

# Legitimizing black businesses: three examples from the Civil War to civil rights

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## Abstract

**Purpose** – In “Reinventing Entrepreneurial History,” [Wadhvani and Lubinski \(2017\)](#) encourage the study of legitimacy, the sense that a new organization or venture “belongs” to, or fits within, the social construct of its time.

**Design/methodology/approach** – To this end, this query will consider methods used in the period between the Civil War and the Civil Rights Movement to show legitimacy in black economic endeavors. Three Atlanta entrepreneurs’ efforts will be used as demonstrative examples.

**Findings** – The overarching aim of this investigation of economic legitimization is to give practical examples of three distinct strategies in play: endorsement, authorization and storytelling. In addition, a fourth external actor, social organizations, that exists outside of the realms of media, government and law as noted by [Bitektine and Haack \(2015\)](#) is illustrated to grant validity within the black community. Also, the storytelling strategy is used to illustrate promoters, actors pushing legitimacy to benefit the community at large.

**Originality/value** – Arguably the search for economic and collective legitimacy within black businesses is not confined to the past. Stated in another way, black businesses still fight for legitimacy, and future research should be undertaken to show the similarities and differences in the two aforementioned periods.

**Keywords** Entrepreneurs, Management theory, Management history, Black people

**Paper type** Research paper

## Introduction

In [Wadhvani and Lubinski’s](#) paper “Reinventing Entrepreneurial History,” the authors discuss a new approach to entrepreneurial history. Their definition emphasizes “the study of the creative processes that propel economic change” (2017, p. 769). In creating this definition, the authors focus less on individual actors, hierarchies or institutions but, instead, focus on the processes used by entrepreneurs to effect or influence historical change. In so doing, far more emphasis is placed on the context surrounding the entrepreneurs. For this reason, one cannot properly explore the impact of an entrepreneur without considering the many forces, pressures and factors of the environment that are at play.

[Wadhvani and Lubinski](#) propose three primary areas of study: envisioning and valuing opportunities, allocating and reconfiguring resources and legitimizing novelty ([Wadhvani and Lubinski, 2017](#)). Taking cues from such a study, this query illuminates the importance of legitimization in new ventures. Almost by definition, entrepreneurs are developing new businesses and assigning value to previously non-existent entities. By association, such value warrants consideration of legitimacy. Legitimacy, in this context, is defined in depth in the literature review section, but, in essence, in a generally operative sense, the term suggests that a new organization or venture “belongs,” or fits within the social construct of its time. To be legitimate, an organization must be accepted by the majority of evaluators within its social sphere. Legitimacy represents a collective evaluation (macro), even though the evaluations are



done at an individual level (micro) (Bitektine and Haack, 2015). Deephouse *et al.* (2017, p. 12) state *legitimacy matters because it has consequences for organizations. Primary among these consequences, particularly for organizational scholars, is that legitimacy has a clear effect on the social and economic exchange: most stakeholders will only engage with legitimate organizations.* Given that, how the public grants legitimacy is a topic worthy of study. Under the framework of Deephouse *et al.* (2017), this query examines the question of “Who confers legitimacy and how?”.

This inquiry will examine methods used in the period between the Civil War and the Civil Rights Movement to promote legitimacy in economic endeavors within the black community. Three specific Atlanta entrepreneurs will be used as examples. James Tate, known as the “father of black business” in Atlanta, opened a grocery store in 1866 and built his wealth in the retail business (Carter, 1894; Bone, 2016). Heman Perry operated in Atlanta from 1908 to 1925 and created one of the largest insurance firms of his day with multiple subsidiary businesses (Henderson, 1987). Jesse B. Blayton owned numerous businesses in Atlanta from 1925 through the 1960s. He was the first black owner of a radio station and the first black certified public accountant (CPA) in the Deep South (Hammond, 2002; Hollingsworth and Allen, 2010).

These three black businessmen would be considered “entrepreneurs” in the Schumpeter sense as they were transforming the social order of their day. After the Civil War ended, large numbers of freed slaves headed into urban areas as they left the rural plantations behind. This created a new market and a new labor force that had to be molded into the existing social structures. Any new business ventures formed by blacks by necessity needed to engage creative destructive forces by eliminating the social structures of slavery and creating a new, both as consumers and producers (Schumpeter, 1942).

In addition, because of the legacy of slavery and the scarcity of black businesses before the Civil War, any black business would have to create/build legitimacy, not only in the eyes of the majority population but also in the eyes of the minority population, who were also in the process of becoming consumers. In the twenty-first century, the idea that black people would be considered unable to function in business seems ridiculous to some. However, as Wadhvani and Lubinski (2017) point out so well in their discussion of temporality, these entrepreneurs must be viewed in the context of their environment with all the uncertainty that was present at that time. In the time after the Civil War and the early part of the twentieth century, it was not taken for granted that black men and women were fully capable of running a business. Notably, Du Bois (1899, p. 5), at the “Negro in Business” Conference in Atlanta in 1899, asserted: *Naturally business, of all vocations, was the furthest removed from slavery.* As late as the early twentieth century, President William Howard Taft lectured a group of black college graduates in North Carolina. A newspaper article notes that Taft told members of the above-mentioned student group: *Your race is adopted to be a race of farmers first, and all the time (Charlotte Evening Chronicle, 1909, p. 10).* Also, in later years, he defended his decision not to appoint blacks to political positions by saying *there is no constitutional right in anyone to hold office. The question is one of fitness. A one-legged man would hardly be selected as a mail carrier, and although we would deplore his misfortune, nevertheless we would not seek to neutralize it by giving him a place that he could not fill (Pringle, 1939, p. 390).* Even though President Taft referred to political office in this instance, it may be inferred that he considered blackness as a disability within the social order of his day.

Unfortunately, the belief that blacks were not capable of running a business or plying a profession was strong in both the white and black communities. Algernon B. Jackson, a noted black physician, issued “A Criticism of the Negro Professional” in late 1932 at the Annual Meeting of the Association for the Study of Negro Life and History in Atlanta, GA. In his speech (1933, pp. 50-51), he said:

Throughout the entire South, much to my surprise I have found that Negroes best prepared to pay colored professional men for thorough service patronize white professionals instead. In the North I always knew this to be true, but I gave the Southern Negro credit for having more sense than his Northern brother. Before taking a long studious trip through the South I would have bet my hat that Negro professional workers there had a monopoly among their own people, but I have been sadly disillusioned.

At the same conference, [Blayton \(1933, pp. 57-58\)](#) presented a talk on “Are Negroes now in Business, Business Men?” In his talk and later paper, he detailed the results of a small survey given to local black men and women in Atlanta by a local university. In this survey, large majorities agreed with statements such as:

The average Negro would rather trade in a white than in a Negro store even when the prices are the same. The trouble with Negro business is that Negroes have never learned to organize or work together, and No banks are entirely safe, probably, but any person honest with himself knows that Negro banks are not as safe as white banks.

This perception that blacks were not as capable of business, in essence, a lack of legitimacy, would be as detrimental as other more formal restrictions. While [Baradaran \(2017, pp. 11-12\)](#) details the many legal ways that free blacks were constrained in business even before the Civil War, she notes:

Where there were no legal barriers, there were social forces that blocked blacks from organizing banks and businesses. ‘A mere legal grant of a thing,’ explained a black businessman, ‘does not mean that it will be immediately enjoyed. Public opinion is often more binding than law.’ And public opinion relegated blacks to the lowest economic stratum.

As the years progressed, black businesspeople had to continually prove themselves as the size and scale of their businesses increased. Immediately after the Civil War, most new businesses consisted of small enterprises ([Du Bois, 1899](#)), such as the grocery store James Tate created in Atlanta in the 1860s. As the community matured, black entrepreneurs moved into creating larger businesses, such as the Standard Life Insurance Company founded by Heman Perry. Still, these entrepreneurs faced great uncertainty, particularly if the market they chose could support their endeavors. One only has to look at the outcome of the Freedman’s Bank or of Standard Life itself to see how easily failure could come. Yet in these particular markets, business failures could damage entire communities ([Henderson, 1988](#) for a discussion of the impact of Standard Life’s failure). Eventually, black entrepreneurs began to move into more professional roles, such as lawyers, accountants and doctors in larger numbers. However, as they took steps forward and embraced these new roles, these entrepreneurs remained unclear whether or not the members of their community either could or would support their business venture. For instance, J. B. Blayton, a CPA, spent years educating the public about the need for more and better business education, particularly in his field of accounting ([Blayton, 1935](#); [Blayton, 1939](#)). Therefore, just, as the black community progressed from the aftermath of the Civil War until the mid-twentieth century, the need for legitimization persisted – and, unfortunately, it remains today.

When considering legitimacy in a nuanced manner, one may find that [Bitektine and Haack \(2015\)](#) effectively document two levels of legitimacy: the micro (*propriety* or individual) and the macro (*validity* or collective) levels. The aforementioned authors identify three main sources of validity: media, government and legal. Hence, it is arguable that a fourth source of validity became pronounced during the period under study when black entrepreneurs often found great difficulty when seeking to positively influence economic development within the black community. For this reason, sources of economic development and support were cultivated within social organizations, including black churches and fraternal organizations such as the Prince Hall Freemasonry and Odd Fellows. These social

organizations granted an imprimatur of legitimacy that was particularly strong, as the black community would have greater confidence in this source than the others.

In addition to these social organizations, external actors exist in this period who sought to give legitimacy to black businesses. These actors are not seeking individual benefit from the legitimacy and are not trying to give legitimacy to individual actors in so much as they are trying to grant legitimacy to the overall endeavors for the greater good of the community. For instance, W.E.B. Du Bois and Booker T. Washington, among others, sought to increase the overall legitimacy of black businesses among the general population, rather than their concerns. [Deephouse et al. \(2017\)](#) briefly note the presence of actors referring to them in passing as social movements and interest groups, such as those who advocate for LGBT rights. In this paper, these individuals or groups will be classified as *promoters*, with examples specific to the minority community and why these groups were so important in this context.

The structure of the paper will be as follows. First, legitimacy will be defined, along with its various types and why it is important in the entrepreneurial enterprise. Second, three strategies (*endorsement*, *authorization* and *storytelling*) used to build legitimacy in the black community over this period will be described with examples. In the process of discussing those strategies, the impact of the fourth provider of validity (social organizations) and the definition of the *promoters* will be discussed. Finally, the results will be summarized, and areas of future research will be discussed.

### Legitimacy

[Suchman \(1995\)](#) wrote the seminal paper that consolidated most of the prevailing legitimacy theory into a coherent whole in the mid-90s. His definition of legitimacy ([Suchman, 1995](#), p. 574) was “a generalized perception or assumption that the actions of an entity are [desirable], proper, or appropriate within some socially constructed system of norms, values, beliefs, and definitions.” In addition, [Deephouse and Suchman \(2008\)](#) later argue that the term *desirable* be either omitted or bracketed to distinguish legitimacy from reputation and status.

By comparison, [Suddaby et al. \(2017\)](#) define three different epistemological perspectives on legitimacy. The first, and most common term, is *legitimacy-as-property*, where legitimacy is considered an objective asset possessed by an entity. The second perspective is *legitimacy-as-process*, where legitimacy is studied as an interaction between multiple actors, primarily at a macro level. Finally, the third perspective is *legitimacy-as-perception*, where legitimacy is considered as a social judgment and emphasizes the cognitive level of the individual evaluations. This research uses the perspective of *legitimacy-as-perception* as the focus is on how the community perceived the viability of black businesses.

This investigation takes its cues from [Bitektine and Haack \(2015\)](#), one of the seminal papers in the *legitimacy-as-perception* perspective. In that study, legitimacy must be understood at two distinct levels, the macro and micro. The micro level, where an individual evaluates an actor as legitimate, was designated as *propriety*. The macro level, where the collective judgment is that an actor is legitimate, was designated as *validity*. [Bitektine and Haack \(2015\)](#) developed a model demonstrating how propriety and validity work together in a cycle. Individuals must collect data, through observation or other means, to evaluate propriety. As individuals make decisions about propriety, a sufficient number of them will cause validity to be created. Once the validity is present, it then amplifies the propriety as individuals are no longer required to gather as much data. As an individual considers propriety and sees that validity is already present, then it is more efficient to assume the propriety is there. Individuals, in effect, bestow upon an actor “the benefit of a doubt” given that the validity is present. For this reason, legitimacy, once achieved, is often a self-sustaining endeavor, especially in an environment of institutional stability ([Bitektine and Haack, 2015](#)).

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Individuals will overlook their concerns about propriety if they are convinced that the collective has already given its approval through validity. A great deal of public pressure exists to accept the wisdom of the collective (Bitektine and Haack, 2015). In recent years, one can see how the media treated individuals who brought charges of sexual harassment against prominent men. Only when a sufficient number of women spoke out did those men begin to lose their legitimacy and the women were granted validity instead (Farrow, 2019). This simply amplifies the strength of a validity judgment and how important that perception is for an organization.

Suchman (1995) also defined three types of legitimacy (pragmatic, moral and cognitive) that are present in all three perspectives of legitimacy. (Other researchers have used different formulations. A more thorough study can be found in Deephouse *et al.* (2017) and Suddaby *et al.* (2017).) Pragmatic legitimacy occurs when the evaluator sees an expected benefit from the actor's actions, organization or aims. Moral legitimacy occurs when the evaluator sees the actor's actions, organization or aims as "the right thing to do." It is not based on benefits to the evaluator but what the evaluator sees as good for society as a whole; the actor conforms to the known social norms. Cognitive legitimacy is the most ephemeral. This legitimacy occurs when the evaluator sees the actor's actions, organization or aims as "taken for granted." In this sense, the actor's legitimacy is no longer even questioned. It is simply a matter of fact (Suchman, 1995). According to Suchman (1995, p. 585),

Together, these observations suggest that as one moves from the pragmatic to the moral to the cognitive, legitimacy becomes more elusive to obtain and more difficult to manipulate, but it also becomes more subtle, more profound, and more self-sustaining, once established.

Consider the example of black men playing professional baseball. In 1947, when Jackie Robinson broke the color barrier, a strong pragmatic legitimacy was at play. Mr Robinson was a great baseball player and the Dodgers needed a great player. However, we also see a strong moral legitimacy at play. It became increasingly more difficult during that era for some to justify why a man could not play professional baseball just because of his skin color. Within a matter of years, however, cognitive legitimacy was achieved. Most people could not imagine all-white professional baseball again. Today, it is almost inconceivable that segregation would return to the professional sports arena. (However, this does not mean that once cognitive legitimacy is achieved, it is impossible to lose. In the early 1970s, as Hank Aaron chased Babe Ruth's home run record, a crisis in legitimacy occurred as the former athlete faced great pressure from those who struggled to reconcile a black player holding one of baseball's oldest records (Christensen, 2014).) All three of the aforesaid perspectives consider all three types of legitimacy, but from different angles. However, the *legitimacy-as-perception* perspective certainly emphasizes the cognitive legitimacy focused on these individual, evaluative judgments. Hence, this paper does likewise by considering the strategies to change the perception that black businesses were viable.

Given then the strength of a validity judgment, especially concerning cognitive legitimacy, actors (whether individuals or entities) will actively seek to achieve this positive judgment and to publicize that it has been achieved. Bitektine and Haack (2015) named three external sources of validity: media, government and legal. In the media, validity is often conferred by a share of voice. As the media consistently speaks of a process or entity positively, then the judgment of validity is passed on to that process or entity. The government grants validity through regulation or legislation. For example, since federal financial aid is only available at colleges that possess regional accreditation, that accreditation is the signal of validity. Legal systems grant validity by the judgments that it

passes. For example, the Supreme Court in the *Citizens United* case gave legitimacy to the practice of corporate donations to political fundraising.

One of the strongest ways that validity is achieved is through the attainment of consensus. This consensus reflects the societal norms that are used to judge individuals' actions (Bitektine and Haack, 2015). In *Citizens United*, the Supreme Court decided that corporations would be governed by the same set of norms as individuals, namely, they enjoy the freedom of speech, and granted them legal validity.

However, just because legal validity is granted does not mean that cognitive validity is present. An example of where a set of norms has not been collectively agreed upon would be the topic of abortion. Pro-life activists want to apply a set of norms that emphasize the rights and life of the fetus. A recent pro-life district attorney in Georgia (Melvin, 2019) emphasized his opposition to abortion by stating he was giving a voice to the voiceless, similar to the Civil Rights Movement. Pro-choice activists (Edwards, 2019) want to apply a set of norms that emphasize the rights of the woman involved. While the current legal validity recognizes the rights of the woman, at the current time, neither side has achieved validity to the point that the issue appears settled in the USA by a majority of the citizens in a cognitive way.

Wadhvani and Lubinski (2017) argue that achieving legitimacy is one of the three main points of study in entrepreneurial history. Given that entrepreneurship is a form of "creative destruction," and given the previous discussion that there are external forces to not disrupt the current judgments of validity, entrepreneurs will face pressure from existing institutions to not make changes. Therefore, Wadhvani and Lubinski (2017, p. 786) ask *what kinds of behaviors have entrepreneurial actors historically engaged in to legitimize novel forms of value or combinations of resources?* In this paper, practical examples of how validity was conferred and sought will be shown.

## Legitimation strategies

### *Endorsement*

Bitektine and Haack (2015) state that one strategy by which an entity may show validity is *endorsement* (stressing that a majority or an increasing number of actors approve of the entity). They specify that three external actors are the ones granting validity (media, government and legal). A great example of the media granting validity is reflected in the case of James Tate.

In the aftermath of the Civil War, many black people left their rural environs and plantations to move to the cities. Many of the first businesses started at that time were based on the roles filled on the plantations/farms that had been left (Du Bois, 1899). House servants often became cooks/caterers, barbers, maids, etc. Field hands would become contractors, florists, deliverymen, etc. Artisans from the plantation created businesses as tailors/seamstresses, furniture-makers, jewelers. (In fact, artisan slaves were on occasion allowed to make money for themselves using their talent even before the Civil War, but they operated under very tight constraints (Wortman, 2009). Therefore, it is reasonable that many would take that practice into entrepreneurship after the war.) One of the more common businesses established by blacks after the Civil War was the grocery. Du Bois (1899, pp. 11-12) stated:

The African Negro is a born trader, and despite the communism of the slave plantation, considerable barter went on among the slaves, and between them and the whites [. . .]. While then trade and property was not unknown to slaves, yet the Negro merchant is distinctly a post-bellum institution. The Negro grocery and general merchandise store is the direct descendant of the "store-house" on the old plantation.

James Tate entered the grocery business when he arrived in Atlanta in 1865 at the approximate age of 40 years. According to Reverend E. R. Carter, pastor of Friendship Baptist Church, who wrote *The Black Side: A Partial History of the Business, Religious, and Educational Side of the Negro in Atlanta in 1894*, *James Tate who is now one of the most successful wholesale and retail merchants of the Black Side, or the average business man of the White Side, in the year 1866 commenced a grocery business on Walton street, near the First Baptist Church (white). His total stock at that time amounted to \$6.00 (six dollars). He now carries a stock of more than \$6,000 (six thousand dollars), in a neat, two-story brick building on Decatur street, where he has resided since 1867. This man was the first to open and teach a school in this city. He might rightly be called the father of the beginning of business and enterprise, as well as the intellectual source. The first of the Black Side of this now thriving city to open a store, the first to open a school, the first to teach a school! From him no doubt came the inspiration for the many who have come after him.*

Tate had been taught to read and write in secret by his father, the plantation owner, Dr A.G. Tate. James Tate believed that his education influenced his success and for this reason, he sought to help educate others. He was heavily involved in founding Friendship Baptist Church, one of the oldest churches in Atlanta, when it became independent in 1866. His love of the church and education coincided when he helped convince the leaders of the Augusta Baptist Seminary (that was later named Morehouse College) for black men to relocate to Atlanta in 1879 to hold classes in the basement of Friendship. Two years later, he helped to found Spelman Seminary (later Spelman College) for black women in the same location. In addition to educational pursuits, Tate was also heavily involved in Republican politics, which at the time was the only political avenue Atlanta available to black men (*Atlanta Constitution*, 1890, 1896).

For his civic and political service, Mr Tate was repeatedly endorsed in newspapers, both local and national. In 1880, the *Atlanta Constitution* (1880, p. 4) printed the following correction: *In the article detailing what had been accomplished financially and otherwise in this city by the colored people, inadvertently James Tate was placed under the head of those worth a \$1000. He is worth over \$5000.* It should be noted that the paper was circulating an article on the accomplishments of black people, which in and of itself was notable. Such an example reflects how their endeavors were given legitimacy. Second, the newspaper's editor thought it was important to print this correction about James Tate's true monetary worth. One may only venture to consider who notified them of their error. If James Tate did so himself, then he was actively working to ensure he was granted the proper credit for his accomplishment. If it was another actor, then we see an external force that thought it was important that Tate be given proper recognition for his accomplishments. Hence, the size of his success (net worth) was a strong signal of his legitimacy as a businessman.

By comparison, in 1888, the *Cleveland Gazette* (1888) (of Ohio) published an article that focused on *Several Atlanta Georgia Persons who have Wealth*. The article notes,

James Tate owns real estate worth about \$10,000, operating a business with a stock of \$2000; he owns a plantation on the R&D railroad, and is worth at least \$15000.

In addition, *The Atlanta Constitution* (1890, p. 7) followed with its article on *Thirty Negroes Who are Rich*. James Tate was one of those listed. In particular, the article notes, "The taxable property of James Tate amounts to \$7000." Furthermore, the article praised Tate for his wealth, the entire group was also referred to as "old antebellum slave darkies." Despite its use of troubling language from the era, the article gave credit for their success to Tate for:

["] having lived in the quiet pursuit of business achievements rather than to take an aggressive stand in political matters, their fortunes today are a conclusive evidence that the negro, as long as

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he follows with sober thrift and industry his different pursuits, is at home with white friends in the south.

Finally, in 1896 a year before Tate died, a journalist writing for the *Atlanta Constitution* (1896, p. 12) spoke highly of him in its article "From Bondage to Fortune: How the Thrifty Negroes of Atlanta have succeeded in Business":

James Tate, born a slave and thrown upon his own resources by emancipation, he has won his way into the business world step by step until now he is the holder of several thousand dollars of property and lives in a comfortable Atlanta home. Tate is well known in Atlanta by business men and at the banks, where he is known for integrity and character. He has in a great measure solved the problem of the future of his race. He has proved that success is in the reach of the negro if he will pay close attention to his business and put into practice sound business principles. Tate has a credit among some of the largest wholesale houses and he has made many friends by his square and upright transactions. His business has prospered and in the years he has lived in Atlanta he has fast accumulated property. His houses are to be found in all portions of the city and he is the owner of several farms and truck gardens in the county (*Atlanta Constitution*, 1896, p. 12).

Although one may cringe at the paternalistic language used by these white newspapers (white), without a doubt the papers were giving Tate their endorsement. In the framework of legitimacy, the individual papers and the author, Reverend E. R. Carter, have made the judgment of propriety that Mr Tate is a legitimate businessman. Their collective voice is seeking to give him (and others) validity in the community. The societal norms used to judge his legitimacy are clear from reading the articles. One, he has had great material success. Repeated references are made to the number of assets he owned in property and cash. Two, Tate was a man of good character. He has earned his money the "right" way. He was involved in education and the church. He was not radical in politics but was sober and industrious.

The examples above represent a media endorsement. This author would argue, particularly in the black community in this time frame, that another external source of validity exists: social organizations. These social organizations would include the black church, fraternal organizations and political parties.

It is not difficult to understand why a different source might be necessary for the black community. Certainly, this community would have less confidence in the judgments of the media, government and legal sources of validity than the majority. Baradaran (2017) gives a timeline of the broken promises of the US Government after the Civil War regarding land distribution, the Freedman's Bank and other economic empowerment decisions. She (p. 30) specifically speaks of how the failure of the Freedman's Bank "cost them trust in the federal government, which ultimately bore responsibility for the bank's misdeeds." The *Slaughterhouse Cases* (1873), *Louisville, New Orleans, and Texas Railroads v. Mississippi* (1890), *Plessy v. Ferguson* (1896), and other court decisions would not inspire confidence in the legal system (Baradaran, 2017). Burns (2016) details exhaustively how the white media fomented the 1906 race riots in Atlanta. Many other examples could be given. Therefore, the judgment of the social organizations within the black community would be stronger than these majority institutions of government, media and law (Dittmer, 1977).

Of these social organizations, the most important would have to be the black church. It would be difficult to underestimate the importance of the church to the black community.

Next to the family, the church was the most important institution, the religious and social center of Negro life. Here parishioners learned the price of cotton or the date of the next circus. They wore their most fashionable clothes and heard about upcoming elections [...]. Weddings, funerals, summer revivals, church suppers, and bazaars provided much of the community social life, and youth groups, women's missionary societies, and meetings of deacons and elders gave



blacks the opportunity of self-government denied them in the greater society (Dittmer, 1977, pp. 50-51).

The black church was the center of the community's social life, but it was certainly not the only component. Black fraternal organizations (Dittmer, 1977) were another strong part of the black social and community life. The Freemasonry had an estimated 28,000 members in Georgia by 1920. The Odd Fellows had 1,100 lodges and 33,000 members in 1916. The Odd Fellows owned a large building in downtown Atlanta and set up funds to support aspiring businessmen. Their president, Benjamin Davis, also owned and edited a successful newspaper, the *Atlanta Independent*, which guaranteed that their opinions and support were well known. By 1914, five major black college-based fraternal organizations would be active, from Alpha Phi Alpha Fraternity, incorporated in 1906 to Phi Beta Sigma Fraternity, incorporated in 1914 representing another social outlet, here connected to the educational institutions. Finally, the Republican Party in Georgia was majority black and it functioned as the political organization of note in the black community. As noted earlier, all of these organizations gave black people a form of self-government and self-control they were not allowed in the majority society. It also gave them an independent voice that signaled the possession of legitimacy – or the lack thereof.

J.B. Blayton represents an example of seeking an endorsement from social organizations. Blayton arrived in Atlanta in 1922 to work at Standard Life Insurance as a controller. He was born in Oklahoma in 1897 and had learned about accounting while serving in the armed forces during WWI (Blayton, 1954). After his return from the war theater, he studied in Chicago for his professional training and then came to Atlanta with his family to start his career. In 1925, he would begin teaching accounting at Morehouse and Atlanta University, a position he would hold for 45 years. In 1928, he earned his CPA designation, only the fourth black man in the USA to do so and the first in the Deep South (Hammond, 2002). Immediately, he opened his CPA firm, The Blayton Company, which he maintained for the rest of his life. Blayton was a serial entrepreneur. Between 1925 and 1950, he was involved in creating or managing 11 different businesses, including a savings and loan (Mutual Federal Savings and Loan), a bank (Citizens Trust Bank), a nightclub (Top Hat Gentlemen's Club), a business school (Blayton Business School), a TV/Radio repair school (Midway Television Institute), a soda bottling company (Brown Boy Bottling Company) and a radio station (WERD) (Hollingsworth and Allen, 2010). Purchasing WERD made Blayton the first black owner of a radio station in the country.

In 1932, Blayton and two others purchased Citizens Trust Bank. The bank grew strong from the support of black churches. According to Dr Williams Holmes Borders (Ingham and Feldman, 1994, p. 85), pastor of the prestigious Wheat Street Baptist Church,

The preachers made Citizens Trust Bank. They put in deposits that Monday morning. Around 11 o'clock, the lobby would be full of nothing but preachers. And the people, seeing their preacher deposit God's money from the churches into Citizens Trust, put their money into it, and helped put it over in a great way.

As noted by Deephouse *et al.* (2017, p. 12), individuals only engage with legitimate organizations so these deposits were a powerful signal. Borders also commented that the three men who had majority control of the bank were all involved in the various churches. Blayton, for example, was a deacon in Ebenezer Baptist Church.

In addition to the church, Blayton received endorsements from other social organizations. As a CPA, Blayton performed the audits for the National Baptist Convention and served as national treasurer for his fraternity, Omega Psi Phi Fraternity, Incorporated. He was also the official auditor for the Southern Christian Leadership Conference (Hollingsworth and Allen,

2010). All these organizations were important parts of the black community. Through his associations with the aforesaid religious, civic and social organizations, Blayton enjoyed professional legitimacy.

Furthermore, in the legitimacy framework considered here, each church or organization that hired Mr Blayton or used Citizens Trust Bank was thereby creating a collective judgment that he and his businesses were worthwhile. Three types of legitimacy are echoed in Reverend Border's above-stated observation. Stated in another way, the fact that leaders and members of many of Atlanta's black churches trusted their money to Citizens Trust Bank gave the bank pragmatic legitimacy that suggested the churches' and individuals' money was safe. By extension, given that the money collected through tithes and offerings is "God's money," another type of moral legitimacy was granted. Finally, given the visual impact of a bank lobby full of preachers waiting to make deposits suggests that cognitive legitimacy could be achieved. As Haack *et al.* (2014) suggest, the bank is a recipient of vertical legitimacy spillover as the legitimacy given to the churches is now granted to the bank.

Finally, one of the strongest endorsements in the minority community that can be received is from the majority community. While it was not uncommon for whites and blacks to patronize each other's business concerns in the immediate aftermath of the Civil War (Dittmer, 1977), for James Tate, one mark of his success was still that he had white and black customers. When the author had a personal conversation with the great-great-granddaughter of Mr Tate (Bone, 2016), she delighted in telling the story of a group of white men who had come to her ancestor to borrow money for a venture after being turned down by the banks. After some consideration and prayer, Mr Tate invested in the hotel these men wanted. The factual nature of this encounter is unknown but also beside the point. The very act of describing how her ancestor was able to help whites demonstrates that this practice of white patronage was considered a mark of success, even over a century later.

The presence of white customers became an even stronger endorsement of validity after the turn of the century when Jim Crow laws were promulgated and the racial mixing of customers declined. Therefore, J. B. Blayton, when speaking of Citizens Trust Bank, would highlight that the bank had white customers as well as blacks. In 1951, Alexander (1951) of Rutgers University completed a survey of black Atlanta business in the *Southern Economic Journal* titled "Negro Business in Atlanta." He used a significant part of the article exploring the history of Citizens Trust Bank. Alexander noted, *most of the Negro businessmen deal with the Citizens Trust Co. However, about 20 per cent by number and 30 per cent by value of the accounts in the bank are held by white people. These include merchants in the Negro district, as well as people from the other side of town who feel that they can better conceal their affairs if they do business in a colored bank.*

From a legitimacy standpoint, white customers could confer the validity that black customers could not. One explanation is simply that white customers had far more options than black customers, given they could choose from among both communities and blacks were restricted to only one. Therefore, white customers choosing to patronize a black business, in this period, was an endorsement and transmitted validity to the business, as can be seen from the inference in Alexander's article.

#### *Authorization*

Another strategy listed by Bitektine and Haack (2015) to provide legitimacy is *authorization* (stressing that the entity is approved and supported by other regulators or other influential actors). A prime example of this strategy is Heman Perry's decision to create a legal reserve insurance company (Henderson, 1987). Perry arrived in Atlanta in 1908. He was in Texas

and spent some time in New York before migrating south to Atlanta. Heman Perry wanted to build a business in insurance. During this period, insurance was one of the few businesses that was prevalent in the black community. Many small firms had been created; most of them arising from benevolent associations. These small firms were in industrial insurance, which provided illness and accident coverage plus a burial stipend. The money was collected weekly door to door. Most of them were on shaky financial ground and failures frequently occurred (Dittmer, 1977). However, Perry wanted to create a legal reserve insurance company. Legal reserve meant that the company was required to have a specified amount of capital on hand before issuing any contracts. The regulation was much higher but so was the opportunity. In 1908, no black-owned insurance company operated as a legal reserve entity.

To operate as a legal reserve company in Georgia, Perry was required to raise \$100,000 (nearly \$2.8m in \$2,020 after adjusting for inflation). An industrial insurance company only needed \$5,000 on hand (Merritt, 2002) as opposed to \$100,000. Despite herculean efforts and travels across the South, he was still \$30,000 short by the time his charter expired in 1911. He paid the money back with interest. Undeterred, he began the whole process again and by 1913 was close enough that he could borrow the rest. (The chartering delay meant that Standard Life was the third black-owned firm to achieve legal reserve status – although it was the first established in Atlanta.) By 1922, Standard Life had over \$22m in policies in force, more than double what the now better-known Atlanta Life had (Henderson, 1987).

It was simply not necessary to be a legal reserve insurance company to be successful in the black community. Multiple insurance firms had been in existence since the Civil War. For instance, in 1906, Alonzo Herndon had already created the successful Atlanta Mutual – that would later become Atlanta Life Insurance – a company that is still in existence today. Atlanta Mutual differed from North Carolina Mutual. The latter was already in existence as an industrial insurance company. However, through the creation of Standard Life, ambitious Perry sought to broaden his professional and communal reach. Perry devoutly believed in using business to create strength in the black community. Granted, an industrial insurance company did not provide equity to those who paid premiums and the insurance was not as solid. Perry believed that he had to create a stronger, more established insurance business than those currently in the marketplace. To achieve that vision, he sought to realize the elevated status of a legal reserve company, even though it required such a huge capital expenditure and far more regulation. The measure of Perry's commitment to this idea was reflected in the three years that he spent crossing the South raising money for this venture. Unfortunately, in 1911, his pursuit was delayed. Although he raised \$70,000, which was more than sufficient to start a large company, he had to wait for another two years before he found eventual success.

Perry's dedication, however, to this higher standard of professional regulation paid off. Once Standard Life Insurance was founded and operational, Perry used the investments from the company to create numerous businesses in the community. He believed strongly in the concept of the "double dollar," that a dollar spent in a black-owned business had a greater impact since it led to black employment that created a larger market (in essence, the multiplier effect). At their peak, his organizations employed 2500 people and it was estimated that 2 per cent of Atlanta's black population worked for him in some form (Henderson, 1986) (Walker, 1999, p. 297). Forbes magazine stated in 1924 that Perry directed a \$30m enterprise and was personally worth \$8m (Walker, 1999, p. 15).

Perry advertised this strength by a semi-annual statement placed in the *Atlanta Constitution* (1913). In the August 23, 1913 edition of the paper (1913, p. 12), during Standard Life's first year of existence, a statement showed that Standard Life had \$100,000 in capital

stock. The statement indicated that the company was “organized under the laws of the State of Georgia, made to the Governor of the State of Georgia in pursuance to the laws of said state.” This statement, in one of the two main white Atlanta newspapers, would have made clear its authorization from the state.

In addition to Perry, J.B. Blayton also used the strategy of authorization to obtain legitimacy. As noted earlier, he moved to Atlanta to work for Perry’s Standard Life Insurance Company as an accountant. By 1925, Blayton was successful enough that he and 10 others founded Mutual Federal Savings and Loans, the first of his many entrepreneurial endeavors. That year, he also started teaching accounting at Morehouse College and Atlanta University. Even though he was already quite successful, he felt it necessary to take the extra step of achieving the proper credential of CPA, a very public form of authorization (Martin, 1933). It was so important to Blayton that he took the CPA test thirteen times over the next three years. From 1925 to 1928, Blayton took the exam every three months (Georgia Archives, 1925-1928) until finally passing in 1928, paying \$25 per test (\$363 in 2019 dollars after adjusting for inflation). Whether the necessity of multiple attempts was because of racism, his inadequate training or his lack of knowledge is not known. However, his perseverance and his dedication to this task is clear. In 1928, J.B. Blayton received his CPA certification[1]. By 1950, there were fewer than 20 black CPAs in the country, and it took until the mid-60s to achieve the first 100, so black CPAs remained a rare commodity for many years (Hammond, 2002).

Blayton not only believed this credential helped him in his career but also he advocated that other black men and women pursue and attain it. From his position at Atlanta University, the only graduate-level business school offering accounting at a black college for the first half of the century (Pierce, 1947, p. 274), he would encourage other students to pursue the CPA designation. One of his first students to earn the CPA was Frank Adair, who graduated from Morehouse in 1929 under Blayton’s tutelage. At that time Atlanta University did not have its graduate school yet; therefore, Adair continued his training at Blayton Business School, founded by Blayton and his wife. Adair would pass the CPA exam in GA in 1932, becoming only the sixth black CPA in the country at that point and only the second in Georgia (Hollingsworth, 2012) (Kelley, 1934, p. 4). Of the black CPAs in 1950, fully half were associated with Blayton earning him the title “Dean of Negro Accountants” (Hammond, 2002).

Not only did Blayton use authorization for his accounting endeavors but also in his other businesses. For example, in 1948, Citizens Trust Bank became the first black bank to become part of the Federal Reserve System. The Federal Reserve System was created in 1913, therefore, 35 years passed before a black-owned bank was admitted into membership which demonstrates the difficulty a black bank endured to achieve this authorization. In Alexander’s article (1951, p. 457), he noted that Citizens Trust was:

[...] the third largest Negro bank in the country and is the only one which belongs to the Federal Reserve System. It also belongs to the Federal Deposit Insurance Co. and is a depository for US and State of Georgia funds.

Again, we see Blayton and his partners pushing for a higher form of *authorization*.

In our legitimacy framework, the authorization strategy in these examples reflects the *legitimacy-as-process* perspective. More than the other two methods discussed in the paper, this strategy demonstrates an active decision on the part of the entrepreneurs to seek legitimacy through the government (regulatory) source. However, in the context of black business during this period, these men seeking to be the first black man (or company or bank) to achieve this regulatory designation raises it above simply gaining pragmatic legitimacy that money or information was safe. A white man earning the CPA designation and Blayton being the first black man in the Deep South to get the CPA designation possesses a different meaning. Blayton

was not only affecting his legitimacy but the cognitive legitimacy that black men could achieve this designation.

### *Storytelling*

The final strategy listed by [Bitektine and Haack \(2015\)](#) of note is *storytelling and historical narrative* (increasing validity through storytelling and creation of myths and histories). As noted earlier, in the period under consideration, a lack of cognitive legitimacy for black businesses was prevalent. President Taft made the comments on the “fitness” of black people to hold complex jobs. Jackson lamented that black people often did not patronize other black businesses, having a lack of trust in them and Blayton published a survey demonstrating the negative attitudes often held toward black business. Hence, black entrepreneurs had to fight not only the legal obstacles of the day but also the cognitive ones.

Therefore, during these same periods, individuals and organizations arose that promoted the benefits of black business and various success stories. These external actors were not seeking individual benefit from the legitimacy and were not trying to give legitimacy to individual actors so much as they are trying to grant legitimacy to the overall endeavors for the good of the community. These *promoters* strove to create a mindset that patronizing black business was the right thing to do (*moral legitimacy*) and that the black businesses would serve them well (*pragmatic legitimacy*). Overall, these actors were working to build a *cognitive legitimacy* that black business was a natural and normal occurrence and they would do so by pushing stories of successful black businesses, often by stating the favorable personal character of the individuals involved. The most common technique they used was *storytelling or narrative*.

The National Negro Business League provides the best example of this technique in use. Just as the Niagara Conference in 1906 helped coalesce blacks into a political movement, the National Negro Business League created by Booker T. Washington in 1900 in Boston would seek to bind black business leaders together to build a black economy. The purpose of the new organization was “to promote the commercial and financial development of the Negro” ([Jackson, 1919](#)) and was composed of “negro men and women who have achieved success along business lines” ([The Independent, 1914](#)). As told in great detail in [Burrows \(1988\)](#), the primary, if not sole, the strategy of Washington and the League was to tell stories of black business success. The convention held each year would run like an old revival, filled from dawn to dusk with stories of black male success stories. (For many years, the program was only men. Madam C. J. Walker spoke from the floor in 1912 after being denied a spot on the stage.)

For the first decade of the League’s existence at least, WA had total control over the program and stage. The League and its annual convention, therefore, espoused the worldview of the Wizard from Tuskegee. This Washingtonian perspective had several components of mythmaking:

- Money and wealth had no prejudice. If a black man became wealthy, he would automatically be granted *t* from his black and white counterparts.
- The road to success and wealth was paved with good character (moral uprightness and personal integrity). “Moral character was the ultimate requirement for business employment and success” ([Burrows, 1988](#), p. 61).
- Any man could be successful if he worked hard enough.
- Racial pride was paramount. Not only were blacks encouraged to patronize other black businesses but they were expected to carry themselves with pride.

Washington allowed no mention of politics, no struggles that could not be overcome and no disreputable businesses such as taverns or saloons. No subject was permitted to detract from the overall message. Not only did the League seek to create this myth of black success for black audiences but the League and convention also worked to send a message to the white community. Burrows (2018, p. 63-64) states:

[...] the Business League played a significant role in the fostering of an image for white consumption. The League sought to convince the white man that the black man was making real progress.

Similar to his speech in 1895 at the Atlanta Exposition, WA and his League sent the message that the black community only sought economic success and would succeed if given a fair chance.

To add to the message of the League, in 1907, Washington (1907) wrote his book *The Negro in Business*. His aim (1907, p. 3) was clear: *My main object in preparing this volume has been to set forth some examples from among the members of the Negro race that may serve to encourage other men and women of the race to go forward and win success in business directions.*

Ultimately, the League fell victim to its mythology. Black business success did not eliminate racial prejudice and, as a point of fact, too much success could make a black man more of a target for discrimination and attacks. Simply working hard was not always sufficient for success as the legal and cultural obstacles were entrenched in society. The good character espoused was often a name for what would later be called “respectability politics” (from “the politics of respectability” coined by Evelyn Higginbotham (1994) in her book *Righteous Discontent*), the notion that following a strict code of conduct palatable to the majority community would protect one from negative consequences. The League spent so much time promoting the various success stories that it never took the time to educate black businesspeople on business practices that might lead to success. Followers of the League never learned the lessons accumulated from failure as those were not reported. Eventually, as people saw through the myths, adherents would fall away and the League would struggle to reorient itself (Burrows, 1988). However, for this paper, it is the intent and practices of the League that matters. The League and its convention were a dedicated attempt to demonstrate the legitimacy of black business. With its various success stories, it did send a message to both black and whites that black business success was possible.

Beyond the League, we can find other external actors seeking to build the legitimacy of black businesses. For instance, Du Bois’s conference “The Negro in Business” (1899) sought to build a case for the moral legitimacy of these businesses. A resolution passed which stated: *The mass of the Negroes must learn to patronize business enterprises conducted by their own race, even at some slight disadvantage. We must cooperate or we are lost* (Du Bois, 1899, p. 50). In a similar vein, one of the speakers, Ms Hattie G. Escridge, stated the following:

The Negro has helped to make rich every race on earth but his own. They will walk three blocks or more to trade with a white man, when there is a Negro store next to their door. They say the Negro does not have as good material as the white man. In all cases that is not true, for they have both bought from the same wholesale grocer and have the same material. If there is any difference give the advantage to the Negro, for he is doing no more than the white merchant has done before. If there are weak points in the race, we should help to make them strong. It will be only by our coming together that we shall ever succeed. The different commodities that are brought into market by the Negro could be disposed of with the Negro merchants and by bartering as they do with the white merchants, benefit themselves, and aid the Negro merchant, and thereby the farmer and the grocer would be building each other up, and giving strength financially to both (Du Bois, 1899, p. 61).

At the same conference, Professor John Hope was the keynote speaker. Professor Hope was the first black graduate of Brown University, future President of Morehouse College (the

first black man to hold the position) and a future participant in the Niagara Movement. He spoke strongly about the need for successful blacks not only in business but as a means of creating black capital that could build other black businesses. He was emphatic that, given a choice, the white population would always choose white employees and businesses over those of black. He ended his speech with this clarion call advocating the morality (pushing the moral legitimacy) of successful black businesses:

All of us know that material wealth is not the test of highest development and manhood. Yet, in as much as this highest development is dependent on the material foundation, the man who lays that foundation is as great a benefactor to the race as that man or generation that will in the end present that final gift, which shall yield the rich, ripe fruit of the emotions and the soul – the consummation of those aspirations that look beyond material things to the things that are biding and eternal. In some such noble form as this the vocation of the business man presents itself to me; and were I a vender of peanuts or an owner of a mill, I should feel that I, along with preachers and teachers and the rest of the saints, was doing God’s service in the cause of the elevation of my people (Du Bois, 1899, p. 60).

Du Bois’s conference proceedings (1899, pp. 40-45) contains multiple accounts from successful businesspeople on their struggles and successes, similar to that which would be touted by the National Negro Business League in future years. (Du Bois’s conference called for a league to be created but Washington co-opted the idea and moved forward without giving Du Bois due credit (Burrows, 1988).

In the same spirit of storytelling and mythmaking as the League and Du Bois’s conference proceedings, other actors also sought to publicize stories of the success of black people in business. Reverend Carter’s book *The Black Side: a partial history of the business, religious, and educational side of the Negro in Atlanta* (1894) was mentioned earlier. The entire book is filled with vignettes of successful blacks in business, religion and education. Black newspapers were filled with stories of black men and women having success in business. For example, *Atlanta Daily World* (Kelley, 1934, p. 4) profiled J.B. Blayton in 1934. The article begins *One of the finest examples of what fight and determination can do for a young man and how through these qualities plus plenty of hard work a man can surmount any obstacle and achieve anything he wants is told in the story of Jesse Bee Byalton (sic) who roe (sic) from an unknown country boy from the backwoods of Oklahoma to the first Negro Certified Public Accountant in the State of Georgia. The author, Kelley, and the World states that it is glad to pay tribute to Blayton as the entire article is nothing but a listing of his accomplishments.*

Black leaders often used their influence not only to promote black businesses but also to provide guidance and direction to make those businesses better. At the previously mentioned Association for the Study of Negro Life and History (founded by Carter G. Woodson) meeting held in Atlanta, GA in 1932, various experts spoke to the abilities of blacks in the business world. The resulting speeches were published in the *Journal of Negro History*. Though Blayton (1933) and Jackson (1933) spoke of the difficulties involved in black perceptions of black businesses, the speeches intended to strengthen and edify those in attendance. At the same conference, C.C. Spaulding, President of North Carolina Mutual Life Insurance and a noted purveyor of management thought (Prieto and Phipps, 2016) spoke on “*Is the Negro Meeting the Test in Business*” (Spaulding, 1933). All of them pushed for more education for black men and women and greater diligence to their tasks, thereby increasing their pragmatic legitimacy by making the businessmen and women better.

But it was not only the black newspapers, organizations and authors that were part of this storytelling exercise. The white newspapers were also actively involved. Consider the newspaper articles mentioned earlier on “Thirty Negroes who are Rich”(Atlanta Constitution, 1890), and “From Bondage to Fortune: How the Thrifty Negroes of Atlanta have succeeded in Business”

(*Atlanta Constitution*, 1896). This research focused only on James Tate, but other black businessmen were present in articles such as Dr R.D. Badger (dentist), David Howard (undertaker) and Peter Eskridge (merchant). The articles not only promoted the success of the black businessmen, however, but the character and disposition of these men. All of the myths and storytelling are clarifying the social norms of what is required to be a success. To be legitimate meant not only to have material wealth but also to demonstrate the proper character traits of thrift, industriousness and non-political involvement, just as Washington did with his League.

As a reaction, in 1957, [Frazier \(1957\)](#) wrote a scathing denunciation of these efforts in his classic book *Black Bourgeoisie*. He has one chapter dedicated to the “Myth of Negro Business.” He cited statistics showing that the wealth of all black banks combined did not equal the capital in one white-owned bank in upstate New York. Frazier chided the black community for focusing on material advancement and social gains at the expense of real racial progress. (The negative reaction to his comments would verify the assertions in [Bitektine and Haack \(2015\)](#) concerning the resistance to opinions that contradict the accepted judgments of the majority.) Du Bois also, in later years, criticized the mythmaking that emphasized material attainment over community progress ([Burrows, 1988](#)).

But, in a very real sense, mythmaking was the point of the exercise. Booker T. Washington, the National Negro Business League, Reverend Carter, and others were looking to change the cognitive perception of black men and women and their endeavors in business. Every effort was a direct rebuttal to those, such as President Taft and even those in the black community, who believed blacks were mentally and culturally incapable of handling large business operations. All these *promoters* were not seeking to promote their businesses or to grant legitimacy to specific businesses. Instead, the intent was to provide cognitive legitimacy by promoting the whole of black business, using both pragmatic and moral reasons. While it is easy to see now that the myths became grandiose and obscured the reality, it does not necessarily follow that the exercise was in vain. The cognitive perception of the abilities of black people in business did need to be changed and these storytelling exercises were working in that direction. The extent of their success would be hard to measure but would be worthy of future study.

### Conclusion

Since the founding of the country, black people have fought for a respected place in our culture and economy. In the period after the Civil War, millions of newly freed slaves were just beginning to fully participate as producers and consumers in the postwar economy. However, the obstacles were immense. Not only were legal restrictions still in place, but also the social stigmas and public opinion created constraints. Therefore, black entrepreneurs needed to build the case for their participation in the markets. Their struggle for legitimacy was and is long lasting.

This paper has sought to make three main contributions to the field. One, this inquiry has sought to give practical applications of the legitimacy framework within the historical record using the examples of three black businessmen in the city of Atlanta. In the period from the end of the Civil War to the Civil Rights Movement, there was a consistent push to legitimize black businesses. Black businesses were endorsed by the local newspapers, the black social organizations and the patronage of the majority community. Some of these endorsements came from the deliberate strategies of the individual entrepreneurs, such as seeking the approval of the churches and some came externally, such as newspaper articles. Individual entrepreneurs sought authorization from government and regulatory bodies, such as legal reserve status, CPA designation or Federal Reserve membership, to prove their stability and strength.

Studying these historical examples, one of the more fascinating studies of the legitimacy-seeking nature of black business in this period is the storytelling and historical narrative



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that take place. The National Negro Business League, the Negro in Business conference and books such as [Carter's \(1894\)](#) helped to build the case that black businesses could be successful and were worthy of such success. Not only do those stories emphasize the practical success of the businesses but also the moral character of the individual entrepreneurs. Consistently, in this space, the goal is to grant not only pragmatic but also moral legitimacy to ultimately achieve cognitive legitimacy.

Two, this paper discusses a fourth external actor that has the power to grant validity (collective legitimacy) to an entrepreneur. [Bitektine and Haack \(2015\)](#) mentioned the media, government and legal. However, in the black community, social organizations have historically played a very important part in granting validity to individual concerns. These organizations are not part of the media, government or legal system but their importance cannot be denied. This fourth actor is necessary because of the lack of trust the black community would have in the majority institutions of media, government and legal.

Three, this paper discussed the presence of actors pushing legitimacy known as *promoters*. Most legitimacy literature deals with the actors seeking legitimacy, the external evaluators who grant it and the decision-making used to grant it. Promoters are distinct because they act for the good of the community without having the real authority to grant it. Promoters are not seeking legitimacy for themselves, so they differ from the individual actors. Promoters are different from regulatory, media or government actors as they are not granting legitimacy. Instead, their role is to persuade other actors that these actions need to and should be granted legitimacy. Their function is to promote and encourage the granting of legitimacy for the good of the overall community.

The focus of this paper solely on the example of three men in one city represents a limitation of the study. Certainly, it would be interesting to study if or how these methods differed in another place. Studies could be made that contrasted the experience in Atlanta, which had a significant black population and black business sector, with other cities in the South. In addition, the experiences in Northern urban areas and smaller rural areas, both North and South, could be expected to be different than those presented. Another significant limitation in this paper is the restriction to a single gender. Without a doubt, black businesswomen in the South would face additional legitimacy challenges than the men presented here. For example, the [Atlanta Constitution \(1890, p. 7\)](#) article *Thirty Negroes Who are Rich* listed only men. The National Negro Business League did not allow women speakers for many years. The analysis of black businesswomen and their search for legitimacy would represent a study in and of itself and could not be covered adequately in this paper.

Future research would be welcomed on all three contributions mentioned. More examples of legitimacy building in the historical record for black businesses and other institutions would easily be done. In particular, a study of how black colleges have sought legitimacy through the years could be a rich source of information. The author also does not assume or believe that this search for legitimacy for black businesses is confined in the past. Multiple examples exist in the current day that these strategies are still being used and black businesses often still fight for legitimacy. The similarities and differences between the segregated past and integrated present would be a fascinating study. For example, [Harriot \(2019\)](#) recently tweeted:

So I decided to go back an entire year and look up the education of every person on Meet the Press, even the politicians. Some never went to college. Some had bachelors degrees. But for an ENTIRE YEAR, EVERY SINGLE BLACK PERSON on MTP had a Masters degree or a PhD except 1.

From Harriot's perspective, this is a clear anecdotal example that black men and women need a stronger credential (authorization) than their majority counterparts. The saying in

the black community, *As a black person in white America, you've got to work twice as hard to get half as far* (DeSante, 2013, p. 342), also represents this perspective of the extra effort required by black America to be granted legitimacy. These two examples are just the start of what would be a fascinating and relevant study.

In addition, future research could focus on the fourth source of validation: social organizations. Without a doubt, black social organizations were a dominant force in the black community and remain so. Even today, politicians (white and black) who want black support still make regular visits to the pulpits of black churches. Whether this is unique to the black community or whether similar entities can be found in other cultures would be another area of study. Finally, other examples of *promoters* should be found and described. The work of the *promoters* can also be incorporated into the [Bitektine and Haack \(2015\)](#) model.

### Note

1. For most of his life, Blayton was known as the first black CPA in the USA and local papers referred to him that way ([Kelley, 1934](#), p. 4). Only recent research by Hammond showed Blayton was the fourth in the USA, but the first in Georgia and below the Mason Dixon line. However, it can be assumed Blayton thought he was striving to be the first in the country ([Hammond, 2002](#)).

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