

# **Exploring the impact of power dynamics on supply chain relationship management. The legacy of Mary Parker Follet.**

Paul Davies<sup>1</sup> and Rachel Mason-Jones<sup>2</sup>.

(1) Swansea University, (2) Corresponding Author, Cardiff Metropolitan University

## **KEYWORDS**

Power, supply chain, strategic relationships, strategic thinking

## **EXTENDED ABSTRACT**

This paper seeks to better understand power and its impact on relational interactions within the supply chain. Power is a long-established concept within supply chain literature but often adopts a power-over position; where there is an imbalance in the relationship. The study is derived from a qualitative analysis of Organic food companies identifying varied aspect of power dynamics within supply chain relationships. In order to explore power dynamics, the work of Mary Parker Follett is utilised to examine the potential of integrating dyadic interactions between companies within the organic food supply chain thereby illustrating the varied power dynamics that inform collaborative potential. Follett's concept of the 'circular response' deepens ideas of power, recognised within the field of strategic thinking, offers a powerful lens to examine supply chain relationships. Utilising her work to reflect on interactions and collaboration within the theoretical field of supply chain management adds a depth of exploration on the holistic system. The implications of the research undertaken are on theory development for understanding power dynamics and organisational practice within supply chains; through a broader awareness of the way power informs relationships.

This paper explores the need for a more nuanced understanding of power within supply chain practice in order to inform theory development, enhance strategic relationships with a focus on performance improvement. A supply chain and its effective management is directly impacted

by the relationships and collaboration activities that form them (Fawcett et al, 2008). The resultant relationships are driven by the motivations of actors involved and this inevitably shapes the practice that enables dynamic performance (Harland, 1996). With increasing need for effective supply chains to be more agile and flexible to respond to uncertainty there is increased focus on the contribution of relationship management on the holistic performance of both the individual organisation and its supply chain (Fayezi and Zomorodi, 2015). Hoejmose et al, (2013) highlighted the need to understand the impact power asymmetry has on relationship factors. Thus, it is important to more fully recognise the way power exists within supply chains as this informs the way relationships are enacted (Cox, 1999). Hence there is a need to explore in more depth the impact of power on establishing and managing effective relationships with supply chains to maximise performance improvement.

The varied ideas of power dynamics emerged as part of a study into the organic food sector as the shared philosophy of organic methods of production shape the motivation for behaviour. We introduce the work of Mary Parker Follett to supply chain theory in this paper as an effective means to explore the potential for aligned motivation opening up the capacity for integrative behaviour. The thinking of Follett is nearly a century old but offers a timely understanding of the way people interact and the factors that need to be in place for particular forms of behaviour to be possible (Drucker, 1995). Furthermore, the ideas presented by Follett (1924) illustrate that more nuanced notions of power dynamics have been articulated for some time, though not necessarily established in the wider supply chain consciousness. Being cognisant of the way that power dynamics develop enables supply chain practitioners to manage the relationships in more effective and valuable ways enabling improved competitive advantage (Cox, 2004; Hoejmose et al, 2013). We contend that power is commonly perceived as a simple, dyadic relationship with one strong actor in a position of influence over a weaker

other (Hingly, 2005; Kahkonen, 2014). This is understood as a ‘power-over’ dynamic and is epitomised by a traditional, adversarial, relationship (Cox, 1999). However, this is not the only way that power can be conceived within supply chain relationships and this paper asserts that a shared ‘power-with’ dynamic, whereby actors recognise the potential in operating more equally, is often missed as the ‘power-over’ holds a default position. The potential for both parties in a supply chain relationship to work in a less adversarial manner offers the ability for resources to be used in more fruitful ways enabling longer-term relationships, which benefit both parties, to prosper so enhancing our understanding of collaboration (Harland, 1996). Central to realising this potential for a ‘power-with’ dynamic is the ability to align the desired outcomes of both sides of the relationship and therefore enable a more collaborative approach to understanding and managing the dynamics (Follett, 1924). Discerning how power may exist in varied ways can deepen the perception of relationships that are at the heart of supply chain activity and we contend improve future performance.

Mary Parker Follett is a largely forgotten contributor to social theory and also management practice (Mendenhall & Marsh, 2010; Graham, 1995), though her work has been cited by eminent authors such as Drucker (1995), and Mintzberg (1995) as influential in shaping the human dimension of organisational practice. Indeed, a common observation is the way that her thinking is increasingly relevant to concerns in modern business (Gehani & Gehani, 2007). Such views reflect the prophetic nature in the way her work has been labelled (Aupperle, 2007; Drucker, 1995; Graham, 1995) but also reveals elemental aspects of human endeavour that simply take different contexts dependent on the factors of the time. This study adopts a core aspect of Follett’s thinking, the notion of ‘integration’, to help explore the nature of power dimensions within and through supply chains exploring the impact this has on potential

performance improvement so enabling competitive advantage. The paper draws from a study, as part of a DBA thesis, analysing ways in which organic food companies interact.

The research explores three propositions that we believe help to develop the understanding of power within supply chains, namely:

- Supply chains are fundamentally relational therefore a more nuanced understanding of power is required
- Supply chain relationships can exhibit the power dynamic in varied ways
- For a ‘power-with’ dynamic to exist integration must be recognised and established between supply chain actors.

The work of Mary Parker Follett is introduced as a central part of the way a ‘power-with’ perspective can be understood and explored, so enabling collaboration. Recognising the impact of power and its influence in effecting the development of relationships strengthens supply chain thinking.

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