

Organizing for powerlessness: A critical perspective on psychodynamics and dysfunctionality

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Abstract

This paper develops a critical perspective on organizations and psychoanalysis. Following a brief review of various strands of psychoanalytic theorizing about organizations, the paper argues that psychoanalysis can make an important contribution both to recognizing and to restoring the human subject in the organization. However, psychoanalysis also runs the risk of becoming complicitous with the larger context of domination that structures and governs organizations, unless it explicitly acknowledges and incorporates this context. The paper discusses the importance of acknowledging relations of power, recognizing the normalization of dysfunctionality in organizations, and moving away from individualizing issues of emotion, resistance and control.

Introduction

Conventional organization theory portrays organizations as rationally ordered, appropriately structured, and emotion-free life-spaces, where the right decisions are made for the right reasons by the right people, in a reasonable and predictable manner. For most people, this image is about as far from reality as the 1950's image of the "ideal" family ever was. While organizational researchers talk about "healthy" organizations - companies that are successful, and that grow, develop and communicate in open and productive ways, many of us live and work in dysfunctional, neurotic, psychotic or otherwise disturbed organizations where conflict, contradictions, and recurring problematic behaviors are the norm, rather than the exception (see e.g. Kets de Vries and Miller, 1984; Schaefer and Fassel, 1988; Weaver, 1988; Ryan and Oestreich, 1991; Jackall, 1988; Fassel, 1990). These are organizations that are obsessed by rules, by compulsions to control and regulate, and by addiction to work, manifesting outwardly the trappings of success while inwardly concealing suppressed emotions and tensions until they erupt in the form of violence, burnout, depression or sabotage. And what's more, we have become so used to the experience, that we no longer question it, problematize it, or even perceive it as abnormal in any way. Psychoanalytic approaches to organizations can make a very important contribution to helping us recognizing this reality.

While the study of organizational health is important in terms of developing an understanding of effective organizational functioning and a sense of normative ideals, it is by no means sufficient. First, a singular focus on the healthy organization keeps us from examining the perhaps more common experience of the dysfunctional organization, leaving many people wondering and confused about their own observations and perceptions. Second, it deprives us from key insights into human and organizational functioning in general. Often times we only develop a true understanding of how things really function by looking at failures, problems and mistakes - what

Bhaskar (1983) referred to as "the methodological primacy of the *pathological*" (emphasis added). Third, many studies of so-called normal organizations fail to recognize the pathological element in the "normal". In fact, by presenting organizations with neurotic, compulsive or other unbalanced tendencies as normal, these studies contribute to *normalizing* the pathological.

Studying the neurotic organization and/or the disturbed psychodynamics within organizations provides a useful counterpoint to the preoccupation with normal (or normalized) organizations. It can also make a valuable contribution to the expanding body of critical research on organizations. Even though the neurotic organization model was not originally presented as a critical model, it provides many insights that are valuable to critical research. Key among them are the recognition of recurring and deeply seated pathologies in organizations and the analysis of destructive and dysfunctional power relations.

The psychoanalytic approach also has its liabilities for organizational analysis, however, especially in its tendency to individualize or compartmentalize psychodynamic patterns. Rather than connecting problematic behaviors and interactions to underlying deep structure relations of power and domination, it tends to focus on individuals and their relations as both the source and the solution of the neurosis. This paper will discuss both the contributions and the liabilities of the psychoanalytic approach from a critical theory perspective.

Critical theory of course spans a wide range of theoretical positions and traditions. While they are varied in focus, interests and methods, all hold in common a commitment to critique, specifically the idea that "(t)he function of criticism is to help us understand how reified social and organizational processes often place arbitrary limits and constraints on human freedom and to enable us to consciously reshape our lives" (Prasad and Cavanaugh, 1997, p. 310; see also Hoy and McCarthy, 1994; Deetz, 1992). In many ways, psychoanalysis shares the concerns of critical theory, especially when it comes to issues of human freedom and health, an emancipatory interest in conscious and undistorted decision-making and the importance of critical self-reflection (Habermas, 1971). Critical theory may enhance the psychoanalytic perspective though, by adding more specific consideration of the structural and ideological impact of the organizational and social context on psychodynamics.

Psychoanalysis and organizations: Some examples from the literature

Common to all psychoanalytic approaches to organizations is the idea that much of the seemingly rational behavior of people in organizations is, directly or indirectly, expressive of issues, concerns and forces that exist beneath the level of conscious awareness. Rather than taking organizational reality for granted, psychoanalytic approaches argue that we must not only deconstruct its apparent rationality, but also learn to understand and change it, through bringing to the surface an awareness of hidden and repressed motivations, feelings and dynamics.

This position was developed initially, of course, in Freud's extensive writings that argued, among many things, that mental processes are essentially unconscious, and that critical self-reflection guided by the therapist, would aid in revealing the structures of the unconscious. Key factors in this process include an understanding of primitive impulses - sexual impulses in particular - that according to Freud play a key role in understanding not only mental disorder but also "the highest cultural, artistic and social achievements of the human mind (Freud, 1935, p. 23) and the

ways in which the interaction between the person and society suppresses, shapes or distorts these impulses.

The psychoanalytic literature is both extensive and varied. As Morgan (1997) notes, since the early days of Freud "the whole field of psychoanalysis has become a battleground between rival theories of the origin and nature of the unconscious" (p. 220), with different theories focusing on such widely ranging issues as early infant anxiety, fear of death, archetypes and the collective unconscious, the patriarchal family and so forth. A comprehensive review of these differences is clearly beyond the scope of this paper. Instead, I will outline the nature and importance of contributions that have been made by psychoanalytic approaches to organizations, highlighting those pieces that focus on the pathological aspects of organizations. Using Kets De Vries' work on neurotic organizations as a specific example, I will argue that a critical theory framework can both supplement and enhance psychoanalytical approaches to organizations by providing a broader framework for analysis and theory development.

Recovering the human subject in organizations

The dominant view of organizations as rational, purposive, orderly, behavioral entities has long ignored the existence of emotion in organizations, portraying the 'proper' organizational subject as "emotionally anorexic" (Fineman, 1993). Emotion was generally seen as a rather "messy" subject, not surprising perhaps given the fact that the only emotion systematically addressed was the uncontained/able: burnout, conflict, hostility or workplace violence. As Gabriel (1998) points out, several more recent approaches have re-introduced the subject of emotion into organizations. Fineman (1993), Mumby and Putnam (1992), Putnam and Mumby (1993), Van Maanen (1991) and others have discussed the ways in which the *performance* of emotion and its proper management is a key element of many jobs today, service jobs in particular, thereby expanding the bureaucratic reach from external behavior to the internal life world of the employee. Likewise, many of the newer books on leadership, corporate identity and organizational change point to emotion management as a central condition for organizational success (see e.g. Senge, 1990, 1994; Bierema, 1999; Gray, 1999; Watkins and Marsick, 1993, 1996; Maurer, 1996). The third strand identified by Gabriel is a social constructionist one, and includes the work on organizational cultures (see e.g. Fineman, 1993; Trice and Beyers, 1993; Frost et al, 1991; Deal and Kennedy, 1982; Albrecht, 1987).

However, as Gabriel observes (1998), it is not sufficient merely to point out that emotion exists in organizations; we must also understand it. It is here that psychoanalytic theory can make a major contribution by providing in-depth explorations of both individual level emotion, including such varied processes as repression, transference, projection and introjection (see e.g. Gabriel, 1997; Simmons, 1981) and group psychodynamics (see e.g. Bion, 1961; Diamond, 1993; Kets de Vries and Miller, 1984). From a critical perspective, such explorations will provide us first, with a better understanding of human behavior in the workplace, a valuable contribution in and of itself. Furthermore, such explorations will serve to counteract the ideological image of the rational subject. Not only do psychoanalytic approaches demonstrate that the rational subject in organizations is only a surface construction. They also allow for a voice and space for the non-rational, or differently rational subject, thus reclaiming the suppressed voices that are so characteristic of the modern organization (see Deetz, 1992). Psychoanalytic contributions can only accomplish this however, through acknowledging and *critiquing* the organization's privileging of the 'rational' voice. This, in turn, as Gabriel (1998) and Fineman (1996) point out, means that they need to separate emotion from emotional performance, emotion from irrationality and

irrationality from dysfunctionality. It also means that they can neither discount nor ideologically justify the impact of organizational control without inadvertently becoming complicitous with the process.

Psychoanalytic efforts may eventually allow us to restore our sense of the human subject in the organization, in its full, non-anorexic nature, but this will not occur without making challenges to organization in its current form. Jacobson (1993) makes this argument in her Jungian analysis of adult male development and self-identity in the organization, suggesting that the 'rational organization' can be seen as a manifestation of the mother archetype. The subordination and identification of one's ego with the organization results in entrapment and retarded development, expressed in "(e)xcessive concern for security, lack of independence, self-emasculatation, inability to assume responsibility for one's actions, and lack of feelings" (p. 60). Such identification not only harms the individual, resulting in "loss of control over one's perceptions and actions"; it also harms and retards the organization. The negative influence of the mother archetype, the author argues, can only be broken if 1) the expression of feelings is valued and encouraged; 2) the organization relaxes the requirements for total submission and identification, through participatory decision-making processes; and 3) the organization emphasizes the importance of self-identity and individual integrity.

Diamond and Adams (1999) make a similar argument in their discussion of the psychodynamics of ethics, suggesting that authentic ethical conduct in organizations requires the creation of a "holding environment"; a space that is safe enough to share negative feelings, contain aggression and fantasies, and allow workers to explore and process errors and problems. Many organizations however, contain a persecutory organizational identity that rigidly and narcissistically separates good from bad, thereby promoting blaming, scapegoating, a false sense of security and diminished anxiety. By stressing compliance, conformity and obedience, such an organization creates "pseudomorality" on the part of its employees. Authentic ethical conduct, the authors conclude, only emerges out of authentic human relationships.

Carr and Zanetti (1999) also express the idea that healthy human development, authentic ethics, and an authentic self require changes in the organization. They point out that the relationship between individuals and organizations not only reflects and promotes narcissistic dependency, but that the resistance to such a relationship potentially results in psychologically and emotionally traumatic experiences. Carr (1998) describes the impact of this in terms of a "psychological fingerprint" or "psychostructure" (see also Maccoby, 1976; La Bier, 1983, 1986; Carr, 1993) to suggest that character selecting and molding may occur as part of the process of trying to achieve 'the organization ideal'. This in turn may result in the suspension of prohibitive aspects of the super ego, limiting a person's ability to independently and authentically reflect on and make choices about issues of values, ethics and norms.

Finally, Gabriel (1991) offers an interesting analysis of the role of narrative and myth in organizations. Gabriel suggests that organizational narrative not only has the frequently discussed function of providing members with a tool for sensemaking and meaning construction. Narrative also provides members with an emotional outlet, creating "a poetic space in which fantasy prevails over reality; where spontaneous, unplanned activity temporarily replaces regimentation; and where pleasure temporarily overshadows expediency" (p. 337).

As we can see from the above, psychoanalytic theory contributes to our critical understanding of organizations first, by reclaiming the human subject and second, by reclaiming the validity and importance of the subject's health. In modern organizations, the pursuit of economic goals has become an end in itself, to the exclusion of any other interests. Described by Horkheimer (1974) and Horkheimer and Adorno (1972) as an "eclipse of reason", organizational rationality only considers human welfare and quality of life to the extent that they contribute instrumentally to the "bottom line". By questioning the extent to which this rationality provides a healthy context for individual growth, development and functioning, psychoanalytic theory clearly represents an important "emancipatory interest" (Habermas, 1971), essential to changing and enhancing the human condition.

What is less clear in these efforts, unfortunately, is the structural context of the current condition. That is, psychoanalytic thinking questions the health of the organizational setting for the human subject, but rarely explores the reasons for these settings and the unhealthy processes and conditions they generate. Critical theory would argue that organizations are the way they are for very specific, power and control purposes. Maintaining unequal structures of power and control *necessitates* the creation of dependency relationships, distorted human identities, ideological domination, partial and limited ethics, and a host of other, otherwise unhealthy organizational dynamics (see e.g. Deetz, 1992; Kersten and Sidky 1997). To suggest that such conditions are unhealthy may be accurate, but is hardly sufficient particularly when it comes to the subject of organizational change. An appeal to health and humanity in a context that structurally and ideologically denies the validity of such factors presumes a type of rationality that, in fact, does not (yet) exist in organizations today.

Psychoanalysis and the organizational subject

The previous section focused on examples of psychoanalytic analysis of individuals and groups in organizations. What is the perspective of psychoanalytic theory on the organization as a whole? And what are the contributions and liabilities of such a perspective? One example is the work on the neurotic organization, developed by Kets de Vries (see Kets de Vries, 1991, 1985, 1979; Kets de Vries and Miller, 1986, 1984), noteworthy especially in terms of its extensive characterization of organizational cultures, structures, strategies and dynamics.

Kets de Vries begins with the concepts of personality style, used here to refer to relatively stable clusters or "patterns of behavior by which individuals relate themselves to external reality and to their own internal dispositions" (Kets de Vries and Miller, 1984, p. 18). Personality styles develop over time through a combination of interpersonal interactions and instinctual needs, whereby people develop lasting representations of themselves and others. These "become encoded as stable and directive forces" -- "organizing units enabling the individual to perceive, interpret and react to her environment in a meaningful way". (p.19) People's instinctual needs are connected to these representations and "transformed into wishes of various kind ... articulated into fantasies" (p.19).

Fantasies can be viewed as original rudimentary schemata that evolve in complexity, as "scripts (scenarios) of organized scenes which are capable of dramatization" (Laplanche and Pontalis, 1973, p.318). "(They are) complex and stable psychological structures that underlie observable behavior. The dominant fantasies of an individual are the scenes that prevail in his 'private theatre', in his subjective world. They are the building block making for particular neurotic styles

and are thereby determinants of enduring behavior" (Kets de Vries and Miller, 1984, p. 19).

While all people tend to exhibit some mildly dysfunctional or pathological characteristics, the concept of neurosis describes an enduring and consistent set of dysfunctional psychological states and behavior patterns. Specifically, it suggests that, while all people have pervasive patterns of thinking, perceiving, feeling, and acting that are associated with pathologies of different kinds, normal "(h)uman functioning is generally characterized by a mixture of these often neurotic styles" (Kets de Vries and Miller, 1986, p. 266). Neurosis develops when a specific neurotic style comes to dominate and "consistently characterize many aspects of the individual's behavior", which in extreme cases can lead to a "psychopathology that seriously impairs functioning" (p. 266). Neurotic individuals "exhibit a good number of characteristics that all appear to manifest a common neurotic style" and "display these characteristics very frequently, so that their behavior becomes rigid and inappropriate ... distorts their perceptions of people and events and strongly influences their goals, their modes of decision making, and even their preferred social setting" (Kets de Vries and Miller, 1984, p. 19).

The key theme underlying most of the neurotic organization literature is that the neurotic style of top executives has a strong influence on the overall functioning of the organization, including its strategy, culture, structure, and the nature of group and interpersonal relations, such that individual pathology becomes organizational pathology. It is suggested that the relationship between executive and organizational pathology is seen most clearly in small, centralized firms with a single leader or a small group of unified leaders, but even in large, decentralized firms the neurotic style of the top executive may become diffused throughout the corporate culture of the organization.

Out of the different neurotic behavior styles identified by the psychiatric and psychoanalytic literature, Kets de Vries and Miller (1984) selected five major ones - paranoid, compulsive, dramatic, depressive and schizoid - each with their own characteristics, motives, fantasies and dangers. Each of these neurotic styles is in turn related to five common types of organizational function and dysfunction (Miller and Friesen, 1984). Each style has its own strategic, cultural, structural, and decision-making features, described in terms of both their "strengths", i.e., the extent to which they generate material success for the organization, and their "liabilities", i.e., the risks and difficulties they generate for the organization and its members. Two examples are described below.

The paranoid organization has persecution as its major fantasy. Management suspicion and mistrust are articulated in extensive methods for monitoring and controlling both internal and external processes, events, and people, such as sophisticated information systems, elaborate budgets and cost accounting procedures. Decision-making appears consultative, drawing information, input, and opinions from all layers of the organization through elaborate sets of meetings and committees, but leaves the ultimate decision centralized at the top. Morale tends to be low, as people concentrate on protecting themselves. Under the influence of fear and distrust, the organizational strategy is usually reactive, conservative, and preoccupied with external, hostile forces, often resulting in a "muddling through, meandering" approach. A paranoid firm may attempt to reduce risk through extensive product diversification, resulting in a fragmented organizational structure and strategy. This in turn only increases the need for monitoring and control, reinforcing the paranoid basis of the organization.

The compulsive organization has control as its major fantasy. Based on a perpetual fear of losing control, the organization becomes preoccupied with perfectionism, ritual, and controlling every last detail of organizational life. Like the paranoid organization, the compulsive firm has extensive formal control mechanisms, but the focus here is on internal rather than external monitoring. There are extensive and elaborate policies, rules and procedures, extending to "not merely the programming of production procedures, but to dress codes, frequent sales meetings, and a corporate credo that includes suggested employee attitudes" (Kets de Vries and Miller, 1984, p. 29). Since all relationships are perceived in terms of dominance and submission, the organizational structure is hierarchical, position-based, centralized, controlling and formalized. The compulsive executive relies on formal controls, rather than on positive human relations, resulting in feelings of suspicion, manipulation, and a loss of personal involvement. Since the compulsive style originates in some experience where the firm or the executive may have lost control and was at the mercy of others, much of the structure and strategy are aimed at reducing uncertainty and avoiding the unfamiliar. Planning, budgets, evaluation procedures, schedules, and so forth are prevalent, often organized around some "established theme" that the organization sees as its particular strength or competence. While this often produces a relatively unified and focused strategy, the compulsive organization tends to remain fixated on this theme, even when it is no longer appropriate in the environment.

In addition to the neurotic styles and underlying fantasies of top executives in the organization,

Kets de Vries and Miller (1984) also discuss shared fantasies of groups in the organization, based in the common perceptions and desires of its members. Drawing on the work of Bion (1959), group fantasies are seen as the "pool of members' wishes, opinions, thoughts and emotions" (p. 48). Operating at the level of "basic assumptions", group fantasies are primitive rather than rational in nature, and reflect the manner individuals and groups cope with the anxieties of life. Group fantasies result in a group mentality with uniform images, thoughts, and identity, that are reflected in stories, myths, and legends of the organization, and that shape the rational tasks of the group and organization, usually in subtle and covert ways. Kets de Vries and Miller describe the ways in which fight/flight, dependency and pairing fantasies develop into group cultures with specific beliefs, emotional themes, and leader/follower relationships. They also discuss the historical origins of such cultures and the ways in which they complement the prevalent organizational neurosis.

In the fight/flight group culture, for example, typical symptoms include: the belief that others are not trustworthy; the world is split into "good" and "bad" people; scapegoating; lack of self-reflection and self-insight; anger, hate, fear and suspicion as the dominant emotions; an "us vs. them" attitude, and a view of the leader's role as responsible for the mobilization of the group into fight or flight (Kets de Vries and Miller, 1984, p. 51). The group fantasy both feeds and complements a management style that is insular, rigid, and fixed, based on the antagonistic impulses that characterize the various neurotic styles.

A critical perspective on organizational neurosis

Using the concept of neurosis as a way to describe social problems and issues is not new to critical theory. Traditionally, critical theorists have used the idea of neurosis to describe the deeply rooted social problems of blockage, domination and control that originate in the structural inequalities of social systems, as well as the corresponding repressive ideological forces that shape social consciousness and behavior. Critical theory has also drawn on the image of neurosis to conceptualize its own role of "therapeutic intervention" into social systems, interventions that are aimed at revealing the present and historical roots of social distortions and transforming the conditions of human communication and consciousness. Kets de Vries' use of the concept of neurosis differs from the critical tradition though in that it focuses much less on problems of domination and control and more on issues of individual imbalance and their consequences.

However, from a critical perspective the concept of the neurotic organization has a number of valuable strengths. First, it draws our attention to the experientially familiar phenomenon of the "sick" organization, which can help us understand specific cases of organizational dysfunction as well as organizational dynamics in general. Second, the idea of the neurotic organization focuses on the ways in which micro-level dysfunctional behavior patterns become diffused throughout the organization by linking neurotic patterns and relations that exist at the top executive level to organization-level structures, strategies, norms, and cultures. Additional strengths include its holistic approach which searches for global patterns, styles and relationships, and its ability to

identify and address deeply rooted and often hidden problems in organizations (Kets de Vries and Miller, 1986, p. 277).

The approach also has a number of serious problems, however, stemming from its tendency to individualize problems of structural inequality and control. Rather than viewing organizational dysfunctions as connected to underlying deep structure issues of power and inequality existing in the organization and the wider social context, it tends to focus on individuals and their relations as the source of the problem. Rather than focusing on the institutionalized neurosis of the structure, it focuses on the neurosis of the individual *in* the structure. Hence, one is left with the impression that if only the organization's top executive would not be neurotic, the organization would not have any problems. This fails to consider four important issues.

First, what exactly is the relationship between organizational neurosis, the person of the leader and the organizational structure? Through most of the readings the authors portray the relationship as one-sided: the executive's neurosis becomes the organization's neurosis, reflected and embedded in the corporate culture and structure. At one point they do indicate that "the influence between organizational orientations and managerial dispositions is reciprocal" (p. 277), but even here the emphasis remains on the individual. Certain events occurring in the organization, they suggest, may awaken dormant neurosis in the executive who in turn becomes the impetus for the neurotic structuring of the organization.

In fact, the reverse argument could easily be made. Many organizations have a fundamentally neurotic structure and culture firmly in place, based on not only the history of that particular company, but also on the structural inequalities of the organizational relationship and its social context (see e.g. Kersten, 1991). Within capitalism, it is the social context in particular that not only creates but also *necessitates* compulsive and other neurotic cultures to maintain the inequities of the status quo. Put simply, unequal relationships create dynamics of dominance, submission, resistance and control. The more systemic the inequality, the greater the need for a neurotic culture that emotionally interprets and justifies these inequalities. Compulsive cultures in turn *require* compulsive executives to effectively reproduce their dominant relations.

Management training of course teaches people to be pre-occupied with neurotic control practices and the managerial mindset makes them particularly open to perceiving problems in terms of control, conflict, suspicion, and exploitation. Once equipped with this mindset, the manager is placed in the neurotic structure which further sharpens the view of human relationships in terms of inequality and control, and acts out what is expected of him or her in that setting.

Other organizational members are similarly well prepared to accept and complement pathological behavior, based on societal socialization patterns around authority. Properly schooled in conformity and obedience, employees much more readily participate in than critique neurotic control relationships. In this sense, neurotic organizations should be seen as *typical* of our society, not as generated on a case by case basis by the individuals that manage them. In a way this echoes Freud's (1930) conclusion that "under the influence of cultural urges, some civilizations, or some epochs of civilization -- possibly the whole of mankind-- has become neurotic" (as quoted in Gabriel, 1998).

Likewise, as Gabriel (1983, 1984, and 1998) and Lasch (1979) have argued, neurotic individuals provide a good fit with many organizations which thrive on their neurotic tendencies and behaviors. The literature on addiction and co-dependency (see e.g. Shaef and Fassel, 1988, McMillan and Northern, 1995) also suggests that organizations welcome, need and reinforce addictive and co-dependent behavior. Compulsively controlling managers are perceived as orderly and effective. The work-addicted employee is hailed as a model for all others to emulate. And employees have learned to doubt their own sanity rather than critique the sanity of their companies. Finally, the arguments provided by Baum (1987) and Hummel (1977), that the very structure of bureaucracy *creates* dysfunctional dynamics in people further remind us of the role of structural context in creating dysfunctional human dynamics in the organization.

By focusing exclusively on individuals as the source of the organization's neurosis, Kets de Vries' approach becomes incapable of addressing both the inherent neurosis of the system and the extent to which systemic neurosis has become normalized in our society. A critical interpretation of organizational neurosis recognizes social and organizational inequalities as the structural foundation for neurotic relationships. Rather than viewing neurosis as an exception or abnormality, neurosis must be regarded as the *normal* and *normalized* outcome of these systemic inequities. At the organizational level, the neurosis is an articulation of the control needs of the system and at the individual level, an adaptive response to the requirements of this system.

This raises a second major issue, namely individual and organizational identity in the context of power and control. As noted earlier, psychoanalytic theory has made some very useful contributions to understanding the pressures placed by organizations on individual identity. The organizational neurosis model adds to this understanding, particularly by demonstrating the requirement placed on the individual to actively participate in the neurotic perception of life. Critical theory would further develop this by exploring the *ideological* nature of this identity, and the ways in which neurotic constructions and relations serve control purposes for the organization. Neurotic constructions, in other words, do not exist only (or even primarily) for individual purposes. Rather, as noted above, their construction develops from and articulates systemic needs for power and control.

By focusing on individuals, company executives in particular, Kets de Vries and others see power and control as residing in the individual. As Foucault (1974) has argued, however, power is *not* simple, individual, personal, unilateral, or direct. Rather, power exists in the network and dynamics of relationships and not in the individual, who is merely an extension of this network and the classes and interests that structure it. Furthermore, power is always dynamic - a struggle - containing within it its own opposition, the potential for resistance and avoidance, but also new forms of power. By presenting power and control as personal, the neurotic organization approach fails to grasp the dynamic, and structural quality of power as well as its dialectical potential for generating its own resistance and denial. It also misses an important contribution that could be made here, namely insight into the ways in which organizational neurosis, neurotic relationships and the manipulation of individual and collective identity *structures* power in the organization, and makes individuals at all levels complicitous to the maintenance of this power.

In this sense, as Habermas (1971) points out, the important contribution of psychoanalytic theory is not a hermeneutic understanding of how meaning is constructed in the organization, which is what Kets de Vries supplies us with. Rather, it is to understand the "systematic role and function" (p. 217) of the omissions and distortions of the neurosis and the internal conditions that generate

them. This understanding, I would argue, can only be generated through an exploration of the deep structure relations and contradictions that shape organizational consciousness.

In addition to recognizing the structural and ideological foundations of organizational neurosis then, a critical interpretation would also acknowledge the dynamic nature of neurotic control relations; in particular the way in which they are impacted by ongoing control and resistance cycles, involving both internal and external organizational constituencies. This of course would be a particularly effective subject for psychoanalytic investigation.

The third point has to do with the question of generating change in neurotic organizations. Kets de Vries and Miller (1984, 1986) restrict themselves to one of three scenarios here: "cure" the top executive through therapeutic intervention, lose the top executive, or create a change through some dramatic failure on the part of the organization, which would probably have the effect of the first or second scenario. There are a number of problems with this approach. One is that by viewing change as necessarily a change in the leadership rather than a change in the structure itself, Kets deVries and Miller underestimate the oppressive potential of the organizational structure. Once a particular structure and culture are institutionalized, change requires more than a different leadership. It necessitates a change in all the structural and cultural facets of the organization as well as a change in the organizational membership at large.

Two, just as individuals often replace one neurotic behavior with another, neurotic organizations have a tendency to replace one neurotic leader with another, who may have the same or a different pathology. While this is difficult to explain using an individual-centered theory, it is perfectly understandable from a critical theory perspective. As noted above, neurotic organizational cultures are often necessary to maintain unequal control relationships and hence, neurosis is the normal way of life in many organizations. Institutionalized in the structure, norms and values of the organization, the neurosis shapes the collective rationality, which includes people's expectations of organizational life and leadership. Not only is the neurosis itself thus normalized in the institutionalization process, it also provides for its ongoing reconstruction by normalizing the neurotic characteristics of leadership.

Finally, Kets deVries and Miller's approach to change leaves no room for the possibility of action on the part of any organizational members other than the leader. Granted, strong, autocratic, and centralized leadership usually characterizes neurotic organizations, which makes action on the part of other people difficult. However, their scenarios doom people to only one of two choices: either to leave or to actively participate in the neurotic cultures of the organization. It would seem that critical reflection on the condition of the organization - including the realization of its neurotic characteristics and tendencies and the impact of these factors on the organization as a whole - would be beneficial in terms of impelling strategic action for change, not only change initiated at the top but also movements for change initiated at the bottom of the organization.

To summarize, from a critical perspective simply replacing the leadership of the organization

would not necessarily be a sign of change. Effective change requires a change in the structure and culture of the organization, and this in turn requires, at minimum, an awareness of the existing problems and conditions and a willingness to address these problems through structural, cultural, and leadership changes. Even if the organization is successful in initiating this process, people must realize that effective change is going to require a lot of time and effort. Most change efforts do not immediately succeed in eliminating institutionalized behaviors, let alone much of the sedimented neurosis that has come to characterize every element of the culture (see also Brown, 2000). Open and undistorted communication in a more egalitarian structure can combat this sedimentation, but its occurrence is unlikely without some critical intervention into the system.

The fourth and last issue has to do with the danger of personalizing the organization. By describing the organization as an entity *capable* of being neurotic, this approach - like much of the conventional organizational literature - separates the organization from the internal and external power structures that control it. The organization becomes a person, with its own needs, tendencies and behaviors, yet it is unaccountable to other, real person actors (see Kersten and Sidky, 1997). Neurosis here must be used in a metaphorical, rather than a literal sense, alerting us to the need to see dysfunction in organizations, without displacing the dysfunction from its structural context (see also Sievers, 1999).

Conclusion

For many of us, organizational emotions, dysfunctions and neuroses are facts of daily life that poses continuous problems and challenges, not the least of which is the constant question of "who is really the crazy one?" Psychoanalytic approaches to organizations can be very helpful by providing systematic examinations of these phenomena and helping us a better understanding of their nature and causes. It was argued in this paper that extending the psychoanalytic approach to include the structural and ideological factors considered by critical theorists would greatly strengthen the potential contributions of this type of research. While it might by necessity downplay the role of individuals and the individual genesis of their emotional processes, it would be able to identify as well as explain pathological patterns of interaction and communication in the organization. The understanding of these patterns would be grounded in a sense of the underlying structure, relationships and dynamics rather than only the individual psyche and change in the organization would be addressed from a personal as well as a structural dynamic point of view.

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