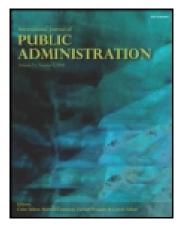
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Mary Parker Follett's Constructive Conflict: A "Psychological Foundation of Business Administration" for Innovative Global Enterprises

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### Mary Parker Follett's Constructive Conflict: A "Psychological Foundation of Business Administration" for Innovative Global Enterprises

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**Abstract:** Mary Parker Follett (1868–1933) was best known for her in-depth analysis of conflict situations in public and business organizations. According to her, "constructive conflict," based on her idea of inventive integration, is one of the key principles at "the heart of personnel relations in industry." In the present study, Follett's contributions related to constructive conflict are reassessed in the context of their relevance and utility for innovative growth of global enterprises competing in highly dynamic economies today. This article describes her conceptual development of the different elements of constructive conflict based on an inventive integration of differences between diverse individualities. Also discussed is how Follett's constructive conflict is related with her other psychological foundations of business administration. These foundations include

- 1. experiential tacit knowledge,
- 2. face-to-face communication and participation,
- 3. empowerment and control,
- 4. organizational dynamics, and
- 5. the strategic contextual leadership.

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Finally, we explore current and future implications for researchers and practicing managers of innovative global enterprises.

**Keywords:** creative conflict resolution, diversity, global enterprise, innovation, interpersonal conflict

#### REQUIREMENTS OF GLOBAL ENTERPRISES

Under intensely competitive global market conditions and rapid technological shifts, the capabilities of a global enterprise to rapidly develop technical innovations (involving innovative new products and creative new technologies) or organizational innovations (involving structural changes), have a significant influence on sustaining its competitive performance. [1–4] Mary Parker Follett (1868–1933) was one of the pioneering promoters of harnessing inventive and innovative energies embedded in the diverse individuals of an industrial enterprise or a neighborhood community. To Follett, conflict was merely a result of natural differences between people of diversity. The goal was to integrate these differences in order to unite dissenting parties and produce a collective good for all.

Constructive conflict was one of Follett's key principles at the heart of personnel relations in industry and community. [5] More than 70 years ago, in the closing years of World War I, she insightfully addressed human complexity, conflicts, and the political chaos of dynamic communities and corporations without either simplifying or sanitizing her analytical lenses.

According to some researchers, <sup>[6]</sup> Follett was considerably more sensitive to human relationships in industrial organizations than many of her contemporary writers on management. For example, Elton Mayo<sup>[7]</sup> advocated a human relations approach by ascribing privileged rationality to managers and "logic of sentiment" to the employees. Follett, on the other hand, accepted interpersonal and inter-group conflict between workers, as well as between workers and managers, as the essential ways of life. And, instead of ignoring or fearing conflict, she proposed that conflict could be made to work for the innovative growth of enterprises facing intense internal and external competition.

#### Follett's Constructs and Modern Network Enterprise

Many of Mary Parker Follett's founding principles are reported in two of her seminal books: *The New State: Group Organization the Solution of Popular Government*<sup>[8]</sup> and *Creative Experience*.<sup>[9]</sup> Metcalf and Urwick<sup>[10]</sup> posthumously compiled most of her presentations and papers in *Dynamic Administration: The Collected Papers of Mary Parker Follett*.

Many of Follett's principles have met the test of time, and are still highly relevant and useful to understanding the competitive performance of modern



global enterprises. We find her constructs particularly relevant to human resource management in an innovative network enterprise proposed by Miles and Snow, [11] Pfeffer, [12] and Thorelli. [13]

Miles and Snow<sup>[14]</sup> have proposed that rapid technological changes and shifting patterns of trade and competition have given birth to a new organizational form — a "dynamic network" enterprise. An innovative global enterprise depends heavily not only on external strategic alliances with suppliers, distributors, and co-producing sub-contractors, but it also relies heavily on the distinctive competencies of each of its employees. [15] The employees are expected to act as smart nodes in the "dynamic network," and they constantly monitor and interface with the organization's shifting external environment. [16] Aupperle [17] describes similar smart nodes in his analysis of Xenophon's retreat from ancient Persia in 401 B.C. Furthermore, some of the 13 key management practices Pfeffer<sup>[18]</sup> proposes for sustaining competitive advantage through people in such innovative network enterprises are: participation, empowerment, and information sharing of employees in self-managed teams. These overlap with Follett's foundations proposed more than 70 years earlier. We note that Follett's highly "participatory" and "experiential" employee had the needed distinctive competencies to become a smart node of a modern network enterprise.<sup>[19]</sup> Such relevance of Follett's constructs to innovative global enterprises in the 21st century will be elaborated later in the section on implications for researchers and practicing managers.

#### **Focus of This Study**

Follett's analysis of "constructive conflict" based on "integrative invention" is the focus of this study. [20] We reassess her concept of constructive conflict in the context of its application and suitability for survival and growth of an innovative global enterprise in the 21<sup>st</sup> century. We will critically examine the different sub-elements that facilitate a group of employees to search for constructive conflict. We also review how constructive conflict relates to other key principles of business administration Follett proposed in her various writings. [21,22] In terms of future implications for practitioners and researchers, we will show that whereas Follett was ahead of her time, her ideas continue to meet the contemporary needs of an innovative global enterprise in the 21<sup>st</sup> century.

#### INNOVATION AND HUMAN RESOURCE CAPITAL

A major challenge for managing large human enterprises is to balance the paradoxical pull between increasing their complexity of tasks, and the development and deployment of their employees' full potential. Until 1990, most of the modern research studies on organizational innovation were primarily focused on the analytical aspects of innovation. [23] These studies often rely on

using sequential "problem solving" models. [24–26] For example, Frederick Taylor's [27] scientific management, Edwards Deming's [28] total quality control, and Hammer and Champy's [29] reengineering, primarily recommend that in order to cut costs or improve efficiency, the management efforts need to be focused on measurement and the redesign of people's tasks. [30]

Further, to solve a problem efficiently, the problem solvers are expected to gradually accumulate knowledge in their long-term memory by a routine process. [31] In this sequential process, a manager must first carefully define the problem by relying on market research. She or he gathers information on: what products to offer, at what quality to produce them, and at what price to offer them to the target customers. [32] After a problem is defined (despite often ignoring how the problem was created), it is solved by breaking it down into simpler hierarchical elements. These hierarchical elements are then solved in an orderly sequential manner.

Unfortunately, many management theorists underestimate or overlook the needs of the human beings carrying out their tasks. Practicing managers of globally dispersed enterprises, on the other hand, frequently face the daunting challenges of confronting their tasks in a creative manner through other men and women, and they often do so through an artful trial and error approach. Often, these managers' task-optimizing initiatives are driven by fear or greed, sometimes carried to extreme task-focused impersonal levels.

Even though Mary Parker Follett was a contemporary of Frederick Taylor and his immensely popular "Scientific Management" of tasks, she provided the much-needed bridge to the subsequent human relations movement. Follett highlights the needs and interests of humans (whether they were workers or managers) as they interact with one another in large formal business enterprises and in informal community organizations. To her, an organization's sustained task productivity relies primarily on its employees' self-development, and not so much on them using scientifically engineered tasks. [33,34]

#### **Innovations in Turbulent and Chaotic Environments**

Under unpredictable hyper-competitive market chaos caused by dynamic turbulence in market environment, [35,36] this process of preset sequential algorithms often fails to generate any innovative solutions. [37] Whereas some organizations have used imitations, research consortia, or mergers and acquisitions to innovate, most organizations put a premium on effective management of people developing innovative new ideas. [38]

Nonaka<sup>[39]</sup> notes that innovations in many Japanese organizations are generated by leveraging chaos (defined as a dynamic state of order rather than as a state of disorder) to give birth to a newer understanding of their challenging problems. This dynamic innovative process uses a lot of redundant information generated and shared by the organization to create the new knowledge



needed to produce an innovative solution. Information redundancy in organization refers to "excess information shared in addition to the minimal amount of requisite information held by the different individuals, departments/groups, or organization, for performing a specific function." From the standpoint of efficiently processing information and "scientific management" the information redundancy may be considered needless, superfluous, and even costly. But, Nonaka empirically observes that the redundant information enriches the meanings and functions of different individuals participating in a project team or a work-group. As we will see later, this conforms to Follett's preference for face-to-face communication among employees.

#### Follett's Focus: Integrating Political Science with Management Science

Unlike many analytical thinkers of her time (such as, Taylor<sup>[43]</sup>, Mayo<sup>[44]</sup>, and others), who drove deep into a specific narrow aspect of business management, Mary Parker Follett preferred to be an integrator looking for synergies across a variety of inter-related disciplines.

While serving on arbitration boards, minimum wage boards, and public tribunals, Follett closely observed how different parties used politics and gained superior positions in conflicts involving industrial relations. She carefully analyzed her experiences and recorded her observations in her 1924 book, *Creative Experience*. Follett was fascinated by the fact that unlike politicians, when businessmen were excited by a creative new idea, they often tried to implement it in their business organizations. Follett enjoyed guiding and working with businessmen, and many business managers frequently sought her out for advice and guidance. For the 1925 Business Personnel Administration (BPA) conference, Henry C. Metcalf, its director, invited Follett to lecture on "The Psychological Foundations of Business Administration."

From 1925 to her death in 1933, Mary Parker Follett discussed and integrated a broad range of business management issues in twelve invited lectures delivered at the annual BPA conferences. In her BPA lectures, (published post-humously by Metcalf and Urwick in 1941, as *Dynamic Administration: The Collected Papers of Mary Parker Follett)*, Follett's main thesis is that the integrative principles of political science, that help govern a healthy society, could be effectively deployed to develop an innovative and successful business enterprise.

To Follett, a business enterprise was a significant social agency of the broader society. She constantly endeavored to set business enterprises in the context of making the larger society better. She positioned her principles of business management in the larger context of contributing social, political, and economic value to the larger society. With an unprecedented cohesiveness, she tied together the basic tenets of a well-functioning business organization, including its leadership and responsibility, power and control, consent and participation, and perhaps most importantly, conflict and conflict resolution.

### FOLLETT'S CONCEPTUAL DEVELOPMENT OF THE DIFFERENT COMPONENTS OF CONSTRUCTIVE CONFLICT

One of Follett's unique contributions is that she accepts conflict in a group or an organization as a fact of life.<sup>[45]</sup> In addition, she advocates that conflict should be accepted as the legitimate and valuable expression of differences that can be made to work for the progress of the group. In *New State*, Follett<sup>[46]</sup> points out that a creative idea can be collectively produced through harmonization of different interpretations. In *Creative Experience*, Follett<sup>[47]</sup> suggests that conflict should not be conceived as "a wasteful outbreak of incompatibilities," but as a socially normal process for registering valuable differences for the enrichment of all.

In her invited lecture to the BPA conference in January 1925, Follett defines constructive conflict as "the most fruitful way of dealing with conflict." She chose this as one of "certain subjects, which seem to me to go to the heart of personnel relations in industry." Unlike other contemporary management thinkers, Follett conceptualizes conflict as synonymous with differences, and without any ethical pre-judgment. To her, conflict is something that cannot be avoided, and can be used constructively (as elaborated below).

#### **Utilizing Friction Between Diverse People**

Follett proposes that managers should not fear but use inter-personal conflict—like the mechanical engineers capitalizing on friction between a belt and a pulley, and between a train and its track. [49] Whereas friction often represents a loss of energy between moving bodies, she notes that friction between belts and pulleys also plays a critical useful role in transmission of energy generated by a turbine driven by the gravity force of a waterfall (such as Niagara Falls), to the shaft driving grinding wheels in a flourmill. In a similar way, Follett believes that friction "between diverse groups of people can be used to drive the growth of their organizations." In *The New State*, Follett [50] explains that "the core of a social process is not likeness but harmonizing of differences through interpretations."

Pioneering work by Hofstede<sup>[51]</sup> on 116,000 people working for IBM in 50 countries indicated that in global enterprises, people from different countries differ in terms of four value dimensions: power distance, uncertainty avoidance, individualism, and masculinity. Subsequently, Trompenaars<sup>[52]</sup> researched 15,000 managers from 28 countries, and 47 national cultures, and identified new value dimensions such as universalism and particularistic interpersonal obligations, achievement versus ascribing to the legitimization of power and status, and others. Work-related teams with members from diverse backgrounds (with racial, ethnic, or cognitive differences) may produce inferior performance due to an extended "storming" stage in their team-formation

process.<sup>[53]</sup> On the other hand, some teams with low diversity and high cohesiveness among their team members may lack systematic procedures for searching and appraising innovative alternatives.<sup>[54]</sup> As Follett prophesizes, teams with high diversity, and mechanisms to harmonize the diverse interpretations of their team members, produce the most innovative solutions. Diversity in global enterprises, together with Follett's constructive conflict, can help generate large number of innovative solutions.

#### **Human Individuality**

Follett's definition of individuality evolves from her psychological theory that an individual's personality "stems from society, (as) the subsoil of social life." [55] She asserts that,

... individuality is the depth and breadth of true relation. I am an individual not as far as I am apart from, but as far as I am a part of other (persons). . . . The fullness, bigness of my life is . . . measured by . . . how far the whole is expressed through (me). [56]

Follett, therefore, considers the non-relation state of an individual as evil. [57] She went further in suggesting that individuals should try to deliberately make their private experiences serve public ends. The individuals' interests were like flowing streams of activities that meet for the ends much larger than what each individual could pursue. She wanted that men and women, even when spending their leisure time together, should consider the common causes facing them. To her a person was "radiating and converging, crossing and re-crossing energies" with others. [58] Thus, the private self merges completely with the public self. This was quite similar to what other philosophers of her time (such as Dewey [59]) were recommending in the early 20<sup>th</sup> century.

Follett considered idiosyncratic differences between individuals as minor issues that could be easily resolved through a constructive conflict management process.

#### **Alternate Conflict Management Processes**

Follett searched for alternate ways to effectively use conflict in a group or organization as a key to the group's progress. She was uncompromisingly convinced that many human issues, which cause conflict, have the potential to become positive-sum games. She inherently believes that when groups of people genuinely wrestle with a challenging issue, they reason with others and accommodate their diverse interests so that all will win. [60] History has, however, shown that people's self-interests, anchored in a zero-sum mentality,

have very often triumphed over the broader positive-sum interests of their larger collective.

Follett compares and contrasts three alternate processes for dealing with conflict. She recommends that a participatory inventive integration process used to resolve conflict would help to produce a much more lasting and superior solution than either (a) domination, or (b) compromise. Constructive conflict accommodates the real differences between individuals in an enduring manner. The differences are discussed openly by inventing integrative solutions "in which the desires of conflicting parties have found a place, and (wherein) neither side had to sacrifice anything." [61]

On the other hand, domination of one party over the other(s) may produce a quick but temporary and unstable solution. Domination breeds subsequent resentful reaction by the suppressed parties. Similarly, compromises and concessions, that are also used frequently, are likely to achieve only a brief respite, and leave all parties partially dissatisfied with the sub-optimum solution. The sub-optimum compromise solution is "still on the same plane as fighting. . . . (so that) the conflict will go underground and will eventually resurface in a more virulent form." [62] Enterprises or leaders relying on domination or compromises often achieve only temporary incremental gains, and they fail to produce significant innovations that achieve sustainable competitive advantages.

#### **Inventive Integration Process**

In *The New State*, Follett<sup>[63]</sup> proposes that in order to create a collective good, individuals must diligently articulate their ideas, and integrate these with the challenging ideas proposed by others. Her words spoken during the closing days of World War I that "War is easy" but "resolving differences through discussion is hard" still remind us today that the era of nationalism and parochialism is still with us. Follett proposes that inventive integration, by carefully listening, and energetically contributing efforts towards a better collective good, would fulfill the inner spirits of the employees. This, she feels, would intrinsically motivate them to contribute their innovative efforts further.

For inventive integration, Follett recommends uncovering and re-evaluating the underlying true motives and interests behind the stated and submerged desires of the parties involved. This helps the dissenting parties "clarify the joint field of vision" for a win-win integrative solution. Key pre-requisites to an innovative integration of conflicts are:

- 1. proper training for cooperative thinking,
- 2. open-mindedness, and
- 3. careful examination of symbols underlying the divergent motives.

The first step for inventive integration process involves,

the 'uncovering' . . . as a (psychological) process . . . for solving the conflicts which an individual has within himself. . . . (This) is equally important for the relations between individuals, or between groups, classes, races, and nations. In business, the employer, in dealing either with his associates or with his employees, has to get underneath all the camouflage, to find the real demand as against the demand put forward, distinguish declared motives from real motives, alleged causes from real causes, and to remember that sometimes an underlying motive is deliberately concealed, and that sometimes it exists unconsciously. [64]

In step two, Follett recommends breaking the demands and responses of both sides into constituent components and symbols. To her, preparation for response involves linear as well as circular responses. As in the game of tennis, our behavior often creates the situation to which we respond. Say, John serves Jill, and then Jill responds depending on the way John served. John's subsequent response to Jill then depends on Jill's return as well as John's earlier service to her. In other words, John not only responds to Jill's return, but also to the way John served earlier to Jill. John and Jill must recognize that they are experiencing linear as well as circular responses. In many ways, Follett anticipates the strategy literature by making us think about the first mover, second mover, third mover, and fourth mover strategies in game theory.

In step three, Follett suggests that both the parties enmeshed in a conflict make costless exchanges by giving up unimportant parts. She proposes that people should maintain an open mind and avoid either/or situations. The conflicting parties should step outside the problem to clarify a joint field of vision, and produce a collectively developed win-win idea for a common purpose. Developing integrative solutions together helps people enhance their mutual trust for more productive encounters in future.

Some of the major obstacles to inventive integration of conflict are that it requires "a high degree of intelligence, keen perception and discrimination, (and) more than all, a brilliant inventiveness" (Follett, 1925). Follett's approach assumes that every individual is ego-less, and very well related with others. It also assumes that people behave rationally and are reasonable.

### INTEGRATION OF CONSTRUCTIVE CONFLICT WITH OTHER FOLLETT FOUNDATIONS

Follett's concept of constructive conflict can be closely integrated with her reflections on other psychological foundations of business administration

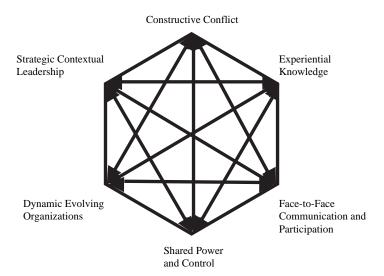


Figure 1. Integration of Constructive Conflict with Follett's Other Psychological Foundations of Business Administration.

(see Figure-1). Next, we review how she integrated her concept of constructive conflict with her other psychological foundations, such as

- 1. tacit experiential knowledge,
- 2. face-to-face communication and participation,
- 3. shared power and control,
- organizational dynamics, and
- strategic contextual leadership.

#### Tacit Experiential Knowledge

Follett shows great respect for the experience of practicing managers. She believes that when different managers share their experiences and the lessons they learn from these experiences, they are able to generate the integrative solutions needed for their pressing paradoxical problems. She strongly promotes proactive experimentation to accumulate new experiences.

Unfortunately, most managers do more preaching than facilitating opportunities for their people to gain useful experiences. Follett regretted that people were given "lectures on piano playing, and then put . . . on the concert stage." [65] She wants organizational leaders to proactively create opportunities for their subordinates and build their experiences. Then, integrating a constructive conflict would be an important additional experience that these employees can accumulate over time.

#### **Face-to-face Communication and Participation**

As a staff member of Roxbury Community Center in Boston, Follett believed that face-to-face communication and intimate acquaintances can help overcome other people's inertia, complacency and indifference. Direct personal communication helps produce "mutual sympathy," "collective idea," or a common purpose. In New State, Follett<sup>[66]</sup> suggests that, "to disagree as well as to agree with (other) people brings you closer to them. I always feel intimate with my enemies. It is not opposition but indifference which separates men (and women)."

She preferred grass-root interaction to arousal of political passions.<sup>[67,68]</sup> As a result of this belief, she promoted neighborhood community centers instead of forming political parties.

#### **Shared Power and Control**

Follett makes a clear distinction between the "power-over" or the coercive power some managers exercise over others, and the "power-with" that some leaders jointly co-produce with their associates. [69] To her power is not a "pre-existing thing," but rather a capacity that individuals develop over time. In this regard, her concept of power is somewhat similar to empowerment, whereby a leader provides opportunities for others that allow them to develop their own capacities for "power."

#### **Organizational Dynamics**

Follett considers a human organization as a dynamic system of complex social interactions, embedded with many conflicts. She rejects the mechanistic view of organizations as static systems striving for equilibrium. To her, social interactions in human organizations are not linear but circular. Thereby, every action by one individual not only causes a reaction in other individuals, but the very action is also influenced by these reactions. In other words, as managers are solving some problems, their contextual situation is constantly transforming and producing new dynamic problems and opportunities. Follett advocates "the law of the situation," whereby a person should not give orders to others, but should collectively take their orders from the dynamic and unique requirements of their current situation. As noted earlier, the integration of many conflicting and paradoxical demands of a situation can help generate a superior innovative solution.

#### Strategic Contextual Leadership

Follett sees a big chasm between the prevailing theories of leadership and the actual practices of business and community leaders. The prevailing leadership

theories of Follett's days viewed leaders as the people who influence (and sometimes coerce) others to obey their orders. On the other hand, to Follett the biggest leadership challenge of practicing managers is to *show* and persuade others that the specific actions taken, or their orders, were demanded by the pressing needs of the contextual situation facing the organization. She views leaders as the visionaries who can see the needed images not yet seen by others. The leader, therefore, should play the important role of developing the organization's shared collective purpose, and inspiring all the people to achieve their collective purpose.

## POST-FOLLETT EVOLUTION OF CONSTRUCTIVE CONFLICT MANAGEMENT

In recent years, with increasing globalization of markets,<sup>[70]</sup> and rapid technological innovations,<sup>[71]</sup> many enterprises face a heightened need to use cross-functional teams for generating innovative products and processes, and delivering those quickly to their target markets.<sup>[72]</sup> Unlike the view of Follett's cotemporary classical organizational theorists who recommended minimizing intra-organizational conflict, an increasing number of new researchers (such as Tjosvold<sup>[73]</sup>) have started promoting the notion that conflict can be constructive.

Tjosvold<sup>[74]</sup> classified three approaches to conflict: conflict avoidance, competitive conflict, and cooperative conflict. Ironically these are very similar to Follett's constructive conflict. Leonard and Straus<sup>[75]</sup> propose that creative abrasion, or the grating of different approaches in a productive manner, depends on one's ability to integrate his/her cognitive preferences to perceiving and assimilating data, making decisions, solving problems, and being able to relate to other individuals.

More recently, Jameson<sup>[76]</sup> has provided a comprehensive framework for the assessment and management of intra-organizational conflict. She notes that conflict is inevitable and is a pervasive part of organizational dynamics because of the many interdependent parties in an organization who perceive goals in diverse ways. Mintzberg<sup>[77]</sup> also notes that managers spend a significant part of their time and energy on managing conflict. Follett's foresight into the inventive integration of conflict broadly anticipates these conceptual and empirical findings by more than four decades.

Jameson<sup>[78]</sup> distinguishes her "conflict management strategies," such as negotiation, mediation, and arbitration, from the large body of literature on "conflict styles" that include avoidance, accommodation, compromise, collaboration, or competition (see, Thomas and Kilmann<sup>[79]</sup>). In addition, Follett's different approaches to managing constructive conflict may fall under Jameson's<sup>[80]</sup> "conflict styles." Sheppard,<sup>[81]</sup> through a meta-analysis, looks at two decades of organizational conflict research. He identifies 35 potentially relevant variables, and then clusters these into the three dimensions of conflict:



- (a) the characteristics of conflict content,
- (b) the characteristics of disputants' relationships, and
- (c) the characteristics of conflict setting. Follett's approach was equally comprehensive, and she essentially arrives at a similar perspective more than 60 years earlier.

Finally, many researchers have extended Follett's work by empirically examining the outcomes of different conflict management processes. For example, Thomas<sup>[82]</sup> did a content analysis of contrasting normative models of conflict management to identify four strategic goal dimensions. These four goal outcomes are

- 1. effectiveness or decision quality,
- 2. efficient consumption of organizational resources,
- 3. effect on individuals' satisfaction, and
- 4. effect on the fairness of the relationship.

Follett<sup>[83]</sup> measures the outcomes of a constructive conflict management process by its beneficial impact on the larger society, and by the enrichment of the individual's inner spirit.

Richard Pascale, [84] author of *Managing on the Edge*, has noted that, "Creativity and adaptation (in fast-changing environments) are born of tension, passion, and conflict." In management of technology-driven global enterprises, this is well-illustrated by the performance of many new product development teams, [85] wherein the members feel free to challenge the status quo. Leading enterprises in different parts of the world, such as Honda in Japan, and Southwest Airlines and Intel in the United States, carefully build the environments where conflict is proactively promoted and constructively used for achieving superior performances. [86,87]

### IMPLICATIONS FOR RESEARCHERS AND MANAGERIAL PRACTITIONERS

Whereas many researchers have celebrated Follett as the "prophet" of management, few practicing managers have actually incorporated or acted on her prophecies. To many management theorists she seems idealistic and somewhat oblivious to the reality that there are many fears and flaws in human behavior. Likewise, she assumes that most organizations carefully develop trust-building environments and recruit only trust-worthy employees. [88,89] Whereas many short-term oriented "clock-watching" organizations fail to build a culture that fosters an innovative integration of conflict, some "Built-to-Last" organizations do seem to take the time needed to do so. [90,91]

Follett's papers on *the foundations of business administration* can help us gain new insights into some of the key issues facing many innovative global enterprises in the 21<sup>st</sup> century. When compared to the contributions of other leading management thinkers, such as Chester Barnard, [92] Follett's empowering leader, using "power-with" rather than "power-on," seems to be better prepared even today to run a dynamic knowledge-based firm than Barnard's "executive" using negotiated authority. Follett seems a step or two more insightful than Barnard.

In the networked global economy of the 21<sup>st</sup> century, many of Mary Parker Follett's propositions are meeting the test of time and usefulness. For researchers and practicing managers, Follett's concept of constructive conflict and its related foundations have many specific recommendations that are valid even seven decades after her death in 1933.

For intra-organizational and inter-organizational networking, using the Internet and new information technologies, Follett's preference for face-to-face communication and experience-based participation suggest that a gradual trust-building socialization process<sup>[93,94]</sup> is critical before committing to a full online launching of an enterprise-wide resource management program. For the global integration of organizations and operations with diverse cultures, Follett recommends a three-step process (described earlier) for inventive integration of different individualities in different parts of the world. For change management and effective transformation, her ideas of constructive conflict with inventive integration remain refreshingly relevant. In the context of knowledge management for organizational learning, Follett suggests paying as much attention to tacit experiential knowledge as to explicit tangible knowledge.

While each one of the related developments briefly noted above need to be discussed separately in detail in future papers, it is clear that Mary Parker Follett's constructive conflict, inventive integration, strategic context-driven leadership, and other "psychological foundations" seem to be more relevant in today's highly global and Internet-networked enterprise, than these were even in the organizations of her own day.

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