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VISIONARY THINKER: LEADERSHIP AND MANAGEMENT IN WORKS OF MARY P. FOLLETT – LONG-TERM PERSPECTIVE IN THE COMPANIES OF THE REPUBLIC OF SERBIA

Abstract: *In her lectures, Mary P. Follett pointed to key moments of leadership, management, group membership, coordination and participation as relevant elements for the exploration of human relations that are of interest today in the same way as they were eighty years ago. Model of thinking applied by Mary P. Follett is deeply linked to current strong needs for the creation of leadership and management professions that are linked to changes and long term strategic goals of big companies and world economy as a whole.*

Keywords: *Mary P. Follett, leadership, management, changes, organisational thinking*

1. Introduction

During her famous lectures at the Bureau of Personnel Administration in Manhattan, in the winter of 1925, *Follett* spoke about management as a profession. She said: „A lot of people think of the word *profession* as the foundation of *science* and a motive for *service*. It is argued that profession is founded on the corpus of knowledge and as such is used for the purposes of others rather than personal ones.“ (*Follett*, 1927; *Samaras*, 1989)

Mary Follett posed two questions for discussion to herself and the audience:

- 1) To what extent does business management rely on scientific grounds?
- 2) Which steps should be taken to make business management more scientifically grounded?

2. Business management and scientific grounds

Mary Follett emphasised, in her lecture, three indicators of scientific foundations presence in business management:

- a) More and more examples in praxis of business management usage as a result of *scientific management* development, which, after its first start-up steps, started focusing more and more on management technique and work technique.
- b) Obvious tendency towards specialized, that is, functional management. Functional management had still not been accepted in an appropriate form as was necessary, *Follett* noticed, but one of the signs of its presence in usage was the acknowledgement that different functions demanded different types of knowledge and capacities; also, employing experts

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for special problems; creation of planning department with different authorizations varying from factory to factory – some consider occasional problems, some are counselling bodies. *Mary Follett* concludes: „*In most factories functionalization of management is a process which recently has advanced a lot in one way or another. The fact is that there exists a common acceptance that different problems demand different fields of knowledge.*“ (Follett, 1927; Samaras, 1989).

- c) Arbitrary (self-willed) authority decreases and it becomes obvious that scientific method is accepted as more and more valuable. There is a tendency that authority should be granted to a person that possesses most of the knowledge relevant to the subject matter and wisdom to apply it. *Follett* says: „*Tasks that are, for example, based on certain principles and special know-hows, should be allocated to those people who possess such knowledge. This should not be solely assumed on the basis of someone’s position*“ (Follett, 1927; Samaras, 1989).

Mary Follett further mentions that „*advancement of business management*“ as a profession can be most clearly seen through the conditions set by the managing director. „*It would be interesting to set one company as an example and take notice of how functions one after another have been transferred from managing director to different experts, until the most recent function in most companies, the function of an economic consultant.*“

A managing director, whom I asked about what his job should be, told me that he could not define his work in terms of certain duties, because he could not assess what special duty he performed at the time could be transferred any moment to someone else who

would perform it better. Although he was a capable person, he admitted that there might be a person who could perform some of his duties better than himself. He understood that some special task could develop a special technique and that people could be trained as experts for that technique.“ (Follett, 1927; Samaras, 1989).

Follett realised that stereotypes established before the adoption and development of scientific management were changing. In the 1920s, a successful businessman was no longer a person with the image of a commander sweeping away everything that got in his way with the full strength of his personality. Such leaders had disappeared, or at least she thought so. She thought that *executive leadership* could be partly learned (emphasising partly). We go back to the permanent dilemma whether leaders are born or created?

Oliver Sheldon names executive leadership a “non-material capacity”, typical of the English school of management since of time of *Fransis Galton* and *Thomas Carlyle*, who were confronted with another Englishman, *Johan Adair*.

Mary Follett did not completely agree with *Sheldon*. She said that someone else, apart from *Sheldon*, said was “beyond human calculations”. *Follett*, defending her thesis, says: “I think that one of the hopes with scientific management lies in the fact that *executive leadership* is capable to analyse and that people may be trained to work in such positions. I do not refer to every person, naturally; because not any person can become a doctor or an architect. *I think that in business management, as in any other profession, training gets more important than a strong personality.* I know a man who told me some ten or fifteen years ago that he relied on his strong personality in his business activities. He has not achieved success in his business activities. Sometimes, the work of a leader is about “the hunch” and the work of followers about respect - there is not much proficiency involved in either of

these. The managing director who first relies on a “hunch” as a quicker and magical path and second on his resourcefulness and command in order to persuade others to accept his “hunch”, will soon, I believe, be replaced by a man of *another type of personality*.” (Follett, 1927; Samaras, 1989).

Companies do not need a leader in a swivel chair. *Follett* quotes a case of a scared worker who enters the office of a managing director sitting in a chair that can move around in all directions and to whom he addresses his problem. *Problem solved in the blink of an eye!!!* Decision brought from the chair. This worker goes out in order for another to come in. His problems are solved, too, in the blink of an eye. The swivel chair works fast and precisely. It keeps going round and round. The *Big brain* in the swivel chair communicates the whole day with his followers using *special know-how*. *One of the many fallacies in the management profession*. Another fallacy about the existence of a leader, described by many authors, who, like *glue*, keeps together all the sectors and functions in a big company. Since a daily coordination is necessary, present every hour in big companies, it is often quoted that managing director is the one who must conduct that coordination. Pursuant to that, *Follett* notices: ”True; but I think that coordination is much different from assembling the pieces into the whole picture. Please allow me to say that those of us who see the managing director not merely as a pure coordinator, and who think that administrative decisions should be based on something more than a “hunch” (despite the fact that the “hunch” is also important), actually think about scientific foundations of business management.” (Follett, 1927).

Follett sees the managers’ declined tendency to justify their behaviour referring to their abstract “rights” as a significant change in management as a profession. Employers who used to speak about having rights to treat (mistreat) their staff in one way or another, started thinking in differently, says *Follett*, since they started, for the first time, to think

about the opposite effect: *behaviour of employees*. It takes much more for people to understand one another and work together towards the same goal.

Follett did not quite understand the business cycles of *Joseph Schumpeter* (1883-1950), a well-known economist who developed and popularized the theory of business cycles based on broken and sudden increases of technological advancements. The theory is accepted nowadays by the followers of evolutionary school of economy.

Schumpeter was a very well established social scientist who thought that every serious academic thinker must possess knowledge from four scientific disciplines (economy, mathematics, statistics and history). Although he was an economist, if he had to choose only one of these scientific disciplines, *Schumpeter* claimed that he would always pick history.

Follett did not know well any of the said scientific disciplines, but she established herself with shallow interpretation of *Schumpeter’s* attitudes. She tried to get support for her claims referring to *John Maynard Keynes* (1883-1946), an English economist and founder of modern macroeconomy. She thought that ideas accepted everywhere may have higher conscious control over our lives, which she considered as something very important in the business world.

„Fatal rhythms, business cycles are now considered subject to examination; there are no mysteries that are far away from and beyond *comprehension of a man*”, says *Mary Follett*. She takes unemployment as an example and observes it through steel industry. Steel had excellent consumption as a stable product at that time in the world, specially in the USA in 1920’. *Follett* thought that there was no reason for steel industry not to be stable. She once more referred to the resolution of problems from the group of insoluble ones and classified it into the group of the soluble ones, if it is dealt with for a long time, and this takes

business management to be scientifically grounded.

Too simple for a too complicated world of economy, production, supply and demand, employment and unemployment, *Schumpeter* would say.

In 1924, *John Maynard Keynes*, speaking about three big historical epoches by *John R. Commons* (1862-1945), an American institutional economist, sociologist and progressive historian who also significantly influenced the labour legislation, expressed a belief that the world was in the third epoch. The *first epoch* was an *era of poverty* that finished at the end of the fifteenth century. The next epoch was an *epoch of abundance*, a dominant idea whose doctrine was based on excluding the state from economic issues. The last epoch is an *era of stabilization* which human society entered at the beginning of the twentieth century and where the doctrine based on excluding the state from economic issues was abandoned for the sake of purposeful, conscious control of economic forces for the benefit of general social well-being.

John Maynard Keynes was under a great influence of *Marx's* doctrine on state property and participation of state in the management of economy as well as brave and successful results of the new Soviet state. *Schumpeter's* doctrine on business cycles based on economic, statistic, mathematic and historical data has its validity even in the crisis at the beginning of 21st century.

„Many people think today about business as a controlled activity rather than as a game of hazard or a speculative company dependent upon market growth and decrease. The mystery of business actually disappears as knowledge in comparison to business methods that are more and more numerous.“ (Follett, 1927; Samaras, 1989).

Follett demands from leaders and managers in companies to take over the responsibility for failure. She does not accept as realistic the old excuses, in case business fails or does

not develop properly: difficult bank conditions, cruelty of competition, inadequate behaviour of unions. *Follett* thinks that (at the time when she held lectures during January 1925) there is ever more honesty in facing the difficulties as well as a stronger desire for overcoming the same.

Mary Follett mentioned in her lectures her favourite topic that she eagerly discussed, the relationship employer-union in the sphere of new international business relations, she says: „Furthermore, many issues with unions as well as many issues both sides (unions and employers, author's note) considered legitimate pressing problems now are seen as problems to be solved. The increase of salaries without the increase of prices is sometimes a soluble problem. Wherever thinking takes the place of fight, we have a very obvious indicator that management is based on a scientific foundation. In international relations business people have the chance to lead the world towards the decrease of conflict through *thinking*“ (Follett, 1927; Samaras, 1989).

Mary Follett specially emphasised the vitality of business people in the period from 1920-1925 and their *way of thinking*. As an evidence of great respect to managerial profession and its importance for the entire world development, she mentioned the conversation she had had with a university professor of philosophy during winter 1924. „Are you philosophers aware that you refer to your credits while business people work very hard as well think at the same time, and by doing so they will end up way ahead of you?“ - asked *Follett*. „He admitted this completely and whole-heartedly, which I considered a great success“ - *Follett* ended up the story.

She emphasised that management is a basic element in industry, not bankers or shareholders. Good management attracts bankers and shareholders to give loans or buy shares. The following sentence *Follett*

used was specially impressive: „**Furthermore, despite the changes that come, whether it is about industry in ownership of individual capitalists or state or workers, it must be managed. Management is a permanent position in business operations.**” (Follett, 1927).

It is because of this sentence, pronounced in January 1925 in Manhattan, that *Mary Follett* was to be excommunicated for years from the scientific circles, as was the case with *Vasali*, forgotten or imaginary writer of a controversial work „*De forma mundi*“, from 13th century who was prosecuted by Pope Clement IV and who allegedly burnt all the examples of his books. In the stories of middle ages his name shone as the name of a prophet of free thought. Luckily, *Follett* did not face similar destiny, but who knows what would have happened if she had lived seven hundred years earlier? She was described as an unconscious promoter of communist ideas, at one point.

At the end of the first part of her lecture, *Mary Follett* concluded: „There are many circumstances that push us forward towards scientific management:

- 1) Efficient management must take place of exploitation of national resources that are expiring
- 2) More competitive goods and services
- 3) Lack of labour force (it refers to qualified, scientifically educated labour force, author’s note)
- 4) Broader concept of human relations ethics
- 5) Development of idea about business operation as a public service which brings the feeling of responsibility for its efficient implementation.”

Text for analysis

Scientific management has been the inspiration for many thinkers of early philosophy of management. While the work of *Taylor* and his contemporaries reflects a

group of values or beliefs, Englishman *Oliver Sheldon* (1894-1951), was the first one to lay claim to the development of explicit management philosophy. *Sheldon* started and ended his career in the British industry of confectionery products, in York, England, founded by *B. Sebohm Rowntree*. *Rowntree Company* was established in 1862. It was developed in strong association with *Quaker* philanthropy. During the major period of the nineteenth and twentieth centuries it was one of the three biggest producers of confectionery products in Great Britain, together with *Cadbury* and *Fry*. The seat of the company was in *Castlegate, York*, in England. *Rowntree produced: Kit Kat, Smarties and Aero brendy*, in 1930’. Till the moment it was bought by *Nestlé* company, in 1988, it had been the fourth producer of sweet products in the world. *Rowntree* brends continue to be used on the market under the the company *Nestlé*, such as are *Fruit Pastilles* and *Fruit Gums*.

Oliver Sheldon spent all his working period in the *Rowntree Company*. No doubt he was familiar with *Gantt*’s belief that business had great social responsibility and it should serve the society. Elaborating his management philosophy, *Sheldon* said: „We should create management philosophy; principles that are scientifically established and accepted at large, to serve as a guide, as a basis for the final goal; for everyday praxis of manager’s profession.“ (Sheldon, 1923; Wren and Bedeian, 2009).

Sheldon encourages managers to develop common motives, goals, faith in success and knowledge fund. The basic premise of his management philosophy, as in *Gantt*, is serving the community: „*Industry exists to secure goods and services necessary for the sound life of a community, to any extent, it is an obligation; these goods and services must be obtained under the lowest costs and must be compatible with appropriate quality standards, distributed in such a way so as to improve highest community demands directly or indirectly... Industry is not a machine; it is a strong type of people*

associating. Its past and present are defined by people-their thoughts, goals and ideals, not systems or machines. In order to understand industry, we have to understand the thoughts of people in it. Advancement of science and cult of efficiency have blurred human essence. We have invested a lot in understanding applied sciences in industry, but we have gone bankrupt with understanding people." (Sheldon, 1923; Wren and Bedeian, 2009).

In *Sheldon's* view, the combination of emphasized scientific management and efficient serving to the community, is a responsibility of all managers. He thought that all managers must adopt three principles:

- 1) Politics, conditions and methods of industry will contribute to public well being
- 2) Management will interpret highest moral sanctions established by the community as a whole
- 3) Management will take over an initiative to increase general ethical standards and social justice concept (Sheldon, 1923)

Sheldon believed that managers must take into consideration human and technical efficiency. He supported scientific analysis of labour, taking care that development of human potential is supported to its maximum. In *Sheldon's* philosophy the economic basis of service is „double emphasis on human and technical efficiency and responsibility of management to secure social justice that will be supported by industrial management science“. (Wren and Bedeian, 2009)

3. Establishment of business management on scientific grounds

Referring to scientific grounds of business management, *Mary Follett* thinks that scientific standards must be applied to the entire business management. She was one of

the first thinkers of scientific management who understood the transitional importance of linking the *technical side*, the term she used to label knowledge of production and distribution, and the *human side*, knowing how to treat our colleagues within the company equally and correctly.

This segment of business management nobody else succeeded to elaborate appropriately before her, searching in parallel for true solutions for practical appliance.

It was considered that technical elements of business management may be learned unlike the issue of relationship among employees which was considered as a "gift one man possesses and another does not". *Oliver Sheldon*, whom *Mary Follett* quotes, says: „Generally speaking, management takes care about two basic elements – *things and people*. The first element is subject to scientific treatment, the other is not." (Sheldon, 1913).

Sheldon continues: "Where human beings are in question, scientific principles may be equal to waste of paper." (Sheldon, 1923).

Mary Follett did not agree with these attitudes. During that January night in 1925 in New York, she said to the gathered directors: „If we believe in something like this, we should not be here, in the *Bureau of Personnel Administration*. Let us take into consideration the statement – that human relations are not subject to scientific treatment- and let us ask ourselves what scientific treatment is. Science is defined as knowledge acquired through systematized observation, experiment and reasoning; knowledge is coordinated, organized and systematized.“ (Follett, 1927; Samaras, 1989). *Follett* thinks that knowledge of technical things and its gathering is not much different from gathering knowledge about human relations.

Referring again to *Oliver Sheldon* for her observations on human relations, *Follett* quotes him: „Science may relate to price, transport, labour but not to cooperation.“

(Sheldon, 1913). This sentence was taken from the context of *Sheldon's* elaborate thinking over the issue of interpersonal relations in production, and *Follett* develops further the entire composition in order to elaborate on personal approach to the relationship of business management in the process of cooperation between people. She believes that there science can relate to cooperation and that cooperation is not about good intentions or nice feelings. It is necessary to establish methods of cooperation-through experiment after experiment, comparison of experiments and gathering of results. *Follett* says: „My request above all is directed towards our learning *how to cooperate*. Of course, someone may be talented for dealing with people in the same way someone else is talented for with dealing with machines but there is still a lot to learn from both cases.“ (Follett, 1927; Samaras, 1989).

While observing the work of employees, *Mary Follett* points out that we can not separate human from mechanical problems. She once more returns to *Sheldon*. (In order to fully explain his role and importance for scientific management, as the creator of management philosophy and executive director during his entire life, a separate text is provided for the analysis of his work and achievements, author's note).

Follett, being well acquainted with Arthur Schopenhauer's philosophy and eristic dialectic or skill how to be always right, uses *Sheldon* in the already quoted sentence about price, transport, labour and cooperation to say the following: „The engineering part of transport is not the bigger part. Please bear in mind that I do not suggest it is the lesser one. It is a big part, it is an important part, it is a part we have dealt with appropriately, however, the key part of transport is a *personal matter*. Everyone knows that the key problem related to transportation has been that there have not always been reasonable working agreements among the people involved“ (Follett, 1927; Samaras, 1989).

Follett suggests the need for human relations to be examined in business operations as well as working techniques, but linked together. The maintainance of machines and supply of work material depend on the way the employee is treated. Human labour must not be a supplement to machines.

This thought implicitly suggests *Taylor's* rigid theory of scientific management. Parts that are not in direct correlation can not be linked. *Follett* quotes an example of a person who wanted to know something more about Chinese metaphysics so he found China in an encyclopedia and than methaphysics, so he linked both into one. „We will not achieve greater success if we just add human work“- says *Follett*.

She thought that the first step in applying scientific methods in business management, including human relations, would be the appliance of *Taylor's* system of anlaysis of workers' jobs, but through the analysis of managers' jobs. These analyses, *Follett* admits, are not fully identical but represent a precondition for an escape from tradition, prejudices and assumptions; the essence is to find evidence based foundation for managerial jobs. *Follett* says: „We know, for example, what has been achieved through the usage of scientific methods of research and work experimenting... I believe this must be continued on managerial and administrative levels... There should be obtained conditions for research and experimenting.“

The next step would be to undertake measures for organizing key concepts around which sicientific management should be founded. Starting from her *personal definition of science as an organized group of precise concepts*, *Follett* observes the scientific method as: a) research, and b) organization of findings acquired through research. *Follett* further says: „The importance of research, continuous research each year, is more and more praised by business people; but methods of organizing results of such research have not been in step

with that praise. While business management collects more and more precise knowledge, observing carefully and experimenting widely, it still has not gone far with the organization of that knowledge. We have drawn a lot of good conclusions, thought about certain principles, but we have still not seen the link between these conclusions and principles.”

Follett put in a lot of effort to establish one officer per factory whose duty should be to *classify and interpret managerial experience based on a neatly kept record*. Directors should support this initiative and actively participate in the creation of records. Thus, such classification and interpretation of experiences will identify experiences that are repeated from time to time, *Mary Follett* thinks; the collection of this information from factory to factory will allow drawing useful conclusions. *Follett* warns at the end: „The importance of such a procedure becomes obvious when we remind ourselves that the *possession of experience and profiling of experience are two different things*. Experience may lead us to wrong judgements, with prejudice or suspicion.“ (Follett, 1927; Samaras, 1989)

Follett thinks that lack of greater understanding and usage of executive experience is:

- 1) Lack of systematic control of decisions, new methods and experimenting in management.
- 2) Insufficiently developed system of record-keeping.

Follett compares bad record-keeping or lack of systematic record-keeping to stagnation and mistakes of management in some factories. As an example she quotes the fact that if a director in a factory wants to apply a certain management model, he can not find any record of whether that model or a similar one has been used before and what results have been achieved. In case he faces a certain problem, the director should be in the position to learn:

- a) whether his and other managers have had to face a similar problem,
- b) how they have dealt with it
- c) what has been the outcome.

Follett says at the end: „It seems rather unfortunate for one man to say to another, as I have heard someone comment on the proposal of the new method, “*I think our department has tried something similar before, but I forgot what we had thought about it.*” (Follett, 1927; Samaras, 1989).

As a successful example of a systematic usage of records, *Mary Follett* quotes *Percy Haughton* and his Harvard football team from 1925. After someone had said that it was an excellent idea to try out new tactics in the game against Yale, the first thing *Haughton* did was record check-up; and he found out that the said tactics had been tried out before without success. It was a huge contribution of *Haughton* to Harvard football since he did not make the same mistake.

Follett mentioned during her lecture the importance of record keeping *about experiences of executive directors* which would demand, to some extent, a different technique from the one used for other business record keeping. She says: „The system of record keeping and reporting should be such as to allow fast acquisition of noting and reporting skills. Thus, it would be useful to all instead of being utterly meaningless, too long and short on systematization. *Each director should be requested to obtain training on the techniques of record keeping and reporting.*”

Follett advocated organized presentation of executive directors and their associates. She thought that noting down experiences was not enough and that precious time was wasted on learning about facts that were necessary for a fast reaction to changes in the surroundings. A new newsletter or column in some of the newspapers from that time were necessary to check out bibliographic reports. *She even then advocated for journals with professional and scientific grounds, that would allow*

discussions and offer ideas useful to all executive directors and their practical work.

At that time, *Harvard Business Review (HBR)* had already been established, in 1920, as a journal of *Harvard Business School* under the patronage of the dean *Wallace Donham*. *Donham* wrote that the journal should be more than a typical school publication. The goal was to create a business journal useful for students and business people. ***HBR has been profiled as a journal for decision makers.***

Follett explained the need for a new journal through an urge to get information from other parts of the country and the world, from conferences that addressed and developed methods for the improvement of experiences that were scientifically analysed, noted and organized. Papers with utmost quality and most intriguing ones were published in the journal. Many executive directors in factories were ready to exchange with others the results of their experience. „Then we will have a business policy founded on a greater number of data from those we are *currently in possession of* “ - *Follett* concludes.

As an example of good practice she mentioned the School for Business Administration and the Bureau for Business Research of Harvard University that collects ongoing cases from business policy practice, which has paved the way for classification and cross indexing. She also supported the establishment of a Committee with representatives of different companies, aimed at *comparing experiences*. She specially emphasised the need for a sincere and complete exchange of experiences, pointing out the fact that those who participated in the work of the Committee should expect rather to gain more thorough joint work than lose by allowing other companies to access information about their business operations.

She advocated not only the analysis and comparison of mutual experiences, but experimenting, too. “We should make

experiments, comparing and discussing them in order to see what general agreements we may add to our conclusions..“ (*Follett*, 1927; *Samaras*, 1989). However, *Follett* is too idealistic and utopian in expecting all the participants to show complete mutual honesty; readiness to share joint successes and failures.

I have heard a conversation between a man who made an ice machine, that did not work, and a friend he met:

Friend: „I felt sorry to hear that your experiment was a failure!“

Man: „Who told you it was a failure?“

Friend: „Well, I’ve heard your ice machine doesn’t work.“

Man: „Oh, this is true to some extent, but the experiment was a success. As much as one may learn from success and failure.“ (*Follett*, 1927; *Samaras*, 1989).

Certain standards may be defined from experimenting and comparison of experiences but since nothing is final, according to *Taylor*, *Follett* does not consider *standardisation* as a statistical category. Managerial methods and executive techniques change in the course of time in the same way the production method essence itself change, through experience and learning as continuous processes.

Follett observes researching and experimenting as two main scientific methods that essentially link socio-humanistic and natural sciences. Insisting on tiny details, that may not be important for someone during business procedure, she mentioned the example of record keeping. She specially insisted, having learned from her mentor *Anna Boynton* to think analytically, on the necessity for a developed system of cross indexing to exist.

She developed a method for job interviews and spoke with disgust about small people in high positions in the corporate scale who did not understand anything. She was afraid not to cause the opposite effect from the one she wanted: improvement of business operations through the tiniest details,

because everything was important for a scientist and executive director. She did not accept the difference between important and unimportant jobs because she thought that classification of total experience and organization of knowledge were a necessary introduction for the creation of scientifically grounded business management. „This organized concept of knowledge tends to stay in the hands of a few. Measures should be taken to make knowledge available to all management forces. *Training of managers through conversation, suggested bibliography (including novelties in business management), wise facilitation of discussion groups and conferences, management associations, etc.*“ – *Mary Follett* suggested.

These are all methods of work used nowadays in large companies where traditional understanding of organization between capital and labour, exclusion of business from the society and existence of conflict between them, do not dominate. Companies today are no longer machines for money making. Today, large companies believe that business is a crucial part of the society, as a family, government, religion, that it has been one of its pillars for centuries. Big companies invest in future, conscious of needs of people and the society. They reconsider whether to construct permanent institutions. Instead of being pure money making machines, which *Mary Follett* never wanted or loved, companies today combine financial and social logics in order to establish group success (Moss Kanter, 2011).

Follett, in her lecture, insisted that higher management structures that possess organized knowledge on management methods should share that knowledge with managers positioned lower on the scale. However, in practice, many higher managers behave the opposite, when it comes to their subordinates. They issue orders without clear instructions, demand responsibility for work that is outside the area of competence of their associates; at that, they seem proud of treating their subordinates in such a way. *Taylor* suggested that labour standards and

methods of each worker should be available to a worker. It is obligatory as well, that knowledge of the quality or work be presented to a worker through specifications and drawings. „Such a system should be developed for management“ *Follett* says and adds: „If such a system was developed it could become a part of that analysis of management jobs I spoke about ... At this very moment, more and more managers in higher positions notice that management jobs as well as jobs of workers are ready to follow the accepted standards and methods“.

(*Follett*, 1927; *Samaras*, 1989).

Commenting detailed instructions of *Taylor's* system, *Follett* emphasised that unlike his approach to scientific management, many standards and methods applied in *management as a function*, need *ordinary sanctions* rather than *sanctions of an authority* as well as that every company should appoint its shape and form instead of copy-pasting it from other companies. Unlike *Taylor's* system of science management, appliance of management in business practice allows greater flexibility: „Most probably, in the course of time and with the development of business organization, we will have an officer who will be responsible for his work to the functional monitoring officer and whose duty will be to assess whether certain management methods have been comprehended and used“ – *Follett* says being highly inspired.

Development of management techniques should not be linked to the danger of destroying originality and taking away initiative because adequate management should equip managers with greater possibility to achieve successful initiative and originality. Managers must lead the development of that technique. Therefore, the choice is not between mechanical approach to the system and originality but between a sudden win or loss on one side, and professional execution of management function based on scientifically established

principles, on the other side (Follett, 1927; Samaras, 1989).

The idea of the need for further development of management and leadership skills and roles, that is so obvious today, was a pioneering one in the year 1925. *Follett*, even then, *insists on the need for training in management and acquisition of skills and their appliance. Skills will help managers and workers acquire good habits and attitudes.* At that, three conditions should be taken into consideration:

- 1) Detailed information in relation to new methods
- 2) Incentives for a method to be adopted and
- 3) Chance to be used in order to become a good habit.

Follett specially emphasises the need for the appliance of methods in the business practice. One of the managers she talked to, said: „We held a lecture on piano playing and then we sent them to the concert hall. This winter we will try to think out how to offer true practice to managers so that each and every one of them develops a set of good habits.”

Follett warns directors, who want to get trained for higher positions in the hierarchy of the company, that they should first make a *decision why they want to get trained, is it to dominate and manipulate others?*

„This should not be difficult, since the majority of journals advertise the safe way for the development of something that is called *personality*. *But I am sure that the real and essential success comes as a result of being capable to think organizationally.*”

Follett is a pioneer of transformational leadership that was first mentioned in the sociological study of *J. V. Downton*. (Downton, 1973).

Later, *James MacGregor Burns* makes a fundamental difference between transactional and transformational leadership, while *Bass* and *Kotter* develop

the idea till the very end (*Burns*, 1979; *Bass*, 1990; *Kotter*, 1996).

Organizational thinking of Follett becomes transformational leadership, achieved sometimes when a leader extends and raises interests of his employees to a higher level, when he creates awareness of the acceptance of goals and mission of a group and when he motivates his employees to put interests of a group before their personal ones (*Arsovski* and *Nikezic*, 2013).

Splitting the “advertising” about leaders’ or managers’ personalities, discussed by *Mary Follett*, from the capability to *think organizationally* brings us to the *twodimensional model* of leadership, known as the *situational leadership* that is *Paul Hersey’s* model which is consequential and directed towards practice and set goals, as were the ideas of *Mary Follett*. Starting from personality and authoritative style, to trainer, participant and delegate models, basically representing *Paul Hersey’s* leadership model, we come to the capacity (capability) of organizational thinking in which all employees are involved (*Arsovski* and *Nikezic*, 2013; *Hersey*, 1984; *Schermerhorn*, 2011).

The capability of manipulating others, prophetically addressed by *Follett* in the last sentences of her lecture in 1925, will become famous in the history of leadership and management and abused by many historical persons. *Hitler* is a classic example of a *toxic leader* who, appealing to the deepest needs of followers, playing with their fear and fears for their personal and family security, manipulated them. *Toxic leaders* may be very charming but they often, in a deceptive way, abuse their followers, weaken their will and at the end destroy them. All these *Follett* foresaw and warned about through her lectures, fearing the world conflict that was about to happen (*Arsovski* and *Nikezic*, 2013).

Mary Follett pictured the profession of managers as management in a humanoid shape. *Paul Hersey* defined his situational

leadership model based on several important assumptions. He used the works of *Carl Rogers* as a foundation for his humanistic approach to the leadership model, confronting it with theories that observed man through his instincts, the same as *Sigmund Freud*, who presented his theory of death instincts as an urge for pure aggression and whose idea may bring into question the kindness of human nature. However, it should be mentioned that *Freud's* instinct is primarily directed towards personal self-destruction, where auto-destruction is a phenomenon known almost as aggression. (Freud, 1922). *Carl Gustav Jung* substituted *Freud's* technique of psychoanalysis based on the research of instincts by analytical psychology starting from the fact that there exists a restricted number of *personality types* (Jung and Franz, 1964).

In 1960's academic professors and managers of large multinational companies thought that there existed "golden fleece" as a solution to all the problems of leadership and management in large systems. The search for magic as the final solution and a group of principles to be used in any type of management situation was in vain. The solution was found in forming relatively simple leadership models which linked theory and practice. One of these, which according to its principles may be the most applicable and accessible to managers, with a pronounced humanistic component, is *Hersey's* situational leadership model based on deep thoughts and efforts. *Mary Follett* was one of the first people to recognize the importance of mutual support among leaders, managers and their associates, as a basis for overcoming a huge number of constraints that showed up every day in the practical management of large companies. *Follett* directly exposed complex problems on the national level, from personal to ideological ones, such as fight for power and freedom of speech, strongly supporting new ideas on conflict, leadership, power and authority.

4. Methodological approach and setting of hypotheses

Analysing the work of *Mary P. Follett* and perspectives of appliance in contemporary conditions of transitional economies, the research tasks were set:

- 1) To select ten companies in the Republic of Serbia to assess the possibility for appliance of scientific leadership and management in practice.
- 2) To select companies with more than thousand employees as a basis for reasearch.
- 3) To include in the process of scoring ten most important managers for the company (3 from the top management of the company, the closest associates of the general manager and CEO; 3 from the middle level management; 3 from the line management; 1 potential leader, appointed by the general manager and CEO)
- 4) To ask certain number of questions that are a substitute for initial bases in the lectures of *Mary P. Follett*.
- 5) To explore the following hypotheses, asking 40 questions that are scored with maximum 120 points (3 points by question):

H₁ – contemporary approach in the appliance of scientific leadership and management of *Mary P. Follett* may be accepted on **high level** (80-120 points),

H₂ – there are certain elements of scientific leadership and management that may be applied in the contemporary conditions in the corporative practice on **middle level** (40-79 points),

H₃ – there is no correlation between contemporary approach to the scientific leadership and management and the work of *Mary P. Follett* from the year 1925, **low level** (below 40 points).

Note: asked questions are in correlation with the work of *Mary P. Follett*, and refer to the following fields:

- a) Interrelation between a leader and a manager in the company.
- b) Interrelation between a leader/manager, employees and unions in the company.
- c) Relationship of a leader and a manager with the surrounding.
- d) Relationship of a leader/manager with the team work and long term visionary goals of the company.
- e) Analysis of the work of a leader/manager and employees.
- f) Systemic evaluation of the experience of a leader/manager in the company.
- g) Inclusion of a leader/manager and employees in the development of skills, mentorship, training, seminars and other types of capacity building.
- h) Inclusion of a leader/manager and employees in professional associations, chamber of commerce, work in business journals and presentations at international conferences.

- i) Communication through knowledge with other leaders/managers in other companies in order to exchange experiences.
- j) Systemic updating of knowledge on the basis of scientific methods.
- k) Transformational and transactional leadership.
- l) Autocratic and democratic (participatory and delegating) style of leadership and management.

5. Results and discussion

Based on the conducted scoring of processes and phases of implementation of leadership and management perspectives in the corporative system of the Republic of Serbia, the following results could be concluded:

Out of ten companies, **two companies** gained higher score of 80 points. We can say for these two companies that their acceptance and understanding of the initial ideas of *Mary P. Follett* on leadership and management role in the 21st century is on **high level** (*figure 1*).

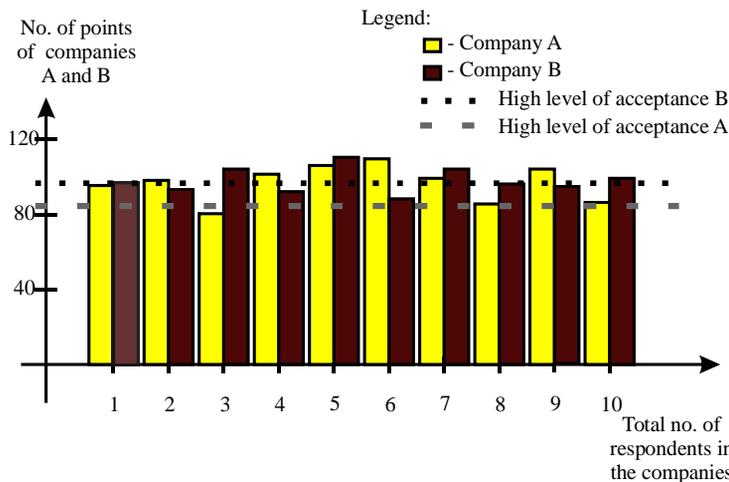
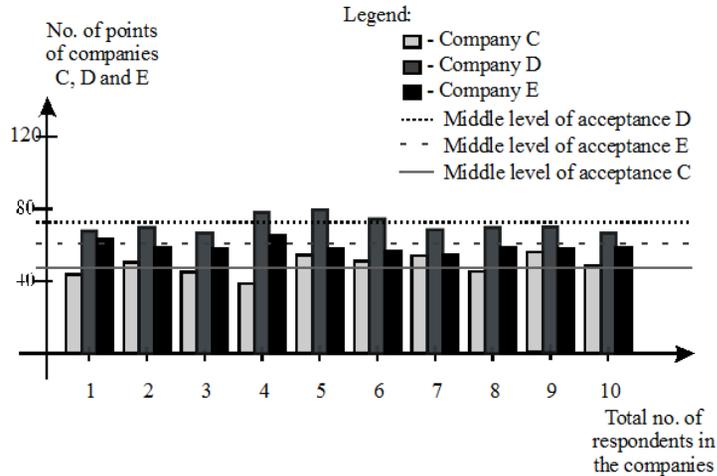


Figure 1. High level of acceptance of ideas of *Mary P. Follett* in the companies of the Republic of Serbia

Out of ten companies, **three companies** acquired total score between 40-79 points,

their acceptance of the ideas of *Mary P. Follett* is on **middle level** (figure 2).



Picture 2. Middle level of acceptance of ideas of *Mary P. Follett* in the companies of the Republic of Serbia

Five companies did not accept ideas of *Mary P. Follett*, they acquired low level of acceptance (below 40 points) (figure 3).

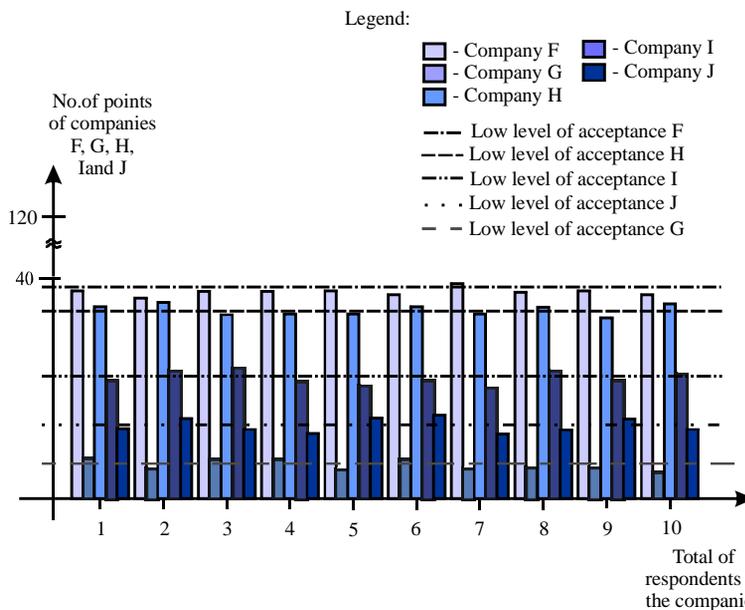


Figure 3. Low level of acceptance of ideas of *Mary P. Follett* in the companies of the Republic of Serbia

- Companies with higher number of employees and participation of foreign capital acquired better total score.
- State companies showed small interest for appliance of ideas of *Mary P. Follett*.
- Leadership role of the general manager and the CEO is still invariable in the Republic of Serbia and it depends only on personal characteristics of leaders/managers whether the transformation will be accepted and whether the style will be democratic, participatory, delegative or transactional and authoritative.
- In the Republic of Serbia almost no means are invested in development of leadership and management skills and new know how, or these means are materially disregarded in comparison to other costs consumed (representation, business

trips without firm reason, various types of unnecessary sponsorships and donations, etc.)

6. Results and discussion

The concept of integrative linking of people through the process which promotes growth, development, changes and transformation, through the idea of an *invisible leader and management as a profession* symbolized by the *capacity of organizational thinking* is the cornerstone of the work of *Mary P. Follett* in the field of leadership and management. She has received significant attention of scientists and business people, especially today. Changes, basic values, the purpose of a company, together with long-term, courageous and big goals even today have an overall validity and promote conditions for the creation of new corporate entity, situation or perspective where profit is not the only value and greatness of a company.

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