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ORGANIZATIONAL PSYCHODYNAMICS
ORGANIZATIONAL PSYCHODYNAMICS
TEN INTRODUCTORY LECTURES
FOR STUDENTS, MANAGERS AND CONSULTANTS

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This book is dedicated with love to my family - Jane, Pierre, and Xenia, and with gratitude to all organizations I had the unique chance to learn with!
Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Welcome to all of you to this brief introductory course! Let me start this course of lectures and discussions with a brief historical overview and some introductory remarks in order to set the stage for our study on organizational psychodynamics.

As we all know organizational psychodynamics is an interdisciplinary field – subdivision of human systems psychodynamics, - amalgamating a triad of influences—the psychodynamic research and consulting practice, the theories and methods of the field of group dynamics and organizational systems development, and the tasks and boundary awareness of open systems perspectives.

Although human systems psychodynamics is not a new field of study, there has been a general lack of awareness of its roots. This first lecture provides a synthesis of this history and focuses, in particular, on the method of the Tavistock Tavistock Institute of Human of working experientially with groups and the application of this method to the study of organizational dynamics.

Human systems psychodynamics is “a term used to refer to the collective psychological behavior” (Neumann, 1999, p. 57) within and between groups, organizations, and communities in a society. “Systems psychodynamics, therefore, provides a way of thinking about energizing or motivating forces resulting from the interconnection between various groups and sub-units of a social system” (Neumann, 1999, p. 57).

Although Gould, Stapley, and Stein (2001) observed that “the field of systems psychodynamics had its birth with the publication of Miller and Rice’s seminal volume Systems of Organization (1967)” (p. 1), Miller and Rice never explicitly used the term in their book. According to Laurence Gould, Eric J. Miller, who was then director of the Tavistock Institute’s Group Relations Programme, coined the term systems psychodynamics when discussing their work informally in the late 1980s and the concept just “caught on”. Mannie Sher, current director of the Tavistock Institute’s Group Relations Programme, recalled, “When I took up my post at the Tavistock Institute in October 1997, the term ‘system psycho-dynamics’ was in vogue at the Institute and used widely by Eric Miller, Richard Holti, and Jean Neumann”. Yet, further research reveals that it was not until Systems Psychodynamics in the Service of Political Organizational Change (Neumann, 1999) was released that any author explicitly discussed the concept in a scholarly publication.

Jean E. Neumann, core faculty of the Tavistock Institute’s Advanced Organisational Consultation (AOC) Programme, reflected on the process by which the term systems psychodynamics came into use: “Both Eric and I wanted to discourage consultants from thinking that the role taken by a consultant at a group relations event was the only, or even preferred, role to take in working with organizations. I wanted to
emphasize the idea that what an organizational consultant needed to do was apply psychodynamics to the diagnosis of, and intervention into, issues relevant to any particular organizational change and development project. A range of roles, theories and approaches could be used for the application of psychodynamic theory to organizations and other human systems (e.g. between groups and organisations, within communities). Psychodynamics, instead of psychoanalysis, was important because AOC faculty considered other depth psychologies relevant as well”.

The first mention of the term system psychodynamics in print form was in 1993 in the Tavistock Institute’s 1992/93 Review. The Institute’s annual report provided a candid overview of the work of the Tavistock Institute, including the activities, developments, interests, and concerns of Institute staff over the year. Having observed that the Group Relations Programme emerged in the 1960s based on “the Institute’s innovative work in bringing together open systems and psychodynamic perspectives to the study of group and organisational processes,” Miller noted nonetheless that “the Tavistock Institute’s own activities in this field have not been expanding” (1992/93 Review, 1993, p. 42). He concluded that it was necessary to “redevelop this heartland area of the Institute” (1992/93 Review, 1993, p. 42) and recommended a new strategy, termed system psychodynamics, with which to accomplish this. System psychodynamics was as much an organizational strategy as it was an integration of theoretical approaches. He noted that “the two main thrusts of the emergent strategy are to enlarge the nucleus of staff competent to work with the ‘system psychodynamics’ perspective and to take roles in the educational activities of the Programme and, during 1993–94, to extend the range of these activities to include events specifically designed for industrial, commercial and other sectors and not confined to the experiential method” (1992/93 Review, 1993, p. 42). In response to this observation, three external Programme Advisers were appointed in early 1992—Wesley Carr, Tim Dartington, and Olya Khaleelee— and, along with former Tavistock staff member Isabel Menzies Lyth and current staff member Jean Neumann, they undertook these tasks. So the term system psychodynamics, which later transformed into systems psychodynamics, came into existence.

The first element of the human systems psychodynamics triad of influences - the practice of psychoanalysis—emerged in the late 19th century. This Victorian era, characterized by a conservative social climate, was accompanied by rapid advances in science, medicine, and technological knowledge. One example of advances in thinking during this time that laid the foundation for the field of systems psychodynamics was Sigmund Freud’s theories of psychoanalysis. Although Freud is not known as a group theorist per se, his psychoanalytic theories about individuals and his influence over the work of Melanie Klein can be credited with laying the theoretical foundation of systems psychodynamics. In particular, Klein’s (1986) object relations theory, which both built upon and departed from the work of Freud, proved essential. Although Klein’s work predominantly focused on children, her theories about splitting, projective identification, and the paranoid-schizoid and depressive positions were later applied to adults and groups by her analysand, Wilfred Bion. In the post-World War II period, Bion’s observations about group behavior led to the development of the field of group relations, the second element of the systems psychodynamics triad, which will be explored later in this lecture.
In addition to Freud and Klein’s influences from the field of psychology, the emerging field of sociology also contributed insights that led to the development of theories about people’s behaviors in larger groups. In 1896, French sociologist Gustave Le Bon published his now renowned observations about large, unorganized groups in his book The Crowd. Le Bon theorized that a person sacrifices a part of his or her individuality when joining a group, especially a large group, and becomes more easily influenced and susceptible to suggestion. Perhaps one of the first theorists to examine the group as a whole, Le Bon observed that the group mind was illogical, intolerant, prejudiced, rigid, uninhibited, and submissive to any dominant force that exerted its authority. According to Le Bon (1896), “An individual in a crowd is a grain of sand amid other grains of sand, which the wind stirs up at will” (p. 33). Le Bon described how a charismatic leader could sway a crowd by playing on the crowd’s childlike credulity and untethered emotions in a manner which Freud (1921) observed “as being actually hypnotic” (p. 8).

Although Le Bon’s work has been cited frequently within the psychoanalytic tradition, not everyone agreed with his theories about group behavior at the time. Even Freud (1921) spent 15 of the 75 pages of Group Psychology and the Analysis of the Ego quoting and paraphrasing the work of Le Bon, only to dismiss his contributions. Freud contended, “None of that author’s statements bring forward anything new. Everything that he says to the detriment and depreciation of the manifestations of the group mind had already been said by others before him” (p. 14). In fact, Freud (1921) interpreted Le Bon’s appraisal of the group mind as a reflection of Le Bon’s contempt for the masses and fear of social upheaval. Harrison (2000) agreed, observing that Le Bon’s “frightening picture of mob activity reflected the bourgeois view of the upheavals occurring in France throughout the nineteenth century” (p. 28).

Despite these criticisms, in 1920 British social theorist William McDougall expanded upon Le Bon’s work and developed important insights about organized groups as a whole. Like Le Bon, McDougall (1920) believed that unorganized groups were emotional, impulsive, violent, and suggestible and, at times, acted almost like a wild beast. McDougall added, however, that a mental shift occurs along with a marked change in group behavior when a group is organized and task-oriented. This shift causes an intensification of emotion in each individual group member that is seldom attained under any other conditions and can be harnessed effectively for positive group achievement.

At the same time that many theorists were trying to gain a deeper understanding of group behavior, European disharmony grew to the point of war in 1914. The war became a laboratory of sorts for the psychological study of group behavior. For example, military leaders in Europe started to identify nervous disorders or psychological ailments among their troops. They used the term shell-shock to describe these ailments regardless of symptoms. Prior to this, any instability exhibited by a soldier was classified as cowardice or malingering, which was often punishable by death. Later research revealed that “amongst the records of those men shot for cowardice there is clear evidence to suggest that a number were suffering from mental health problems” (Harrison, 2000, p. 79). When World War I ended in 1918, the horrors it had caused fostered revulsion for war and a hope that future conflicts could be avoided through a clearer understanding of human behavior and diplomacy. As a result of psychological lessons learned during World War I, the
Tavistock Clinic was founded in London in 1920. Originally known as the Tavistock Institute of Medical Psychology, the clinic was established as “one of the first outpatient clinics in Great Britain to provide systematic major psychotherapy on the basis of concepts inspired by psychoanalytic theory” (Dicks, 1970, p. 1) for patients unable to afford private fees. In addition, it “subsequently became an important centre for training for psychiatrists and allied professionals” (Miller, 1989, p. 3). The clinic was founded based on the vision and energy of its director, Dr. Hugh Crichton-Miller, who conceived of it as a model clinic for other psychiatric departments (Dicks, 1970). From the beginning, an eclectic group was formed that showed a desire to link the social sciences with general medicine and psychiatry and fostered a tolerance of different professional viewpoints, a characteristic that has remained a common element in the clinic’s work (Trist & Murray, 1990). In addition to the work being conducted at the Tavistock Clinic in the post-World War I period, theorists and practitioners in other parts of the world were continuing to develop new ideas about groups and organizations. Many of these contributions were influential, albeit indirectly, to the development of the second element of the systems psychodynamics triad—the theories and methods of group relations.

Hayden and Molenkamp (2003) defined group relations as the study of “the dynamics of the group as a holistic system” (p. 3). This field of study embraces psychodynamic principles but, contrary to traditional psychoanalysis, applies such theories to the study of the group as a social system. Three contributions proved to be pivotal in the history of group relations. First, without identifying it as such, Le Bon and McDougall provided key observations about group behavior by introducing the idea of studying the group as a whole. Group as a whole refers to the behavior of a “group as a social system and the individuals’ relatedness to that system” (Wells, 1985, p. 112). This shift from the psychoanalytic focus on the individual to an examination of the group as a singular entity represents an important piece of the history of group relations and therefore of systems psychodynamics.

A second contribution to the history of group relations was made by Bion and others when, after World War II, they experimented by shifting from the clinician’s gaze outside the phenomenon to an “outsider within” perspective. Abandoning traditional psychoanalytic perspectives and embracing the perspective of the group as a whole, Bion used himself as an instrument to detect group behavior and thereby developed a new method of working with groups.

A third important contribution to the history of group relations was provided by Kurt Lewin in an almost accidental discovery. During a 1946 workshop, Lewin and his colleagues experimented with his hypothesis that adults learn more effectively through interactive experiences shared in experiential learning environments rather than through traditional lectures and seminars. The results of this first experiential learning event led to development of the human laboratory and influenced the subsequent development of the group relations conference.

These three historical contributions—the group-as-a-whole perspective, the practice of using one’s self as an instrument, and the methods gleaned from experiential learning—laid the early foundation for the field of group relations. It is important to note, however, that several other theorists made contributions to the application of psychology to the study of group behavior and organizations.
One of the first theorists to apply psychology to the workplace, Mary Parker Follett (1941), described the advantages of a more cooperative work environment in her essay “The Giving of Orders.” Arguing for a less hierarchical worker–management interface, Follett offered that the solution to workers’ resistance to following orders was to “depersonalize the giving of orders” (p. 58). She suggested that workers and foremen should study a situation together and allow a solution to which both parties would be responsive to emerge naturally. “With scientific management the managers are as much under orders as the workers, for both obey the law of the situation” (p. 59).

Between 1927 and 1932, Elton Mayo conducted a now famous study at the Hawthorne Works of the Western Electric Company in Chicago. By studying women assembling telephone relays, Mayo (1933) explored the relationship between the worker and the work environment and the link between human motivation and productivity. “The Hawthorne experiments showed that complex, interactional variables make the difference in motivating people—things like attention paid to workers as individuals, workers’ control over their own work, differences between individuals’ needs, management’s willingness to listen, group norms, and direct feedback” (Shafritz & Ott, 1996, pp. 150–151).

Although the contributions of Follett and Mayo may seem like obscure links to systems psychodynamics, they represent clear examples of the ways in which theorists began to shift their thinking about organizations and work between the wars. Paving the way for new methods such as systems psychodynamics, these theorists recognized organizations as complex interactive systems, a unique perspective at the time, and highlighted the importance of “the human aspect of industry” (Mayo, 1933, p. 1).

Another influential social scientist in the post-World War I period was Kurt Lewin. Living in Germany during World War I, Lewin had observed first hand the potential that humanity had for both good and evil and firmly believed that the social sciences could and must be used to maximize human good. His harrowing wartime experiences resulted in a life-long commitment to the use of science to integrate democratic values in society. After fleeing Nazi Germany for the United States in 1932, Lewin taught at Stanford and then Cornell before establishing permanent residency and accepting a teaching position in child psychology at Iowa State University (Hirsch, 1987). One of Lewin’s many contributions to the development of systems psychodynamics was the notion of psychosociological influences over group behaviors. His methods were grounded in the philosophy that “the group to which an individual belongs is the ground for his perceptions, his feelings, and his actions” (Lewin, 1948, p. vii). By providing the elusive conceptual framework to examine group behavior, Lewin’s theories, which were known as applied psychology or field theory, provided a way in which the tension between the individual and group could be studied. Field theory, originally used in physics, was made popular in the study of social fields by Lewin, among others, in the 1940s because of its focus on the characteristics of interdependence. By applying scientific reasoning, Lewin compared groups to a molecule’s parts and their interrelatedness and thereby demystified the nature of group life. He (Lewin, 1947) wrote: “There is no more magic behind the fact that groups have properties of their own, which are different from the properties of
their subgroups or their individual members, than behind the fact that molecules have properties, which are different from properties of the atoms or ions of which they are composed” (p. 8). Lewin (1947) cautioned researchers that “only by considering the groups in question in their actual setting, can we be sure that none of the essential conduct has been overlooked” (p. 14).

Lewin’s philosophies exerted significant influence over members of the Tavistock Institute. Miller (1993) noted that “the Tavistock group shared his conviction that conventional modes of scientific analysis would not uncover the ‘Gestalt’ properties of complex human systems” (p. 5). Therefore, new methods were required. Lewin (1948) introduced the concept of degrees of freedom and explored the sharpness of boundaries in a way that seems to foreshadow Rice’s (1965) discussion of boundaries in open systems—the third element of the human systems psychodynamics triad. In his book Learning for Leadership, Miller (1993) confirmed the importance of Lewin’s contributions, noting that Lewin’s “way of looking at groups and institutions as ‘dynamic wholes’” had considerable influence on “my early Tavistock colleagues” (p. 5).

Theorists such as Follett, Mayo, and Lewin were struggling in the post-World War I period to better understand people’s behaviors in groups and organizations and to explore the implications of this new knowledge for the development of a democratic society and a productive workplace. Although none of these theorists can be considered a systems psychodynamics expert, per se, each holds a piece of the historical puzzle that led to developments of the field of systems psychodynamics.

World War I revealed the necessity of developing ways to treat shell-shocked soldiers; World War II required that therapists move beyond an individual treatment model to address the large number of soldiers who required treatment. Yet “at the outbreak of war in 1939 there was extremely limited mental health expertise in the British Army” (Harrison, 2000, p. 83). As a start to rectifying this problem, two senior psychiatrists were appointed as consulting psychiatrists to the British army: Henry Yellowlees, a veteran from World War I, and J. R. Rees, the former director of the Tavistock Clinic. After Rees’s appointment, many Tavistock Clinic employees joined the war effort. As a result of these recruiting efforts, “by July 1943 there were 197 serving psychiatrists, and by 1945 there were over 300” (Harrison, 2000, p. 84). The presence of the former Tavistock Clinic employees in the British army remained formidable throughout the war. Colloquially referred to as the Tavistock group or the invisible college, this group included Wilfred Bion and John Rickman, as well as Harold Bridger, Tom Main, Eric Trist, Tommy Wilson, John Bowlby, Ron Hargreaves, and John Sutherland. Although these men were not all clinicians, they were all interested in psychoanalysis and shared many of the same philosophies about working with groups. They kept in close communication during the war.

In a twist of fate, Bion’s prior military experience, education, and athleticism brought him to a juncture in the 1940s that made it seem as if he was somehow destined to become “the father of group relations” (Fraher, 2002, p. 14). Bion served with distinction in World War I as part of the Tank Corps, eventually qualifying as a tank officer in France later in the war. After World War I, Bion read history at Queen’s College in Oxford. He was active in athletics and excelled in swimming, water polo, and rugby. After Oxford, he took a position as a schoolmaster for 2 years. Bion’s
daughter Francesca (1982) writes that “by 1924 it was clear to him where his interest lay—in psychoanalysis” (p. 6). Bion completed medical training at University College Hospital in London and joined the staff at the Tavistock Clinic before World War II. Bion’s combination of front-line battle experience from World War I and psychoanalytic training proved to be an invaluable combination for British army psychiatry. Manpower shortages during the war severely hampered British military success. It was during this desperate time to get rehabilitated soldiers back to the battlefield that much of Bion and his colleague’s experimentation with groups took place at a treatment facility called the Northfield Hospital. Trist (1985) recalled the following: “Northfield was a large military psychiatric hospital which functioned as a clearing house. According to a man’s condition, he would be discharged from the army, return to his unit or found alternative military employment. The need for manpower was at its height. Any method was welcome which would encourage a body of disaffected men displaying a bewildering variety of symptoms in different degrees of acuteness, to re-engage with the role of being a soldier in an army at war. Methods so far tried had yielded poor results” (p. 14). In response to this need, Bion devised a therapeutic community, outlined in a document called the “Wharncliffe Memorandum” in 1939. The premise of the therapeutic community was to use the entire hospital environment as a therapeutically engaged social system to treat patients by shifting the focus from individual treatment to that of group process, leadership concepts, and social obligation. Paramount was the notion that the group analyzes its own dynamics rather than waiting for outside direction from authority figures. This philosophy becomes a central tenant in the field of group relations and therefore in systems psychodynamics.

Events that transpired at the Northfield Hospital had widespread impact on the field of psychiatry both during and after the war. Many of the invisible college returned to their former employer, the Tavistock Clinic. Much of the clinic’s post-war work was based on the experimentation that this interdisciplinary group from the invisible college conducted at the Northfield Hospital during the war years. In particular, experimentation with experiential group methods and the development of a therapeutic community laid the foundation for the emergence after the war of a new field called group relations—the second element of the human systems psychodynamics triad.

After the war, the Tavistock Clinic was challenged to pick up the pieces that remained of the once thriving organization and rebuild. In 1945, an interim planning committee was established to consider the future of the Tavistock Clinic and to redefine the clinic’s mission in light of experiences gained during the war. This committee was chaired by Bion who, modeling his new findings about groups, helped to clarify issues and reduce conflicts within the committee itself, which facilitated the committee’s approval of his report by year’s end. This report diagrammed the clinic’s tasks as: (a) exploration of the role of outpatient psychiatry based on a dynamic approach and oriented toward the social sciences in the as yet undefined settings of the new National Health Service and (b) incorporation of the Tavistock Institute of Human Relations (Tavistock Institute) for the study of wider social problems not currently seen as being within the purview of the mental health profession (Trist & Murray, 1990). As a result, the Tavistock Institute was founded in 1946.
The post-World War II period could be classified as the birth of the field of group relations, because many people excitedly experimented with the knowledge gained from their wartime experiences. Central to this exploration were Bion and his fellow members of the Tavistock Clinic, then Tavistock Institute, in England and Lewin and the National Training Laboratory (NTL) in the United States. The NTL’s contributions were pivotal with the development of its human laboratory, an experiential method of studying groups in 1947.

In London, Bion continued to make significant contributions to social psychiatry. In 1948, he was asked to take therapeutic groups, a colloquialism for using the group techniques he had honed through his experiences in World War II. While working with this small group of patients in the adult department of the Tavistock Clinic, Bion decided to provide the group with no direction and no structure to assess the group’s reaction. Rosenbaum and Snadowsky (1976) observed that the reason for this abrupt break from traditional methods was twofold: “First, he wasn’t sure what he was doing so he decided to remain silent. Second, he is a rather withdrawn individual” (p. 27). As a result of Bion’s silence, the patients were puzzled, upset, and angry and responded in a variety of ways. Bion’s unique contribution was that he interpreted these reactions as the group’s dynamic as a whole not as the behavior of individual group members. What may have started as a response to uncertainty and/or a reflection of Bion’s personality was transformed eventually into a therapeutic technique central to group relations and the Tavistock tradition. Trist (1985) wrote the following observation of Bion’s methods for taking groups: “Several features characterized Bion’s group ‘style’. He was detached yet warm, utterly imperturbable and inexhaustibly patient. He gave rise to feelings of immense security—his Rock of Gibraltar quality. But the Rock of Gibraltar is also powerful and he exuded power (he was also a very large man)” (p. 30).

In Kleinian terms, Bion seemed to be inviting, whether consciously or not, the group’s projective identification with him. That is, he made himself available for the group to disown their uncomfortable feelings and project them onto him as a means to understand the group’s unconscious behavior (Gabriel, 1999). As Trist (1985) put it, “He made it safe for the group to dramatize its unconscious situation” (p. 31). Bion’s methods were heavily influenced by the theories of Melanie Klein, especially her ideas about basic defense mechanisms, such as splitting and projective identification. These theories proved to be the link Bion needed to join theories that described the individual’s unconscious experience with those he was developing to represent experiences of group membership. Bion extended Klein’s theories by exploring how group membership often evoked some of the same contradictory feelings as those experienced during childhood in response to the mother. Through Bion’s lens, Klein’s object relations theory explained how experiences in groups trigger “primitive phantasies [sic] whose origins lie in the earliest years of life” (Gabriel, 1999, p. 118). For example, one unconscious desire is for the individual to join with others in an undifferentiated entity, like the infant fusing with the breast. Although comforting, this desire also creates resultant fears, such as the fear of becoming overwhelmed or consumed by the undifferentiated mass of the group or the fear of being rejected or abandoned by the group. In his articles, Bion outlined his theories of group behavior that were based largely on observations he made while working with small groups over the years. He hypothesized that groups have two modes of operation. One mode he called the productive sophisticated group, more commonly called a work
group. The work group focused intently on the group's task and maintains close contact with reality. The other mode of group operation Bion called basic assumption. Its primary task was to ease the group's anxieties and avoid the pain or emotions that further work might bring. As an example, Bion identified three types of basic assumption modes: basic assumption of dependence (baD), basic assumption of pairing (baP), and basic assumption of fight-flight (baF) (W. R. Bion, 1961). When a group operates in the basic assumption mode of dependence, Bion noted: “One person is always felt to be in a position to supply the needs of the group, and the rest in a position to which their needs are supplied. . .having thrown all their cares on the leader, they sit back and wait for him to solve all their problems. . .the dependent group soon shows that an integral part of its structure is a belief in the omniscience and omnipotence of some one member of the group. (pp. 74, 82, 99). The group assumes this leader, whether selected formally or informally, has clairvoyance of thought and supernatural powers and that the rest of the group is powerless and dependent. When the leader fails to meet the group’s unrealistic expectations, as he or she inevitably does, the group becomes quickly frustrated and disappointingly selects another member for the daunting task. This leader will also fail eventually, of course (W. R. Bion, 1961; Gabriel, 1999).

The basic assumption mode of pairing is evident in a group when the group invests irrational hopefulness for the future in two of the group members. Regardless of gender, the group assumes that these two individuals have paired either for a “sexual” experience, which would provide the birth of a new group, a religious experience, which would provide a messiah, or a reparative experience, which would produce world peace. When a group operates in the basic assumption mode of fight-flight, Bion (W. R. Bion, 1961) wrote: “The group seems to know only two techniques of self-preservation, fight or flight. . .the kind of leadership that is recognized as appropriate is the leadership of the man who mobilizes the group to attack somebody, or alternatively to lead it in flight. . .leaders who neither fight nor run away are not easily understood. (pp. 63, 65).

In 1961, Bion published his influential book, Experiences in Groups, which was a compilation of his series of articles printed separately over the years in different journals such as the Tavistock Institute’s journal, “Human Relations.” Since then, his ideas about groups have had a widespread impact in many different fields from social psychology and sociology to organizational development and leadership studies. Pines (1985) observed: “Experiences in Groups is probably the shortest and most influential text in psychoanalytic group psychotherapy. Whether you agree or disagree with Bion, ignore him you cannot for he looms up at you from the darkness of the deepest areas of human experience, illuminating it with his “beams of darkness” (p. xi). Similarly, Miller (1998) observed, “Bion’s theory has generated a voluminous literature, mainly in the field of psychoanalysis. group psychotherapy, and group dynamics” (p. 1498).

Bion’s theories continued to be interpreted and evolved by other theoreticians who applied his theories to working with groups. Rice, Miller, Bridger, Trist, Menzies, and other social scientists affiliated with the Tavistock Institute carried Bion’s theories about covert group dynamics, such as unconscious defense mechanisms, into their continued exploration of how best to understand organizations. The first civilian training group, as opposed to those for military members during and after the war,
was held in 1945 under the direction of Bion, Rickman, and Sutherland at the Tavistock Clinic. It consisted of 12 members, one of whom was A. Kenneth Rice. Although it only lasted six sessions, it seemed to have a profound influence over many group members—especially Rice. Rice was so taken by these new methods that he volunteered to become a member of the training group at the Tavistock Institute, again under the direction of Bion. This training group met weekly as a small study group for a period of 2 years between 1947 and 1948. Rice, an anthropologist by training, had been a businessman and consultant to organizations around the world, most notably to textile industries in India. One of Rice’s (1958) most famous projects was with the Ahmedabad Manufacturing and Calico Printing Company, Ltd., in India from 1953 to 1956 detailed in his book Productivity and Social Organization the Ahmedabad Experiment. Prior to his experiences in India, Rice had been an officer “in colonial Africa where his liberal convictions and lack of sympathy with racial prejudice made him unpopular with the British colonial administration at the time” (Rioch, 1996, p. 11). This combination of life experiences would prove pivotal in 1962 when Rice was authorized by the Tavistock Institute to take over the leadership of their new experiential learning events called group relations conferences. First started in 1957, these events were held at the University of Leicester and became known as the Leicester Conference. Miller (1989) recalled the circumstances of Rice’s appointment, “The reasons were largely pragmatic: the conferences had been losing more money than the Institute could afford, and Rice was willing to try to make them financially viable” (p. 5).

Although Bion provided the foundational theories for the group relations conference, he never attended a Tavistock Institute conference. It was Rice, along with a cadre of others, who developed the design of the group relations conference by further expanding the application of group relations theories and practices. Sher, current Director of the Tavistock Institute, reported: “Rice would have been talking to people like Trist, Mary Barker, Turquet, Gosling, and Eric Miller of course, and others. It started off the idea of a laboratory. And that no doubt A. K. Rice’s clients would come to this laboratory, and Miller’s clients, and Turquet’s clients, would come to this laboratory. And learn about things and take the stuff back into their organizations and, at times, take the consultants back with them into the organizations. So there would be a fruitful link between the Leicester Conference, or whatever it was called then, and the ongoing consultation that Rice and others were having with their client organizations” (Fraher, 2002, p. 74).

This new way of thinking, learning, and then applying this knowledge back into organizations quickly became known as the Tavistock method. This model used group relations conferences as a way to relieve clients of the organizational distractions of their business world by bringing them into a temporary institution that would provide an experiential learning environment. This environment would provide a common language and experience with which to build upon when the clients and consultants returned to the client’s organization. It is not too difficult to see the vestiges of Bion’s therapeutic community, as well as the influence of Lewin and the NTL’s human laboratory, in the design of this experiential learning community. After a brief evolutionary period between 1957 and the early 1960s, the design of the Leicester Conference began to stabilize and the format became more predictable. Miller (1989) recalled: “The essentials of the approach, including its theoretical underpinnings, were largely established by the mid-1960s. Since then, the “Leicester
Model” has provided the basis for numerous other conferences, some run by the [Tavistock Institute] and very many more by other institutions, in Britain and a dozen different countries around the world. In most cases these were developed with the active support of the Tavistock Institute” (p. 1).

Although the structure of the conference has remained largely unchanged, the experience of a group relations conference is never the same. The dynamics among member and staff groups vary; consequently, no two conference experiences are ever alike. Certain conference events have become hallmarks of the Leicester Conference design. Fraher (2002) noted some of these hallmarks, gleaned from a review of 32 Leicester Conference brochures:

Every conference member is assigned to a small study group, which is made up of approximately 9 to 12 individuals from all walks of life. The task of this small group is to study its own behavior as it unfolds, in the here and now. A consultant is assigned to assist the group at its task by helping the group examine its own behavior. All working conference members attend the large study group that usually consists of the entire conference membership sitting in a spiral seating arrangement. Not part of the original conference design, the large study group was added to the conference structure in the late 1960s based largely on the work of Turquet. The task of the large study group is to study behaviors that might occur in a crowd or in meetings that consist of more people than can easily form face-to-face interpersonal relationships. It is not uncommon for subgroups to form or split, anti-groups to emerge, and fantasies or myths to be played out. Three to four consultants are normally assigned to assist the group at its task of examining its behavior. An intergroup event, not included in the first conference design, was successfully added in 1959 largely through the work of Harold Bridger. During the intergroup event, members are free to form their own subgroups within the predetermined conference groups to study behaviors within and between groups in any manner they choose. In addition, most conferences also include an institutional event that enables the study of the relationships and relatedness between all subgroups of the conference as an institution. Consultants are available upon request during both events. Near the end of the conference, all members are assigned to review and application groups that are made up of 5 to 10 people from similar or complementary backgrounds. The goal of the application group is for members to reflect on their conference experience to consider how their 1963 to 2002, excluding 1977 and 1986 to 1989. For example, the “A” subconference, the “B” subconference, and the training group might have separate intergroup events but might all participate in a joint institutional event. After having experienced the events of a conference, it is up to the individual to decide which conference experiences and learning are valuable. Therefore, Miller (1993) observed: “What he learns, therefore, is unique to him. He cannot be told what he “ought to have learned”: indeed, that phrase itself is an expression of dependence on authority. Other people, including the consultant, may offer their views of a situation, but only the individual member is in a position to understand, in light of the role he has, the relationship between what is happening around him and what is happening inside him; hence it is on his own authority that he accepts what is valid for him and rejects what is not” (p. 22).

At approximately the same time that the theoretical and methodological underpinnings of the group relations conference were emerging in the post-war
period, the work of von Bertalanffy (1950) came to the attention of social scientists at the Tavistock Institute. Trist and Murray (1993) reported: “While on sabbatical at the Institute from Australia in 1951, Emery alerted his colleagues to the significance for social science of von Bertalanffy’s (1950) notion of open systems. This provided a new way of considering individuals, groups and organizations in relation to their environments” (p. 30). The amalgamation of open systems thinking with the Institute’s previously popular sociopsychological perspective resulted in the creation of a new paradigm - the sociotechnical perspective. This perspective set the stage for the emergence of human systems psychodynamics approximately 30 years later.

The third and final element in the systems psychodynamics triad is the task and boundary awareness from open systems theory. Systems thinking was, of course, not novel even in the late 19th century. In fact, Churchman (1968) claimed that systemic thinking can be traced back at least as far as Plato’s Republic in 400 B.C. He added, “the ‘pre-Socratics’ are even fresher than Plato and Aristotle, and are mainly interested in the ‘whole system’. . .The nineteenth century produced many writers on the nature of whole systems: Hegel, Marx, Schopenhauer, Nietzsche, Spengler, Spencer, to mention a few” (Churchman, 1968, p. 240). These early theorists’ contributions about whole systems laid an intellectual foundation that ignited general inquiry into the nature of organizational and social systems. Work being done at the Tavistock Clinic prior to World War II and then at the Tavistock Institute in the post-war period explored the question of whole systems. In a manner similar to the ways in which successes in group psychology during the wars led to developments in the field of group relations, the successes of scientific teams in the military in World War II led to expanded system thinking. Churchman (1968) noted, “As a consequence after the war there was a rush to apply the same kind of thinking, which then was called ‘operations research,’ to various nonmilitary problems, and in particular to industry” (p. ix). One of the co-founders of operations research, Sir Charles Goodeve, also founded an Organization for Promoting Understanding of Society (OPUS) as a way to examine unconscious group processes that shape society and the institutions within it.

Churchman noted, “As the scientist’s perspective widened, he began to think of his approach as the ‘systems approach’” (p. x). In particular, refinements in the systems approach included developments in psychophysical systems, field theory methods, the understanding of social systems as defenses against anxiety, open systems thinking, and sociotechnical approaches. These five theoretical developments significantly influenced systems thinking and became the third element in the human systems psychodynamics triad—the task and boundary awareness from open systems theory. Trist and Murray (1990) wrote, “Historically, there have been two major conceptual schemes in the human sciences: that of the psycho-physical system, or organism, and that of social structure, or the institutional systems” (p. 540). Yet, as a result of field theory or action research conducted in the post-war period, Trist and others at the Tavistock Institute proposed a new conceptual scheme—the sociopsychological perspective—that enabled the sociological and psychological fields to become interrelated. They urged adoption of the term sociopsychological rather than the earlier term psychosocial to stress the examination of the influence of psychological forces on social systems (Trist & Murray, 1993, p. 29). Trist and Murray (1990) noted, “The source concepts which gave rise to the socio-psychological perspective are psychoanalytic object relations
Further research by Tavistock Institute staff members Elliot Jacques (1952) and Isabel Menzies (1960) into the use of social systems as a defense against anxiety proved to be pivotal to future developments in human systems psychodynamics as well. These studies showed how human organizations develop mechanisms to defend against the anxiety inherent in the system. These defense mechanisms establish methods of helping an organization’s members deal with “disturbing emotional experiences—methods that are built into the way the organization works” (Menzies, 1960, p. 101). In the 1940s, 1950s, and 1960s, studies in coal mines, textile mills, and hospitals conducted by Tavistock members Jacques, Rice, Miller, Trist, Bridger, and Menzies Lyth, among others, proved influential to the development of another important concept, the sociotechnical perspective. The sociotechnical system provided a way to optimize both human elements and technological imperatives within organizations, without sacrificing one to the other. Yet, the sociotechnical system approach focused at the level of what Bion would have termed the primary work group (W. R. Bion, 1961) rather than the wider organization and its environment. Further developments in open system theory made it possible to look simultaneously at the relationships between the individual worker and the work group, the work group and the organization, and the organization and its environment. In other words, open systems theory built upon, yet expanded, the premise of the sociotechnical system in ways that permitted an understanding of the operation of the organization’s internal dynamics as well as its interaction with its external environment.

As Rice (1965) described it, the classic model of an organization is one of a closed system, a mechanically self-sufficient organization neither importing nor exporting across the boundaries of the organization. Rice noted, “Open systems, in contrast, exist and can only exist by the exchange of materials with their environment. . .the process of importing, converting, and exporting materials is the work the system has to do to live” (cited in Miller, 1993, p. 10). Miller (1993) provided examples to illustrate Rice’s point: “Thus a manufacturing company converts raw materials into saleable products (and waste), a college converts freshmen into graduates (and drop-outs) and there are the other resources that are required to bring about the processing: the production workers, the teachers, the machinery, the supplies, etc. The boundary across which these materials flow in and out both separates the enterprise from and links it with its environment” (p. 11). This permeable boundary region came to be viewed by open system theorists as a critical area for the exercise of leadership. If the boundary is too loose, it is possible that the outside environment can become too
influential and disruptive to the internal work of the organization. If the boundary is too rigid, the internal organization can stagnate and become inflexible to market or environmental changes. Miller (1993) wrote, “Survival is therefore contingent on an appropriate degree of insulation and permeability in the boundary region” (p. 11). The idea of boundary management has also been applied to thinking about an individual's boundary management. Miller (1993) and Rice (1965) incorporated Freud and Klein's theories into their thinking by equating the ego function in individuals with the boundary region. Rice (1965) described this notion as follows: “In the mature individual, the ego—the concept of the self as a unique individual - mediates the relationships between the internal world of good and bad objects and the external world of reality, and thus takes, in relations to the personality, a “leadership” role” (p. 11). Therefore, when one is involved in organizational or group life, one is influenced both by the external environment of the work setting and by one’s internal environment that is largely a product of previous work and childhood experiences. In Rice’s (1965) words, “The mature ego is one that can define the boundary between what is inside and what is outside, and can control the transactions between the one and the other” (p. 11). However, the group can also evoke more primitive feelings in the individual, such as those “in the areas of dependency aggression and hope. The individual is usually unaware of this process: these basic emotions slip under the guard, as it were, of his ego function” (Miller, 1993, p. 19).

Even though these primitive feelings and defenses might go undetected by the individual, they often have an impact on the group and are sensed by others within the organization. According to Rice (1965), “The tendency for most human beings to split the good from the bad in themselves and to project their resultant feelings upon others is one of the major barriers to the understanding and control of behaviour “ (p. 11). When people come together in groups, individuals’ primitive feelings and defenses can get mobilized on behalf of, and in service to, the group and the bad feelings are often the split off and projected onto authority figures, whose task it is to regulate the boundary region. As one method to study people’s struggles with these types of authority issues, the Tavistock Institute developed the group relations conference in the late 1950s. In this way, they created an experiential learning method that linked psychoanalytic theory with the notion of open systems theory that was developed in the social sciences.

In addition to the development of the group relations conference, a second result of the amalgamation of open systems theory with psychoanalytic theory was an expanded definition of Bion’s notion of a group’s task. As discussed previously, Bion postulated that a group can be understood to operate potentially at two levels: the sophisticated work group level that is oriented toward overt task completion, and the basic assumption level that sometimes supports, but more often hinders, the overt task by acting out one of three possible defenses (W. R. Bion, 1961; Gabriel, 1999; Miller, 1993). Rice (1965) used open systems theory and its notion of external influences to reconceptualize the notion of the group’s task. Rice called the task that an organization or group “must perform if it is to survive” (p. 17) the group’s primary task. Rice’s definition of primary task is nuanced. His appreciation of the contextual factors constraining any organization’s performance recognized the importance of examining an organization in its full environmental context, including historical and social influences. Rice emphasized how important the contextual factors constraining
an organization’s performance were to an assessment of that organization’s ability to survive.

In Learning for Leadership, Rice (1965) outlined the complex set of tasks that most enterprises must perform simultaneously. In most cases, he argued, one task above all was the critical one. An organization must perform this primary task if it was to continue to be the organization it claimed to be. Rice further argued that environmental constraints such as political, economic, legal, and social contexts within which an organization operates further influence an organization’s primary task (Rice, 1965). An example of how an organization’s primary task can shift in an open system due to environmental changes can be found in the days and months after the terrorist attacks in the United States on September 11, 2001. Whether the organization’s primary task had been educating children, flying commercial airliners, or winning football games in the National Football League, organizational priorities shifted in response to these environmental changes. Many organizations adopted a new primary task, at least temporarily, of safety, security, or as Rice would put it “survival.”

Human organizations nowadays are continuously challenged to keep pace with rapidly changing environments and emerging technologies in a globalized marketplace. Everywhere in society the pace of change is accelerating. As a result, old organizational paradigms will no longer be sufficient to address future organizational needs. Krantz (2001) noted: “Major organizational change efforts pose great psychic challenges to their members and require, in response, distinctive conditions in order to adequately contain the profound anxieties evoked by such upheaval. And, in the absence of these conditions change efforts are likely to fail, in part because members will tend to employ primitive and destructive defenses to protect themselves from the painful anxieties and fears that attend disruption and turmoil” (p. 134). These challenges heighten the requirement for leaders at all levels within organizations to better understand organizational psychodynamics to survive in today’s competitive market.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

In the past 70 years psychology has indeed made important contributions to the study of groups and organizations - both unorganized, amorphous groups such as crowds and organized, structured groups such as organizations. An understanding of the history of psychology’s long trajectory of influence on the study of organizations enables us to better appreciate the impact of contemporary psychology on the study of leadership and the dynamics of change in today’s organizations. An understanding of the historical roots of human systems psychodynamics not only allows us to recognize and respect the developments made by our predecessors but also allows us to connect these to subsequent developments in the field of organizational psychodynamics.
ORGANIZATIONAL PSYCHODYNAMICS

LECTURE TWO

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Today there is a lot of attention being paid to organizational change in the institutions of the private and public sectors. We all hear constant reference to “rational-technical” approaches to change such as reinventing government, business process reengineering (BPR), total quality management (TQM), strategic planning, continuous quality improvement, performance management, benchmarking, privatization, and even traditional organization development (OD). Most of these technologies are rational in the sense that they objectify or measure such aspects of organizations as outcomes, outputs, goals, environmental demands and opportunities, strategies, work processes, tasks, and resources. Modern organizations are being urged to radically rethink their missions, define their stakeholders and customers, redefine their missions to better serve their clients, and radically restructure old ways of doing business so to become more streamlined, more effective, and more efficient. And sometimes, even...more ethical. In some cases, this means being downsized in the sense of doing things better with less money and fewer employees; or it may mean turning over responsibility for the delivery of some of their services to other organizations.

In the midst of all of these change activities one rarely hears about organizational psychodynamics as a means of bringing about increased personal, group, and organizational performance in human organizations and communities. This may be due to the fact that although organizational psychodynamics is concerned with objective measures of performance and rational-technical reforms, it goes further to consider the unconscious lives of people in organizations and communities. As such, it can also be used as a way to deal with the psychic disruption that employees and citizens may experience due to rational-technical changes in an organizational mission, structure, and work activities. Unlike many rational-technical and economic reforms, organizational psychodynamics reveals that psychic disruption is very often the cause of resistance to organizational change demanded by some of those reforms.

I see organizational psychodynamics as a powerful approach that can enhance personal and organizational performance and, at the same time, help to alleviate the psychic stress that company employees and community members may experience in the face of radical organizational and social changes. Yet compared to the rational-technical (e.g. political economy) approaches to organizational change like those just mentioned, organizational psychodynamics is not well understood by scholars of organizations or practitioners of organizational change.

So, this lecture then has three primary purposes. First, it introduces organizational psychodynamics. Although not new, the use of psychoanalysis or psychodynamic psychology in organizational change efforts is certainly not central to the field. So I will try to describe its scope and methods for those theorists and change agents...
unfamiliar with psychodynamic approaches to organizations. Second, I shall compare and contrast organizational psychodynamics with rational-technical approaches to organizational change. Because organizational psychodynamics focuses on hidden and covert dynamics in organizations, this approach adds value to rational-technical approaches that tend to assess the conscious and manifest behaviors of individuals, groups, and communities. Third, this lecture will specifically address the applicability of organizational psychodynamics to organizational change efforts in the public sector. Organizational psychodynamics has already been used to change both public and private organizations, but because of some of the unique features of public organizations, there are some possible limitations to its use. I will try to explain some of those limitations, but will also make an attempt to show how organizational psychodynamics can be successfully used to improve individual and organizational performance in the public sector.

So, let us discuss the organizational psychodynamics and its approach to organizations. In spite of the fact that psychodynamic psychology and psychoanalysis have been used to understand organizational issues and improve organizational performance for over 60 years now, organizational psychodynamics is not well understood by managers, consultants, politicians and academicians.

This is not a surprise. Given that psychodynamic psychology is grounded in assessing unconscious psychodynamic forces, many people have difficulty understanding how such an approach is applicable to organizations. We need to better understand its central concepts and themes as they may be applied to organizations. There is a number of organizational theorists and practitioners whose work might help us in such a complex intellectual endeavor - Howell Baum, Howard Schwartz, Harry Levinson, Abraham Zaleznik, Larry Hirshhorn, A. Wesley Carr, Isabel Menzies Lyth, Anton Obholzer, Elliott Jaques, James Krantz, Manfred Kets de Vries, Roger Lehman, and Michael Diamond.

Organizational psychodynamics is both similar to but also different from individual psychoanalysis. For example, defining the client is different in the organizational as compared to the clinical setting. Whereas the clinical psychoanalyst focuses on the patient’s entire subjective experience, in an organization, the client may be defined at several levels—as a particular employee, manager, CEO, department, management group, entire organization, or even an interorganizational network. However, for most organizational consultants working in the paradigm of the organizational psychodynamics the client tends to be defined at the group or organizational level with a focus on the pattern of relationships between and among organizational members and departments. Individual issues tend to be addressed only insofar as they affect organizational functioning. Additionally, in the clinical setting, it is much easier to protect personal anonymity and privacy. In contrast, in an organization, the consultant and the organizational members are more visible to one another, often with added expectations to socialize and discuss organizational issues. As a result, respecting individual privacy while working to improve relationships between individuals and organizational units requires the ability to firmly but sensitively set clear boundaries (Menzies Lyth, 1961/1988).

These differences aside, the assumptions of organizational organizational psychodynamics parallel those of clinical psychoanalysis. First, people are assumed
to feel anxiety in response to change. Cutbacks, mergers, or restructuring, for example, often result in an activation of individual and group anxiety and psychodynamic defenses. More commonly, the lack of clarity in organizational goals, tasks, and superior/subordinate relationships may increase anxiety and activate defensive behaviors. While defenses may be useful in alerting people to the risk of possible changes, if the defense becomes ritualized or institutionalized, individuals and organizations may be unable to cope with or adapt to necessary changes, leading to organizational problems (Diamond, 1993a, 1993b; Hirschhorn, 1988; Jaques, 1957, 1976; Menzies Lyth, 1961/1988). Therefore, change approaches should consider the ways in which unconscious dynamics may be hindering organizational functioning and the potential success of the changes. Organizational psychodynamics seeks to expose the covert defense processes that prevent organizations from realizing their purposes and goals. A good deal of the work in organizational psychodynamics is focused on surfacing, assessing, and interpreting defensive processes in organizations. By helping organizational members become aware of these institutionalized defenses, members are assumed to become free to consider alternative ways of behaving, communicating, and/or structuring their organizations.

Defense mechanisms observed in organizations – well, the most common of them, - include repression, projective identification, splitting, and introjection. Repression is evident in organizations in which employees deny that organizational change is occurring despite the fact that jobs are being eliminated, leadership is changing, and morale is low. Projective identification is a psychological interaction that is evident when an organizational member - rather than experience his own inadequacy, - instead blames and scapegoats a coworker for the organization’s problems and then that coworker acts as though he is indeed inadequate in addressing the organizational problems. Splitting is a component of projective identification and occurs when organizational members are unable to view themselves and/or their organizations as consisting of both good and bad, healthy and unhealthy, idealized and despised parts. Instead, members may view their department as “good” and the rest of the organization as “bad” in response to personal or organizational stress and anxiety. Introjection occurs when one “takes in” some part of the external world, making it part of oneself. For example, internalizing a leader’s interpersonal skills to facilitate following the leader is an instance of introjection. To interpret defensive patterns in organizations, the organizational consultant must cultivate many of the same skills used in the clinical setting by psychoanalysts. The primary tool used by the organizational consultant is himself or herself. The organizational consultant must have the ability and strength to hold or contain the anxieties of organizational members until they are able to bear them themselves. The assumption underlying this skill is that the containment of anxiety provides organizational members enough safety to venture change. Containment occurs when the consultant thoughtfully and reflectively listens, hears, and responds to organizational members without spilling his or her own anxieties and defenses onto them. Additionally, the organizational consultants cultivate an attitude of acceptance, nonjudgmentalism, and active involvement in listening and responding to organizational members—sometimes called the interpretive stance (Shapiro & Carr, 1991). Such an attitude enables the consultants to be involved in the process without personally accepting credit or blame for the outcome.
Finally, organizational consultants who understand and use organizational psychodynamics as an working method must be aware of transference/countertransference dynamics by developing self-reflection so that they are able to discriminate between their personal defensive predispositions and the organization’s unconscious dynamics. For example, a consultant who leaves a session feeling defensive or angry with a particular organizational member weighs the experience with an awareness of her personal valency - a desire to avoid conflict, for example, - to interpret the meaning of the event. The consultant may realize his angry feelings reflect his own personal defenses more than they reflect the organizational psychodynamics. Becoming aware of self-other boundaries is a critical aspect of understanding transference and countertransference.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Organizational psychodynamics argues firmly and clearly that organizational functioning will not improve unless covert, unconscious, psychodynamic processes are exposed, reflected on, and dealt with because institutionalized defenses may prevent members from recognizing aspects of the organization that are dysfunctional or counterproductive. In contrast, most rational-technical, political-economic, and normative-administrative approaches to organizational life focus only on the measurable and visible aspects of individual, group, and organizational processes and outcomes. These approaches tend to assume that people are explicitly rational and logical in the workplace. Therefore, the implicit emotional and unconscious aspects that influence reasoning are basically ignored or not typically examined. Put simply, most rational-technical change approaches adopted by economists, politicians, executives and organizational researchers focus on what must be done to solve a problem, whereas organizational psychodynamics seeks to understand if and why the problem may have occurred because of unconscious dimensions of organizational life of people.

Second, the change process from the perspective of organizational psychodynamics is holistic. It is concerned with understanding both the rational and nonrational aspects of individual and organizational behavior. In other words, an psychodynamically oriented approach to organizational consulting argues that the structure and dynamics of the organization and its environment, including the chain of command, division of labor, financial resources, overt communication processes, and so on, are as important to assess as are the psychodynamic defenses that influence organizational behavior. Therefore, organizational psychodynamics does not replace rational-technical change approaches but rather adds value to them.

The difference between organizational psychodynamics and rational-technical approaches to organizational change and development come into sharper relief when one compares the two. Rational-technical approaches focus on things that can be measured such as ratios of inputs to outputs, response times, completion rates, decreases in customer complaints, or the attainment of benchmarked goals. Although such organizational results are important, they ignore the psychic states or conditions of the people who are trying to achieve them. If people in an agency are psychologically defensive, then such organizational results are less likely to be...
achieved with much measure of success. Whereas the primary “tool” used in organizational psychodynamics is the consultant’s affective responses to organizational patterns, rational-technical approaches to change rely more heavily on surveys, questionnaires, and other measurement and assessment tools to gather objective information about individual, group, and organizational performance. Objective data gathering is more heavily emphasized in the rational-technical approaches than with organizational psychodynamics. Indeed, the core of most management reforms, according to Lawrence Lynn (1981) is a “continuous comparison of measurable benefits and costs, and the creation of material incentives for behavior that will maximize the former and minimize the latter” (p. 75). In sum, change agents adopting and applying the organizational psychodynamics would not ignore objective data. Indeed, they might even seek more of it to get a better picture of what is going on. They would, however, go beyond objective data to examine the subjective and unconscious psychic states of organizational members – at group and individual levels.

Although the differences between organizational psychodynamics and rational-technical change approaches are quite clear, things can get a little murky when compared to organization development (OD) consulting. First, OD has a humanistic theme to it owing to its partial heritage in the human relations school of management thought. So one can expect an OD change agent or organizational consultant to have some concern for the emotional, affective, or even irrational aspects of individual and group behavior. This brings OD practice much closer to organizational psychodynamics than the other rational-technical approaches to change. Yet various definitions of OD also describe it as a systematic, top-down, systemwide approach to change that may very well incorporate a concern for such rational-technical variables as structure, goals, strategies, communications, leadership, work processes, and the like (Cummings & Worley, 2001; Lynn, 1981). As noted earlier, I also see organizational psychodynamics as being holistic, meaning that it also looks at such rational-technical variables. For example, several prominent change agents invoke rational-technical strategies to address organizational dysfunction (Diamond, 1991; Krantz, 1999; Levinson, 1972; Zaleznik, 1995). They also adopt intervention strategies based on OD efforts, for example: action research, survey research, interviewing, and feedback sessions. In this respect, they look like very similar activities. Organizational psychodynamics’ change agents may recommend solutions to psychodynamic problems that are commonly found in OD, such as conflict resolution, team building, culture change, and so on. One difference is that a psychodynamic approach assesses and diagnoses the unconscious dynamics that contribute to organizational performance, whereas OD tends to assess and diagnose only the conscious dynamics or manifest behaviors of individuals or groups. The primary difference is that the attitude, approach, and skill of the psychodynamically oriented consultant is based on a deep understanding of his or her own unconscious predispositions as well as sensitivity to the manifestation of unconscious defenses in organizations. The result is that organizational members should feel deeply understood, thereby enabling them to share, reflect, and change some of their feelings, thoughts, and behaviors that result in anxiety and defensiveness.

It would seem rare that someone skilled in reinvention, BPR, TQM, or performance measurement would have the training and skills in dealing with the psychodynamic dimensions of change. So it might be best to add an experienced in organizational...
psychodynamics consultant to the organizational change team; particularly if one expects resistance to change.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Let me now focus your attention for a while on organizational psychodynamics of public agencies. Because organizational psychodynamics assumes that all people are at risk of manifesting defensive dynamics during times of stress and change, practitioners of organizational psychodynamics argue that all public and private organizations are equally at risk of suffering from individual and organizational problems. Nevertheless, they recognize general differences between public and private organizations. In particular, the nature of public organizations suggests that several issues require special attention: task, autonomy, authority, responsiveness, financial resources, and accountability.

In his important text Bureaucracy, James Q. Wilson (1989) identifies three primary issues faced by public organizations: (a) how it performs its primary task, (b) how it defines/creates a sense of mission, and (c) how it acquires enough autonomy to redefine tasks and create a sense of mission. Those three issues encapsulate the problems that can erupt in public organizations with regard to task clarification, lack of autonomy, authority relationships, and responsiveness. Wilson (1989) persuasively argues that the clearer the task, the more effective the organization. For many public organizations, however, goals are multiple and often conflicting, resulting in task confusion. When goals are vague, according to Wilson, employees are driven by the circumstances of the particular situation. He goes on to state that ambiguous and vague goals lead to tasks that are defined not by executive preferences but by the incentives valued by the operators (p. 49). In such organizations, strong cultures are difficult to create and maintain. In contrast, when tasks can be unambiguously inferred from the stated goals of the agency, they can be defined by the agency’s executives and, if given proper leadership, can become the basis of a strong organizational culture (p. 49). Larry Terry (1995) also recognizes the importance of organizational goals and tasks when he draws on Philip Selznick’s work to argue that public administrators need to develop and protect the “institution’s distinctive values, competence and role” (p. 46). For Terry, the goals and tasks of public administration are determined by the overarching framework of the political system in general and the specific policy domain in particular (p. 52). Although not all public administration theorists would agree with his conservative perspective, what is relevant here is his recognition of the importance of clearly distinctive goals and tasks. Psychodynamically experienced organizational consultants, particularly those with an object relations or ego psychology perspective, also emphasize the importance of clearly defined tasks (Hirschhorn, 1988; Hirschhorn & Barnett, 1993; Levinson, 1972, 1994; Rice, 1958, 1963). Indeed, Rice (1958) reports that the primary task is the one thing that an organization must perform to survive; therefore, the primary task justifies the organization’s existence. From the perspective of organizational psychodynamics, however, the primary task is influenced by both conscious and unconscious dynamics (Obholzer & Roberts, 1994). As a result, it can change temporarily or permanently due to these dynamics.
Although much of the public administration literature is concerned with prescribing what the goals and tasks of public organizations ought to be, a psychodynamically educated organizational consultant would be less concerned with prescribing tasks and more concerned with helping organizational members recognize what their task(s) appear to be. Moreover, the fact that public organizations often have multiple and conflicting tasks is taken for granted in organizational psychodynamics, as it would assume that any organization that claims to have only one stated goal or task in reality contains multiple unconscious and conflicting tasks.

In consulting to organizations around task definition and clarity, several questions help frame the process. First, the consultant should ask, “What is the primary task?” Not only does this enable a beginning diagnosis around the issue of task clarity, it also provides clues about relationships between and among individuals, departments, and levels of hierarchy. Second, the consultant asks, “How does our way of working relate to this task?” This helps the consultant ascertain the perceived performance of the organization. The psychodynamically aware consultant is particularly concerned with those factors that inhibit task performance. If the answer seems to be that the task is not being accomplished, the consultant asks, “What are we behaving as if we were here to do?” This as-if task provides information about underlying fears, anxieties, defenses, and conflicts. The final question that results from the previous three is, “How well are we doing?” This question begins a process for considering how work might be performed differently. By focusing on the goals of the public organization, the organizational psychodynamics not only is able to assess the basic assumption group functioning but also opens the door for considering how goals might be provided via different routes. Thus, a psychodynamic approach focusing on the primary task may reveal the hidden fears of people in the organization and allow them to consider new avenues of possible action. As such, organizational psychodynamics can liberate people from unexamined fears and create a psychologically safe space to consider new possibilities.

According to some psychodynamic organizational consultants, public organizations have a certain vulnerability to political interference that can influence the ways in which the consultant shares diagnostic information with the organization. The visibility of the public sector (as compared to private businesses) can interfere with consultation efforts and ultimately, organizational performance. Indeed, decisions made in public organizations are regularly scrutinized by the media, and the press has a much greater impact on the substance of decisions as compared to the private sector (Allison, 1979/1992). The compromises that are made with regard to autonomy, authority, and accountability in public organizations are important facts to be considered when we argue that organizational consultants using organizational psychodynamics must assist public leaders in adapting to the structural and strategic realities of public service in a democratic society. For us, public organizations are more unwieldy than private organizations, largely because they are “bureaucratically layered,” which slows and reduces motivation for change. Terry (1995) argues, for example, that autonomy is necessary to advance a model of administrative conservatorship. In his view, however, administrators need to be autonomous and subordinate at the same time. For Terry and other public administration theorists such as Herbert Finer and Theodore Lowi, autonomy in public administration requires that the administrator have enough independence to exercise delegated authority, but at the same time he or she should be subordinate to all three branches of
government: executive, judicial, and legislative (Terry, 1995, p. 51). Moreover, Terry argues that autonomy is contextual; in other words, the independence of the public administrator or public agency depends on the context of the problem, the particular agency, the type of decision to be made, and so forth. In this respect, Terry supports the idea that autonomy is a relative and dynamic state, not an all or nothing proposition. Wilson (1989) also recognizes the need for public administrators to cultivate and maintain autonomy. Indeed, he argues that this is the primary task of the agency executive. However, Wilson accurately admits that “no agency head can ever achieve complete autonomy for his or her organization; politics require accountability, and democratic politics implies a particularly complex and all-encompassing pattern of accountability. The best a government executive can do is minimize the number of rivals and constraints” (p. 188). Gaining and maintaining a degree of autonomy, according to Wilson, minimizes the influence of external stakeholders while also limiting the agency’s vulnerability (p. 192).

In the organizational psychodynamics literature, the issue of autonomy is addressed in terms of organizational roles and boundary management (Czander, 1993; Hirschhorn, 1988; Obholzer & Roberts, 1994). Organizational roles have an overt conscious aspect, for instance, one’s job description, and a covert unconscious element, such as scapegoat. Additionally, roles may conflict and compete in an organization (Stokes, 1994). The authority one assumes, the perception of the task, the performance of work, and the status attributed to organizational members are all influenced by overt and covert roles (Czander, 1993; Obholzer & Roberts, 1994). All organizational members must learn to manage themselves in their various conflicting and competing roles. For public administrators in particular, however, ongoing awareness of tasks and boundaries as well as that of authority and power is essential. They must also be able to manage transference/countertransference issues by self-observation and reflection and the cultivation of the interpretive stance. Additionally, boundary management is an important task of public administrators, for when they are located at the organization’s boundary, they are able to monitor what is inside and outside of the system. If public administrators are too much inside, they may become caught up in the projective identification process. If they are too far outside, they may lose the emotional experience that contributes to knowledge of group defenses and dysfunctions (Obholzer & Roberts, 1994). Therefore, making oneself vulnerable to transference/countertransference projections, opening oneself to primitive and disturbing aspects of individuals and groups in organizations, containing one’s own anxiety as well as that of others, and maintaining some outside perspective are critical to all employee roles but particularly that of the public administrator.

Finally, the organization’s mission, goals, strategies, and culture comprise part of its boundary or skin. If those aspects of the organization are unable to be contained or held by the organization, autonomy is threatened. Therefore, public administrators and organizational members must continuously clarify the primary task(s), monitor what information comes into and leaves the organization, protect resources, and monitor the output of the organization to make sure that it meets the needs of the larger environment. If there are disruptions or inadequacies in these activities, the psychoanalytic consultant interprets those as defensive behaviors. The consultant, therefore, focuses on the permeability of the boundaries. How easy is it to gain
access to the organization? What caused the organization to seek help now? Who and what are perceived as threats to the organization's identity? By exploring these issues, the organizational consultant recognizes and supports the public administration literature's emphasis on autonomy.

Both public and private organizations tend to have problems with authority relationships. The authority issue captures a prevalent difference between public and private organizations. The chief executive of a private business has a good deal of authority, autonomy, and discretion in setting goals, shifting structures, procedures, and personnel, and dealing with key outsiders. However, governmental managers are scrutinized by legislative oversight groups and judicial orders that can constrain their freedom to act (Allison, 1992). Indeed, Wilson (1989) argues that “public executives have less authority than private ones to impose a course of action,” leading to poor performance as compared to private organizations (p. 349). Terry (1995) recognizes the contextual and relational quality of authority. He supports C. J. Friedrich’s contention that authority “requires justification to be seen and accepted as legitimate by those subject to it” (Terry, 1995, p. 79). He goes on to suggest that authority involves some type of relational quality; in other words, someone must stand in relation to another as superior stands to inferior with respect to some particular realm or context (Terry, 1995, p. 79). According to Terry, authority empowers public administrators to act for and on behalf of others, but it also requires the administrator to preserve the authority of public bureaucracies within their specific policy realm. Important to Terry’s conceptualization of authority is his claim that the authority of the public administrator is not a threat to democracy. Indeed, in multiple and various ways, many public administration theorists besides Terry have sought to understand and in some cases increase the authority of the bureaucracy (public organizations) in a democracy (Golembiewski, 1967, 1985; Goodsell, 1983; Peters, 1984; Rohr, 1978; Wamsley, 1990).

In what ways does organizational psychodynamics contribute to an understanding of authority in public organizations? Organizational psychodynamics view authority as composed of both conscious and unconscious components. Similar to Terry’s (1995) perspective, the conscious aspects of authority are evident in relationships, in which authority is vested from below by subordinates and from above by superiors. Additionally, individuals entering the organization implicitly delegate some of their personal authority to those in formal authoritative positions, thereby perpetuating the organizational system. Equally important, however, are unconscious aspects such as the personal valency of the individual in authority, feelings of ambivalence about the delegation of authority, and covert attempts to withhold full authority from certain individuals or roles. In other words, some individuals are prone to ego inflation as a result of their authority, whereas others are more likely to avoid the responsibilities inherent in authoritative positions. Moreover, the individual invested with authority may feel as uneasy about the role as do other organizational members. Unresolved conflicts about authority and control result typically in increased anxiety and decreased task performance. Organizational psychodynamics perspective assumes that full authority is a myth (Obholzer & Roberts, 1994, p. 40). Instead, “good enough” authority is considered sufficient (Winnicott, 1960). This concept suggests that the relationship between superiors and subordinates need not be perfect but simply good enough to provide emotional safety during times of change. To the degree that the environment is not good enough, regressive behaviors will arise due to anxiety

Organizational psychodynamics reveals that authority relationships typically lead to the activation of what Wilfred Bion (1959) called the basic assumption groups, including dependency, pairing, and/or fight/flight (Scharff & Scharff, 1992). Bion postulated that groups have a conscious and unconscious level of functioning and that the unconscious process is governed by assumptions group members have about how to get their needs met. This unconscious level is a basic assumption pattern, and when dominated by a basic assumption, the group no longer works on the assigned task but instead manifests regression and/or stagnation. Bion identified three types of basic assumptions: dependency, pairing, and flight/flight. Dependency exists when followers idealize and depend on a perceived all-powerful leader. The leader inevitably will fail the group’s expectations and be replaced by another. Pairing is evident when two group members appear to hold all hope for the group, as the two are expected to create a new and as yet unborn leader who will save the group. Fight/flight occurs when a group either seeks to run away from a perceived threat or fight the perceived threat. In either case, the group is angry with the leader for “not making everything perfect” (Bion, 1959; Scharff & Scharff, 1992, p. 62). When dominated by a basic assumption, feelings of rivalry, jealousy, and envy erupt, leading to ineffective individual and organizational functioning. Therefore, organizational consultants begin discussions about authority relationships to surface irrational and unconscious defenses that interfere with management-in-role and task accomplishment. Throughout, the consultant helps organizational members understand the ways in which personal valency interacts with basic assumption tendencies and authority relationships.

Robert Denhardt (1995) reports that one of the primary concerns of public administration is achieving a balance between running efficient organizations that are also responsive to the needs of the citizenry. Such a dichotomy is evident in the Friedrich/Finer debate in which Finer (1941) argues that responsiveness is maintained only by subjecting public managers to strict and rigid legislative controls. In contrast, Friedrich (1940) argues that responsiveness depends on the individual’s concern for the public interest, and as a result the subjective nature of the individual is more influential than any rules, regulations, or controls. Wilson (1989) agrees with Denhardt (1995) that efficiency versus responsiveness is a key dilemma in public organizations. He states, “…we want the government to be both fair and responsive, but the more rules we impose to insure fairness (that is, to treat all people alike) the harder we make it for the government to be responsive (that is, to take into account the special needs and circumstances of a particular case)”. (Wilson, 1989, pp. 326-327). Terry (1995) argues that responsiveness is a complex process that should be guided by fidelity to the institution’s distinctive competence, values, and role. In his view, public organizations seek to adapt to the changing environment so that they will survive, and these often dictate which pressures the public administrator considers.

Lisa Zanetti and Adrian Carr (1998) examine the ways in which power is used to shape the participation of and responsiveness to marginalized and powerless
populations. They combine psychodynamic theory with critical theory to advocate dialectical thinking, reflection, and revelation as methods that lead to emancipation. In their view, public administrators must experience the estrangement effect; in other words, they must be able to step outside themselves to recognize, reflect on, and perhaps overcome the status quo. Whereas Zanetti and Carr’s (1998) work discusses the relevance of organizational psychodynamics to the field of public administration at a macro level, the organizational literature does not appear to confront the issue of responsiveness at an organizational level. However, organizational psychodynamics can provide some assistance in understanding these issues. The degree to which one responds to an issue, concern, or another person is largely related to the clarity of the task, management of the boundaries, degree of autonomy, and comfort with authority. On another level, responsiveness and accountability are at least partially related to relationships, a focal area for organizational psychodynamics.

Organizational psychodynamics argues that even if organizations are separated by geography, all members are joined by a sense of relatedness, in other words, by their personal concept of the “institution-in-the-mind” (Diamond, 1991; Shapiro & Carr, 1991). In other words, organizational members are as much connected by their ideas about the organization as they are by their specific work relationships. They may not be connected to one another personally, but certainly they are via their roles. Shared relatedness, therefore, is “found anywhere projections are at work,” and projections are always at work where people are found (Shapiro & Carr, 1991, p. 84). For example, as community members and citizens of a country, we project fantasies, fears, and wishes on public organizations, including the government, schools, hospitals, and social service agencies. Indeed, some organizational consultants who study organizational psychodynamics argue that organizations such as churches and governments have no clearly overt task around which people might coalesce, and therefore are more acutely sensitive and susceptible to human irrationality and dependency (Carr, 1991). Therefore, the psychodynamically sensitive consultant must attend to these unconscious “shared notions in the minds” that citizens hold about what it means to be a part of the organization to increase members’ awareness of the symbolic meaning of the institution. By attending to these unconscious dynamics, the organizational psychodynamics seeks to provide a sense of containment for individual and organizational anxieties and defenses so that a determination about which pressures to consider is related to the primary task and not to unconscious defenses or fantasies. Clearly, the bias of organizational psychodynamics is toward responsiveness. However, efficiency is not neglected but is evident in organizational rules, regulations, and structures that provide containment and security for humans’ anxieties.

Organizational psychodynamics is, of course, not a general panacea for all organizational problems. It has its limitations.

One of the primary ways in which public organizations differ from private ones is related to public finances. Allison (1992) refers to this difference as that of the bottom line. Public administrators “rarely have a bottom line, while that of a private business manager is profit, market performance, and survival” (p. 462). Organizational consultants suggest that the lack of a bottom line results in less motivation for change. Others take a different perspective, suggesting that not only is there not a
profit motive in public organizations but they are more likely than private organizations to lack the financial resources needed for organizational consultation and change. Organizational psychodynamics appears to contribute little to issues related to marketing, finance, and economics. If, for example, organizations need marketing advice, consulting a psychodynamic consultant would not be helpful to them. However, if financial resources are limited due to a lack of autonomy and/or authority, organizational psychodynamics does have a great deal to contribute in those areas. For example, organizational members who continually complain that services or products are of poor quality due to a lack of financial resources would be asked to consider the ways in which irrational and unconscious processes interfere with task accomplishment, role performance, and/or boundary management - for example, perhaps they are defending against their own feelings of inadequacy. Given the interactive nature of tasks, autonomy, and authority, the psychodynamic organizational consultant focuses on understanding the psychological mechanisms of projection, projective identification, and transference to assess the ways in which these dynamics influence the ability to attract and maintain financial resources.

Whereas responsiveness is concerned primarily with responding to the special needs of the citizenry, accountability refers to ensuring that public agencies serve agreed-on goals (Wilson, 1989, p. 315). Some public administration theorists argue that rules and regulations are needed to ensure that administrators are accountable to the legislature and/or political appointees. Greater legislative involvement is indicated in these views. Others suggest that administrators who have a strong sense of personal responsibility should be selected to serve public organizations. Still others argue that professional standards in public organizations, codes of ethics, or standards of professional practice should be developed to ensure accountability. Finally, some argue that increased public participation in the administrative process would enhance accountability (Denhardt, 1995). Frederickson (1999) argues that public administration is facing two major challenges: (a) the disarticulated state and (b) fragmentation. The disarticulated state suggests that the size and scope of technology, the dissolution of geographical boundaries, and the global economy have resulted in less ability to contain and manage public policy issues. There is no longer a congruent relationship between the governed and those who govern: a key aspect of democratic theory. Additionally, services are fragmented as public management “is now understood to include government but also all of those organizations and institutions that contract with government to do governmental work” (Frederickson, 1999, p. 7). Although Frederickson’s (1999) purpose is to reposition public administration within the field of political science, his articulation of these two challenges is important to a discussion of accountability. To the degree to which public policy issues are not contained, and as the distinctions between public and private organizations blur, how and to whom are public agencies and their contractual agencies accountable?

Accountability is only indirectly addressed by organizational psychodynamics. Certainly, by providing space and reflection to define and redefine the organization’s primary task, organizational psychodynamics is attending to organizational accountability. Additionally, boundary-maintaining activities that include monitoring the output of the organization to ensure that it relates to the needs of the external environment enhance accountability (Czander, 1993; Obholzer & Roberts, 1994). Finally, understanding organizational members’ conscious and unconscious reactions
to power influences the degree to which accountability is honored in the organization (Baum, 1993). Organizational psychodynamics, however, does not offer specific suggestions for the containment of the disarticulated state. Although it provides a model for promoting discussions about conflictual issues such as accountability, it does not offer clear direction for solving the problem. Therefore, consultants working with public organizations are wise to combine the organizational psychodynamics with an understanding of organizational, social, and political theory such that they are better prepared to deal with the “wicked problems” that may arise due to the need for accountability in the public sector

Today, public organizations face constant pressure to change in response to changes in their political, economic, sociocultural, and technological environments. If, however, they implement rational-technical reforms such as reinvention, reengineering, strategic planning, and so on, they may inadvertently increase organizational members' resistance to change, which may exacerbate their problems rather than ease them. I hope that I managed in this short introductory lecture to demonstrate to you that organizational psychodynamics adds value to technical-rational and OD approaches to change in several distinctive ways. First, it normalizes the feelings of anxiety and stress that increase during times of perceived or actual change. This may reduce the finger-pointing and blaming that frequently signify organizational stress during such times. Second, organizational psychodynamics does not enhance individual well-being over that of the organization; nor does it seek to improve organizational functioning at the expense of individual needs. Instead, the goal is to surface conflicts, defenses, and regressive tendencies endemic to individual and collective behavior within the context of a contained relationship so that solutions may emerge through dialectic thinking and reflective discourse. Third, if change is indeed recommended as a result of this discourse, organizational psychodynamics recognizes that it will not last without increasing one's understanding of personal and collective predispositions and defenses. Therefore, organizational psychodynamics provides a valued approach for emphasizing reflection, self-awareness, and responsiveness. Moreover, organizational psychodynamics contributes to an understanding of public organizations in the following ways. It accepts that tasks are multiple and unclear and provides a way to understand and clarify the primary task(s). Second, it supports the public administration literature regarding the importance of autonomy and provides an approach for examining the permeability of boundaries to cultivate autonomy. Third, it recognizes the relational aspects of authority and contributes to public administration by assessing the interaction between an individual's personal valency and the external manifestations of authority in the organization. Fourth, it transcends the responsiveness versus efficiency issue by attending to the unconscious dynamics that influence which needs are considered while also supporting the use of rules of regulations to contain anxiety and increase efficiency.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Finally, allow me to state it in clear terms - organizational psychodynamics is useful approach in organizational consulting practice, - it is indeed a very pragmatic methodology for examining the ways in which task confusion and blurred boundaries
may contribute to management, financial and human resources problems. Additionally, whereas organizational psychodynamics does not provide clear direction for solving the problem of the disarticulated state, by emphasizing clarity in task definition, boundary maintenance, and authority relationships, it may enhance accountability in public organizations. It is helpful in illuminating the conscious and unconscious dynamics that influence a public organization’s management of tasks, boundaries, authority, autonomy, finances, and accountability. Therefore, by combining organizational psychodynamics with rational-technical and OD approaches, public organizations may be more successful in risking, tolerating, and sustaining institutional change.
Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

In this lecture I am to make an argument that unconscious organizational psychodynamics has a very significant impact on life in all organizations. To support such an argument, one should explore the motivational need systems in organizations, and to reveal the role of core conflictual relationship themes in understanding human organizational behavior, organizational leadership, and transferential patterns in management systems and superior - subordinate relationships.

Let us first carefully check the reality of organizational consulting practise. Today, most management scholars and consultants studying organizational effectiveness, restrict themselves to a very mechanical view of life in the organizations. They look at and naturally see surface phenomena, not complexities at the deeper levels. The collective unconscious of business practitioners, scholars and consultants alike subscribes to the myth that it is only what we see and know (in other words, that which is conscious) that matters in organizational consulting. That myth is grounded in organizational behavior concepts of an extremely rational nature — concepts based on assumptions about human beings made by economists (at worst) or behavioral psychologists (at best). Though the existing repertoire of ‘rational’ concepts has proven time and again to be insufficient to untangle the really knotty problems that trouble organizations, the myth of rationality persists. Consequently, organizational behavior concepts used to describe processes such as individual motivation, leadership, interpersonal relationships, group and inter-group processes, corporate culture, organizational structure, change, and development are based on behaviorist really a logical, dependable models, with an occasional dose of humanistic psychology thrown into the equation for good measure. Such an approach (whereby the irrepressible ghost of scientific management advocate Frederick Taylor is still hovering about) has set the stage for a rather two-dimensional way of looking at the world of work. Many executives believe that behavior in organizations concerns only conscious, mechanistic, predictable, easy-to-understand phenomena. The more elusive processes that take place in organizations - phenomena that deserve rich description — are conveniently ignored.

People in organizations are not just conscious, highly-focused maximizing machines of pleasures and pains, but also persons subject to many (often contradictory) wishes, fantasies, conflicts, defensive behavior, and anxieties — some conscious, others beyond consciousness — is not a popular perspective. Neither is the idea that concepts taken from such fields as psychoanalysis, psychodynamic psychotherapy, and dynamic social psychiatry might have a place in the world of work. Such concepts are generally rejected out-of-hand on the grounds that they are too individually based, too focused on abnormal behavior, and (in the case of the psychodynamic method of investigation) too reliant on self-reported case studies (creating problems of verification).
The meaningful explanation of humanity, however, requires different means of verification. Organizational consultants who deny the reality of unconscious phenomena in organizations simply refuse to bring them to consciousness and take them into consideration. Rejecting a psycho-dynamically informed approach to studying organizational life issues is a mistake, plain and simple. After all, it is individuals that make up organizations and create the units that contribute to social and organizational processes.

What really goes on in organizations takes place in the intrapsychic and interpersonal world of the key organizational players, below the surface of day-to-day organizational behaviors. That underlying mental activity and behavior needs to be understood in terms of conflicts, defensive behaviors, tensions, and anxieties.

When the illusions created by the concept of homo economicus prevail over the reality of homo sapiens, people interested in what truly happens in organizations are left with a vague awareness that strange things are occurring, things that they cannot make sense of. When faced with organizational situations such as dysfunctional leadership, interpersonal conflicts, collusive relationships, ineffective team processes, and similar disturbing organizational phenomena, they feel ineffective and helpless.

In the case of many knotty organizational situations, organizational psychodynamics can go a long way toward bringing clarity and providing solutions. No body of knowledge has made a more sustained and successful attempt to deal with the meaning of human events than dynamic psychology and psychoanalysis. Their methods of investigation, which observes people longitudinally, offers an important window into the operation of the mind, identifying meaning in the most personal, emotional experiences. The methods organizational psychodynamics of drawing inferences about meaning out of otherwise incomprehensible phenomena is more effective than what competing theories have to offer. By making sense out of executives’ deeper wishes and fantasies, and showing how these affect their behavior in the world of work, the psychodynamic orientation offers a practical way of discovering how organizations really function. Far too many well-intentioned and well-thought-out plans derail daily in workplaces around the world because of out-of-awareness forces that influence behavior. Only by accepting that executives (like the rest of us) are not paragons of rationality can we understand how such plans derail and put them back on track again — or better yet, keep them from derailing in the first place.

A broad integrative, psychodynamic perspective that draws upon psychoanalytic concepts and techniques has much to contribute to our understanding of organizations and the practice of management. Organizational psychodynamics can help us understand the hidden dynamics associated with individual motivation, leadership, interpersonal relationships, collusive situations, social defenses, corporate culture, ‘neurotic’ organizations (that is, organizations dominated by the particular neurosis of its top executive), and the extent to which individuals and organizations can be prisoners of their past (Zaleznik, 1966; Levinson, 1972, 2002; DeBoard, 1978; Kets de Vries, 1984, 1991, 1994; Kets de Vries and Miller, 1984; Czander, 1993; Gabriel, 1999). Advocates of the organizational psychodynamics in organizational consulting recognize the limits of rationality and reject a purely
economist, behaviorist view of the world of work. Behavioral and statistical data-gathering experiments can make only a partial contribution to the understanding of complex organizational phenomena. This additional dimension of analysis is needed to comprehend complex organizational behavior and the people working in the human systems. Scholars and practitioners of management need to recognize that organizations as complex adaptive systems have their own life — a life that is not only conscious but also unconscious, not only rational but also irrational.

The application of organizational psychodynamics is helpful in providing insight into that life, into the underlying reasons for executive (and employee) behavior and actions. To understand the whole picture, we need to pay attention to the presenting internal and social dynamics, to the intricate playing field between leaders and followers, and to the various unconscious and invisible psychodynamic processes and structures that influence the experiences and behaviors of individuals, dyads, and groups in organizations. People who dismiss the complex psychodynamic dimension in contemporary organizational analysis cannot hope to go beyond a relatively impoverished, shallow understanding of life in organizations. In business as in individual life, psychological awareness is the first step toward psychological health. Organizations cannot perform and develop successfully if the quirks and irrational processes that are part and parcel of the organizational participants’ inner theater are not taken into consideration by top management and organizational consultants.

Unconscious psychodynamics have a significant impact on life in organizations and urge organizational leaders to recognize and plan for those organizational psychodynamics. For each one of us, our unique mixture of motivational needs determines our character and contributes to the triangle of our mental life — a tightly interlocked triangle consisting of cognition, affect, and behavior.

To understand the human being in all its complexity, we have to start with motivational need systems, because they are the operational code that drives personality. Each of these need systems is operational in every person beginning at infancy and continuing throughout the life-cycle, altered by the forces of age, learning, and maturation. The importance that any one of the need systems has in an individual is determined by three regulating forces: innate and learned response patterns, the role of significant caretakers, and the extent to which the individual attempts to recreate positive emotional states experienced in infancy and childhood. As these forces and need systems interact during maturation, mental schemas emerge — ‘templates’ in the unconscious, if you will. These schemas create symbolic model scenes (what I like to call ‘scripts’ in a person’s ‘inner theater’) that regulate fantasy and influence behavior and action (Erikson, 1963; Lichtenberg and Schonbar, 1992). Some of these motivational need systems are more basic than others. At the most fundamental is the system that regulates a person’s physiological needs - i.e. needs for food, water, elimination, sleep, and breathing. Another system handles an individual’s needs for sensual enjoyment and (later) sexual excitement, while still another deals with the need to respond to certain situations through antagonism and withdrawal. Although these primary need systems impact the work situation to some extent, two other, higher-level systems are of particular interest for life in organizations: the attachment/affiliation need system and the exploration/assertion need system.
Among humans there exists an innately unfolding experience of human relatedness (Winnicott, 1975). Humankind’s essential humanness is found in seeking relationships with other people, in being part of something. That need for attachment involves the process of engagement with other human beings, the universal experience of wanting to be close to others. It also involves the pleasure of sharing and affirmation. When the human need for intimate engagement is extrapolated to groups, the desire to enjoy intimacy can be described as a need for affiliation. Both attachment and affiliation serve an emotional balancing role by confirming an individual’s self-worth and contributing to his or her sense of self-esteem.

The need for exploration/assertion also has a lot to do with who a person becomes and how that person sees him or herself. The need for exploration, closely associated with cognition and learning, affects a person’s ability to play and to work. This need is manifested soon after birth: infant observation has shown that novelty, as well as the discovery of the effects of certain actions, causes a prolonged state of attentive arousal in infants. Similar reactions to opportunities for exploration continue into adulthood. Closely tied to the need for exploration is the need for self-assertion, the need to be able to choose what one will do. Playful exploration and manipulation of the environment in response to exploratory-assertive motivation produces a sense of effectiveness and competency, of autonomy, initiative, and industry (White, 1959). Because striving, competing, and seeking mastery are fundamental characteristics of the human personality, exercising assertiveness — following our preferences, acting in a determined manner — serves as a form of affirmation.

Each motivational system is either strengthened or loses power in reaction to innate and learned response patterns, the developmental impact of caretakers, and the ability to recreate previous emotional states. Through the nature – nurture interface, these highly complex motivational systems eventually determine the unique ‘internal theater’ of the individual — the stage on which the major themes that define the person are played out. These motivational systems are the rational forces that lie behind behaviors and actions that are perceived to be irrational. Organizational psychodynamics looks beyond a person’s irrational activities and attempts to acknowledge, decipher, and offer tips for mastering these forms of irrationality. The psychodynamic approach to organizational assessment and consultation helps executives and consultants become organizational ‘detectives.’

The ‘prototype’ or ‘script’ of self, others, and events that each one of us carries within us is put into motion by the aforementioned motivational needs systems. These scripts determine how we react across situations (McDougall, 1985). They influence how we act and react in our daily lives, whether at home, at play, or at work. We bring to every experience a style of interacting, now scripted for us, that we learned initially in childhood. In other words, how we related to and interacted with parents and other close caregivers during the early years affects how we relate to others — especially authority figures — now in our adulthood.

In the course of these maturation processes, we all develop particular themes in our inner theater - themes that reflect the preeminence of certain inner wishes that contribute to our unique personality style. These ‘core conflictual relationship themes’ (CCRT) translate into consistent patterns by which we relate to others (Luborsky and Crits-Cristoph, 1998). Put another way, our basic wishes shape our life-scripts, which
in turn shape our relationships with others, determining the way we believe others will react to us and the way we react to others. People’s lives may be colored by the wish to be loved, for example, or the wish to be understood, or to be noticed, or to be free from conflict, or to be independent, or to help — or even to fail, or to hurt others.

When we go to work, we, of course, take these fundamental wishes - our core conflictual relationship themes - into the context of our workplace relationships. We project our wishes on others and, based on those wishes, rightly or wrongly anticipate how others will react to us; then we react not to their actual reactions but to their perceived reactions. Who among us doesn’t know a leader who is the epitome of conflict avoidance, tyrannical behavior, micromanagement, manic behavior, inaccessibility, or game-playing? That dominant style, whatever it may be, derives from the leader’s core conflictual relationship theme. So potent is a person’s driving theme that a leader’s subordinates are often drawn into collusive practices and play along, turning the leader’s expectations into self-fulfilling prophecies. Unfortunately, the life-scripts drawn up in childhood on the basis of our core conflictual relationship themes often become ineffective in adult situations. They create a dizzying merry-go-round that takes affected leaders into a self-destructive cycle of repetition.

Freud explored the importance of the human unconscious — that part of our being which, hidden from rational thought, affects and interprets our conscious reality. We are not always aware of what we are doing (even aside from the issue of why we are doing it). Like it or not, certain kinds of behavior originate outside consciousness. We all have our blind spots. In addition, we all have a dark side — a side that we don’t know (and don’t want to know). Freud was not the first person to emphasize the role of the unconscious; many poets and philosophers explored that territory before him. He was the first, however, to build a psychological theory around the concept. Because the key drivers in the unconscious are in our personal, repressed, infantile history, we usually deny or are simply unaware of the impact and importance of the unconscious. It is not pleasant to admit (contrary to our cherished illusion that we are in control of our lives) that we are sometimes prisoners of our own unconscious mind. And yet accepting the presence of the cognitive and affective unconscious can be liberating, because it helps us to understand why we do the things we do, make the decisions we do, and attract the responses we do from the environment. Once we become aware of how and why we operate, we are in a much better position to decide whether we want to do what we have always done or pursue a course that is more appropriate for our current life situation and stage of development.

There is strong continuity between childhood and adult behavior. As the saying goes, Scratch a man or woman and you will find a child! This does not mean that we cannot change as adults; it simply means that by the time we reach the age of thirty, a considerable part of our personality has been formed (McCrae and Costa, 1990). And unless we recognize the extent to which our present is determined by our past, we make the same mistakes over and over. The world is full of people who are unable to recognize repetitive patterns in their behavior that have become dysfunctional. They are stuck in a vicious, self-destructive circle and don’t even know it - much less know how to get out.
Recognizing the role that psychodynamic processes play in organizational life also leads to greater insight concerning the question of leadership. Another important element in the psychodynamic study of leader–follower interface is transference, or the act of using relationship patterns from the past to deal with situations in the present. Part of the human condition, transference can be viewed as a confusion in time and place (Etchegoyen, 1991). In essence, transference means that no relationship is a new relationship; each relationship is colored by previous relationships. Though the word transference conjures up images of the analyst's couch, it is a phenomenon that all of us are familiar with: all of us act out transference (or ‘historical’) reactions on a daily basis, regardless of what we do. Executives arguing in the board room over issues of corporate strategy are in fact trying to cope with unfulfilled and unconscious family needs that date back to early childhood; unconsciously, they are dealing with parental figures and siblings over issues of power. The subordinate who reminds the CEO of his father's inability to listen or the colleague whose unpredictability reminds another executive of her mother inspires in the adult businessperson the same feelings that those original caregivers did. The psychological imprints of crucial early caregivers — particularly our parents — cause this confusion in time and place, making us act toward others in the present as if they were significant people from the past; and these imprints stay with us and guide our interactions throughout our life. Though we are generally unaware of experiencing confusion in time and place, the mismatch between the reality of our work situation and our subconscious scenario - colleagues are not parents or siblings, after all — may lead to bewilderment, anxiety, depression, anger, and even aggression.

There are two subtypes of transferential patterns that are especially common in the workplace: mirroring and idealizing. It is said that the first mirror a baby looks into is the mother's face. Predictably, one's identity and one's mind are heavily shaped by contact with one's mother, particularly during the early, narcissistic period of development. Starting with that first mirror, the process of mirroring — that is, taking our cues about being and behaving from those around us — becomes an ongoing aspect of our daily life and the relationships we form. Followers are eager to use their leaders as mirrors. They use leaders to reflect what they like to see, and leaders rarely mind, finding the affirmation of followers hard to resist. The result is often a mutual admiration society. Membership in that society may encourage leaders to take actions designed to shore up their image rather than serve the needs of the organization.

Idealizing is another universal transferential process: as a way of coping with feelings of helplessness, we idealize people important to us, beginning with our first caretakers, assigning powerful imagery to them. Through this idealizing process, we hope to combat helplessness and acquire some of the power of the person admired. Idealizing transference thus serves as a protective shield for followers. Idealizing and mirroring have their positive side: they can generate an adhesive bond that helps to keep the organization together during a crisis. Because they temporarily suspend the values of insight and self-criticism, they are key tools in the creation of a common vision and the generation of ‘committed action’ on the part of followers. When these transferential patterns persist, however, followers gradually stop responding to the leader according to the reality of the situation, allowing their past (unrealistic) hopes and fantasies to govern their interactions with the leader. Reactive narcissistic
leaders are especially responsive to such admiration, often becoming so dependent on it that they can no longer function without this emotional fix. Idealization fatally seduces such leaders into believing that they are in fact the illusory creatures their followers have made them out to be. It is a two-way street, of course: followers project their fantasies onto their leaders, and leaders mirror themselves in the glow of their followers. The result for leaders who are reactive narcissists is that disposition and position work together to wreak havoc on reality-testing: they are happy to find themselves in a hall of mirrors that lets them hear and see only what they want to hear and see. In that illusory hall, boundaries that define normal work processes disappear — at least for the entitled leader, who feels diminishing restraint regarding actions that are inappropriate, irresponsible, or just plainly unethical. Any follower who criticises the leader for such behavior or points out cracks in the mirrors risks inciting a temper tantrum.

To overcome the severe anxiety prompted by a reactive narcissistic leader’s aggression, some followers may resort to the defensive process known as ‘identification with the aggressor.’ When people find themselves in the presence of a superior force that has the power to do unpleasant things to them, they feel a powerful incentive to become like that superior force, as a form of protection against future aggression (Freud, 1966). In fully-fledged identification with the aggressor, individuals impersonate the aggressor, assuming the aggressor’s attributes and transforming themselves from those who are threatened to those making threats. The more extreme the actions of the leader, the more aggressive the self-defense has to be — and thus the more tempting it is for subjects to gain strength by becoming part of the system and sharing the aggressor’s power.

Within this climate of dependency, the world becomes starkly black and white. In their words, people are either for or against the leader. Independent thinkers are ‘removed’; those who hesitate to collaborate become the new ‘villains’— ‘deviants’ who provide fresh targets for the leader’s anger. Those ‘identifying with the aggressor’ support the leader in his or her destructive activities almost as a rite of passage. They help deal with the leader’s ‘enemies’ and, coincidentally, share his or her guilt - a guilt that can be endlessly fed with new scapegoats, designated villains on whom the group enacts revenge whenever things go wrong. These scapegoats fulfill an important function: they become to others the external stabilizers of identity and inner control. They are a point of reference on which to project everything one is afraid of, everything that is perceived as bad.

Some of the leader-follower collusions can be summarized in the term ‘folie à deux,’ or shared madness, a form of mental contagion (Kets de Vries, 1984). In such collusions, there is usually a dominant person (the so-called inducer) whose delusions become incorporated and shared by the other, healthier members of the organization. Leaders whose capacity for reality-testing has become impaired shift their delusions and unusual behavior patterns to their subordinates, who in turn often not only take an active part but also enhance and elaborate on the delusions. Followers need to engage in mental acrobatics to stay in the orbit of the delusional leader, but they are willing to twist and stretch in order to be close to the center of power. In order to minimize conflict and disagreement, they are willing to sacrifice the truth on the altar of intimacy, maintaining a connection with the leader even though he or she has lost touch with reality. A famous example of this process taken from
Collusive relationships, with their induced lack of reality-testing, can have various outcomes — all negative. In extreme cases, a folie a. deux can lead to the self-destruction of the leader, professionally speaking, and the demise of the organization. Before the ultimate ‘fall,’ however, organizational participants may recognize that the price for participating in the collusion with the leader has become too high. In that case, the endgame may include a ‘palace revolution’ whereby the leader is overthrown when the cycle of abusive behavior becomes unbearable. If followers realize that they are next in line to be sacrificed on the insatiable altar of the leader’s wrath, they may try to remove the leader in a desperate attempt to break the magic spell.

The implications of the dark sides of leadership and ‘followership’ in organizations are clear. Leaders themselves often misperceive situations and statements and act in inappropriate ways. Followers then tend, with good or bad intentions, to compound the problem, furthering the leader’s misperceptions and encouraging misguided actions. The world is full of Machiavellian followers who deprive their leaders of needed critical feedback for the purpose of self-enhancement. A subset of that group have such an addiction to power that political considerations override all other factors: such followers have no compunctions about setting their leadership up to fail. A follower’s shadow side can be just as dark, and have just as devastating an effect, as a leader’s shadow side. And there is a contagion to collusion among followers: it seems that the more individuals there are in pursuit of power, the greater the temptation to contaminate the influence process by distorting the leader’s perceptions of reality. No leader is immune from taking actions that (even if well-intentioned) can lead to destructive consequences, and no follower is immune from being an active participant in the process.

Given the prevalence of collusive practices, leaders and followers need to work at understanding themselves - shadow side as well as strengths - and being open to all forms of information and feedback. Additionally, leaders need to be sensitive to what followers tell them, listening for subtle messages, both verbal and non-verbal, that may contradict the majority report. Finally, leaders need to help followers become leaders in their own right. They need to give followers opportunities to learn, they need to offer them constructive feedback, they need to be aware of and accommodate the emotional needs of subordinates, and they need to harness the creativity of individuals within their organizations. Above all these things, though, leaders need to preserve their own hold on reality; they need to see things as they really are, avoiding the intense pressure from colleagues to reside in the hall of mirrors.

A study of leader – follower relationships in organizations necessarily addresses the psychodynamics of human groups. Wilfred Bion identified three basic assumptions to be studied in group situations, a trio that has become a cornerstone of the study of
organizational dynamics (Bion, 1959). These basic assumptions — which take place at an unconscious level — create a group dynamic that makes it much harder for people to work together productively. They deflect people from the principal tasks that have to be performed in the organization, because they result in pathological regressive processes that lead to more archaic (that is, primitive) patterns of functioning. Freed from the constraints of conventional thinking, groups subject to such regressive processes retreat into a world of their own. The result is often delusional ideation - in other words, ideas completely detached from reality - which is fertile soil for the proliferation of rigid ideological patterns of decision-making.

Let’s briefly look now at each of Bion’s three assumptions: dependency, fight –flight, and pairing.

People often assume, at an unconscious level, that the leader or organization can and should offer protection and guidance similar to that offered in earlier years by parents. Groups subject to the dependency assumption are looking for a strong, charismatic leader to lead the way. The members of such groups are united by common feelings of helplessness, inadequacy, neediness, and fear of the outside world. They perceive the leader as omnipotent and readily give up their autonomy when they perceive help at hand. Remarks typical of groups subject to this process include, ‘What do you want me/us to do?’ and ‘I can’t take this kind of decision; you’ll have to talk to my boss.’ Such comments reflect the employees’ anxiety, insecurity, and professional and emotional immaturity. While unquestioning faith in a leader contributes to goal-directedness and cohesiveness, it also impairs followers’ critical judgment and leaves them unwilling to take initiative. Though they are willing to carry out their leader’s directives, they require him or her to take all the initiative, do all the thinking, be the major catalyst. And once a leader whom followers leaned heavily on is gone, bureaucratic inertia may take hold. People may be frozen in the past, wondering what their leader — if he or she were still around — would have done.

Another common unconscious assumption in organizations is that the organizational world is a dangerous place and organizational participants must use fight or flight as defense mechanisms. In groups subject to the fight – flight assumption, an outlook of avoidance or attack predominates. When the fight –flight mechanism takes hold, there is a tendency to split the world into camps of friends and enemies. Fight reactions manifest themselves in aggression against the self, peers (in the form of envy, jealousy, competition, elimination, boycotting, sibling rivalry, fighting for a position in the group, and privileged relationships with authority figures), or authority itself. Flight reactions include avoidance of others, absenteeism, and resignation in the sense of giving up. Remarks typical of people in a fight –flight situation include, ‘Let’s not give those updated figures to the contracts department; they’ll just try to take all the credit,’ and ‘This company would be in good shape if it weren’t for the so-and-sos who run the place.’ Us-versus-them language is common. Taking personal responsibility for problems is unheard of; instead, blame is routinely (and vindictively) assigned elsewhere. Subscribing to a rigid, bipolar view of the world, these groups possess a strong desire for protection from and conquest of ‘the enemy,’ in all its varied manifestations. Because conspiracies and enemies already populate their inner world, leaders that fall victim to the fight - flight assumption encourage the group tendency toward splitting. Externalizing their internal problems, they inflame their followers against real and/or imagined enemies, using the in-group/out-group
division to motivate people and to channel emerging anxiety outward. The shared search for and fight against enemies results in a strong (but rigid) conviction among participants of the correctness and righteousness of their cause, and it energizes them to pursue that cause. It also enforces the group’s identity (Lasswell, 1960; Volcan, 1988). Leaders who encourage fight-flight mechanisms by radiating certainty and conviction create meaning for followers who feel lost. The resulting sense of unity is highly reassuring. As followers eliminate doubters and applaud converts, they become increasingly dependent on their leader.

Bion’s third unconscious assumption is that pairing up with a person or group perceived as powerful will help a person cope with anxiety, alienation, and loneliness. Wanting to feel secure but also to be creative, people experiencing the pairing assumption fantasize that the most effective creation with anxiety. The purpose of social defenses is to transform and neutralize strong tensions and affects such as anxiety, shame, guilt, envy, jealousy, rage, sexual frustration, and low self-esteem. They function like individual defenses but are woven into the fabric of an organization in an effort to assure organizational participants that the workplace is really safe and accepting. When these ways of dealing with the angst and unpredictability of life in organizations become the dominant mode of operation (rather than an occasional stopgap measure), they become dysfunctional for the organization as a whole. They may still serve a purpose (albeit not necessarily a constructive one), but they have become bureaucratic obstacles. These bureaucratic routines and pseudo-rational activities gradually obscure personal and organizational realities, will take place in groups of allowing people to detach from their inner experience. This assumption also manifests itself in ganging up against the perceived aggressor or authority figure. In the pairing mode, often seen in high-tech companies, grandiose, unrealistic ideas about innovation may become more important than practicality and profitability. Remarks typical within an organization subject to the pairing assumption include, ‘Leave it to the two of us, we can solve this problem,’ and ‘if only the CEO and COO have better relationship our company would be in really good shape.’

The basic assumptions discussed above all reveal underlying anxiety about the world and one’s place in it. When these assumptions prevail in the workplace, they offer strong proof that the organization’s leadership is not dealing adequately with the emerging anxiety of working in a social setting (Menzies, 1960; Jaques, 1974). When the level of anxiety rises in an organization, executives typically rely on existing structures (such as rules, regulations, procedures, organization charts, job descriptions, and organization-specific ways of solving problems) to ‘contain’ that anxiety. When those structures offer insufficient ‘containment’ - that is, when there are no opportunities to discuss and work through emerging concerns - people in organizations engage in regressive defenses such as splitting, projection, displacement, denial, and other defensive routines. When such defenses are adopted organization-wide, we call them social defenses. They can be viewed as new structures, new systems of relationships within the social structure, constructed to help people deal with anxiety, with control and impersonality. While these processes do in fact reduce anxiety - the original goal - they also replace compassion, empathy, awareness, and meaning.
Like every person, every organization has a history. The repetition of certain phenomena in a given workplace suggests the existence of specific motivational configurations. Just as symptoms and dreams can be viewed as signs with meaning, so can specific organizational statements and decisions. Organizations, as embodied in those statements and decisions, tend to reflect the personalities of their leaders, particularly when power is highly concentrated (Kets de Vries and Miller, 1984, 1988). Thus exemplary leaders help their companies become highly effective organizations, while dysfunctional leaders contribute to organizational neurosis. Whether healthy or neurotic, they externalize and act out their inner theater on the public stage of the organization, their inner dramas developing into corporate cultures, structures, and patterns of decision-making.

Though each company is unique, there are five dominant organizational constellations—each with its own executive personality, organizational style, corporate culture, strategic style, and underlying guiding theme—that tend to occur repeatedly (and often in ‘hybrid’ form): the dramatic/cyclothymic organization, the suspicious organization, the compulsive organization, the detached organization, and the depressive organization.

Top management in dramatic/cyclothymic organizations have an intense drive to receive positive attention from outsiders, like to impress others with ‘flow’ types of experiences, favor superficiality (wearing the ‘happy’ mask), demonstrate great swings of emotions, act merely on the basis of ‘hunches’ and gut feelings, and tend to (over)react to minor events. In dramatic/cyclothymic organizations, people have a sense of being in control of their destiny; they don’t feel that they are at the mercy of events. Boldness, risk-taking, and flamboyance mark organizational decision-making, often led by an entrepreneurial chief executive who follows his or her own intuitions and dreams.

Richard Branson’s Virgin Group, a successful company by any account, is an example of a dramatic organization. The CEO seeks attention, craves excitement, and opts for drama. Not surprisingly, Virgin’s organizational decision-making is overcentralized. Its culture supports the emotional needs of both the leader and his subordinates. Its strategy is somewhere between bold and impulsive, and its guiding theme can be described as ‘We want to get attention from and impress the people who count.’

Suspicious organizations are characterized by a general atmosphere of distrust and paranoia (especially among the leadership), hypersensitivity to hidden meanings and motivations as well as to relationships and organizational issues, hyper-alertness for problems, and a constant, hyper-vigilant lookout for the ‘enemy.’ People in these types of organizations are always looking over their shoulder to see who’s trying to get them, and searching for ways to confirm their suspicions of others. This focus on external threats leads to a centralization of power and can contribute to a conservative, reactive business strategy in which initiative is stifled and inappropriate and rigid responses become commonplace. The former empire of Robert Maxwell and the FBI under J. Edward Hoover are good examples of suspicious organizations.

Compulsive organizations are preoccupied with trivialities and characterized by a highly rigid and well-defined set of rules, along with elaborate information systems and ritualized, exhaustive evaluation procedures. These organizations, thorough and
exact to a fault, are slow and non-adaptive. Their strategy is tightly calculated and focused, driven by reliance on a narrow, well-established theme (e.g. cost-cutting or quality) to the exclusion of other factors. Compulsive organizations generally have a hierarchy in which individual executive status derives directly from their specific position in the hierarchy. Relationships are defined in terms of control and submission. They have an almost total lack of spontaneity, because a constant sense of anxiety underlies all activities (e.g. ‘Will we do it right?’ ‘Will they do it right?’ ‘Can we let them do it?’ ‘How will it threaten us?’). IBM under the leadership of John Akers had many of the characteristics of the compulsive organization. In that case, it took Louis Gerstner, with his absolute determination to dispel the rigidity and expand the focus, to break the ritualistic, inward-looking spell — but only when the company had already bled hundreds of millions of dollars (Gerstner, 2002).

Detached organizations are characterized by a cold, unemotional atmosphere; non-involvement with others in and outside the organization is the norm. This organizational climate derives from a leadership that steers clear of hands-on involvement, believing that it’s safer to remain distant and isolated than to grow close and collaborative. These organizations, indifferent to praise and criticism alike, are characterized by a lack of excitement and enthusiasm. With top leaders standing back, there is often a leadership vacuum that leads to destructive gamesmanship among mid- and lower-level executives and allows inconsistent and vacillating strategies to flourish. Intolerant of the dependency needs of others, leaders at all levels establish individual fiefdoms and set up barriers that prevent the free flow of information. The empire of the hermit leader Howard Hughes (an empire made up of casinos, Hughes Tool, Pan Am, and other organizations) possessed many of these detached characteristics.

Inactivity, lack of confidence, extreme conservatism, and insularity are the chief features of depressive organizations. These organizations have a profoundly low sense of pride, often due to skeletons in the closet. With the past dominating their thinking, these organizations are characterized by a strong sense of indecision, an unwillingness to take risks (even small ones), a focus on diminishing or outmoded ‘markets,’ an undeveloped sense of competition, and apathetic and inactive leadership. These organizations often become extremely bureaucratic and hierarchical, inhibiting meaningful change. Many companies in the government and semi-government sectors are depressive organizations, as was the Disney empire in the years after the death of its founder, with the successors at a loss as to how to proceed. A similar statement can be made about Reader’s Digest after the death of its founder.

Each of the neurotic styles described above generally starts out, in diluted form, as a virtue, contributing to an organization’s success; only later, when there is ‘too much of a good thing,’ does it become a weakness. Let’s look at the strengths of each style:

- Organizations characterized by the dramatic/ cyclothymic style create entrepreneurial initiatives. They are able to develop a momentum that carries them through critical organizational plateaux and times of organizational revitalization. However, when decisions become too centralized in the hands
of the entrepreneur - at the cost of the creative potential of other layers in the organization - the dramatic style becomes a handicap.

- Suspicious-style organizations have a good knowledge of threats and opportunities outside the organization and are able to use this knowledge to reduce risks of failure. When taken to excess, however, the suspicious outlook can turn an otherwise healthy organization into a police state.

- Compulsive-style organizations are often efficiently operated organizations with finely tuned internal organizational controls and a focused overall strategy. However, if too much analysis leads to paralysis, the thoroughness that was a good quality early in the organization’s life-cycle becomes a detriment when circumstances call for speed.

- Detached-style organizations enjoy the influence of people from various levels in the development of their overall strategy; they are typically willing to consider a broad variety of points of view. But their oscillation, their lack of consistency, and the non-hands-on quality of their leadership can be their downfall.

- Organizations marked by the depressive style are noted for the consistency of internal processes. If the maintenance of these internal processes becomes completely detached from the marketplace, however, the organization is doomed.

In an organization that is struggling, an analysis of the prevailing neurotic organizational style may help executives figure out why the organization continues to perpetuate various behaviors and why personnel continue to demonstrate resistance or acceptance patterns. Identifying the prevailing neurotic style can also help executives understand otherwise incomprehensible behavior and actions on the part of their colleagues. An understanding of the prevailing organizational neurotic style may help to shape expectations of what needs to be done, and what can be done. It may also help answer bothersome questions such as ‘Why does X keep happening?’ and ‘Why does something that works someplace else not work here?’ The recognition of neurotic organizational styles — rooted as they are in history and personality — also helps personnel realize that change will be slow and difficult.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Unfortunately, many people dedicated to organizational change — change agents and OD consultants, for example — are inclined to focus on the symptoms and not on the underlying causes. More often than not, they deal only with surface behavior. Such consultants are very talented at number-crunching, but not very good at paying attention to the elusive signals that reveal the heartbeat of an organization. Thus, they resort to oversimplified quick fixes in trying to institute change (Levinson, 2002).
When change agents and OD consultants want to change particular behaviors in an individual (or cluster of individuals), their usual impulse is to put a simplistic behavioral modification program into place. Such a program may have a positive effect, to be sure — but that effect will not last long. Making that sort of an intervention is like trying to change the weather by turning up the heating system inside one’s house. It may keep the inhabitants warmer for a time, but it will not change the temperature outside. However, when it comes to more general problem-solving in ‘people intensive’ situations, it is psychodynamically informed organizational consultants who are needed. A psychodynamically informed OD intervention is designed to address the complexity of human behavior that exists in organizations, and thus it goes beyond the more simplistic, reductionistic formulae that characterize traditional management consulting methods.

The cost of a large-scale traditional management consultancy effort is high - and that cost is wasted when such an effort is directed at problems that are in essence psychological and organizationally psychodynamic. When organizational problems are centered on interpersonal communication, group processes, social defenses, uneven leadership, and organization-wide neurosis, money is better spent on the three-dimensional approach to organizational assessment and intervention that psychodynamically informed consultants or change agents employ. Consultants well versed in the organizational psychodynamics understand the levers that drive individual and organizational change, and they know just how complex the change process is. Furthermore, they know how to help bring about the necessary relinquishment of defenses, encourage the expression of emotions in a situation-appropriate manner, and cultivate a perception of self and others that is in accord with reality (Kets de Vries, 2002). They also recognize that if system-wide change is going to happen, they need to highlight the ‘pain’ in the system, link past to present through a new vision, help the key players buy into the change effort, and reconfigure systems, structures, cultural elements, and behavior patterns. They know how to help an organization’s leadership create a shared mindset, build attitudes that contribute to changed behavior, train for a new set of competencies, create small ‘wins’ leading to improved performance, and set up appropriate reward systems for people who support the intended changes.

Typical areas where the psychodynamically informed organizational consultant can make a contribution include:

- Identifying and changing dysfunctional leadership styles;
- Resolving interpersonal conflict, intergroup conflict, and various forms of collusive relationship (folie a. deux);
- Disentangling social defenses;
- Bringing neurotic organizations back to health;
- Planning for more orderly leadership succession;
- Untangling knotty family business problems;
- Helping create a better work-life balance for leaders and subordinates.

Organizational psychodynamics uses as one crucial source of data the ways in which members of the organization interact with them. What differentiates consultants applying organizational psychodynamics from their more traditional counterparts is their skill at using transferential and countertransferential manifestations as a basic
experiential and diagnostic tool. The ever-present ‘triangle of relationships’ - comprised in this case of the person being interviewed, some significant past ‘other’ from that person’s life, and the change agent/consultant - provides a conceptual structure for assessing patterns of response and then pointing out the similarity of past relationships to what is going on in the present. Anyone hoping to make sense of interpersonal encounters at anything but an intuitive level needs to understand these transferential processes, which are a major part of the consultant’s change toolbox (Kets de Vries, 2002).

Organizational psychodynamics recognizes the importance of projective identification as well. A psychological defense against unwanted feelings or fantasies, projective identification is a mode of communication as well as a type of human relationship (Ogden, 1982). We can see this process in action when covert dynamics among individuals or groups of individuals get played out in parallel form by other individuals or groups with which they interact. For example, if executives in a department deny or reject (and thus alter) an uncomfortable experience by imagining that it belongs to another group of executives, that latter group — the recipients of the projection — are inducted into the situation by subtle pressure from the first group to think, feel, and act in congruence with the received projection.

Paying attention to transference, countertransference, and projective identification, psychodynamically informed organizational consultants process their observations, looking for thematic unity (Kets de Vries and Miller, 1987). They then employ pattern matching, looking for structural parallels within multi-layered relationships and between current events and earlier incidents (knowing that any aspect of the organizational ‘text’ can have more than one meaning and can be viewed from a number of different perspectives). Creating meaning at multiple levels helps the consultants determine the individual and organizational roots and consequences of actions and decisions. When the link between present relationships and the distant past is made meaningful to people at all levels of the organization, the process of large-scale change is more likely to be successful.

Organizational psychodynamics also recognizes the presence of complex resistances (ranging from denial, to lack of access, to firing the messenger). Since the aim of an organizational psychodynamics is not just symptom suppression - not merely a ‘flight into health’ - but durable, sustainable change, psychodynamically informed consultants must always be attentive to hidden agendas in organizations. They appreciate that manifest, stated problems often cover up issues that are far more complex. They know that there is usually a very good reason why their particular expertise was asked for (even though that reason may not have been, and perhaps cannot be, articulated by the client), and they attempt, for the sake of a successful intervention, to identify that reason quickly. In addition to identifying and addressing the organization’s core psychological concerns, psychodynamically informed consultants strive to instill in the organization’s leadership an interest in and understanding of their own behavior. Ideally, those leaders can internalize the ability to learn and work in the psychological realm, allowing them to address future issues without the help of a consultant.

Responsible leadership requires a solid dose of emotional intelligence and the increased personal responsibility and effectiveness that come with it. Leaders who
want to get the best out of their people need to introduce a set of meta-values into their organizations, values that transcend the more traditional listing offered by most organizations. These meta-values include a sense of community, a sense of enjoyment, and a sense of meaning. People feel a strong need for attachment and affiliation. Healthy, effective organizations address that need by creating a feeling of community. When employees feel a sense of belonging in the workplace, trust and mutual respect flourish, people are prepared to help others, the culture becomes cohesive, and goal-directedness thrives. A sense of community can be enhanced in various ways, including through an organizational architecture that favors small units and through practices such as fair process and transparency. Distributed leadership - leadership that is not concentrated at the top but is spread throughout the organization - is made possible by a sense of community, but it also encourages a sense of community. In organizations where everyone takes a part in leadership, senior executives take vicarious pleasure in coaching their younger executives and feel proud of their accomplishments. This experience of generativity - of caring for others - is a source of creativity and contributes to feelings of continuity in the mentor, who can see his or her efforts continuing through the work of successors.

The second meta-value is a sense of enjoyment. In truly effective companies, employees enjoy their work. Indeed, they ‘have fun’ - words not often associated with the workplace. And yet playfulness fosters mental health. In far too many companies, a sense of enjoyment is either ignored or, worse, discouraged. Yet in organizations that have a gulag quality, imagination is stifled and innovation squelched. Insightful executives in exemplary organizations realize that taking people on an exciting, adventurous journey gratifies humankind’s essential motivational need for exploration and assertion. Exploration, enjoyment, entrepreneurship, creativity, and innovation are all closely linked.

Finally, the third meta-value is a sense of meaning. If what an organization does can be presented in the context of transcending one’s own personal needs - of improving people’s quality of life, say, or of helping people, or contributing something to society - the impact on workers is extremely powerful. Organizations that are able to create a sense of meaning get the best out of their people, drawing forth imagination and creativity; in such organizations people experience a sense of ‘flow’— that is, a feeling of total involvement and concentration in whatever they are doing. Think about it: people will work for money but will die for a cause.

Organizational psychodynamics argues that organizations that cultivate and honor the above meta-values are what I like to call ‘authentizotic,’ a label that melds the Greek words authenteekos (authentic) and zoteekos (vital to life). In its broadest sense, that first part of the label, authentic, describes something that conforms to fact and is therefore worthy of trust and reliance. As a workplace label, authenticity implies that an organization has a compelling connective quality for its employees in its vision, mission, culture, and structure. The organization’s leadership has communicated clearly and convincingly not only the how of work but also the why, revealing meaning in each person’s task. The organization’s leadership walks the talk - they set the example. The zoteekos (vital to life) element of the authentizotic organization refers to those aspects of the workplace that give people the sense of flow mentioned earlier and help build a sense of personal wholeness, making people feel complete and alive. Zoteekos allows for self-assertion in the workplace and
produces a sense of effectiveness and competency, of autonomy, of initiative, creativity, entrepreneurship, and industry; it also responds to the human need for exploration.

The challenge for twenty-first-century leadership is to create organizations that possess these authentizotic qualities. Working in such organizations offers an antidote to stress, provides a healthier existence, expands the imagination, and contributes to a more fulfilling life. Authentizotic organizations are easily recognized: employees maintain a healthy balance between personal and organizational life; employees are offered - and gladly take - time for self-examination; and employees aren’t merely ‘running,’ but want to know what they are running for and where they are they running to - in other words, they constantly question themselves and others about individual and corporate actions and decisions. Recognizing that minds are like parachutes - they function only when they are open! - authentizotic organizations equip their people to think, and then encourage that revolutionary action. With these impressive characteristics, authentizotic organizations will be the winners in tomorrow’s marketplace, able to deal with the continuous and discontinuous change that the new global economy demands.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

In the traditional training of industrial and organizational (I-O) psychologists it has been the experience that students learn a lot about the mechanical aspects of psychology in the workplace. Maybe this is because I-O psychology traditionally functions from a rational and economical view towards work, with its assumption that a person works to earn money and to satisfy the need for material possessions. I-O psychology has developed many organizational and behavioral theories based on behaviorist thinking (and applied to the training of employees), as well as the humanistic paradigm, in order to understand concepts such as motivation, leadership, organizational structures, and development (Robbins, 1997). This creates the impression that organizational behavior is only conscious, mechanistic, predictable, uncomplicated, and easy to understand. Well, organizational psychodynamics argues it is a wrong approach to professional development and practice.

After some intense exposure to the work environment, many students complain about not understanding the deeper meaning of behavior in the organization—they are “aware of something happening, but I can’t put my finger on it.” This leads to an experience of feeling ineffective, uninformed, and helpless in many dynamic organizational situations such as meetings, team building, and organizational diagnosis. To address this issue, the teaching of and the exposure to “the psychodynamics of the organization” should be introduced at the master’s level. Students of I-O psychology need a greater and deeper knowledge and understanding about organizational psychodynamics and the skills to interpret the unconscious behavior of groups, teams, and the organization, as well as the behavior between such systems.
Psychodynamic thinking is quite relevant in industry and organizations—something few practicing I-O psychologists know about. The psychodynamic view rejects the rational and economic views on work and believes that statistical analysis tells nothing useful about organizational behavior or the people working in the system. It also rejects the notion of a grand theory of organization (Lawrence, 1999; Miller, 1976). Instead, it views work as both a painful burden (e.g., in the task that needs to be performed) and a pleasurable activity (e.g., in the outcome) (Kets De Vries, 1991). The basic question in understanding work is, why is it experienced as painful and to be avoided on the one hand, and why is pleasure obtained from it on the other hand. The answer lies in the renunciation of the instincts, giving up the pleasures of playing and the freedoms of childhood, and entering life ruled by the reality principle rather than the pleasure principle. If this does not happen, working will be too painful to perform, and it will be avoided altogether. Consequently the employee will never have an opportunity to gain the pleasure associated with accomplishment because he/she cannot delay gratification or endure the necessary suffering (Lawrence, 1999; Miller, 1976). To study this behavior, this approach focuses on flowing back and forth between theory and case analysis (Kets De Vries, 1991; Lawrence, 1999; Miller, 1976; 1983; 1993; Obholzer & Roberts, 1994).

The rationale of studying organizational behavior forms the approach of organizational psychodynamics which can be stated as follows: The organization as a system has its own life which is conscious and unconscious, with subsystems relating to and mirroring one another (Coleman & Bexton, 1975; Obholzer & Roberts, 1994).

It is the belief that the study of this unconscious behavior and dynamics leads to a deeper (than, for example, the humanistic approach) understanding of organizational behavior. With this knowledge, real organizational change can be facilitated by the consultant working from the stance of organizational psychodynamics.

From the above references on the Tavistock approach, a few basic hypotheses about organizational behavior can be formulated. The worker (a micro system) approaches the work situation with unfulfilled and unconscious family needs which he/she wants to fulfill in the work situation - for example, wanting to play out unfulfilled parental needs for recognition or affection towards the manager, who may be representing male or female authority for them. The worker brings unconscious, unresolved conflict (e.g., with authority) into the organization. Because the role of manager excludes relating to the employee on the level a father or mother would, the individual experiences conflict (a basic experience in this model). The worker unconsciously plays out a need for power over siblings and the parental figure. Because colleagues are not siblings or parents, the need does not fit the reality of the work situation. This may lead to confusion, anxiety, anger, and aggression (another example of basic experiences in this model).

Bion (1961) identified three basic assumptions to be studied in the individual (a micro system), the group, department or division (the meso system), and the organization the macro system). These assumptions have since been accepted as the cornerstones of the study of organizational dynamics. The dependency assumption is that the worker, in the same way as a child, unconsciously experiences dependency from an imaginative parental figure or system. Because these needs are not met, the
worker experiences frustration, helplessness, powerlessness, and dis-empowerment. Typical remarks in this regard are, “Why is the boss not giving us more attention?” and “What do you want me/us to do?” These expressions are projections of the workers’ own anxiety and insecurity, and indicate work and emotional immaturity. Organizationally, it manifests in the need for structure in remarks like “We need a committee to investigate” or “We need to structure this department more.” This defense against anxiety can also be seen as a manipulation of authority out of its role, for example from supervisor to parent figure, according to the fantasy that then “We will be safe/cared for.”

The fight/flight assumption is that the here-and-now of organizational life is filled with anxiety and in trying to get away from this, the worker unconsciously uses fight or flight as defense mechanisms. Fight reactions manifest in aggression against the self, peers (with envy, jealousy, competition, elimination, boycotting, sibling rivalry, fighting for a position in the group, and privileged relationships with authority figures) or authority itself. Flight reactions manifest physically in, for example, avoidance of others, being ill, or resignation. Psychological flight reactions would include the defense mechanisms such as avoidance of threatening situations or emotions in the here-and-now, rationalization, and intellectualization. In a meeting, for example, this would mean talking about “them” and “out there” issues and avoiding looking at “what this behavior says about me/us.”

The pairing assumption is that in order to cope with anxiety, alienation, and loneliness, the individual or group tries to pair with perceived powerful individuals and/or subgroups. The unconscious need is to feel secure and to create - the unconscious fantasy is that creation will take place in pairs. Pairing also implies splitting up. This happens when anxiety is experienced because of diversity. Then the individual or group tries to split up the whole and build a smaller system, in which he/she can belong and feel secure. It also manifests in ganging up against the perceived aggressor or authority figure. Intra- and intergroup conflict may, for example, result from pairings.

Other relevant concepts in organizational psychodynamics include anxiety, boundaries, role, representation, authority, leadership (and followership), relationship and relatedness, and group as a whole. Anxiety is accepted as the basis of all organizational behavior (Menzies, 1993). In order to cope with it, the system (individual, group, or organization) unconsciously needs something or someone to contain the anxiety on its behalf. Defense mechanisms are used to assure itself that the workplace is safe and accepting. Projection may be used to blame management for what goes wrong. An individual may expect the manager—or the group may expect management—to contain their anxiety about losing their jobs, to secure jobs in a difficult labor market, or to negotiate with the unions on their behalf. The system may also expect the existing structures like laws, regulations, procedures, organigrams, job descriptions, and idiosyncratic ways of solving problems, to act as containers for anxiety. Interesting to see is that the moment the level of anxiety rises in the system, the need for structure is expressed almost immediately, for example, “Let’s make a rule about....” and “Why don’t you put this on paper and then let’s discuss the future....” Rationalization and intellectualization are used to stay emotionally uninvolved and to feel safe and in control.
Resistance to change is probably the most known concept in organizational psychodynamics. It refers to the system (individual, team, or organization) resisting the exposure of unconscious material (Lawrence, 1999).

The individual, group, and organization as interactive parts of the total system, all have boundaries (Czander, 1993; Hirschhorn, 1993; Lawrence, 1999). In the same way psychoanalysis refers to ego boundaries, distinguishing between the individual and the environment, every part of the organizational system operates inside and across its boundaries. The purpose of setting organizational boundaries is to contain anxiety to make the workplace controllable and pleasant. Examples of basic boundary management in organizations are time, space, and task. Time boundaries are used to structure the working day (starting, going home, meetings) in an endeavor to order, structure, and contain. The space boundary refers to the workplace itself, for example to know exactly where to sit or stand while working, having one’s own desk, cabinet, locker, office, or building. It may be argued that having to work in an open-plan office creates anxiety because of the lack of clear space boundaries. The task boundary refers to knowing what the work contents entail. The anxiety about not knowing what to do and according to what standard, is contained in structures like the individual’s job description and department’s organigram. Another example of a boundary issue is the forming of group identity. A lack of managing these boundaries effectively seems to create a lot of anxiety in employees.

To take up an organizational role implies uncertainty and risk (Czander, 1993; Hirschhorn, 1993; Lawrence, 1999). Anxiety is not simply rooted in the person’s internal voices or private preoccupations, but it reflects real threats to professional identity. If the individual’s anxiety is too great or too difficult to bear, the person may escape by stepping out of role. Anxiety is transformed along a chain of interaction through the psychological process of projection and introjection. Psychological violence happens inside the individual as a result of the interplay between anxiety created by real uncertainty and anxiety created by threatening voices within. These mostly parental voices are punishing the individual and paradoxically, the individual can feel bad even before he/she has failed in reality. This anxiety chain leads people to violate boundaries and persons. When anxiety mobilizes behavior, the individual experiences other people not as they are, but as the person needs them to be, so that the other person can play a role in the individual’s internal drama.

Representation occurs whenever one of the boundaries are crossed by the individual or department (Obholzer & Roberts, 1994). The crossing of individual (micro system) boundaries happens in interpersonal communication between two people, for instance, in a performance appraisal interview between a manager and a subordinate. The crossing of meso system boundaries happens in interpersonal or group communication between two people from different departments or in a meeting between departments, for instance, when the human resources department has a planning meeting about training in the production department. The crossing of macro system boundaries happens when an individual or group meet with an individual or group from another organization. The issue of representation refers to the authority given to the person crossing the boundary on behalf of someone else, the department, or the organization. Unclear authority boundaries seem to immobilize and disempower representatives to another part of the system.
Organizational psychodynamics distinguishes between mainly three levels of authorization, namely being a representative, a delegate, or having plenipotentiary authority (Czander, 1993; Obholzer & Roberts, 1994). Representative authority implies being restricted in giving and sharing sensitive information about the system across the boundary. Delegated authority refers to more freedom in sharing but with a clear boundary around the contents thereof. Plenipotentiary authority gives the person freedom to cross the boundary using their own responsibility in decision making and conduct. The argument is that when an employee is sent to communicate, negotiate, or to sell across the boundary of their own system without a clear indication of level of authority, it creates anxiety which hinders rational decision making and reporting back to colleagues inside the boundary.

Organizational psychodynamics refers to leadership as managing what is inside the boundary in relationship to what is outside (Obholzer & Roberts, 1994). An individual employee takes individual leadership when negotiating on his/her own behalf for a salary increase or taking an afternoon off. Leadership of followers applies when an individual—not necessarily the designated leader or manager—acts or negotiates on behalf of others in the organization. Leadership implies followership, another role with a clear boundary in the system.

Organizational psychodynamics is based on the study and understanding of human relations (Shapiro & Carr, 1991). This implies the relationships between people referring to any type of face-to-face or telephonic interaction in the organization as it happens in the here-and-now. On another more abstract and unconscious level, the organization is always in the mind of the individual as well as the group (team or department), influencing behavior as such. This is referred to as relatedness or “the organization in the mind.” This concept originated from a basic child cognizance of the family he/she belongs to. In the organizational context, it seems that the individual or group’s fantasies about the organization and sections of it, can be seen as a driving force of a lot of behavior in the system.

The concept of collectivism is also used in the organizational psychodynamics. It refers to one part of the system acting or carrying emotional energy on behalf of another (Wells, 1980). In this sense, the employees in the production department (the so-called “blue-collar workers”) may work under appalling and dirty conditions and are thus “carrying the filth,” so that the office staff (the so-called “white-collar workers” in the finance or public relations departments) may have good-looking and air-conditioned offices, “carrying the cleanliness and order” on behalf of the total system. Another explanation is to say that these two sections manage different organizational boundaries, each with its own rules. The issue of collectivism also implies that no event happens in isolation and that there is no coincidence in the behavior of the system.

Projective identification in the organizational psychodynamics is described as a psychological defense against unwanted feelings or fantasies, a mode of communication as well as a type of human relationship. It happens when covert dynamics in one system get played out in parallel form by another system with which it interacts. For example, the system may deny or reject, thus altering an uncomfortable experience by imagining that it belongs to someone or something else. Next, the recipient of the attribution or projection is inducted into the situation by
subtly pressuring him/her/it into thinking, feeling, and acting congruently to the received projection. According to Kets de Vries (1991), this phenomena is little understood in the consultancy situation and may play a big role in the traditional splits when external consultants work with organizations, as well as when mistrust and suspicion exist between management and labor unions.

The organizational psychodynamics can be used by I-O psychologists to understanding organizational behavior in two roles, namely as (a) consultant to the system or parts thereof, and (b) as trainer to human resource personnel, leaders, and managers, in this way of thinking and understanding.
Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Today, in this 4th lecture on main principles and ideas of organizational psychodynamics, I would like to start with the premise that organizations are processes of human behavior that are experienced as experiential and perceptual systems governed by both conscious and unconscious processes. This starting point leads us to organizational psychodynamics as a means of understanding how psychological reality shapes organizational life dynamics. More specifically, I will try to make the point that psychodynamic organizational diagnosis requires a central role for transference and counter-transference analysis.

As we discussed it earlier, many managers, consultants, behavioral and social scientists find comfort in the assumption that what really matters in understanding and improving organizational performance is that which is visible. Buildings and offices; equipment and technology; systems and processes; policies and procedures; services or products; organizational hierarchies and executives, managers, supervisors and employees performing varied tasks, are among other visible components (Jaques, 1995). It is regrettably the illusion of the concreteness of these organizational attributes that makes periodic re-engineering and downsizing of organizations seem like a reasonable pursuit. Yet, as noted by many observers of the workplace, these draconian actions do not always meet expectations and often have unintended human consequences (Allcorn et al., 1996; Kets de Vries, 2001). There is, of course, more to the workplace than meets the eye. Ultimately, emotional and unconscious organizational psychodynamics shape what happens in the workplace (Amado, 1995). Thus, the managerial pursuit of a ‘more efficient organizational structure’ confronts the psychological reality of the workplace where technorationalism gives way to latent psychosocial dynamics that have so far defied re-engineering.

Organizational psychodynamics, as I said yearlier, views human organizations and communities as processes of human behavior that are experienced as experiential and perceptual systems governed by both conscious and unconscious processes, whereby ‘much thought and activity takes place outside of conscious awareness.’ Organizational psychodynamics could be considered as a means of understanding how psychological reality and subjectivity shape organizational life dynamics. In particular, psychodynamically informed organizational diagnosis illuminates the crucial and complex role of transference and counter-transference in the study of organizations (Stapley, 1996). More specifically, interpreting data through the lens of transference and counter-transference dynamics assists in unpacking organizational identity and culture by relying upon an ‘experience-near’ (Kohut, 1977) stance for examining the narratives of organizational life (Diamond, 1993; Kets de Vries & Miller, 1984; Levinson, 1972, 2002). This introspective, and empathic stance makes transference and counter-transference one of the core elements of OD consultation based on the principles of the organizational psychodynamics. This conceptualization
of the psychodynamically informed study of organizations that sets it apart from more
traditional social and behavioral approaches to organizational research and
consulting practice. In particular, the OD consultant’s self-awareness becomes a
means for interpreting transference and countertransference that occur between the
OD consultant and client - organization members, and among organization members
and groups. Organizational psychodynamics is offering some practical support to
leaders, organizational members, and OD consultants in their efforts to improve
organizational performance by attending to the psychological reality and subjectivity
of the workplace.

All organizations are buffeted by events that arise from their task environments.
Political, economic, and marketplace events undeniably impact organizational
behavior. Competitive markets, rapidly changing communications and information
technologies, and globalization are dimensions of the environment from which
organizations struggle for strategic advantage. Constant change requires frequent re-
examination of the adaptive strategies of organizations to survive and ideally to
succeed. This ability to manage and adapt directs our attention to the inner life of
organizations where effective adaptation and coping with challenges are unlikely
without the successful integration of people and human nature.

At the surface of organizational culture, artifacts such as organization charts, rules
and regulations, routine workflow, interior designs and architecture, dress, language
and communications, distribution of benefits and rewards, company or agency
policies, and many more manifest features of organizational culture significantly
influence organizational effectiveness and competitiveness. While political, economic
and marketplace variables are external factors that set the context for adaptive
strategic decision-making, the latter compilation of organizational and cultural
artifacts, as well as the above-mentioned visible components, represent intra-
organization phenomena that may enhance or limit organizational performance.
These data, the external and internal organizational variables, must of necessity be
incorporated into any organizational diagnosis, particularly one that is psychodynamic
in nature (Baum, 1994; Czander, 1993; Diamond, 1993; Kets de Vries & Miller, 1987;
Levinson, 1972; Stapley, 1996; Stein, 1994). However, in contrast to the quantitative
and neo-positivistic empirical methodologies that are so frequently relied upon to
study the above organizational attributes, a psychodynamically informed
organizational assessment and OD interventions focus on the psychological nature of
the ultimately not so concrete aspects of organizational culture – the subjective
derivatives of reason, motivation, and meaning. Psychodynamically informed OD
consultants indirectly ask questions such as: What are the underlying motives,
desires, wishes, and fantasies that energize the thoughts, feelings and actions of
organization members? And, what is the personal experience of organizational reality
and what does it seem to mean to each and all organization members?

Psychoanalytic anthropologist and organizational consultant, Howard Stein (1994: 8–
9) writes: ‘Political, economic, and structural ‘reasons’ are only part of an
organization’s story. Group and organizational life is complex, not neatly packaged.
The surface picture presented to the consultant often is a symptom and symbol in
which people invest because it protects them against pain . . . Client organizations
often do not know what they, at some unrecognized level, already know too well. The
consultant’s role becomes that of mediating between the known and the unknown,
the knowable and the unknowable”. Stein observes that many workplace phenomena most often exist outside of the immediate awareness of organizational participants and, therefore, are frequently ignored and taken for granted. Psychodynamically trained OD consultants, therefore, have among their tasks that of addressing this collective inattention to one’s experience of work-life that so often includes hard to detect and question individual, group and organizational defenses.

The point of organizational psychodynamics is that, although OD consultants pay attention to the manifest elements of social structure, work groups, and task environment, they also view these data with appropriate suspicion. Psychodynamically informed organizational diagnoses endeavor to elicit the unconscious meanings, assumptions, and collective anxieties of organizational participants. This endeavor surfaces conflict, disappointment, and fantasies held by organizational members, as well as thoughts and feelings concealed by suppression and other psychologically defensive actions that compromise reality testing. The psychological nature of the workplace may, therefore, be understood to reside in the participants’ out of awareness experience of the workplace where structures of power and authority, strategies for adaptation and successful performance, routine roles and relationships, are defensive screens against unrecognized anxieties and fears rather than rational and intentional organizational designs. These considerations lead to the question, if unconscious processes are present within the workplace, how might they be made accessible for examination?

Let me now focus our attention and research interest on two related conceptual frameworks in organizational psychodynamics: organizational diagnosis and the interpretation of organizational text.

Levinson (1972, 2002) was the first to offer a model for psychodynamically informed organizational assessments in his book “Organizational diagnosis” that incorporates various levels of data collection and describes a psychodynamic process for engaging the organization and its leaders. These categories of data include: (i) genetic and historical data, (ii) structural and process data, and (iii) interpretive (or narrative) data. His approach to organizational diagnosis integrated data from ‘objective reality’ and ‘psychological reality,’ thereby illustrating the importance of analyzing the unconscious meaning behind supposedly concrete and rational organizational dynamics. In so doing, Levinson introduced transference as an essential conceptual framework for organizational diagnosis. The location and interpretation of transference and counter-transference enable psychodynamically informed organizational consultants to understand the subjective meaning of individual and collective actions and experiences within organizations. Psychodynamically informed organizational diagnosis is thereby informed by the hermeneutic and ‘narrative’ scholarly tradition. Thus, organizational psychodynamics turns to the function of text and subtext of organizational narratives, which is supported by a process of locating and interpreting transference and counter-transference.

In their article, ‘Interpreting organizational texts,’ Kets de Vries and Miller (1987) proposed a number of ‘rules of interpretation,’ that are consistent with Levinson’s (1972) diagnostic attention to ‘patterning’ and ‘integration’. Following the collection of varied data by OD consultants, the organizational narrative is constructed by shaping
‘the different observations into an interconnected, cohesive unit’ through the rule of thematic unity (p. 245). The method of thematic unity is crucial to making sense out of the dense nature and sheer volume of narrative and observational data. Next, the OD consultant looks ‘for a “fit” between present day events and earlier incidents in the history of an individual or organization’ based on the rule of pattern matching. Pattern matching reveals repetition or what Kets de Vries and Miller call the tendency to become ‘entangled in “displacements in time”’ (p. 245). The relevance of these displacements (transferences) as a tool for introspection and the surfacing of pattern matching are discussed further below. The notion of pattern matching, however, like that of thematic unity, provides a theoretical context that guides organizational consultants in organizing seemingly disorganized quantities of narrative data into a coherent organizational story. Next, and in contrast to a strict hermeneutic approach, the principle rule of psychological urgency includes the assumption that somewhere in the text it is possible to identify the most pressing problems. ‘It is important, then, to pay attention to the persistence, enthusiasm, regularity, pervasiveness, and emotion surrounding decisions, interactions, and pronouncements’ (p. 246). Members may repeatedly mention common or similar overriding barriers to organizational change and progress. They revisit the same organizational myths or stories in their narratives as a way of re-enacting them to master painful organizational experiences. These narrative data, however, require interpretation, if the organizational researcher is to appreciate the associated unconscious dynamics. In other words, it is often the case that some of the more critical issues of the organization are disowned, disavowed, and displaced by members onto more superficial concerns. Finally, Kets de Vries and Miller called attention to the rule of multiple functions. ‘Depending on the psychological urgency at hand, a part of the text can have more than one meaning and can be looked at from many different points of view.’ They continued: ‘it is thus necessary to seek out meaning at multiple levels, to determine the individual as well as the organizational roots and consequences of actions and decisions’ (p. 246). The rule of multiple function stresses seeking validation and confirmation of meaning with organizational participants.

OD consultants who pay attention to the nuances of unconsciously shared thoughts, feelings and experiences in the workplace, can, through interpretation, gain a deeper, multidimensional understanding of the workplace that permits unpacking the text. Its usefulness resides in its reminding us that psychodynamic explanation depends on our knowing what an event, action, or object means to the subject; it is the specifically psychodynamic alternative to descriptive classification by a behavioristically or economically trained observers (Schafer, 1983: 89). This implies that the OD consultant understands what organizational artifacts, events and experiences unconsciously signify to organization members. Psychodynamically informed organizational diagnosis presents the OD consultant with a challenging context in which to function. Not only must commonplace organizational artifacts, events and history be taken into consideration, but so must the subjective experience of organizational participants. These experiences are most often revealed to OD consultants by paying attention to the organizational story that unfolds as organizational data are collected. Making conscious the story and many of its fantastic qualities is enabled by paying attention to and interpreting transference and counter-transference dynamics. In particular, the self of the OD consultant becomes an instrument of observation and data collection, thereby revealing the subjective
and intersubjective world of work. The use of transference and counter-transference is the means of localizing the unconscious side of organizational life.

Transference and counter-transference are key conceptual tools for the psychodynamic study of organizations (Baum, 1994; Diamond, 1988, 1993; Kets de Vries & Miller, 1984; Levinson, 1972; Schwartz, 1991; Stapley, 1996; Stein, 1994). According to Hunt (1989), psychodynamic approaches to fieldwork take three assumptions into account in their examination of researcher–subject relations. First, they assume unconscious processes exist in which 'much thought and activity occurs outside of conscious awareness' (p. 25). Second, ‘unconscious meanings which mediate everyday life are linked to complex webs of significance which can ultimately be traced to childhood experiences’ (Hunt, 1989: 25). That is, the psychodynamic perspective assumes that transferences, defined as the imposition of archaic (childhood) images onto present day objects, are a routine feature of most relationships (p. 25). Hunt goes on to argue that transference, whether positive or negative, ‘structures social relationships in particular ways’ (p. 25). And, third, she assumes ‘psychoanalysis is a theory of intrapsychic conflict’ (p. 25).

Organizational members’ conscious desires and wishes may contradict unconscious fears and anxieties stemming from childhood. These internal conflicts then affect workplace experience, performance and often shape the nuances of roles and relationships in organizations. Hence, we study organizations, in part, by paying attention to the sometimes conflicted and contradictory ways in which the subjects (organizational members) engage us as consultants as well as our own responses to them. In particular, the interpretation of transference (whether in the nature of the attachment to the organization, super-ordinates, subordinates, or to the consultant) provides the consultant with a deeper understanding of individual and organizational dynamics and greater insight into the meaning of organizational membership (Allcorn & Diamond, 1997; Baum, 1994). Psychodynamically informed organizational diagnoses provide a means of knowing the psychological reality of the workplace. In particular, the inevitability of transference and counter-transference in the workplace among organization members and relative to outsiders, such as OD consultants, provides context for knowing and understanding the workplace. Before proceeding to discuss transference and counter-transference as ways of understanding the psychological reality of the workplace it is essential to define these terms.

According to Moore and Fine (1990), transference is ‘the displacement of patterns of feelings, thoughts, and behavior, originally experienced in relation to significant figures during childhood, onto a person involved in a current interpersonal relationship’ (p. 196). This process is largely unconscious and therefore outside the awareness of the subject. Transference occurs as a result of the nature of the here and now object- (self and other) relations that trigger familiar assumptions and archaic feelings rooted in previous attachments. It is the case within organizations that structural hierarchy and roles of power and authority frequently provide a context for transference and countertransference reminiscent of childhood and family experience. It is typically the case in organizational consultation that, despite our psychodynamic orientation, we know little of the childhood experiences of those with whom we consult. Nonetheless, we can assume that organizational members bring to the workplace their internalized world of object relations and that this affects working relationships via transference and counter-transference dynamics. Organizational
psychodynamics finds numerous opportunities in the consultation process to observe and experience repetitive patterns of object relationships that provide our clients through the narrative of organizational diagnosis with insights into organizational culture and performance. The displacement of patterns of thinking, feeling and action from the past onto the present in the workplace does occur and can be expected to be especially prevalent where issues of power and authority are present.

Counter-transference could be narrowly defined as a specific reaction to the client’s transference. Counter-transference works much the same as transference. It arises out of a context in which the consultant’s feelings and attitudes toward a client are influenced by the client’s transference onto the consultant and elements of the consultant’s life that are displaced onto the client which then influences analytic understanding. Counter-transference, therefore, reflects the consultant’s own unconscious response to the client, though some aspects may become conscious. Acknowledgement of counter-transference dynamics in the consultation process places an emotional pressure on OD consultants such that working in teams becomes crucial to the processing and constructive utilization of counter-transference data. It is also the case that some theorists include under the general concept of counter-transference all of the consultant’s emotional reactions to the client, conscious and unconscious.

In organizational psychodynamics it is critically important to appreciate that all of these potentialities co-exist, thereby creating hard to understand and even chaotic experience on the part of the organizational consultant. It is this appreciation that leads the OD consultant to a deep respect for the complexities that any endeavor to know the psychological reality of the workplace will encounter. The OD consultant is faced with an exceptional challenge, that of locating the parts and the over-arching organizational text from this ‘stew’ of experience and unconscious organizational psychodynamics.

Organizational life is rich with a stockpile of transference dynamics between employees and executives, executives and employees, individuals and their organizations, and between clients and OD consultants. Executives may evoke positive transference from some employees and negative transference from others depending upon the quality and vicissitudes of internalized authority relations and their childhood experiences. Employees may evoke positive or negative transference on the part of executives depending on how responsive they are to receiving direction. The perception of resistance may be unconsciously associated with a distant echo of a past relationship with a parent who stubbornly resisted the efforts of the child to affect the parent. It is also the case that groups and divisions within an organization most certainly end up transferring historical experience onto the groups and divisions that surround them within the organizational milieu. And last, these same processes of transference are frequently evoked by the presence of an OD consultant. The analysis of transference and counter-transference dynamics supplies insight into the nature of consultant–client relations and the aims and fantasies of organizational members regarding their working affiliation with the organization and its leadership and members. The analysis inevitably reveals psychologically defensive responses to anxiety-ridden aspects of the workplace. These anxieties are often unconsciously and automatically responded to by familiar means worked out during childhood. These responses are referred to as psychological regression.
Psychological regression represents an unwitting endeavor of organization participants to manage their anxieties. Regression could be as a metaphoric return to earlier modes of object relations in which stage-appropriate conflicts re-emerge in the present. To put it simply, adults come to rely on familiar, yet unconscious childhood defenses to combat anxieties at work in the present. Regression is most often accompanied by the interplay of transference and counter-transference dynamics. Many of us have observed that group and organizational membership entails an intrapersonal compromise between individual demands for dependency and autonomy. These are dilemmas of human development rooted in the psychodynamics of separation and individuation. The mere presence of a group, Bion (1959) observed, presumes a defensive state of psychological regression among participants. Referencing Freud (1921), Bion wrote: “Substance is given to the phantasy that the group exists by the fact that the regression involves the individual in a loss of his “individual distinctiveness” (1921: 9)... It follows that if the observer judges a group to be in existence, the individuals composing it must have experienced this regression” (Bion, 1959: 142). For Freud and Bion, psychological regression coincides with group and institutional membership.

Organizational members with limited freedoms and a sense of powerlessness may engage in psychologically regressive behavior. Relations between divisions become contentious and riddled with conflict. Otherwise mature adults find themselves thinking in primitive categories of good or bad, all or nothing, enemy or ally, characteristic of an active fantasy life fueled by psychological splitting and projective identification. And, finally, there is always the danger that bureaucratic, silo-like organizations might foster regression into more homogenized and conformist, authoritarian organizations (Diamond et al., 2002). Shared individual anxieties of group and organizational membership generate a vicious cycle of regressive and defensive responses that reinforce the schizoid dilemma. Kernberg (1998) explored several dimensions of psychological regression in organizations and organizational leaders as characterized by ‘paranoaiagenesis in organizations’. The term describes the paranoid–schizoid collapse of individuals in groups and organizations. According to Kernberg, organizational paranoaiagenesis stems from ‘a breakdown of the task systems of organizations when their primary tasks become irrelevant or overwhelming or are paralyzed by unforeseen, undiagnosed, or mishandled constraints; the activation of regressive group processes under conditions of institutional malfunctioning; and the latent predisposition to paranoid regression that is a universal characteristic of individual psychology’ (pp. 125–6). Applying a Kleinian object relational model (and confirming the group and institutional observations of Freud and Bion), Kernberg views dysfunctional group and organizational structures and their ineffective leaders as unwittingly fostering psychological regression with paranoid and schizoid features. Therefore, if psychological regression is a tension in group-like organizations, the character of associated psychological defenses and coping mechanisms may then be observed in the patterns of transference relationships between consultant and organization, organization members and their organizations (as objects of attachment and identification), and between organizational participants themselves. Participants’ anxiety around forfeiture of individuality and relative autonomy is a central dilemma that evokes psychological regression – known to some as the schizoid compromise (Alford, 1994). In addition to the schizoid compromise and contrary to the wishes and illusions of many professionals, the workplace does not typically operate with linear precision and
members are thereby often fraught with denial and unacknowledged irrationality. Losses of anticipated stability, predictability, and control are commonplace, provoking organizational members' anxiety of the unknown and unmanageable. Uncertainties and ambiguities of authority and task along with the problems of absentee leadership also tend to encourage psychological regression among organizational participants.

According to the organizational psychodynamics there are many forms of organizational malfunctioning and regression. Inordinate power at the top exaggerates the impact of personality deficits throughout the organization, negatively affecting organizational culture and climate. Organizational leaders may perpetuate paranoid–schizoid dynamics in an atmosphere of vicious competition, win–lose dynamics, mistrust and secrecy. Defensive strategies, structures, and cultures may further produce oppressive policies and constraints that limit autonomy and suppress creativity and free-flowing ideas among workers – activating the schizoid dilemma and fostering psychological regression. Rather than effectively managing participant anxieties, the destructive pull of psychological regression in groups and organizations perpetuates members' anxieties. These anxieties, then, provoke splitting and projective identification, which are then experienced by OD consultants via transference and counter-transference dynamics, otherwise engaging the consultant for purposes of 'containment' (e.g. Bion) and 'holding' (e.g. Winnicott). In turn, these dynamics may promote additional confusion (in the form of undigested emotions) and anxiety, thereby deepening and reinforcing the process of psychological regression, congruent or complimentary fantasies, to cope with attendant anxiety (Person, 1995). Without intervention (containment and holding) and interpretation, these psychodynamics become self-sealing, repetitive, compulsive processes embedded in people and their organizational systems.

Klein's (1959, 1975) conception of the paranoid–schizoid and depressive positions further informs organizational psychodynamics. The pre-Oedipal paranoid–schizoid position is driven by persecutory anxieties and fears characterized by psychological splitting of self and others into good or bad, caring or rejecting, nurturing or withholding - black or white, objects. This position is primarily one of experiencing the other (self - objects) as split and fragmented into polarized part objects. Psychological splitting is then combined with projective identification as an unconscious effort to manipulate and coerce the object by projecting undigested bad 'introjects' into the other and thereby experiencing these previously internalized self–objects vicariously through the other. In contrast to an internal and external world of fragmented relationships, the Kleinian depressive position is characterized by the self experience of objects as whole and thereby comprised of good and bad dimensions - the so-called gray area of psychological reality is mournfully acknowledged. Klein's corresponding view of transference and counter-transference encourages the consultant to pay attention to his or her experience of the other by way of introjects and thereby his or her awareness of that which the client projects. This introjection is then turned back to the client in the form of interpretation after having been emotionally digested. Our application of transference and counter-transference with organizational members is similar in that we pay attention to the use of the consultant in role and our experience of projection and projective identification stemming from psychological regression and splitting as an inevitable outcome of intervention.
Organizational psychodynamics suggests that organizational life is filled with unconscious processes that are hard to locate and understand but which, nonetheless, influence organizational dynamics and performance. Transference and counter-transference dynamics between OD consultants and client-organization’s members represent a psychodynamically unique stance and frame of reference for in-depth exploration of organizational culture by way of organizational diagnosis. It is within the context of (self–object) relationships that we can observe and experience underlying organizational dynamics peculiar to one or another organizational culture and its group of members. Transference and counter-transference transport members’ anxieties and their concomitant defensive and regressive actions (such as splitting and projection) into workplace roles and relationships that shape the intersubjective structure and meaning of organizational experience. It is, therefore, essential in this context that the OD consultant is able to retain a self-reflective (observing ego) stance in which subjective (and intersubjective) experience is accessible for examination and reflection. Therefore, the capacity by the consultants in organizational psychodynamics to contain anxiety-filled workplace experience enables organizational clients to engage in reflective learning for change and minimize regression. However, by so doing the likelihood that a positive transference will develop is substantially increased and may indeed be unavoidable.

In organizational psychodynamics we suggest positive transference dynamics that the OD consultants are aware of (despite their regressive nature) enables psychodynamic OD consultants to establish transformational / developmental alliances with client - organization members. An essential component of this alliance is the capacity for ‘containment’ and ‘holding’ where as OD consultants we stand at the interpersonal and organizational boundary with one foot inside and one foot outside the institution. Trust is an essential component of this relationship. And, although we may inevitably develop a unique working relationship with the executive who authorizes the organizational diagnosis, the integrity of the work and thereby the establishment of trust, ultimately, comes about as a result of fair and unbiased listening and observing on the part of the OD consultants in the collection of data.

In more practical terms, psychodynamically oriented OD consultants cannot be authorized to recommend personnel changes as a part of their contractual agreement, otherwise they may find themselves in the position of promoting psychological splitting and regression in the form of blaming and ‘scapegoating’ and thereby become participants in organizational dysfunction. OD consultant commitment to listening to all participants while withholding judgment and asking for clarification of communications of affect, experience, and perceptions of organizational members is viewed positively by the large majority of participants (Stein, 1994). In particular, interviewees are protected by confidentiality and anonymity, which encourages openness and the establishment of trusting relationships with the outsiders. Organizational members often scrutinize processes of OD consultant data gathering and communicating findings with clients for potential bias, prejudice, and untested assumptions. Fair, inclusive, objective data collection and openness reinforces the willingness of many organizational members to share openly and candidly their experiences, observations, and desires with consultants. These measures will not suppress nor are they intended to suppress the proclivity of participants to engage in psychologically regressive processes such as splitting,
projection, fantasies and transference processes, which then become valuable data in the psychodynamic organizational study.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Organizational psychodynamics emphasizes that organizational experience is in large part a derivative of unconscious and very often psychologically defensive individual and group processes in the organization. This appreciation leads to the conclusion that knowing an organization necessitates a complex, lengthy, and at times problematic, journey into the psychodynamics of individual and group behavior in the workplace. This journey leads to the discovery of the psychological reality of work that is most eloquently revealed by careful collection and interpretation of ‘objective’ organizational data (organization charts, financial reports, history) and ‘subjective’ data (experiences and perceptions, unconscious fantasies and defenses at work). Locating psychological reality at work requires OD consultants to possess a capacity for self-observation and an ability to pay attention to transference and counter-transference dynamics between them, organizational members, and within organizational cultures. Awareness and processing of these transference and counter-transference dynamics often reveals valuable insights into organizational regression and dysfunction. These data must, however, be introduced into the workplace in a manner that minimizes self-centered, narcissistic distractions or anxieties that induce further regression and psychological defensiveness. In organizational psychodynamics organizational assessments require methods of working effectively with organizational members and of collecting data that illuminate the uniqueness and meaningfulness of client-organization members’ experiences.
Today we shall explore the OD consultation grounded in organizational psychodynamics. It means to explore psychodynamically informed approaches to organizational development study and interventions. Before that, please allow me a few words on traditions and current practices of psychoanalysis.

Traditionally, psychodynamic study and practice are considered to be concerned with understanding the many unconscious forces that drive mental functioning (Brenner, 1957) and to acquire the fullest possible knowledge of all the three institutions [the id, ego and superego] of which it is believed the psychic personality to be constituted and to learn what are their relations to one another and to the outside world (Freud, 1936: 4–5). To investigate the relationships of different mental forces with particular emphasis on how they conflict with each other, clinical psychoanalysis examines ‘infantile fantasies carried on into adult life, imaginary gratifications, and the punishments apprehended in retribution for these’ (Freud, 1936, p. 4). The aim of such examinations is to provide help for patients in clinical settings. Clinical psychoanalysis is most fundamentally about people and their difficulties in living, about a relationship that is committed to deeper self-understanding, a richer sense of personal meaning, and a greater degree of freedom (Mitchell & Black, 1995, p. 253). In the contemporary clinical context, psychoanalysis strives to effect in patients a qualitative change in personality in the direction of greater internal self-confidence, stability, and maturity, not only freedom from fears, but freedom to enjoy life in a natural spontaneous way, with the ability to use whatever gifts one has creatively. Clinical psychoanalysis – then and now - is therefore suggested as useful for all persons, not just those suffering from mental illness, to become more aware of the unconscious forces that affect their choices in life (Brenner, 1957). One key obligation that has to be respected in clinical psychoanalysis is to respect the analysand’s right to self-determination (Wallwork, 1991). This has several implications. First, the analysand has the right to refuse therapy. Before it can begin, the analyst should inform the analysand about what is involved in the therapeutic treatment. Then he or she should obtain consent from the analysand, ensuring that he or she is committed to this process and the principles by which it is governed (Wallwork, 1991). The analyst in turn promises to help the analysand to obtain greater awareness without telling the analysand what to do. That is, the analyst should ensure that the analysand determines his or her own choices in life (Wallwork, 1991). Additionally, the analyst has an obligation not to harm the analysand. This means, among other things, that he or she should not exploit the information that the analysand discloses or the feelings the analysand may transfer on to him or her (Wallwork, 1991). To attain its goals in clinical contexts psychoanalysis should conform to a set of carefully defined parameters. These parameters seem to be ‘based on an ethical position and involve such principles as respect for persons, truthfulness, keeping promises and confidentiality (Wallwork, 1991, p. 217).
It seems – at least to me - that these parameters may be true relative to how effectively psychodynamically grounded organizational studies may be applied in practice.

Organizational psychodynamics studies historically has sought to uncover the hidden and unconscious dimensions of behavior in organizational systems (Kets De Vries, 1991). To do this, Freudian perspectives on repressed sexuality, childhood trauma and resulting anxieties and ego defenses, especially as later modified in the Kleinian object-relations school (Klein, 1948), have been applied to examine nearly every aspect of organizational systems. An understanding of unconscious defenses in response to various types of anxieties has been used to analyze the functioning of work groups in organizations (Bion, 1959). It has also been used to examine organizational roles and structures (Jaques, 1955) and to shed light on why and how work is organized (Menzies, 1960). An understanding of unconscious anxieties has also formed the basis for examining leadership and political behavior in organizations (Kernberg, 1979; Zaleznik, 1970). Additionally it has informed the study of organizational culture and change (Winnicott, 1971) and large-scale organizational interventions (Trist & Bamforth, 1951). Psychodynamically grounded organizational studies go beyond the mere application of insights which “traditional” psychoanalysts have gained from clinical research (Gabriel et al., 2001, p.13) and beyond traditional organizational research to explore the meaning and motives of behavior in organizations (Gabriel et al., 1999). Psychodynamically grounded organizational studies build on the psychoanalytical body of theories and share its assumptions about the mental personality (Diamond, 1993), but they differ from clinical applications in that inquiries in organizations are made in the context of the social system and often focus on collective phenomena such as organizational politics, emotions, stories or culture (Gabriel, 1997). The researchers of organizational psychodynamics examines the deeper meanings of the organizational psychestructure through interpretations of data and how these data resonate with his or her own feelings (Stein, 2001).

Organizational psychodynamics often unveils the more inhumane and dysfunctional side of organization (Diamond, 1993). Examples of such research include Howard Stein’s explorations of organizational downsizing where, through psychoanalytically grounded interpretations of euphemisms, a corporate holocaust comes to light. Another example is Burkard Sievers’ explorations of motivation as an unconscious process of fragmenting and splitting in which meaning is lost (1994). Still another example is Howard Schwartz’s investigation of the psychodynamics of organizational totalitarianism and political correctness (Schwartz,1997) or Howell Baum’s explorations of the dysfunctional aspects of bureaucracy (Baum, 987). A last example is Michael Diamond’s exploration of the unconscious life of organizations (1993) and his analysis of group dynamics in the context of group members’ individual and collective regression and their need to defend against various repressed anxieties (Diamond, 1991).

Since organizational psychodynamics grounded research often highlights the dysfunctional aspects of organizations, some researchers have suggested that their studies may help to improve organizations in various ways (Diamond,1993; Stein, 2001). Brown and Starkey, for example, recommend using a psychodynamic approach to understand organizational dysfunction and improve organizational

Consequently, the notion that psychodynamically grounded organizational insights may be used to increase (at least some aspects of) organizational health seems to be a central, underlying idea for contributors in the field of organizational psychodynamics. Psychodynamically grounded research and OD intervention are closely linked to each other and to the notion of organizational health (Diamond, 1993). Moreover, organizational psychodynamics should be used to reduce organizational dysfunctions: ‘We have an obligation to help organizations and to make them healthier’ (Diamond, 2002). Consequently, similar to the application of psychoanalytic theory in clinical practice, OD practitioners in the field of organizational psychodynamics seem to suggest that psychodynamically grounded organizational insights may or even should be applied in organizational practice, such as OD consultation, for the betterment of organizations.

Based on organizational psychodynamics, the OD consultation may be described as a particular set of techniques or methods that guide practitioners through organizational diagnosis and intervention (Levinson, 1972). The diagnosis is based on psychodynamically informed interpretations of data, which then become the basis for OD intervention (Diamond, 1993). It may also be described as psychodynamically grounded action research (Diamond, 1993), where practitioners and clients gain a deeper understanding of the organization so that together they can improve organizational health (Diamond, 2002). The application of theory of organizational psychodynamics to organizational contexts, similar to psychoanalysis application in clinical settings, seems to have led to some difficulties, the first of which seems to be to clearly define the aims of psychodynamically informed OD consultations.

Organizational psychodynamics describes the aims of its OD interventions as making the organization more able to understand and help itself (Hirschhorn, 1988). OD interventions aim at helping the organizations to become ‘wise’ and better able to overcome defenses preventing it from learning (Brown & Starkey, 2001). Organizational psychodynamics views effective OD practice aims as leading to healthier organizations that have appropriate self-understanding of underlying psychodynamics and are free from neurotic or psychopathological tendencies. It tries to make organizations more humane and offer better working environments to their employees: “We, practitioners involved in organizational diagnosis and intervention, try to create healthier organizational cultures that promote healthier relationships and to improve the quality of life for everyone. (Diamond, 2002). Of course, it is dysfunctional to assume that there is an organizational health that may be analyzed or treated like that of an individual (Jaques, 1995).
Psychodynamically grounded OD consultation seems distinct relative to other consulting approaches because it has its origins in a discipline filled with powerful tools that seem easier to abuse than to use effectively (Clarkson, 1995). Consequently, psychodynamically informed OD consultants, as distinct from other OD consultants, may need to worry as much about being effective as about being dangerous to their clients (Atkins et al., 1997). Yes, the psychodynamically grounded OD consultation may be misused in various ways and OD consultants have responsibility to prevent this. It seems especially critical to draw boundaries on what systemic OD interventions are and how non-systemic interventions may be avoided.

It seems that there are several critical issues confronting the application of organizational psychodynamics to OD practice. The first is the absence of a clear definition of organizational health and therefore of what psychodynamically grounded OD consultation is to accomplish. Additionally, there seem to be diverging views in the field about how psychodynamically grounded OD consultation can be consistent with some of its fundamental tenets in practice. Finally, there seem to be varying OD practices in the field to ensure such consistency and avoid potentially inappropriate practices such as the inappropriate analyzing of individuals in organizations, non-systemic interventions and wild analysis.

In addition, organizational psychodynamics is concerned with OD applications of chaos and complexity theories to make sense out of the strange and surprising organizational behaviors of complex adaptive systems in the human organizations. Organizations of all kinds are expending tremendous resources to implement change. All too frequently, however, the resultant change is minuscule compared to the investment, and every bit of progress must be sustained with continuing investments of time and energy. When change does occur, often it brings unpredictable consequences. As long as organizational members and OD consultants continue to think about our organizations in the same old ways, we all will continue to misunderstand change, incorrectly predict the consequences of change, and misdirect the leverage for change. Perhaps with the help of organizational psychodynamics we need to examine our basic assumptions about relationships, organizations, cause and effect, and management control of organizational behavior. We need to explore how the new paradigms of organizational psychodynamics, chaos and complexity can affect our understanding of human systems psychodynamics.

In its traditional sense, chaos meant total disorder and randomness but in the contexts of human systems psychodynamics, however, chaos in organizational life is not disordered, and it is not random. In organizational psychodynamics chaos is used to describe the behavior of certain nonlinear systems that behave in strange and unpredictable ways. In a chaotic system, a simple set of starting conditions may generate complicated and unpredictable outcomes. Chaotic systems are a special case of organizational systems that are considered to be complex. Complex systems also behave in surprising ways, but they may not meet the specific criteria that denote technical chaos. In general, a complex system can be defined from the perspective of the organizational psychodynamics as one that has the following characteristics: indefinite number of parts (subsystems); nonlinear relationships among the variables that describe the parts; feedback mechanisms within the system; organizational behavior that may appear random, but which can be
described by deep, underlying psychodynamic patterns, and organizational behavior that is unpredictable from the rational-technical (traditional) perspectives.

In nature the weather is an excellent example of a complex system. Even the most powerful computer cannot determine specific weather conditions at a specific place in the distant future with any degree of reliability. The components that affect the weather are highly interdependent--molecular components of the atmosphere work together to determine temperature, pressure, and humidity. Any change in one of these characteristics will result in some variation in the others, but the exact relationships among all of the characteristics is not known. At the systemic level, we see patterns in weather conditions, in spite of the fundamental unpredictability. Warm fronts, cold fronts, climatic changes, and seasonal temperature patterns all emerge from the interactions of atmospheric components and their measurable characteristics.

Dynamic human systems like organizations share these same complex adaptive behaviors. Organizational psychodynamics views human organizations as complex systems and apply what they know about complex adaptive systems, either mathematically or metaphorically, to the behavior and psychodynamics of organizations. The purpose is to understand how organizations as human systems function and to develop tools and techniques to help individuals, groups, and institutions function effectively within their own inner and external environments.

Organizational psychodynamics argues that people have always dealt with complex, nonlinear systems in their organizational, community and social life. By using the scientific method, humans have endeavored to divide complicated organizational system up into its parts and understand, and manage its parts individually. This reductionist approach (e.g. economic theory of the rational choice) to organizations did not allow for the complexity, unpredictability, interdependency, or emergent behavior of complex, nonlinear organizations. When the scientific method was not sufficient to explain phenomena, some people adopted mystical language or magical thinking as an alternative. Persons who could not understand emergent behavior by analyzing the psychodynamic components of the system frequently abandoned science and turned to mystery, spirituality, or superstition for explanations. This subjective approach, though potentially satisfying on a personal level, limited the ability to resolve disagreements between groups with different mystical foundations. Organizational psychodynamics uses chaos and complexity concepts in its OD intervention and investigation strategies to describe and affects systemic behavior that defies the reductionist strategies of the past. It is possible that a complex human systems psychodynamics paradigm might lend cohesion to the plethora of organizational and management models that are driving organizational change today.

Today, researchers and practitioners in the organizational psychodynamics who use the principles of complexity to describe organizational behavior have identified a variety of patterns in organizations. One of them is the nonlinearity in organizational psychodynamics. Traditional mathematics is based on a fundamental assumption: If you know the value of one variable, and you use the correct procedures, you can determine a unique value for another variable. This assumption holds true as long as the equation that related the variables is linear in nature, or it is one of a small set of simple, nonlinear equations. These mathematical constructs are not sufficient to
describe most complex, nonlinear systems of the organizational life from psychodynamic perspective. Even some less complex physical systems, it is impossible to determine the value of a second variable, even when a first variable is known. Metaphorically, an organization experiences nonlinear psychodynamic phenomena when a team begins with the description of a problem and ends with an elegant and effective solution - the outcome could not be predicted from the starting point. Given the complex interdependencies of a complex or chaotic system as human organization, its exact state at some future time is unknowable. Scientists can investigate a myriad of possible futures, but a unique future state is unknowable. Members in any organization and its OD consultants will recognize this characteristic of organizational psychodynamics unpredictability. At the beginning of a organizational change project, it is impossible to know for sure what the course, outcomes, or unforeseen factors will be. Change agents and OD consultants working in the paradigm of the organizational psychodynamics investigate multiple possible futures, without knowing which one will become a reality for the organization. Each individual component of the organizational system influences, and is influenced by, the behavior of other components of the system. Scientists in natural sciences call this phenomenon coupling. Two parts of a system are said to be tightly coupled if if they have a great influence on each other. The parts are loosely coupled if the influence is present, but not extreme. They are uncoupled when neither influences the other. Frequently, the level of coupling in a system affects the amount of time required to propagate a change from one part of the system to the other. In human organizations, organizational psychodynamics predicts, the coupling affects the speed of information transfer and the effectiveness of efforts to encourage changes at individual, group and organizational level. Organizational systems are interdependent, and the behavior of individual components of the system work together to create the behavior of the whole system. The whole system behavior is not just the summation of the behavior of the parts, rather systemic behavior emerges from the interdependent conscious and unconscious activities and relations of the parts. In organizations, this behavior can be used to explain how and why the behavior of a whole group may have coherence, while the behavior of individuals may appear to be random.

Biologists recognize the ability of an organism to adapt to its environment, and yet to retain its identity as separate from that environment. This dual ability is referred to as autopoesis. In organizations, as organizational psychodynamics predicts, autopoesis would indicate that the corporation as a whole retains its identity, even though, over time, employees come and go. Every complex system encompasses difference. One part of the system will be different in some way than other parts of the system. The area of distinction between the differing parts of a complex system in organizational psychodynamics is called a boundary. The boundary is not imposed from outside the system, rather it emerges because of differences within the system itself. The boundary becomes the focal point for change and adaptation of the system, like a cold front in a weather system. Boundaries abound in organizations, and they are focal points of change and turbulent behavior. A few examples include management hierarchies, customer interfaces, geographical separation, departmental barriers, functional differences, educational and cultural diversities. Most complex systems include some form of feedback. Feedback describes the tendency of a system to use its own output to make adjustments in its inputs and/or processes. Positive feedback amplifies the system outputs, and negative feedback opposes them. Organizational
Psychodynamics mechanisms can function either as positive or negative feedback loops. A performance appraisal for a creative contributor, for example, might be intended to reduce creativity and variation (a negative feedback loop) or it might encourage an employee to be even more innovative (a positive feedback loop). Feedback is the primary means of "control" in a complex adaptive systems like groups, organizations and societies, so the design of feedback systems within an OD intervention program is critical to adaptation and effective functioning.

Some researchers see a striking similarity between the structures and functions of a neural network and the organizational psychodynamics of an organization. For example, communication paths used frequently are strengthened over time, while those that are infrequently used tend to weaken. When a complex system is open to its environment, it may get more and more disorganized (move far from equilibrium). At some point it moves far enough from equilibrium that it spontaneously reorganizes itself into some new structure. This phenomenon in organizational psychodynamics is called self-organization. The new structure that results from self-organization, called dissipative structure, occurs spontaneously from the emergent behavior of the whole organization. Form the perspective of psychodynamically informed OD consultant organizations will self-organize when they are pushed far enough from equilibrium. Spontaneous group activity, dissenting factions, cliques, and groups of close - knit personal relationships may be examples of psychodynamically determined self-organization in human systems. In a complex psychodynamic system, a very small cause may have a tremendous effect, so any small change in the beginning state of a system may change the system outcome tremendously. This extreme sensitivity to initial conditions is sometimes called the butterfly effect because the flap of a butterfly wing in Hong Kong may result in a hurricane off the coast of North America. Organizational psychodynamics argues that organizations may show evidence of butterfly effects when rumors spread uncontrollably, when one person's invention becomes a new and profitable product line, and when a difference in life styles or life scripts of co-workers becomes a destructive personality or intergroup conflict.

Because of the complexity of psychodynamic systems like human organizations, it is very difficult to observe and experiment with them in nature. For that reason, many scientists use the computers and complex neuro-symbolic systems to create system models of complex organizations. Each organizational members develops his or her own model of the organization in his or her mind. These neuro-symbolic models simulate the behavior of the real complex systems and can be used in organizational psychodynamics to observe and transform the behavior of the complex organizational system. OD Consultants who are psychodynamically informes are seeking to model organizational psychodynamics using a variety of psychodynamic and OD techniques. Psychodynamic models can help OD consultants to understand and adapt to the infinite number of possible futures that await their client organization.

In complexity science an attractor represents the dynamic tendencies of a system. A point attractor describes the fact that a system moves to a single value. A periodic attractor describes the fact that a system moves from one value to another at regular time intervals. (A periodic attractor is sometimes called a limit cycle because the behavior of the system does not move outside of the limit of the attractor.) A strange attractor, which is characteristic of chaotic systems, describes the tendency of a
system to cluster its behavior around a set of acceptable values, though one, exact value or sequence of values is never repeated. Organizational psychodynamics applies the concept of “strange attractors” to organizations. For instance, values and belief systems within the organization may function as strange attractors. Organizational norms, policies and procedures could also be reviewed as fulfilling this role in organizational functioning and change. The attractor of a group system reflects the accumulation of the personal psychodynamic histories of all individuals involved in the group. All of these interpretations may shed light on the behavior of very complex human organizations, while none of them may be totally accurate.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

What distinguishes psychodynamically oriented OD consulting from other types of management and organizational consulting? Organizational psychodynamics maintains that it is the OD consultant’s capacity to use the three major aspects of psychodynamic work with the client-organization and its sub-systems of individuals, groups, and their relationship networks. The first one of them is the capacity of translating of unconscious thoughts and feelings, the second is, the capacity of understanding of resistances and defense mechanisms, and the thord one, is the capacity of psychodynamic assessment of transference and countertransference reactions in the OD consulting process.

The first two points seem simple and obvious enough, especially now as many of central concepts in organizational psychodynamics have become familiar parts of our culture. The first point refers to the fact that much of human motivation is out of awareness, difficult to access because it is irrational and inconsistent with accepted social norms or the conscious self-images held by groups and individuals in organizations. Correspondingly, point two, much of the organizational behavior is motivated by defenses against anxiety, designed to protect us from experiencing the fears that can arise in relationships, in work, and in attempting to change familiar and well-established patterns of behavior and self-organization. Organizational psychodynamics has acquired a vast body of theory and clinical experience to address these phenomena both in individuals and, increasingly, in larger systems (Eisold, 1996.)

But let us now address in more details the third aspect of the OD consulting form the organizational psychodynamics point of view - the topic of transference and countertransference in organizational consulting.

As Greenson (1967) pointed out, transference reactions are essentially unconscious, though some aspects may be conscious: someone may be aware that he/she is reacting strangely or with excessive anxiety to a particular situation, though be unaware of the meaning of the behavior. But whether or not transference reactions are conscious or suspected, they are always present to varying degrees. ‘Projective identification,’ the concept describing how organizations, groups, and individuals project into others unwanted aspects of themselves, is another conceptual tool for the psychodynamically oriented OD consultant to grasp the meaning of powerful and disturbing experiences he or she is subject to in the presence of the client. Understood properly, it can be a rich source of data about the system they are
engaging. More contemporary views stress the ubiquitous presence of transference and counter-transference in all relationships. No one is neutral, free from assumptions or preconceptions; all perception is through the lens of past experience, as a result of which both the OD consultant and the client – like the analyst and the patient – will tend to co-create situations that are familiar to them and reenact the relationships and conflicts they are prepared to experience. In traditional two-person psychoanalysis, the concept of the ‘interactive matrix’ (Greenberg, 1995) has been advanced to describe this situation. In working with organizations, Ehrlich et al. (1996) refer to the ‘transference field’.

Transference field of OD consulting includes all the unconscious forces at play among people in a collectivity in which affective involvement exists. Whether the powerful feelings of ‘projective identification’ are at play in the transference/countertransference field, or the more subtle reenactments of past relationships display themselves, there are always unknown preconceptions, expectations, fantasies, and fears that color relationships. Transference and counter-transference are ever-present, irreducible aspects of any relationship. To think about transference and countertransference is essentially to consider the nature of the relationship, the meaning each party has for the other. And it is never irrelevant to raise that question.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Let us consider the beginning of a consultative relationship with a client-organization. To cope with the difficulties of establishing a relationship with a demanding and anxious client, some psychodynamically oriented OD consultants maintain that some idealization of the OD consultant is necessary. Clark (1995) and Sturdy (1997) claim that it is vital for the OD consultant to make a positive impression, and they go on to maintain that the OD consultant must be in control at all times and promote a climate of dependency. This could be viewed as a version of Freud’s ‘unexceptional positive transference,’ sometimes seen as a prerequisite for individual psychoanalytic work. But, as many analysts have commented, even in the consulting room, such a view of the relationship between analyst and patient is simplistic and often misleading. The analyst can be taken in, encouraged to ignore significant hidden fears and hostilities. This is all the more so in the complex situation of an organization. It can also set up false expectations.

Let us look at the typical hiring process for an OD consultant. Busy corporate executives, under pressure, will ask about and demand quick, precise results. In most cases, the problem for which they seek help will have intensified their anxiety. They will pressure OD consultants to produce results, as they are expected to produce results and as they pressure their subordinates to produce as well. They often view indications of hesitancy, caution and even thoughtfulness on the consultant’s part as signs of insecurity and incompetence. They see accepting a job with limited information as a good sign of confidence. Naturally, OD consultants will want to meet these expectations, conveying an impression of being in charge. Many OD consultants, in fact, advertise their results, and a record of successes is considered an important marketing instrument. Names of satisfied clients and even
one-paragraph testimonials are listed in brochures of consulting firms and in the biographies of private OD practice consultants.

The consultant trained in organizational psychodynamics will have difficulty fitting into this picture. Trained to be neutral, observant and relatively abstinent in first engaging with clients, psychodynamically trained OD consultants will feel awkward and out of place. Their training leads them to know that things are never what they seem, that the task of working with hidden and complex processes is seldom smooth. To advertise, to sell oneself, simply to promise results, can often lead to feelings of guilt and shame, a sense of being fraudulent, even unethical.

OD consultants are often interviewed by a variety of executives, human resource managers, and others, each of whom may have conflicting views of the presenting problem or what they want from a consultant. And often those conflicts will be unspoken, difficult to discern. In each case, a form of transference is involved. Caught in the crossfire, the OD consultant often could do little but exemplify the underlying problem – no doubt not for the first time. The organization subverted the consultation by enacting its conflict at its inception. Tensions and preconceptions are inevitable, especially at the start of a consultation. Executives use consultants to enhance their careers and they are often highly invested in creating a ‘good’ or ‘successful’ consultation. Likewise, a debacle could destroy a career. This is the case under the best of circumstances. The narcissistic executive (Czander, 1993), in addition, demands powerful idealizations. Executives, working in narcissistic corporate cultures that idealize authority, moreover, may actually require an idealized OD consultant, one deemed appropriate to the exalted status of his client. This laces the OD consultant in a precarious position. Working within these cultures the consultant typically is placed in the awkward position of satisfying unrealistic expectations. Moreover, it is not unusual for a consultant to be idealized as a savior by one segment of the organization and vilified by another. Under such complex circumstances, can it be wise to promote idealizations at all?

OD consultants who apply organizational psychodynamics, like general management consultants, face an array of ambiguities during the interview process. Should they gain entry, they have the advantage of being able to pay careful attention to the complex, shifting and sometimes contradictory dynamics associated with this process. They face from the start the disadvantage of promising an exploratory and uncertain process that many clients will not understand or want. But, by contrast, they offer a sophisticated and flexible instrument that can succeed where others have failed. They are suggesting not only how transference and counter-transference play themselves out in consulting relationships, but also how the psychodynamically oriented OD consultant can use his knowledge of those psychodynamic forces to enhance his work with the client-organization.

The client-organization is a mosaic field of transferences. To begin with, of course, there are the myriad individual transferences present in any system of relationships. Durkin (1964) suggests, for example, transferences are generated by the organization’s structure, which provides levels of authority and status differentials, as well as a complex system of roles and role relationships. Groups promote internal transferences among members; there are also powerful transferences that are elicited between and among groups. Transference reactions are also generated by
the organization’s culture, history, rituals, customs, and norms, as well as from the organization’s demands for performance, duty, and task requirements. These reactions, some conscious, most unconscious, fuse, collide and explode into conflicts promoting the use of defenses and distortions. Sometimes they have to do with the work at hand, but more often they are associated with some deeply buried covert experience or trauma that is triggered off and replicated within the organizational setting. For the psychodynamically oriented OD consultant, an OD intervention is a really multidimensional act in an ecological system called the client-organization.

Just as the individual person is viewed as a complex mix of transference and real relationships, rational and irrational perceptions and behaviors, so is the client-organization as a whole seen as a web of constantly shifting rational and irrational forces. The psychodynamically trained OD consultant assumes that in all organizations there are dysfunctional forces both conscious and unconscious that oppose system functioning. This view draws its theoretical support from the assumption that stable patterns of work, behavior, effort, self-organization, etc. are the products of a balance of forces that both oppose and support the system. The OD consultant is called in because the forces opposed to effective and efficient system functioning have become too strong. Thus, the task of the OD consultation is not adding to the resources of the system per se, but strengthening its positive recuperative tendencies and reducing factors that prevent optimal system functioning.

Let me now briefly discuss some of the transference and countertransference issues typically associated with consultation failure. A frequent problem is that the OD consultant will be ‘captured’ emotionally by one segment of the client-organization or by an individual with whom he has established a special relationship. That will blind him to vital aspects of the larger system, so that he may act out in ways that ultimately can be destructive. The OD consultant might find himself, for example, uncomfortably aligned with a group that is being scapegoated, that is perceived as troublesome or difficult. Given the job of helping its members to ‘improve,’ he may come to feel that his choice is to fight back on their behalf against the unfair projections, or he may join in and come to believe the projections and blame the members of the group for their shortcomings. Either way, he will be deprived of the opportunity to bring a new perspective to the conflict. Another kind of difficulty arises when an OD consultant discovers he is being used by the CEO to deliver bad news to a subordinate or subsystem. Offering ‘help,’ in such circumstances, becomes a means of targeting blame.

Another frequent problem for the OD consultants is the difficulty in gaining access to buried negative feelings in the client-organization. When a consultant is hired by the executive constellation, for example, both parties can collude in defending against negative transference reactions from the staff. For example, one major consulting firm began a consultation, unable to observe that employees were upset by their presence. On the surface they appeared to receive full cooperation and even exuberant expressions of support from employees, especially when their work was near completion. The employees’ negative feelings were discussed in private, and the consultants failed to see the positive behavior as a mask. The consulting firm left with much fanfare, and the executive constellation praised them for a job well done. In the year that followed very little changed and the employees went back to their ‘old
ways.' The executive constellation held onto their initial perception that the money spent on the consultation was well spent.

Consider another example of a counter-transference reaction that blinded the consultant to the underlying complexities of a client system. The director of a major consulting firm that specializes in re-engineering received a call from the CEO of a manufacturing company. After a presentation and lunch the CEO hired the consulting firm. The director of the consulting firm, convinced that this will be a typical consultation, instructed his staff to conduct their work as they have done in the past by having personnel complete a paper and pencil survey to diagnose the company. The director and his staff failed to meet with employees, as a result of which they failed to observe conflicts between management and labor and to detect an active unionizing movement. The employees, who saw the consultation as a method to reduce the workforce and shift the workload onto employees who remained, completed the survey with the intention of misleading the consultants. As a result, of course, the consultation failed.

Sometimes counter-transference blindness can extend to the whole client system and can implicate the OD consultant in a massive collusion. Consider the example of a consultant called by the director of personnel, ‘shopping a consultant.’ The corporation had money allocated for consulting and they decided to use it for a retreat to take place at a resort over a four-day period. In reality, the ‘retreat’ was an excuse for a vacation. For the past five years, the company had brought in a consultant, and after the weekend retreat they would rationalize the experience by collectively agreeing that the consultant was ‘no good’. The consultant, not entirely blind to the potential that this might easily happen again, wondered if he should accept the consultation with the knowledge that the clients would plan to spend a weekend partying into the night and then collectively agree that the consultant knew nothing. However, the large fee was attractive, the vacation spot was appealing, and the consultant persuaded himself that he would do it differently. The consultant agreed to do the job. The consultation failed miserably, and the consultant was racked with guilt for accepting the large fee. Afterward, the consultant reported that omnipotent feelings were stirred in him when he heard other consultations had failed. These grandiose feelings clouded his objectivity; he threw caution away and rushed to meet the challenge. As this example suggests, it is often easy for the OD consultant himself to become a scapegoat, or, to put it another way, for the organization to seek out someone from outside that it can blame for its failures. It is easy to see why. It is often easier to castigate someone with whom there are no long-term ties, who can be fired without significant consequences, and in the process reflect attention away from the potential internal sources of blame. Indeed, it would be fair to say that virtually all client - organizations – like most patients – are profoundly ambivalent about accepting the help they know they need. They fear change, and who is easier to blame for the failure to bring it about in a painless and thoroughly successful way than the consultant?

The major difficulty faced by most OD consultants, however, has to do with the difficulty of detecting and addressing the ways in which the client - organization is united, and sometimes even integrated, around long-standing and deep-seated beliefs about how things have always been done and always need to be done. Such beliefs are contained in the organization’s storehouse of experiences, methods,
myths, and values. They are expressed in events and symbols; over time, they become institutionalized in modes of believing and behaving. Such shared wishes and experiences are communicated by the organization’s members to the consultant. They can be powerful demands, guarded by conscious or unconscious defenses, or merely the routinization of ideas or specific behaviors that have come to be taken for granted. In either case, however, the ‘collective wish’ will serve a defensive purpose by functioning as a framework for containing anxiety associated with events in the organization’s past, present and imagined future.

Understanding the function these defenses or routines serve is an important part of the diagnostic work of the psychodynamically informed OD consultant. Consider the following case: an OD consultant accepted a consultation to an organization that had thought of itself as a ‘family’ but that was now undergoing rapid growth. He was brought in to integrate the new staff and attempt to recreate the family climate that was disappearing with the rapid growth and change in employee role relations. The consultant accepted the presenting problem, the ‘collective wish’ in effect to maintain the family climate, and unreflectively moved towards an intervention. He was planning to use group techniques and OD activities to heighten the sensitivity of the organizations members to each other and ‘open-up’ the communicative process and increase intimacy. But the employees were quickly outraged at his intervention and they collectively ‘kicked’ him out after a one-hour session. Had the OD consultant completed a diagnosis and assessed the collective wishes embedded in the client-organization, he would have realized that the employees needed to reject him. While the employees recognized that the ‘old family’ climate was no longer functional, they remained profoundly ambivalent about giving it up. By accepting the presenting problem as stated and pushing the employees towards attempting to reinstate a traditional ‘family climate,’ the consultant presumed that they did not know that that goal was now obsolete, even if they might be able to articulate what they knew. By rejecting him, on the one hand, the employees rejected the old perspective on the nature of the problem they faced, the obsolete perspective allied with the old management. On the other hand, in rejecting the consultant, they preserved the management. Symbolically killing the consultant, they preserved the organization’s ‘collective wish,’ for the time being at least. And this served two functions: it avoided confronting the problem of change they faced, and it was a collective activity that bonded the old and new employees into creating the illusion that they were still a family that could act together.

Psychodynamically oriented OD consultant needs to approach a case with two questions in mind. One, why was I chosen? And two, what is my understanding of the organizational psychodynamics associated with the presenting problem – or as we might put it, why has the presenting problem been chosen to represent the organization’s dilemma? This understanding can never be apparent from the start, and this is why it is essential to negotiate a diagnostic phase to the consultation before any remedies can be suggested.

Consider the following example, an OD consultant arrived at a client-organization to meet its CEO to discuss a potential consultation. As he sat in the poorly decorated reception area, he counted 25 employees walking hurriedly to a small room to refill their cups of coffee. After waiting for half an hour he thought to himself: A lot of caffeine and a rude CEO. He also noticed that not one employee had looked at him.
as he sat in a highly visible spot. Upon entry into the CEO’s office, he was greeted by a tall, thin, athletic looking man who bounced up from his seat and almost jumped over the desk to greet him. He spoke in a loud, fast-paced, sound-bite fashion. To the side of his desk was a basketball hoop over a garbage pail and on his desk was a huge coffee cup that read ‘capable of leaping tall buildings’, a reference to superman. During the 45 minute scattered conversation/interview the CEO answered three telephone calls and two employee interruptions. Having experienced the entire office as hyperactive, the consultant was not surprised when the CEO stated the problem as ‘an inability to focus and follow a strategic plan.’ The consultant rejected the consultation, later, when asked why, he responded, ‘no one offered me a cup of coffee.’

In this case, the diagnostic phase was exceptionally brief – and relatively easy. That isn’t always the case. Interpreting behaviors, artifacts and symbols help the OD consultant make sense of the presenting problem and the possibility for change. The initial diagnosis enables the consultant to understand the nature and depth of the presenting problems and also helps the consultant determine how possible it might be to succeed at the project. In the above case the consultant concluded that the culture of the company, from the CEO down, precluded the reflection that would have been essential to the success of any consultation. To work on the capacity of the client - organization to focus would have required a significant commitment and effort that the consultant had no indication the CEO would or could accept. Some psychodynamically informed OD consultants not only create two distinct phases of the consultation process, but also operate with two separate contracts, a diagnostic contract and an intervention contract. In the above case the consultant made a quick diagnosis and decision. Many consultants, however, devote more time and effort to the diagnostic phase than to the intervention because a correct assessment is essential to a successful consultation.

There are three reasons for stressing the diagnosis in organizational psychodynamics. The most obvious, of course, is to arrive at a better understanding of the true nature of the underlying problem. The second is to understand the conscious and unconscious transference reactions the client is having to the consultant; as we have seen an accurate understanding of this can avoid working at cross-purposes that may sabotage the possibility of a successful consultation. The third reason is to arrive at a better understanding of the underlying ‘collective wishes’ associated with the presenting problem, the forces that will have to be mobilized in the organization to bring about a significant organizational change.

The key to a successful consultation is being able to respond to the ‘real’ underlying problem of the client - organization, the problem the OD consultant has been able to use the diagnostic phase to lay bare, while at the same time gratifying the desire and need it has to develop its true, inherent potential. This does not mean that the client - organization cannot be challenged to confront some of its most cherished assumptions, but that the OD consultant and the client - organization must come together in a spirit which responds to some underlying collective passions and desires. The efficacy of the interventions of organizational psychodynamics is linked to the capacity of the OD consultant to isolate what is symbolically contained in the ‘collective wish’ and intervene in a way that will restore the capacity of employees to cope with the realities of the work situation. The ‘collective wish,’ as we said earlier is
typically associated with the staff’s desire for security, to get more for themselves, and to be cared for by management. At the same time, the ‘collective wish’ contains within itself a potential for growth and development. A consultant entering a client-organization must be seen by employees and management as an object that will bring ‘good things.’ This is a key element in beginning any type of intervention. Stated simply the OD consultant needs to be the embodiment of hope. Organizational psychodynamics sees the power of a positive transference, the bringing in of the ‘good consultants’ as a kind of transference cure.

Until the OD consultant formulates the ‘why’ of a particular problem and the secondary gains involved in holding onto a problem, the consultant will never be certain whether the OD intervention will help the client-organization gain the necessary insight to change or take care of its own dysfunctions in the future. The primary task of psychodynamic OD consulting is to enhance the client-organization’s efficiency and effectiveness. Our strength is offering a process of reflection and exploration that not only is no ‘quick fix,’ but which also engages the client-organization in thinking about itself. If it cannot do this, if it needs ‘outside experts’ whom it can idealize, we have to accept that we may not be the ones for the job. Sometimes an organization will have to engage with consultation projects that fail for them to be willing to do the work with an OD consultant who will probe more deeply and reflect more deliberately about the underlying issues. In that case, we would have the advantage of knowing in advance that the presenting problem was more complex and daunting than it appeared to be on the surface. We would also have the advantage of the additional data of the failed consultation. Moreover, client-organization’s management might be more motivated to engage in the work with us.

And you can be sure that this is going to be hard work all around…but professionally - more interesting and gratifying work as well!
Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

The rational-technical orientation (Carr, 1989) encourages managers and administrators to view organizations as abstractions from their environment, and their roles as managers and administrators as being one of responsibility for controlling any disturbances to the status quo. Bureaucracies are, of course, archetypes of such an orientation. The organization is conceived as largely a control mechanism. The emphasis is on formality, rules and regulations. People are regarded as atomistic, passive and rational in their responses; and assessments of results/outcomes are to be based on technical efficiency. In this “ideal type”, the impetus for organizational change is largely viewed as being external to the organization or through exogenous agents. Those well-versed in social and behavioral theory would readily recognize this rational-technical orientation to OD as ultimately derived from a structural-functionalist vision of the world. This vision also inspires engaging the positivism of the natural sciences and the use of organic metaphors in organizational analysis and development.

Alternative visions have appeared; however, they have been somewhat overshadowed by the dominant structural-functionalist paradigm and the technical orientation that it encourages. One of the alternative visions comes from critical theory, which encourages a dialectical orientation to organizational analysis and the management/administration of organizational change. This vision is informed, largely, through the work of the Frankfurt School who championed the notion of being critically aware through the use of a dialectical logic. This alternative form of logic offers a guide to human action, aims to produce enlightenment, and is inherently emancipatory.

In today’s lecture I will discuss some of the organizational psychodynamics that managers may encounter in adopting such an orientation in their work. It is in the context of discussing these organizational psychodynamics that one becomes aware of the organizational setting as a site for individual and collective catharsis – an important matter, also much neglected.

The dialectic is an alternative mode of theorizing to the limitations imposed upon us by conventional logic. The traditional view holds that A = A. A cannot at the same time be not-A. Now, dialectics does not deny this, but goes on to say that nothing is merely self-identical and self-contained. Nothing concrete and real is merely positive. Things which are merely positive, which are merely what they are, are abstract and dead. All real things are part of the world of interaction; everything is in flux. Dialectics regards things as being in a process of motion and as essentially interrelated. It believes that all concrete things are contradictory. There are contradictions in reality (dialectics recognizes that other possibilities are available in the whole – thus the contradiction of “A” fighting for the same historical space is not
The synthesis of thesis and antithesis is a new working reality, which has absorbed the contradictions rather than resolved them. The synthesis is the understanding of the unity that holds between the two apparent opposites, and which permits their simultaneous existence.

The issue now arises as to the forms in which these dynamics can be seen in work organisations, how they are comprehended, and how they influence the roles of managers and OD consultants.

In 1977, J. Kenneth Benson, of the University of Missouri-Columbia, wrote what became regarded as a “seminal paper” (Watkins, 1985, p. 29), published in the influential journal Administrative Science Quarterly. This paper called for an understanding of organizations through an optic of dialectics. For Benson, dialectics “because it is essentially a processual perspective, focuses on the dimension currently missing in much organizational thought” (1977, p. 3). It was seen as a way to open up analysis to the processes through which people in organizations “carve out and stabilize a sphere of rationality and those through which such rationalized spheres dissolve” (Benson, 1977, p. 3). Benson suggested that such dialectical analysis proceeds on the basis of four fundamental premises, or principles. These are that:

1. people are continually in a process of constructing and reconstructing the group, organizational and social context;
2. organizational and social phenomena needs to be studied rationally as part of a totality or larger whole that has multiple connections;
3. social and organizational arrangements are exactly that, conscious and unconscious psychodynamic constructions with latent possibilities of transformation that become conscious through inherent contradictions in those social orders; and
4. there is a commitment to praxis, while recognizing the limits and potentials of present social arrangements (Benson, 1977, pp. 4-7).

The call to view organizations through the optic of dialectics requires managers and organizational consultants to adopt a different, psychodynamic orientation to their work. No longer focused on control, and rejecting the idea of the organization as a “thing”, managers and OD consultants need to perceive their role (as with others in the organisation) as being an active one in a broader process of transformation in which they act and are acted upon. This transformation is such that the manager/OD consultant should not simply become aware of dialectical relationships between structures and actors, but become more critical in the appraisal of the options in carrying through their tasks. Part of the role is to de-reify established social patterns and to expect contradiction to arise that will require a working-through of the strains and tensions that arise. Wilson (1985) argues that: “Management ... is a dialectical interplay of persons whose roles change from one part of the system to another, and who remain open to dialogue and discussion in their continuing concern for the care of public things” (p. 139). One could go further, and detail other dimensions of how the orientation of a manager and consultant might be different if they were to view organisations through an optic of dialectics; however, others have already done that in some detail (Carr, 1989; Watkins, 1985). What seems to have been largely overshadowed in this call to “work through”, “engage in dialogue” and “critical
the discussion” is that such an emphasis brings into play significant organizational psychodynamics which the managers and OD consultants need to be aware of and trained to handle.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Just for example, let us imagine that a dialectically and psychodynamically aware manager is required to make changes to the provision of certain type of social services that is proving ineffective and the subject of ridicule in the society. This person may also be required to manage this process of change within a context of recent demands for greater community governance and democracy in decision making. In working through this task, as both the manager and the group of recipients of this social service mutually discover the milieu in which the change might take place, what organizational psychodynamics might be expected which may impede, distort or subvert “constructive” dialogue and mutual discovery? A similar question might be posed in the arena of private enterprise, where a manager might be trying to work through issues of change with subordinates. Exposing and challenging the power dimensions of the current arrangements and exploring ways to change the status quo can be expected to trigger some discomfort and unconscious processes in all those parties involved. Of course, this can happen in context of organization change whether or not the dialectic optic is engaged. However, the optic of dialectics is poised to help unravel the social amnesia (Jacoby, 1975) about the present social patterns, and, as such, overtly creates a degree of estrangement from what has been taken-for-granted.

The viewing of organizations through a dialectic optic calls attention to contradictions but, in so doing, one should expect tensions to arise over what is “discovered”. In the context of confrontation and becoming aware of some unpleasant “truths”, Sigmund Freud (1985) suggested that we engage a variety of defense mechanisms both as an individual and as a group phenomenon. Actually, the work of Freud was embraced by some members of the Frankfurt School, and some, such as Geuss (1981), suggested that from a philosophical point of view critical theory and psychoanalytic theory are similar in their epistemic structure, resting upon the same fundamental assumption. “This assumption is that reflection combined with revelation is the necessary pathway to emancipation” (Zanetti and Carr, 1997, p. 217).

We do not need to explore a detailed description of all the psychodynamics that Freud suggested arose from his model of the mind. The key issue in the recognition that, in its attempt to avoid acute levels of anxiety and the danger of such psychopathologies, the ego may engage a variety of defence mechanisms which largely operate in the realm of the unconscious. These defence mechanisms are now part of the layperson’s language and include: repression; regression; rationalization; denial; sublimation; identification; projection; displacement; and reaction formation. These are all familiar and can be expected to be encountered in the context of a organizational change setting. Melanie Klein (1975) noted a most primitive or basic defence mechanism against anxiety that is important in the context of this paper. This defence she called splitting and is considered by some writers in psychoanalytic theory the precursor to, or rudimentary context of, the super-ego (Laplanche and Pontalis, 1988, pp. 430, 436-8). The notion of splitting is fundamentally one of dichotomising the world into “good” and “bad” and is necessarily accompanied by the
processes of projection and projective identification. While in normal development we pass through this phase, this primitive defence against anxiety is a regressive reaction that in the sense of always being available to us is never transcended. The “good” objects in the developed super-ego come to represent the fantasized ego-ideal and thus “the possibility of a return to narcissism” (Schwartz, 1990, p. 18). Glenn Swogger Jr (1993, 1994), in an incisive appraisal of the environmental movement, is amongst many writers to note the significance of these associated processes of projection, projective identification and splitting in broader organizational and social psychodynamics: “… projective identification involves another step beyond blaming: inducing the target of the projection to experience the projected feelings. In face-to-face situations this may involve subtle nonverbal communication or various interpersonal ploys. In public situations, projective identification may involve forms of attack or accusation; legal, financial, or regulatory threats; or manipulation and exaggeration of guilt. … Wholesale processes of projection and projective identification lead to “splitting” at the social level: whole classes of people, groups, or organizations are condemned while others may be idealized. The world is composed of “us” and “them” (Swogger, 1994, p. 71; Carr, 1997).

In the context of a group it has also been noted (Bion, 1961; Ogden, 1982) that the individual may draw from others, in a dependency relationship, to help in the face of anxiety. In what is sometimes referred to as “role suction” individuals in a group may search and pressure, through projective identification, a leader or authority figure (Alford, 1994) into reaffirming the group (ego)-ideal in the face of attack, initiating a response to the attacker and clarifying the nature of the attack. The leader/authority figure may become idealized as, through the process of splitting, the group members collude in their fantasies and simultaneously deny individually and collectively “bad” parts in themselves and their leader. In unravelling the status quo and critically exposing the present pattern of relationships, the manager may trigger these psychodynamics in themselves and/or in the group with whom they are working collaboratively in using a dialectic optic. Intertwined with these defensive mechanisms, the dynamics involving idealization may lead to the manager experiencing feelings of mourning (Carr and Zanetti, 1999).

The way in which the ego-ideal is established and re-established through a process of identification with “other” was outlined earlier. Also, it was indicated that the ego is narcissistically drawn to the ego-ideal. It was Freud’s view that in a group context it is through the process of identification that the individual may surrender the current “ego ideal and substitutes for it the group ideal as embodied in the leader (p. 161) … (the group members) put one and the same object in place of their ego ideal and have consequently identified themselves with one another in their ego” (Freud, 1985, pp. 161 and 147). In becoming a member of a group or an organization the individual surrenders some of their individuality. The degree to which this occurs depends on the strength of their projective identification and the strength of their introjective identification. If these identifications are continually reinforced through various forms of gratification then the sense of a created identity can be so strong that the prohibitive aspect of the super-ego may be disregarded and, as others have commented, its functions taken over by the group or organizational ideals” (Sandler, 1960, pp. 156-7).
One might quickly appreciate that in the work context the reified organization and/or its leaders could be raised to the status of an ego-ideal. Indeed, the organization and its leaders, through symbolic, material and other means, may satisfy narcissistic needs so well that the employee views their own identity in terms of their work context (Carr, 1993; 1994; 1998). It might be argued, as Marcuse (1964) has suggested, that this is particularly so in an age that often judges a person’s “worth” in terms of their employment, and, where remuneration may provide material wealth, the symbolism of which constitutes surrogate narcissistic gratification.

Schwartz (1987) builds the case for the substitution of the ego-ideal with an organization-ideal when he argues: “Freud refers to the specification of the person one must become in order to return to narcissism as the ego ideal. Recognizing that the ego ideal is defined in terms of social interaction in which the ego ideal is embedded, and by which it is defined, is itself a discernible ideal entity. We can see this ideal entity taking various forms, as defined by ideology: the community of saved souls, the community of post-revolutionary society, etc. For our purposes, we may limit discussion to the case in which the ego ideal takes the form of an organization. Giving this ideal pattern of organization a name, we shall refer to it as the organization ideal” (p. 331). The organization-ideal, like the ego-ideal, is really a fantasy that is seldom achieved. However, narcissistic satisfaction is achieved from efforts to reduce the degree to which the ego and the ideal differ. This said, it is the “leaders” in the organization that progressively seek to impart their version of the organization-ideal to employees. The employee is encouraged to make a series of identifications with aspects of the organization and to assimilate attributes, values and cultural substance (Trice and Beyer, 1993) into their “organization-ideal”.

This encouragement is psychodynamically linked to fragments of the earlier (childhood) narcissistic experience of being “loved and protected by a powerful entity” (Baum, 1989, p. 194). As Benjamin adds, “the wish to restore early omnipotence, or to realize the fantasy of control, never ceases to motivate the individual” (Benjamin, 1998, p. 54). In effect, the encouragement of an organization-ideal creates a psychological bonding to the organization and can be such that the individual’s self-identity is obtained through the work he/she does that is approved or rewarded by the organization.

In the context that the managers and/or the members of the organization have absorbed the organization-ideal, it might be expected that if perceptions of that ideal are opened up to critical examination one might encounter the aforementioned defence mechanisms. Also any demise of that previous ideal may elicit behaviours of mourning and an idealization of the past. Indeed, some have noted, for example, that when a leader is replaced in an organization, members within that group or organization may exhibit a variety of behaviours: “Within the group there will be a modest division of labor, some acting as mourners, some as murderers, and others as the dead consultant-leader himself. Still others may seek to raise the dead. In general, however, the tone of this drama is dominated by the experience of deadness, the group's identification with the dead leader” (Alford, 1994, p. 62).

The demise of an organization-ideal may be part of the outcome of critically examining the current patterns, but equally the psychological strength and embeddedness of such an ideal pose a source of resistance and challenge for the
manager who is seeking to bring a dialectical orientation to the process of organizational change.

In many senses, as the managers and consultants work through the tensions and strains that emerge from contradictions, the organization setting might be considered as a learning, therapeutic or developmental setting. In such a setting the focus is to use the tools of organizational psychodynamics, such as free association and dream analysis, to render the unconscious conscious and thus “free” the client from a compulsion or behaviour that arose from the unconscious psychical material.

The use of critical theory, and dialectics, as a methodology constitutes an analogous consultative setting in which the reflection and revelation are accompanied by complex organizational psychodynamics of defences and catharseses. To adopt such a dialectical orientation to organizational analysis and change management, and be effective in such an approach, it behoves an awareness of, and an ability to work with the organizational psychodynamics that accompany such an orientation.

Organizational psychodynamics explores the implications of the theory of complex adaptive systems (Goodwin, 1994; Holland, 1975; Kauffmann, 1991, 1995) for the practice of organizational consulting, particularly that of psychodynamically informed organization development (OD). OD praxis is steeped in ways of conceptualizing organizations as open systems in dynamic equilibrium with their environments. This informs the goals and methodologies of OD consultants and focuses them on a design perspective to do with realizing the prior intentions of an organization’s legitimate system, its prescribed network of relations or hierarchy, its bureaucracy and its approved ideology or explicitly shared culture. Although the existence of an “informal” organization has long been appreciated (e.g. Schein, 1965, 1985; Trist and Branforth, 1951), this has been perceived largely as a source of inertia or “resistance” to the legitimate change effort, and much has been written on strategies for understanding and dealing with this (Kotter and Schlesinger, 1979; Kanter, 1985).

Organizational psychodynamics argues that taking a complex adaptive systems perspective provides a radically different way of conceptualizing how organizations change. This shifts OD consultants’ attention away from planned change to the “messy” processes of self-organization that produce unpredictable emergent change. Complexity science is studying the nature of such dynamics in complex networks of adaptive agents, and suggests that “order emerges for free” without any central or governing control or intention when the network is operating in “edge of chaos” conditions (Kauffmann, 1995). Stacey (1996) has argued that self-organizing processes are to be found primarily in an organization’s shadow system - that is, the complex web of interactions in which social, covert political and psychodynamic systems coexist in tension with the legitimate, overt system. In the paradoxical conditions of “bounded instability”, such systems are capable of spontaneous novelty and emergent strategy.

From the perspective of the organizational psychodynamics, an OD consultant, like every member of an organization, is actively working with a paradox - an official role in a legitimate control system, facilitating an intended change effort, while simultaneously participating in a shadow system in which no one is “in control” but in
which patterns of controlled behaviour emerge that profoundly influence the actual evolution of the organization.

In his 1992 review of OD, Burke acknowledges briefly the work of Jantsch (1980) and of Prigogine and Stengers (1984) who suggest that an understanding of system evolution must focus on disequilibrium rather than equilibrium, on non-linear rather than linear dynamics and on self-organization. Burke says that this disequilibrium approach has been heralded as a paradigmatic shift comparable to Einstein's move away from Newtonian physics. However, although he emphasizes the increase in complexity and paradox that characterizes our understanding of the nature of organizations and the business environment, he still reiterates throughout his (1992) book that very little “new OD” has been created in recent years.

The systems thinking that dominates the OD practice is that of organic, socio-technical, open systems sustaining dynamic equilibrium with their environments (Miller and Rice, 1967). There are many models offered to OD practitioners for understanding organizations in these terms. The purpose of diagnostic models, according to Burke (1992), is to enable the OD practitioner to predict and explain “the total behavioural output of an organization” (p. 129). Examples include Weisbord's (1976) six-box model the Nadler-Tushman (1977) congruence model, Tichy's (1983) TPC framework and the Burke-Litwin model (Burke, 1992). These models play in different ways with the inter-relationships and interdependencies between such variables as tasks, processes, policies and procedures, management practices, leadership, formal structures, missions and strategies, climate, culture, resources, environment and so on. All these models emphasize the need for “fit”, congruence or alignment between different aspects of the system, between different systems and between an organization and its environment. Senge (1990) continues to talk of identifying the primary “levers” for initiating and implementing organizational change. Where there is reference to an informal system (Weisbord), an informal organization (Nadler and Tushman), emergent rather than prescribed networks (Tichy), the emphasis is on managing “gaps” (Dyer, 1984) and increasing congruence or alignment by successfully managing resistance. This inevitably has led OD to focus largely on participative and consensual decision making, improving teamwork and communication, and “transition management”.

For a long time now, the classical OD focus on behavioristic diagnosing the equilibrium dynamics of an organization has seemed to make sense, sustaining current functioning by seeking to align the various sub-systems or attempting to unfreeze, move and refreeze the system at a new equilibrium. This is Lewin's (1958) model which has been further elaborated by Schein (1988) in terms of generating the motivation for change, changing through “cognitive restructuring” and integrating the changes. However, underlying this focus is an unquestioned assumption that a system can be moved from one dynamic equilibrium to another, by the prior intention of the legitimate system. It is assumed that the existing organizational dynamic came into being through some central purpose, however participatively arrived at, and can be changed in the same way.

Planned change is supposed to be achieved in a consulting assignment by working through the stages or phases of the consulting cycle. As with the diagnostic models,
there are many variations based on the original action research model developed by Lewin and elaborated and applied to OD by French and Schein (1988).

Typically the “consulting cycle” includes the following phases:
- gaining entry;
- agreeing a working contract;
- data collection;
- analysis and diagnosis;
- feedback to clients;
- formulating proposals and decisions to act;
- implementation;
- evaluation; and
- follow up (Phillips and Shaw, 1989).

The contract is a collaborative one between the consultants and members of the client system at all stages (Block, 1983), with the consultant taking a variety of facilitative stances. The consulting assignment, which used to be viewed as a series of sequential steps, is increasingly seen (as in Schein’s (1988) process consulting model) in terms of overlapping simultaneous activities, so that all phases are themselves understood as significant “interventions” in an evolving assignment. The paradigm of OD consulting outlined above has come to be shared over the last 30 years by both consultants and their actual and potential clients.

Organizational psychodynamics considers complex adaptive systems of organizations as networks of large numbers of agents, each embodying active information in the form of meanings, schemas and life scripts. Through their interaction, such networks create systems of mutual and so non-linear influence. The schemas anticipate the consequences of certain responses to their immediate environment and both behaviour and the schemas themselves are continuously revised in the light of experience. The networks are therefore psychodynamically adaptive - they learn in both simple and complex ways. The spontaneous interaction between agents gives rise to aggregate patterns of behaviour, which both emerge from and provide the conditions of constraint and enablement in which local interaction takes place, so that neither can be predicted or explained in terms of the other.

Agents, themselves complex adaptive systems, and networks of agents are thus embedded in a perpetually novel, shifting environment which, together with other agents and networks of agents (Waldorp, 1992), they both constitute and create. It is suggested that ecologies of living systems spontaneously evolve to “the edge of chaos”. In these far from equilibrium conditions stability and instability coexist. Iterative processes of both amplifying and damping feedback propagate through the system to produce islands of patterned order which arise and dissolve in a sea of disorder. New patterns emerge unpredictably, through the unfolding logic of self-organizing forms of control and without any single governing set of rules or schemas.

Stacey (1996) argues that organizational and social systems can be thought of also as complex adaptive, self-organizing huamn systems, in which agents may be individuals and groups interacting in co-evolving sense-making and active contexts. Peculiarly human characteristics only add to the potential complexity without
changing the fundamental organizational psychodynamics. In particular, any organization can be conceptualized in terms of an ordered network of patterned interactions which is intentionally designed - the organization's hierarchical structure of roles and responsibilities, its official policies and processes and its espoused ideology - in the form of explicit missions and culture. As people interact in the designed network, which he calls the “legitimate system”, they simultaneously and spontaneously spin other networks through entirely self-organizing processes. He calls these the organization’s “shadow systems” and suggests that an organization’s evolution can be understood as emerging from all these local network interactions. As with other complex adaptive systems in nature, human organizations are capable of emergent and unpredictable novelty, he argues, only when they are operating in “edge of chaos” conditions. He suggests that the ongoing paradox and tension of operating in both legitimate and shadow systems is a fruitful way of understanding how such conditions arise in organizations.

There have already been interesting explorations of organizational change from a complexity perspective by Goldstein, Morgan, Nonaka, Pascale and Wheatley, which I highly recommend to you for further reading.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

What can happen when OD consultants who are increasingly dissatisfied with traditional forms of planned organizational change operate from a perspective of complex organizational psychodynamics? The answer is that this perspective provides coherent OD practice which can make sense of itself in new ways. Instead of concerns about the ethical and professional dangers of getting sucked into the shadow system of an organization, complex organizational psychodynamics argues that it is here that people have to deal with the disorderly paradoxes and contradictions of their official and unofficial roles. An OD consultant can work most effectively when he or she operates in the shadow system from which emerges the capacity of a client - organization to evolve creatively rather than think of itself as moving from one intended state to another.

A good reason OD consultants take a more inner-focused point of view about the organizational change processes in the workplace is as a reaction to the often exaggerated, unrealistic promises made by change agents about the degree of planned change possible in cases of OD intervention. Painful experience has taught us that oversimplistic models of human behavior come with a price. Many of the recommendations of planned change specialists have turned out to be of a quick-fix nature, having no enduring influence. The recommendations for getting a change process into motion - based on oversimplified models of human behavior that pay no attention to deep-seated underlying psychodynamic processes - have been rather superficial. In most models of organizational change, resistance phenomena have been underestimated. Paying heed to the rich underlying dynamics of individual change - accepting the fact that conscious and unconscious resistances are unavoidable responses to all that is different - however, can turn the process of organizational transformation into a more realistic endeavor. Such a focus helps change agents appreciate the mind-set of the people in the organization and distinguish between what is feasible and what is no more than a pipe dream.
Organizational psychodynamics explores the complex interrelated dynamics of individual and organizational change processes. Although things are ever-changing and ever-changeable in organizations - and that change is therefore infinitely variable - the underlying principles of the organizational change process are relatively invariable. Organizational psychodynamics believes that it is possible, by observing from a psychodynamically informed perspective (paying attention to salient psychodynamic and social-psychological phenomena) the different stages by which individual change takes place, to draw parallels between individual and organizational change processes (Kets de Vries, 1991, 1996; Levinson, 1972; Zaleznik, 1989).

Taking this thought one step further, complex organizational psychodynamics suggests that by adopting the processes of individual and group change as a conceptual framework, it is possible to induce, to facilitate, and to speed up lengthy organizational intervention and change processes. This seems especially useful given that such change processes often are set in motion only when the organization’s situation is already critical. Thus, they tend to follow the “learning-by-mistake” route, an approach that an ailing organization in need of change can ill afford.

The OD literature, despite its wealth of contributions, is still in its infancy; there “is no one all-embracing, widely accepted theory of organizational change and no agreed upon guidelines for action by change agents” (Dunphy, 1996, p. 541). Given the confusion resulting from myriad conflicting theories of organizational change, a contribution securely anchored in the complex organizational psychodynamics may shed some light, offering prescriptive value for future change agents.
Dear Ladies and Gentlemen,

Dear Colleagues and Guests,

It is impressive to see the degree to which people and organizations make an effort to preserve dysfunctional patterns of operating. They are often willing to put up with extremely unsatisfactory situations rather than take steps toward the unknown to improve their situation. Given the pain that continuing in dysfunctional ways entails, we can surmise that there must be a certain amount of pleasure as well. Indeed, in each individual’s adherence to the status quo, there is more than meets the eye; there are unconscious processes that, when understood, explain that person’s frozen stance - resistances that have some kind of protective function. In other words, people and organizations resist change in part because of the “secondary gain”- the psychodynamic benefits (such as sympathy and attention) - that they gain by manipulating the external environment so as to continue in the same way (Fenichel, 1945).

In psychology, many studies of personal change indicate that a high level of stress is a major inducement to individual change (Heatherton & Nichols, 1994). Among the stressors isolated by these studies are such factors as family tensions, health problems, negative social sanctions, feelings of isolation leading to a sense of helplessness and insecurity, problem behavior, and even daily hassles and frustrations. In addition, accidents or special incidents of some kind (such as something drastic happening to important others) frequently precede the change process (Klingemann, 1991). Among those people who reported to researchers that they had changed, most mentioned the experience of a high level of negative affect in the period just prior to change, generally precipitated by a stressor. This negative affect brought to awareness the serious negative consequences that were to be expected if dysfunctional behavior patterns were continued. Individuals who reported major change said that they found the status quo increasingly difficult to maintain. They found themselves deadlocked in situations that unsettled their psychological well-being. Their negative emotions - and the consequences they anticipated if those emotions continued - led to a weighing of the pros and cons of the existing problem in an effort to find a solution. Something had to be done to break the stalemate, to change the situation, although as yet they had not made a commitment to take action. Gradually, all the undesirable features of life’s circumstances compounded to create a clear picture of the situation. Many people reported then having a kind of “aha!” experience, a moment when they were finally able to interpret correctly what was happening to them. They saw clearly that neither the passage of more time nor minor changes in behavior would improve the situation—indeed, that the situation was likely to become even worse. Something drastic had to be done.

Although this clarification of the problem, this process of self-assessment, did not automatically compel people to take action, it usually set into motion some kind of mental process whereby they were willing to consider alternatives to the adverse situation. When people finally made the transition from denying to admitting that all
was not well, they found themselves at the beginning of a reappraisal process. This was likely to be accompanied by strong feelings of confusion and (at first) even protest. Every alternative to the troubling situation was likely to appear more frightening than the status quo. Gradually, however, a preferable alternative to the stalemate began to crystallize, although the hurdles still seemed insurmountable. Among people accepting the need for change it was generally not enough to get them to take an active step toward changing their situation. They needed a push, in the form of something that can be described as a “focal event” (Heatherton & Nichols, 1994). Although the expression focal event signals a significant happening that triggers change, the reality is frequently somewhat different: Often the focal event is interpreted as a milestone only retrospectively. This focal event can be described as the straw that broke the camel’s back. That metaphor is very appropriate, because it indicates that the triggering event can be minor - the final additional element (one among many) that puts matters into focus. When latent dissatisfaction has built up to such a degree that a person is prepared, if not actually ready, to take a decisive step, not much is needed for something to be interpreted as a focal event, an episode serving as a “starting shot” for change. Experience suggests that although major events certainly can be focal, focal events are often minor occurrences that are seen as focal simply because the person is ripe for initiating change. And indeed these minor occurrences are focal. They are facilitating factors - factors that enable a discontented person to take that long-delayed first step. For that reason, they have important symbolic meaning. In practice, this focal event was often an incident that happened to someone important to the person in question - an incident that, because it was perceived as a threat, led to a reevaluation of the behavior that caused distress. Focal event symbolized and called attention to the existing problem and provided the impetus for change. A person’s focal event can also be seen as a kind of “screen memory”. The incident may seem trivial at first glance, but it is actually an indicator of a whole range of incidents that are symbolic of the experienced problem. Although it is objectively perceived as minor, it is subjectively experienced as significant, because it calls attention to a problem that has existed for a long time. It precipitates a moment of insight and leads to a reinterpretation of the person’s life history.

At this point in the process - with a focal event securely under his or her belt - the person in question is ready to take action. He or she has acquired the inner strength to make a change; the resistances to change have been overcome. New possibilities are seen where before there was only a sense of hopelessness. Emotional energy has been transferred from “objects” of the past (such as dysfunctional behaviors) onto aspects of the present and the future. The person feels as if he or she has received a new lease on life. People who have undergone significant personal change disclose that a good indicator of a high degree of commitment to change is a public declaration of the intent to change (Maxwell, 1984). Telling others, in a more or less public context, what one plans to do indicates a certain degree of acceptance of the problem. It signifies that the speaker is willing to defend his or her position. It indicates that traditional defense mechanisms (such as denial and projection) have run their course. The person is ready to take new initiatives. Public commitment works in two ways: by influencing the environment and by influencing the speaker him-or herself. In the very act of making other people aware of a desire for change, people in the throes of change become aware that the old conditions are not valid anymore and that they need to adapt their attitude to new ones. At the same time, by
pronouncing their wish (and intention) to change—by taking a public stance—they give themselves an ultimatum: to go through with it (whatever the change may be) or lose face. The group will exert considerable pressure to have the person stick to the new initiative. Going public with one's intentions is a good way of enhancing one's own determination and enlisting the support of the environment. Furthermore, a public declaration of intent to change the present situation means a willingness to take a more vulnerable position, a willingness to move the problem from a private to a public stage. The public declaration expresses a wish to establish a "new identity," a different way of behaving. The person wants to distance him-or herself from the former, less desirable self.

These elements of successful personal change - a crystallization of discontent, a focal event, and a public declaration of intent - are generally accompanied by emotions that follow a rather predictable sequence. As people progress through this sequence, they show an increasing ability to give up their old identities and roles and to adopt new ones. They begin to reorganize their phenomenal world in a significant way. They reevaluate their life's goals and meanings, letting go of the old and accepting the new. The fact that what is old and familiar is left behind creates a feeling of privation. Letting go brings to bear memories of separation and loss, themes that touch upon the core of an individual's personality. After all, separation anxiety is a very basic form of anxiety - unconsciously, abandonment is equated with death - that has a unique set of dynamics and follows a specific course. The original model for separation and loss is found in early mother-child interaction patterns. The separation between mother and child becomes the template on which all other experiences of loss are modeled. From child development studies and related research, we have learned to expect a fairly predictable sequence of emotions in cases of loss. Although the number and nature of the emotions included varies somewhat by researcher, the core sequence remains constant (Kubler-Ross, 1969).

This process of mourning - the familiar pattern for dealing with stressful experiences, whether the loss is big or small - begins in early childhood and is repeated throughout life. In every experience of loss, variations on this theme can be observed. Recognizing this pattern will help us understand the intrapsychic dynamics of the change process, revealing the logic behind the sequence of crystallization of discontent, focal event, and public declaration of intent. It will also help us in making sense of successful change efforts in organizations. In those firms where change has taken place without major hiccups, we can conjecture that the catalysts of change paid attention to this mourning process. Bowlby (1980) discerned four general phases that seem quite universal: "Observations of how individuals respond to the loss of a close relative show that over the course of weeks and months their responses usually move through a succession of phases. Admittedly these phases are not clear cut, and any one individual may oscillate for a time back and forth between any two of them. Yet an overall sequence can be discerned. The four phases are as follows: 1. Phase of numbing that usually lasts from a few hours to a week and may be interrupted by outbursts of extremely intense distress and/or anger. 2. Phase of yearning and searching for the lost figure lasting some months and sometimes for years. 3. Phase of disorganization and despair. 4. Phase of greater or less degree of reorganization" (p. 85).

In psychological investigation of successful change processes, we recognize that this basic emotional sequence of mourning and loss can be applied to the context of
personality change as well. In the case of individual change, a conflict takes place between the acquisition of insight into the problem (a necessary precondition for change) and the forces of resistance (in other words, the defenses used by the individual to maintain the status quo). However, in order for a person to change, to move from one phase to another, these insights into the dysfunctional situation have to be “metabolized”; resistances have to be dealt with. This brings us to something called the “working-through process” - the various steps the individual has to take to arrive at successful transformation. There are four phases in this working-through process: shock, disbelief, discarding, and realization (Kets de Vries & Miller, 1984). However, considering this kind of sequencing, one should accept that this succession of phases indicates a successful process. When the change process is less than successful, developmental arrest may be responsible; in other words, the inability to proceed from one phase to the next. Such an occurrence can produce a dysfunctional and sometimes painful symptomatology.

In the first phase of shock the individual is not prepared to consciously acknowledge that something is wrong. Vague feelings of discontent surface, however. These feelings may be ignored or explained away until they grow so strong that this is no longer possible. During this phase, the person may also experience a sense of numbness, which can be interrupted by feelings of panic and outbursts of anger. Soon the person enters the second phase of the working-through process, which can be described as a phase of disbelief. Denial of what is happening is a common reaction at this stage. A state of disarray, confusion, and disorientation prevails, along with a yearning and searching for what has been lost. Irrational anger, sadness, and self-reproach may follow. The person takes a reactive posture; a past orientation is the norm. In the third phase - the discarding phase - old patterns of thinking, feeling, and acting are slowly abandoned. Tentative explorations are made toward finding new opportunities and establishing a new equilibrium. The individual in the pangs of change is trying to redefine him-or herself through a process of self-examination. Gradually, that person gains an acceptance of the new situation. He or she experiences a growing sense of hope; new choices seem possible. A more proactive attitude and an orientation toward the future emerge. Discarding prepares the individual for the next stage of the process: the realization of a new identity. This fourth phase implies a reshaping of the person’s internal representational world, the acceptance of a new reality. A proactive posture is now taken. Past patterns of thinking, feeling, and acting are discarded as the person adopts a more future orientation. This shift in attitude and behavior leads to the redefinition and even reinvention of the self and one’s psychic world.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

It is time to ask ourselves the critical question in this lecture. How can we apply what we know about the psychodynamics of personal transformation to the field of organizational psychodynamics? Can we proactively drive the process of organizational change and development? How can we be most effective as change agents and OD consultants?
Well, we can draw a number of parallels from what we organizational psychodynamics have learned about the way individuals change. As with individual transformation, organizational change is a sequential process, and that process requires the impetus of a period of stress. People in the organization have to become mentally prepared for the fact that organizational change is inevitable. Stress in the organizational system can be seen as the lever that gets the change process on its way. But pushing that lever is easier said than done, because - as in the case of individual change - there are a lot of resistances to deal with. Organizational members may not see, at first glance, that the organizational change process is in their self-interest. Even those who are aware that all is not well can find infinite ways of avoiding the issue of change. The fear that the proclaimed benefits of a particular organizational change will not outweigh the costs involved sets many unconscious defenses in motion.

For many people in an organization, change implies a loss of the security that goes with a specific job and position in the organization; they fear the unknown. Insecurity causes them anxiety, resulting in the wish to hang onto old patterns of behavior. Those who expect that organizational change will require them to learn a new job or work harder may fear that they lack the skills and stamina needed for change. Still others may be afraid that good working conditions or a sense of freedom will be taken away. Some employees may fear that change implies a loss of responsibility and authority, with concomitant status implications. They may dread the perceived loss of status, rights, or privileges that they expect the change to bring. Other people may interpret change as an indictment of previously taken actions; they may see a proposed change as an attack on their previous performance and react defensively. Furthermore, change sometimes threatens existing alliances, implying the loss of important friends and contacts. The fear of having to leave friends and familiar surroundings can arouse many resistances. For those workers who deal with budgets, there is also the question of sunk costs - they may be reluctant to accept a change that entails scrapping certain costly investments. All these resistances have to be dealt with and overcome in some way. And the key here is to make clear that hanging on to the present state creates more problems than diving into the unknown. Unless those directing the organizational change effort manage employee resistances, it will not be successful. People have to realize the implications of not doing anything. They have to be made aware of the personal costs, to them individually, of not changing. In other words, they have to be prepared. And, perhaps most important, they have to experience a certain amount of discomfort. As in the case of personal change, pain is an important lever in the process.

Stress in the system, although necessary, is not sufficient, however. Indeed, too much stress leads to feelings of despair and depression, which in turn solidify resistances. In addition to pain, people also need hope; they need to have something to look forward to. Thus, hope becomes the bridge between preparation and transformation. But there’s no gain without pain! The willingness to change usually presupposes a high level of stress. Just as discomfort with the status quo is the engine that drives the individual change process, so too does stress drive organizational change. Organizations that are prepared to undergo change, usually experience a high level of discomfort. There are pressures on the organizational system indicating that some kind of adaptation is needed. Despite the “pain,”
however, many necessary organizational change processes get stalled because of defensive routines.

If such defensive routines continue to be manifested throughout the organization in the face of extreme discomfort, we can assume that the resistances of the key power holders are still intact, that the necessity for change still escapes organizational leaders. Locked in behavior patterns that have previously proved to be quite effective, these organizational leaders and managers have not realized yet that circumstances have changed, that adaptation is needed, that what once was a recipe for successful performance has become a recipe for disaster, that what once were good practices - a perfect alignment with the environment - are no longer viable. Changing the mind-set of key players in the organization is never easy. It generally requires a strong jolt of some kind. Those favoring change must pressure the skeptics into believing that the present state is no longer viable, that the alignment of organization and environment is off.

The best kind of pressure for creating awareness of the need for organizational change seems to be the pressure that comes from both inside and outside the organization. Among some of the external factors that can cause discomfort in organizations are threats from competitors, declining profits, a decreasing market share, scarcity of resources, deregulation, the impact of technology, and problems with suppliers and consumer groups. As examples of internal pressures we can mention ineffective leadership, morale problems, high turnover of capable people, absenteeism, labor problems (such as a strike), increased political behavior in the company, and turf fights. All these factors inevitably negatively affect the mind-set of the people in the organization. The resulting malaise affects the corporate culture and has an impact on patterns of decision making. Eventually, as these stressors cause increasing daily frustration, they can no longer be ignored; an overwhelming dissatisfaction with the status quo results in person after person. Gradually, the majority realize that something needs to be done or the future of the organization will be endangered.

To break this vicious circle of organizational despair, hope offered through the roles of change agents and OD practitioners is essential. In the best of all worlds, such a person holds a key power position; ideally, it should be the CEO or some equivalent who makes the case for organizational change. Although people at other levels of the organization can and must take the initiative, given the reality of power dynamics, it is members of the dominant coalition who are most effective at getting the change process on its way. After all, the ability to bring about organizational change depends to a great extent on hierarchical authority, resource control, and dependency relationships within the organization. In organizational psychodynamics it is the role of organizational leaders to identify the challenges the organization is facing. They should point out the source of the distress and clearly present the negative consequences of a failure to act. They should develop and articulate a clear picture of the future under the current direction. By articulating the reality of the situation, they focus on the existing state of discomfort. That level of discomfort has to be kept within tolerable margins, however; otherwise, people will tune the problems out. To buffer against excessive stress, organizational leaders must present a viable alternative to the present situation. That change program should be, and be perceived as, a doable proposition.
In proposing organizational change, leaders need to refocus the cultural guidelines that people in the organization have gotten used to; they should also make an attempt to refocus the positive aspects of the change effort. They need to create pride in the organization’s history but also point out how this pride in tradition can anchor the organization to the past. By referring to the organization’s greatness but also presenting a new way of doing things, leaders create a sense of hope; that dual approach makes for a sense of a new beginning. It is also important that organizational leaders articulate and address people’s worries about their career advancement. To do so, they must first emphasize the personal implications of continuing as before. Rather than allowing people to follow an ostrich policy, denying reality, leaders must address the likely effects on the careers of people in the organization if nothing is done about the existing threats in the environment. At the same time, they should articulate the opportunities that would be created by doing something about these threats. A new psychological contract, implying mutual obligations and commitments – both explicit and implicit - between the employees and the organization, has to be established, clearly setting out the new values required to make the transformation effort a success. Because cognition without affect cannot bring about change, organizational leaders have to cultivate emotional commitment, thereby creating energy to support the organizational change process. To foster that commitment, leaders should make it clear that they do not see members of the organization as mere pawns in the process; furthermore, they should require everyone in the organization to become involved in the design and implementation of the change effort. Involving all employees creates a sense of control over the process and the feeling that their contribution can make a difference which, in turn, has a major stress-reducing impact (Zaleznik, Kets de Vries, & Howard, 1977).

In attempting to garner employee commitment for the change process, organizational leaders should use simple language that will resonate within the people who will be affected. Repetition of the message of change is also important, because people need to be reinforced as they deal with the consequences of loss that change implies. Every opportunity should be taken to get this message across verbally and visually, and leaders should also “walk the talk”: that is, be role models for the new values that characterize the organization. As leaders provide a focus, articulate the issues in an understandable way, and seek to gain the support of their followers, the role of symbolic action - action that depicts what the new organization stands for and bridges the old and the new - becomes important (Johnson, 1990). Getting people on board needs a certain amount of “theater” and symbolic actions as a means both to articulate goals in an easily understandable fashion and to draw people into the process. In any communication of the organizational change message, leaders must focus on clear, compelling reasons for change, lest employees fear that tradition is being abandoned for naught. To further guard against that fear, organizational leaders should build on aspects of the existing culture that are appropriate for the new organization. Employees must perceive the entire change process as inspired by a compelling, connecting vision and driven by solid corporate values. They must see that it not only aims at building and maintaining a competitive advantage but also addresses the individual needs of the people who will be affected. Finally, they must know that there are boundaries to the change process, that the proposed change effort has clearly defined parameters. A dedication to honest, focused, and
persuasive communication pays dividends to those spearheading a change effort. Eventually, most people in the organization will have at least a basic awareness that there are problems, and they will be prepared (despite lingering resistances) to accept the need for action.

The next step, after leaders have convinced their workforce of the need for organizational change, is to get people committed to the new vision, to the new way of doing things. To move the organizational change process forward, leaders must align crucial players behind their new view of the future; they must build coalitions with key power holders in the organization. Those power holders can then help to spread commitment throughout the organization. In organizational psychodynamics, the transferential processes - including both mirroring and idealizing (Breuer & Freud, 1893-1895; Kets de Vries, 1993) - can play a critical role in this “recruitment.” Transferential processes, which result in “false connections” between people, come about because there is no such thing as a completely new relationship; all relationships are based on previous relationships. This means that at an unconscious level, followers generally respond to leaders as though they were significant persons of the past, such as parents or other caretakers. In part because of that “false connection,” followers tend to identify with their leaders (a transferential process called idealizing) and project on them their hopes for a new alternative. Through “mirroring,” having these projections reflected by the recipient, this process becomes reinforced. Thus, followers often recognize themselves in their leaders. Consequently, they may go out of their way to please them, to make things happen. Organizational leaders, gaining strength from this mutual identification process, reassure their followers, who in turn reassure the leaders (and give them their unqualified support).

Taking advantage of the enhancing force of transferential processes, leaders driving a change effort need to empower their subordinates by sharing information fully, avoiding secrecy, and delegating responsibility. Open and honest communication is critical. Leaders should keep surprises to a minimum, clearly delineate expectations, and maintain dialogue that is both ongoing and genuinely (rather than merely superficially) two-way. Furthermore, leaders need to communicate values by setting an example with clarity and consistency. In other words, as we noted earlier, those who drive the process have to “walk the talk.” Employee participation and involvement are the keys to organizational commitment. People at all layers of the organization - not only those at the top - should be involved in the change effort, beginning with a joint diagnosis of the problem. And that participation should be rewarded. Organizational leaders can offer incentives, for example, to people who support the organizational change effort, thereby signaling the benefits of change. People who do a good job with change should be rewarded, just as those with other needed skills are. They will serve as models to others. Because small wins have a ripple effect, leaders are advised to divide a big change effort into bite-size portions, thereby making the overall task more palatable. Visible improvements or small wins help convince people of the doability of the change effort. Milestones need to be celebrated to contribute to a sense of well-being. Despite striving for small wins, however, organizational leaders should set high performance expectations. By stretching people, by offering them an opportunity to spread their wings, leaders encourage followers to rise to the challenge. Successful stretching benefits both the
organization and the individual, because reaching one’s stretch goals engenders considerable personal satisfaction.

Organizational psychodynamics predicts that if leaders have been employing the techniques discussed above, most people in the organization have probably gone from contemplation of change to action. They are committed to (and working on) overcoming existing problems; changing personal behavior; and making changes in the organization’s structure, strategy, and culture. If leaders feel the need to expedite the organizational change process, however, they can try “staging” a focal event. And I see again a parallel here between organizational and individual change processes. A focal event can be staged in many different ways. It can be an off-site gathering at which members of senior management announce plans for a new organization, or it can be a series of workshops, a seminar, or a meeting run by an outside consultant. Whatever the design, such a staged event should allow for - indeed, mandate and focus on - strategic dialogue between top management and the subsequent layers.

As a forum for feedback and critique, strategic dialogue offers the opportunity for organization-wide involvement. The resistance that people feel not only to initiating change themselves but to being changed is lessened by such involvement, because it gives participants a sense of control over their destiny. Because strategic dialogue is based on a direct feedback loop with senior management, it permits an open and informed discussion of the challenges facing the company. Topics perceived as undiscussable in the day-to-day work context can be put forward and addressed, diminishing the level of employee anxiety especially among those who have the will to change but are afraid that they lack the necessary skills. Furthermore, strategic dialogue offers an opportunity to mourn the old way of doing things, to be nostalgic about the past, and to tackle a new beginning. The most important part of the strategic dialogue is that it gives an opportunity to give people “voice”—the possibility to be heard; to deal with issues that may have been simmering for a long time. And by doing so, the event will have both a cognitive and an emotional impact; preconditions for real change. Presenting issues that are problematic for the organization is not good enough, however. It has to be combined with constructive suggestions for improvement tied to an individual action plan. In the course of the strategic dialogue that takes place at a staged focal event, a number of issues need reiteration. First, even if most people seem to have bought into the notion that the organization’s present state is unsatisfactory, leaders should reemphasize that crucial point. Second, leaders should work to build and reinforce company-wide commitment to a redefined corporate vision and mission, to shared goals and expectations. Third, leaders should work with focal-event participants to determine whether the appropriate organizational design, systems, and workforce are in place. Having achieved clarity about vision and mission, they must ask themselves and their followers these questions: Are the existing structure and processes still in alignment with the marketplace? Have the steering mechanisms of the organization become obsolete, outlasting their usefulness? Given the need for change, does the company possess the right mix of competencies? If not, is a training-and-development program designed to help employees acquire the necessary competencies (and thus reinforce their belief in their own skills to change) adequate, or do outsiders with specialized expertise need to be brought into the organization? Do performance appraisal and reward systems need to be modified to encourage alignment of behavior with the new circumstances?
Encouraging individuals to make a public declaration of their intent to change and showing them how to make contributions to organizational improvement during these dialogues can also have a powerful effect. As in the case of personal change efforts, a public declaration strengthens commitment to the organizational change effort; it reinforces the intent to change simply by making it highly visible. It contributes to the internalization of the new reality. It helps people to go beyond mere compliance. A public declaration of intent alone is not good enough, however. It has to be backed up with a way of measuring what has been announced. In other words, a follow-up procedure, perhaps in the form of an individual action plan, has to be tied to each declaration. After all, what is not measured, rarely gets done. It is important during staged focal events to drive the notion deep down in the organization that “the enemy is us,” that blaming others for existing difficulties is unproductive. These sessions offer the opportunity to explore the extent to which problems can be traced back to what were originally good practices but now are out of alignment. Nevertheless, strategic dialogue should not be overwhelmingly negative. It should facilitate a process of self-discovery of both the good and the bad, allowing people the opportunity to reflect on what made the organization great but emphasizing that what was good in the past may no longer be appropriate (given the changing circumstances). Because the opportunity to reminisce, to mourn the past, allows people to build on the old and create the new, strategic dialogue should permit expressions of nostalgia and grief for the past; in doing so, it will encourage expressions of excitement for the future. But this is a slow process: It takes considerable time for a new conception of the organization to be fully metabolized, to go from superficial adoption of a new state of affairs to deep internalization.

According to the principles of the organizational psychodynamics, before attempting a staged focal event which often is a make-or-break endeavor in the change process, organizational leaders and executives must wrestle with the delicate question of leadership for organizational change. This issue is particularly difficult if questions are raised about the capability of the CEO to drive the change effort. In organizations that have experienced successful organizational change experienced outsiders have generally been brought in to make the process happen (Tushman et al., 1986). Insiders have to overcome much more in the way of conscious and unconscious resistances than outsiders do in getting the organizational change process on its way.

In organizational psychodynamics letting go of the old ways of doing things is not only a cognitive process; it is, first and foremost, an emotional process. For that reason, to be successful as OD consultants at organizational transformation projects, we must see the similarities between the individual, group and organizational change processes and learn what lessons we can from the emotional challenges of personal change. I tried to outline earlier the mourning process that individuals confronted by change go through. The same phases of mourning are applicable to change that takes place in group and organizational settings. People who are asked to change themselves to accommodate a changing organization need time to digest what faces them, to mourn what no longer can be. Speaking psychodynamically, as in the case of individual change, organizational change, when first proposed, often engenders a state of turmoil. With the anxiety level rising, sometimes to the point of panic (among those who fear for their jobs, for example), normal organizational processes generally
come to a halt or become ritualistic. People fall back to familiar routines, going through motions they know well as they try to deal with the announced change. This early in the game, few people are ready to accept that a new way of doing things has become necessary. Because of the shock of what is happening to and around them, people in the organization may regress into a dependency or a fight or flight mode (Bion, 1959). Those in the dependency mode may wish for (and imagine that they have) an omnipotent leader who will set things right. Their dependency may also manifest itself in passivity, in a lack of initiative. Fight behavior, on the other hand, may be characterized by a displacement of anger; that is, by blaming or scapegoating others for what is happening. People regressing to fight behavior often exhibit a great deal of irritability and bitterness. However, those emotions are often directed not toward the organization itself, and the people and practices within it, but toward “others” who might be to blame. Customers, suppliers, the government, and competitors typically fall into that category. People turning to fight behavior are not yet ready to look at themselves in this difficult equation. Instead, they waste their energy on internal politics, engaging in turf fights rather than facing their real problems. Still other people regress not to dependency or anger but to flight behavior. Some actually leave the organization at the first signs of stress. Others simply withdraw; no longer participating in the activities of the office, they place their interests elsewhere.

These three modes of organizational behavior cannot go on for long without dangerous organizational consequences. If people in the organization refuse to look at their own role in the declining spiral, the organization will soon find itself in receivership. In organizations that are fortunate, and whose change drivers have been astute and skillful, employees reach that realization themselves in time to act on it. They understand that no miracle waits around the corner, that positive things happen to people who help themselves, that the steps needed to reverse the situation must be taken not by others but by them, and that fighting change is of little use. As an increasing number of people in the organization share such thoughts, the corporate mind-set begins to change. Resistances are worn down, and the first tentative explorations of the new reality take place, even as - during the period of adjustment - people mourn what they have to leave behind. In the final phase of organizational transformation, with that adjustment complete, people in the organization have redefined themselves. They have accepted the new way of doing things, recognizing its advantages, and they now collaborate. New values, beliefs, and thoughts have been internalized. People have a positive attitude toward the future. In an organization hoping to effectively steer this mourning process and regenerate itself, the role of astute leadership is essential. Organizational leaders must recognize that it takes time to give up the old and embark on the new; that people facing organizational change, like those in personal change situations, need time to mourn the past. Effective leadership is a balancing act, especially during periods of organizational change. Leadership that acknowledges the importance of the roles of envisioning, empowering, and energizing - and that also takes on an architectural role in setting up the appropriate structures and control systems - will go a long way toward revitalizing the organization (Kets de Vries, 1995; Kets de Vries & Florent, 2003).
Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

In brief, this is the organizational psychodynamics of the change process.

But now, I believe several observations have to be re-stated in order to reveal the key factors that facilitate organizational change. Studies of successful personal change efforts indicate that there are two primary factors that help the change process and determine whether the transformation effort succeeds or fails: (a) the presence of some kind of social support system to ease the process of change and transformation, and (b) a personality style described in the literature as “hardy” meaning that one’s locus of control is more internal than external. Individuals who feel alone in their efforts to change behavior patterns have a difficult time changing. Without the support of their environment, their resistance to change is harder to overcome. Moreover, there is a link between the existence of social support and health maintenance (Sperry, 1995). Given the stresses and strains associated with change, social support takes on a crucial buffering function. Emotional support, on the other hand, is tied to self-esteem. This kind of support refers to ways of maintaining and bolstering a person’s feelings about him-or herself. This support can be given by the spouse, other family members, friends, or colleagues at work - a network of people who offer reassurance, guidance, and an opportunity to share interests.

Some people possess a more internal, others a more external, locus of control (Rotter, 1966). People with an internal locus of control feel that they are in charge of their own lives; they perceive their destiny as affected by their own decisions, not by outside factors. They see a strong relationship between their own actions and what happens around them. This secure belief in themselves, this independence and self-confidence, makes such people less anxious; more active, striving, and achieving; and more future oriented and long term oriented. They are also more proactive and innovative (Miller, Kets de Vries, & Toulouse, 1982), although less prone to engage in risky behavior. So-called internals also possess a considerable amount of self-control. They tend to be more motivated and successful in life than their external counterparts, both academically and in their work. Their strong belief in their own capabilities makes these people difficult to influence, invulnerable to manipulation, and resistant to coercion. Individuals with an internal locus of control find it easier than externals to take charge of, and carry through, major personal change. Their belief in their control of their own destiny prevents them from doubting the outcome of a self-initiated change process. Because they feel responsible for their own actions, they are aware that it is only they themselves who can orchestrate their own transformation. Once they have realized the necessity for change, they go ahead rather than wait for some outside sign or push to initiate the change. People with an external locus of control, on the other hand, often see change as a threat. Because they do not feel in control of the forces that affect their lives, they take a rather passive stand toward change, unable to take decisive steps in that direction. Such an outlook makes them prone to depressive reactions. The term hardy personality has been coined to describe people characterized by an internal locus of control. There is more to hardiness, however, than the feeling of control over the events of one’s life. Hardy individuals feel a deep commitment to the activities of their lives. Deeply curious and eager to initiate new experiences, they perceive change as a positive
challenge to further development. Hardy individuals have a strong commitment to self, an attitude of vigor toward the environment, and a sense of meaningfulness (Allred & Smith, 1989). In contrast, nonhardy people feel victimized by events and have a tendency to look at change as something undesirable.

The hardy personality style has affective, cognitive, and behavioral components that make people better survivors in stressful situations. Hardy individuals’ feeling of control over what is happening to them and their lower need for security enable them to tolerate ambiguity better than others. They are said to possess an adaptive cognitive appraisal process that helps them to anticipate and internalize the changes they face. These people take charge, they make decisions, and they feel that they are not at the mercy of events. They have a positive outlook toward life and face its challenges with resilience, flexibility, and adaptiveness; as a result, they show greater job involvement than others and put themselves easily into the role of catalyst. It is that same positive outlook that makes hardy individuals more stress resistant than others. Furthermore, hardy types are less prone to helplessness, depression, and physical illness (Seligman, 1989). Their commitment to self helps them preserve their mental health under strong pressure - they are effective at dealing with all of life’s tasks. In particular, they have the skills to cope both psychologically and somatically with the stress caused by the change process.

Given the importance of these two facilitating factors, organizational psychodynamics can predict that the organizational leaders do well to create an environment that fosters both social support and hardiness. It is in that sort of environment that organizational change and development can flourish. Making social support part of the organizational culture is a task that has to start at the top. The more effective leaders seem to have a considerable amount of emotional intelligence; they often possess what could be described as the “teddy bear factor” - the ability to create a holding environment that “contains” the emotions of others. Leaders who have emotional intelligence provide a sense of security for followers; they inspire trust and confidence. Leaders who reveal the teddy bear factor in their dealings with others let employees know that genuine attention is being paid to them, that they are being listened to. Such leaders create a facilitating environment for organizational development. Hardiness is a tougher nut to crack. Although research indicates that innovative, proactive companies have a larger percentage of people with an internal locus of control (a crucial component of hardiness) than other companies (Miller, Kets de Vries, & Toulouse, 1982) - confirming the desirability of that orientation - internal or external locus of control can be deeply ingrained. To change the mind-set of an external into an internal will be a major effort. Consequently, in most instances (as the key players in an organizational transformation effort usually do not have the patience to embark at such a formidable mind-set change), an organization of externals cannot be cultivated, without changes in personnel, into a company of internals. However, companies subjected to a turbulent environment - those for whom change is the norm rather than the exception - can promote hardiness by selecting, rewarding, and promoting people who have an internal locus of control. Employees with this outlook will be less resistant and more receptive than others to change efforts.

Organizational psychodynamics argues that the grasp of the psychodynamics of organizational change is a required core competency of any organizational leader.
and OD consultant. Executives and OD consultants who have a poor understanding of organizational change processes will be at a competitive disadvantage. Change, whether individual or organizational, is a complex psychodynamic process involving a number of phases, all of which must be completed if transformation is to be truly successful. There are at least two primary facilitating forces in this process and organizations can make use of their power. Generating a new mind-set in an organization is a procedure that takes an enormous amount of effort. OD Initiatives and projects designed to focus the critical organizational issues have to be undertaken, a justification for organizational change has to be communicated and received, and conscious and unconscious resistances of people in the organization have to be overcome.

The challenge to both organization leaders and OD consultants today is how to create the kind of organization in which an orientation toward change and development becomes one of the core values, to install in an organization a culture that becomes regenerative and constructive. Modern organizations need continuous, gradual change - the sort of change that occurs naturally when all organizational members - both leaders and followers - keep questioning whether their way of doing things is firmly embedded in reality. In organizations that keep themselves properly aligned with the environment via incremental change and creativity, environmental "creep" is minimized. To create such a mind-set that welcomes change, to create an organization in which people's exploratory and creative dispositions are fully deployed - this is not an easy proposition. Many people in today's organizations are ready to address only one major existential question in life; namely, where it is going to settle down. After that decision is made, they are settling down too firmly at their working positions and turn the organization into a psychic prison characterized by rigidification and routinization. To avoid this organizational leaders and OD consultants need to cultivate a culture of trust and creativity, a prevailing organizational attitude that encourages people to challenge established ways of doing things. People in organizations with that sort of organizational mind-set will never take the recommendations of their power holders for granted; they will question what their leaders have to say.

Organizations that foster an atmosphere of constructive opposition and conflict encourage contrarian thinking and "talking back" to one's boss, and make strategic dialogue the rule, not the exception, are in the best position to remain aligned with the environment, however much or often it changes. Organizations characterized by this sort of culture of constructive and creative dialogue will kill ill-conceived projects, unearth missed opportunities, and inform top executives of the concerns of their people. When such a mind-set prevails, it serves as an early warning system of the need for organizational change. The questioning attitude of this mind-set will make organizational preventive maintenance possible and create an atmosphere of continuous organizational learning.

Organizational psychodynamics argues that making such an organizational culture a viable proposition takes continuous effort, since change runs counter to the built-in conservatism of human organizational behavior. People, however, who understand the organizational psychodynamics of change, who realize that the tremendous opportunities inherent in a proactive stance are the future winners in this world of discontinuities.
Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

A good reason for studying management and organization from a human systems psychodynamic perspective is to uncover the complexity of relations that are mobilised by human emotions, to show how publicly displayed emotions reflect power relations, and how the interplay between emotion and power creates surprising, self-limiting, unexpected, liberating, uncomfortable, interesting, and unwanted structures for action.

Organizational psychodynamics (Neumann, 1999; Gould, Stapley and Stein, 2004) is not concerned with understanding personal emotions (whether this involves being reintroduced to early experiences, developing ‘self-awareness’ or acquiring ‘emotional intelligence’), but with discovering what collective emotions might reveal about an organization as a system in context (Armstrong, 2004). Emotions, both conscious and unconscious, which are individually felt and collectively produced and performed, interweave with political problems (for example, that the management of consensus is likely to require control).

The connection between organizational psychodynamic theory and critical management studies lies in the contribution both might make to understanding how the manipulation of individual and collective identity structures power within organizations, and makes individuals at all levels accomplices to the maintenance of this power (Kersten, 2001). Emotions and politics collide in everyday processes of organizational management and organizational dynamics and power relations in organizations are constructed from such a collision. It invites us to study ‘political relatedness’ (Sievers, 2001) within organizations, i.e. the interplay between collective emotions and organizational politics/dynamics.

In organizations action learning by discussing real issues with colleagues, taking action and reflection on action (Revans, 1983) performs its function of mobilizing individuals’ learning-in-action. Through membership in learning or training groups, organizational members are unable to develop their skills and dispositions, which could be both tested and transformed in practice. Methods of organizational psychodynamic groupwork can add reflections on experience and unconscious organizational dynamics. Organizational members can learn how individual and collective emotions are projected into and influence the organizational learning and management, as well as how emotions provide opportunities, clues and interpretations that inform a critique of experience.

Organizational psychodynamics is a specific area of thinking in management and organization studies that is linked to the psychodynamic study of groups and organizations (Obholzer and Vega Roberts, 1994; Neumann and Hirschhorn, 1999; Gould et al, 2001). It highlights the links between three domains of experience - the rational, the political and the irrational, in order to provide one way of explaining
organizational life. Organizations are recognised as emotional places, where fantasies and desires generate unintended consequences even for the best laid plans. Emotion work is understood both as an external display of feelings used in an attempt to manage or control social situations, and as part of a continuous process of coping with the internal conflicts and contradictions that are integral to organizational roles. Such contradictions arise both from the everyday creativity and frustration of interaction with and through others, and also from an inner world, a world of primitive passion and ambivalence that is as repressed as it is communicated.

One of the key assumptions of the organizational psychodynamics is that there is something that can be called unconscious, which is to say mental activity of which we are not aware, a realm beyond the grasp of knowing. In addition, the unconscious can be understood as mental territory to which dangerous and/or painful ideas may be consigned through repression or other defensive mechanisms, and also as a source of resistances to certain ideas and emotions (Gabriel and Griffiths, 2002). Even where convincing reasons and explanations are given, unconscious factors may be at play, and psychodynamic approaches tend to see rationalization as a prominent defensive mechanism used to avoid difficult emotions. It does not take a particularly in-depth analysis of organizational experience to come to the conclusion that there is much in organizational life that is ‘beyond the grasp of knowing’, or that the organizational dynamics produced within (human) networks of action constitute more than the sum of their individual parts. The idea that groups are more than the sum of the individuals that belong to them suggests that there are other ‘dynamics’ that will unknowingly impact on and influence behaviour within and outside of a group. Organizational psychodynamics is also concerned therefore with ways in which unconscious processes contribute to social irrationality, for example, how the idealisation of a group can lead to its destruction. Any system is prone to self-defeating activity, driven by unconscious and unacknowledged fantasies.

The very notion of unconscious mental activity continues to be contentious for many people, and ‘unconscious’ is not a common or necessarily welcome word in the vocabulary of either management academics or practitioners. Other words that fall into this category include fantasy, repression, primitive and defensive mechanisms. Attempts to bring a psychodynamic perspective into thinking and teaching about organizational behaviour and into management education have not proved popular, despite some excellent examples (Gabriel, 1999). Although OD consultancy work from this perspective is more accepted (Neumann, Kellner and Dawson-Shepherd, 1997) it does not provide the prescriptive quick-fix that is favoured by managers who are understandably eager to see immediate and manageable returns on their investments in learning and change.

One colorful illustration of the unconscious at work is in managers’ relationship to learning and training within organizations. Most managers think that training and learning are ‘good things’ if they help individuals to improve their practice and thereby assist organizational performance. When we refer to defensive mechanisms using concepts like repression, projection and regression, and link these to learning, training and organizing, we are raising the possibility that there are also unconscious processes that impact on learning. Managers, either as individuals or within groups, do not set out to stop learning in organizations but they do manage to limit and to undermine it, and especially to try to mobilise learning processes in the service of
greater managerial control: “It is not the case that cynical managers, acrimonious groups and defensive organizations discourage learning. Far from it. What they do is to encourage a kind of learning that promotes defensive attitudes, conservatism and destruction of all new ideas as potentially threatening and subversive” (Gabriel and Griffiths, 2002, p. 215). Learning is not only concerned with the conscious construction of processes for improvement, whether individual or strategic. An interest in unconscious processes that may be related to such construction raises the additional idea - that learning and training in organizations is connected to political processes and power relations, at an individual, group and organizational level.

Understood in this way, organizational psychodynamics has much in common with perspectives that encourage continuous critique of the conventional and the habitual, and seek to create new versions of ‘the way we do things here’. Organizational psychodynamics is aligned to critical perspectives on organizational experience that underline the value of ‘practical reflexivity’ (Cunliffe and Easterby-Smith, 2004) - tacit, practical forms of knowledge questioning and exploring about how identities, fantasies and realities are constructed in organizations, as well as how such knowledge can be used to ‘unsettle conventional practices’ and provide opportunities for the organization of reflection and learning. In organizational psychodynamics there is a methodological emphasis on collective, relational and social activity in organizational life, as well as on understanding the ways in which interpretations and actions are made and remade, taken and avoided, within the context of political opportunities, constraints and dynamics. Organizational psychodynamics focuses on reflecting and learning within and from lived experience, on the creation and the restriction of knowledge, action and inaction in organizations. One of the psychodynamic ways in which the lived experience of managers is given voice and translated into action is through their action learning at work.

Action learning is a popular and enduring approach within management education and development. The two key assumptions that inform the approach are first, that people in leadership/management roles learn best from reflecting on their own experiences rather than being taught about management. Such reflection is active and persistent - what the inventor of action learning referred to as continuous “ordeal by practice” (Revans, 1982). Second, that learning occurs in the company of others – “comrades in adversity” and “by discussion of real issues with colleagues, taking action and reflection on action” (Revans 1982, p. 720). Action learning can therefore be understood as ‘learning-in-action’, an attempt to link personal and collective processes of reflection to individuals’ actions. The approach aims to move beyond solving immediate problems to focus on real, complex organizational issues, which are not amenable to expert solutions. Action learning is based on the premise that learning cannot take place without action. The notion of working with comrades in adversity is a key emotional and political prescription in action learning. The phrase captures what is positive in togetherness; it suggests connection with trusted others who can help individuals to free themselves from the trouble that is part of the experience and enactment of an organizational role. Of course, they often do. However, organizations are complicated places and managers, even trusted friends, sometimes have to compete for resources, apply for the same senior positions, or represent the survival or progress of this part of the organization over that one. The emotions and politics mobilised by attempts to learn and to organize can be complex, difficult to understand, and at times overwhelming. Such attempts are complicated by
political decisions, alliances and strategic choices; by fantasies and interpretations of the behaviour and motives of others; by fears and anxieties; and by individuals’ desire to control or to avoid the situations they face.

Psychodynamically speaking, there are three distinct approaches to action learning in organizations. The traditional approach is individually focused. Action learning helps the individual to find ways to learn about oneself by resolving a work-focused project, and reflecting on that action - and on oneself - in the company of others similarly engaged (Weinstein, 2002, p.6). The business driven approach is aligned to notions of performance and productivity. Action learning is seen to make a contribution to business success by ensuring that organizational and individual learning is always greater than the rate of change (Boshyk, 2002,p.39). On the surface, the emphasis of this approach is a shift in the individual orientation of learning towards its strategic contribution. However, the business-driven approach retains an individual focus, since it is linked to the actions of HRM professionals, and to the political support of other key players, especially the CEO. The focal point of action learning has been on individual development within a role (traditional), or the development initiatives of individuals with an HRM role (traditional and business driven), or the senior individuals who legitimise learning initiatives (business driven). In both of these approaches learning is concerned with the knowledge and behaviour of significant individuals, and the links between changes in knowledge/behaviour and changes in practice.

The term “critical action learning” was coined by Hugh Willmott (1994; 1997) in order to conceptualise and to illustrate how critical thinking could be applied to learning. In general terms, reflection and learning from a critical perspective are both organizing processes that might transform control into emancipation. Critical action learning emphasises a process of reflection on the adequacy and value of conventional wisdom, linked to learning as a relational activity through which identity and autonomy are constructed. In this approach action learning may itself be considered a part of the “technology of social control” that underpins learning and development policy and HRM strategy within many organizations. “The dynamics of learning sets – their processes of organizing, often provoke emotions. Attending to and making sense of these is a rich source of experiential learning about organizational behaviour… The process of critical reflection provides language and concepts which help people acknowledge and make sense of feelings they may have long carried, but ignored, for example over tensions or contradictions they experience” (Rigg and Trehan, 2004: 162). Acknowledging the emotional experience of attempts to learn within a learning set encourages members of the set to question not only their own behaviour and practice, but also to analyse collective emotional dynamics as a way of accessing and understanding characteristic power relations, as well as how these might promote and/or limit learning. Critical thinking informs insightful questioning on the links between individuals development and organizing processes (Anderson and Thorpe, 2004). A critical perspective, through a focus on emotion, power and identity, generates the understanding that action learning sets are identity groups as well as learning groups. Critical reflection from this perspective provides the language from which people can make sense of emotions, both individual and collective (Rigg and Trehan, 2004). Critical reflection and action is an attempt to reveal the power conditions that would allow the results of reflection to be implemented to produce organizational effects. Action learning is inevitably part of producing power conditions
(Nicolini et al, 2004). Political relatedness of organizational members is generated in both working and action learning groups - emotions and politics combine to construct the group experience and this reflects and reconstructs power relations, and the largely unconscious contradictions of learning and not-learning that are generated in the organization.

Organizational psychodynamics has always stayed at the margins of the discussions on organizational bureaucracy initiated by Max Weber. In many of these discussions, human emotions and passions such as envy, hatred, anger, fear, anxiety were seen as unwelcome intruders to the world of organizations, symptoms of pathologies, from which organizations had to rid themselves. Alternatively, they were referred to through a small number of euphemisms, such as stress or job satisfaction, which ostensibly gave emotions some scientific weight and also offered the prospect of containing, managing, and controlling them. As Fineman (1993) has argued, such euphemisms reinforced the view of people in organizations as “emotionally anorexic” (p. 9). Yet, one only has to scratch the surface of organizational life to discover a thick layer of emotions, at times checked, at times feigned, at times timidly expressed, and at other times bursting out uncontrollably. The view that organizations, like families, sporting events, and religious ceremonies, are emotional arenas in which different emotions are generated, displayed, shed, and traded did not emerge seriously until the 1980s.

Emotion and learning are now recognized as a key feature of the work that many people do. A display of friendliness, involving direct eye contact and a smile, is not merely a bonus for sales or catering staff but an integral part of their jobs. Different occupations require different emotional displays or performances - nurses must show care and affection, sports coaches enthusiasm and drive, funeral directors dignified respect, and professional wrestlers anger and hate. Hochschild’s (1983) concept of emotional labor describes those aspects of people’s work that involve adopting an emotional attitude appropriate to their work tasks and organizational roles. Since Hochschild’s early work, emotional labor has been recognized as a core feature of a wide range of occupations (from secretaries to car mechanics, from computer analysts to Disneyland employees) especially in the service sector. Emotional labor also involves assessing and managing emotions, one’s own, as well as other people’s (Fineman, 1993; Hochschild, 1983). A sales assistant must diagnose whether a customer’s anger is real and serious and use his/her own techniques for defusing it or redirecting it. Emotions and even feelings are no longer seen as dysfunctional or disruptive elements in organizations but as vital resources to be marshaled and controlled, in a manner not dissimilar to other resources such as money, information, or materials. Putnam and Mumby (1993) have argued that “through recruitment, selection, socialization, and performance evaluations, organizations develop a social reality in which feelings become a commodity for achieving instrumental goals” (p. 37). In this way, bureaucratic rationality expands to colonize affectivity and emotions. Mature bureaucracy need no longer be afraid of emotions - rather, it may control them and deploy them as it does other resources, such as knowledge or technology. Writers such as Ferguson, Mumby and Putnam (Putnam & Mumby, 1993), Van Maanen and Kunda (1989), and Hochschild (1983) herself have critiqued the resulting inauthenticity and burnout suffered by employees who, under pressure from management, adopt the emotions required by their roles. They also recognize that at times, employees may seek to resist management’s
attempts to manipulate their feelings, through acts of resistance. This approach has placed emotion squarely at the center of the contemporary study of organizations.

If emotions are part of the work people do, the right emotional attitude has come to be seen as a key feature of successful organizations. At a time when continuous change and uncertainty make traditional machine-bureaucracies less relevant, emotions such as commitment, trust, caring, enthusiasm, pride, and even fun become necessary for organizational success. Organizational leaders are seen less as superbrains formulating policies and more as passion generators. Business people, such as Carlzon (1989), Morita (1987), and Roddick (1991), have written books that extol passion and enthusiasm as the basis of success, viewing themselves as heroic leaders of passionate followers, rather than managers of obedient functionaries. Building on the work of Zaleznik (1977) and Burns (1978), a distinction has been drawn between managers who promote efficiency through deals and an eye for detail, and leaders who stir emotion, provide vision and generate commitment. In so doing, the study of organizations has rejoined a thread in Weber’s thought which had remained forgotten, namely that leadership and administration are not merely different entities but diametrical opposites.

Emotions themselves are cultural phenomena whose meaning emerges through culture, is communicated through culture, and is even generated by culture. Specific organizational events, such as a job interview, a downsizing announcement, or a business deal, call for appropriate emotional performances of those participating. Inspired by the work of Goffman (1959), social constructionists argue that emotions can be learned in organizations, just as theatrical roles can be learned by rehearsals. And like theatrical actors, social actors in organizations learn to experience anger, sorrow, joy, or fear when their roles call for them. Writers such as Heller, Mangham, Flam, and Fineman (1993, 1995, 1997) have studied the rules that govern emotional performances and have examined how emotion flows in organizations by being symbolically constructed, communicated, and disseminated from each individual to his or her audience.

Social constructionists have relied on early theories by Le Bon (1895/1960), Simmel, and Durkheim, suggesting that “human sentiments are intensified when affirmed collectively. Sorrow, like joy, becomes exalted and amplified when leaping from mind to mind” (Durkheim, 1915/1961, p. 446). Thus, when we find ourselves surrounded by sad people at a funeral, we feel sad, even if we do not have a great reason to feel sad; likewise, when we find ourselves surrounded by a cheering, laughing, or jeering crowd, we may become affected by these emotions, even if we have no personal reason for experiencing them. Social constructionists recognize, however, that emotions change as they flow in different social settings. Despair can turn into anger, envy into pride, joy into hate. An individual's display of a specific emotion may generate the same emotion in his/her audience, or it may lead to a different emotional response. An organizational leader, for example, may discover that attempts to share enthusiasm or pride with his or her subordinates lead to indifference or suspicion on their parts. Social constructionist theories are not yet able to account for transformations undergone by emotions as they are communicated or shared. They tend to treat most emotions in an undifferentiated manner, occasionally dividing them into positive and negative, hot and cold, active and passive, prescribed and proscribed, but rarely explore them in their infinite
nuances and subtleties, vigors and vitalities. For all the virtuosity that writers such as Mangham and Overington, and Hopfl and Linstead (1997) bring to discussions of the rules of emotional microperformances, they are a long way from establishing the qualities that make a performance a success with one audience and a failure with another. The reasons why a particular emotion is associated with a specific social occasion (say grief at a funeral, anger or derision at an inadequate offer from the employer, nostalgia at a farewell function, and so on) are not addressed. Furthermore, social constructionist approaches add little to the study of the origins of emotions like rage, despair, boredom, envy, or bliss, or their sudden modifications in the course of everyday experience. These emotions are not addressed in the light of either the complexities of interpersonal and group dynamics or each individual’s life history. As no less a constructionist authority on emotion than Fineman (1993) has recognized, this approach has a total blind spot when it comes to identifying where emotions come from and how they fit into the biographies of organizations and individuals (p. 23). This is where organizational psychodynamics can substantially enhance our understanding.

Organizational psychodynamics has always been absorbed in the study of emotion. It has opened new avenues in analyzing the emotional life of individuals and groups in organization, in exploring the origin and meaning of different emotions in organizational life, and in accounting for the grip that emotions have on our working and community lives. Human beings are approached by organizational psychodynamics not merely as emotional workers but as desiring, passionate beings. Emotions are no simple side effects of mental life, no performances staged for the sake of audiences, no instruments of interpersonal manipulation although they may under certain circumstances be all of these things. Instead, organizational psychodynamics approaches emotions as driving forces in human affairs at all - individual, group, organizational and inter-organizational - levels.

Emotion lies at the heart of human motivation - emotion is motivation. It is not accidental that both words derive from the Latin emovere, to move. The drive for money no less than the drive for power or the drive for work - they all derive from emotion and are liable to become passions. The drive for truth, too, is emotionally driven, rather than the expression of an abstract interest in knowledge and learning. Hence, illusion is no mere product of ignorance or error, but rather the product of fear, love, anxiety, desire, and passion. For organizational psychodynamics, emotion is what holds human groups, organizations and communities together (“necessity alone will not hold them together”; Freud, 1930, p. 122), and emotion too is what destroys them. Being in love and being under hypnosis are the two closest psychological states to being a member of a group, according to Freud (1921), although Freud was wise enough to limit his formulations to groups “without too much organization” (p. 116).

The attempts in organizational psychodynamics of writers like Jaques (1955), Menzies Lyth (Menzies, 1960; Menzies Lyth, 1988, 1991), Levinson (1972, 1976), and Zaleznik (1977, 1989a, 1989b) were respectfully received, but until recently, they were not integrated in the mainline of organizational studies. But as the view of organizations as emotional arenas has gained currency, there are opportunities of re-integrating organizational psychodynamics into the study of organizational processes and OD practice.
The study of emotions, feelings, and affects, defense mechanisms, transference and counter-transference has been an organic part of the development of organizational psychodynamics since its earliest days. The psychology of group emotion had received two important contributions in the early part of the century, in the works of Gustave Le Bon and William McDougall. The observations of these two theorists form the starting point of Freud’s (1921) investigations in Group Psychology and the Analysis of the Ego - the intensification of emotions in groups, the contagiousness of specific emotions, suggestibility, the lowering of critical abilities and moral restraints, the thirst for illusions; these were well-known emotional qualities of group life. Bion (1961) placed emotions squarely at the center of his investigations into the mental life of groups. A group may be a work group or a sophisticated group, drawing on its own resources to carry out its task. Such a group is outward looking, engaging in creative exchange with its environment, and recalls Freud’s notion of the managerial ego which is generally able to keep its harsh masters satisfied. Yet, a group whose task causes anxiety may lapse into a basic-assumption functioning, in which it becomes over-powered by emotional forces. Basic-assumption groups defend themselves against anxiety by closing themselves to their environments and allowing emotion, fantasy, and delusion to take over from task. Each of Bion’s three types of basic-assumption group displays its own characteristic batch of self-reinforcing emotions. The dependency assumption revolves around blind faith in the leader, trust, reverence, loyalty, devotion, respect, and submissiveness. The fight or flight assumption commandeers many of the emotions characteristic of the paranoid-schizoid position, rage, hate, envy, destructiveness, and fear. The pairing assumption revolves around feelings of hope, optimism, confidence, and self-assurance. In all of these instances, emotions undermine the group’s ability to think or reason, to plan, to control, and to administer its task - in short, they represent pathologies, analogous to individual pathologies. Effective groups, therefore, may not lapse into basic-assumption functioning. The leader, the group therapist, or the organizational consultant, as much as the members of groups, therefore must be on their guards for signs of basic-assumption functioning.

As we discussed it earlier, Bion’s theory has received extensive support from the work of organizational researchers and OD consultants, who have found in it a valuable key for unlocking the emotional tangles of work groups, especially highly ineffectual ones. Many writers with an organizational psychodynamic perspective have employed basic-assumption theory first to analyze group functioning and then to effect change, restoring the group to its task. (Diamond, 1993; Hirschhorn, 1988; Kets de Vries & Miller, 1984; Krantz, 1989.) Nevertheless, the sharp distinction between the basic-assumptions group and the sophisticated group has been hard to maintain, and certain authors, such as Mant (1977), have suggested that under certain circumstances, primary assumption functioning may be beneficial for the attainment of collective tasks. Although Bion’s theory has found many applications in relatively unstructured groups, the emotional life of organizations is considerably more complex. The theories developed by Jaques, Menzies Lyth, Trist, Bridger, Miller, and other theorists associated with the Tavistock Institute in London have addressed directly the effects of bureaucratic forms, hierarchies, and rules on the emotional lives of their members. Drawing from Klein’s theories, Tavistock research has studied how individuals in large bureaucratic organizations, faced with uncertainty and anxiety, set up psychological boundaries through projections and
introjections that seriously distort organizational rationality and task. The overall perspective is not dissimilar to Bion's, inasmuch as emotion is seen as both the cause and the result of defensive reactions, which undermine clarity of purpose and execution. But instead of looking for defenses against anxiety in emotional-group functioning, the Tavistock theorists have looked at how organizations themselves may furnish individuals with defensive devices.

Elliott Jaques (1952, 1955) argued that individuals may collectively project bad objects onto a single member of an organization or a stigmatized social group, while introjecting the idealized qualities of a good object. The first officer of a ship, for instance, is usually held responsible for everything that is wrong on the ship, allowing the captain to be seen as a kind, protecting figure. Scapegoating is thus a feature of many societies and organizations which enables individuals to deal with internal anxieties as though they originated from the outside and may therefore be fought against or destroyed. Jaques's view that organizations supply individuals with suitable defenses against anxiety was supported by Menzies Lyth's (1988) research on nurses in a London teaching hospital. This study has made a lasting contribution to the study of emotion in organizations and is still widely cited. Nurses confront many different emotions from patients and their relatives, gratitude for the care they offer, admiration as well as envy of their skills, resentment stemming from forced dependence. Their own feelings toward the patients, especially feelings of closeness and personal caring, are tempered by the knowledge that the patient may die. “The work situation arouses very strong and mixed feelings in the nurse: pity, compassion, and love; guilt and anxiety; hatred and resentment of patients who arouse these strong feelings; envy of the care given to the patient” (Menzies Lyth, 1988, p. 46). Faced with such an emotional cauldron, many nurses reexperience infantile persecutory anxieties, from which they seek to defend themselves through the familiar mechanisms of projection, splitting, and denial. Menzies Lyth’s important contribution was to establish how an organization’s own bureaucratic features, its rules and procedures, rosters, task lists, checks and counterchecks, paperwork, hierarchies, and so on - all of these impersonal devices act as supports for the defensive techniques. By allowing for ritual task performance, by depersonalizing relations with the patients, by using organizational hierarchies, nurses contained their anxieties.

Yet, in organizational psychodynamics’ view, such organizational defenses against anxiety were ultimately unsuccessful, leading to failure to train and retain nurses, chronically low morale, high levels of stress, and absence of work satisfaction. Along with other psychoanalytically trained consultants, Menzies Lyth (1991) views the role of the OD consultant as one who may help restore an organization to health by implementing a number of principles. These principles match quite closely the criteria for a healthy personality as derived from psychoanalysis. They include avoiding dealing with anxiety by the use of regressed defenses; more uses of adaptations and sublimation; the ability to confront and work through problems; opportunities for people to deploy their capacities to their fullest, no more or less than they are able to do; opportunity to operate realistic control over their life in the institution while being able to take due account of the needs and contributions of others; independence without undue supervision; and visible relation between efforts and rewards, not only financial (p. 377). Menzies Lyth’s prescriptions have been taken up with greater or lesser success by numerous psychodynamically oriented consultants. Countless
instances of backfiring social defenses against anxiety have been documented by writers working within organizational psychodynamics, and outstanding contributions in establishing the crippling effects of such defenses both on individuals and on organizations have been made by Gould (1993), Krantz (1989), Lapiere (1989), Diamond (1985, 1993), Hirschhorn (1988, 1989), and Hirschhorn and Gilmore (1989).

In “The Workplace Within”, Hirschhorn (1988) uses his experiences as an organizational consultant to show how anxiety in organizations triggers primitive fears of annihilation, which in turn call for social defenses. To Bion’s basic assumption, Hirschhorn adds two further modes of social defense, organizational rituals and covert coalitions. Following Menzies Lyth, Hirschhorn views organizational rituals as depersonalized routines that create a distance between the individuals and their roles, screening out threatening emotional involvements and replacing them with a set of mechanical actions. Covert coalitions, on the other hand, constitute a kind of unconscious psychological deal, whereby members of an organization call a truce to conflict or disagreement, by assuming roles drawn from family life, which provide them with a model for anxiety containment. The price of such a truce, observes Hirschhorn, is the creation of taboo subjects that may not be referred to and the perpetuation of dysfunctional arrangements within the organization.

The idea of organizational psychodynamics about the social defenses against anxiety has become increasingly accepted by numerous scholars, including those working outside depth psychology. One particular version of the arguments presents organizational rationality itself - the use of quasi-scientific procedures such as forecasting, planning, monitoring, evaluating, testing, and so on - as no more than emotional rituals whose function is entirely the allaying of managers’ anxieties in a highly unpredictable and even chaotic environment. Of considerable interest in this regard is Stacey’s (1992, 1995) pioneering contribution, which brings together the psychodynamic theory of social defenses and MacIntyre’s critique of quasi-scientific managerial procedures with complexity theory to elucidate the nature of managerial work. Stacey maintains that successful organizations are those that function in a state of bounded instability, a near-chaos state that is neither one of catastrophic disequilibrium nor one of static ossification and death. Functioning in this mode, complex organizations are unpredictable beyond a very small time span, much like weather patterns. Learning, creativity, and innovation, according to Stacey, are the result of operating at the edge of the abyss, which creates feelings of realistic anxiety, as numerous organizations once thought invulnerable collapse, and others make large numbers of people (including executives) redundant. Using organizational psychodynamics, Stacey has argued that managers hold on to outdated and virtually useless procedures of control in an attempt to contain such anxieties, seeking to create islands of calm in a turbulent sea. Needless to say, such procedures have no more chance of success than ancient rites of weather control, as MacIntyre has memorably put it.

The study of the containment mechanisms for anxiety offered by organizations, as well as subsequent complications, distortions, and dysfunctions, is one of the foremost contributions of organizational psychodynamics in this area. A valuable contribution in this area has been made by Howell S. Baum in his book “The Invisible Bureaucracy”. Like Hirschhorn, Baum (1987) explores the matching of psychological and organizational processes, only the emphasis here is in the opposite direction.
Bureaucracy, argues Baum, contains certain features that function as systematic generators of anxiety. Foremost among these is hierarchy, which disperses responsibility while concentrating power. Responsibilities of individuals tend to be highly ambiguous, compounded by the endemic impersonality and distance between individuals across organizational ranks. Individuals then adopt a defensive attitude seeking to cover their own backs at all times. Bureaucratic impersonality creates an empty psychological space between subordinates and superiors that is filled with fantasies. Baum notes two especially common ones among subordinates, the “moral paragon” and the “superiority in competence and strength.” Each of these sets off its own type of anxiety, the former guilt anxiety, the latter shame anxiety. It is noteworthy that, unlike the object relations approach, Baum reverts to a more orthodox view of emotion as the product of fantasy, rather than vice versa. Yet, like Hirschhorn, Baum views blame and credit as the vital currency in which organizational participants continuously trade. Blaming, victimization, and scapegoating not only are major ingredients of the emotional life of organizations, but derive from the nature of bureaucracy itself, rather than from maladministration. When wrongly accused, individuals frequently feel threats of annihilation out of proportion to the actual blame placed on them. The strong feelings of rage, anxiety, and fear generated by such events are evidence of regression to an earlier, more vulnerable age. Fineman and Gabriel (1996) offer numerous organizational stories illustrating how bureaucratic procedures frustrate the employees’ need for clear lines of responsibility. In one story, a student accused of tampering with a superior’s computer bursts into an almost inarticulate rage: “I left with awful feelings of frustration, anger, uselessness, and betrayal” (p. 112), he says, feeling trapped in the role of a scapegoat, where his protestations of innocence only serve to reinforce his victimization. In another story, a young trainee reports how he was cajoled by a senior and respected manager to become an accomplice in the cover-up of a 50,000 blunder. Yet another employee, who confesses a serious computer mistake to his manager, is told, “Listen, you haven’t made a mistake, but the system has. Whenever something is wrong you must come and tell me that the accounts system has screwed up. The system will lose prestige and value, whereas you have gained recognition because you spotted the error. You see, this company likes winners” (Fineman & Gabriel, 1996, p. 116).

Organizational hierarchies become highways along which blame travels: superiors blame subordinates for filling in the wrong forms or pulling the wrong levers; subordinates blame superiors for designing forms and levers wrongly or giving the wrong instructions. Apportioning blame can become a highly unpredictable business. Under these circumstances, people may learn the simple, but demoralizing lesson, that the best thing to do is simply to protect themselves. Gabriel (1993) has noted how organizations, especially authoritarian ones, maintain a continuous level of anxiety through alarmist gossip and horror stories of sadism, injustice, and humiliation. If organizations harbor unseen dangers, potential victimization, unexpected responsibilities, and dangerous dormant regulations, anxiety warns the individual of such threats and offers a partial inoculation against injury when misfortune strikes.

In summary, organizational psychodynamics views the display, channeling, unleashing, containment, control, and management of emotions as a set of core processes in organizations, which frequently account for the difference between
success and failure. Feelings, emotions, and fantasies shape the world of work, rather than being mere by-products of work process. Of course, work processes generate distinct feelings, emotions, and fantasies, but these irrational phenomena become embedded in work processes, at times enhancing and at others inhibiting them. Many organizational emotions recreate instances from both the personal and collective past. Superior-subordinate relations, for example, may be charged with emotions, especially anxiety, envy, and guilt, first experienced within a parent-child relationship (Gabriel, 1997; Krantz, 1989; Lapierre, 1989); relations across race boundaries may be burdened by intergenerationally transmitted emotions rooted in the experiences of slavery and racial exploitation (D. A. Thomas, 1993).

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Organizations we work with as OD consultants are complex mazes in which different emotions travel, mutate, and interact, as individuals and groups in the organization trade in resources, information, and power, but above all, in credit and blame. Anxiety is a preeminent emotion resulting from the demands that bureaucratic settings induce, yet these same settings offer various defenses against anxiety, which sometimes protect individuals, yet, at other times, reinforce the very causes of individuals’ discomfort. For example, glamorous organizational images may reinforce individuals’ sense of their own merit and perfection or even provide a partial consolation for their individual mortality, yet it may also generate feelings of powerlessness, dependence, and resentment (Gabriel, 1993; Schwartz, 1985, 1990).

Some scholars continue to emphasize the dysfunctional consequences of fantasies and emotions for organizations, seeking to vindicate the primacy of the rational, task-oriented processes. Organizational psychodynamics, however, would view emotion itself as vital in breaking out of dysfunctional processes that inhibit performance and exacerbate anxieties and discontents. Organizational learning, far from being a dispassionate Socratic pursuit, is driven by some emotions and opposed by others. Learning is, therefore, no mere cognitive experience of gradual enlightenment but a frequently painful process of “unlearning” past defensive and dysfunctional postures and working against inner and institutional resistances. The real challenge for the study of organizational emotions in the future lies in a rapprochement of organizational psychodynamics from social constructionist and critical action learning perspectives - a continuing exploration of the relations between social and psychological defenses; a clarification of the vital differences between feelings, emotions, and affects; and a critical appraisal of the issue of emotional repression and action learning.

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Despite the current recognition of the importance of emotions in organizations, the claims of rationality, and allied with them, the claims of control, must not be discounted. The Weberian chimera sine ira et studio may have finally been slain, yet, the claims of rationality continue to haunt organizations and modern society.
Despite the emotional maelstrom that may at times overwhelm organizations, many of the day-to-day activities of organizational members continue to be rationally defined and justified (e.g. economic theories of “rational choice” and “rational self-interest”). Forms are filled, reports are written, deals are made, alliances are struck, regulations are introduced, costs are cut, not because people act emotionally, but because they act instrumentally, driven by considerations that are perceived as rational or … rationalized.

Bureaucracy, as an emotion-free principle of administration, may no longer be a valid way of studying organizations and organizational psychodynamics can helps us to appreciate the quite unique and taxing strains that emotions impose on our organizational and community lives.
Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

It is becoming increasingly important for organizational leaders to understand the emotion and organizational psychodynamics within organizations they lead. In this lecture I would try to outline a conceptual model that provides a bridge between the more accessible and rational aspects of organization life and the hidden aspects of organizational psychodynamics.

There is widespread interest in the leadership role in the post-industrial organizations of the 21st century. Changing organizational forms bring different demands on those in leadership positions. The historical emphasis on understanding leadership through studying the behaviour of leaders is no longer sufficient to deal with the complexity of today’s organizational life. The current discussion of distributed and shared leadership recognizes that leadership is no longer necessarily the province of those in senior executive positions (Denis et al., 2001). Yet, even given this realization, the development focus largely remains on the characteristics and behaviour of the leader despite calls for alternative development practices (Kakabadse and Kakabadse, 2002; King and Rowe, 1999).

Popular views of leadership capture the wish for leaders to be different, to be more able, even magically to erase difficulties, in fact to be the hero of the hour organizationally - and many personal histories of leaders are best sellers. However, in new organizational forms, a notion of individual heroic endeavour is not the most helpful image of leadership. Leadership, instead, needs to be viewed as a function of the whole organizational system. This is evidenced by the fact that people may be successful in leadership roles in one organization and yet not in another. What can be achieved in a leadership role is not just the result of personal characteristics but of what the organization is collectively capable of working at. Indeed it is possible that an individual taking up a leadership role can only be the leader the organization allows. This more complex view of leadership brings into focus the notion of taking up a leadership role within a particular organizational system: a systemic perspective on organizations was brought to prominence by Senge (1990). Those taking up leadership roles are part of the system in which they exercise leadership, and leadership can only be understood by considering the leader–system organizational psychodynamics.

The leadership capacity of an organization involves emotions and relationships; after all, people are inspired by dreams not plans. Experience in the workplace generates feelings, both positive and negative, and irrespective of whether these are acknowledged or suppressed, they will influence choices in taking up a role. Emotionality, defined by Reber (1995,p. 247) as “behaviours that are observable and theoretically linked to the underlying emotion”, exists within the organizational system. Leadership roles elicit fantasies that reflect human needs and the drama of human attempts to connect and relate to others. Thus leadership, deciding what task
people should work at and how to go about it, is not about resourcing and planning only but rather about intervening in the emotions and emotionality of organization life. Kets de Vries (1991a) said in his introductory chapter to “Organizations on the Couch”, it is a myth that executives and organizations are rational. This means for organizational psychodynamics that emotion and emotionality are significant. Yet as Carr (1999) says, these are experienced as “bad” while rationality is split off as “good”. It is therefore hardly surprising that emotion and emotionality are not often the focus of attention, either for those in leadership roles or within leadership development programs.

The emotionality within the organization is often a difficult aspect to introduce in a leadership development program, and organizational psychodynamics offers examples of how to introduce and work with the complexity and paradox of the “hidden beneath the surface” life of individuals, groups and organizations in a way that does not invite rejection or resistance to the core concepts. Organizational psychodynamics recognizes that learning about emotionality in organizational systems presents challenges for leadership development, and in doing so it explores the challenges we might face in running such program.

Without awareness of difficult emotions that underpin observable behaviour, much organizational behaviour is puzzling - the manager who can’t understand why a perfectly good plan is not being executed may have few choices for intervening if he or she doesn’t grasp that their ship has run into underwater rocks. For example, taking up a new organizational role can highlight the need to understand a new organizational system. Often on first joining an organization, there is clear recognition of the need to read the new context, but this tends to fade with familiarity. Equally, what is being carried varies from situation to situation. Carrying defensiveness in a situation will have a very different impact on consequent behaviour from carrying a feeling of confidence. The skill lies in inner attention as events unfold and reflecting on how the inner state resonates with past experience or is related to the current situation. The two dimensions of reading and carrying are intricately linked – for example, if an initial assessment of the mood of a meeting is hostility to your proposal, this may lead to defensiveness in expectation of attack.

Developing the skills of reading the situation and understanding what is being carried requires attention to a systemic perspective on organizational life and the unconscious forces at work. An appreciation of the organizational psychodynamics, shifts the emphasis from individual deficit to an awareness of the system as a whole. Increasing awareness of leaders and managers through methods such as 360-degree feedback instruments has been found to be very helpful, and builds on the use of observable and measurable behaviour. However, we believe that being wise in the difficult organizational settings of today requires a deeper understanding of the Organizational psychodynamics of the system, and thus a human systems psychodynamic approach adds to the awareness of what is there to be read and what may be being carried at a deep, unconscious level.

The work that has been done on leadership from a human systems psychodynamic perspective provides a totally different frame of reference for leaders and managers. They acquire a mental map that includes the idea that leadership roles are taken up in a context that exerts influence on the leader just as much as they influence the
organizational context. An understanding of leadership behaviour as emerging from the interaction of the individual personal characteristics of the leader, the group and the organizational psychodynamics that he or she enters into on taking up a leadership role can help managers develop a more fine-grained approach to intervening in their organizations.

The ability to be wise in a difficult situation involves reading not just the accessible aspects of the situation, be it the context of the organization or the accessible aspects of the world within the organization, it also requires the ability to read the inaccessible and hidden aspects of organizational life. As Neumann and Hirschhorn (1999; p. 685) point out, “sources of energy and motivation frequently are inaccessible to the conscious mind of those people involved even though behaviour and emotions are being affected”. As Armstrong (2000) outlined, emotion in and of the system can be seen as a disturbance, something that needs to be contained or managed, or it can be viewed as a source of intelligence to be understood and put to use. Unconscious emotionality present in the organizational system is not easily accessible because it is a primitive emotional terrain that humans largely feel uncomfortable with and so deal with in ways that prevent us from having to consciously pay attention to. It is based on early developmental issues that are evoked when we engage with others in groups and organizations and that relate to our lifelong journey of individuation, dealing with needs for belonging and acceptance rather than isolation and rejection; our desire for space to be ourselves rather than conformity at the expense of self. Anxiety about survival and the role of powerful figures who can withhold or give what we need in infancy and the family are also present when we become members of organizations as adults. Klein and Bion developed key theories that underpin this work (Klein, 1959; Bion, 1961). These undercurrents of envy, competition and rivalry, ambition, aggression and most crucially fear and anxiety are those that drive rational plans and strategies onto underwater hidden rocks. The differences in power and authority between organization members can evoke primitive authority relations. This can happen between people and their direct line manager or in relation to distant leaders - for example, senior directors with whom there is infrequent personal contact. The primitive anxiety surrounding survival can be experienced in times of reorganization or mergers, or when promotion and pay are at issue. Competition for recognition and attention from the boss in teams or project groups can evoke sibling rivalry. Challenges that carry responsibility and risk - such as customer demands, regulatory inspections and managing change – can give rise to emotional turmoil. However, to do business and have conversations by the coffee machine, we have to prevent all the emotion generated by joining in a social system from overwhelming us. We do this by using defences such as keeping away from consciousness an emotion such as rage that threatens to be overwhelming (‘I never feel angry; except when I very occasionally surprise everyone by losing my temper’). There are also social defences that are collectively shared ways of containing or preventing emotion overwhelming the system: “…we blame our problems on the accountants/IT people/the management; if only they were as good as us”. These defences can become enshrined in structures and practices that enable people to find ways of making working with others psychologically possible, feel less risky, and even be enjoyable. The original studies of social defences were conducted by Menzies Lyth (Menzies Lyth, 1970, 1988) and the ways in which anxiety and containment of anxiety play a part are well described by Krantz (1998).
Organizational leaders who don’t understand the notion of “emotional turmoil” and are not able to read this aspect well and work with it, will act in ways that are at best innocent and at worst inept. The task of the organizational leader is to change things and move the organization forward, and Neumann (1999) highlights the difficulties inherent in the process of organizational change. By bringing about change, the leader is automatically disrupting existing arrangements for emotional peace and as an authority figure is a legitimate emotional target for the ensuing emotions. As leadership is required from more managers, more people have the freedom to make more decisions, use initiative and operate within the organization’s overall strategic vision, rather than do prescribed tasks. This may be a double-edged sword. On the one hand it offers interest, a sense of personal power, excitement and the possibility of a more satisfying working life. On the other hand it means that individuals must utilize their inner sense of authority to guide their decisions and choices. The internal authority carried in a situation has all the power of the past, bringing with it learned models from early experiences with authority, such as with parents and teachers. Organizational leaders exercise their inner authority and need to be aware of this aspect of what they carry within them, as Hirschhorn (1997) outlines in his work on leadership in post-modern organizations.

Organizational leaders are also authority figures for others. They are thus invested with others’ imagined and projected power and authority, beyond that which goes with their position. Others will often wish for leaders to wield extraordinary power and thus be capable of “making everything right” in the organizational world. At the same time, there is a hatred of this idea of the power of the leader and so relationships with others, when in a leadership role, are not straightforward. Leaders disappoint because they can be seen to be fallible and real rather than idealized and distant. Yet organizational leaders need confidence in their capacity to contribute. In relying on their personal authority they must bring more of themselves into the workplace - their ideas, feelings and values. In taking up leadership roles people are thus more personally exposed and vulnerable, as Hirschhorn (1997) has argued. This indeed requires organizational leaders to be psychologically resourceful and to carry a robust and integrated sense of self into their role. Heifetz and Laurie (1997) capture the essence of the wise organizational leader who works effectively at their role in the emotional life of the organization. In their conceptualization of the leadership role, leaders’ capabilities include: identifying adaptive challenges; regulating distress (creating a holding environment, a place for processing thoughts, clarifying assumptions); stopping old initiatives in order to enable new ones; being responsible for direction, protection, orientation, managing conflict and shaping norms; having the emotional capacity to tolerate uncertainty, frustration and pain without getting too anxious themselves; communicating confidence; counteracting distractions such as scapegoating and projections of negative emotion into other groups that prevent people from getting on with their work; developing collective self-confidence; giving voice to all people - whistle blowers, deviants, and creative original voices, normally routinely suppressed. They view effective leadership as learning rather than as having a vision and selling it to people. There many aspects of what is carried in a situation that are not accessible. It is helpful to increase awareness of how early authority experiences have impacted on current views of the leadership role and how messages from early life can influence which psychological roles are taken up on behalf of a group, such as always being the person arriving to save the day. A lack of
awareness of these elements and difficulty in managing them will increase the likelihood of inept or clever behaviour. Wise behaviour is more likely if, in taking up a leadership role, a manager pays attention to what is read and carried, bringing to consciousness the emotionality of the organizational experience that is not usually attended to or valued as useful intelligence. As Brown and Starkey (2000, p.113) point out in their discussion of the wise organization, “...wisdom is associated with an ability to perceive the broader picture and “the connectedness of things””. Perceiving the connectedness of things that exist beneath the surface is a particular challenge. Creating the conditions for learning about organization psychodynamics is difficult; the emotion and emotionality to be studied are largely unconscious. Primitive emotion is actively defended against and perceived as destructive and unwanted - a disturbance, not a source of intelligence, to use Armstrong’s (2000) dichotomy. This does not make it an easy aspect to cover in leadership and management development programs.

Most senior managers who are unfamiliar with the notion of the beneath-the-surface life of the organization seem to get something from the experience in the program introducing organizational psychodynamics. It does seem to provide them some insights into the ways in which powerful emotions impact on “becoming the successful leader I want to be”. The pain of discovering one’s deficits appears to be acceptable in development activity but experiencing the primitive emotions operating in groups and organizations is more difficult to tolerate and a bridge to this experience needs to be created by psychodynamically informed trainers and consultants.

In organizational psychodynamics learning from experience is also central to leadership and management development, insight, and understanding, but what separates organizational psychodynamics from other approaches is learning from the unconscious phenomena in group and organizational life. Trying to think about and apply such phenomena to leadership development is a complex and multidimensional task. Although insights and theoretical contributions (Armstrong, 1997; French & Vince, 1999; Gould, Stapley, & Stein, 2004) have enabled us to explore management and leadership development, the question which needs further exploration is what does this mean in practice? How can the interplay between critical HRD studies and organizational psychodynamics be expedited in management and leadership development programs and can the interplay between critical HRD and organizational psychodynamics processes be fulfilled in practice in the current climate, which is often preoccupied by outcomes, business improvement, performance management, and where the processes of learning becomes a subsidiary activity?

The key is, I believe, organizational psychodynamics to propose a new approach to management and leadership development programs, an approach where learning processes and training formats illuminate the complexities, contradictions, and tensions in management and leadership development.

Organizational leadership has been seen in the past by social and organizational psychologists as a group of organizational phenomenon, as a set of role behaviors performed by an individual, to influence others toward a goal (Conger & Kanungo, 1998). Leadership is seen as a relational and attributional phenomenon in that it
depends on the perceptions, decisions, behavior, and attributions of a number of followers (Beckhard, 1969). Leadership is studied in terms of its content, namely, the behavior and attributes of leaders and followers and the situation they are in at the time, and process, namely, the use of different types of power and social influence. Finally, leader effectiveness can be evaluated by reference to follower attitudes, behavior, satisfaction, and followers' acceptance of the leader. Several thousand empirical studies have been conducted on leadership development and effectiveness (Grint, 1997), but according to critics, most of the results are contradictory and inconclusive. Part of the problem is dealing with leadership as an abstract concept capable of practical simplification—rather than as part of a complex social process. Fundamental to these issues are questions that explore what is meant by leadership and how it might be developed both in theory and practice. During the 20th century in America, leadership studies changed from being concerned with the biographies of great people, often male military leaders, to the psychological/behavioral orientation typical of research in the United States of America from the 1930s onward. Trainers advocated that leaders should have a high concern for both task and people. These models were rationalistic in that they proposed a choice of style in the pursuit of goals based on evidence and tended to be perceived as universalistic in that they were taken to apply equally across cultures, sectors, and individuals. They often focused on one or two main variables and began to seem simplistic and mechanistic in the way they were often applied after training courses. Gradually, these models were modified to include a contingent element. Later versions, the situational and contingency approaches to leadership development, recognized that situations might vary and so require specific modifications in leadership approach. Groups mature over time and become more capable of working effectively without the close supervision and structuring that leaders of new groups often feel compelled to provide (Bion, 1968). Task simplicity or complexity, leader power over subordinates, leader-follower liking, situational requirements (e.g., for a quality decision or a quick decision) were shown to be related to certain styles. So if the task were straightforward and the followers supported the leader, perhaps an autocratic style might work for a time; but in more ambiguous circumstances or where the leader’s power was weaker, then a more involving style might be advised.

From the 1980s, when the speed of institutional change appeared to increase, a new school of thinking emerged called “new leadership” (Goleman, Boyatzis, & McKee, 2003). It advocated visionary and inspirational, charismatic, and transformational roles for the leader and offered empowerment for the worker/follower. Transactional styles, in which rewards were exchanged for performances, were regarded as insufficient in that they lacked the power to enthuse and inspire possessed by transformational leaders. By the 1990s, some popular attention turned to the more charismatic transformational leader, who has been defined as someone who transforms the outlook and behavior of followers so that they move beyond their self-interests for the good of the group or society (Bass, 1997).

Talk and writing about leadership might be considered to be problematic in itself, for example as revealing an ideological or theoretical stance. A first step in organizational leadership development is to classify what all the talk is trying to achieve. A local culture tacitly defines what is on the leadership agenda and may negatively exclude certain topics from conversation. Organizational psychodynamics argues that the
silent, or unsaid, or unsayable may be as powerful in defining leadership-followership realities as that which is explicitly promoted.

Organizational leadership is not in our view a stable entity but a complex and variable (psychodynamic) process, either not referring to the same material reality from one case to the next or perhaps being better thought of as manner of speaking and writing about a social phenomenon at a certain time and place (i.e., a discourse). The critical view can be taken as a warning to avoid simplistic application of ideas to social situations and to maintain a critical perspective to management and leadership development.

Psychodynamically informed perspectives to management and leadership training and development differentiate between behaviors and activities geared toward rational task performance and those geared to emotional needs and anxieties. The application of this approach emphasizes the importance of understanding human relationships through the idea of connectedness and relatedness. In doing so, the emphasis is placed on “learning from the conscious and unconscious levels of connection that exist between and shape selves and others, people and systems” (French & Vince, 1999, p. 7).

To develop organizational psychodynamics of leadership development, we need to find ways of exploring the nature of authority, the exercise of authority and power, the relationship of organizations to their social, political, and economic environment. We also need to examine how emotions (e.g., humor, fear, envy, joy) reverberate on the relational nature of leadership and impact on organizational life. Applying organizational psychodynamics to leadership development means not just exploring assumptions of power and control but actively engaging in an examination of political and cultural processes affecting the training and development process.

Another critical aspect of psychodynamic theory to the study of organizational management and leadership development is the interrelation between emotions, organizational dynamics, and leadership development. Emotions and the study of the emotional organization is central to organizational psychodynamics because first, it places management and leadership at the very center of the organization, and second, it reveals emotions as the prime medium through which people act and interact. All organizations are emotional arenas where feeling shapes events and events shape feeling. Vince (2000) highlighted emotions as an important element in developing our understanding of learning in relation to how learning occurs and how it is prevented. Within management training and leadership development programs, knowing more about the nature of anxiety enables better structures and systems of work to be created. Also, it illuminates how different types of learning affect behavior.

Organizational psychodynamics argues for a possible distinction between learning that is restricted to the cognitive level and learning that involves the whole human experience. It also implies that organizational leadership involves an emotional connection to the anxiety arising from the nature of organizational life. This is based on the premise that social and organizational behavior can be constructed as defenses against anxiety. Thus, a psychodynamic approach to management training and leadership development programs would facilitate an exploration of the impact
that emotions have on management and leadership development at both conscious and unconscious levels.

To show the importance of power, emotions, and psychodynamic perspectives to the study of organizational leadership, it is necessary to examine the inseparability of power between academic disciplines and leadership practitioners. By conducting research, using the techniques of deconstruction, into the dominant and subjugated discourses in their organizations, leadership developers could gain far greater insight into the invisible workings of managing and organizing than is provided by other analyses of organizational workings. The function of management development should not be to help managers fit unquestioningly into the roles traditionally expected of them but to assist them in engaging with the social and moral issues inherent within existing management practice and to become more conscious of the ideological forces that constrain their actions.
Dear Ladies and Gentlemen,

In the light of organizational psychodynamics organizational dysfunctions, such as recurrent failures in the implementation of strategic orientations, the constantly aggressive behaviour of managers, and so on can be regarded as compulsions to repeat or acting-out. It is on a “stage” other than that of “reality” that the economic game of organizational life is played out: the stage of the imaginary and unconscious symbolic determinations. In the last 70 years organizational psychodynamics dealt with organizations as such and produced studies as rich and passionate as they are disturbing on the subject of “the generic constitution” in which the logic of the psyche and the logic of the organization are so narrowly interwoven (Neumann & Hirschhorn, 1999). I presented in previous lectures some of the proponents of organizational psychodynamics (Armstrong, Baum, Bion, Bridger, Czander, Diamond, Eisold, Foulkes, Gould, Hirschhorn, Jaques, Kaes, Kets de Vries, Lapierre, Lawrence, Levinson, Long, Menzies, Redl, Schneider, Schwartz, Zaleznik, etc.). They all propose a view of the organization that invariably surprises us. Organizational psychodynamics allows us to see the so-called technical-rational failures or “political” errings that take place in the organizations - the repeated setbacks in the implementation of a strategic policy, indecisive behaviour on the part of managerial staff, “irrational” resistance to change by certain categories of employees, managerial inefficiency, and so on - in a new light (Kets de Vries, 1991). From a psychodynamic perspective, such “organizational dysfunctions”, as they are commonly called in the world of organizations, are not, strictly speaking, dysfunctional at all; rather, they function on another, psychodynamic scene that sometimes emerges into view: the scene of the organizational unconscious imaginary and language. Earlier in this course of lectures I located and analysed, on the basis of organizational psychodynamics’ notions, the elements of phantasy making up this unconscious scene, where what is essential is destined to play itself out. For example, a key concept is the development of the eminently useful concept of the “group imaginary in organization”, formed by Anzieu (1984) from Bion’s ‘basic assumptions’.

Lacanian approach to complex organizational psychodynamics emphasizes the symbolic, rather than the imaginary, dimension. I believe it suggests new, unexplored yet, but rigorous alternative way of approaching the complexity of human organizations.

Despite appearances, acting-out in organization, in the psychodynamic sense, has nothing to do with action as such, but is essentially a way of discharging, in an “alloplastic” dynamic (i.e. directed upon others or objects), an internal tension due to an intra-psychical conflict. As Green (1990) explains, the objective is indeed to take precipitate action, in order not only to aggressively short-circuit any recognition (and thus verbalization) of the internal conflict, but also to modify the situation from which this stems. Such is the case of some company executives, who are capable of announcing right out of the blue to their collaborators that they are “sacked” (and
effectively dismiss them), instead of becoming conscious of, or expressing to them through words, either their disappointment with their performance or their lack of confidence in their capacities. In a situation such as this, Anzieu’s psychodynamic approach would consist in bringing to light the scenario of the phantasy that guides the managers and which they imprint on their staff through the orchestration of their actings-out and the liturgy of succession that they compulsively play out time and time again. Effectively, for Anzieu (1984), certain phantasy-representations impose—and interpose—themselves between an individual or a group, on the one hand, and the internal and external reality of this individual or group, on the other. In this way, these representations give a preconceived, automatic and prescriptive sense to organizational reality. As a result, Anzieu did not hesitate to put forward the idea of a phantasy-induced resonance, such that an individual would tend to project his or her own phantasy scenario upon others (colleagues, subordinates, and so on) and unconsciously attempt to get them to act in accordance with this scenario. This can lead to the other organizational members effectively playing the role that is expected of them or, alternatively, to their joining forces against this innovatory and structuring phantasy, without nevertheless recognizing its real significance. So it is that the group imaginary in organization comes to be born.

It is critical for an organization to recognize these phantasy-related phenomena. It is precisely this internal fomentation at the imaginary level that generates the principles conducive both to innovation (the dynamic imaginary) and to stagnation (the paralysing imaginary). The results can range from the phantasy-induced resonance around a masterful company manager, giving rise to efficiency and solidarity within the personnel (the topographical structure of a group functioning according to the ego ideal), to the institutionalization of the pathogenic phantasy of, say, a paranoiac or obsessional leader, which can prove catastrophic for the very survival of a firm (Kets de Vries & Miller, 1984). Under these circumstances, groups in the organization do not freely use the organizational elements at their disposal (roles, functions, etc.) and are prisoners of a preconceived meaning (Barus-Michel, 1979, 1995). This does not mean that there is any such thing as a pure organization, detached from any form of psychodynamic phantasy. One can dispel an imaginary, but it is replaced by another. The only possible perspective for a psychodynamically informed OD consultant consists then in replacing a paralysing imaginary by a dynamic one.

The theoretical contribution of Lacan studies rests precisely on questions of this order, for while a group imaginary does indeed exist in our organizational life, it must be referred to a symbolic universe upon which it depends, even if such an imaginary masks not only the circumstances out of which it emerges, but also the discourses which express, define and sanction the conditions of possibility of the subject. The symbolic underlies and determines all human organizational behaviour, including that which, seemingly the least symbolized in appearance, partakes of prevailing forms of the imaginary (related to competitiveness, demeanour, seduction, and aggression), as is the case of violent actings-out. For the inability of our autocratic managers to symbolize their affects and intrapsychic conflicts in their communication to organizational members is precisely due to their being the hostage of symbolic structures where they have not subjectivized their place— with this thus determining the vicissitudes of their professional lives.
At the origin of Lacan’s reflection is the fundamental need of humans to have their desires recognized, which stems not only from the baby’s experience of a primordial physiological distress and its organic needs, but also from a fundamentally incestuous longing for the mother. To meet this need, humans have available to them above all else the words they address to others - words that are themselves grounded within a language system where desire, in the last instance, takes hold. But, as an intermediary inherited from others, language severs the individual from his or her being and from the being of things and thus proves inappropriate as a means of having the truth of one’s desires recognized (Lacan, 1966). For this reason, there is a “residue of dissatisfaction” that runs through all human speech, remaining just below the surface of the chain of “signifiers” (the words to say it) proper to each experience. The acoustic and material elements of discourse (which can also be symbols, such as objects, dates and so on) consequently designate, in their literality, something of an irremediably lost object in excess of the signifieds to which they refer formally and which, from then on, symbolize substitutive objects that are always imperfect. Organizational unconscious is indeed structured as a language. This is a language in which signifiers correspond to signifiers, such that it is principally characterized by semantic ambiguity (each signifier refers to the polyvalence of its uses), shifts in meaning (through the play of metaphor and/or metonymy, giving rise to chains of association) and an arbitrary carving-up of the acoustic chain (an expression or a word can bring to light one or more hidden terms). From Lacanian perspective, the desires of every individual organizational member is encoded in conformity with these operations, which make up what Lacan refers to as the “Law of the Signifier”. This other level of human truth in organizational life would remain “unheard-of”, were it not for the fact that the repressed that is electively created in this way by certain signifying substitutions incessantly seeks to resurface in subjects’ lives – for the repressed is precisely where desire pierces. It is first of all in speech of organizational members itself - that locus par excellence of the symbolic - that the repressed seeks to return, thanks to new cases of unexpected signifying substitutions that subvert the spoken chain (slips of the tongue, witticisms, and so on). This return occurs within “anything whatsoever, provided that this anything is organized as a symbolic system” (Lacan, 1953–54): dreams, parapraxes, acting-out, symptoms, developed pathologies, or, indeed, what is apparently the most ‘normal’ of human organizational behavior. Hence the idea that in organizations the signifiers as well as their displacements, having a direct connection with the organizational unconscious, govern not only the discourse of subjects, but subjects themselves: “…in their acts, their vicissitudes, their refusals, their blindesses, their success and their fate, notwithstanding their innate talents and their socially acquired skills, regardless of character and sex” (Lacan, 1966).

Insofar as organizational members are the effect, more than the cause, of the signifier, they are - without exception - incapable of departing from the symbolic milieu of the organization in which they evolve or of seizing the omnipresence of the discourses by which they are constituted and positioned, however much they may feel in control of their organizational lives (Miel, 1970). Indeed, it is true to say of every organizational member being not only that the organizational unconscious speaks in him or her, but, also, that it speaks of him or her – and in more ways than one.
Well, from a broader developmental perspective, this symbolic referencing starts with the child, who is always plunged in at least two generations of history, with what this encompasses by way of truths, legends, duties and secrets. The numerous narcissistic ideals that parents formulate regarding their child, even before its birth, are conveyed more or less explicitly through words that will singularly form the child - sometimes to the point of stifling him or her - and orient his or her future behaviour (Golse, 1996). The process persists in adulthood, with the subject continuing to be referred to as “son or daughter, brother or sister, father or mother, and so on” (Huber, 1999), and is particularly in force in the subject’s professional and organizational life, where the entire human system of an organization attributes to him or her certain places in the discourse that forms part of the working environment. For example, the staff members of a firm may, without realizing it, invest a junior executive - despite himself or herself - with the heavy burden of being the heir apparent to the leader. Or, an employee, hired to fill a post previously held by someone who is missed by the rest of the staff, may find himself unconsciously attributed by his new colleagues with the name and the place of usurper (Anzieu, 1984). Of course, all this bears consequences for the subjects concerned - who may, depending on the case, display desperate efforts to be equal to the situation, or an inhibiting guilt, etc. - for, although it is no longer a matter here of carnal generation, of the type linking together father and son, for example, the symbolic register only weighs all the more heavily for this very reason, as Lacan (1953–54) underlines. In the relation between the imaginary and the real, along with the constitution of the organizational world to which this relation gives rise, everything depends on the situation of the subject, which is one essentially characterized by the subject’s place in the universe of language (the discourse that takes place around him or her and where the subject has a place). Such is the hold that the symbolic has over the imaginary in organizations.

The same applies for the actings-out by which the subject, after having tried to force the real artificially, expresses (imaginarily) what is symbolically latent in a situation. We all have seen examples of this with those company managers, who regularly have a go at delegating their power to their collaborators yet who only seem to decide to do this in order to prove (to themselves) not only that they are capable of it - thereby situating themselves in the register of what Lacan names ‘jouissance”, in which the subject puts his personal limits and those of ‘his’ real to the test - but, above all, that it is quite unnecessary! With each attempt ending in failure, the members of their staff are duly subjected to violent outbursts of temper, humiliation and dismissal, for the managers have made them part of their personal relational phantasy entailing the creation of almost puppet-like doubles of themselves, to whom they end up abruptly conveying that they are not them. The managers act in this way insofar as they are forced to give vent to something that is implicit in their position (Lacan, 1956–57) - with this to be understood in the sense of a positioning within a symbolic structure. In other words, the subject (the manager) identifies here with what Lacan names the master signifier of organizational discourse (“to direct”, in this instance), whereas he should, in fact, only be its representative. By this confusion, the managers deny their internal divisions, their “want-of-being”, and “externalize” the internal line of demarcation, which is consequently transferred between themselves and the other organizational members. They attempt to impose their truth but, in turn, become this truth’s slave. This is the reign of the managers - fathers, identified with the superego and symbolically non-“castrated” (without a flaw), who rant and raves,
firm in the belief that they incarnate their organizational functions in the established order of things.

The teachings of Lacan (1966) invite us to go beyond the phantasy scenarios in organizational life that function like temptations, constituting an obstacle to the recognition of signifying determinations. In reality, the imaginary power and proliferation of these dramatic variations which individuals or groups in organizations invent on the stage of the unconscious in no way alters the fact that the matrix governing their orchestration is to be found in the symbolic order (Lacan, 1956–57). This would explain why, in the end, there exists only a small reserve of generic organizational scenarios, as Anzieu has remarked. And, it is here then that we can begin to see why it is this underlying symbolic order which we would be advised to take up (take on?) if we want to be able to extract an individual or social group from the ‘glue’ of that organizational imaginary which we have qualified as “paralysing” in virtue of what plunges and disguises itself therein by way of a signifying insistence, while “the imaginary factors, despite their inertia, play the mere role of shadows and reflections” (Lacan, 1966).

The compulsive acts in organizational lives have metaphorical meaning with respect to something previously repressed, against which the individuals and groups in the organization continue to defend themselves even while they indefinitely realize it (with the compulsive action asymptotically tending towards a unique final act, in which prohibition and transgression are merged). Lacan (1953–54) names this putting into action of the past through symbolic mediation the “putting into action of an historical reintegration”, and specifies that this “involves an imaginary reintegration, with the past situation being lived in the present - unbeknownst to the subject – only to the extent that the historical dimension is misapprehended by him”.

Company managers, whose compulsive “actings-out” (e.g., in the verbal form of abuse and insults) exceed, I would maintain, are in the simple stage of a communicative relation in the “here and now”, and seem to stem, unawares, from a transmission of words that paternal figures (fathers, grandfathers and so on) were perhaps unable to formulate at a given moment. The impression they give is that of being ensnared in the signifiers of a long-repressed history (dating from how many generations ago?), or what we might call the “p(at)er-version” of a family secret” (David, 1994: 122–3).

Dear Ladies and Gentlemen,
Dear Colleagues and Guests,

Individuals and groups in organizations never really know what they desire or what they are really driven by in their organizational lives. For organizational phantasy, which indicates what the organizational members’ jouissance is and tacks an “apparent” sense on to their actions, gives a support, or indeed a response, to desire, even while it masks the fact that desire always comes to the organizational members from the organizational “Other” (Porge, 2000). Symbolization, in its strict psychodynamic sense, is the operation that consists in organizing psychic contents in such a way that they are made to evolve, and in metabolizing lived experiences by having recourse to language and thought (Pelsser, 1989).
This speech can emanate from the organization and its history. And this is the very essence of the OD practice - giving organizational members the possibility to pose and elaborate, individually or in groups, the question of their desire for, and at, work - whether this take place within the framework of professional analysis, management workshops, psychological assessments or analytical coaching. These organizational configurations of speech and language, conceived and conducted in accordance with the methodology of organizational psychodynamics, can effectively allow organizational members and groups in the organization to hear something else, and to think something new, and, thus, to become capable of understanding, if the case arises in OD consultation, that they are situated in the order of an ahistorical compulsion and that it is up to them, in future, to project themselves elsewhere.

In this way, organizational psychodynamics can help to restore, with the use of liberated signifiers, the dynamics and suppleness of organizational action and evolution.

Thank you very much for your time, kind attention and insightful questions!
ORGANIZATIONAL PSYCHOLOGY:
TEN INTRODUCTORY LECTURES
FOR STUDENTS, MANAGERS AND CONSULTANTS

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