the basis for that action is faith in guesses."[3] In both articles, he describes his approach for developing our ability to guess, and to have faith in our guesses in terms of self-education.

In his "Self Education", Barnard describes the nature of what we learn from our daily experiences as follows:

a. It is impossible to avoid learning much that is valueless from every point of view.
b. It is necessary to learn much that is important for the time being, but only temporarily useful.
c. Effective effort in modern life calls for a thorough knowledge of a very narrow range, i. e., that of a particular job which must be done well to be adequately discharged.
d. The more important work calls for intensive study in the application of general knowledge, principles, and policies to specific conditions.
e. This continued concentration decrease flexibility, and absorbs time and energy necessary to broader development.
f. Adaptability calls for broad knowledge.

[1] *The Functions*, p. 266.
[2] Ibid., author's preface, p. XXIV.
[3] C. I. Barnard, "The Approach to Wisdom," p. 5.

g. The maintenance of mental power requires constant exercise on new and different types of thinking, whereas immediate effectiveness ordinarily calls for the maximum of automatic and habitual application.[4]

Barnard stresses the necessity of establishing self-education curricula, which should include a long-range study plan to develop broader knowledge and to help us think about our lives, and our purpose in the universe. Without studying universal principles from a long-range point of view, people would not be able to develop the ability to guess, which would allow them to plan their futures with conviction. Barnard emphasizes the necessity of attaining a balance between the study of "the temporary issues and the study of universal principles."

In his manuscript entitled "The Approach to Wisdom," Barnard divides the study of the universe into two areas.[5] One area is nature, the physical world, including the living things in it. The other is people —human beings in social collaboration— the world we call "society".

As for the former, Barnard says rather simply that sometimes our activities are defined by the movement of nature. We should pay attention to those changes that have been slowly working through the ages, such as climate, soil erosion, destruction of forests, spread of bacteria, and the physical conditions of people and materials. Such changes might greatly alter our economic and social conditions.

Concerning the study of human society, Barnard emphasizes that we have a vast store of facts and theories concerning human society, but that we know little about organization and society. He writes as follows:

> Every theory is but an hypothesis. All knowledge is tentative. Each year sees some new fact and often with it some substantial modification of previous generalizations ···. The literature covering the activities of man is large; but it chiefly comprises descriptions, concepts, rationalizations in physiology, psychology, political science, and sociology, with but few generalizations that can be called laws, and that can be used with reasonable certainty to determine what will happen. Largely words to explain what has happened.[6]

We know our society very little and our knowledge cannot predict what will happen correctly. However, if we have a strong intention to do something, our experience can teach us when and how to do it without having

[4] Barnard, Self Education, pp. 4–5.
[5] Barnard, "The Approach to Wisdom," pp. 2–3.
[6] Ibid., 3–4.

a precise explanation. Barnard writes as follows:

> What is chiefly known is what is now working, what has apparently failed in the past, what seems to me after all to be chiefly understood in the profession and in the various businesses is how to attack situations, not the why or the why not in the deeper sense of knowledge.[7]

We can learn what to do and how to do it chiefly through experience. However, at the same time, what we learn through our experience depends upon our knowledge and our attitudes toward learning. According to Barnard:

> So far I have emphasized how little we know or can know, then that this fact makes very important the little that we do know, then that a realization of our ignorance and of the importance of knowledge should convince us that we should learn how to know and how to challenge assertions and assumptions.[8]

In his manuscript "Self Education," Barnard deals with the problem of how and what to learn through our daily experience. According to him, we have many opportunities to learn in our daily life; through reading newspapers, magazines and books, through listening to lectures and through experiencing various situations. In this process, we should always make an effort to learn some general lessons, to acquire skills used in our daily lives thoroughly, and to master how to use intellectual tools such as analysis and statistical methods. We should learn to make decisions in our daily affairs and should always analyze the results of our decisions and use this information to formulate principles for making decisions in the future. The goal of self-education is to make such a process habitual.

In reference to the appropriate attitudes toward new information and experiences, Barnard writes, "your skepticism will chiefly be useful in improving your judgement as to what guesses to have faith in—or perhaps what guessers to have faith in."[9] He also says:

> For those who have knowledge act more and more on the basis of guesses variously called hunches, hypotheses, theories, programs, projects; and these they test out by experiment, experience or trial. The difference between your good scientist, your good lawyer, doctor, or business man, is in the skill and speed with which he rejects his guess when it fails to meet the test. If he may acquire knowledge by

[7] Ibid., p. 4.
[8] Ibid., p. 6.

> experiment or experience, this is his ability to reject. This is the reason I have ventured to suggest the importance of skepticism ….[9]

Barnard thinks that our recognition of our ignorance should lead us to search for the most useful, our knowledge should help us to avoid the useless, and our willingness to learn should make our efforts more effective.

Barnard's theory of self-education as described in the above mentioned articles can be applied to the education of executives. If the executive always makes an effort to learn from his daily life, he will learn how to apply the general principles of management to concrete, specific problems and how to extract general principles from specific situations. By creating his own plan for self-education, the executive can study the universal principles of management and the long-range movement of our natural and human society without interrupting his daily work schedule.

In this way, the executive will learn to be aware of changes in societal values, thus increasing the breadth of his morality. His increased understanding of moral issues will influence the organizational goals or purposes which he sets. He will believe in these goals and, as a result, his sense of responsibility to the organization will increase. The development of his understanding of societal values will make it easier for him to resolve any conflicts among moral codes within the organization and will improve his intuition about the organization's equilibrium. If the executive recognizes the limitations of human knowledge, he will always try to improve on his past decisions. If he develops the habit of conscious observation and discrimination in his ordinary daily life, he will gain a keen sense of the differences between prediction and reality.

In short, the executive must acquire certain affective qualities through self-education. The education of executives will not be complete without self-education in this area.

5. CONCLUSION

The significance of Barnard's theory of executive education has already been described briefly by K. R. Andrews of Harvard University as follows:

> Professional education for the management of business organizations has been concerned, all during the period since Barnard's book appeared, with concepts of responsibility. Barnard's view of responsibility as the quality giving dependability and determination to human behavior and "foresight and ideality" to purpose and his belief that organizations endure in accordance with the breadth of morality by which they are

[9] Ibid., p. 5.

> governed take an even greater relevance as professors in schools of professional management try to prepare students for what will be expected of private business in an era of worsening social problems and rising expectations. A concern for responsibility flows naturally from Barnard's total view of organization as both effective and efficient in senses which go far beyond classic economic theory.[1]

We would like to be able to agree with this assessment by Andrews, who is one of the representatives of an institution which has a long history of positive achievement in business education, that professional education for the management of business organizations has been concerned with the concept of responsibility. In addition, we know that the methods and techniques used in executive education have developed remarkably.

We have witnessed, however, many events which cause us to doubt whether executives have developed the quality of responsibility which Barnard described. In fact, we are suffering from a shortage of excellent executives, just as when Barnard was writing about the problem.[2]

The fact that this problem still exists demonstrates that Barnard's intention has not been fully understood by those people who have an interest in executive education. Barnard divides the qualifications for executives into two categories: those which can be taught by others and those which can be gained only through self education or experience. In an executive education program, it is necessary to teach the difference between these categories. It is also essential that an executive education system include a systematic program for promoting self-education. According to Barnard, the organization should bear the function of the education system as a whole. He writes as follows:

> The initial problem of management is ··· not merely one of furnishing opportunities and facilities for self-development but equally one of securing and maintaining executives; for it is recognized that a very large part of the talent which goes to waste does so because it finds no incentive sufficient to induce the effort for self-development, without which there can be no great degree of managerial ability.[3]

When we look at the structure and operation of the organization, we must consider not only the specialized abilities, but also the quality of re-

[1] Kenneth R. Andrews, "Introduction to the 30th Anniversary Editions" (C. I. Barnard, *The Functions of the Executive*, Nineteenth printing, 1970), p. XX.

[2] C. I. Barnard, "Collectivism and individualism in Industrial Management." Address delivered to the Fourth Annual Economic Conference for Engineers, Stevens Institute of Technology Engineering Camp. August 1,1, 1934, pp. 24–25.

[3] Ibid., p. 26.

sponsibility and the general abilities of its executives. The structure of the individual organization should be adjusted to suit the level of ability of its executives in order to develop these specialized and general abilities in them to a higher degree.

The existence and the functions of the executive depend upon the existence of the organization. As long as Barnard's organization theory maintains its position as the basic theory of modern organization, we believe that his theory of executive education, which flows from his total view of organization, will continue to be the fundamental philosophy on which executive education is based.

Author's note: This article depends largely upon the Barnard collection of William B. Wolf, professor of Industrial and Labor Relations at Cornell University. Professor Wolf allowed me the opportunity to stay at Cornell University and to examine his collection. Ms. Linda LaPierre also helped me with my English. For their assistance, I wish to thank them. I take full responsibility for any errors that may be found in this article.