The psychodynamics of organizational change management: An overview

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Organizations, management and psychoanalysis: an overview

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Abstract *An overview is presented of some basic psychoanalytic insights into organisations that collectively reinforce the reasons why management studies should concern itself with psychoanalysis. The paper highlights the different psychoanalytically informed approaches that have been adopted thus far in the organisation literature and then raises some issues related to those who seek to use psychoanalytically informed insight to make interventions and manage organisation dynamics.*

Introduction

- What can psychoanalysis teach the management of organisations?
- What can psychoanalysis learn from the management of organisations?
- What can psychoanalysis teach the disciplines which systematically study management and organisations?
- What can psychoanalysis learn from the disciplines which systematically study management and organisations?
- Can psychoanalysis contribute to better-run, better-managed, happier, healthier organisations?

These are some of the questions we address in this introduction. There is, however, a still more basic answer that some of our readers may expect us to address. Why psychoanalysis? There was a time when this question did not arise – the time, shortly after Freud's death, when, in the words of W.H. Auden's famous phrase, Freud "is no more a person now, but a whole climate of opinion under whom we conduct our different lives". Today, the climate of opinion has changed. Why then dedicate a special issue of this journal to a tradition long associated with a method of therapy whose effectiveness has been challenged since its inception?

It is our contention that psychoanalysis opens valuable windows into the world of organisations and management, offering insights that are startlingly original, have extensive explanatory powers and can find ample practical implementations. It is also our contention that as scholars of management and organisations move beyond the standard platform of organisational theory,

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centered on rationality, hierarchy and authority and become more interested in symbolic, irrational, emotional and discursive dimensions of organisational life, the insights of psychoanalysis will become more mainstream to the field and its applications more wide-spread.

Some core Freudian insights

What then is distinct about psychoanalysis as a discipline in the human sciences? Undoubtedly, the answer to this question lies in the unconscious, the signature concept of psychoanalysis. While many different approaches address unconscious elements in human experience and behaviour, psychoanalysis addresses it head-on. As Foucault has argued:

> Whereas all human sciences advance towards the unconscious only with their back to it, waiting for it to unveil itself as fast as consciousness is analysed, as it were backwards, psychoanalysis, on the other hand, points directly towards it, with a deliberate purpose – not towards that which must be rendered gradually more explicit by the progressive illumination of the implicit, but towards what is there and yet is hidden (Foucault, 1970, p. 374).

Freud is often wrongly credited with the discovery of the unconscious. The term was coined, and in usage, long before Freud ever used it, but it was the way in which the term was used by Freud that brought it into the vocabulary in the manner that we commonly understand it today. In a book entitled *Elements of Psychology*, published in 1889, Edwin Hewett, declared that "unconscious knowing and unconscious willing are phrases which defy all interpretation" (Hewett, 1889, p. 32), Typical of his day, Hewett went on to use the term to focus upon the physiology that may be at work and used the term "unconscious cerebration" – "that is, brain activity unaccompanied by mental activity" (Hewett, 1889, pp. 32-3).

In contrast to those who simply understood the unconscious to be a passive or less active state of being, and certainly a brain but not mind activity, Freud discovered the unconscious to be a source of motivation and an active mind's way of hiding thoughts and desires from awareness. It is this active and dynamic view of the unconscious that is at the heart of the field of psychology founded by Freud which is called psychoanalysis or psychodynamics. Psychodynamics is a preferred term, by some, as the less "treatment" oriented synonym that implies the normality and dynamic nature of these processes.

Freud's view of the unconscious also stood in contrast to those who simply saw it as a messy collection of ideas, desires and impulses beyond analysis and to those who thought the unconscious was some kind of paranormal or spiritual repository or entity. Freud was intent upon exploring the working of the unconscious as a normal and knowable part of the mind using scientific method. Like the proverbial iceberg, Freud found that much of the mental activity responsible for human behaviour lay below the "surface", hidden from our conscious awareness. Freud, when describing the unconscious, actually often used the metaphor of the cauldron. Freud actually referred to that part of the unconscious he called the "id" as "a cauldron full of seething excitations"

(Freud, 1988, p. 106), This metaphor underscores how active he viewed that part of the mind called the unconscious.

In Freud's now familiar, topographical and dynamic model of the mind he referred to three regions, realm of provinces which he dubbed the id, ego and superego. The id was that province where various urges, drives or instincts resided and operated entirely unconsciously. The ego was the province that was responsible for engaging logic, memory and judgement in an endeavour to satisfy the demands of the id within the parameters set by external reality. The superego was the province of the mind whose concern is for obeying society's "rules of conduct", i.e. morality and social norms, and reminds the ego of these social realities. Part of the ego and superego reside in the area of the unconscious and the relationship between the three provinces and the outside world was interactive – Freud described the relationship as follows:

> The ego, driven by the id, confined by the super-ego, repulsed by reality, struggles to master its economic task . . . . If the ego is obliged to admit its weakness, it breaks out in anxiety – anxiety [fear] regarding the external world, moral anxiety regarding the super-ego and neurotic anxiety regarding the strength of the passions in the id (Freud, 1988, pp. 110-11).

Indeed, excessive and unresolved conflict between the ego and the other agencies leads to different pathologies, ranging from phobias to hysterias and from manic-depression to paranoia.

The ego in its attempt to avoid such acute psychopathologies and the anxiety that goes with them, may engage a variety of mechanisms which largely operate in the realm of the unconscious to defend itself against painful and threatening ideas, desires and emotions which cause intense anxiety. Anxiety triggers the operation of defence mechanisms which have now become part of the layperson's language. They include repression (the omnipresent mainstay of defences that usually accompanies all other defence mechanisms (see Waelder, 1967, p. 33) and seeks to confine to the unconscious, thoughts, feelings and experiences that are unpleasant); regression; rationalisation; denial; sublimation; identification; projection; displacement; and reaction formation. While these defence mechanisms are engaged with an aim to distort or deny the source of anxiety from the conscious mind, these repressed "memories", however, remain active in the unconscious and influence the individual's behaviour without the individual being aware of what prompted their response to specific situations.

A key task, therefore, of psychoanalytic interventions is to restore to people some of the contents of their unconscious mind by undoing the effect of repressions and other defense mechanisms. This is especially the case if these mechanisms are dysfunctional, if, in other words, the anxiety, inhibition and pain which they cause outweigh the comfort and protection which they afford. Psychoanalytic interpretation is the process whereby the hidden meanings of actions, desires and emotions are gradually brought to light, by viewing conscious phenomena as the concealed expressions of unconscious ones. The analyst seeks, in this way, to find the meaning of phenomena such as neurotic symptoms and physical twitches and tics, dreams, instances of forgetting or

ideés fixes, jokes, insults, fantasies, powerful emotions, compulsions and so forth. This is a difficult and time-consuming process, since the unconscious raises resistances against attempts to reveal its content. It is only when interpretations of many different phenomena across a considerable period of time lead to a coherent and consistent picture that they begin to acquire credence and may become part of a process of recovery.

Since its early beginnings, psychoanalysis has developed in many different directions going far beyond its original setting of the patient-analyst relationship. It has developed theories of group behaviour, or work relations, leadership, religion, art, culture and so forth. What is common to these developments is the view that unconscious forces are at play in virtually all human endeavours and that these forces can stifle or stimulate creativity, cooperation, achievement and learning. Unconscious forces can blind us to the most obvious deficiencies of our plans; they can also stimulate the most enterprising and innovative solutions.

While much of the psychoanalytic terminology has entered the vernacular, and we gladly acknowledge some of the psychodynamic processes that Freud and subsequent psychoanalysts have described, we nonetheless, do not find an appreciation of psychodynamic processes in the general literature on management. There are, of course, notable exceptions to this generalisation, but what makes them notable is that they are exceptions. And yet, psychoanalysis, with its emphasis on unconscious and emotional processes, is well equipped to address organisational processes and the management of change and the psychological forces which it unleashes.

Psychoanalysis and organisations

Two contrasting approaches: "studying organisations psychoanalytically" versus "psychoanalysing organisations"

In general it can be observed that those who have adopted a psychoanalytically informed approach to organisations have done so often from one of two directions. One approach has been to study organisations as dominant features of Western society and culture, examining their demands on individuals, their influence on interpersonal relations in and out of work, their effects on people's emotional lives, the manner in which they feature in people's fantasies and dreams. A whole range of organisational phenomena can be approached in this manner, including leadership and authority relations, group behaviour and cohesion, insults and jokes, creativity and destructiveness, psychological contracts and obedience, and so forth. Such phenomena are shown to entail unconscious dimensions – so, for instance, leaders can acquire massive influence on their followers by placing themselves in the unconscious location once occupied by powerful parent images.

This approach recognizes that organisations can be both a source of creativity and excitement for individuals, but also a deep cause of anxiety, discontent and illusion. They interfere in the constant dynamics between each individual's ego and other mental agencies noted above, and can penetrate

people's unconscious lives very deeply. People's dreams, anxieties, fears, impulses, emotions and fantasies are rooted in their experiences as members of organisations. Their sense of worth and self-esteem, their willingness to form relations with others, their ability to perform useful work, their interests and outlooks are profoundly moulded by such experiences. Thus, for example, we would expect a person who has worked for the same organisation for a long number of years to display a different psychological orientation and unconscious set of needs and desires from one regularly moving from job to job, not altogether unlike an individual who spends a whole life with the same partner as against a person who regularly changes sexual partners. For the sake of clarity, we shall refer to this approach as Approach A and it can be summed up as studying organisations psychoanalytically. This approach is consistent with a wider range of others which have sought to study social and cultural phenomena, using psychoanalytic insights, a tradition pioneered by Wilhelm Reich (1970), Erich Fromm (1966), Herbert Marcuse (1955), Theodor Adorno (Adorno *et al.*, 1950) and their colleagues in the Frankfurt School and developed by cultural critics like Philip Rieff (1966), Norman Brown (1959), Christopher Lasch (1980), Richard Sennett (1998) and others. In the area of organisations, important contributors to this approach include Sievers (Sievers, 1986, 1994, 1999), Schwartz (Schwartz, 1987; 1990) and the authors of this article (Carr, 1993, 1998; Carr and Zanetti, 1999; Gabriel, 1998, 1999).

Approach B, on the other hand, has started from a more pragmatic and interventionist concern. If psychoanalysis is a method of psychological intervention, however flawed and problematic, which seeks to return a patient to normal functioning, could it not be used as a method of organisational intervention seeking to enhance organisational functioning? Individual analysis seeks to help the patient conquer his/her anxieties and compulsions by gradually making him/her aware of the contents of his/her unconscious and bringing about a reconciliation with these contents. Would it not then be possible to attempt a similar intervention in organisations, identifying repressed unconscious forces, such as rivalries, fears of failure, anger over betrayals, disappointments and frustrations, all unacknowledged and often repressed, which systematically inhibit collaboration, creativity, harmony and organisational performance? This type of work was pioneered in two places. In the UK, a number of researchers associated with the Tavistock Institute including Jaques (Jaques, 1952), Menzies (Menzies-Lyth, 1988), Trist (Trist and Bamforth, 1951), Miller (Miller, 1976) and others, who have been inspired by the work of Klein and Bion, in particular, developed a series of interventions aimed at dealing with group processes at the interface of the social and the technological systems. In the USA, Levinson (1972, 1976, 1981) and Zaleznick (1977, 1989a, b), in different ways developed a number of psychoanalytic interventions aimed at helping leaders diagnose and address organisational dysfunctions caused by their relations with their followers. In the last 20 years, these two traditions have come together in the work of several theorists/consultants including those associated with the William Alanson White

Institute (founded by Eric Fromm and Karen Horney) under the direction of Lawrence Gould (Gould, 1993; Gould *et al.*, 1999) who have pioneered new modes of psychoanalytic interventions in organisations. Notable contributions to approach B have been made by Krantz (1989, 1990), Hirschhorn (Hirschhorn, 1988, 1999; Hirschhorn and Barnett, 1993), Diamond (1993, 1998), Stein (1998, 2001) and Gilmore (Hirschhorn and Gilmore, 1989), in the US, Lawrence (Lawrence, 1991, 1999; Lawrence *et al.*, 1996), French and Vince (French and Simpson, 1999; French and Vince, 1999), Obholzer (Obholzer, 1999; Obholzer and Roberts, 1994) and colleagues at the Tavistock Clinic in London, Bain (1998) and Long (1999) in Australia and numerous others.

Approach B can go further still in the direction of "psychoanalysing organisations". Often it diagnoses certain pathological processes in organisations, such as paranoia, megalomania, self-delusion and anxiety, which directly mirror similar processes among individuals, so that, in a certain way, it can be said that the entire organisation becomes afflicted by neurosis. Such a neurotic organisation, in turn, infects everyone who comes into contact with it, as an employee, as a stakeholder or even as a leader. Some exponents of approach B go a step further and view organisations as mirroring the individual psyche and, in particular, the psyche of their leader (Kets de Vries, 1991; Kets de Vries and Miller, 1984), They are thus endowed with an organisational unconscious, an executive organisational ego, an organisational super-ego and so forth, whose dynamics, compromises and dysfunctions mirror those of individual people.

As we shall see presently, some authors have made contributions to both approach A and approach B. It nevertheless remains a fact that while approach A is theoretical and abstract, approach B is hands-on and interventionist, while approach A is concerned with rigour and generalizability, approach B is pragmatically concerned with results and effectiveness. Possibly the biggest difference between the two approaches concerns the nature of conflict, both psychic and organisational conflict. While approach A, following the works of Freud, Marcuse and the critical theorists, views many of the conflicts and their attendant neurotic symptoms, anxieties and dysfunctions, as virtually unavoidable within the present organisation of society, approach B views many of the these conflicts themselves as the results of dysfunctions – as evidence that certain managerial processes are failing and may, therefore, be put right. Advocates of approach B would regard individual as well as organisational neuroses as avoidable and curable, whereas advocates of approach A are much more sceptical on that count, taking their cue from Freud (1988, p. 189):

> The expectation that every neurotic phenomenon can be cured may, I suspect, be derived from the layman's belief that the neuroses are something quite unnecessary which have no right to exist.

In some cases, advocates of approach A have argued that organisations can function quite effectively, even if many of their members are unhappy,

anxious or properly neurotic. Several neuroses (including workaholism, compulsiveness, paranoia and others) may under some circumstances be quite beneficial for organisations.

This divergence of views should not obscure many of the psychoanalytic insights on organisations shared by both approaches. It is to these that we now turn.

Some foundational psychoanalytic insights on organisations

People in and out of organisations are emotional beings, beings with personal and family histories

Viewing people as emotional beings neither denies nor underestimates the importance of reason and rationality in human affairs. Even rational acts, however, such as the pursuit of profit or career, the avoidance of waste or danger, the punishment of offenders and so forth, are often underwritten by an emotional agenda, such as ambition, excitement, anger, fear, nostalgia and so forth. These emotions provide the fuel behind seemingly rational or reasonable acts. Moreover, many of these emotions are expressions of unconscious desires, wishes and fantasies which were shaped by people's early life experiences, in their encounters with parents and other important figures, when they started to develop their identities.

Of course, identities are dynamic – they change throughout life. But, like trees whose development may be affected by different conditions of nature and nurture but may not re-root themselves in different spots or grow branches where none exist, people's identities cannot discard or disregard early experiences (happy or painful), including experiences related to their gender, position in siblings order and so forth. In this sense, then, their histories follow them throughout life. Histories are both conscious, in the form of reminiscences and recollections, but also unconscious, in the form of flash-backs, irrational urges and desires, fantasies and emotions.

The key psychoanalytic idea which links people's histories to their experiences in organisations is transference, a process whereby feelings (e.g. admiration, fear, resentment) and images (e.g. omnipotence, mystery, beauty) once attached to parental figures become transferred onto figures who come to occupy similar unconscious locations in later life. This is especially important in the analyst-patient relation, but is also a feature of relations with leaders, peers and subordinates in organisational set-ups. Such figures may become objects with whom others identify or objects which are idealized, i.e. endowed with the perfections once attributed to the parents. Alternatively, such figures may become vilified and resented as the causes of all troubles and large amounts of aggression may be directed against them. In all of these instances, there is a lack of proportion between the strength of feeling directed against others, and any rational explanation of such feelings through the others' actions (Baum, 1987; Diamond, 1988; Gabriel, 1999; Oglensky, 1995).

In short then, a psychoanalytic approach to organisations looks at people in organisations, not as rational agents, as passive functionaries, as economic

beings or as cogs on a machine, but as distinct individuals, with emotional and fantasy lives, with histories and pasts, diverse emotions and developing identities.

Through work, people seek to fulfil deeper unconscious desires

In contrast to "motivation theories", ritually taught in management schools, psychoanalytic approaches recognize the complexity and dynamic quality of human motivation. Motivation is not a question of finding the right button and pressing it, but recognizing that, through work, people pursue many different conscious and unconscious aims. Some people "sublimate" or channel into work most of their physical and emotional energies. As a highly productive individual, Freud approached work in the first instance as a creative activity, exemplified in the work of the artist. In *Civilization and its Discontents*, Freud argued:

> One gains the most if one can sufficiently heighten the yield of pleasure from the sources of physical and intellectual work. When that is so, fate can do little against one. A satisfaction of this kind, such as an artist's joy in creating, in giving his phantasies body, or a scientist's in solving problems or discovering truth, has a special quality which we shall certainly one day be able to characterize in metapsychological terms (Freud, 1985a, p. 267).

This type of creative work is beyond the means of most people who must work to support themselves and their families or to meet other desires or needs. For many people work is simply a necessity, earning a living. For others, it represents an attempt to placate a critical super-ego which inherited the parent's, "You don't try hard enough." Yet others work hard to build their self-esteem, to earn the respect of others or ostentatiously to display commitment to their organisation. (Baum, 1987; Obholzer, 1999; Smelser, 1998) Some may work non-stop as workaholics to outperform their rivals (often acting like children seeking a special affection from the heart of a parent) or, equally, to dodge domestic obligations towards spouses, children and other "loved ones". Some may even work as a means of overcoming their fear of death, seeking immortality in the legacy which they may leave (Sievers, 1986).

In all of these instances then, work is a range of activities driven by complex motives, which may express both instrumental rationality and hidden unconscious desires (or the latter masquerading as the former).

Organisations, as parts of society, become sites where broader social and cultural dynamics are enacted

Lest it be thought from the earlier two insights that the psychoanalysis of organisations can be "reduced" to the psychology of individuals, it is important to recognize that individuals do not exist outside the prevailing social and cultural conditions. Social and cultural phenomena, such as religious ideas, political conflicts and economic interests, become part of every individual's psyche through the influence of identification with role models and even through the different uses of language. In this connection, the term "psychostructure" is used to describe the ways that language functions to

"embed" such social and cultural features into the individual psyche (Carr, 1993; Maccoby, 1976).

Organisations then become arenas where wider social dynamics, for instance those relating to class, race, gender and so forth are acted out. Different organisations may have different psychostructures, for instance different configurations allow different displays of emotion, different manifestations of disagreement and conflict, different outlets for aggression and solidarity. These are expressed in different cultural and social artifacts that organisations use to express their identity, including buildings, logos, offices, language uses, communication devices and so forth. All of these may then be interpreted to yield insights into shared conscious or unconscious fantasies among organisational members. In this way, a massive building may stand as a symbol of omnipotence or, alternatively, as a manifestation of arrogance and hubris.

Wider cultural trends, such as authoritarianism or narcissism, therefore weave themselves into the psychostructures of organisations, affecting organisational phenomena, including leadership, communication and group relations (Carr, 1993; Lasch, 1980).

Organisations offer certain defences against anxieties which they provoke

One of the most important insights into the functioning of organisations concerns the causes and consequences of anxiety. Anxiety is seen as an incapacitating emotion which individuals defend themselves against through the mechanisms of defence. Organisations are undoubtedly systematic generators of anxiety. They breed anxiety in many forms by making unyielding demands on individuals – that they should control their spontaneity and emotion; that they should work with people they do not necessarily like, doing tasks which they do not necessarily enjoy, often being treated in an impersonal and cold way they do not particularly appreciate; that they should display loyalty and commitment towards an entity that may casually dismiss "redundant employees"; that they should do tasks for which they do not feel adequately prepared or clearly briefed, that are psychologically demanding and, sometimes, physically dangerous. In addition, they exacerbate anxieties which individuals may carry with them, over their self-worth, their competence and their ability to get on with others.

The containment of such anxieties within organisations has been the focus of numerous widely accepted theories developed by Elliott Jaques (1952, 1955), Isabel Menzies-Lythe (Menzies, 1960; Menzies-Lyth, 1988), Eric Trist (Trist and Bamforth, 1951), Eric Miller (1976) and other theorists associated with the Tavistock Institute in London. Drawing from the work of Melanie Klein, Tavistock research has studied how individuals in large bureaucratic organisations, faced with uncertainty and anxiety, set up psychological boundaries through projections and introjections which seriously distort organisational rationality and task. Many defenses against anxiety may be

furnished by organisations themselves, such as hierarchies, rules, boundaries and so forth.

The downside of these organisational or social defenses against anxiety was well appreciated in the early work of Jaques and Menzies-Lythe, who noted that in containing anxieties organisations often resort to dysfunctional routines which stunt creativity, block the expression of emotion or conflict, and, above all, undermine the organisation's rational and effective functioning. Just as individual defenses immerse the individual in a world of neurotic make-believe detached from reality, so too do organisational defenses immerse their members in collective delusions, in which they pursue chimerical projects or run blindly away from non-existent threats, while disregarding real problems and opportunities. Like the individual neurotic, the organisation may then find itself at the centre of a vicious circle. Just as neurotic's personal self-delusions deepen the sufferings for which they ostensibly offer consolation, likewise corporate delusions merely re-inforce the malaise of the organisation.

It is now generally agreed that the management of anxiety is a core task in every organisation – excessive anxiety leads to highly dysfunctional defensive routines, while inadequate anxiety breeds complacency, inertia and gradual decay (Baum, 1987; French and Vince, 1999; Gould *et al.*, 1999; Hirschhorn, 1988; Stacey, 1992; Stein, 2000). The extent to which organisational consultants may help contain the anxieties is subject to much debate. Certainly part of such consultants' role is to identify and distinguish those defenses which bolster the organisation's ability to cope with uncertainty and danger, to build solidarity and to organize its tasks effectively from those that merely act as causes of the vicious circles noted above.

Organisations do not act merely as causes of discontent and anxiety; they also open up possibilities of realizing collective visions and stimulating contentment and creativity

While organisations make considerable demands on individual's mental functioning, they also offer a variety of compensations and possibilities. Think of the instant boost to a person's sense of self-esteem when they hear that they have been offered a place by a respected university or a prestigious company and it is immediately apparent that such organisations rapidly enter an individual's self-image, lending them their prowess and glamour. Think of the long-standing loyalty of alumni to their institutions or of many employees to their organisations and it is clear that such organisations become part of individual's identities, sustaining their self-esteem and offering them opportunities to socialize with people in the same position. For some, organisations offer creative outlets, for others opportunities to develop and exercise leadership qualities or other technical and social skills.

The concept of organisational ideal (Baum, 1989; Carr, 1998; Gabriel, 1993, 1999; Hirschhorn and Gilmore, 1989; Schwartz, 1987) is particularly useful in this connection – an idealized image of the organisation which is endowed with numerous desirable qualities, power, success, efficiency and even immortality,

which they lend to their members. The organisational ideal can then become part of the ego-ideal of many members, enhancing their sense of achievement and worth, enabling them to handle adversity and misfortune and drawing qualities of dedication, imagination, hard work and even self-sacrifice out of them. To be sure, there are times when an over-inflated organisational ideal can be a cause of delusions and pathologies, like those noted earlier, though without these props many people would feel deracinated and lost. In spite of the demands made on their members, organisations can bolster their narcissism, offering them a sense of meaning and purpose as well as a partial protection against the vagaries of life.

All in all then, the contribution of psychoanalytic study of organisations seeks to extend the insights of organisational theory and the tasks of management, by exploring unconscious dimensions of organisational life, uncovering hidden aspects of the relationships between individuals and groups, and highlighting the importance of emotion and fantasy in organisational life. Exponents of approach A to the psychoanalytic study of organisations are generally content to observe how these factors affect different organisations and different individuals, analysing the dynamics at different levels, personal, interpersonal, group and organisational. True to Freudian clinical tradition, approach A has an emphasis upon revealing the dynamics of such processes as the first step to a degree of emancipation from the punitive and destructive potential and influences of such factors. At times, specific issues are highlighted that are noted as capable of some degree of reform, for example, changes to the organisational ideal that promotes a specific psychostructure in individuals. Exponents of approach B firmly focus upon the use of psychoanalytic insights through interventions aimed at building better functioning organisations often with an emphasis upon group processes and/or analysing the emotional dynamics of the "leader(s)" of the organisation. The emphasis is one of seeking to eliminate some of the unnecessary suffering and hardships and fostering learning, creativity and cooperation. The last part of this article is dedicated to exploring in greater detail the nature and rationale of such interventions.

Psychoanalytic interventions in organisations

Some years ago, several runs of the television series *Troubleshooter*, were screened by the BBC. In these programmes, Sir John Harvey-Jones, visited a number of companies and offered his diagnoses and prescriptions to the managers in full view of television cameras. One of the most intriguing aspects of the series, and what made them compelling viewing, was the painful effect that the consultant's diagnoses and analyses had on the managers of the organisations which he dissected. In spite of their evident respect and admiration for their tormentor, the managers of these organisations could hardly conceal their discomfort, embarrassment and occasional horror at what he had to say. Nor could they conceal a mental and physical attitude which cried out "NO" when confronted with unpalatable truths.

The viewer, for his/her part, felt torn between sympathy at the courage of those businessmen who agreed to have their firm's linen displayed in public, and voyeuristic amusement at the sight of the strong and mighty being cut down to size. What the series made abundantly clear is that analysing an organisation, its strengths and weaknesses, is not easy. The major difficulty, however, does not so much lie in the analysis itself, which the experienced consultant can achieve with seeming virtuosity, but in communicating this analysis to the organisation and its representatives. The question then arises of why the consultant's disclosures have such a profoundly unsettling effect?

If we think of the consultant as the objective and disinterested physician who presents his/her diagnosis to the patient, some of the disturbing effects of the diagnosis become clear. Few of us could keep our sang-froid when told that we suffer from a serious ailment for which we were not prepared. "It can't be true!" we may exclaim, until the message begins to sink in. We may be inclined to seek a second or third opinion, but if these confirm the earlier diagnosis, we accept "what the doctor orders". Harvey-Jones (1990, p. 9) himself, in the book accompanying the series, looks at the task of the consultant like that of the physician: "Business problems are almost like the symptoms of a disease".

Like all analogies, there is a point where this one breaks down. What makes the consultant's diagnosis especially painful is not the facts of the ailment, the antiquated technology, the poor labour relations, the ineffectual hierarchy, the unsuccessful product ranges. These are things which an effective prescription may remedy, following a rational and dispassionate discussion. Yet, the discussion of organisational failings is rarely objective and dispassionate.

At times, the executive may feel that any criticism of the organisation amounts to personal criticism against himself. Organisational failings are thus experienced as personal shortcomings. Equally painful can be criticism of the organisation itself, as something which the executive treasures like a child or an artistic creation. Criticism is not something that anyone accepts gladly, especially individuals of distinction and achievement in their field.

But if resistance to criticism can often be overcome through the consultant's subtle diplomatic skills, a deeper layer of resistance is harder to overcome. This is the executive's resistance to change. It is commonly thought that resistance to change stems from the lower levels in the hierarchy, from people whose security, power, privileges or jobs are threatened by changes. The executives are invariably heard drumming on the old clichés, "Nothing stands still! Everything changes in an increasingly competitive and complex environment etc." Yet, this should not overshadow the fact that resistance to change often starts at the top and permeates the whole organisation.

What the TV series illustrated was that even open-minded executives, who did not react defensively to criticism, found the troubleshooter's diagnoses and prescriptions most troubling. At the merest suggestion of a far-reaching change, their overwhelming response was "No, it is not true; no, it can't be done." This resistance is quite familiar to the practiced consultant, whose diagnosis and analysis threaten to undermine the client's long-held faith in

traditional ways of doing things. But it is equally familiar to the effective business leader, whose management of change must confront old mythologies and illusions.

> It would seem clear that an effective business leader who gains power in a nearly defunct corporation must ferret out the buried ideals in the company's mythology, destroy them as the fixed objects in constituents' psyches, and translate new images and visions into workable business strategies (Zaleznik, 1989b, p. 272).

In overcoming resistances to organisational change the consultant is acting in a role not unlike that of the psychoanalyst confronted with his patient's resistances. And like the psychoanalyst, the consultant suspects that the more his diagnosis is resisted, rejected or rationalized away, the nearer he is to the truth. Just like the neurotic who finds some solace in his condition (he can attract attention, he can use his condition as an excuse for avoiding disagreeable tasks or he may simply use it to expiate his guilt and punish himself), the organisation under threat seeks solace and security in traditional practices and beliefs. Just like children who begin to suspect Father Christmas but do not want their cherished faith in him to be shattered, organisations find it very difficult to give up long-valued symbols, beliefs and ideas. The greater the threats experienced by the organisation, the stronger the adhesion to corporate fantasies may be.

Some of these fantasies can have a powerful galvanizing effect which enhances motivation and performance. Others, however, can have a paralysing effect, inhibiting growth and change. Often, changed organisational or social circumstances render yesterday's inspiring ideals into today's incapacitating delusions. In such situations the executive team are the "victims of the fictions they created, sustained and elaborated" (Mangham, 1988, p. 182) and the organisation itself has become "neurotic" (Kets de Vries and Miller, 1984). The nature of organisational delusions and fantasies are as diverse as those of individual neurotics. Some may suffer from delusions of grandeur and exaggerated optimism, others from persecution fears, yet others are lost in introspective narcissism. The common feature of these delusions is that, in common with personal fantasies, they are wishful thinking. As Julius Caesar wrote all those years ago, "men are nearly always willing to believe what they wish".

In deceiving themselves, organisations and their executives may not be short of lofty rationalizations of the genre:

- "We care for the service we provide or for our customers";
- "We won't compromise on standards";
- "In a high-tech world we are an oasis of true craftsmanship"; and
- "We still have very loyal customers" etc.

The regressive quality of such honestly-espoused beliefs is usually plain. "When intractable desires are thwarted by reality there is a tendency to hark back to the memory of earlier gratifications," argued Norman Dixon

(1976, p. 100), summing up an experience all too common among organisations which find themselves in crisis. In the face of imminent disasters, military, business and other leaders, like many "ordinary neurotics" have often displayed a remarkable ability to deceive themselves with wishful thinking. Organisations too, and not just business organisations, but also voluntary bodies, political parties, trade unions, government agencies, health and educational establishments, are prone to seek solace in wish-fulfilling corporate fantasies in periods of crisis. The more pressing the crisis, the more change-resistant the organisation, the stronger the embrace of outdated practices, values and ideals.

Is there a way out of this vicious circle? A change in leadership may seem the most promising route, given that the old leadership has most at stake in the old mythologies. Yet, like individuals, organisations in their hour of need are most vulnerable to the false promises of faith healers, gurus and other magicians. Like the patient who surrenders his body or his mind to the physician for treatment, organisations can surrender themselves to the charismatic leader, the consultant, the white knight or some other "agent of change" who promises solutions. Their fate is then highly uncertain. They may then be taken for a ride, they may deteriorate and fade away. Alternately, they may recover by accidentally bumping into the right solutions or, occasionally, by their problems disappearing providentially. We suspect that some of the credit taken by star managers for turning organisations around may be misplaced. Just as we like to personalize failure by finding guilty parties or suitable scapegoats, we like to personalize success by attributing it to rational, self-conscious activities and sound leadership.

Few organisations descend to the grim extremes of self-deception as to expect providential interventions or accidental solutions to their predicament, although Hitler's final days in the bunker amounted to exactly that. It seems to us that if we follow the analogy with the individual neurotic's situation, the best option for the ailing organisation must combine analysis with the will to recover.

Neither can it achieve much on its own. Rational analysis alone offers little hope. As was seen earlier, as soon as it threatens vital fictions, it will be brushed aside or rationalized away, if not without discomfort. "Groups have never thirsted after truth. They demand illusions and cannot do without them. They constantly give what is unreal precedence over what is real," argued Freud (1985b, p. 107). The hyper-cerebral leader or consultant who seeks to implement rational analyses will flounder against such group resistances. Equally, the will to recover will quickly dissipate in the absence of rational analysis of past and present. Vibrant calls to change then rapidly become hollow rhetoric.

If, on the other hand, the will to recover can overcome the resistances to rational, if unpalatable, analysis, then it may be possible for the organisation to break out of its neurotic vicious circle of self-deception and paralysis.

> We must not forget that the relationship between analyst and patient is based on a love of truth; that is, on acknowledgement of reality, and that it precludes any kind of sham or deception (Freud, 1963, p. 266).

As a technique which by strengthening the patient, aims at reconciling the pursuit of truth with the overcoming of resistances, psychoanalysis can make a contribution to organisational theorists and practitioners alike. As a theory of demystification, psychoanalysis can be a useful tool in dealing with the neurotic qualities of organisations. This is not to say that organisational pathologies can be reduced to the individual disturbances of their leaders or that executives should spend long hours on the psychiatrist's couch. What psychoanalysis can do is provide keys for unravelling the emotional life that goes on inside organisations, for decoding jokes, myths, stories and other material which makes up organisational culture, for broadening the range and power of choices and for overcoming some of the psychological resistances to change. Not least, psychoanalysis can enhance the elucidation of the motives of organisational participants, without which it is difficult to change them.

As a therapy, psychoanalysis is based on self-knowledge rather than faith, commitment and healing, therefore it is not capable of providing miracle cures or instantly eliminating corporate malaise. It has no ultimate message to deliver, nor any final reconciliation of the many conflicts and tensions which make up life both inside and outside organisations. What it can do is help dissolve some of the illusions which individuals, groups and organisations espouse, and, in so doing, overcome some of the avoidable pain and suffering which reside therein. It is our contention that organisations that are psychoanalytically informed, and specifically managers in these organisations, gain insight into the influences and consequences of organisational structures and processes. Moreover, they may also gain a deeper appreciation of reform and practices that are conducive to good psychological health for all that inhabit our organisations.

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