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EXPLORING THE CONTRIBUTION
OF MARY PARKER FOLLETT**

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Abstract

Mary Parker Follett never wrote on ethics in management nor on business ethics, both of which are now familiar. However, some implicit and even explicit references to these topics can be found in her thought. What is more, underlying her whole approach to business and management are concepts that have a lot to do with ethics. Follett holds that the manager must accept standards established by professional managerial associations. Additionally, she is aware of the contribution of business management to individual development and to the welfare and culture of society. She also presents a seminal approach to stakeholder theory. Her concept of ethics is related to her dynamic vision of the individual and society. It overcomes subjectivism and the narrow view of an individualistic ethics, but it is not an ethics rooted in ethical principles or in human virtues.

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Introduction

Follett's thinking on management has received increasing attention (Metcalf & Urwick, 1940; Parker, 1984; Graham, 1995; Gabor, 2000; McLarney and Rhyno, 1999; Miller and Vaughan, 2001; among others). Miller and Vaughan (2001) point out that M. P. Follett provides messages relevant to contemporary management problems regarding: i) *dynamism*: she conceives of the organization as a complex of dynamic social relations influenced by reciprocal reactions; ii) *empowerment*: she does not consider that power can be delegated, but rather believes in giving employees opportunities to nurture or develop their own power; iii) *participation*: which she understands as the coordination of the contribution of each individual; iv) *leadership*: she thinks the leader is the person who can show that his or her orders are determined by the situation; v) *conflict*: she considers that integration is the only possible solution to conflict; vi) *experience*: she believes that managers should share experiences and proactively experiment, comparing and discussing conclusions with each other.

Fry and Lotte (1996), through a citation analysis of Follett's work, found that she had received continued recognition, although less than other prominent authors in the field. They added that the most cited of Follett's ideas were in the area of organization theory, and much of the reason for the renewed interest in Follett's writings is the recent focus on conflict resolution. Apart from this there are many ideas in Follett's writings about topics that are quite relevant at present.¹ However, it is difficult to find any study about her contribution to ethics in management or business ethics.

Ethics in management and business ethics are now popular concepts, but seventy years ago they were not. So it is not surprising that Mary Parker Follett, who lived between 1868 and 1933 and wrote on management mainly in the '20s and early '30s, did not write specifically on business ethics, ethics in management or any related topic. Did she, however, have a concept of

¹ See, e.g. Mendenhall, 2000; Schilling, 2000; and other papers published in a special issue of the *Journal of Management History* in 2000 (Vol. 6, no 5) entitled "Revitalising Mary Parker Follett", with Paul C. Godfrey as guest editor.

the role of ethics in management? Did she accept that business has nothing to do with ethics, as did most of her contemporaries? According to Follett's thought, what is the place of ethics in management and in organizations? What concept of ethics did she hold? Are ethical standards an essential element of the profession of the manager? Does Follett think business has any social responsibility? What kind of ethical arguments lend support to her statements? What is Follett's real contribution to ethics in management? The aim of this paper is to try to explore these questions by analyzing the writings of Mary Parker Follett.

Follett had a richly-varied background, which included study of philosophy, psychology, political science and history, combined with an active life serving on numerous public boards and communities in Boston (Gabor, 2000). She wrote three books on politics: *The Speaker of the House of Representatives* (1896), *The New State: Group Organization, the Solution of Popular Government* (1918) and *Creative Experience* (1924). The latter examined politics from the perspective of Gestalt psychology, a German school founded in the early twentieth century. Afterwards, she made few, but always relevant, contributions to industrial organization and management, giving lectures and writing papers. They can be found in two posthumous books of collected papers: *Dynamic Administration* (1940), which includes papers from 1924 to 1932, and *Freedom & Co-Ordination* (1949), which incorporates five lectures delivered at the London School of Economics in the winter of 1933, plus a paper of 1926.

Ethics in Management

Follett maintains that we can never wholly separate the human and the mechanical problem; "the study of human relations in business and the study of the technique of operating are bound up together." (Follett, 1940, p. 124). This seems to her so evident that she felt the obligation to add: "This would seem too obvious to mention if we did not so often see that separation made." (Follett, 1940, p. 124).

In a paper presented by Follett in March 1927 entitled "The psychology of control", she starts with an anecdote, which seems quite relevant in helping to understand her position regarding the place of ethics in business management, and more specifically in decision-making. She explains that the previous summer, when she was in England, she was interested in two letters on the coal strike sent to *The Times*. The author of the first letter said: "we must not confuse economic and moral issues; the coal strike is a purely economic issue and should be treated as such". A few weeks later another letter appeared in *The Times*, not in response to the first one, but independently; it said that "the coal strike would never be settled if it was not understood that the issues involved were not economic but moral issues" (Follett, 1940, p. 183).

Both letters contain a unilateral consideration of reality. They do not say the coal strike was a unique reality with economic and moral aspects. Nor do they say that the problem of the strike requires a decision after consideration of both economic and ethical aspects of the situation. Mary Parker Follett overcomes the separation of the economic and the moral aspects by saying: "I do not think we have psychological, ethical and economic problems. We have human problems with psychological, ethical and economic aspects, and as many as you like, legal often" (Follett, 1940, p. 184). This appears to be an indirect way of stating that ethics is not something external to business.

Follett is against having departmentalized areas in our thinking. Instead, she defends a way of thinking in which economic and ethical principles are not considered separately. She believes that "underneath all our thinking there are certain fundamental principles to be applied to all

our problems” (Follett, 1940, p. 183). Unfortunately, she does not explain how to include economic and ethics together through “certain fundamental principles”, though what is clear is that she does not reduce decision-making to a mere cost-benefit analysis.

Ethics is not something isolated from business. Nor is it an addition to business. Rather, it is an aspect of business reality which has to be integrated into decision-making. Follett would not agree that ethics is extrinsic to business, much less accept the old adage “business is business”, which defends an absolute independence of business from any kind of morality, both of which views were very common in her time and arguably are still so in some managerial practices.

She holds similar ideas in the context of work organization. When Follett was working, Taylorism was in fashion. Frederick Taylor focuses on the “mechanics” of work: the managers giving orders and the workers under their authority carrying them out. In a paper presented in October 1925, Follett maintains that business managers must take into account the technical side (production and distribution) simultaneously with the personnel side. The latter includes “a knowledge of how to deal fairly and fruitfully with one’s fellows” (Follett, 1940, p. 123). The term “fairly” clearly introduces an ethical connotation; “fruitfully” seems to suggest that she realizes that considering the personnel side has also implications for profits. In other words, when managers treat workers in a proper way, and not as a part of a “mechanism”, it is fruitful for business.

The Ethical Manager

For Follett, technical knowledge is “a matter capable of being taught” and is based on science, while dealing with people is “a gift that some men possess and some do not” (Follett, 1940, p. 123), which stems from personal qualities of managers. Follett does not consider whether this “gift” is an innate quality or can be acquired. Nor does she talk at all about virtues, as Aristotle did. However, she agrees that “dealing fairly” is not a matter of technique but requires a certain practical knowledge. This could be considered as a first approach to the concept of the ‘ethical manager’, coined by others later. Although she never uses this term, the concept of ‘ethical manager’ is there.

A second approach to the ‘ethical manager’ comes from considering management as a profession. Back in the ’20s, Mary Parker Follett was one of those who upheld that management be recognized as a profession. At that time, while doctors, engineers, architects and so on were seen as real professions, with a sense of service to society and guided by standards of conduct, managers were not always considered professionals. In an interesting paper entitled “How Must Business Management Develop in Order to Become a Profession” (Follett, 1940, pp. 132ff), Follett deals with this topic.

Follett’s assertion that the word ‘profession’ connotes for most people “a foundation of science and a motive of service”, because a profession rests “on the basis of a proven body of knowledge, and such knowledge is supposed to be used in the service of others rather than merely for one’s purposes” (Follett, 1940, p. 117).

This ‘motive of service’ also has an ethical connotation, since serving people, generally speaking, can be considered as socially desirable and ethically good. Follett believes that “a profession is exercised as one of the necessary functions of society, not purely for private gain” (Follett, 1940, p. 134).

It is common knowledge that profits and service motives very often go hand in hand, but not always. Sometimes there can be a real conflict between profits and service, that is to say, between certain desires (economic, power, etc.) and ethical requirements. In these cases, as ethical theorists usually argue, desires have to be sacrificed to ethics.

The question which arises is why a manager ought to subordinate the motive of profits to an ethical motive. Follett faces up to this problem by acknowledging, with a sense of realism, that professionals are eager for large incomes, but pointing out that they have other motives too and, in practice, are often willing to sacrifice a good slice of income for the sake of those other motives. Then she adds: "We all want the richness of life in the terms of our deepest desire. We can purify and elevate our desires, we can add to them, but there is no individual or social progress in curtailment of desires" (Follett, 1940, p. 145).

As this quote shows, Follett is not in favor of repressing or curtailing desires, but ordering them, which implies the purification and elevation of our desire for superior motives. It seems that she distinguishes between desires which have an immediate utility, such as making money, and deeper desires of achieving 'the richness of life'. When a conflict between these two kinds of motives arises, the deepest desire ought to prevail. She argues with an acute observation of reality. Beginning by stating "We all want...", she then adds 'the richness of life'. This latter concept is not developed by the author, but can probably be understood as being personal improvement resulting from ethical behavior. This approach reminds us of the Aristotelian one, in which human excellence is a crucial reference for good behavior. In the Aristotelian tradition, the true and deeply-held goal is to arrive at well-being and its associated happiness. Follett makes no reference to happiness, but 'the richness of life' is not far from Aristotle's 'well-being', in spite of following different philosophical bases. If this intuition is correct, new research might be carried out to consider the contributions of these two authors in facilitating a better understanding of ethical management.

Among the motivations of a manager, a satisfaction for doing a job well can go together with a sense of service. Regarding the former, Follett states, "it seems to me that this is too fine an aim to be made second even to that of service, which sometimes narrows us down to too meagre ethics" (Follett, 1940, p. 135).

More specifically, Follett refers to the ethical manager in her mention of certain qualities which she believes are inherent in the managerial profession and which can contribute to a better world. "I think, indeed, that the business man has opportunities to lead the world in an enlarged conception of the expressions 'professional honor', 'professional integrity'. That phrase which we hear so often, 'business integrity', is already being extended to mean far more than a square deal in a trade" (Follett, 1940, p. 143).

In spite of the fact that Follett is not an ethicist and does not talk about ethics theory, she is aware of two relevant elements of the action: the morality of the action itself and the intention for doing it. She mentions 'integrity', which is related to the morality of the action. At the same time, as has been mentioned above, she refers to 'motive of service' and 'job satisfaction', which could be interpreted as another way of referring to moral intention.

Follett particularly likes the expression 'honest' work (Follett, 1940, p. 135). She links it to work which requires professional standards: "We speak of a certain carpenter or plumber as giving us honest work. It would be profitable, I think, for each one of us to scrutinize his own work rigorously to see if it is as 'honest' as, say, the surgeon's standard" (Follett, 1940, p. 135).

The standards of professions, including their codes of conduct, are indeed a crucial reference for an 'honest work'. Follett think that they are so important that managers, as members of a profession, feel a greater loyalty to their profession than to the company (Follett, 1940, p. 137). She immediately qualifies this, however, saying that she does not suggest that their loyalty is to one group of persons over another. Rather, she believes that their loyalty is to a body of principles, of ideals; that is, to a special body of knowledge of proven facts and the standards arising from their profession. She justifies this by saying that, in this way, we are loyal "to the soul of our work. To that which is both in our work and which transcends our work. This seems to me the highest romance as it is the deepest religion, namely, that by being loyal to our work we are loyal to that which transcends our work" (Follett, 1940, p. 137).

Transcendence and spirituality in management

What is it that 'transcends our work'? In the last quotation Follett reveals her vision of work as being something in which there is something transcended. She even attributes a certain religious sense to management. However, she talks about a religiosity in which God is not necessarily the God of the great monotheistic religions, but a generic ideal to which we owe loyalty. "The high adventure of Business" –she writes– "is its opportunity for bringing into manifestation every hour of the day the deeper thing within every man, transcending every man, which you may call ideal, or God, or what you will, but which is absent from no man" (Follett, 1940, p. 137).

In this loyalty to an ideal, Follett may have been influenced by the American Philosopher Josiah Royce, whom, more than likely, she had known since her school days.² Royce (1908) emphasizes the ethical demands of a lucid, generous and well-thought-out adherence to great causes. For him, loyalty is the primordial ethical principle.

The transcendence is related to spiritual life. Follett, together with some of her contemporaries, is concerned about the inhumanity of what she calls the 'mechanical age'. Instead, she favors that "our daily living may itself become an art." This 'daily living', of course, includes business, and this 'art' means simultaneously esthetic, ethics, spirituality... She adds, "in commerce we may find culture, in industry idealism, in our business system beauty, in mechanics morals; – the ethics of the lathe are of a pretty fundamental kind" (Follett, 1930, p. 87).

Facing the mechanical age, Follett presents this 'spirit of art' and maintains that "only when the spirit of art rises from the roots for our mechanical age will it 'redeem our civilization'" (Follett, 1930, p. 87).

Her fine perception of the dualism that exists in many people between the spiritual life, on the one hand, and daily activities, on the other, is remarkable. In *Creative Experience*, she writes that "The divorce of our so-called spiritual life from our daily activities is a fatal dualism" (Follett, 1930, p. 87). Although, here, Follett is not talking specifically about managers, many of them, then and now, can be included among the victims of this fatal dualism. Many would agree that her words have great currency right now.

² The influence of Royce on Follett may come from Anna Boynton Thompson, Follett's history teacher in secondary school. Thompson was a student of Josiah Royce, who introduced the German philosophers Hegel and Fichte to American scholars. According to Fox and Urwick (1973, p. x), Thompson introduced Follett to "the rigors of philosophical thinking, particularly that of the Idealist school".

According to Follett, interaction between people could create spiritual values, and this is more important in business than manufactured articles. She says, “We could live without many of these manufactured articles, but the great usefulness of these articles consists in the fact that their manufacture makes possible those manifold, interweaving activities of men by which spiritual values are created” (Follett, 1940, p. 141). She suggests that business offers a great opportunity for the creation of spiritual values, indeed “a larger opportunity than any single profession in the possibilities of those intimate human interweavings through which all development of man must come” (Follett, 1940, p. 142).

Organizational Ethics

Organizational ethics usually includes the ethical dimension of organizational structure and, more specifically, ethical appraisal of the organizational requirements and incentives affecting the behavior of the people involved in the organization.

Proper use of power is one of the key issues of organizational ethics. Follett herself realizes that the question of power is the central problem of social relations (Follett, 1930, p. xii).³ For a long time, great attention has been paid to the division of power and how to achieve power, yet Follett is not interested in that. She is interested in studying how an organization will generate power.

She points out that “the moral right to an authority which has not been psychologically developed, which is not an expression of capacity, is an empty ethics” (Follett, 1940, p. 111). And in similar vein she adds, “The moral right to power which has not been psychologically developed is an empty ethics; it is an ethics, alas, which we have to combat daily in politics and industry” (Follett, 1930, pp. 192-193).

Why does she think that a power that has not been psychologically developed is an ‘empty ethics’? She does not deny the moral right to an authority, but she considers that power and authority have to be developed. She observes that the real authority that implies ethical responsibility comes from a function rather than from a static position. “We have always to study in a plant –she explains– how far the authority of the management is real, how far it comes from fulfilling function, from knowledge and ability, and how far it is a nominal or an arbitrary authority” (Follett, 1940, p. 111). She is especially concerned about this latter authority. She believes that arbitrary commands and the exaction of blind obedience breaks initiative, discourages self-reliance and lowers self-respect (Follett, 1987, p. 22).

Her position is that she seeks specific, not generic, ethical content. In a similar sense she complains, “Moralist after moralist tells us to give ourselves to the general good, but we need to know far more than this, to do far more than this; our ideal of society is not a kaleidoscope of pretty *bits*” (Follett, 1930, p. xiii). Here we have the well-known problem of applying universal norms to single acts, which is not in the least insignificant, because each act is different to any other. Probably, she is right in saying that knowing what is best for the general good is not enough for practical proposals. However, her ethical approach is quite questionable, as we shall discuss later in this paper.

³ On this topic, see Melé and Rosanas (2003).

In line with her vision of power, Follett proposes replacing the current concept of 'power-over' people for 'power-with' people, and 'coercive' control for 'coactive' control. In her own words:

“So far as my observation has gone, it seems to me that whereas power usually means power-over, the power of some person or group over some other person or group, it is possible to develop the conception of power-with” (Follett, 1940, p. 101).

Follett declares that only 'power-with' is acceptable. She explains this, in a practical way, using a brief anecdote and taking advantage of connotations of the language, which frequently appeal to ethical common sense. Once a worker said to her: “It’s all right to work with anyone: what is disagreeable is to feel too distinctly that you are working under anyone” (Follett, 1987, p. 36). She states her view on rights as follows: “Neither pay nor work bestows the right to power-over another. We can have power only over ourselves” (Follett, 1930, p. 187). Even more explicitly, she states that “you have rights *over* a slave, you have rights *with* a servant” (my italics) (Follett, 1940, p. 101).

This is consistent with distinguishing between genuine and pseudo-power: “Genuine power is power-with, pseudo power, power-over” (Follett, 1930, p. 189). In the introduction to *Creative Experience*, Follett makes a statement that helps to clarify why power-with is genuine power: “genuine power is not coercive control, but coactive control. Coercive power is the curse of the universe; coactive power, the enrichment and advancement of every human soul (Follett, 1930, p. xiii).

Follett holds that “genuine power can only be grown, it will slip from every arbitrary hand that grasps it” (Follett, 1930, p. xiii). Consequently, she is more interested in knowing how to develop power rather than in learning where power is located (Follett, 1930, p. xii). In practice, she devotes a great deal of effort to criticizing the current way of managing by giving orders, which is a form of 'power-over'.

Another allusion to ethics (justice, actually) is found on the occasion of talking about the 'rights of labour'. Follett does not discard the expression 'rights of labour', for “in some degree it indicates a growing sense of justice towards labour” (Follett, 1940, p. 172). Nevertheless, she does not like to present 'rights of labour' confronting 'capital rights', because Follett's philosophy is not about confrontation but integration. That is why she insists on the need for co-operation rather than confrontation. On this point Follett adopts an approach obviously different from both the 'class struggle' praised by Marxism and a radical capitalist position, both of which are ethically questionable. This sense of cooperation, which many ethicists would defend as good, is pointed out again when dealing with the concept of 'industrial democracy' based on employee representation. Follett is not too enthusiastic about it, although she does not reject it. Instead, she emphasizes that “the fact of management has seen that an enterprise can be more successfully run by securing the co-operation of the workers” (Follett, 1940, p. 172).

Co-operation is related to integration, and integration brings about unity, 'integrative unity'. So achieving unity in business organizations is a crucial point. Once, in a lecture, Follett said, “... if unity is the aim of conference it is not because unity, in the sense of peace, is our primary object –you can get peace at any moment if your sledge hammer is big enough– but because we are seeking an integrative unity as the foundation of business development” (Follett, 1940, p. 77).

On the other hand, co-operation means giving responsibility to employees. The worker no longer has to be a passive taker of orders, but someone with initiative and responsibility. A

manager who ignores how important taking responsibility is, is also ignoring a crucial aspect of the human condition: “This taking of responsibility is usually the most vital matter in the life of every human being, just as the allotting of responsibility is the most important part of business administration” (Follett, 1940, p. 64). This could be seen a pragmatic reason, but Follett seems to go beyond this when she says, “taking of responsibility is usually the most vital matter in the life of every human being”.

Individual development

Follett refers to the preservation of the integrity of each individual. She asserts, “We need a technique of human relations based on the preservation of the integrity of the individual” (Follett, 1930, p. xiii). Her approach is not limited to maintaining people’s integrity, but underlines how important it is to foster the personal development of those involved in an organization. This development is considered by Follett as being “the chief function of business: to give an opportunity for individual development through the better organization of human relationships” (Follett, 1940, p. 140).

Follett observes a positive tendency, in this sense, in many plants. They “make this development one of the objectives of the industry. It is the development of the individual, involving the progress of society, that some of our finer presidents are aiming at, not pecuniary gain only; not service in the sense of supplying all our present crude wants, but the raising of men to finer wants (Follett, 1940, p. 141).

Fostering individual development necessitates a certain managerial style. Educating rather than blaming is the correct attitude of a manager facing shortcomings: “Do not blame for the sake of blaming; make what you have to say accomplish something; say it in that form, at that time, under those circumstances, which will make it a real education to your subordinate” (Follett, 1940, p. 67).

According to Follett, individual development comes through interweaving activities. It is related with Follett’s doctrine of ‘circular response’, offered mainly in the book *Creative Experience*, which is quite complex. However, an example we find in this book can help us to understand a little better how the author perceives personal development. She considers the activity of a boy going to school. To some extent, his activity can change the activity of the school; but at the same time, the school can change the activity of the boy. Considering this dynamism of human action, one can say “the activity of a boy going to school may change the activity of the boy going to school” (Follett, 1938, p. 73).

This theory is also applied to organizations. Situations change us and we change situations: “If taking a responsible attitude toward experience involves recognizing the evolving situation, a conscious attitude toward experience means that we note the change which the developing situation makes in ourselves; the situation does not change without changing us” (Follett, 1940, p. 65).

Corporate Responsibility and Collective Responsibility

Follett, without denying the social function of business itself, prefers to talk about managers and their social functions, which was much more common in her time.⁴ In this respect, she writes:

A business man should think of his work as one of the necessary functions of society, aware that other people are also performing necessary functions, and that all together these make a sound, healthy, useful community. 'Function' is the best word because it implies not only that you are responsible for serving your community, but that you are partly responsible for there being any community to serve (Follett, 1940, pp. 133-134).

Follett talks about at least three themes which could be included in the social dimension of business management, two of which have already been mentioned. The first is how business has a great opportunity to contribute to individual development. The second is how managers, apart from making money, contribute to the welfare of society. Follett describes this phenomenon as a perception of some businessmen: "There are businessmen to-day who perceive that the process of production is as important for the welfare of society as the *product* of production. This is what makes personnel work in industry the most interesting work in the world" (Follett, 1940, p. 141).

The third social dimension of business in Follett's writings is the contribution of managers to culture. On hearing a reference to 'the contribution of specialism to culture', she accepted the phrase, commenting, "Then you need not, according to this definition, give your daytime hours to a low thing called business, and in the evening pursue culture. Through your business itself, if you manage it with style, you are making a contribution to the culture of the world" (Follett, 1940, p. 140).

Therefore, according to Follett, managers must be aware that business is an opportunity for people's development within the organization, a contribution to social welfare and to culture. She insists that managers must be aware of their social responsibility not only as citizens but also as members of the business profession: "They must realize that they, as all professional men, are assuming grave responsibilities, that they are to take a creative part in one of the large functions of society, a part which, I believe, only trained and disciplined men can in the future hope to take with success" (Follett, 1940, p. 131).

Follett talks about 'corporate responsibility', giving to this term a specific sense. Managers, as members of their professional associations, should hold corporate responsibilities. That is why, for the author, the term 'corporate responsibilities' is not related mainly to firms as a whole (as we usually understand them today), but to the professional associations of managers.

Very explicitly, after explaining the objective of a professional association, Follett states, "profession provides a corporate responsibility" (Follett, 1940, p. 136). She even dares to describe three specific contents of this responsibility: "corporate responsibility for maintenance of standards, for the education of the public, and for the development of professional standards" (Follett, 1940, p. 136).

⁴ In 1953, H.R. Bowen wrote what is considered a seminal book on the social responsibilities of business (*Social Responsibilities of the Businessman*), whose title is quite significant. He did not talk about *corporate social responsibilities*, as many people do now, but about the *responsibilities of the businessman*. The shift in terminology came some years later.

With regard to the maintenance of standards, Follett insists that managers must be loyal to their profession. A manager may even “change his firm; but he remains permanently bound to the standards of his profession” (Follett, 1940, p. 136). Management associations ought to develop standards; in other words, such standards should not come from public demands, nor be the result of a certain social culture. Consequently, standards are not subordinated to public demand; rather, the public must be educated with the standards: “If business management is to become a profession, business management, too, will have to think of educating the public, not merely of giving it what it asks for” (Follett, 1940, p. 138).

Regarding the education of the public, Follett’s position was not a conventional one, neither then nor now. She argues that “the public will of a particular community may have to be educated to appreciate certain standards. That is exactly what is going to make business management a profession: to realize that it is responsible to something higher than the public will of a community, that its service to the public does not lie wholly in obeying the public” (Follett, 1940, p. 138).

Follett does not use the term ‘corporate social responsibility’, related to the social function of business, but she talks about ‘collective responsibility in business organizations’. With this term, she means a responsibility of everyone to the whole.

Collective responsibility is a result of her vision of business as ‘an integrative unity’ (Follett, 1940, pp. 71ff) in which each individual is integrated in the whole. In this way, Follett tries to overcome the narrow view of functionalism: “We have been so delighted with what has sometimes been called the functional theory, that is, the division of work so that each can do what he is best fitted for, that we have tended to forget that our responsibility does not end with doing conscientiously and well our particular piece of the whole, but that we are also responsible for the whole. A business should be so organized that all will feel this responsibility” (Follett, 1940, p. 80).

In this line of thought, she distinguishes between ‘being responsible for our function in the whole’, which was very clear with the division of work, and ‘being responsible for a functional whole’. For Follett, business, like a family, “should be so organized that all will feel this responsibility (of the whole)” (Follett, 1940, p. 80). Being responsible for the functional whole gives workers a sense of service to the community. Follett thought that this kind of responsibility enriches workers. She tried to make her audience aware of that by saying, “What greater dignifying of labour could there be than that which comes from a sense of joint responsibility in community service?” (Follett, 1940, p. 81).

Collective responsibility does not destroy individual responsibility, but it seems that some people misunderstood her in thinking that collective responsibility prevents individual initiative, responsibility and decentralization. So she explains again and again what is meant by collective responsibility and how it is consistent with decentralization: “People sometimes think when I emphasize collective responsibility that I do not believe in decentralization. I know no one who believes more strongly in decentralization than I do, but I believe that collective responsibility and decentralized responsibility must go hand in hand; more than that, I think they are parts of the same thing” (Follett, 1940, p. 79).

Stakeholders approach

A familiar concept in management literature today is that of the 'stakeholder', that is to say, interdependent groups or individuals who affect or are affected by business decisions. Concern for stakeholders, usually related with corporate responsibility and strategic management, has become popular since 1984, when R. E. Freeman wrote *Strategic Management: a Stakeholder Approach*. However, Follett, to some extent, was a pioneer in speaking of stakeholders, although she never used this nomenclature. In fact, in Follett's writings there are some texts that could be considered as forerunners of modern stakeholder theory. In this respect, Schilling (2000), who has compared modern stakeholder theory with Parker Follett's writings, points out that she predates the field of stakeholder theory by almost 60 years.

For instance, she mentions a number of groups related to the firm to whom the manager has to pay heed and with whom he has to maintain human relations. Apart from personal relations between employers and employees, "the manager has to get credit from the bankers, make dividends for the stockholders, and he has to deal with his competitors. To be more exact, the manager has relations with 1) bankers, 2) stockholders, 3) co-managers and directors, 4) wage-earners, 5) competitors, 6) the people from whom he buys, 7) customers" (Follett, 1940, p. 93). This needs creativity: "The businessman has probably the opportunity to-day of making one of the largest contributions to society that has ever been made, a demonstration of the possibility of collective creativeness" (Follett, 1940, p. 93).

More specifically, she presents a proposal about how to deal with different interest groups. She does so from her perspective of 'integrative unity': "There is still another way of looking at business unity, which should be one of the chief concerns of the business administrator. He sees the three classes: workers, including industrial and managerial workers, consumers, and inventors. The chief job of business is to find a method for integrating the interests of these three classes" (Follett, 1940, p. 93).

In stakeholder theory it is generally admitted that the manager has to be aware of the interests of stakeholders and to try to balance these interests. Follett presents a different approach. Integration is the way proposed by Follett to solve conflicts (Follett, 1940, pp. 31ff).

She considers there are three ways of dealing with conflict: domination, compromise, and integration. Domination is the victory of one side over the other: it is not usually successful in the long run. Compromise means each part giving up something in order to have peace. Integration is looking for a solution where the desires of both parts have a place, and neither side has to sacrifice anything. She thought that "only integration really stabilizes" (Follett, 1940, p. 35), although she recognized that "integration is not possible in all cases" (Follett, 1940, p. 36).

Follett's ideas on solving conflicts by integration could be applied to stakeholder theory. With this approach she goes further than many current authors, who propose balancing stakeholder interests.

Schilling (2000) adds that Follett's ideas both deepen our understanding of the foundations of stakeholder theory and provide direction for the extension and implementation of stakeholder theory. However, Schilling questions whether Follett's ideas could provide solutions for all the obstacles that the stakeholder theorist faces. He is probably justified in his doubts, but only further research might explain how fruitful Follett's approach could be in improving stakeholder theory.

The Concept of Ethics in M. P. Follett

It has been noted above that Follett talks about ethics, at least implicitly, but what concept of ethics does she have in mind? Does she understand ethics as universal principles, or as virtues, a set of subjective or social values, a matter of mere opinion, or as something else?

She does not present personal values as the source of morality and rarely talks about subjective values. On the contrary, she stresses the importance of the standards of the management profession, including codes, as has been said. These standards and codes contain ethical requirements. Furthermore, she explicitly mentions concepts such as 'integrity', 'honesty', 'fairness', etc., and from the context one might well think these are objective values, generally understandable for their audience.

The acceptance of objective standards by M. P. Follett is made especially clear when she talks about management as a profession. She thinks that "if business management were a profession and had its own recognized code, differences between executives and company heads could perhaps be more easily adjusted" (Follett, 1940, p. 137). She describes a practical case which points out the problem that arises when ethics is considered as a purely individual matter: "I know a man who recently left a Southern firm because, he told me, he could not reconcile his principles with the way that firm conducted business. When he put the matter to the firm, his principles were treated as a purely individual matter. If he had been a doctor, or if business management were a profession, he could have prevented the matter becoming personal by referring to the accepted standards or methods of the profession" (Follett, 1940, p. 137).

So, can it be said that Follett accepts universal ethical principles or universal standards of morality? The answer seems to be no. In *The New State* one can find relevant texts that help to explain the philosophical anthropology and concept of morality which underpin Follett's thinking. According to Follett, "the individual is created by the social process and is daily nourished by that process" (Follett, 1998, p. 62). Ethics, like politics, economics and jurisprudence, has a lot to do with that, even in business. She asserts, "The reciprocal influence, the interactive behaviour, which involves a developing situation, is as fundamental for business administration as it is for politics, economics, jurisprudence, and *ethics* (my italics)" (Follett, 1940, p. 201).

There is another relevant text in which she assimilates moral law with the social ideal:

"As we have to obey no ideals dictated by others or the past, it is equally important that we obey no ideal set up by our unrelated self. *To obey the moral law is to obey the social ideal*. The social ideal is born, grows and shapes itself through the associated life" (Follett, 1998, p. 55) (my italics).

So it seems that moral law is nothing more than a 'social ideal'. But who created it? In *The New State* it is made clear that the social ideal is generated by the interweaving of individuals and groups. Regarding business, Follett would probably refer to the interweaving among each manager and association of managers. Above, we have shown that she defends the idea that standards for management do not come from the public, nor from reason, nor from searching for what constitutes human excellence, but from professional associations. So it seems she falls into some kind of 'ethics by consensus' stemming from interaction. If this is the exclusive standard for ethical decision-making, then there seems to be a problem, as neither the definitions nor the limits of ethics or professional interests are made clear. Consequently, this kind of 'ethics' could be labeled 'professional corporativism', or even relativism.

On the social ideal generated by the interweaving of individuals and groups, one can sense some influence of German Idealism. As O'Connor (2000) notes, of all Follett influences, Hegel (1770-1831) was the most profound. From Hegel she took the concepts of circularity and unity.

In spite of this approach, most professional standards for managers mentioned by Follett are not too far from common morality: respect for people, keeping promises and so on. This highlights, perhaps, the human capacity to discover some basic objective standards of morality, beyond this reciprocal influence or 'interweaving of individuals'.

Follett would probably accept what many people understand as universal values, such as respect for human dignity, which means avoiding manipulation and abuses of power. Does that come from interaction or from ethical rationality? Follett did not go into this in depth, but she does mention these types of values.

On the other hand, we already know Follett's clear position against 'power-over', even for ethical reasons (it is not good to be treated as a slave). She is against manipulation as well: "If you wish to train yourself for higher executive positions, the first thing for you to decide is what you are training for: the ability to dominate or manipulate others? That ought to be easy enough, since most of the magazines advertise sure ways of developing something they call 'personality'. But I am convinced that the first essential of business success is the capacity for organized thinking" (Follett, 1940, p. 131).

Why is she against manipulation? For pragmatic reasons or as a sort of 'universal principle' stemming from interactions? It is hard to say, because she does not discuss this point, but, for whatever reason, Follett seems to reject manipulation as being ethically incorrect.

Furthermore, she senses the necessity of some inner capacity for perceiving facts correctly, even in their ethical dimension. She affirms, "Since far more than honesty, disinterestedness, etc., is required in the gathering of facts and reporting of situations; since the greatest delicacy of perception, the ears to hear overtones, the sensitiveness to impressions, are indispensable, our accurate information will probably always have to be gathered by a number of people" (Follett, 1930, p. 16).

This quotation, to some extent, recalls the importance of human virtues and how virtues contribute to a 'practical wisdom', which, according to virtue ethics theory, helps us to discover the ethical dimension of reality.

To summarize, the concept of ethics in Mary Parker Follett reflects an influence of German Idealism, especially in the *New State*, but also considers the dignity and development of the individual. For Ryan and Rutherford (2000), Follett was both strongly collectivistic and strongly individualistic. On the other hand, it is hard to say whether Follett's vision of ethics influenced by German Idealism was as strong in the later years of her life as in her early intellectual stage. A reading of her writing on management suggests that she became less doctrinaire and more practical in her later years. In fact, many of her ideas of this period reflect a fairly commonsense conception of ethics.

Conclusion

The exploratory analysis presented here allows us to conclude that Mary Parker Follett had a set of crucial intuitions on ethics in management and other related matters. It certainly appears

she was a real pioneer in some points related to this field, although most of them are incomplete but nonetheless seminal ideas requiring further development. More than likely, one of the most important points is that decision-making must take several aspects into account in an integrated manner and avoid separating economic and ethical decisions. Another is the need for ethical standards for the management profession.

Without talking explicitly about ethics, Follett uses an implicitly ethical approach in presenting her vision of business. She underlines the need for individual development within business organizations and presents the profession of the manager as a real service. In this service, business managers contribute to the welfare of society, and by acting creatively, foster culture. Another of Follett's contributions is her intuition on stakeholder management and the way to solve stakeholder conflicts of interests using her theory of integration.

Her concept of ethics is related to her dynamic vision of the individual and society. It overcomes subjectivism and the narrow view of an individualistic ethics. Her concept of ethics, which includes professional standards established by professional associations, is of a certain 'moral ideal'. That reflects certain cultural currents of her time, and many people might find them problematic nowadays due to the fact that it could lead to a certain relativism or a 'professional corporativism', as discussed above. In spite of this, Follett has interesting intuitions, many of which could probably be re-elaborated from a different ethical perspective.

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