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Annals of Psychodynamic-Systemic Practitioner Research

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The Annals of Psychodynamic-Systemic Practitioner Research

VOLUME 2

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EDITORIAL NOTE

ELIZABETH FLORENT-TREACY

The Dilemma

In the field of management science - what we do in business schools - *rigorous* scholarship may not be seen as *relevant* by members of organisations themselves. Moreover, most new ideas in management that catch on in organisations come from the world of practice, not from empirical academic studies. Publications like the Harvard Business Review and some books on management trends bridge the rigour-relevance divide well, but in general, management scholars have created "a closed industry engaged in producing knowledge intended mainly for other academics."[1] Indeed, "academia can be a competitive and self-serving environment in which researchers appear to be using the people they study to advance their own careers."[2] For obvious reasons, this is not ideal, neither for academics nor business people. Clearly, organisation studies could focus more closely on "the wider world's work."[3]

This poses an interesting dilemma. On the one hand, people in the world of work are coming up with applicable ideas that academics might not have access to; on the other, the valuable contributions of academics are not fully exploited in the business world.

What if we were to bring the two worlds together more often? What if academics were to partner with real world practitioners? What if business people learned the craft of inquiry and applied it to organisational challenges? The potential reward is evident: pragmatic contributions to the study of organisations and a new approach to exploring organisational dilemmas for the practitioners themselves.

A Proposal

The EMCCC Annals of Psychodynamic-Systemic Practitioner Research seeks to bridge the discourse between the academic and business worlds. Each volume addresses an organisational challenge by uniting strong theoretical foundations with pragmatic and actionable practitioner insights.

Contributions of the EMCCC Annals of Psychodynamic-Systemic Practitioner Research

Each collection of papers, presented as a Volume, shows that *business people can indeed do this kind of research*. Virtually all of the contributors here began their research journey with some misgivings: "I have never written a research paper before and I'm not sure I can do it." The journey from there to here - the work you are about to read - is a story in itself.

In this series of collected works the authors answer the call to "embrace the idea that we are charged with the responsibility of generating *useful* knowledge" [italics in original text].[4] Even more exciting is that the studies have been conducted not by academics but by the protagonists themselves. All the contributors are graduates of INSEAD's Executive Masters in Coaching and Consulting for Change programme.[5]

The pedagogical design of the thesis element of the programme can be summarised as follows: "What skills, awareness, understanding and ways of working do change agents need, and how can these be learned in ways that are dynamic, enduring and internalised? How can we help learners bridge the worlds of experience and theory, integrate their personal reflection with critical analysis and action, and draw from the strengths of diverse methods of inquiry?"[6]

In creating this programme, now in its fifteenth year with over 600 graduates to date, we deviated - quite radically - from the standard business school approach. We began with a vision and an objective: to provide business professionals with a new lens through which to see their world holistically—starting with themselves and moving outward to family and group dynamics, and life in communities and organisations. We provide a space in which they can safely explore and experiment with different identities, including that of practitioner researcher.

The second contribution of these collected works is the unifying "red thread" that runs through them all: the *psychodynamic-systemic approach to the study of organisations*. "Psychodynamic" means that they explore the underlying motivational factors and past experiences that influence current behaviour patterns; "systemic" means they consider the influence and interconnection of context, for example, family, the organisation in which a person works, and national culture. This paradigm not only identifies challenges and issues at the business level, but draws attention to the deeper sources of energy and motivational forces that give impetus to, or create inertia against human actions in organisations.

By considering the way subconscious forces and need systems interact, it is possible to gain an understanding of individual, group, and organisational schemas—the "templates" that affect behaviour. A greater awareness of problematic relationship patterns can provide an opening to explore and work through difficult issues in the here-and-now, and uncover options for new behaviours or actions. In short, applying psychodynamic-systemic concepts to the ebb and flow of organisational existence contributes to our understanding of the vicissitudes of life and leadership.

A final contribution of these chapters is the *authors' global perspectives and their position as participant-observers*. Many of them consider well-researched topics, but they add to our body of knowledge in that they look deeply into a specific cultural or situational context. Their global perspectives and position as participant-observers bring us stories in which universal truths are embedded.

The second volume **"The 7 Labours of HR Professionals"** focuses on several challenges HR professionals face, specifically the labours involved in the areas of recruitment (*search committees, job-person fit, storytelling as marketing*), talent management (*sense of purpose and financial incentives*), career decisions (*career choices and unconscious phantasies*) as well as developing and supporting leaders (*narcissistic leaders, matured employees)*, stress and downsizing (*organisational anxiety and trauma, personal transformation following burnout and time consciousness and management*) and finally organisational health (*HR implementation challenges and holistic organisational well-being).*

These are reports from people "at the coalface". Through their insights they inspire in us renewed energy to change ourselves and the world of work.

[1] Corley, G. and Giola, D. (2011). Building Theory about Theory Building: What Constitutes a Theoretical Contribution? *Academy of Management Review,* 36, 1.

[2] Taylor, P. and Pettit, J. (2007). Learning and Teaching Participation through Action Research, *Action Research*, 5 (3), 236.

[3] Corley, K.G. and Gioia, D.A. (2011)

[4] Corley, K.G. & Gioia, D.A. (2011:27)

[5]The INSEAD Executive Master in Consulting and Coaching for Change (EMCCC) is a degree programme spanning 18 months which takes participants deep into the basic drivers of human behavior and the hidden dynamics of organisations. Integrating business education with a range of psychological disciplines, the programme enables participants to understand themselves and others at a fundamental level – and to use that knowledge to create more effective organisations.

[6] Taylor, P. & Pettit, J. (2007:234)

PART ONE

RECRUITMENT

We begin Part One with three perspectives on recruitment, a core function of HR management. Recruitment refers to the overall process of attracting, selecting and appointing suitable candidates for positions (either permanent or temporary) within an organisation. Executive search can drive change and shape the culture of organisations. The fit between individuals and their work environment is crucial for job satisfaction, motivation and employment outcome. Selecting the right executive from the onset, and onboarding or socialising them into the organisational fabric are a challenge for many companies, often leading to low success rates. Failed onboarding can be very costly with both tangible and hidden costs. Hiring the right candidate has never been more important as a company's ability to find and recruit skilled talent is going to determine how successful they are in meeting their business growth objectives.

Nicole Scherf, an executive coach with C-level head hunting experience, explores the use and limitations of Expert Intuition (which relies on "gut instinct" and heuristic decision-making in situations in which there is no rational solution or no time for finding alternative solutions) for C-level recruiting processes. She provides insights into how this process works, through analysing and reflecting on her own experience on a nine month-long process to hire a new Country Head for an international consultancy firm. Taking multiple perspectives, she uncovers both conscious and unconscious group dynamics: mainly that beyond good intentions, high aspirations and commitment, Search Committees too often consciously or unconsciously turn a collective blind eye towards their manipulative power as a group, hidden individual agendas as well as potential financial and reputational risks. In response, she proposes the practice of Adaptive Leadership as a complimentary process to minimise blind spots and to actively manage inner- and intra group conflicts that impact the quality of complex decision-making processes in C-level recruiting.

Gary Teo, Director of IT services at a university campus in Singapore, looks at the importance of recruiting the right employee with the correct person-job-organisation fit, from the very beginning of the process. He proposes an "organisation anchors" questionnaire which was derived from Edgar Schein's career anchor theory. Using both individual career and organisation anchor questionnaires, recruiters will be able to use Gary's framework to assess the suitability of potential candidates. His findings show what when there is greater alignment or match between individual career and organisational anchors, the candidate will more likely perform better and stay on with the organisation for a longer period of time.

Bill Lu, a global senior HR executive, explores the power of storytelling in creating shared value and emotional connection and how it may be used in an organisation's employment marketing process to attract desired job seekers. As job seekers' self-identity is the main motivation driver when it comes to selecting an organisation to work for, organisations may enhance their appeal to desired job seekers by tailoring compelling stories which evoke their ideal self in career. Organisations need to understand what drives desired job seekers' selection of organisations to work for so that they can create stories that resonate with their perceptions of their ideal employers. Lu provides a number of practical recommendations for how organisations can enhance their employment marketing strategy.

Why do Executive Recruiting Processes Go Wrong? The Impact of Group Dynamics on Search Committees

NICOLE SCHERF

The Starting Point

Expert Intuition is the declared 'muse' for CEO decision-making and – surprising or not – also plays a pivotal role in C-level recruiting processes. My experience of being on the dancefloor as part of a Corporate Search Committee provided deep insight into how 'it' works. Viewed from the balcony, across borders and businesses, as well as from a single case setting's perspective, I explore, in this article, why C-level executive recruiting processes often go wrong or produce suboptimal outcomes.

Idea in Brief

There is a paradox in decision-making of Expert Intuition being both the solution and the problem. In this study, I look into a C-level recruiting process and witness how intuitively managed inner-group dynamics impact a nine month-long decision-making process to hire a new Country Head for an international consultancy firm. In the aftermath, Board Members considered and officially declared the outcome a major success.

Under the surface, however, one of the findings is that beyond good intentions, high aspirations and commitment, C-level task groups such as a Search Committee too often consciously or unconsciously turn a collective blind eye towards their manipulative power as a group, hidden individual agendas as well as potential financial and reputational risks.

Idea in Practice

The underlying core issue of why C-level recruiting processes go wrong is woven into the Board Room fabric. Tacit Board Room disconnect and lack of accessibility are indicators for deeper system-inherent issues. A Search Committee is weak from the outset when such conflicts and unconscious group phenomena are unaddressed. In the example I provide, dysfunctional group symptoms in the initiation phase, such as patterns of conflict avoidance and decision procrastination as well as lack of commonly agreed maintenance of territorial, task, role and role relationship boundaries, lead me to the conclusion that Expert Intuition alone is not enough to deal with the complexity of group dynamics in such a context.

In response, I explored how the practice of Adaptive Leadership could have minimised blind spots and be used to actively manage inner- and intra-group

conflicts that impact the quality of complex decision-making processes such as C-level recruiting. The Adaptive Leadership practice consists of a *Three Phase Model* and an *Executive Tool-Kit* including Six Behavioural Principles that can help a Search Committee to balance the requirements of co-operation and structure in the service of the organisation, the external or internal candidate and the search committee itself.

Introduction

"Who are you then?"
"I am part of that power which eternally wills evil and eternally works good."
— *Faust*, Johann Wolfgang von Goethe

What the devil in Goethe's *Faust* talks about is this powerful dark side residing in all of us, working so efficiently and effortlessly in silence, often against our good intentions and yet mostly below our conscious radar. This power is always present and the inner conflict between our 'bright' and 'dark' sides is part of the human condition. It is our own choice to actively develop a practice of reflection-in-action to deal with our inner conflicts before they manifest themselves in outer reality, or not.

Once we become members of a group though, it becomes less our individual choice, but more a collective action on how we deal with inner-group conflicts. Bion (1961) noted that "when individuals become members of a group, behaviour changes and a collective identity emerges: a task group becomes a new 'Gestalt' in which the group is focal and the individual members become the background. Membership becomes an exciting but ambiguous experience, one that invites individual members to join in the task at hand and also triggers their fantasies and projections about belonging and their conflicts about leadership and authority"[1].

Thus, in Bion's view, a group setting has a catalyst effect, with its own power and function. Based on individual experiences from the past as well as individual fantasies about the future, a group with its own emerging collective identity can transform and enhance positively or negatively individual behaviour. Within this arena, inner group conflicts and tensions lead to different kinds of intra-group dynamic processes and defence reactions.

As a group, Search Committee Members often do have quite a good sense of cohesion as they are accustomed to working together in different roles, different constellations or hierarchies outside the temporary task group setting. However, conflict resolution capabilities in Search Committees are more the exception than the rule due to lack of trust and unequal distribution of power – especially when a CEO is involved. As a consequence, there is often a lower level of true commitment, accountability, process quality, performance and final result achievement. Communication is often top-down, and levels of cooperation and competition as well as patterns of leadership vary depending largely on the CEO. Usually, the good intentions of Committee Members are unfortunately auto-sabotaged during the process due to insufficient internal and external controls to maintain the boundary between stated intentions and conscious and unconscious hidden agendas.

Expert Intuition and its role in senior executive recruiting

During often strenuous decision-making processes, Search Committee Members predominantly rely on their Individual and Group 'Expert Intuition', which is their routine, low-energy functioning mode[2]. Heuristic decision-making is the 'key

method' applied when making decisions in complex situations in which there is no rational solution or no time for finding alternative rational solutions[3].

Yet there is an inherent paradox in Expert Intuition being both the solution and the problem. Expert Intuition could also be defined as 'mere perception', as the underlying assumptions are usually based on past individual, or in the case of Search Committees, past collective experiences as well as fantasies about the future. Throughout months-long senior executive recruiting processes, there is neither 'high complexity' or a lack of 'time for rational solutions'. Instead, what research in the course of this study suggests is that there is often a certain amount of Board Room resistance.

Thus, the challenges lie in:

1. Identifying and addressing Board Room resistance to change their usual operating mode
2. Overcoming resistance and letting go of the Search Committee Members individual and collectively-perceived 'creative' space for gaining process effectivity and higher quality in their decision-making.

The Adaptive Leadership approach as a complementary concept to Expert Intuition

Built upon the idea that it takes both Expert Intuition and a deliberate practice to manage group dynamics and genuine human behavioural patterns, the practice of Adaptive Leadership by Heifetz, Grashow and Linsky (2009) is a strategic framework which provides guidelines and principles to manage iterative processes such as the recruitment process[4].

Adaptive Leadership involves three key activities:

1. Observing events and patterns around you
2. Interpreting what you are observing and developing multiple hypotheses about what is really going on; and
3. Designing interventions based on the observations and interactions to address the adaptive challenge you have identified.

Each of these activities builds on the ones preceding it; and the process is iterative: observations, interpretations, and interventions are repeatedly refined.

Observe: Two people observing the same event or situation see different things, depending on their previous experiences and unique perspectives. Observing is a highly subjective activity. To make it as objective as possible must therefore be the ultimate goal. One strategy is the mental 'balcony', which allows the Observer to 'get off the dance floor', gain distance, observe him-/herself 'in action' and see patterns in what is happening.

Interpret: Interpreting is probably the behaviour which distinguishes the practice of 'Adaptive Leadership' from 'Expert Intuition'. It is more challenging than a Search Committee's usual operating mode which is observation followed by intuitive action. Interpreting can be understood as listening for the 'song beneath the words'. The observer has to make his/her interpretations as accurate as possible by considering the widest possible array of information. In addition to what people say and do, body-language, emotions and especially what has not been said are also important.

Intervene: The Observer's intervention should reflect his/her hypothesis about the problem and should be pre-tested bilaterally or in a smaller circle. Well-designed interventions provide context; they connect the observer's interpretation to the purpose or task on the table so people can see that the perspective is relevant to their collective efforts. The motto should be: 'Experiment and take smart risks smartly'. A group with a higher risk disposition can certainly cope with an observer suggesting riskier interventions – as long as they are 'smart'.

METHOD

In order to explore the broader field of C-level recruiting practice, I drew from my own experience as an Executive Search Consultant. The context of the case study is a high level Senior Executive recruitment process of a deputy country head. Although the recruitment was considered a 'success' by the organisation, it resulted in conflict and collateral damage.

Face-to-face interviews were conducted with two members of the Executive Search committee. After the recruitment, I added my own experience as the mandated Search Consultant, and six market insiders were interviewed too.

A multi-method approach including phenomenology, hermeneutics and organisational ethnography was used. Nicolini (2009) suggests that the best way to study organisations for organisational ethnographers is to zoom in and zoom out[5]. Accordingly, I began with looking at the organisational context (the 'Systems Perspective'), then zoomed right into the heart of the Search Committee and more specifically into their intuitive decision-making process. Finally, I zoomed out again to gain a broader perspective on the reciprocal impact between the Search Committee's group mentality and the organisation's social climate at large.

Via data triangulation, data consistency or inconsistencies were cross-checked with additional key stakeholders and through reflection sessions with the German Chief Operating Officer, and active participants and Members of the Extended Search Committee. The shared meaning of our experiences constituted the basis for describing the phenomenon[6].

For more information, please refer to my EMCCC thesis (Scherf, 2013).

Key Findings & Discussion

Analysis of the Search Process itself and interview data collected with six C-level Search Consultants and two Search Committee Members suggest that there is no state-of-the-art or at least common practice or tool that helps Consultants or Search Committee Members manage process inherent group dynamics and risky individual behaviour.

One key expert regarding the German Corporate Governance Codex clearly stated in the course of the interview that C-level Search Committee Members were "*beyond criticism and influence regarding their judgment and decision-making anyhow*". This statement was more or less unanimously made by the other interviewees. Another common pattern observed by interviewees is that Search Consultants too often tend to accommodate their clients as opposed to challenging them. Unfortunately, it is rather an exception than a rule that a Consultant is willing to walk away from a 'highly political' mandate with Board Members involved.

The essence from the shared experience expressed by the interviewees can be summarised as follows:

The Search Committee was weak from the outset due to unaddressed and unmanaged conflict and unconscious group phenomena

The Global Head of Regions based in the HQ initially invited the Consultant to a confidential meeting and said: "We have to find someone to make the Country Head stronger, who works with him in a team. I don't want to frustrate him and **take the risk of losing him…** He needs to understand that he cannot do the job alone and that he is meanwhile too far away from his clients and busy with managing the rest of the organisation."

One assumption that could be made from this quote is that the pattern of unaddressed conflicts and decision procrastination within the entire Search Committee has its roots in the company culture. In companies in which the 'basic shared fantasy'[7] of the larger system is the primitive response of fight/flight, such a stance nurtures a "projection of one's own hostile feelings onto others and splitting the world into good and bad" resulting in anger, hate, fear and suspicion. Such cultures are typically "living in the past with a short-term time horizon, impulsive action, a rigid style where means are made very explicit but goals are poorly defined and the persuasive style is rather insular"[8]. The organisation is most likely in an overall paranoid-schizoid position which would explain the tendency to employ the most common form of defence, i.e. splitting. Kets de Vries writes that *"The strengths of such neurotic styles are: good knowledge of the threats and opportunities inside and outside the firm and reduced market risk due to diversification. Potential weaknesses are: a) Lack of a concerted and consistent strategy – few distinctive competences and b) Insecurity and disenchantment among second-tier managers and their subordinates because of the atmosphere of distrust"*[9].

There was no agreed maintenance of territorial, task, role and role relationship boundaries

There was evidence for boundary transgressions in several situations and also at the beginning of the search process. One Search Committee Member stated: "*The fact that my boss sitting in the abroad headquarter initiated the search process without my involvement is an act of castration*" – expressing a clear territorial and role boundary transgression. The proposal made very clear who was sitting in the driver seat: "***The process will be driven out of the Headquarters*** *– the Country Head will play a crucial role in his function as Regional Head Germany – therefore, he needs to fully buy into the process".* The Search Committee members based abroad had interviewed candidates who had not met the Country Head yet. Thus, a direct reporting line was automatically put in place by conducting initial interviews in the HQ. This clearly undermined, and shifted the local power from the German CEO towards the future incumbent who then had direct access to the HQ.

Expert Intuition is not the right tool to deal with the complexity of group dynamics within a Search Committee

There was also a collective blindness towards the need for a commonly agreed practice to channel group psychodynamic processes into constructive work within the Search Committee at boardroom level. Expert intuition alone failed to balance the requirements of cooperation and structure throughout a complex month-long recruitment process.

As the Consultant, I was unaware of being manipulated by power dynamics right from the start. By inviting me to an initial confidential meeting in the HQ, the key search stakeholder had not only deliberately crossed the territorial boundaries between Germany and the HQ, but also the boundaries between his direct report - the Country Head Germany - and himself. This not only led to the split between the Country Head and his COO on one hand and me the Consultant, the HQ stakeholders on the other as well as the future candidate who took advantage of the power vacuum within the triad. The candidate refused to have his name disclosed to the German Country Head indicating that they both knew each other indirectly and that he did not trust his integrity. When I explained to the Country Head that the candidate wanted to hear more about the overall strategy from the HQ first before meeting him, the Country Head commented: "*In this case, he is already dead for me*". Twelve months after the candidate joined the company, the former Country Head left the organisation.

In retrospect, I completely failed in my role as a Consultant to professionally deal with these dysfunctional behaviours upfront.

Practical Implications

Search Committee members working at the top of large organisations or institutions who ignore the psychodynamics within their own task group do so at their peril. This

applies to anyone participating in a Search Committee including Non-Executive Board Members, Executive Board Members, Senior Hiring Executives and in particular outside Consultants.

A pro-active approach in dealing with group dynamics illuminates both the key task and risk of the Search Committee and facilitates successful accomplishment of the task by enabling the Committee to adopt a style of working congruent with the complexity of the task. Without this, the Search Committee and the broader system surrounding the Committee enter a vicious circle of increased anxiety and boundary defence mechanisms.

In response, I propose an Executive Tool Kit which consists of the following guidelines – Observe/Interpret/Intervene – to facilitate the recruitment process:

1. **Get on the balcony**: Move back and forth between action and the balcony, spot emerging patterns such as power struggles, and mobilise people to do their work.
2. **Identify the key adaptive challenge**: What keeps you or the Task Group from moving forward in the right direction?
3. **Regulate distress**: Clarify assumptions within the group, provide direction, define key issues and values, raise tough questions without succumbing to anxiety yourself.
4. **Maintain disciplined attention**: Encourage managers to grapple with divisive issues rather than scapegoating or engaging in denial. Deepen the debate to unlock polarised, superficial conflict. Demonstrate collaboration to solve problems.
5. **Give the work back to the group**: As a consultant, instil collective self-confidence versus dependence. Support rather than control. Encourage risk-taking and responsibility – then back people up if they err. Help them recognise they possess the solutions.
6. **Protect leadership voices from below**: Don't silence whistle blowers from below, creative deviants and others exposing contradictions within your company. Their perspectives can provoke fresh thinking. Ask instead 'What is this person really talking about? Have we missed something?

By using Expert Intuition in conjunction with the practice of Adaptive Leadership, a Search Committee can follow these guidelines to help manage a cycle of collaborative interventions initiated by the Committee and to redirect task-hindering into task-enabling behaviour. This allows the Search Committee not only to do its real work but to also decrease intra-group tensions by:

- Addressing and managing conflicts and unconscious group phenomena leading to intensified communication
- Developing appropriate intra- and inter-group boundaries and authority relations leading to a decreased level of ego defence reactions; and
- Framing the task and risk on an ongoing basis using insight and learning throughout the process.

Conclusions

In this paper, I propose the practice of Adaptive Leadership as a compliment to Expert Intuition in the context of Executive Recruitment to redirect task-hindering individual and group behaviour and induce more constructive collaboration within Search Committees. The complexity of the task and the attendant risk demand the depth and complexity of thinking, feeling and especially of acting. The proposed conceptual framework could "help the Search Committee to balance the requirements of co-operation and structure in the service of the organisation". Doing so can reduce the overall risks and potential negative impact of the recruitment process described in the case above, and lead to better overall results from an organisational viewpoint.

Surprising or not - the paradox of the outcome in this case is the collective perception of the candidate's perfect 'cultural fit' with both his superior and the entire Board. From an organisational perspective though, it is questionable if it was beneficial to miss out on opportunities to recruit managers who were in the final round selected based on past experiences and fantasies about future success.

About the Author

Nicole Scherf is an Executive Coach, Negotiation Expert and Partner of Leadership Choices. After her Executive Master in Coaching and Consulting for Change programme at INSEAD, she transitioned from her previous career as a Headhunter and Company Shareholder into Coaching and Consulting for Change. Her passion is to make a difference by empowering others to become the change they would like to see in others.

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Derivation of an "Organisation Anchor" Based on Schein's Theory of Career Anchors

GARY TEO

The Starting Point

In today's challenging and competitive world, globalisation has impacted the way human capital is being sourced and organised. The escalation in competition for talent has also affected employee mobility and thus their retention. In order to sustain high levels of performance, it is crucial to have low staff attrition rates so that there is stability and retained tacit knowledge within the organisation. Hence, it is important to recruit the right employee with the correct person-job-organisation fit, right from the very beginning of the recruitment process.

Idea in Brief

My research proposes an "organisation anchors" questionnaire which was derived from Edgar Schein's career anchor theory. A series of statistical tests that correlated incumbent employees' responses to both sets of questionnaires (i.e. individual career anchor and organisation anchor) showed that there is a positive and strong correlation between the two. In addition, correlating both the career anchors and organisation anchors constructs against retention rates and performance showed that a higher correlation coefficient between the two anchors is directly proportional to higher retention rates and higher performance.

Idea in Practice

The individual career and organisation anchor questionnaires can be used to identify and recruit employees with the correct person-job-organisation fit. To do so, an online system was developed to facilitate the computation of the correlation coefficients which could be used to assess the suitability of potential candidates. A suitable employee can be objectively identified by assessing this correlation coefficient. Although it is almost impossible to identify a candidate with the perfect match, a coefficient that is greater than 0.4 indicates that there is a strong association between the candidate's career anchor and organisation anchor. When there is greater alignment or match between these two anchors, it is more likely that the candidate will perform better and stay on with the organisation for a longer period of time.

Introduction

Career transitions can be one of the most important turning points in one's working life. Throughout this journey, which typically spans three to four decades of one's life, various considerations and decisions have to be made in order to find a suitable profession or organisation that meet the needs, values and expectation of potential career seekers. From the selection of professions to choosing an organisation with matching missions, vision, culture and core values, potential candidates can be overwhelmed by all these factors before arriving at a decision. However, information presented in a typical job advertisement usually includes description of the jobs, responsibilities of the roles and the expected qualifications required. They hardly include intangible and implicit aspects of the positions and culture within the organisation.

In general, most companies shortlist candidates for interviews based on their qualifications, competencies and prior working experiences in related industries, without having any idea of the candidate's character, personality, value system and expectations. Without a structured assessment mechanism, it makes it harder to identify the right fit between the job applicant and the organisation. Moreover, assessing the candidate's suitability within a short time frame during the job interview is most likely based on the interviewer's own experience, expectation or personal vibe about the candidates[1]. Although some companies make it compulsory that each candidate takes some form of personality tests prior to an interview or actual employment, such tests usually focus solely on the candidate's personality rather than the interaction of the individual and the organisational context in terms of person-job-organisation fit.

Although it is impossible to completely measure all plausible circumstantial variables that affect job performance and commitment level, it is possible to explore contextual variables such as the job seeker's career preferences and value system which may affect their choice of profession, performance and propensity to job hop.

Individual career life anchors and expectations

According to Edgar Schein (1978), each individual has a need for meaningful work (or "career anchor") which in turn increases career success[2]. More specifically, Schein noticed that those fresh out of school usually do not have a dominant career anchor immediately after their studies. Conceptually, they might think that they have a preferred profession to which they can aspire. However, once they start working, they continuously seek different types of jobs and organisations in order to find the right fit. It is only after several years of working experience that they eventually find a preferred work characteristic and "settle down" in a particular role or organisation. In other words, career orientation is developed through a series of self-discovery after the individual has been immersed in working life for some time. Job seekers continuously explore opportunities until their needs and expectations are met.

Schein categorised the career anchor into three different “enablers”, namely, Talent-based anchors, Need-based anchors and Value-based anchors. These enablers can be further broken down into eight “career anchors” which also reflect the individual’s dominant career preference.

Career enablers	Career anchors	Career Preferences
Competencies-based anchors	Technical/Functional Competence	Employees are rewarded or paid according to skills level for their accomplishments in challenging work that utilise their expertise. There are sufficient opportunities for them to develop themselves in a particular area.
	General Management Competence	Work environment that presents opportunities for leadership, integrative and challenging work, measurable targets and performance, promotion prospect with salaries that commensurate with rank, title, size of budget and number of subordinates.
	Entrepreneurial creativity	Ability to manage and reshape business to one’s image, enjoys creating new services or products and requires constant challenges, accumulating wealth, freedom and power.
Motive-based anchors	Autonomy/Independence	Reluctant to be closely monitored by supervisor, prefers pay/promotion by performance, constantly seeking autonomy but with clear objectives.
	Security/Stability	Prefers predictability in daily work, fixed salary, and annual increment base on length of service, work insurance and pension, loyalty to organisation with steady performance.
	Lifestyle	Focus on work-life balance and organisations that respect individual/ family concerns. Seeks flexibility in work arrangements and pay for performance.

Values-based anchors	Service/social mission	Prefers work that is "meaningful" and benefits society at large. Values recognition of contribution while receiving fair salary. Usually related to the "helping" profession such as nursing or teaching.
	Pure challenge	Strives to attain self-actualisation in dealing with difficult challenges, irrespective of rewards, and constantly tests oneself for greater achievements.

Figure 1. Description/Characteristics of Career Anchors

Organisational anchors and person-job-organisation fit

While career anchors are illuminating, they only help to identify the job seeker's career anchors and expectations. Organisations would then need to assess the candidate's suitability based on the candidates' competencies, past work experiences, personality traits and character. Depending on the interviewer's experience, the interviewer will then match the candidate's skills and traits against their own tacit knowledge about the organisation culture. With a subject as diverse as organisation culture, the perception of every interviewer will certainly be diverse and subjective, and measured against his or her own personal value system.

On the other hand, from the perspective of an organisation, does an organisation possess and offer a reciprocal/complementary set of "anchors" that will meet the job seeker's expectations? If so, is there a process by which we can collectively measure the anchor of a department or an organisation? Indeed, there is a lack of empirical studies that associate the individual's career anchors to organisational anchors.

The objective of my research is to bridge the gap between individual and organisational anchors. To do so, I developed a protocol for organisations to assess potential candidates' expectations and preferences, and at the same time, evaluate the organisation's ability to meet such criteria.

METHOD

Research was conducted in two phases. In phase 1, a set of *reciprocal/complementary questionnaires* was developed to verify if an organisation possesses characteristics similar to that of an individual's career anchors. In phase 2, a *process or a system was developed to assess potential candidates* for the role or position based on their career anchors. This protocol is intended to contribute to job interview assessments, in conjunction with other psychometric tests and competence-based criteria, to select the most suitable candidate for the job. Ultimately, these tools are intended to increase the probability of person-job-organisation match and to achieve a higher employee retention rate (or a reduction in attrition).

Validating the Career and Organisational Anchors Questionnaires with incumbent employees

At the individual level, Schein's Career Anchor Questionnaire for Individual was used. This questionnaire consists of a set of 40 predefined questions which help job seekers to identify their career anchors.

In order to assess whether an organisation possesses a similar set of anchors (termed "organisation anchors" for the purpose of this project), a set of reciprocal questions, mirroring Schein's 40 questions but adjusted to the organisational context, was developed. The questions were designed such that employees assessed the organisation based on their past interactions with and knowledge about the organisation. The assumption here is that every organisation should possess a complementary and matching set of "organisation anchors" that can be observed by incumbent employees. Additionally, a statistical test was carried out to validate the organisational anchors.

The Individual and Organisational Anchors questionnaire were administered to 21 incumbent employees of an IT department of an educational institution in Singapore. A Pearson correlation method was used to determine if individual career anchor constructs had a high correlation with the organisation constructs, and also whether individuals were more likely to stay on the job when a high correlation existed.

Validating the Career and Organisational Anchors Interview Process with Job Candidates

With the set of validated questionnaires, the second phase of the project was to present the individual career anchors questionnaires to new job applicants who applied for positions in the same IT department. 34 applicants were shortlisted based on the qualifications, experience and technical competencies requirements. Eventually, a total of 14 job applicants were asked to participate in the survey.

Individual responses were correlated against existing department anchors (person-

organisation fit). Subsequently, a blind test was conducted with a set of candidates. Individual career anchor results were not revealed to the interviewers but interviewers were given the department's anchors and the qualities they should look out for during interviews. During the interview, they discussed with the candidates their career anchors and expectations. The interviewers were asked to shortlist three candidates whom they felt were most suitable for the organisation and the position. The individual-organisational anchor correlations for three candidates was presented to the selection team, who selected the one with the highest correlation for the position. At the end of the three-month probation period, the selected candidate was interviewed on a one-on-one basis to determine person-job-organisation match.

For detailed information on the background of the questionnaire, full set of questions and its validation, and interview protocol, please refer to my EMCCC thesis (Teo, 2015).

Key Findings & Discussion

Career and Organisational Anchors fit increases expected duration in company

The results show that there is a strong and positive correlation between career and organisation anchors fit and expected length of service in the organisation (α=0.605816). This suggests that employees expect themselves to stay on the job for a longer period of time when there is a closer alignment between their expected career anchor and what the organisation can match.

Career and Organisational Anchors fit is also related to higher staff performance and retention

Results also suggest a very strong and positive association between career and organisation anchors fit and the individual's performance (α=0.73705). Staff with a negative correlation between individual and organisational anchors had a relatively lower performance compared to those with a positive correlation. This further substantiates the hypothesis that there is indeed a correlation between the individual's career anchors and set of organisation anchors. In other words, staff that had a closely matched career anchor tended to perform better at work. This is also the reason why it is necessary to assess and match the job seekers' career anchors to the organisation anchors right at the beginning of the recruitment process.

The strong association against total length of service and performance also means that the probability of a staff continuing to work in the organisation for a longer period of time increases when the correlation between individual and organisational anchors increases. Similarly, the performance of a staff tends to be higher if the correlation coefficient is higher. In summary, the higher the individual-organisation fit, the higher the staff performance and retention rate.

Using the Individual-Organisation Career Anchor questionnaires during the recruitment and selection process can lead to better individual-organisation fit

Recruiters usually take into account the degree to which the individual fits the organisation culture during the interview process. The study involved taking into account results of the Individual and Organisation Career Anchor questionnaires when they shortlisted three potential candidates for a job position. They eventually selected the individual with the highest Individual and Organisation Career Anchor correlation for the position.

The post-probation interview with the new employee revealed that there was a good match between the anticipated working environment, role and responsibilities, challenges and opportunities, and relationship between colleagues. These factors also provided the new employee greater confidence in carrying out day-to-day work, and at the same time, enabling the new employee to settle down within a short period of time.

In other words, incorporating the career and organisational anchors questionnaires in the interview and selection process can help increase initial expectation and achieve person-job-organisation fit.

Practical Implications

As competition for talents increases, there is a greater need for organisations to attract and retain competent employees by matching their career aspirations and expectations. Current recruitment practices usually involve the use of psychometric assessment instruments (such as Myers-Briggs Type Indicator, Career Orientation Inventory, etc.) to assess the job seekers' personality type in order to find out if they are suitable for the job. As for technical or functional positions, skill or competency tests are usually used to assess their capability.

The Career and Organisation Anchor Questionnaires can help employees identify their dominant career preference. Organisations will also be able to tailor their training programmes, personal development schemes and even organisation environment to suit their employees needs and expectations. However, it is almost impossible for organisations to customize bespoke career plans for each individual, especially when there are thousands of employees, and where each employee has a different objective. Therefore, it is more effective to identify suitable candidates right at the beginning of the recruitment phase by identifying their career-organisational fit.

Applying the Career Anchor Protocol during the interview process

During the course of this project, a protocol was successfully developed to administer the career anchors questionnaires. Job seekers would answer the questionnaires online and the responses captured automatically. Incumbent

employees would be asked to participate in the organisation anchor questionnaires as part of the recruitment process. This set of questionnaires can be used to perform an environmental scan to re-assess the latest organisation anchors. Subsequently, the job seekers' responses would be automatically correlated against the organisation's constructs to derive a correlation coefficient.

Using the correlation coefficient to determine individual-job-organisation fit

The correlation coefficient is a more objective and quantitative way of assessing how closely matched the job seekers' career anchors is against the organisation's current anchors. As a guideline, a coefficient greater than 0.7 shows that there is a very strong association between the candidate and the organisation's anchors. A correlation coefficient between 0.4 and 0.7 indicates that there is a strong and positive correlation. In other words, if a job seeker's correlation coefficient is greater than 0.4, there is a high probability that the candidate will perform better (and stay on the job longer) than those with a coefficient below 0.4.

By selecting job seekers with higher coefficients, we can assess how close the individual's values are to the organisation's norm. When the individual's value matches the organisation's social norm, there will be less friction between the individual and the organisation, which then translates into a sense of psychological safety (or safe space). This "safety" factor in turn contributes to job satisfaction and makes it easier for an individual to carry out their assignments or tasks since it is in line with their value system. In other words, it facilitates open communication and lowers the psychological barrier which could potentially hinder the execution of tasks. Ultimately, we expect to increase the retention rate and performance of the individual and the organisation.

Conclusions

Employee retention is important because it has an impact on the long-term competitiveness and success of the organisation[3]. Of course, employee retention alone would not guarantee organisational success, unless it is coupled with excellent employee recruitment and selection processes, career development, conducive organisation environment, aligned vision and mission among employees, among many other factors. In fact, there are several other reasons that affect employee retention, which includes job satisfaction, rewards and recognition, training and development, superior-subordinate communication and relationship, personal value system, as well as a matching career anchor[4].

A certain level of employee attrition in any organisation is not necessarily pernicious or detrimental. Most, if not all, organisations would like to retain competent and talented employees that contribute to the success of the organisation. Poor performers at the lower tier not only do not contribute to the organisation, they may even be more costly to the company due to additional loses besides their salary. Hence, the recruitment of the right employee at the beginning of the recruitment and selection process is crucial.

When we look at the performance of an organisation, it is important that employees have an aligned vision, coupled with a matching set of competencies, value, expectations and recognition. Together with other psychometric assessment instruments, the Career and Organisational Anchor questionnaire and protocol is an effective way to identify suitable candidates with matching career aspirations.

About the Author

Gary is currently working at Singapore University of Social Sciences (SUSS) as a Director overseeing the Campus IT Services department. He holds a bachelor degree in Electronics Engineering (NTU), an MBA (Imperial College), MSc (Medical Physics) as well as an Executive Master in Consulting and Coaching for Change from INSEAD in 2015. He completed the GMP programme at HBS in 2013. Gary has 15 years of experience in managing IT functions, implementing large technology projects and providing consultancy to external organisations. His research interest includes organisational performance, leadership and strategic technology governance.

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Storytelling in Employment Marketing: Match the Job Seeker's Ideal Self in Career Selection

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The Starting Point

Numerous studies have been conducted on the power of storytelling in creating shared value and emotional connection among tellers and hearers in both organisational culture and consumer marketing. However, few researchers have addressed how storytelling is used in an organisation's employment marketing process to attract desired job seekers.

Idea in Brief

This study is built on various research studies on storytelling in consumer marketing, particularly the *self-referencing* and *identity marketing* concepts which drive consumers' buying behaviour. To better understand if self-referencing influences job seekers' selection of an organisation to work for, we conducted a research study involving 11 new graduates in China divided into two groups. The reason for dividing participants into two groups based on their socioeconomic background is that organisations generally adopt a "one size fit all" approach for the same job category. Therefore, understanding the common identities of a particular group of job seekers will help organisations tailor their attraction strategy. Findings reveal that:

- Job seekers' self-identity is the main motivation driver when it comes to selecting an organisation to work for.
- Individuals within the same group have similar preferences but between the two groups, there were substantial differences in their selection of organisations to work for.
- Storytelling in employment marketing needs to enhance the self-referencing effect.
- Organisations need to enhance their appeal to desired job seekers by tailoring stories to match their ideal self in career.

Idea in Practice

It is important for organisations to understand what drives desired job seekers' selection of organisations to work for so that they can create stories that resonate with the job seekers' perceptions of their ideal employers. This research study carries implications for organisations seeking to enhance their employment marketing strategy in the following ways:

- The conventional way of deploying an “one size fits all” approach in employment marketing will not likely produce the desired outcome as job seekers’ ideal self in career varies according to their socioeconomic background.
- When organisations craft their talent attraction strategies, they should emulate the consumer marketing approach in understanding job seekers’ behaviours and motivational drivers. Through paying attention to self-referencing, they would then be able to tailor their storytelling strategy to trigger within their targeted job seekers the desire to join their organisation.
- However, storytelling should not only be about promoting the awareness of employer brand as this might not be sufficient to attract the right talent for the organisation. Organisations should also implement a process of focusing on nurturing a rich and caring internal culture, as well as the alignment of the management vision with the storytelling strategy. In short, storytelling in employment marketing needs also to be aligned with the organisations’ culture and core values.

Introduction

Storytelling and its central role throughout human existence has been studied extensively in a wide variety of academic disciplines[1]. Within the contemporary context, primary research area has focused on the effect of storytelling on marketing, specifically the emotional attachment created from the storytelling process. Such topics have included the shaping and transmitting of corporate culture and values, leadership manipulation, and effective communication[2]. Self-referencing – the evaluation of an option in relation to the individual's self-concept[3] – from storytelling in consumer marketing is critical to understand what drives consumers' buying behaviour. Previous research indicate that individuals often choose products that possess "personalities" that are similar to their own identity[4].

This research study adopts a unique angle by exploring the use of organisations' career stories to attract desired job seekers. Organisations' career stories generally refer to any story that represents the organisation's culture and includes the organisations' espoused values, career success, and tips on how to succeed within the organisation. The adoption of the storytelling concept in marketing and advertising has led to the production of many research studies on the effect of storytelling in shaping the emotional capital appeal of products and brands to consumers[5]. However, little empirical research has been done on storytelling in employment marketing, particularly *the role self-referencing plays for shaping job seekers' selection of the company to work for.*

Self-referencing and identity marketing

The concept of self-referencing is a core aspect of storytelling in marketing, as it is directly related to a consumer's buying behaviour with regards to a product or a brand[6]. Self-referencing refers to any evaluation of an option in relation to an individual's self-concept[7]. Therefore, the self-referencing process becomes associated with self-identity, personal values and who we are. In marketing research, consumers tend to focus on their personal memories and their associated effects, rather than a rational analysis of product information. Therefore, they are more likely to choose products associated with past positive memories which are part of their self-concept[8].

Identity marketing is directly linked to self-referent processing – it connects a brand to a consumer's identity by accentuating the self-referencing effect through storytelling. In their recent research paper, Chowdhury, Desai & Bolton (2014) pointed out that "if a brand can be connected to central aspects of the self–concept[9], the consumer will view the brand as part of him – or herself[10], that is, an extension of the self[11]."[12]

Hendry (2007) also made a strong case about the connection between our narratives and identities: [13]

Our narratives, be they life stories, autobiographies, histories, sciences, or literature are the tales through which we constitute our identities. We are our narratives. They are not something that can be outside ourselves because they are what give shape to us, what

gives meaning.

Similarly, other research findings lead to similar conclusions that identity marketing leverages consumers' identities to enhance consumer preference and choice of a brand[14].

The utilization of storytelling in marketing, particularly the self-referencing and identity marketing concepts, provides great insights into what drives consumers' buying behaviour towards a brand or product. However, little research has been done to determine whether these concepts are applicable to an organisation's *employment marketing strategy* of using career stories to attract desired job seekers. To what extent, does the distinction of job seekers' ideal self in a career matter in their selection of employers?

METHOD

The basis of the study was the collection, through semi-structured interviews, of participants' defining moments in life such as personal experience, views and attitudes. Next, participants were asked to rate their preference for the organisations' career stories and rank organisations from most preferred one to work for to the least preferred. The data was then analysed to further explore participants' self-identity and the ideal self in career.

Participants were selected from the hotel management company operating in China where I worked as a senior HR executive in the corporate office. The reason for choosing my own company to conduct the research study was mainly due to the convenience of access and the opportunity to conduct in-depth interviews. 11 individuals participated in the study. They were divided into two groups based on their socioeconomic backgrounds in order to determine whether differences in background, education levels, and the job position contribute to their selection of preferred employers resulting from their desired "ideal self" in a career. The reason for dividing participants into two groups is that organisations generally recruit a certain type of candidate for the same job category. Understanding the common identities of a particular group of job seekers will help organisations to better tailor their attraction strategy. The first group was composed of 6 women age 22-26 from high income families from provincial cities in China, who were attending a fast-track management development programme, held bachelors and master's degree, and graduated from American universities. The second group comprised of 5 participants (4 women and 1 man) age 21-23, from low income families in remote rural towns in China, who were enrolled in short term internship programmes, graduated from low vocational schools and had junior college diplomas.

For more detailed information on the interview process and questions, please refer to my EMCCC thesis (Lu, 2015).

Keys Findings & Discussion

Interview responses were analysed in terms of key motivation drivers behind the different group's self-identity and their ideal self in career choices. The following key themes emerged.

Both groups shared similar attributes but also possessed distinct attributes

Both groups were motivated by recognition, the opportunity to learn and improve their skills, and the pursuit of happiness. These drivers reflect our fundamental motivation need including self-determination, competence, and connectedness[15]. The ideal self is an extended meaning of self-identity[16] composed of three major components: the image of desired future in the form of dreams and aspirations, the hope of attainment, and one's core identity in the form of enduring characteristics.

For participants in the higher socio-economic and educational group, the recurring unique attributes were "Independence", "Autonomy" and "Individuality". Participants revealed a desire to step away from their parents' influence and assert independence in choosing their own way of life. Moreover, they also displayed an aspiration to be successful based on their own efforts. Their ideal self is one who possesses the power and ability to influence others, as well as change lives and the world. As one participant stated, the key measure of personal success is to create change and impact.

For participants in the second lower socio-economic group, "Solidarity, "Family First", "Realism" and "Conformity" were the main common attributes. They displayed the desire to be financially affluent by being given equal opportunities in an organisation. Their aspiration for success was closely associated with their desire to fulfil their parents' expectations. Their vision for their idealized-self is more aligned with their current career option. Moreover, they tended to be more realistic, practical and hands-on in their career ideals.

Self-referencing had an effect on career choice

Self-referencing is associated with self-identity, personal values and who the participants are and the mapping of identity and selection of organisations to work suggest that the career stories' self-referencing had an effect on their career choices.

For the group with higher socio-economic attributes, their most preferred organisation to work for was represented by the career story with an implicit expression of organisational value which reaffirmed the respect for "individuality" and offered a platform for one to pursue an independent path towards success. Their least preferred organisation to work for was represented by the career story with an explicit expression of organisational value which imposed a pathway to success. The group's ranking of career narratives was aligned with their core identities which emphasized independence, autonomy and individuality. In general, this group wanted to stand out

from the competition and be different from the crowd. They preferred an organisation that could provide them with a platform and flexibility so that their career progress could be fast-tracked, and not have a career pathway imposed on them. These attributes resonated with the groups' current job situation – fast-tracked programmes to develop managers.

For the lower socio-economic group, their most preferred organisation to work for was represented by the narrative with an explicit expression that they are the best employer while their least preferred organisation to work was represented the narrative with a less clear expression of how the organisation was going to facilitate their career success. Linking this group's ranking to their core identities, we once again see an alignment between preferences and identity. This group gravitated toward stories that promoted values such as Solidarity, Family First, Realism and Conformity. They resonated with organisations which held strong value propositions and could provide a clear pathway to success as long one was able to conform to beheld culture and value. This group did not like too many uncertainties as they sought absolute clarity on how to be successful, preferably with a structured career path. They also preferred organisations which provide equal opportunities so their socioeconomic background would not be disadvantageous to their desire to become a success.

In sum, it appears that participants from both groups tended to select organisations with espoused values aligned with their group's motivational drivers which are the key components of their ideal self in career. The self-referencing effect did apply, to a certain extent, in participants' selection of organisations to work for.

Practical Implications

This research study has a number of implications for organisations seeking to enhance their employment marketing strategy by identifying the unique characteristics of their desired job seekers which influence how they choose their potential employers. As storytelling, in the form of career stories, is a major vehicle for organisations to convey their culture and core values, ensuring that the story is aligned with the desired job seekers' ideal self in career by elevating the self-referencing effect is critical. This means that the conventional way of deploying a "one size fits all" approach in employment marketing will not likely produce the desired outcome as job seekers' ideal self in career varies according to their socioeconomic background and values system.

Corporate executives should therefore carefully analyse their targeted prospective workforce with regards to their unique socioeconomic background including their upbringing, as well as their family, education and social background, in order to determine their ideal self in their careers. Corporate stories have to be created or purposely selected to ensure that the messages projected match the ideal selves of targeted potential employees. Essentially, when organisations craft their talent attraction strategies, they should emulate the consumer marketing approach in understanding job seekers' behaviours and motivational drivers. In the process of elevating the importance of self-referencing, they would then be able to tailor their storytelling strategy to trigger within their targeted job seekers the desire to join their organisation.

However, storytelling should not only be about promoting the awareness of employer brand as this might not be sufficient for attracting the right talent to join the organisation. There should be a sophisticated process of focusing on nurturing a rich and caring internal culture, followed by the alignment of the management vision with the storytelling strategy. Storytelling is all about authenticity such that the leaders of an organisation ensure that what the organisation stands for is aligned with what it actually does. Creating an inauthentic story carries risk of attracting the wrong people to the organisation, and this will eventually jeopardize the reputation of the organisation. Thus, an opportunity to promote an accurate image of the organisation in the job market would have been missed. In short, storytelling in employment marketing needs to be aligned with the organisations' culture and core values.

Conclusions

The war for talent is in full swing[17]. What is the future of employment marketing for companies in an ever competitive market where talent seems scarce? In the words of Danish philosopher Kierkegaard (1843) "The tragedy of life is that you only understand it backward but you have to live it forward".[18] This research study shows that the adoption of the storytelling approach that emulates what is done in consumer marketing seems promising. Career stories can be a powerful vehicle for conveying an organisation's values and culture in a way that could trigger a strong self-referencing effect on job seekers in their selection of organisations to work for. Given the competitiveness of the talent market in Asia, differentiation becomes ever more critical for every company, regardless of its strength or brand name. Although a job seeker's selection of the organisation to work for is a personal decision, it is still vital for organisations to project their strengths in the right format and the right strategy in order to maintain their edge in a market driven by job seekers.

About the Author

Originally from China, Bill is a global senior HR executive with diverse industry background in HR, organisation capability and talent management areas, currently with Shangri-La Hotels Group as Vice President of Global Talent Management based out of Hong Kong their global headquarters. He manages leadership performance process, human capital planning process, global learning and development, global learning academy as well as global talent acquisition strategy. Prior to Shangri-La, Bill worked for two other major global hotel chains including Marriott International, and IHG in talent and leadership capacity at their regional hub in Shanghai, Dubai and Hong Kong. Before entering into hospitality industry, he worked for Johnson Controls managing regional staffing for Asia Pacific and Japan markets, also Michael Page providing talent market research and recruitment solutions for clients.

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PART TWO

TALENT MANAGEMENT

Part Two follows on the heels of recruitment. Once talented employees are recruited into the organisation, the next challenge is how to engage and retain them. Despite resources allocated to leadership development, a large number of companies continue to face low employee engagement and high turnover, which in turn poses a threat to the achievement of organisational strategies. In parallel, employees are now questioning the meaning and usefulness of their work beyond the pay check. More and more, the success and the sustainability of organisations depend on its members' ability to find satisfactory answers to these requests and yearnings in their work environment.

Sergio Merlin, who has experience leading Learning and Development and Talent Management for global companies, looks at the sense of purpose (both formal and informal) an organisation conveys and its relationship to employee motivation. Some companies believe that a clear formalized sense of purpose (mission, vision, values) has the power to positively impact the engagement of employees, generating involvement and commitment. Other companies don't. In comparing companies with different types of purpose, Merlin suggests that many companies might be looking at leadership development in an incomplete manner. Although skills, abilities and characteristics of individuals are key leadership enablers, the social system that the organisation represents and its ability to create meaning and solid bonds among its members are also important.

A viable option to many organisational practitioners is to use monetary rewards to motivate and drive changes in employee behaviour. Stefan Pap, a Zurich-based consultant, facilitator and executive coach, explores the dynamics of financial incentives during a change process and its relationship to commitment and ability to change behaviour. His research shows that organisations can, under certain limited conditions, profit from using explicit financial incentives to drive change. This is especially true in highly time-critical situations and in corporate cultures that embrace the use of monetary rewards. In other situations, however, the use of financial incentives comes with the risk of incurring negative long-term effects on cooperation and intrinsic motivation. Pap provides a number of recommendations for those seeking to introduce financial incentive schemes to encourage desired behaviour.

Does a Formalised Sense of Purpose Increase the Motivation to Lead?

SERGIO MERLIN

The Starting Point

Despite generous budgets allocated to leadership development, symptoms of limited leadership capability such as low employee engagement and high turnover continue to haunt a large number of corporations. What is keeping corporations from creating an environment where it is possible to enact real leadership?

Idea in Brief

Leadership happens when a sense of purpose[1] beyond self exists. Does it make a difference if the sense of purpose is rooted in the organisation? Does it make a difference if the organisation clearly states and formalizes its sense of purpose? Some companies believe that a clear formalized sense of purpose (mission, vision, values) has the power to positively impact the engagement of employees, generating involvement and commitment. Other companies don't. I divided companies into four categories according to their attitude towards conveying a sense of purpose and investigated the relationship between the different orientations and the motivation of members of these organisations to assume leadership roles. The results show that:

- Employees of companies that have a sense of purpose show pleasure and enjoyment in leading, regardless if the sense of purpose is compelling or formalized.
- Focusing only on financial results has a negative impact in the motivation of members of an organisation to assume leadership roles.
- Regarding motivation to lead, the impact of a formalized sense of purpose that is not compelling is similar to the impact of a compelling sense of purpose that is not formalized.

Idea in Practice

The low return on leadership development indicates that many companies might be looking at leadership development in an incomplete manner—one which considers that skills, abilities and characteristics of individuals are the sole leadership enablers. These elements are critical at the individual level, however, the social system that the organisation represents and its ability to create solid bonds among its members are also important.

The reason for the existence of the organisation, its purpose, collective ambition and communication and dissemination methods play a major role in creating strong social bonds. I have established the link between the sense of purpose of an organisation and the motivation of its members to lead as a means to show evidence of this phenomenon and to support organisations to improve leadership development by thinking and acting in a broader, systematic manner. Beyond leadership and the motivation to lead, the major issue at stake is to ensure that the organisation has developed a social environment that makes their strategic plans viable.

Introduction

"Money is human happiness in the abstract; he, then, who is no longer capable of enjoying human happiness in the concrete devotes himself utterly to money."
— Arthur Schopenhauer

The process of formalizing a sense of purpose for businesses emerges at the time when organisations start to abandon an intuitive approach to business planning in favour of an organised strategic planning model, including formalized business goals. In the late 1960s, formulation of an organisational purpose was already described as a "way to delve in the core of the organisation and ask 'What business are we in or do we want to be in? Why should society tolerate our existence?"[2]

Over the years, this existential questioning has been re-contextualized to become a management tool used to focus the attention of employees on organisational goals and purposes. By 2000, 85% of North American for-profit organisations had developed a mission statement[3]. The mission statement has become a building block of numerous management concepts and models such as strategic planning, strategic management and the Balanced Scorecard.

Consulting firms, management gurus and business schools have in turn followed suit, successfully generating enough logic and enthusiasm to persuade organisations of the value of formalizing a mission statement. But the reality has shown that transforming the concept in practice can be quite difficult. As an illustration, a study in the late 1990s on leading North American corporations concluded only 8% of senior managers thought that the mission statement was entirely clear or self-evident to the organisation, and a mere 28% claimed they were making significant progress in achieving it[4].

The concept could have been abandoned but, throughout the 2000s, a period of uncertainty and limited trust added a new and larger dimension. In the wake of events such as the dot.com bubble, the Enron fraud, the stock market crash and the subprime crisis, clients, investors and society in general want to be reassured about the principles of the company and its members[5]. Sense of purpose became not only a tool to align employees but a statement to reassure all stakeholders of the principles of its existence and ways of doing business[6].

More recently, the idea that business and business leaders wield tremendous power and that their power can be used to define the future of our world is increasingly widespread. Employees and customers are now insisting on the importance of aligning commercial activities with larger social and cultural values. CEOs of the digital economy openly illustrate this phenomenon: Mark Zuckerberg declared that "Facebook's initial idea was not to make money but to accomplish a social mission – make the world more open and connected"; while Marc Benioff from Salesforce stated that "aligning business with higher values than maximizing

dollars will actually boost financial performance in the long run."[7]

In addition to the external impact in terms of image management, a sense of purpose can help companies make decisions and set priorities, especially in an age of increased mergers and acquisitions. Take, as an example, the historical French telecom company Orange providing retail banking services and the French national railway company, SNCF, entering into the car pooling business. These diversifications have brought a much larger spectrum of choices and innovation routes. A sense of purpose clarifies the types of innovation that are desirable and helps companies to establish priorities and stick to a long term strategy[8].

But how can we determine if this increasing demand for a sense of purpose has any impact on the motivation of members of an organisation to lead?

Amidst the plethora of literature on leadership, very few authors have focused on, beyond the ability to lead, the triggers on the desire and the wish to lead. Chan and Drasgow have dedicated a large amount of research on the topic and built a framework founded on the three determinants of a person's Motivation to Lead (MTL)[9]:

1. **Affective-identity MTL**: Motivation driven by the enjoyment and pleasure of leading.
2. **Social-normative MTL**: Motivation driven by a sense of duty or responsibility.
3. **Non calculative MTL**: Motivation which is not calculative about the costs and benefits of leading. Taking a leadership role usually involves certain responsibilities and costs. So the less calculative one is about leading others, the less one will avoid leadership roles.

METHOD

In order to investigate the impact of the organisation's sense of purpose on the individual's motivation to lead, I have divided organisations in four categories:

1. **Calculative**: Organisations that do not have a formalized sense of purpose, where people focus on achieving financial results and nothing else matters.
2. **Insubstantial**: Organisations that have formalized a sense of purpose, but employees are not convinced and do not find the sense of purpose relevant or meaningful. In these organisations, it is unclear if employees contribute to achieving common goals.
3. **Compelling**: Organisations that have formalized a sense of purpose, and where employees find the sense of purpose compelling. In these organisations it is clear that employees contribute to achieving common goals.
4. **Co-constructive**: Organisations that do not have a formalized sense of purpose, however, the sense of purpose of the organisation is lived and co-constructed by its members.

I conducted a survey in which 92 participants were asked to choose which of the four categories best described the organisation they work for and then to answer a questionnaire to identify their Affective-Identity, Social-Normative and Non-Calculative Motivation to Lead. Participants were professionals reached through LinkedIn and alumni associations of Business Schools (ESSEC Executive MBA and AMP Programmes and INSEAD).

For more information, please refer to my EMCCC thesis (Merlin, 2015).

Key Findings & Discussion

The majority of organisations have a sense of purpose, either formally or informally

The results of the survey show that a large majority of the organisations (77%) – Insubstantial and Compelling – have formalized a sense of purpose. Only 5% were classified as "Calculative", which confirms that the majority of organisations have a sense of purpose, either formally or informally. It also reinforces the trend that organisations are increasingly being requested to communicate clearly their purposes and principles to their employees and to the broader community.

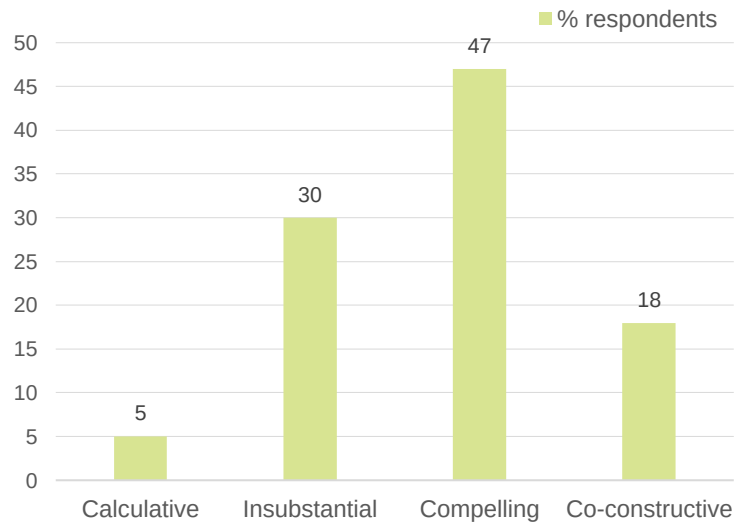

Figure 1. Sense of Purpose within Organisations

The motivation to lead is clearly higher in Compelling organisations. Co-constructive organisations and Insubstantial organisations have similar scores in a range indicating a good level of motivation to lead. By far, motivation to lead is the lowest in Calculative organisations.

Category	Calculative	Insubstantial	Compelling	Co-constructive
Affective	0,62	0,72	0,72	0,73
Non-calculative	0,71	0,7	0,72	0,66
Social normative	0,63	0,64	0,67	0,68
Total MTL	1,96	2,06	2,11	2,07

Table 1. Motivation to Lead in Different Types of Organisations

Compelling organisations have the highest motivation to lead

Motivation to lead is the highest in Compelling organisations. Members of these organisations find enjoyment and pleasure in leading. At the same time, they are encouraged in a social environment and culture that encourages them to assume a leadership role when the opportunity is presented. As leadership is encouraged and the sense of purpose is clear, these organisations benefit from a greater alignment of goals. It is also very likely that their decision-making and strategic process are more focused on the long term and on creating sustainable results.

Bonds in these organisations are created by the willingness to achieve together; financials are just necessary means and consequences of pursuing a higher goal. Because employees are committed to the achievement of this higher goal the sense of belonging to the organisation and employee engagement are higher. Survey results show that, when assuming a leadership role, members of these organisations are willing to put their own interests and benefits behind the interests and the benefits that contribute to the achievement of the sense of purpose of the organisation.

Transactional, calculative organisations have the lowest motivation to lead

In Calculative organisations, members do not derive a natural pleasure or enjoyment from leading. The relationship between the organisation and its members is purely transactional. Goals are mostly financial and because the focus is completely on financial results. Pressure to perform can be very high to push them regularly to progress. The social norms of these organisations do not encourage leadership and social pressure for leading is quite low. Members of these organisations would probably rather have someone else leading, which can contribute to a situation of immobilism. In addition, these organisations might display a lack of agreement on priorities; employees might feel they are pushed in different directions having to deal with different agendas. Decision making is based on figures, which may prevent the organisation from making choices that take a broader perspective and also limits its capacity to build a strategy for the long term.

Total motivation to lead is similar for Insubstantial and Co-Constructive Organisations

In Insubstantial organisations, a formalized a sense of purpose may exist but it is not compelling and employees do not find the sense of purpose relevant. The non-compelling quality of the sense of purpose may be a consequence of the state of development and maturity of the organisation: some organisations state what they are and what they strive to achieve, while others state what they aspire to become and to achieve. Nevertheless, Insubstantial organisations do have members who naturally enjoy leading and will take a leadership role for the pleasure of leading. In these organisations the sense of purpose might guide the goals and the strategy of the organisation for a part of the employees, but it may not be enough to gain traction across the organisation.

In Co-constructive organisations, whose sense of purpose of the organisation is not formalized but is lived and co-constructed by its members, the Affective-Identity MTL is the highest compared to other types of organisations. In other words, in this type of organisation there are both large numbers of people who enjoy leading and a high social pressure to assume leadership roles. In principle, the risk of lacking leadership in these organisations is low, despite not having a formalized a sense of purpose. However, special attention must be paid to the particular low score on the non-calculative MTL determinant, suggesting that members of this type of organisation are more attentive to the benefits of assuming a leadership role. It seems that the co-construction process within these organisations may generate a transactional aspect when leadership is linked to a personal reward. Of course this reward could be financial, but it could also be linked to a deeper construct in the individual. The enjoyment of leading in Co-constructive organisations may reflect the desire of an individual to have an impact, and to be strong and influential, as well as a need for power[10]. As such, although members of Co-constructed organisations enjoy leading, this can mask less noble motivators such as need for dominance and power. As a consequence, in the long run, the sense of purpose can be distorted: conflictual views on the evolution of the company may emerge and generate distress and confusion.

Practical Implications

It takes only a quick look in corporate engagement surveys to understand that organisations have difficulties engaging their members and that leadership is not happening in many organisations. The Gallup State of American Workplace annual survey reports in 2017 that 33% of the American workforce was actively engaged, 16% were actively disengaged and 51% were not engaged, they are just there[11]! There are no important signs of evolution in these figures, and even if active engagement rises, it is difficult to imagine a world where the majority of the workforce is engaged.

But the level of engagement an organisation needs will vary because organisations are different; they operate under different constraints and conditions and are at different stages of their own history. The true question for organisations is “Do we have the right level of motivation from our employees to face our short and long term challenges?” By establishing a link between motivation to lead and the sense of purpose of organisations I have aimed at providing an additional perspective on what organisations can do when the answer is “No!”

First, organisations must identify in which of the four categories they fall regarding their position in terms of their sense of purpose. Next, they should analyse if their category corresponds to their ambitions.

For example, for an organisation whose challenges involve renewal or transformation of businesses or for an organisation that is under intensive competition or aiming at launching innovative products or services lines, it is crucial to be in one of the three categories that have a sense of purpose – Insubstantial, Compelling or Co-constructive.

As already mentioned, in Calculative organisations, relationships tend to be transactional and it is difficult to count on employees’ motivation to “go the extra mile”. The Calculative characteristics may fit an organisation in a low competitive environment or in situation of monopoly of technology or resources as they are highly incompatible with the challenges mentioned above. Defining a sense of purpose becomes urgent for organisations mainly in situations of renewal or transformation.

But creating a sense of purpose has some subtleties that organisations must be aware of in order to make the best decisions. The first is the equal impact of a compelling and a non-compelling sense of purpose in the motivation to lead. A non-compelling sense of purpose in Insubstantial organisations can be a powerful tool for an organisation as long as some rules are respected. It needs to be truly aspirational, meaning that it might not be true in the organisation today but it reflects what the organisation is willing to achieve tomorrow. Because it can appear to be far from the current reality, it must be supported by events and achievements – even if they are modest quick wins – to be considered credible and worth striving for. This makes Insubstantial organisations a place full of opportunities for leadership development: members enjoy leading and this type of organisation can offer a very good environment to develop persuasion and influence skills.

Finally, the analysis of Co-constructive organisations adds another dimension to the questions on sense of purpose. In these organisations the challenge is to protect a sense of purpose that exists and is compelling. The recommendation for these organisations would be to consider formalizing their sense of purpose, making it the reference point for actions, decision-making and long term strategizing. This would avoid the ambiguities that come with a non-formalized sense of purpose that can lead an organisation, lacking other options, to move its

focus to financials only, which means becoming more like Calculative organisations.

Conclusions

Almost two hundred years ago, when Schopenhauer wrote “Life swings like a pendulum backward and forward between pain and boredom”, he certainly didn’t have a clue of how well he was describing the state of limbo many employees in organisations feel today. Low engagement rates and scarcity of real leadership mark the reality of many organisations and are a real threat to the achievement of their strategies. In parallel, society also seeks to understand and approve the existence and the purpose of organisations with employees questioning their interest and usefulness of their work beyond the pay check.

More and more, the success and the sustainability of organisations will depend on its members’ ability to find satisfactory answers to these requests and yearnings. To make it happen, leadership is necessary, and underpinning this is the importance of the sense of purpose within organisations to increase the motivation to lead. That’s certainly not all the journey but clearly a part of the path to make work a place where people feel engaged and committed.

About the Author

Sergio Merlin leads learning and competency development for a global company in the automotive industry. He has held different positions in executive education and leadership development in the education, media and technology sectors. He holds a Marketing degree from ESSEC Business School and an Executive Master in Consulting and Coaching for Change from INSEAD.

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[1] We use the term “sense of purpose” to describe the existence of a mission statement as described by Bart (1997): “A formal written document designed to capture and convey a firm’s unique and enduring purpose. It should answer some fairly basic yet critical questions, such as What is our purpose? And, why does our organization exist?” A sense of purpose can be, and is often the case, enriched with a vision and a set of values and behaviors believed to contribute to the achievement of the organization’s vision and mission.

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Using Financial Incentives to Drive Organisational Change

STEFAN PAP

The Starting Point

Due to the technological, social, and economic developments of the past decade, organisations find themselves in a quickly evolving market environment, which they need to adapt to. The management of organisational change therefore remains one of the top priorities for today's corporations. This is reflected by the large amount of research focused on the management of change both at the level of the individual and the organisation. Few studies, however, have taken an in-depth look at the role of financial incentives during change processes, even though the use of monetary rewards to create commitment and drive behaviour change might seem like a viable option to many practitioners.

Idea in Brief

To better understand how financial incentives influence behaviour change, when they are viable to use, and how they should be structured, I analysed existing literature from the fields of change management, behavioural economics, and motivational psychology to derive key theoretical concepts. I then conducted a case study involving managers from an organisation that implemented a new bonus scheme to drive behaviour change. Findings reveal that:

- Organisations can, under certain limited conditions, profit from using explicit financial incentives to drive change. This is especially true in highly time-critical situations and in corporate cultures that embrace the use of monetary rewards.
- In other situations, however, the use of financial incentives comes with the risk of incurring negative long-term effects on cooperation and intrinsic staff motivation.
- The framing of a financial incentive can alleviate some of these side effects if employees do not perceive it to be explicitly targeted at certain behaviour changes.

Idea in Practice

The findings can be translated into a number of managerial implications.

First, in any change effort, those seeking to introduce and incentive scheme to encourage desired behaviour need to consider *the short and long-term effects* of a financial reward as part of an organisational change programme. For certain

employees, wherein a possible reward is significantly higher compared to their base compensation, using financial incentives can have a positive short-term impact in terms of achieving targeted behaviour change. Other employees, who have a different mental concept of money or have been socialized in a different organisational culture, and put substantially more emphasis on intrinsic motivators, can react negatively to an explicit behaviour-linked reward model, even in the short-term. If a financial reward does not lead to (internal) change commitment, the observed positive effects of an incentive plan are likely to vanish once the reward is taken away, which leaves no long-term positive effect.

Second, it is important to consider specific change situations that warrant or prohibit the use of financial incentives. Specifically, there are certain situations that would warrant the introduction of an explicit behaviour-linked reward model to drive behavioural change. This includes situations with a high degree of *time-criticality* of the new behaviours in which an organisation faces a situation where certain behaviours need to be changed immediately to prevent severe negative consequences (e.g. threat of bankruptcy) and an *organisational culture* that embraces competitiveness and monetary compensation (for example, a sales-driven organisation or unit). If those conditions are met, the introduction of an additional financial incentive linked to the new behaviours can be justified.

Third, it is recommended that organisations integrate the reward scheme into existing compensation models, rather than directly linked to a change programme or initiative. Doing so, the organisation could explicitly compensate employees for quickly adapting new behaviours, but some of the potential negative side effects of a direct link to a change programme could be contained as the company stays within boundaries that are well known to staff.

Introduction

Constant change has become normality for many businesses over the last 30-40 years and knowledge about how to best manage organisational change continues to be of high importance. Despite the growing body of research, the vast experience many managers have in the area of change management, and the armies of consultants who are readily available to support their clients, there is still a lot of doubt regarding the success rate of change initiatives. A recent survey of global companies reported that two thirds of change initiatives were not considered successful by the organisation's executives[1].

In my own consulting work, I have observed that challenges in implementing organisational change are a frequent topic. When I ask my clients for reasons for why change initiatives fail, it mostly comes down to individuals who did not participate in the change as envisioned by management or who did not show the required degree of 'commitment' [2] to support the change. Indeed, academic research on change management increasingly focuses on the central role of the individual, acknowledging that organisations can only change successfully when individuals alter their behaviour[3].

From management's point of view, I also noticed difficulty in understanding why individuals did not participate in a change effort, and even some unconscious 'blaming' for their lack of commitment. When I spoke to the affected individuals, they frequently cite reasons such as stress caused by too many initiatives happening in parallel, lack of clarity and leadership, interpersonal problems with the originator of the change, and also political considerations such as loss of personal influence.

Given the central role of the individual, companies look for ways to increase employees' commitment and accelerate behaviour changes. One relatively obvious idea is the use of financial incentives to make the change more attractive for the employees affected. Both classical economic theories as well as 'managerial common sense'[4] suggest that paying employees explicitly for adapting new ways of working will trigger behavioural changes. Based on available literature, I deducted a number of theoretical propositions that should be of relevance for the introduction of financial incentives as part of a change programme.

Impact of money on extrinsic motivation

Financial or non-financial incentives can have a positive effect (extrinsic motivation) that can stimulate employees to adapt new behaviours[5]. This is especially true for sums that are large relative to the individual's situation. At the same time, explicit financial incentives can have a detrimental long-term (psychological) effect and reduce employee effort as they 'crowd-out' intrinsic motivation if they are perceived as a sign of mistrust between the principal and agent, shift the locus of control from internal to external, or make the task appear

less interesting or fulfilling[6].

Impact of financial incentives on (intrinsically-motivated) commitment to change

Explicit financial incentives (directly linked to behaviour change) can also increase short-term compliance through continuance commitment if they make leaving the organisation very costly for the employee[7]. Financial or non-financial incentives can also have a positive impact on employees' normative or affective commitment and lead to long-term attitude changes if they are perceived as "unconditional regard", meaning they are not linked to specific behaviours or outcomes[8]. Explicit incentives targeted at specific behaviour, however, are not expected to influence normative or affective commitment in the same way[9].

Psychological effects of money

Introducing the concept of money can change how people interact in relationships, making them less cooperative[10]. This could negatively impact cooperation with peers within an organisation during a change situation. For some employees, an increased variable compensation component can lead to feelings of stress and potentially lead to 'choking' situations where performance deteriorates[11]. Another source of stress can stem from feelings of envy once employees start comparing their level of compensation to that of peers[12].

Costly removal of incentives

Once an additional incentive has been introduced, employees will quickly see it as the 'new normal'. It will be costly to remove, as employees will experience the loss more strongly than the original gain due to status quo bias and loss aversion effects[13].

METHOD

To understand the impact of financial incentives during a change situation from the perspective of the reward recipients, I looked into a case study of a Switzerland-based organisation with approximately 2,500 employees that implemented a new reward scheme for middle managers as part of a change project. Through a number of semi-structured interviews with managers of the organisation, I wanted to shed more light on how the recipients of the change programme felt about its introduction and how this impacted their behaviour in the short- and long-term. Based on theoretical concepts available from the existing literature and the practical insights from my case study, I sought to address the following questions:

- What are the short-term and long-term effects of a financial reward as part of an organisational change programme?
- Are there specific change situations that warrant or prohibit the use of

financial incentives?
- Which are the most important considerations regarding the design and implementation of a reward scheme?

In exploring these questions, I attempt to narrow the gap between the research streams on change management and monetary incentives, and I also aim to provide practical insights for managers who are responsible for organisational change initiatives.

For more information, please refer to my EMCCC thesis (Pap, 2014).

Key Findings & Discussion

Change Context

In 2010, at the time of my research, the company was undergoing a divestment process and was eventually acquired by a private equity firm. Before the sale was announced, management implemented a number of cost optimization initiatives. These were driven, on the one hand, by the need to adjust to the increasingly competitive market environment with cost pressure being exercised by the customers, and, on the other hand, by the wish to present an attractive business case to a potential buyer. These developments are important to understand the situation of the company's staff.

Many of the middle managers, who were in scope of my analysis, had been with the company for at least 15-20 years and had never worked for other organisations. They had originally joined a successful and highly prestigious airline at a time when the industry was still in its boom times. The company offered attractive career prospects, an international environment, and competitive compensation levels. Over time, however, the employees witnessed the decline of the air travel industry's profitability, increasing cost pressures and frequent changes in the company's ownership – each time accompanied by further cost saving measures and perceived shifts in strategy. Several of the middle managers who were interviewed mentioned that they could have made more money outside of the industry, but still preferred to stay because they enjoyed the work so much. The middle manager mindset contrasted quite sharply with the top management, which consisted mostly of outsiders who had joined the organisation more or less recently, and with junior staff, who typically had a rather short tenure.

The Change Initiative

In late 2010, the company was undergoing a major cost reduction programme at the station. An external consulting company selected to run the cost reduction programme chose to use a "bottom-up" idea generation process that involved a fairly large number of staff from all departments to come up with possible

improvement ideas. Employees would participate in several rounds of idea generation workshops, remain involved in the following detailed assessment of possible improvements, and would eventually also champion the implementation of their ideas.

One result of this process was fairly widespread involvement of employees throughout the organisation. However, the involvement of Unit Heads (the middle management layer) varied. While some actively participated in the idea generation process, others were reluctant to participate or even openly opposed any changes that would result in a larger deviation from the status quo. Hence, the company looked for a way to solidify the involvement of those Unit Heads who had already actively participated in the project and to also obtain the commitment of their more critical peers. Eventually, the decision was taken to implement a new incentive scheme that would make it financially more attractive for Unit Heads to look for cost saving opportunities.

The performance bonus (PEB) was directly linked to the amount of resources (calculated as staff hours) used in comparison to the agreed budget. Whenever a Unit Head used fewer resources than budgeted in any given month, he or she would receive a positive allocation on the bonus account. Excessive resource usage in a month would, on the other hand, reduce the amount in a Unit Head's bonus account with a cap on both positive and negative allocations in any given month. Overall, with the newly added performance bonus component, the total variable compensation of a manager could more than double reaching ca. 15% of base compensation.

The underlying assumption of this incentive system was to change the way Unit Heads would do resource planning – eventually, the aim was to use fewer resources whenever possible. Examples of how a Unit Head could achieve this objective include planning shorter shifts (e.g. 7:45h or 7:30h instead of a full 8:00h shift) or not replacing employees who are sick and cannot come to work. Those are all measures that naturally could be unpopular with the work force – by offering a new bonus scheme that would allow Unit Heads to participate in savings that they implemented (vs. budget), the company expected that managers would act in a more entrepreneurial fashion and implement the unpopular measures.

The new incentive scheme was introduced in April 2011 and remained operational until the end of that year. The initial experiences with the incentive scheme were mixed. While some Unit Heads reacted positively, there was also critical or cynical feedback. As a result, the company decided to stop the new scheme after the first cash bonus payments had been made in 2012. There was, however, the understanding that a new reward model would be introduced in 2014 to compensate for the financial loss.

I conducted the interviews at the research site in 2013, when the originally introduced incentive programme had already been stopped, but no new replacement programme had yet been announced. My interviews covered the

entire period from 2010 (before introduction) through 2011 (introduction) until 2013 (after withdrawal of the additional reward opportunity).

The Outcome

Interviews were conducted with nine managers. Out of those, seven were Unit Heads (the main target audience of the new incentive scheme), one was an Operations Control Manager who supported Unit Heads in the resource planning and scheduling process and also received a performance bonus, and one person was a member of the senior management team and headed the entire Passenger business. This interview partner did not receive any performance bonus, but contributed his view of how his direct reports reacted to the new reward scheme. One of the Unit Heads had been in a different role when the performance bonus was introduced and hence did not participate in the original bonus scheme. The average company tenure of my interview partners was 27 years with a range from 18 to 35 years.

Explicit incentivization through money had both a positive and negative effect

Based on the literature research, I expected to find two motivational impacts of a newly introduced incentive model – a direct positive price effect that would increase employee motivation and an indirect psychological effect that would crowd out some of the employee's intrinsic motivation[14]. Fehr and Gächter (2000) showed that the introduction of an explicit reward model, such as the PEB introduced in my research setting, had an overall negative motivational impact in a laboratory experiment[15].

The interviews I conducted show clear evidence for both effects. 63% of my interview partners indicated that they felt motivated to follow the new behaviours and perform at a higher level through the introduction of a new financial incentive. When looking at the responses of interview partners in more detail, there is some evidence that interview partners with lower base compensation levels viewed the extra reward more positively and also generally tended to be more likely to change their behaviour. This concerns especially the younger, less tenured managers, some of whom have substantially lower levels of compensation than their more senior peers. Therefore, for a manager with lower base pay the additional bonus potential would seem more generous in relation to their overall level of compensation and could really have a 'life-style impact' that might off-set possible negative effects related to the explicit rewards.

Reactions to an incentive programme can differ for different groups of employees

Another observation is a noticeable difference in how managers in different units reacted to the incentive programme. The Passenger area consisted mostly of 'white-collar' tasks, where many of the staff are fairly young, work part-time (for

example, students), with an equal share of female workers, and many of the employees not fully dependent on their job with the company. Mostly, they don't need to support a family and only looked for flexible working hours.

The Ramp area had quite a different profile – nearly all employees are male, most come from modest educational backgrounds, many had been with the company for a long time, depend on their income to support a family, and do not have too many outside options. Their work is physically demanding and dangerous as shown by occasional accidents.

These differences impacted how managers described the impact of the new incentive programme on their intrinsic motivation. Ramp managers were more likely to make statements that support the "crowding out" effective in which the negative effects outweigh the positive ones. It is also important to note that the company had introduced the PEB explicitly as a new financial reward geared towards achieving higher cost savings from Unit Heads. It is likely that this 'framing' of the incentive scheme contributed to some of the negative reactions from the Ramp side as it automatically resulted in a negative connotation of the new bonus programme as yet another cost saving initiative in an already stretched situation. The company also positioned the incentive as a payment to Unit Heads for putting additional pressure on staff. Using a different framing, for example, by incorporating performance bonus into the existing bonus scheme, might have resulted in less negative reaction from Ramp staff.

Financial incentives lead to short term compliance, but not long term change commitment

With regards to change commitment, I expected to find that a new financial incentive, directly linked to behaviour change, could lead to continuance commitment if it makes leaving the organisation more costly for the employee. Evidence could be provided by concrete examples of focal behaviour, which is a course of action that an individual is bound to by his commitment[16]. However, in this particular case it was difficult to judge whether the continuance commitment was a result of the extra reward opportunity or would have been enacted in any case. Given that all my interview partners showed focal behaviour as they remained with the organisation and performed their (mostly new) roles, even though not all of them received a substantial extra reward, we cannot infer that PEB increased the level of continuance commitment.

Normative or affective commitment could be demonstrated by discretionary behaviour, which is any additional course of action that is at the discretion of the individual (e.g. exerting extra effort). In our case, this would include the implementation of savings measures. However, to be clear that such behaviour is the result of change commitment and not a direct price effect linked to the financial incentive, it would need to be accompanied by some form of mind-set or long-term attitude change. Ideally, we would like to see the behaviour remain even if the financial incentive is taken away. Around half of my interview partners provided

examples of discretionary behaviour that was in line with the change objective of creating a more entrepreneurial and cost conscious environment.

However, at the same time there was only one interviewee who felt that the implementation of the new reward scheme had a lasting effect, stating that “PEB was a trigger to try new things” and resulted in “more proactive planning”. None of the others linked their actions to any lasting mind-set change, and, as one interview partner pointed out, they might have enacted the same behaviours also without an explicit incentive: “Those who had been proactive before continued doing so… there were no lasting savings due to PEB… most of what we did was not replacing sick people and reducing some of the back-office hours”.

Therefore, it feels safe to conclude based on the interview results that the incentive scheme did not result in higher change commitment. Even though, we could observe some concrete actions that were in line with the new behaviour, it seems that those were directly linked to the extrinsic motivation provided through extra compensation, but not through an increase in commitment. On the contrary, it is possible that the company even destroyed some affective or normative commitment of individuals who strongly rejected the incentive programme for reasons mentioned in the previous section, as negative emotional experiences can contribute to lower change commitment[17]. These effects need to be taken into consideration in the design and implementation of incentive schemes.

Financial incentives can change the psychological frame

Introducing the concept of “money” into any interaction can make people feel more self-efficacious, which makes them less likely to cooperate with other[18]. Whenever an organisation uses financial incentives to change employees’ behaviour, it consequently runs the risk of losing some of the benefits from cooperation between staff with likely negative long-term consequences.

During my interviews, I found some evidence for a deterioration of the level of cooperation between peers. With lower cooperation levels and increased dissatisfaction with individual compensation the company incurred some negative psychological side effects. I have, however, no clear evidence that this resulted in any tangible short term or long-term consequences. While interviewees claimed that cooperation suffered to some extent, and some mentioned their dissatisfaction due to a perceived unfairness of the system, all also said that today, after PEB has been discontinued, they do not feel any lasting impact on their peer relationships.

Another dynamic was how people relate differently to the concept of money[19]. While some of my interview partners welcomed the additional challenge and felt motivated by the opportunity to increase their income, others had mostly negative associations and mentioned feelings like being ‘bribed’ or being controlled. Two interview partners even noted that ‘taking money’ would have a negative impact on their self-esteem. Interestingly, the timing of my interviews coincided with a public discussion of exaggerated management salaries in Switzerland, which likely

contributed to the strength of some of the statements. Hence, before deciding on the introduction of incentives as part of a change programme, an organisation would need to get a good understanding of how the affected employees perceive and relate to money.

Removal of incentives can be costly due to the "endowment effect"

The status quo bias (endowment effect) is a cognitive bias that explains a strong preference for the current state of affairs[20]. People experience any deviation from this current baseline as a loss. For financial incentives this implies that employees will always look at their current level of compensation as a baseline. If a rise in compensation is granted, the new, higher level of pay will quickly become the new baseline for employees and any deviation back to previous levels will be looked at negatively. In addition, people generally overweigh losses compared to gains and are very reluctant to give up any goods they have already acquired. So, removing an additional compensation once it has been granted could imply that employees will be less satisfied with their pay than they were originally at the same level of compensation. During my interviews, half of the managers made statements indicating some level of discontent with their level of compensation after the performance bonus programme had been discontinued.

Practical Implications

Through the case study I found evidence for most of the theoretical propositions that I could derive from the existing literature on change management and financial incentives. In this section, I highlight a number of managerial implications based on my findings.

Consider the short-term and long-term effects of a financial reward as part of an organisational change programme

While laboratory experiments often found that explicit financial incentives have a larger negative crowding out effect than a positive extrinsic motivation effect[21], my research indicated that there are distinct employee groups or organisational cultures that favour one over the other. Some employees, especially when a possible reward is significantly higher compared to their base compensation, focus purely on the monetary gain and ignore potential implications on their intrinsic motivation. For these employee groups using financial incentives can have a positive short-term implication in terms of achieving targeted behaviour change.

Other employees, who have a different mental concept of money or have been socialized in a different organisational culture, put substantially more emphasis on intrinsic motivators and can react negatively to an explicit behaviour-linked reward model, even in the short-term. If a financial reward does not lead to (internal) change commitment, the observed positive effects of an incentive plan are likely to vanish once the reward is taken away, which leaves no long-term positive effect.

At the same time, there are critical psychological effects to consider. Increasing financial rewards can have negative effects on cooperation and lead to higher stress levels and survival anxiety. Most of these effects mean that the long-term implications of a change-based reward model are likely to be negative for the organisation.

Consider specific change situations that warrant or prohibit the use of financial incentives

Based on the above-mentioned findings regarding the effect of financial rewards in a change situation, there are certain situations that would warrant the introduction of an explicit behaviour-linked reward model to drive behavioural change. These situations are characterized by two aspects:

- A high degree of *time-criticality* of the new behaviours, for example, if an organisation faces a situation where certain behaviours need to be changed immediately to prevent severe negative consequences (e.g. threat of bankruptcy)
- An *organisational culture* that embraces competitiveness and monetary compensation (for example, a sales-driven organisation or unit)

If those conditions are met, the introduction of an additional financial incentive linked to the new behaviours can be justified. The same applies to situations where it is clear that a certain employee group will lose out during the change process (for example, when a unit is closed), but still needs to actively support the change. Also here, the positive short-term effect is likely going to outweigh long-term negative consequences. Independent of the situation, an organisation should always ensure that existing incentive schemes are in line with new behaviours.

The importance of integrating the reward scheme into existing compensation models, rather than directly linked to a change programme or initiative

As mentioned, using financial incentives to drive behaviour change brings with it certain risks: there can be negative impacts on cooperation and long-term intrinsic motivation. In addition, incentive schemes are costly and difficult to remove once introduced as employees quickly get used to higher compensation levels and see them as the new ‘normal’.

One important consideration in the design and introduction of a reward model is the framing of the model. A financial incentive during a change programme can either be introduced as directly linked to the change programme and as a new reward ‘on-top’ of existing compensation models or it could be integrated in the bonus model the organisation already has in place.

The first framing is more likely to trigger strong reactions as we have seen in the case study. Also in the second framing, the organisation could quite explicitly

compensate employees for quickly adapting new behaviours, but some of the potential negative side effects could be contained as the company stays within boundaries that are well known to staff. Given that any organisation would need to ensure that existing reward models do not contradict new behaviours, a basic review and some adjustment is likely going to be required in many change situations.

To unite the concepts and dynamics behind the three managerial implications, the following diagram provides a framework for the situational use of incentives to drive change.

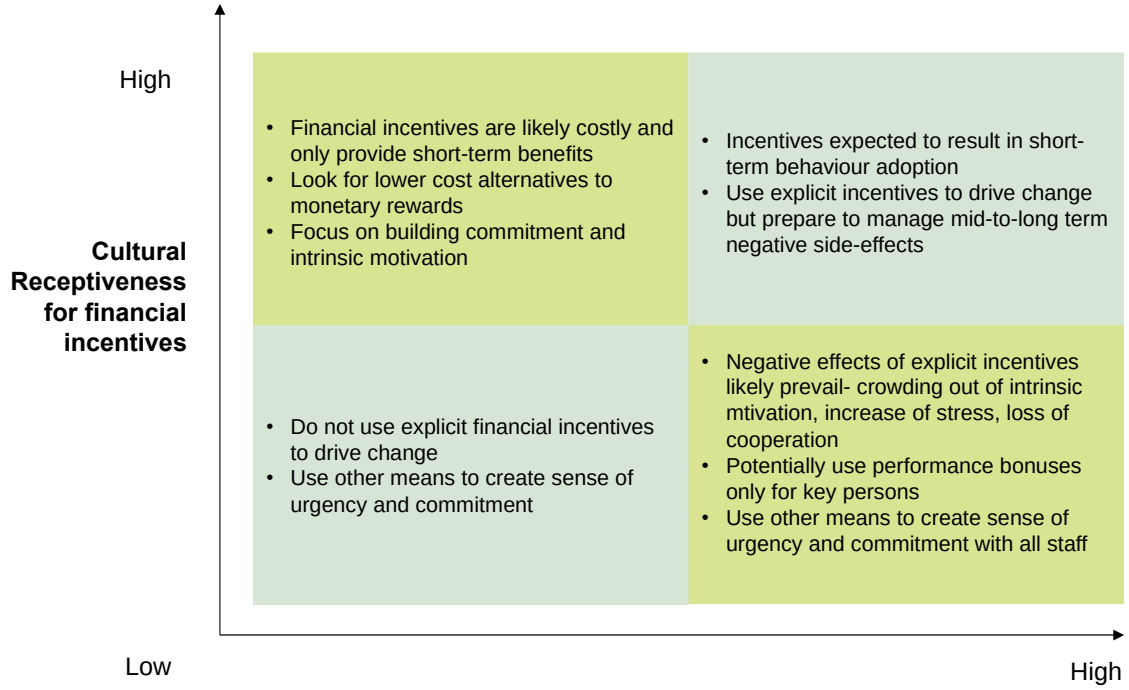

Figure 1. Framework for the situational use of incentives

Conclusions

An organisation that is undergoing a major behavioural change effort and considers the use of financial incentives to trigger or solidify behavioural changes needs to be very prudent in the design and implementation of such a reward model. The company in my case study eventually decided to withdraw the reward scheme. This was partly driven by discontent and scepticism towards the programme's fairness by some of the managers, and partly by the limitations the programme placed on senior management's ability to directly interfere with departments' resource planning decisions. The latter resulted in frequent discussions around bonus eligibility for savings decisions that were mandated and not based on a manager's decision.

The programme did have a short-term positive impact (in terms of seeing targeted

behaviour) for around half of the interviewed managers. However, as we discussed before, this impact was not due to an increase in commitment to change, but rather due to a direct motivational effect of the monetary reward that ceased once the reward was taken away.

As the case shows, a reward model cannot be seen as a substitute for other activities targeted at increasing commitment (such as offering an opportunity to contribute to the design of a change, role modelling, intense communication, and training), but rather as a supporting measure next to the regular change programme. Whether such a measure generally makes sense depends on the individual preferences of an organisation's employees, on the corporate culture and on the specific needs of the situation as discussed above.

About the Author

Stefan Pap is a Zurich-based consultant, facilitator and executive coach who helps leaders create purposeful and high-performing organisations. Stefan's clients range from Fortune-500 to internet start-ups across different industry sectors. Next to coaching individual executives and teams, Stefan has led global transformation programmes across multiple continents. Stefan completed an Executive Master in Consulting and Coaching for Change from INSEAD and an executive coaching education at the Tavistock Institute. He has also trained as a transformation facilitator with Aberkyn/McKinsey and completed an MBA from the Kellogg School of Management. Before founding his own consulting and coaching practice in 2008, Stefan worked as a manager in McKinsey's Corporate Finance Practice and at Deloitte Consulting.

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PART THREE

CAREER DECISIONS

Part Three turns it gaze to career decisions. In the current work landscape, employees are faced with increasingly more opportunities, career choices and career changes over their lifetime. Bad career decisions can have a huge impact in many people´s lives if the wrong people get the job or if they are not aligned with it. Poor business decisions may also impact the organisation as a whole in the long term.

Based on 13 years working with Executive search firm Egon Zehnder, Luís Giolo was baffled by how many senior executives made their career decisions from purely logical terms, looking and comparing different offers, rather than reflecting on the impetus for the career change and the impact of their career choice. Many are unaware that they are acting out unconscious motives and patterns in their lives when they make a particular choice. As such, Giolo argues for self-analysis as a critical first step through exploring ones Core Conflictual Relationship Themes (CCRTs)[1] which underlie many of their choices and colour the nature of their personal and professional relationships. Additionally, paying attention to the emotions during and after the decision process, understanding the real drivers for change and especially pointing out the triggers that lead one to decide to leave a job and accept another are much more valuable to ensuring that the career choice is the right fit than any analytical matrix.

As a Regional Head of Talent Acquisition for a multi-national Investment Management company, Paul Harvey was equally curious of the conscious and unconscious thinking which inspired people to apply for open positions in the company, many of whom, he observed, did not meet the requirements of the role. Looking at phantasy careers (derived from fantasy careers formed in childhood), Harvey was able to draw a relationship between early career fantasies and their impact on actual career identities, choices, and sense of satisfaction. He argues for the exploration of career phantasies to help mid-career professionals to make sense of the unconscious material that is already influencing their career choices, which in turn can be used to shape future decision-making towards a more fulfilling career.

Making Better Career Decisions

LUIS GIOLO

The Starting Point

During the last 13 years working with executive search and assessment, I have seen, advised and provoked many senior executives´ career decisions, and it puzzled me that many of them think about these decisions in the same way as buying a new house or car, or deciding to invest money in a fund – looking at it from purely logical terms. Oftentimes, these decisions typically involve others like family members and therefore have a socio-emotional component as well. Bad career decisions can have a huge impact in many people´s lives if the wrong people get the job or if they are not aligned with it. Poor business decisions may also impact the organisation as a whole. In the current global and mobile work landscape, executives are faced with more opportunities and career choices over their lifetime. One of my hypothesis was that the soft aspects of decision-making on a new job are far more important than the hard ones, and should be paid much more attention to.

Idea in Brief

Making a career decision about a new job opportunity is often hard and shows that we don't know how to make them well. Most books written about decision-making focus on the obvious part – the process – but pay less attention to the fundamental part**:** the individual. The purpose of my research was to better understand how executives actually make career decisions by identifying, analysing and understanding their true motives, in particular those related to work, career and family life. Interviews with 15 senior executives reveal that:

- The trigger for someone deciding to look for and accept a new job is linked deep down to the person's Core Conflict Relationship Theme (CCRT). Only through understanding these themes, will the individual and the sponsor of that change ensure that it might actually work.
- The soft aspects of decision-making when taking a new job are far more important than the hard ones and need to be taken into account. Again, the concept of hidden conflicting commitments might be helpful to uncover these aspects.
- Finally, paying more attention to the emotions during and after the change process, understanding the real drivers for change and especially pointing out the triggers that lead one to decide to leave a job and accept another are much more valuable than any analytical matrix.

Idea in Practice

Most related literature on career decisions focus on the process and tend to simplify it with a formula of X-steps approach. In relying sole on this, they miss the bigger picture which is the role of the individual in the process.

This paper explores how our Core Conflictual Relationship Themes (CCRTs) and our values can be integrated to make better career decisions[2]. Our values are intimately linked to how we were raised, what our parents or relatives taught us as a child and our experiences growing up. The first step in making an informed career decision is *self-analysis*. The *role of the intermediary* in the process also needs to be considered since the intermediary's own CCRTs and internal conflicts may also, consciously or not, interface with the executive's CCRT. Being able to differentiate them and to avoid playing a role in someone else's script is therefore very relevant to the executive making the decision. The next step is paying more attention to *feelings that emerge* during the decision-making process, which can range from stress to calm, worry, anxiety, doubts, and to love which are all perfectly normal. Moreover, understanding the *drivers for change* might also reveal hidden competing commitments. Finally using ones network to support the decision-making process should be the norm as "individuals make decisions in a collective manner, motivated by factors that are not reduced to their sole interests and preferences, but influenced by their respective social networks which constitutes the social collectivity"[3].

Introduction

Accepting a new job is probably one of the most difficult and important decisions people make during the course of their lives. It is a decision that involves many serious consequences: Who am I going to work for and with? Will I like the work culture or environment? Will I wake up motivated every day to go to work? Will I get paid more, same or less than what I am worth?

Oftentimes, people spend more time comparing the different job offers rather than reflecting on the impetus for the career change and the impact of their career choices.[4] Why is that? Interestingly, most senior executives feel they are in control of their own decisions – that they are in the driver's seat. However, this is typically not the case. Many are acting out unconscious motives and patterns in their lives and most of them don't fundamentally know they are attempting to either challenge or are just fulfilling them.[5]

If we can go under the surface and uncover the real factors that affect these types of decisions, can we find a pattern? What is the weight people place on the hard aspects of a new job opportunity versus the soft ones? Can they separate the professional versus the person behind the decision? And how much do they think about the decision in front of them versus analysing the process they take to make that decision?

The trigger of what makes someone decide on a new job is linked deep down to the person's Core Conflict Relationship Theme (CCRT). CCRTs are general relationship patterns that develop over time—themes rooted in our deepest wishes, needs, and goals, which contribute to our unique personality style—which continue to be activated throughout life. These patterns are usually established in early life. The analysis of CCRTs is broken down into three components: the core desire, the response typically elicited from other people [RO], and their reaction to that response [RS]. CCRT analysis typically involves an exploration of early family transactions, manifested through psychological projection and projective identification, as well as transferences.

Taking one step further, if executives made better-informed career decisions, would the tenure of C-level executives increase? And if so, what impact would better decisions have on results, company value or society as a whole?

METHOD

My study focused on senior executives at the C-level (CEOs, CMO, CHROs, COOs, etc.). The idea to focus on top management derives from the significant impact they have on the lives and career of others reporting to them.

Interviews were conducted with 15 senior executives (4 women and 11 men) from diverse industry sectors who were faced with a new job offer and who took it in within a 12-month span. Interviewees were in the mature stage of their lives

between 35 and 51 years old. All were married with one divorced, and all of them had young children, except for two who had grown-up children. For logistical reasons, most of the interviewees were Brazilian with four foreigners from European nations. The companies they left and the ones they joined were a mix between large and medium-sized multinationals (e.g. J&J, Apple, Unilever, Diageo, Whirlpool), locals as well as less known ones such as a local hospital and a local private equity fund. The group had an average of 3.1 job changes over their careers, ranging from 0 to 6 changes.

The analysis of the interviews resulted in a detailed write-up for each individual which was later grouped into common themes. These themes were linked with hard data such as how much time was spent on previous jobs, number of job changes prior to that, marital status, presence of children, level of difficulty of the job change, and others. The real diamonds were the many *relationship episodes* that emerged when participants discussed their childhood, families, relationship with former superiors, among others. The stories were then grouped to better illustrate each of the key steps in the decision-making process.

For detailed information on the outcome of the interviews, please refer to my EMCCC thesis (Giolo, 2014).

Key Findings & Discussion

Career choices are always linked to ones CCRT

The 15 interviews revealed a consistent theme in the way the senior executives made decisions about their careers over time: it was always linked to their CCRTs. In 12 of the interviews, the CCRT was clearly identified as the main driver for the decision. Some go for a lot of data, some do not, and some think about the opportunity alone while others try to look beyond for more possibilities. But without knowing, they all seem to be playing out their own CCRTs over and over again.

One episode that illustrates this comes from an executive who said that the reason he decided to apply for a top engineering school was because he knew it was very hard to get in, and the feeling of later seeing himself approved at the top of the list was what he was looking for. Therefore, for him, the key in any job decision-making process afterwards was always to know he would be ahead of his peer group, and to feel “selected”.

Another executive mentioned that thinking about his future lifestyle in the new company was very important for him after having children, because he wanted to be able to be a more present father and participate in the lives of his children. This is probably universally true but understanding his CCRT showed that he might be trying, by all means, not to repeat the same mistake of his parents who got divorced when he was young, and perhaps, because of the work situation of one or both parents, were not as available for him as he would have liked them to be.

It was found during the interviews that a lot of their CCRTs can be traced back to their childhood where parents´ expectations and behaviours had a significant impact on their decisions. A lot of them are either still trying to fulfil their wishes and scripts while others might be running away as far as possible from them. The father does seem to be more representative than the mother in this process, maybe because this generation has had less working moms than the current one. One executive mentioned that because his parents had survived the war, and had to always struggle towards the goal of ensuring that their children would do better than themselves, his CCRT was one in which he always had to prove himself worthy of his parents' aspirations, and to fulfil their dreams. As a child he felt the pressure: a B+ was not a good enough grade for him at school and fulfilling his parents' high expectations was key.

Finally, there was a CEO who put a lot of emphasis on the financial package of the potential new job. He might seem , at first, to be solely driven by remuneration but once the conversation developed, he started to cry when he said that his dad was laid off from the only company he had worked for over 25 years without any kind of severance package and had to struggle to survive, and be supported by the son (the CEO). He said he would never ever fall into the trap of his father and would have all his conditions for accepting a new job clearly laid out including if the employer decided to change his mind about him, making it very costly to do so without a proper motive. His CCRT was to not repeat the same movie that his father took part in.

If the executive cannot easily find his own CCRT by himself, an intermediary could be a great ally if trained on this approach. It does not necessarily have to be the search consultant initiating that change; the impetus can also come from an external coach, an HR executive, a family member or a close friend. Once provoked by CCRT-related questions, the executive could then continue the exercise by him or herself during the analysis of the job offer.

However, we need to also consider the role of the intermediary's own CCRT within the process (in cases where the job change is being conducted by a third party like a search consultant). Consciously or not, the search consultant or coach also brings his/hers own internal conflicts that may somehow interface with the executive's CCRT. Being able to differentiate them and avoid not playing a role in someone's script is therefore very relevant to the executive.

The main drivers for change are often rooted in the soft aspects of decision-making

In exploring the main drivers for change, the interviews showed both soft and hard aspects of the decision. Soft factors could be:

1. The boss or partners for/with whom I am going to work
2. The company's image or brand equity (According to a LinkedIn survey, the impact of the brand lowers the cost of hiring by 50% and turnover by 28%)
3. The challenge (e.g. turnaround, growth, etc.)

4. The purpose (doing something bigger like saving lives, improving living standards, etc.)
5. Company culture
6. The team which he/she will lead

Hard aspects might include:

1. First and foremost, the compensation - how much more money will I get at the next job?
2. Title of the role (CXO or VP versus Director makes a difference)
3. Career prospects (confirming that the next role is a step up versus the current one, in other words, "employability")
4. Benefits (Non Salary benefits are important for 96.7% of the people according to a survey done with 7.500 people from 700 companies by *O Estado de Sao Paulo* newspaper)
5. Industry (switching to a sexy sector like luxury goods or digital)
6. Location (According to a survey done by Havik Consulting with 700 middle managers, 48% of people consider the distance between home and work as a key factor for changing jobs or not)

Through the interviews, the soft aspects emerged much more strongly as driving factors than the hard ones, which was not entirely expected. The most distinctive decision method came from one executive who did not use a pros and con matrix, but rather tried to picture himself and his family in the new work environment. He did not rely on decision matrixes but rather on imagining his life at the new company, in the building/office, what sort of conversations he would have with the staff, his future boss' and peers' interactions and how his family would fit or not into the overall scheme of things such as location or schooling.

For the intermediary in the process, knowing that the soft aspects might be more important than the hard ones can direct him or her to spend time on things that matter more for the executive and perhaps ease the pressure on the financial aspects of the offer, which normally tend to be the focus. For the individual, thinking about the softer aspects might give hints into their own CCRTs and therefore enable them to become more conscious about why they might be leaning more towards one way rather than another for a job offer.

The intermediaries in the process can also get annoyed by the executive's complaints during the offer negotiation, however some authors warn us that "*complaints can be immensely helpful. People complain only about the things they care about, and they complain the loudest about the things they care the most*." Moreover, they suggest that we should use these complaints as an opportunity to dig deeper and explore their history, as the "*big assumptions can often be traced to early experiences with parents, siblings or friends*."

Pay attention to feelings during and after the process

Emotionally stable individuals are thought to experience less career decision-making difficulties both before and during the process."[6]

The first step in making a career decision is therefore deep self-analysis. An in-depth knowledge of one's attitude, skills, principles, likes, etc. is much better than building a rational matrix with pros and cons.

Most executives tend not to look back at their feelings after making the decision. This might happen because the process can be so overwhelming that they are tired once the decision was made. If they don't pay attention to their emotions before or during the process, why would it happen afterwards? However, doing this exercise might uncover some hidden aspects of the CCRT which can be a learning for current or future job changes.

For example, one executive who was educated in a military school described that for him "finishing at the top of the class" in terms of grades was key in order to be in command of the other students and be praised by the senior officers with a slap on the back and a job well-done. So, he conducted his decision process diligently, always looking for hints ("praise") from the future employers ("officers") if he was the chosen one. His wish was to feel good and comfortable with himself. By the time he was, he had the same good feeling as that of being on top of others, with a sense that he could now rest a bit before moving towards the next challenge.

Practical Implications

The study shows that an executive's decision to accept or not a new job offer is deeply linked with that person's Core Conflictual Relationship Theme (CCRT) and without understanding it, he or she will perhaps not make the right decision and the intermediary helping him or her in the process (e.g. search consultant) might be falsely convinced of their real motivations, and be surprised in a few weeks, months or even years later, that the career choice that was made was not the right one.

One of the aspects worth highlighting about the use of the CCRT as a tool to understanding the executive's real motivation for a potential job change is perhaps his or her perception that it might show his or her weakness to the intermediary, thereby hurting him in the process or even in his or her relationships with the future employer. Not everyone is open enough to reveal their internal conflicts to a stranger in a first or second encounter. Moreover**,** most senior executives want to portray a powerful positive image to the market, which includes the search consultant, coach or potential future employer.

As such, intermediaries and new employers should balance the time they spend on soft and hard aspects when trying to convince the executives about a potential opportunity. They also need to let go of their own biases or negative perceptions generated when executives reveal their hidden competing commitments which is

energy being used against a commitment already made[6]. If they are able to create a safe and rewarding experience for the executives, making sure it will not be used against them, it could definitely help them cope with the conflicts productively towards making a healthy career decision.

Conclusions

Although most of the written literature on decision-making when applied to career change focuses on the decision process, the individual should be the centrepiece of attention.

Executives should spend less time building a model or decision matrix as it has been proven by Nobel-prize-winner economists that given we bring our deep biases to the table, none of these models are rational enough to help us make a good decision.

Instead, paying more attention to the feelings during and after the process, understanding the real drivers for change and specially pointing out the triggers that lead us to decide to leave one job and accept another are much more valuable than any analytical matrix.

Using one's network to discuss this potential change also appears to be very important in the process. Moreover, discussions with the father, real or intended, also seem to be more relevant than any other family member.

Executives also spent a great deal of time debating the conditions to accept a new job or not. They should instead try to better understand their own hidden competing commitments when making their analysis because like most things in life, one cannot have it all. If one aspect of their life is in conflict with another, why is that? What is behind these conflicts? Again, the histories behind them, uncovering the big assumptions and therefore getting to the CCRT, might be helpful to bring these to the surface and cope with them, leading to a better understanding of oneself and one's choices.

About the Author

Luís Giolo is the Managing Director of Egon Zehnder's office in Brazil. He has been in this profession for over 16 years, recruiting and evaluating mostly Board members, CEOs, General Managers, and CMOs. Luís also consults in leadership development and board succession. Prior to joining Egon Zehnder, Luís was the Country Manager for SportsJA! Brazil in São Paulo, a digital start up focused on sports content which he helped to set up in Brazil. Previously, he was an Engagement Manager for McKinsey & Company, based in São Paulo, where he led strategic engagements in consumer goods, retail, media, and entertainment. Luís also worked as a brand manager at SC Johnson Wax in Rio de Janeiro. He earned a BA in Administration at Fundação Getulio Vargas, in São Paulo, and an MBA at the Kellogg School of Management, Northwestern University prior to the

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[1] Core conflictual relationship themes (CCRTs) are general relationship patterns that develop over time—themes rooted in our deepest wishes, needs, and goals, which contribute to our unique personality style—which continue to be activated throughout life.

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Impact of Unconscious Phantasy on Career Identity, Choice, and Satisfaction

PAUL HARVEY

The Starting Point

Through my work as a Regional Head of Talent Acquisition for a leading multi-national Investment Management company, I was always curious about what conscious and unconscious thinking inspired professionals to apply for open positions in the company. Typically, most of the candidates who apply for open positions do not meet the requirements of the role. Yet they are undeterred: many professionals actively seek out opportunities that do not match their skills, knowledge, or abilities. Applying the psychoanalytical lens, I began to sense the presence of unconscious drivers at play. Could these drivers be propelling candidates to ignore the obvious incongruence between their personal skills and knowledge and the requirements of the job to seek out opportunities in order to answer a call to satisfy a deeper, unfulfilled desire?

Idea in Brief

Sixteen mid-career professionals shared the impact of phantasy careers (derived from fantasy careers formed in childhood) on their actual career identities, choices, and sense of satisfaction over the duration of their professional lives. Given what mid-career professionals know and have experienced in their work life, many come to realize that their current career trajectory is no longer achievable or desirable, thus creating the opportunity to reflect, refocus and pursue careers that give them more meaning and life fulfilment. Findings from semi-structured interviews revealed that:

- Phantasy careers had a significant influence on the participants' actual career identities, choices and sense of satisfaction
- Participants unconsciously sought out professional roles that correlated with the attributes of their phantasy careers
- Participants derived value from making sense of their past choices, which helped them to understand present-day needs
- Once the attributes and motivations of a fulfilling career were brought into conscious thought, the insights could be used in future career decision-making processes as mid-career professionals contemplated transitioning towards more meaningful work

Idea in Practice

Current literature on career identity, choice, and satisfaction primarily focus on personality traits, behaviours, and the rational and irrational decision-making processes of professionals in transition[1]. This study endeavoured to put forward new ideas that could add to the academic discourse by returning to one of our first identity experiments – the childhood phantasy career – and to examine if it contained unconscious and meaningful insights that could lead to a satisfying career.

Exploring career phantasies, as shown in this research study, can reveal previously unconscious influences and motivators about an individual's career identity and choices which influence his/her sense of satisfaction. Incorporating the investigation of career phantasies can help mid-career professionals to make sense of their past choices and bring into awareness unconscious material that is already influencing their career choices, which helps with future career planning and decision-making.

At an organisational level, understanding employees' previously unconscious career drivers can aid in job crafting to incorporate attributes which lead to a satisfying career, thus leading to improved employee engagement, productivity, and longer tenure.

Introduction

"Man's task is to become conscious of the contents that press upward from the unconscious."
— C.G. Jung, *Memories, Dreams, Reflections* (1962)

Children are naturally curious: they probe, test, and experiment in order to make sense of their world. They experiment with almost all aspects of their life, including what career they will pursue when they grow up. Most of us have heard children say something along the lines of: "When I grow up, I want to be... a doctor, a nurse, a fireman, or an astronaut." During these moments, children are essentially expressing an idealized image of what it would be like to perform that professional role. Of course, the images in these children's minds belong to the realm of pure fantasy, for they have neither the real-world knowledge of the skills, attributes, or behaviours the roles require nor the cognitive understanding of the intrinsic motivators for work. As Carl Jung explained, "The dynamic basis of phantasy lies in its playfulness, which is suited to childhood"[2]. As such, children's childhood fantasy careers are an early form of identity experimentation and wishful thinking about a possible future self.

Throughout this paper the spelling of *phantasy* with a 'ph' is intentional to distinguish it from its homonym, *fantasy*. Whereas *fantasy* refers to the "act of imagining something"[3], Freud's (1911)[4] and Jung's (1920)[5] meaning and use of the word *phantasy* refer to an unconscious mental process. In this sense, a childhood fantasy career refers to the conscious mental processes of the child's imagination in that role, whereas a childhood phantasy career speaks to unconscious mental processes.

As children grow older and eventually begin their professional lives in adulthood and, except for a few individuals that may go on to achieve the professions of their childhood fantasies, a greater number will likely end up pursuing different and seemingly-unrelated careers. Nonetheless, "the child mind still persists in the adult, in the unconscious realm of the psyche"[6], where the child's phantasy career lives on, perhaps exerting a degree of unconscious influence over career identity, career choice and sense of career satisfaction.

Typically during the mid-life phase of many individuals' lifespan, professionals begin to re-evaluate their lives[7]. Driven by feelings of a sense of mortality and not wanting to waste their remaining time[8], many mid-career professionals embark on a quest for greater meaning in their working lives. This mid-life review, known as a "mid-career transition", refers to the psychological process in which an individual experiences a period of acute identity ambiguity, as a result of the conflict between his/her current working identity and his/her future unexplored or desired possible selves[9].

METHOD

16 mid-career professionals, between ages 35-50, from diverse industries, professional disciplines and job levels shared their childhood fantasy careers for this research study.

I used an interpretative phenomenological analysis (IPA) methodology to capture the experiences and meanings that mid-career professionals ascribe to their childhood phantasy careers, and how these impact actual career identities, choice and satisfaction[10].

Semi-structured one-on-one interviews were conducted that elicited the individual experiences and perspectives. Participants listed their work history and ranked those roles in order of personal sense of satisfaction. This established a chronological list of significant career roles the participants had held since the start of their professional career and their sense of satisfaction while in the role. I then explored the participants' childhood fantasy careers and associated memories and feelings, eventually synthesizing attributes associated to the fantasy careers expressed by the participants. These attributes where shared with the participants, with the interviewer explaining why these words were chosen in relation to the experiences the participants had shared. Next, participants were asked to look back over their career history and identify the jobs with the attributes listed as descriptors of their fantasy career. The number of attributes selected by the participants for each role was totalled and the score enabled the participants and researcher to determine the correlation between their actual career satisfaction rankings and their phantasy attribute rankings.

Further interview questions prompted the participants to reflect and express their perspectives on their career history and explore any new insights gained about how their phantasy career impacted their career identity, choice and sense of satisfaction.

For more information, please refer to my EMCCC thesis (Harvey, 2015).

Key Findings & Discussion

"It isn't normal to know what we want.
It is a rare and difficult psychological achievement"
- Abraham Maslow

The findings were analysed through the lens of object relational theory—which theorizes that motivations are driven by relational needs. Perceiving phantasy careers as mental objects enabled me to explore the meanings participants ascribed to their childhood phantasy career; explore potential correlations between

the childhood phantasy career and their actual career history and job satisfaction; and to examine the impact of the childhood phantasy career on their actual career choices and levels of job satisfaction.

Let's explore the narratives and meanings of three participants of the study group in order to better understand how this phenomenon impacts career choices, identity and sense of satisfaction. Names have been changed to protect the privacy of participants.

Suresh: Traditional Dancer (Childhood Phantasy)

Suresh was the Regional Head of Credit Risk at a Fortune 500 bank based in Singapore. His current role was his fourth and most satisfying professional role within the Financial Services sector. His least satisfying role was his first role as a Relationship Manager.

As a child Suresh, wanted to become a Traditional Dancer. He described how "I thoroughly enjoyed dancing and performing arts. I started learning classical dance at an early age and I loved staged performances. To be in front of people watching me, I loved that aspect and expressing myself not through words but through dance movements and expressions." Through the course of the interview we extracted the meanings Suresh had associated with becoming a Traditional Dancer, which were a desire to:

- be on stage performing
- feel the power of the crowd
- receive recognition and applause
- appreciate the art form
- travel internationally

When asked to identify which of his previous professional roles had these attributes, Suresh said "If I compare my satisfaction ratings with these attributes we identified they speak to why my current role is the most satisfying for me now. It also shows me why I wasn't fully satisfied in some of my former roles." Suresh went on to reflect "Why didn't I pursue my fantasy profession? I was made to understand that performing arts may not be as lucrative professionally as the financial industry so I left that dream and joined financial services. In hindsight, I feel I want to maintain a better balance and allow for some of my passion whilst not losing the lucrative side of the financial industry. I think I will apply these criteria when I consider my next career move."

Su Yin: Banker (Childhood Phantasy)

Su Yin was the CAO of a Multi-national bank based in Singapore. Her current role was her seventh role in a career that spanned thirty years within financial services. Su Yin's most satisfying role was her previous role as a Global Account Manager and her current role her second most satisfying of her career. Her least satisfying

role was her first role as a Credit Officer.
As a child Su Yin wanted to become a Banker. She noted “My father was a banker and all his friends were bankers so that heavily influenced my world and life choices as a child.” To young Su Yin, becoming a Banker represented a desire to:

- be respected
- be trusted, honest and have integrity
- feel proud
- be organised and methodical
- work in a stable organisation

Su Yin’s most satisfying and least satisfying roles directly corresponded to the roles that had the most and least phantasy career attributes. She reflected that *“Looking at the list of attributes I can see that some of them have been conscious attributes I look for in a job or organisation, for example stability was the number one criteria I looked for in my first job. Looking at the other attributes I can now see that I quickly tried to attain them. For example, being organised and methodical is one of the first things I try to put in place in every new role that I take on. So, these attributes are still very important for me.”*

Su Yin, and other participants’ experiences suggests that our phantasy careers from childhood hibernate within the psyche, often laying in a dormant state when the person is working in an environment that satisfies most of their desires. The phantasy is only reawakened when individuals transition to new careers and environments. As with the bear that awakens from its long winter slumber, the phantasy career re-emerges, hungry and eager to find sustenance. The sustenance it seeks is the wish fulfilment that is first projected into the phantasy career during childhood.

Andy: International Businessman (Childhood Phantasy)

Andy was the CEO of a Telecommunications business based in Singapore. His current role is his fifth role in a career that spanned multiple sectors and geographies.

As a child Andy wanted to become an International Businessman. He said, “My father was a Lawyer and a Director at one of Israel's largest corporations. I wanted to be like him but not him. He had very high standards and I wanted him to be proud of me so I thought one of the best ways to achieve that was to become a businessman and seek his approval.”

It is perhaps not surprising that parents were frequently cited by the participants as being a source of inspiration (positively and negatively) for their childhood phantasy career. Freud highlighted this phenomenon when he said: “He (child) is always playing at being grown-up, and in his games he imitates what he knows about the lives of his elders”.[11]

To the young Andy, becoming an International Businessman represented a desire to:

- create opportunities
- solve problems
- work in diverse and multi-cultural settings
- travel internationally
- receive recognition
- be in control

Andy reflected "I can see that my top two satisfying careers have the most phantasy career attributes. My third professional role was my most enjoyable and it was the time I was working setting up the business. I learnt so much from this role and it had all the attributes I was looking for: international travel, multi-cultural, creating new opportunities, etc."

Andy was the only participant in the study group who managed to achieve his fantasy career and also fulfil the wish contained within the phantasy. His words may serve as a symbol of hope to the others still seeking fulfilment of their childhood wishes: *"[Becoming CEO] was the role when I realized that I had surpassed my father and became my own man."* By *"becoming my own man"* he suggests both a sense of professional accomplishment as well as psychological success, leading to a sense of personal freedom and satisfaction in one's professional and personal life.

Role of phantasy on career choices, identity and sense of satisfaction

Following these examples, what are the insights on how phantasy careers form and what are the psychological mechanics behind how they influence career choices, identity and sense of satisfaction?

Participants' childhood fantasy careers contain deeper wishes that are attached within their psyche and which represent a desire for something that was missing from the child's life at that moment of time. As Jung said "we imagine that which we lack".[12] For example, a participant in the study group remarked that his father "was emotionally remote and hard to connect to"; as such, there was an absence of an emotional bond with his father during childhood. These missing attributes in the child's life acted as the genesis and motivation for the formation of a childhood fantasy to become a Community Policeman which the child saw as being someone *"connected to the community, collaborative and responsible"*. The attributes associated to the fantasy career contain the deeper desire at the unconscious phantasy level, and act to provide the child a feeling of the attributes that were lacking through the process of projective identification[13].

Participants also used the insights into their phantasy careers to see their past choices in a new light. One participant reflected that *"the role with the most (phantasy) attributes is the role I enjoyed the most".* The participant was not

conscious of the attributes of exploration/play, excitement and protector. It was only through the process of looking back now at her career, that she could see the links between phantasy careers and how *"they fit into my career choices and the types of roles I took."*

Others used the process to re-connect with the emotions they had felt as children and to realize how those emotions were still present. The emotional state of the child at the time of formulating one's phantasy career still resides within the adult psyche, influencing the adult's state of mind. One participant marvelled at the revelation that *"I kept thinking that childhood fantasy or aspirations would not influence what I want to do now as an adult, but after going through this exercise, I can see the link to how I felt as a 10-year old. It is similar to what I want today: to be in control, to be respected, to be knowledgeable and well-prepared, and to be seen as the authority figure."*

Through the interview process, participants derived value from making sense of their past choices, which helped them to understand present-day needs. As attributes of their phantasy careers, which were buried in their unconscious, were resurfaced into their consciousness, they could strive to increase their career satisfaction in the future. This awareness is of particular value to mid-life/mid-career professionals as they contemplate transitioning towards more meaningful work.

While the childhood fantasy may fade from memory or is no longer consciously pursued, the phantasy career acts as an internalised object and lingers on in the timelessness of the unconscious, operating by deferred action and exerting an influence over present-day career choices. In essence, the phantasy career acts as an unconscious career anchor, always present, whether in an active or hibernation state. When transitioning to a new career, the reawakened phantasy career re-asserts its influence over a person's mental state and compounds the feelings of anxiety felt during transitional periods. These phantasies have to be acknowledged and worked into the new working identify in order to recreate a sense of stability within the new career.

Practical Implications

Inquiring about a person's childhood fantasy career and investigating the deeper wishes contained within the phantasy career may be a useful tool for managers, coaches and career counsellors to help individuals *seek out opportunities in order to answer a call to satisfy a deeper, unfulfilled desire*. Exploring career phantasies can reveal different perspectives and new insights about an individual's career identity, choices, and attributes, which influence his/her sense of satisfaction. Whether an individual's career strategy is *Protean*[14], meaning a career that is driven by the person not the organisation, or *Portfolio*[15], meaning doing several paid career activities at the same time, his/her understanding of underlying desires and wishes will be critical for the attainment of "psychological success"[16] in one's career.

It may also be important and relevant for individuals and organisations to note that of the eighty-four phantasy career attributes identified by the sixteen participants, only one attribute referenced money. Therefore, amongst this group, psychological success is rarely connected to compensation and wealth creation: an important insight for both individuals when making career decisions and for organisations as they seek to create engaging work environments.

Within the context of the coaching landscape, the exploration of the phantasy career, as shown in this study, could reveal previously unconscious influences and motivators, so as to help clients make sense of their past choices. Moreover, their newfound understanding and awareness about their motivating factors could aid them in making more effective career decisions. Incorporating the investigation of a phantasy career with other conscious career choice tools such as Schein's Career Anchors[17] or Ibarra's Working Identity[18] may also allow the client and counsellor to bring into awareness unconscious material that are already influencing career choices, which would be helpful for future career planning.

At an organisational level, employers who know about their employees' phantasy careers can enable them to better understand their employees' motivators and attributes of a satisfying career. This information could then be employed in crafting the job in a way that incorporates these attributes in the role, which can thus lead to improved employee engagement, productivity, and longer tenure. Engagement activities can thus be tailored towards programmes that contribute to the psychological success of the employees.

Conclusions

One's career identity, choice and sense of satisfaction are defined by a multitude of internal and external factors. Existing academic study and conventional career wisdom has tended to focus on conscious and observable, skills, capabilities and personality traits of individuals to help guide career choices. However, this article suggests that unconscious thinking, and more specifically, unconscious phantasy plays a very important and influential role in the career identities, choices, and sense of satisfaction of individuals throughout their professional lives, with the aim of fulfilling deeper, hidden desires within their psyche.

About the Author

Paul is a Leadership Development Consultant, Facilitator and Coach with experience in multi-national companies, start-ups and executive education. Paul leads organisations and individuals through the transformation process driven by the belief that people can change and achieve a higher potential at any time of life given the right environment, stimuli, and reward. In a career focused initially on experiential education and then corporate Human Resources, Paul has subsequently developed expertise applying psychodynamic perspectives to better understand the basic drivers of human behaviour and the hidden dynamics that influence the change and transformation process.

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PART FOUR

DEVELOPING & SUPPORTING LEADERS

Part Four looks at the ways in which organisations can better develop and support their leaders. The leadership arena encompasses diverse types of leaders. However, many leadership development programmes are a one size fits all, and the challenge lies in helping leaders leverage their differing strengths while tempering their weaknesses. Two types of leaders are addressed in this section: narcissistic leaders, with their double-edged potential to attract and inspire followers or to be destructive and to demoralize, and matured employees who can be perceived as either a liability (due to their age) or asset (due to their knowledge, autonomy and work ethic). It is critical to promote awareness of and to build the relevant frameworks of leadership development and career management that cater to different types of leaders.

Drawing from his own experience in a family business, Nelson Cury-Filho Replace: explored the irrational decisions which prevented the implementation of a smooth succession process. More specifically, Cury-Filho looked at how family members can deal with *narcissistic founders* who possess great power and emotional impact on the decisions and careers of their heirs. Successors are either forced to take the baton, are not adequately prepared for succession, or serve as “puppets” under the controlling glance of the founder. In response, heirs can either rebel or regain control and autonomy by walking away from the family business, or focusing on their own development. Family education can also improve communication and resolve conflicts between founder and heirs, integrating the whole family into a fair and meritocratic process.

Susan Kay, an experienced consultant and executive coach, looks at the impact of narcissistic personality disorder and the toxic and destructive climate created by such leaders. In particular, she wanted to understand how organisations identified and dealt with narcissistic leaders and the role HR plays. Her interviews reveal a systemic practice of *wilful blindness* in which organisation’s board members and/or executives chose to turn a ‘blind eye’ to inappropriate leadership behaviour or management practices of narcissistic leaders who were delivering business results. Furthermore, most of her respondents believed HR leaders chose not to deal with poor leadership behaviours and management practices for fear of their own personal survival.

Yuen Lee looks at a different work population, *matured employees*, who are often perceived as harder to train, have less flexibility to learn new things, and to cope with changes. Based on her experience in Sales, Marketing, Merchandising, HR and Business Development, she noticed that most companies are still governed with the mindset that older workers are less productive than young to middle age employees, and therefore invest less in them. Compared to younger talent, older employees receive less training and development and many are encouraged to retire early to leave more openings to younger talent. In order to shed light on the value of this group, Lee looks into their inner theatre – how they see the career at this age, what are their fears and desires – so that HR systems can be designed to allow matured employees to continue to work happily and productively in the workforce until the moment they leave it, gracefully, at retirement.

The Emotional Impact of Narcissistic Founders on Family Members During Succession Planning

NELSON CURY FILHO

The Starting Point

I have worked in my family businesses for more than 20 years and felt the consequences and emotional impact of working with a narcissistic father/founder. For many years I tried to understand what was behind the many irrational decisions that affected our organisation and why my father had not implemented a smooth succession process. During my research on this topic, I came across many family businesses whose founders face the 'sticky baton' syndrome, an expression used to define founders who fail to plan and prepare their adult children for succession and unconsciously push them away from the business. Why do so many founders refuse to leave power when they are on the top? Was this one of the main causes of mortality rate of numerous family businesses in Brazil and worldwide? Questions like these pushed me to look deep into the roots of this problem.

Idea in Brief

Family businesses are considered the backbone of the global economy. One of the biggest challenge of a family business in the succession process is the way the founder, patriarch or family leader thinks and acts. To understand this process, it is necessary to analyse how the narcissistic profile affects the attitudes of heirs and what reactions it causes. My research shows that:

- Narcissistic founders have great power and emotional impact on the decisions and careers of their heirs. Successors are either forced to take the baton, are not adequately prepared for succession, or as "puppets", continue to lead under the controlling glance of the founder.
- Through living in a self-affirming hall of mirrors, narcissistic founders are unable to see the heirs as individuals in their own right, and fail to properly groom them for succession.
- In families where the founder manipulates everyone with money, it is common for children to fight back. In cases where the heir walks away from the family business, the control the founder has and one's own sheltered life can undermine the ability to be independent and have confidence in one's ability to go solo.

- Heirs rebel or regain control and autonomy by walking away from the family business, or focusing on their own development.

Idea in Practice

How can family members deal with a narcissistic father/founder, manage pain, frustration, misunderstandings and keep the family and the business united? The answer is not a straight forward solution but a series of actions can be implemented:

- Heirs need to explore their inner theatre and be the authors of their own story. Without self-knowledge, they will be stuck in dependency roles vis à vis a narcissistic founder, unable to gain full control and autonomy of their lives.
- Families need to respect heirs' desires to succeed or not. Some heirs do not dream about managing the family business, and this feeling has to be allowed to surface and be respected.
- Potential heirs need training to properly succeed the family business and to freely assume responsibilities, duties, and obligations, not be coerced into it.
- Family education can improve communication and resolve conflicts between founder and heirs, integrating the whole family into a fair and meritocratic process.

Introduction

A survey conducted in 2010 by consulting firm PWC in 35 countries found that 36% of them are transferred to the second generation, 19% to the third, and only 7% to the fourth. In the United States, estimates indicate that 30% of family businesses survive the transfer to the second generation, about 13% to the third generation, and only 3% to the fourth generation[1]. In Brazil for example, the lifespan of family businesses is around 24 years, which means that, 70% don't reach the second generation. The complexity of a family-owned business becomes even worse when these firms are transferred to the third generation, and in this case, only 4% to 5% survive.

When a succession process is planned, the founder realizes that it is time to stop and chooses among his heirs someone to manage the business or hire an executive who is not a family member to be the company's CEO[2]. In some cases, the succession is not planned, due to a tragedy or illness, a lack of rules or unwillingness of the founder to accept changes and give a chance to a successor. In the latter case, the founder avoids the succession process, does not establish rules of corporate reorganization and shareholder agreements, does not define criteria for the admission of a successor to the company, neglects family principles and values, and can also create obstacles to agreements among family members.

For such founders, giving up power can indicate the end of their role as leaders and the approach of death. From a psychodynamic perspective[3], the process of succession planning is a reminder of approaching death, which can be very difficult to deal with. For them, their businesses become an extension of their own being, a way to alleviate the fears they feel. In their endless search for power and money, many of them end up turning their successors into puppets and suppressing the individuality of their heirs. When money and power becomes defence mechanisms to deal with pain, fears and insecurity, it is very difficult to have a smooth succession process.

Narcissism and impact on organisations

Narcissism and leadership has been extensively studied[4]. Based on the psychoanalytic theory, narcissism refers to people who excessively admire their own image of themselves. Some self-admiration is required to confirm and maintain high self-esteem, but its exaggeration can be harmful to social interactions. Clinicians understand narcissism as a mental disorder, but it can also be studied as a personality dimension. According to Kets de Vries and Miller[5], there are three types of narcissistic orientations: reactive, self-deceptive and constructive. The reactive narcissist shows exhibitionism, grandiosity, impiety, coldness and the desire to dominate; only tolerates sycophants; is a cruel tyrant; ignores the needs of subordinates and does not accept criticism. The self-deceptive narcissist shows a lack of empathy, is Machiavellianism, has a fear of

failure, has a “lack of an ideal,” is concerned about his own needs; although regarding subordinates as instruments, shows an interest in them to look sympathetic; and gets hurt when receiving criticism. The constructive type shows a sense of humour, creativity, self-confidence, ambition, energy, stubbornness and pride; is meritocratic and inspiring; plays the role of a mentor and learns from criticism; despite listening to others and inspiring them, this type uses others as tools to achieve their own goals.

Another important study by Lubit[6] defines two types of narcissism: healthy and destructive. The first is characterized by self-confidence based on solid self-esteem, allowing one to easily deal with others and with situations of stress. The second shows self-confidence as an attempt to hide a fragile self-esteem, which leads to lack of respect for the rights of others, becoming arrogant as the individual underestimates and exploits others.

For Lubit “destructive narcissism also increases the ambition for power.” Such ambition can turn a narcissist into a master at manipulating people by pretending to care about others to achieve his/her goals. Most relationships of a narcissist involve contempt for others, a feeling of having a right to everything, and a lack of interest in the rights of others. Seeing the world as hostile and threatening, a narcissist trusts in some subordinates only and pleases them in order to keep their loyalty.

When destructive narcissistic leaders adopt a paranoid attitude, their ability to contribute to productivity is drastically reduced[7]. Accepting the aging process, as they become less attractive and less skilled, is very difficult for them. They are ungrateful for the joys they experienced in their youth and resent themselves for not feeling such pleasures anymore. The tendency to cling to power instead of delegating it to the next generation is particularly destructive to their organisations. They scare the best employees away and even their children when they feel overshadowed by them. Confronting them can be disastrous as they end up becoming aggressive when contradicted. As they grow older and the fear death increases, the probability of preparing for a succession becomes increasingly small.

METHOD

My study explored the impact of narcissistic leaders on family enterprises succession. Specifically, it seeks to understand the importance of this phenomena in the family succession process and why many families are not able to ensure business continuity or keep family legacy due to narcissism of family founders, patriarchs and owners, who often make family succession difficult or even impossible.

Qualitative interviews with a psychodynamic approach were conducted with four members of different family companies, in the second and third generations,

exploring the emotional impacts caused by narcissistic founders on heirs and successors, particularly with male children, from different family backgrounds, including a member of my own family. The interviews showed the psychological consequences of their actions in the lives of the heirs and provided insights of the underlying dynamics of this phenomenon in a family-owned business succession process. Above all, it allowed to confirm the assumption that, given the high levels of narcissism present in founders, patriarchs and family entrepreneurs, effective succession and family planning are extremely difficult and near impossible to conduct.

For more information, please refer to my EMCCC thesis (Cury Filho, 2016).

Key Findings & Discussion

Narcissistic founders have great power and emotional impact on heirs

The emotional impact caused by narcissistic founders directly influence the decisions and careers of their heirs, which endangers family-owned business continuity. In general, from childhood to adolescence, founders are the example and heroes for their heirs. They are great sources of inspiration and examples of success to be followed by children and future heirs or successors, as noted by one interviewee:*"... my hero, surely my father... my father was a 'superdad' until a certain moment of my life."*

Depending on the culture and tradition of the organisation, children play pre-defined roles. In some cases, the firstborn is the father's natural successor in family-owned businesses, and these customs may cause anxieties from expected heirs and dissatisfaction among siblings and discourage future generations from engaging in family businesses. One interviewee expressed the frustration he felt from the social pressure of being the first born son: *"I am the only son. You know what it's like in an Arab family, don't you? They value the male figure... I was the first heir of the family, the first boy to be born, the oldest son."*

Hoping to have their children as successors, many founders force them to work in the family business, creating situations that often ruin trust and admiration on both sides. When children begin to work in family businesses without full engagement on their side, proper training, without clear rules and a fair admission process, a ticking time bomb is set in place, endangering a mature and smooth succession and even leading to the deterioration of the relationship between parents and children. The dynamics and consequences of a forced succession is clearly illustrated by one interviewee's account: *"... It was not what I wanted at that moment... I was very young and did not know exactly what I wanted for my life... I did not assimilate all that... I did not like working there. I used to go because I was forced to do it. I liked to play polo... I could have been one of the best polo players*

in the world... I had a lot of talent... more than anything else; he wanted to control me... he wanted to control everyone... and he did it very well, because he controlled the money. I depended on him... I had many arguments with him in terms of work..."

In a relationship between father and son, the paternal power in the workplace persists. The children's aptitude, dreams and expectations are not always taken into account. Then the dynamics of power begins. With power and money, founders turn their heirs into puppets, invalidating any personal and professional plans they may have. Narcissistic founders of family businesses are manipulators. They demand respect for their authority, they do not care about the opinion of others and impose obedience and submissiveness on employees.

Narcissist leaders often fail to groom the next generation

Narcissistic founders do not accept help, they give up the family, lose their wives, friends and become strangers to their own children. As time passes and new generations are born, instead of properly preparing heirs for a smooth transition, they confine themselves to a "room of mirrors", looking only at their own reflected image. They live in captivity, establishing a "utilitarian" relationship with others. Their lives are a great illusion. As one interviewee recounted: *"My father is a very difficult guy, he hides things, he is proud, troublesome, difficult to understand. I will not be a hypocrite and say that he did not help me, that he did not give me training".*

Power and money pervert the succession process and create a sense of dependency

Some people believe that the more money they have, the more fulfilled they will be. However, the relentless pursuit of power and fame affects business and relationships. These people build wealth and spend money to fill their existential vacuum, avoiding contact with the emptiness they fell. They focus on business growth, do not dedicate to building interpersonal relationships with their children, nephews and grandchildren, and do not have long-term family ties, which are essential for transferring values and continuity of family legacy. As one interviewee noted: *"I had several disagreements with my father. He had set up an empire, but he did not know how to manage his ego, he did not know how to delegate to professionals who understood more than he did, because he thought he had the control of everything in his hands. People pleased him 24 hours a day, then he thought he was the guy! Nobody can touch me, I'm undefeatable! I think all this inflated his ego messed things up a lot."*

In families where the founder manipulates everyone with money, it is common for children to fight for power or lay back with the benefits of the economic situation they enjoy. The lack of love and a receptive environment awakens in the children the feeling of distrust about their own ability to be independent, encouraging

disputes to define who will be in control.

In cases where the heirs decided to walk away from the family business to follow their own pursuits, they were often plagued with feelings of insecurity and fear of flying solo. Because they had, up to now, lived in a "bubble", the lack of experience out of the family business environment weakened their confidence in their own skills. On the one hand, they felt guilty for wanting to assume control of their own lives, hence betraying their parents; on the other hand, they were frustrated that they had not had the opportunity to deeply explore their true roles. One interviewee described how difficult it was to act freely in pursuit of his own way: *"The problems I had were caused by my father. If I kept regretting it, I might have been down, depressed, but I faced up. I left it, kind of ignoring it. Several things were happening. I think that all these things gave me the strength to take my own way. At the same time, I was very scared. I had no business experience."*

Heirs can regain autonomy and control by going solo and/or focusing on their own development

It is very difficult to get rid of a dependency relationship. The weight of surname and tradition, plus a tense relationship between father and son, or founder and successor, directly influence the lives of these heirs. Many times, in an attempt to prevent conflicts, weariness and humiliating situations, the successors moved away from their fathers, as one interviewee ruefully recounted: *"It was important to take my own way and find myself, finding my own path, what I liked to do. I look back and see that I have become very distant from my father. I do not agree with his way of thinking and acting. I think he conducted things in a very selfish way. He had to dedicate more attention to the family, after having caused so much trouble."*

Indeed, many of the interviewees reported similar unresolved problems with their parents but a determination to heal their wounds, get rid of the past and build the future. Through resilience, interviewees transformed pain and trauma into energy to make their dreams come true: *"… Doing what we like is what matters in life. First, find our way around. It may take years, maybe we have to go through certain unpleasant situations. I tried things that caught my eye. I was discovering myself, trying things to understand what I like, have some life experiences, do what brings satisfaction. You should not be afraid to follow your heart. I think it is important to pursue your dreams..."*

Practical Implications

Handing over the baton usually causes many disputes and even ruptures in family-owned business, but it should be considered as an essential step to ensure business continuity and control by the family that founded it. My research shows that it is important to train and prepare a smooth transition for future heirs, turning them into good shareholders, because the survival of the organisation will depend on how well the successors are prepared to take over. A number of

recommendations are made to help family members deal with difficult narcissist founders with the objective of facilitating effective family successions.

Heirs need to explore their inner theatre to understand who they are and what they want

Every heir of a small or large family fortune has to analyse his/her inner self in search of answers and insist on finding them. This is the key to freedom and fulfilment. And equally, or more importantly, when facing the challenges of self-knowledge, the heir should be the author of his/her own identity and story[8]. Without this, they will be stuck in a dependency role and unable to gain full control and autonomy of their lives.

Respecting heirs' desires to succeed or not

Family-owned business longevity for generations to come depends above all on balanced family relationships, which are essential for promoting truly effective and positive changes in business over time. Some heirs do not dream about managing the family business, and this feeling has to be allowed to surface and be respected. Others, however, want to assume this role, but they have to be trained and prepared to face the challenges of the business. In addition, they have to be emotionally calm to deal, as the case may be, with narcissistic founders who tend to discredit the successor's professional training and capacity, reduce their autonomy and impose their way of managing, which may lead to a failed succession project.

Training potential heirs to the properly succeed the family business

Another huge challenge refers to the future career of family members, whether or not they are direct heirs. Will they join the family business or develop a solo career? If the answer is to work with the family, a tripod should support that choice: proper training, merit for the position and desire to participate in the business. Starting in family business just because a family member feels forced to do so or because a family member feels there is no other choice will often have irreversible consequences for their own future and the future of the organisation. Family members cannot be affected by the power of the one who controls the money, and they should not be caught up in the pattern of the one in command and the ones who obey. Members and family leaders should be trained and prepared to freely assume responsibilities, duties, and obligations. As such, it is important to respect the aptitude, dreams and expectations of family members. They need to be empowered and autonomous.

Family education to improve communication and resolve conflicts between founder and heirs

Family education brings new perspectives and generates mature and strong family

relationships. Conflicts and hostile environments slow down the company's progress and income. Harmony and trust can unlock emotional defences, clearing the air and making it favourable for problem resolution and mutual understanding. It does not mean that everyone will think the same way or do the same things, but they will certainly develop channels of communication and systems that integrate the whole family into a fair and meritocratic process[9]. With each generation, the company's challenges change, the players change and even the rules can change. The important thing for successors is to always reinvent themselves, keeping alive the DNA and values of the company and the family.

Conclusions

More than measuring the degree of narcissism of the founders, the testimonies collected in this study have shown the impact of the actions of narcissistic leaders on the lives of their heirs and family in general. The weight of tradition, surname and the direct influence of parents, grandparents and founders to force the interviewed heirs to work in the family businesses without respecting their individual desires and aptitudes had a deep impact on their lives and choices. The narcissistic, manipulative and exploitative profile of the founders of family-owned business slowed down the development of these heirs resulting in loss of identities and made them feel guilty when they wanted to create their own stories out of the shadows of their parents.

Not letting oneself be influenced by parents, especially by a narcissistic leader, is not an easy task. Completely freeing oneself from a dependent relationship is very difficult. However, we need to understand who we are and become aware of our behavioural patterns. Our behaviour, the way we act or react is directly influenced by the type of upbringing we had from our parents and how we relate to them in the early years of our lives. Only through deeply knowing and understanding our "inner theatre" can we shape the stories and regain autonomy and control of our life.

About the Author

Nelson Cury Filho began his career as an entrepreneur in the international trade area and for more than 20 years he worked for his family businesses, being responsible for Family Governance and the Family Office implementation, participating today as a member of the Family Council of his family business. Nelson has a degree in Human Resource Management and an Executive Master in Consulting and Coaching for Change from INSEAD. He also holds an International Certificate in Family Governance from FFI Family Firm Institute and several self-development courses such as the Unleash the Power Within with Anthony Robbins in the USA and Amana's Advanced Management Programme (APG)–Key. He is a lecturer and guest professor at Dom Cabral Foundation-FDC. His lectures "The Turning. Behind Succession" explore the dilemmas and conflicts

faced by an heir during a succession process, reaching over more than one thousand business families.

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Wilful Blindness - Narcissists at Work

SUSAN KAY

The Starting Point

Over the course of my corporate career I have worked for, and with, difficult executive leaders, stimulating my interest in the 'dark triad' of leadership personality[1]. Two leaders stood out in terms of their particularly negative impact on others and the organisation. Both demonstrated behavioural patterns and aspects of their personality which were similar to elements of the DSM-IV-TR definition of Narcissistic Personality Disorder. The toxic and destructive climate created by these leaders resulted in an organisational phenomenon of constant "survival anxiety". This peaked my interest and the need to understand how other organisations identified and dealt with narcissistic leaders and the role HR plays.

Idea in Brief

Fourteen senior executives, working, or had worked or consulted in, companies from the London FTSE 250, were interviewed about their experience of working for or with executives they believed had narcissistic personality traits (although not formally clinically-diagnosed) and shared their personal stories. The outcome of these interviews reveal that:

- Almost all described how they, or their organisation, did not recognise that they had been working with a narcissistic leader and it wasn't until several years later, having reflected on their experience with consultants or other professionals, did they feel educated enough to begin to understand their experience.
- Most described two sides to the narcissistic leader: the visionary, charming, results/commercially-oriented leader, prominent in the early stages of the relationship versus the autocratic, intimidating, arrogant leader who had an exaggerated view of themselves or their capabilities and a strong sense of entitlement for special or favorable treatment, which typically emerged once relationships were established with superiors.
- All described the disturbing impact (personal, team and organisational) the narcissistic leader had on them, others or their organisation.
- Most admitted their organisations did not deal with the narcissistic leaders' poor behaviours and management practices. Some admitted when they or colleagues had raised concerns, they were exited from their companies. As a result, people quickly learned not to speak up.
- Others admitted that while the narcissistic leader was delivering business results their organisation's board members or executives chose to turn a 'blind eye' to any inappropriate leadership behaviour or management

practices (hence, the title of the paper, “Wilful blindness”)

- HR were mainly described as at worst colluding with the narcissistic leaders, being aware of poor leadership behaviours and doing nothing or at best, if they did “call it”, were ineffective in dealing with it.

Idea in Practice

In discharging their responsibility for managing behavioural risk, Boards need to manage and be clear on the explicit and ‘unique’ role they commission HR to perform in upholding leadership behaviours, values and acting as the moral and ethical compass for the business.

HR leaders need to be clear on their role and commission from the Board, and sufficiently set up structurally independent reporting lines to ultimately influence outcomes. The HR function also needs to be confident and capable of effectively challenging and dealing with difficult leaders being prepared to face personal consequences of choosing to ‘call it’ versus ‘colluding’ in wilful blindness.

Educating Boards and HR leaders on behavioural patterns and challenges presented by personality disorders, such as narcissistic personality disorder, can help improve their insights and capability in first identifying and then dealing with more complex behavioural issues.

And finally, incorporating a more clinical lens by adopting a more psychoanalytical approach to work in organisations can equip HR leaders with a broader repertoire and skill set to recognise ‘neurotic symptoms’ which can provide a deeper level of insight into more serious leadership, behavioural and organisational issues.

Introduction

The term narcissism is derived from the Ancient Greek myth of Narcissus—the beautiful young man who, although loved by everyone, would love no one in return. We all need a modicum of narcissism in order to function—but what is important is the "amount and intensity of our narcissistic predisposition" which can be distinguished as constructive (healthy) or reactive (unhealthy)[2].

The American Psychiatric Association's DSM-IV-TR defines the narcissistic personality disorder as being indicated by five or more of the following criteria:

- Grandiose sense of self-importance (exaggerates achievements and talents, expects to be recognized as superior without commensurate achievements).
- Is preoccupied with fantasies of unlimited success, power, brilliance, beauty or ideal love.
- Believes that he or she is 'special' and unique and can only be understood by, or should associate with, other special or high-status people (or institutions).
- Requires excessive admiration.
- Has a sense of entitlement, i.e. unreasonable expectations of especially favourable treatment or automatic compliance with his or her expectations.
- Is interpersonally exploitative, i.e. takes advantage of others to achieve his or her own ends.
- Lacks empathy and is unwilling to recognise or identify with the feelings and needs of others.
- Is often envious of others or believes that others are envious of him or her.
- Shows arrogant, haughty behaviour or attitudes.

Diagnosing narcissistic personality disorder involves a determination of whether an individual represents a 'case' and how his/her personality is tied up in the meaning of past and current problems[3]. Diagnosis is made more complicated by numerous definitions, sub-definitions and assessment instruments which can include self-report instruments such as the Narcissistic Personality Inventory[4], structured clinical interviews using Diagnostic Interview for Narcissism (DIN) or DSM-IV Axis ii Personality Disorders–SCID-11. Diagnosis is time consuming, dependent on clinically-trained therapists, or can be criticized for desirability factors associated with self-report instruments. Additionally, the DSM-IV also highlights that difficulties can arise in differentiating narcissism from other antisocial personalities, given overlapping symptoms.

Theories of narcissism are predominantly drawn from psychodynamic, interpersonal and cognitive perspectives, focused on the individual. Although research on narcissistic organisations is less voluminous, it can occur under the following conditions[5]:

- When an organisation is felt by its members to be special and unique, pride is exaggerated (hubris), resulting in delusional views that the organisation is flawless.
- The organisation deludes itself into believing it has powers with no limits.
- There is unconscious omniscience, that is, all relevant information is believed to be accessible to the organisation.
- The preceding delusions enable the organisation to be dismissive of other organisations, people and information, treating them with contempt.

The extreme damage narcissistic leaders have done in organisations range from destruction of shareholder value, to misguided acquisitions or growth plans, and loss or erosion of talent. The association between narcissism and abuse of power by grandiose, charismatic leaders is well known[6]. Whilst some have pointed to the upsides of narcissism, highlighting that narcissistic leaders are often visionaries and innovators[7], others argue that the degree of narcissism displayed by senior executives and CEO's can affect important organisational outcomes[8].

Most challengingly, the narcissistic personality pattern is one of the most difficult personality disorders to deal with[9], and can be problematic for people who interact with narcissist leaders, particularly those that work for them in a corporate setting. Despite this wide recognition, I could find no research into the role of HR in identifying and dealing with them.

METHOD

Fourteen face-to-face semi-structured interviews were conducted with senior executives (partners, Board members, executive committee or within the top 100 senior executives) who were either working, or had worked or consulted in, companies from the London FTSE 250. They worked in a range of private industry sectors including banking, professional services, education, retail and manufacturing. Thirteen of the fourteen were British nationals, one a US citizen. Five interviewees were female and nine male. They ranged in age from 43 to 69 with an average age of 51. Their years of business experience ranged from 20 to 44 years with an average of 25 years. A qualitative research approach was chosen and the interviews were semi-structured into three parts: gathering their background data, their experience or story, and discussion regarding HR's role. Grounded theory was then applied from the in-depth semi-structured interviews to identify patterns and themes.

All participants wanted to remain anonymous and were reassured that the identities of any executives discussed in their personal stories would not be identified.

For more information, please refer to my EMCCC thesis (Kay, 2014).

Key Findings & Discussion

Although none of the executives described in the participant stories were formally clinically diagnosed as having narcissistic personality disorder, several recurrent themes stood out in the narratives.

It is very difficult to spot the narcissist

Most executives said they, or their organisation, were "unable to spot" or "recognise, name or understand the behaviours" they experienced or observed as narcissistic. One executive admitted it was several years later before she realized she had been "manipulated" by her boss or may have "worked for a boss who had narcissistic tendencies". Others described themselves as being "blind" for not seeing or realizing what was going on at the time even though they had some knowledge of narcissism.

All described two sides to the narcissistic leaders. The more positive characteristics were prominent in the early stages of relationships, such as being visionary, possessing charisma and charm, driving for results and being commercially orientated. The more negative characteristics included having an exaggerated or inflated view of themselves, direct report teams that had high levels of attrition or making weaker appointments, a sense of entitlement, poor relationships with peers or direct reports, resistance to challenge from others, self and short-term focused, an autocratic leadership style, unable to show empathy or empathize with others, intimidating and often intense eye contact with others.

One of the patterns in the interviews was the use of language metaphors to describe their experiences. Animal metaphors to describe narcissistic leaders included, lions, sharks, crocodiles, rats and geese with their teeth and eyes being two distinguishing features amplified in the descriptions. Even HR were described as "not having any teeth". The environment the narcissistic leader created was described as a "world of shadows", "destabilized and frozen". The language used was often positioned in life or death terms: "she was a killing machine" or had references to "survival", which may be explained by the dualistic theory of life and death instincts, with the death force (narcissistic leader) projected outwards as a destructive force directed at people in the organisations[10].

Narcissistic leaders can have "traumatic" impact at multiple levels

One of the most striking patterns in the narratives was the impact that narcissistic leaders had at multiple levels including individuals, teams, organisation and sector. Several described the personal impact as "traumatic", "painful" and "scary" resulting in them becoming "very wary of others" given the "cost observed from a human perspective". Common patterns included "mental breakdowns" resulting in high levels of sick absence for extended periods; one described a "traumatic incident" where they had witnessed a colleague "physically collapsing, with stress, during a presentation to one narcissistic leader." The colleague never returned to work and

the interviewee and peers were instructed not to contact their colleague or his family, at the risk of disciplinary action.

Half of the interviewees admitted they or their peers had left the company as a direct result of their experience with a narcissistic leader. In all instances the interviewees and their colleagues had been members of their organisations' succession plans and talent lists suggesting they would have been regrettable talent losses for their organisations.

Another common pattern was the high levels of attrition at the direct report (team) level. One interviewee described 36 changes to a management team of 12 over a 3-year period. Most described a pattern of attrition or replacing people with "B players who did what he/she said" and were not particularly strong, so there was "no ready now successor" for the narcissistic leader. One possible explanation for this is having to develop people in the team can "risk stirring up envy in the narcissistic leader" which can result in attacks which can take the form of blocking others (direct reports) or withholding approval of others[11].

The narcissistic leader style, which was commonly described as "autocratic", "micro-manager" and "command and control", cast "dark shadows" throughout the organisation. The climate under a narcissistic leader was described as "toxic", "unhappy ships" with levels of "distrust", full of "suspicion", "divided", "un-collaborative", and one where "you had to take your vitamins to survive".

Impact at an organisational level included interviewees describing businesses that were "short-term focused", where decisions were not "allowed to be challenged" and often ultimately "lost a lot of money". Most said it was common for business results to have "deteriorated in the medium term" as a result of the narcissistic leaders' behaviour, actions and their "fundamental failure to listen or involve others in decisions". One interviewee described a catastrophic impact resulting in the collapse of their organisation.

Organisations often turn a blind eye when dealing with narcissistic leaders

All interviewee's believed their organisation "struggled" to deal with narcissistic leaders, admitting in many instances there was institutional bias "not to remove individuals if they were making their numbers" choosing instead to turn a "blind eye" to any inappropriate leadership behaviours or management practices. This trade-off for business results can be argued as "wilful blindness"[12]. This phenomena, where leaders selectively filter out information that disturbs their fragile egos and vital beliefs, may explain why leaders who *should* or *could* know, choose not to. Psychodynamic theories of defence mechanisms, such as denial, would also suggest why the impulse to ignore may kick in, which shields leaders from confronting the conflict.

Having said that, several interviewees admitted that they had at some point, challenged the narcissistic leader's decisions or behaviours but they were "ignored,

belittled, intimidated or shot down", often in front of others, or they just "did not survive" and were exited from the business. In one instance the interviewee believed the catalyst for his relationship with his boss (CEO) rapidly deteriorating was because he had "dared to challenge him" when he advised the CEO to return an expensive gift (Rolex watch) to a supplier, as it was valued way outside the company gifts and hospitality policy. At the time, their organisation was in the middle of a competitive contract re-tender process and this purchase would be perceived as inappropriate. The CEO did not return the watch and the interviewee was exited from the company a week after challenging the CEO.

Notably, there were no examples of where behavioural feedback had been provided to the narcissistic leader which subsequently genuinely changed his/her behaviour. At best one interviewee described how one leader had slightly moderated his behaviour but only temporarily as a result of feedback from a Board team development day.

Because our society often values narcissistic traits[13] – powerful visions, charisma, conquerors or experts – their natural enthusiasm and charm make it easy for narcissists to recruit others to their purpose and to indoctrinate an organisation into their way of thinking about the business. One potential reason why the Board and other senior executives struggle or do not intervene may be their own social defences, such as projective identification or collective unconscious. Klein's reference theory of projective identification describes the process in a relationship whereby aspects of the self may (in unconscious phantasy) be thought of as being forced into the other person[14]. Recipients of a narcissistic leader's vision and phantasy may suffer loss of both identity and insight as they become caught up and manipulated by the narcissistic leaders' phantasy. This may explain why it is difficult for Boards and senior executives to deal with them.

HR's role needs to be expanded and empowered in order to have "more teeth"

Overall, HR were described as "being aware but did nothing", "denied it when you raised it" or "colluded with the line". If they did raise issues they were "not valued or listened to" and were described as not having any "teeth or influence". Reasons for this included "not being clear enough" regarding their role/remit or "unable to sufficiently challenge". At best they focused on "damage limitation" with talent moved out from underneath the narcissistic leader. In addition to the HR capability gap most believed HR leaders were "complicit and reinforcing of damaging and dysfunctional behaviour through incentive schemes" implemented. Many believed personal financial self-interest drove flawed decision-making, such as acquisitions, to inflate revenue or profit and loss profiles, which were reinforced by HR reward processes.

Overall HR know-how, confidence and courage to spot and deal with narcissistic leaders was a problem for all organisations. One pattern in the stories was the tendency to focus on specific "isolated incidents" regarding the narcissistic leaders'

behaviour versus stepping back to describe an overall "pattern of behaviour". Organisational problems and disasters rarely emerge out of nothing—they invariably occur after a substantial incubation period during which warning signs are not adequately recognized or heeded[15].

Practical Implications

Insights from these interviews suggest there is an opportunity for both Boards and the HR function to materially improve its ability to effectively spot and deal with difficult and potentially damaging leaders.

Boards don't appear to be managing behavioural risks with as much rigour as financial and operational risks. In addition to operating traditional three lines of defence, as an approach to risk management, Boards also need to be clear on the "explicit and unique" role and commission given to HR for upholding leadership behaviours, stated values and acting as the moral and ethical compass for the business. This also includes ensuring HR is sufficiently structurally independent in reporting lines, and have sufficient power and authority to increase their ability to ultimately influence outcomes with other Board members and Senior Executives.

HR capability was described in "reactive" terms suggesting there is an opportunity for HR leaders to significantly "raise their game" in their ability to play a more proactive, insight-driven role capable of dealing with much more complex, sophisticated behavioural and organisational issues that are evident in businesses today. This includes being prepared to personally face the consequences of confronting senior executives and Board members, even if it leads to their own dismissal, so they make a conscious choice to "call it" versus "colluding" in "wilful blindness".

In addition to educating Boards and HR leaders on personality disorders, which may be present in the Executive suite, HR leaders can benefit from incorporating a more clinical lens, such as critical theory in action[16], in their approach to organisations, for instance dealing with neurotic symptoms of defence mechanisms, organisational and relationship dynamics.

Conclusions

"Leaders whose behaviour has become distorted can do untold damage to their businesses." [17] Narcissistic leaders in organisations today may be incubating problems that will only manifest themselves at a later stage. [18] Research also suggest universities are creating "millennial narcissistic employees" and it is a growing problem[19]. Against this backdrop, Boards and HR leaders need to equip themselves to deal with the challenges and demands personality disorders, such as narcissism, can present in business environments.

About the Author

Most of Susan's career has been working in large multi-national corporate businesses in operational, corporate strategy and HR Director roles. She is an experienced consultant and executive coach having worked internationally across a range of industry sectors including professional services, manufacturing, aerospace and bio-medical devices. Susan is also on an Advisory Board at UCL where she guest lectures on organisation design and leadership on two of the MSc programmes in the Engineering Sciences Faculty. Susan is a member of the International Society for the Psychoanalytic Study of Organisations (ISPSO) and the Organisation for Promoting Understanding of Society (OPUS).

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Turning Matured Employees from Liability to Asset

YUEN LEE

The Starting Point

Matured employees are often seen as stubborn, unwilling to change and learn, and thus have lower employment rates. Seeing matured employees being asked to retire early and having managers reluctant to hire matured employees triggered my interest to study the mindset of this particular group of people. It is unfair to lay off matured employees or ask them to retire early when it is not due to their competence level. A lot of times, it could be a defence mechanism used by leaders or by HR to disguise their inability to manage this group of employees. I believe that every individual can be an asset to the company, regardless of age. With this study, I sought to understand how to lead this group of people–bring the best out of them and contain their anxiety, to respect their age, and not discriminate against them. I am also keen to explore how HR systems can be designed to allow matured employees to continue to work happily and productively in the workforce until the moment they leave it, gracefully, at retirement.

Idea in Brief

The focus of the study is to unveil the inner theatre of matured employees–how they see their career at this age, what are their fears and desires–so that leaders can empathize and lead them to their fullest potential towards retirement. It is also meant to reconfirm that age stereotype threat does exist and that matured employees are not as reluctant to change as they are perceived to be.

The key findings are:

- Job anxiety level increases as people age while desires decrease. Matured employees' needs for more meaning in life and building a legacy are not compatible with the dominant business model, which is catered to material goals such as bigger titles and higher pay. This results in unmet needs of matured employees, which in turn, builds up anxieties.
- Stereotype threat that comes with aging does exist and it increases the level of anxiety that eventually affects the performance of matured employees.
- Matured employees are more willing to change at work compared to when they were young. Reluctance to change might have more direct correlation with personality than with age.

- Matured employees place higher emphasis on the following traits in leaders–a person who can guide instead of teach, who listens rather than speaks, and one who delegates rather than being hands on.

Idea in Practice

There are three major issues we have to tackle in organisations in order to create a happier workplace for matured employees: breaking the stereotype threats towards aged workforce at individual and company levels, redesigning an HR system that addresses the fears and desires of matured employees and building the competency of leaders to manage matured employees.

- **Confront their fears:** HR can help to uncover their fears by engaging in a conversation at an early stage after reaching 46 years old. Being aware of their fears will entice them to start thinking about how and what they plan to do for the next 15 to 20 years in their career.
- **Break the stereotype threats:** On a company level, creating a psychologically-safe environment is critical to reducing the age stereotype threat and thus increase the performance of matured workers and eventually contributing to overall company performance in the long term.
- **Rethink job design:** Other than having a one-way climbing up career timetable, HR should design the other way of coming down–the second stage of career which takes into account the fears, desires and value systems of matured workers. Compensation structures, working hours and training plans have to be aligned for this stage of career path. Jobs should be crafted to let matured employees continue to use their cognitive skills, make them feel useful and have contribution to the company and to society.

Introduction

Managing an aging workforce has become an increasingly important issue facing many developed countries. With longer life expectancy and lower birth rates, people are expected to work longer years to support economic growth, thus reducing social problems associated with not working. Lower birth rates also mean that there will be fewer younger people working. As such, the proportion of older people in workforce will increase with younger workforce decreasing over time. In general, the definition of older employees is the age group of 45 years and above. From 46 to 65 years old, matured workers still have 15 to 20 years towards retirement, which is a long time worth planning for.

Although age diversity has risen in organisations, most companies are still governed with the mindset that older workers are less productive than young to middle age employees. Both leaders and HR hold the belief that younger employees are good for company growth. This translates into heavy investment in recruiting young talent, performance management systems which are tied to motivating younger employees to seek high achievement in the career ladder, and training resources allocated to young and potential employees. On the other hand, older employees are normally perceived to be harder to train, have less flexibility to learn new things, and to cope with changes. Therefore, recruitment, training and development resources for matured employees tend to be very limited. On top of that, matured employees are encouraged to retire early to leave more openings to younger talents.

Career timetables and prototype matching

There are many reasons age diversity can contribute to age discrimination, the two most significant being career timetables[1] and prototype matching[2]. The concept of career timetables assumes that clear age norms develop within an organisation concerning which hierarchical level an employee should reach by a given age. Employees who are “on and ahead of schedule” in terms of career advancement face less discrimination, whereas employees who are behind the schedule often struggle with lower work satisfaction, lower performance ratings and less development opportunities[3]. With more people moving into the matured phase, there will be a higher percentage of employees who are behind schedule, thereby violating this norm. The feeling of being left behind might result in perceptions of being treated unfairly. Younger employees who do not get promoted might also see the older employees as blocking stones, forming prejudices against them and eventually resulting in discriminatory behaviour.

Similarly, the concept of prototype matching suggests that an employee’s age is often compared to the age of a “prototypical” job holder, meaning some jobs are more suitable for younger employees whereas others are more suited for older ones. Again, the shift in demographics to higher number of older employees will increase the number of “misfits”, thus creating discrimination within organisations.

Population aging also raises new challenges in team management because older subordinates are often managed by younger managers. This arrangement promotes age-related workplace conflicts because younger leaders are afraid to manage older workers who have more work experience than they do. Younger employees are also often not equipped with the skills to lead teams with higher proportion of older employees. Consequently, the older employees might feel that they are not being treated fairly, their voices are not being heard and thus, have low motivation at work. This could lead to a rise in management issues and even legal cases on employee relations.

With key stakeholders' mindset and HR systems and policies not adjusting to the changing demographics, the perceived age discrimination results in matured workers feeling neglected and unhappy, thus decreasing their levels of motivation and willingness to contribute[4]. Decreasing levels of collective commitment might become a serious problem for companies since research has proposed a direct link between organisational commitment and organisational performance[5]. Also, research has proven the mediated negative relationship of perceived age discrimination climate in the workforce on the overall performance of a company[6]. Furthermore, according to Fabisiak and Prokurat, in the context of workforce aging, the future competitiveness of organisations and whole economies will depend on older people's skills usage, productivity and performance[7].

METHOD

Interviews were conducted with 17 matured employees from Singapore, China and Taiwan. To uncover the unconscious drivers of such individuals, I applied the technique of Role Biography[8] and invited participants to think about the leadership role that they have played from the age of 6 till present, with every ten years as a gap, and present the image they had in mind by drawing it out. Thereafter, I invited them to share their fears and desires at each age group. Drawing is a good opportunity for the interviewee to talk about himself or herself. It brings them to the unconscious level of their mind. Sharing their life stories also reduced their resistance to openly express themselves and helped me to understand them better. Based on the data I collected, I used a thematic analysis methodology to find patterns and themes. From there, I derived my findings and conclusions. After analysing each data set, I also sent the interviewees my associations and questions that arose while reading through the interviews to further reflect on. They could choose to respond or not. The purpose was to expand or clarify the reflection space.

For more information, please refer to my EMCCC thesis (Lee, 2016).

Key Findings & Discussion

Matured workers' fears and anxieties increase with age

The study shows that fear or anxiety levels of employees do increase over time. At 26 years of age, hardly any of the interviewees indicated having any fears towards their future or their career. Even at 36 years, not many claimed to have any fears. However, it is obvious that they have fears at the age of 46 years, with varying levels of intensity. Age seems to play an important factor towards increasing levels of anxiety.

The six major sources of their fears include physical and mental health going downhill, job insecurity, sense of worthlessness, lesser time with family and being outdated. The first two reasons are related to the natural process of aging. No one can escape physical and mental deterioration, except that we might be able to control it by keeping a balanced and healthy lifestyle. The other four reasons are attributed to social forces: the need to be needed or the sense of belonging, be it to the family, a job or to society.

The need to be needed seems to be a key driver throughout our lives. Matured employees do not want to be seen as less capable or useless. They do not want to lose credibility through not achieving numbers and being challenged by the boss. They want to keep their ego, to be respected, to be seen, and to be recognized. This fear of losing credit or not staying on the top is more obvious amongst high achievers.

Matured employees need to be understood just like any other age group. A similar metaphor is parents who, in general, find it difficult to understand their children unless they are willing to enter into the children's world and see it from their perspective. Through empathizing with one another, the relationship between parents and children will become more harmonious. The same principle should apply to companies when trying to blend the matured workforce into the whole organisation. The question is one of willingness.

Stereotype threat creates additional anxieties and affects performance

Aging does bring about higher level of anxiety or fear. This anxiety is even higher when the level of age stereotype threat is higher, although it might not be the only factor contributing to it. It is consistent in this study that interviewees with high levels of anxiety aim for earlier retirement, while those with lower anxiety would like to work till or after retirement. Therefore, stereotype threat that comes with aging increases the level of anxiety that eventually does affect the performance of matured workers in one way or another. If we are able to reduce anxiety and remove the stereotype threat, we should be able to maintain or improve the performance of matured employees.

Matured workers desire and seek for meaning and legacy

For the matured worker group, the desire to be rich or successful in life came down tremendously. Many interviewees claimed that title and money were not important anymore. Some said that they have earned enough or are financially independent. They were less ambitious about buying a bigger house or owning more luxurious cars. By this time, many think that their career has reached its peak. Those who are not at the top management level said that they have less expectation of being further promoted. They do not even think about further promotion in their career.

The six major desires were to have a balanced and healthy lifestyle, nurture the younger generation and leave a legacy, do things they enjoy, to be themselves, spend more time with family, get financial rewards and stay relevant. Instead of working mainly for money, the focus has shifted to working for passion or interest. One interviewee said that she does not choose the highest pay job but the one that she likes the most during the job search. To them, being happy in one's job is more rewarding than monetary rewards. Nurturing the younger generation and leaving a legacy behind are also important to matured workers. To them, gaining respect and creating value in a job contribute to their self-achievement at this stage of life. Mentoring and coaching the younger generation are other sources of achievement. They want to earn respect and be remembered for doing something meaningful.

Company structure and value systems are not aligned with needs of matured workers

The gap between company value systems and employee value is the main source of unhappiness at work. As Figure 1 shows, most companies are designed to continuously seek material goals. Employees are aligned with this model when they are young, but after they reach a certain age or when their value system changes, they look for goals that may not be compatible with the values of the company. The bigger the gap, the higher the level of anxiety. Gradually matured workers start to feel that they do not belong there anymore. For those who are aware of the reasons and clear of what they want, they might plan their next steps ahead and feel more grounded. But most matured workers will start to feel anxious but not knowing the precise reasons why nor how to overcome their anxiety. As discussed earlier, this anxiety, if not addressed, will adversely affect their performance.

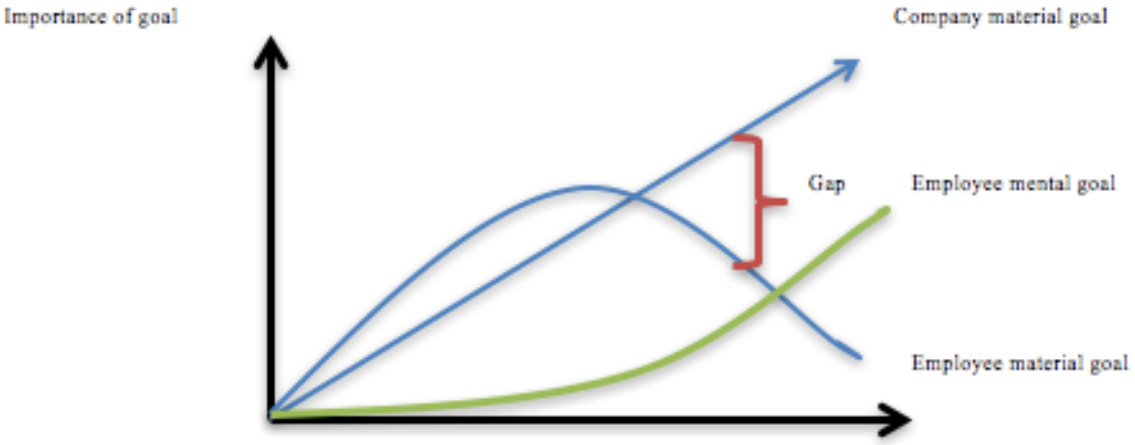

Figure 1. Value system changes as people age

Matured workers desire to work with competent leaders who know how to delegate

A competent leader is a key contributor to the length of employment of matured workers. In general, the traits of a good leader do not change much over time, but with more focus on certain traits as they age. Matured workers expect their leader to be willing to listen, have vision and direction, be open and transparent, honest and upright, willing to teach and guide, and give them room to perform. These expectations are similar to those young employees have towards their managers. However, matured workers have different priorities in leadership traits. For instance, they want a leader who guides rather than teaches, who listens more than speaks, and who delegates rather than being too hands-on.

The most highly mentioned leadership trait is delegation. To them, a professional leader is someone who can recognise their ability and give them room to perform and make decisions. They want less interference from the boss and would like to be in control. The autonomy given to them at work is a way to show that their leader trusts and respects them. They hate to be micromanaged.

The other obvious trait that most of them mention is the willingness to listen. As they age and thus have more experience in their jobs, they expect their leaders to listen more and teach less. They want in order to demonstrate that they are still useful and can contribute to the company.

A visionary leader is someone that matured workers seek for and respect. They want a leader who can tell them how the company will be in 5 or 10 years. He or she must be able to give clear direction and be willing to break patterns and to be bold. By now, matured workers have gained sufficient experience to know whether certain directions or strategies make sense. To lead them, the leader must be able to articulate a direction that is sound and feasible. They do not want a leader who

is tactical. Matured leaders want to know the why and where rather than the how. This person must also have accountability and the guts to take responsibility. If something goes wrong, this leader must be able to back him or her up and be supportive.

Practical Implications

The fear of the future and its uncertainties exists in every matured worker. To reduce the anxiety level, we must first help matured workers to confront their fears. HR can help to uncover such fears by engaging in a conversation at an early stage after reaching 46 years old. Being aware of their fears will entice them to start thinking about how and what they plan to do for the next 15 to 20 years in their career.

On a company level, creating a psychologically-safe environment is critical to reducing the age stereotype threat and thus increase the performance of matured workers and eventually contributing to overall company performance in the long term. In their paper "Stereotype Threat at Work" authors Roberson and Kulik highlighted that it is important for managers to acknowledge stereotypes and address them directly[9]. To reduce stereotype threats, managers should talk about them explicitly so that stereotype-threatened employees can see these threats as being an alternative explanation for task difficulty and may also reduce their concerns of being judged. The opportunity to talk about it openly will allow matured workers to feel that they are being seen and let them feel that the company is listening to them. This will reduce their loneliness of being in the out-group and will help narrow the distance with the mainstream workforce. It will also create and build their trust and confidence towards the company or manager. With trust, they will be able to improve performance especially when their skill and experience level is high.

Other than talking about it openly in the company, leaders must also encourage the breaking of different forms of age stereotype threats–including career timetables and prototype matching. It must be promoted to an extent where matured employees feel assured about going into the second path of career timetable–it is okay for them to take on a less taxing job and still feel honoured and respected, and it is also fine not to be promoted to manager after working in the company for more than thirty years.

Knowing that the source of fear is the gap in the value system, HR system should be redesigned to address the gap. Jobs should be crafted to let matured employees continue to use their cognitive skills, make them feel useful and have contribution to the company and to society. With time getting more limited, it is also necessary to consider giving them more personal time. Some companies already implement flexible working hours or shorter working hours with lower pay so that matured employees can have some time to engage in things they like to do or spend more time with family. In addition, HR should continue to provide training or subsidize external training to keep them updated or tuned-in to current trends. It

is important for HR to consider the psychodynamics of matured workers while designing jobs that have a “second stage” career timetable in mind. This job design is meant to prolong their career within the company, to continue working happily and productively, and help them to move into official retirement gracefully.

Conclusions

Matured workers in China, Singapore and Taiwan do face age stereotype threat at work, which results in higher levels of anxiety compared to younger employees. With the values and needs of matured workers changing at this stage of life, these values drift them apart from company values. The misalignment and gap becomes the source of anxiety and creates the feeling of loneliness and disengagement. Bearing in mind that matured workers possess a different lens towards work, it is critical for the company to be aware of what matured workers care for and want, and to acknowledge, accept and take action. Not doing anything to manage age diversity at work can be detrimental to the company’s long-term performance.

With the fast shift of demographic trend towards ageing society, companies have high urgency to build a work environment that embrace age diversity where everyone can succeed. With a better understanding of the needs of matured workers and high will and drive of leaders and HR, any company can create a paradigm shift viewing and treating matured workers as assets instead of liabilities, which in turn leads to better and more sustainable company performance.

About the Author

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PART FIVE

THE EMOTIONAL LABOUR OF DOWNSIZING

In spite of the frequent need for downsizing, layoffs has a highly disruptive impact on organisations and elicits a wide range of emotions amongst those involved. Managers are in general badly prepared to meet such contingencies when they arise. There is thus a real need for preparing managers responsible for rolling out the downsizing to handle the emotional dynamics of layoffs affecting those being let go and those who remain, i.e. survivors. Understanding the challenges faced by all involved during a downsizing event, getting deeper into their emotional experience, and identifying coping strategies and success factors are key in order to contain the emotions and anxieties during downsizing and to minimise trauma both for the individual and the organisation.

Having been a Downsizing Agent (DA) herself, *Aude Beneton* draws from her experience in a complete shutdown of a factory in France in 2004. In addition to her regular work as a team manager, she was assigned a downsizing task which was new for her and for which she was not prepared. Her dual and conflicting roles created situations of ambiguity and questioning – while rolling out the downsizing process, she was also expected to continue to manage her team and maintain the connection between employees and the organisation. Based on this experience, Beneton was curious to explore the emotional experience of DAs in particular, which is itself an under-researched topic, with the objective of providing a practical coaching protocol to support executives carrying out downsizing in cross-cultural environments.

Frank Dannenhauer, a Geneva-based consultant who advises senior leaders worldwide on organisational development and the management of major transformations also looks at the underlying psychodynamics of the managers responsible for planning, execution and evaluation of downsizing activities. In particular, he explores specific emotional experiences, responses and reactions of managers executing downsizing decisions and asks how can they deal constructively with the situation from a psychodynamic perspective. In particular, he observes that humane and authentic managers, rather than being detached or impersonal, who are able to work through their own emotions during and after downsizing, can benefit in terms of psycho-physiological health, learning and growth for both the manager and the company in the long term.

The Emotional Experience of Downsizing Agents in Multinational Contexts

AUDE BENETON

The Starting Point

My interest in downsizing agents' (DAs)[1] experience dates back to my own experience as a DA in the complete shutdown of a factory in France in 2004. In addition to my regular work as a team manager, I was assigned a downsizing task that was completely new to me and for which I was not prepared. My work life became extremely stressful as I took on two irreconcilable work roles. On the one hand, while rolling out the downsizing process, I was expected to continue to manage the operations in a work environment that was disrupted by union strikes and other actions. On the other hand, I still had to manage my team and maintain the connection between employees and the organisation.

This situation lasted more than a year, until my relocation to Singapore in 2005. Still sensitive to the topic, I was puzzled by a short article in the *Straits Times*, the local newspaper, a few weeks after my arrival, describing the closing of an entire company in just one night in Singapore. The contrast with what I had experienced in Europe shocked me. How was it possible to close a company so quickly? Was it easier or more traumatic? How did the cultural context impact the process?

This is why I chose, a few years later, to conduct a research study on the emotional experience of DAs, an under-researched topic. I sought to examine the possible impact of the context of a downsizing event on the emotional experience of DAs, and from there propose a backbone for coaching that would support executives carrying out downsizing in cross-cultural environments.

Idea in Brief

Downsizing by multinational companies is increasingly employed as a strategy for dealing with economic challenges and organisational changes in the global economic climate[2]. Although implemented frequently, it has a highly disruptive impact on organisations and elicits a wide range of emotions among those involved. This paper examines more specifically the impact of the dynamic context of today's multinational corporations on the emotional experience of the managers (Downsizing Agents or DAs) who carry out the downsizing process. Narratives from nine DAs working in different multinational corporations across the world are used to:

- Identify the impact of the socio economic factors and the cross-cultural features of the downsizing environment on the DAs' emotional experience

- Define key success factors for DAs to cope successfully with downsizing in a cross-cultural environment

Idea in Practice

Understanding the challenges DAs face during a downsizing event, getting deeper in their emotional experience, and identifying the success factors that can help them navigate through this challenging period can be invaluable for executive coaching, as well as global organisations and their stakeholders. As an actionable output of the findings of this research, a coaching framework is proposed to guide the coaches who support the managers in their downsizing role. Specifically, coaches could help DAs to explore their own emotional state, identify the emotions of those affected by the downsizing process, and delineate boundaries between their emotions and others'. The coaching process could transform a complex and difficult experience into an opportunity for development, as DAs work on developing new skills useful in addressing challenging situations in the future. The findings of this research study can also offer key insights to help contemporary organisations in shaping their downsizing process. More specifically, they should emphasize the importance of fair process for the DAs and those affected by the downsizing process and facilitate interactions between DAs to share their concerns, prevent isolation and maintain a sense of connection. In doing so, organisations can effectively support DAs in their implementation of downsizing.

Introduction

Downsizing, defined as the reduction of the workforce and redesigning of process and organisation[3], is commonly practiced in organisations as a tool for improving their productivity, efficiency and profitability [4] , in order to ensure global competitiveness. Indeed, "downsizing has turned into one of the inevitable outcomes of living in a global world where continual adjustments to products, services, and the price of labour are needed to remain competitive."[5]

A widely-acknowledged consequence of downsizing is emotional pain[6]. The focus of this paper is on the impact of downsizing on the emotional well-being of employees who have been saddled with the task of implementing the downsizing process. Until the end of the 1990s, much of the literature on the human costs of the downsizing process had focused on laid-off employees ("victims") and those who "survived" the downsizing process ("survivors")[7].

However, scholarly interest in DAs has since grown significantly. Within the context of an organisation undergoing the downsizing process, DAs occupy a challenging position. Indeed, the downsizing task is foisted upon them in addition to their regular work. Furthermore, even as they are expected to efficiently roll out the downsizing process that is exerting a negative impact on their colleagues ("victims" and "survivors"), they are also tasked with supporting these employees through these changes and maintaining relationships with them[8]. And last but not least, in case of complete closure they can also lose their jobs.

Thus, it is evident that DAs play a significant role in the downsizing process and bear a tremendous emotional burden. Their emotional experiences—how they cope with their role as implementers of the downsizing process—should not be ignored. In fact, how they handle the process and manage the morale of employees[9] can directly influence the future adjustment of the downsized organisation to its new situation, as well as exert an impact on the organisation's image[10].

Furthermore, it is also important to point out that the discussion of the downsizing process needs to take into account globalisation. There are a growing number of multinational corporations operating in many different locations with distinctive political, social, and cultural attributes. The workforce in any physical location is also characterized by tremendous diversity. Therefore, today's work environment for any multinational corporation is not confined to the context of one country with its socio-economic and cultural factors; rather, it encompasses the intersection between the host country's attributes and those of the countries of origin of the organisation and the employees. Thus, DAs' experiences of implementing a downsizing process are far more varied than in the past.

With this research study, I sought to obtain an "updated" picture of today's downsizing process in multinational contexts, identify the success factors that help DAs to cope with downsizing, and the effectiveness of coaching in guiding clients through their experiences as DAs.

METHOD

I adopted the qualitative approach of Interpretative Phenomenological Analysis (IPA) to explore the interviewees' downsizing experiences as DAs. The key selection criteria were: formal responsibilities in carrying out a downsizing event; work experiences in multinational corporations; exposure to cross-cultural differences in work settings; and completion of the downsizing event at the time of the interview. I wanted to explore how participants integrated their downsizing experiences and how they were able to take a step back and interpret their own professional stories.

At the end of the screening process, I came up with a research sample of nine interviewees of diverse nationalities and genders with past downsizing experiences across three regions (Europe, North America and Asia Pacific) at multinational companies in various industries. Combined, their diverse perspectives enabled me to weave together a rich and complex narrative of the effects of the downsizing process in a multinational context on their emotional experiences as DAs.

I conducted semi-structured interviews that gave the interviewees flexibility in presenting their narratives. My aim was to encourage them to feel free and open about sharing their perceptions and interpretations. Thematic analysis was used to identify patterns and themes within and across all interviews. The dynamics of the interviews themselves, with a specific focus on the behaviour and emotions of the participants during the interview, were also explored and analysed. I also attended to my own feelings during these interviews to ensure that my previous experience of being a DA did not unconsciously influence my implementation of the interview.

For more detail on the demographics, interview protocol and interview dynamics, please refer to my EMCCC thesis (Beneton, 2014).

Key Findings & Discussion

Impact of the multinational context on the participants' emotional experience as DAs

This research study shed light on how the DAs' emotional experience is impacted by the global context of the downsizing and how identified influencing factors interact between them (see Figure 1). The prevalent socio-economic factors surrounding the downsizing event, i.e. unemployment rate and government regulations, influenced the interviewees' processing of their sense of guilt and stress. For instance, when the country of the downsizing event was experiencing high unemployment, the interviewees' sense of guilt was amplified, as they were acutely aware that those who were laid off would have difficulties finding a new job.

Moreover, interviewees who had to implement a downsizing in a country with strong government regulations and active role of unions spoke about the expansion of their role's scope and of the increase of its complexity. Indeed, they needed to be extremely knowledgeable about every component of the downsizing process related to labour laws as the implementation of the downsizing process could not take place before the legal steps were proceeded. Their communication with internal or external stakeholders needed to be validated by labour law specialists to confirm it would not backfire on the downsizing process. Therefore, they felt they had to follow a script and fake their emotions in their relations with others, which increased the 'emotional labour'[11]. On the opposite end, interviewees in countries where labour laws are favourable to employers explained they could lead the operations with transparency and focus more attention on the mediation between the company and its employees rather than on the company and the country's legal entities.

The work environment of multinational corporations with cross-cultural elements and a culturally diverse workforce also added another layer of complexity to the downsizing process. Interviewees had to manage the differences of culture between the host country of the downsizing event, the national culture of the company, and their own culture. For instance, a French DA's downsizing an American company in France realized that the differences between American and French downsizing created a 'gap' when choosing the best approach for managing the situation. He had to make his American management aware of the downsizing regulations before starting to downsize, which had exerted a strong impact on his workload.

Therefore, the interviewees' emotional experience was not only impacted by the socio economic factor of the country of the downsizing's implementation but also by the combination and the interaction of multiple cultural elements.

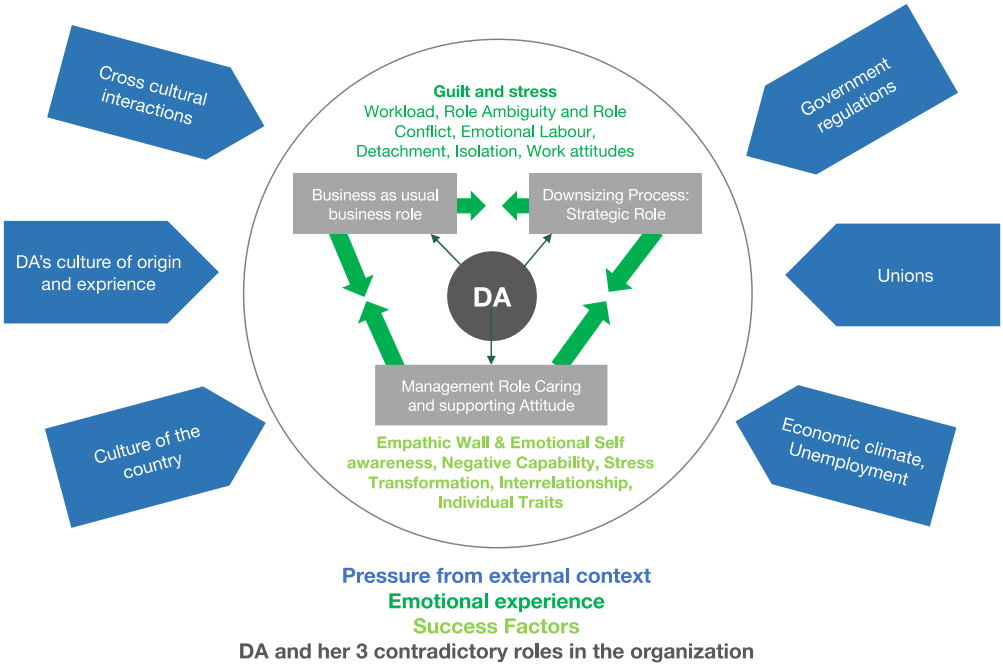

Figure 1. The complex landscape of the DAs' experience in a multinational context

Success factors that can enable DAs to cope successfully with the downsizing process

1. Sense of fairness in process

The study also revealed coping mechanisms for DAs to deal with their guilt and negative self-perceptions during the process. What was helpful in preventing the interviewees from succumbing to stress and disconnection from their task or organisation were their perceptions of the fairness and/or necessity of the downsizing event. For many interviewees, they were better able to deal with their guilt if they perceived that there were good reasons for the occurrence of the downsizing event and that their actions were helpful in its implementation.

Just as importantly, the extent to which they were able to implement the downsizing process, in a manner as fair as possible, also played a part in mitigating their sense of guilt. Essentially, they sought to mitigate the unfairness of the downsizing event by implementing the process in accordance with procedures, providing adequate explanations, and conveying a sense of humanity. The interviewees strongly believed that their responsibility was to ensure humanity and fairness in the process. The concern about fairness occupied a central place for all the interviewees, particularly in the case of DAs who implemented a downsizing event in countries where the socio-economic context was harder than others. For them, fairness not only enabled them to cope with their own guilt, but also facilitated their relationships with the affected employees. Indeed, communication was made easier when the fairness of the process was evident.

2. Delineation of clear boundaries between own emotions and others'

Other success factors that enabled DAs to cope with their role effectively were identified. Within the context of this research study, coping successfully refers to the ability to run the downsizing process in accordance with the organisation's requirements while maintaining one's own well-being.

Three interviewees did not cope successfully with their downsizing experience. They were either overly empathetic and bore the pain of others, or utterly disconnected from the others' pain and emotions by focusing solely on executing the business task. At the same time, they experienced a tremendous level of personal stress throughout the process.

In contrast, six interviewees who managed to implement the downsizing process and maintain their emotional well-being were able to delineate clear boundaries between their emotions and those of others. Essentially, they displayed mature empathy[12] towards others by setting up an 'empathic wall'[13]. Interestingly enough, the ability to construct an empathic wall is not necessarily correlated with context (regulatory or economic). In fact, it could be developed through experience, provided that the DA had developed an emotional awareness of the experience

rather than repressed his/her feelings. One of the interviewees offered a supportive example: “When I had to run another downsizing process in another company, I not only felt prepared by my previous experience, but also more confident in protecting my own emotional space.”

3. Awareness and acceptance of the role

Another success factor was the interviewees’ understanding and acceptance of their role as DAs. Through a clear understanding of the multi-faceted nature of their roles, the interviewees were able to accept limitations to their roles and responsibilities. For instance, they needed to understand that the key to playing a supportive role is to contain the feelings and pressure experienced by others[14] and to help the laid-off employees with the grieving process[15] by giving them time and space to speak and vent. Listening to them was actually much more helpful than trying to find a solution to their immediate concerns linked with their job loss. It actually helped put their future back in their own hands.

In addition, the interviewees needed to recognise that, as DAs, they had become the means through which the communication and the relationship could be done, but also the object against which the employees could be angry, as they represented the downsizing decision. Having been able to accept these opposing roles was instrumental in enabling the participants manage their emotions and master their stress.

4. Mastering Stress

By having labelled and accepted their emotions and stress, the successful interviewees could then use their stress as a tool to rebound from and manage the tough situation. These interviewees considered stress to be an ally, rather than an enemy that needed to be fought. One of them said: “Stress is like a thermometer, aligned with the external reality. You need to rely on it to bounce back… When you feel stress inside yourself, it does mean that something is happening outside.”

Another interesting point to emerge from the study: the behaviour of the participants during the interview seemed to mirror their behaviour during the downsizing process. The interviews brought to the surface past memories of the downsizing event. Interviewees who were able to deliver well-articulated narratives calmly were the ones who had managed their stress more efficiently than their counterparts during their downsizing experience. In contrast, interviewees who offered overly-detailed explanations, got lost in the narrative, or sounded ill at ease were those who experienced the most draining experience. The parallel between the sense of stress during the interview and the difficulty to manage stress during the downsizing experience was repetitive enough amongst the participants to raise this hypothesis, although stress management is also modulated by personality traits.

5. Support and Interrelationships

To deal effectively with the downsizing implementation, its related stress and turmoil of emotions, support from family, friends, or colleagues was key. This provided the interviewees with a sense of being contained by others, as they were not alone to bear the pain. To maintain relationships with others was particularly critical and challenging, as the workload and stress tended to isolate the DAs from the others. For the interviewees, lack of support from the organisation or relatives was a crucial element that should be addressed in a downsizing process.

Practical Implications

The aforementioned findings provided illuminating insights into the emotional landscape of DAs implementing the downsizing process within a multinational context. Moreover, the identification of the success factors offered practical strategies for supporting DAs in coping with this challenging experience successfully. Thus, I have developed a coaching framework to help coaches in assisting clients though the downsizing process in a cross-cultural environment. In the coaching process, coaches should support their clients in delineating clear boundaries to separate their needs, emotions, roles, and responsibilities from those of others by addressing the following areas:

- Assess the impact of the multinational context: CONTEXT
- Develop keys for understanding cross-cultural differences: CULTURE
- Understand the complexity and needs of the DA role: ROLE ANALYSIS
- Increase their awareness of their emotional state: EMOTIONAL AWARENESS
- Facilitate the establishment of an empathic wall: EMPATHIC WALL
- Channel and leverage on emotions and stress: MASTERING STRESS
- Manage relationships with others: INTERRELATIONSHIPS

By doing so, coaches will be able to help their clients assess and understand the multinational context of the downsizing event, develop an awareness and acceptance of the ambiguity of their task, protect themselves from others' emotions, while remaining open to them, as well as identify and transform their stress and emotions into positive energy. Thus, DAs will not only be able to cope successfully with the downsizing experience, but also develop themselves by positively integrating the learning from the challenging situation.

Coaches also need to listen deeply to their clients' narratives, understand their perspectives and interpretations, as well as analyse how they express in order to elicit what is hidden below the surface. Encouraging clients to tell their stories about their difficult times could provide a cathartic experience, as it would be their first opportunity to reflect on the experience and release suppressed emotions. By evaluating the emotional state of their clients in their narratives during the session and their emotional labour during the session, coaches could determine how their

clients are integrating the downsizing experience in their lives and support them in maintaining their well-being.

Organisations that intend to embark on a downsizing process could enlist the assistance of professional coaches to support DAs in their challenging endeavours and enable them to perform their roles efficiently and effectively. Coaches could create a vital space and time for DAs to develop their self-awareness and enable them to run the downsizing process efficiently, without sacrificing their psychological well-being. Such an investment would be worthwhile, as it would cultivate the skills of employees who would then be able to rise to the occasion in addressing difficult situations, including downsizing events, in the future.

Coaching framework in action

Since the completion of this research study, I had the opportunity to apply these findings in the executive coaching context. I coached a HR director who was entering a downsizing process leading to severe cuts in headcount. The lack of communication between the management team and employees had increased anxiety and turnover within the teams. Being part of the small team assigned to announce and implement the downsizing, she wanted to obtain support from an external coach.

I used the coaching framework proposed in this paper to put forth two phases of the coaching journey: 1) a preparation phase before the announcement of the new organisation creation and its associated redundancies; and 2) an integration phase after the announcement to help the HR take on her new responsibilities in the new organisation.

During the coaching process, the reflection on the corporate culture and on the context of the downsizing helped the coachee to identify key elements of the announcement. Indeed, the change of structure was aimed at supporting a new strategy to fit with market conditions. In the past, the company had always made such adaptations without any redundancies; this time, downsizing was inevitable.

To counter the shock of this announcement and to maintain the morale of the employees, she decided to support employees via various measures. Time and space were given to ‘remaining’ employees to discuss and they all received training in the process of change; an outplacement service was offered to laid-off employees despite the fact this was not mandatory in Singapore.

The coaching journey also helped the coachee to better understand her own emotions, delineate some limitations in her role and responsibilities, and define a stance that would be in line with her values, skills, and vision within the organisation. It also helped her to navigate through the uncertain period of transition towards the new organisation. Her increased awareness of her emotions and of what was important to her enabled her to better manage her workload, accept the need to prioritize, and eventually master her stress. As she said at the end of the

coaching, “I learned to better understand who I am, to increase my self-confidence, and to know I was able to do the job and, even more, develop myself in the role.”

Conclusions

Having applied this coaching framework recently, I can testify to the benefits of supporting DAs through such challenging periods. Downsizing in our global world occur far too often for us to ignore how DAs are impacted by such a challenging task. A better awareness and understanding of their emotional experience should help coaches and organisations to design efficient ways to support DAs in the challenges they are facing. Thus, DAs can become better equipped to take on their downsizing responsibilities in addition to their managing roles without sacrificing their emotional well-being in the process. The full integration of the various roles during a downsizing event should help them turn a challenging experience into an opportunity for self-development.

About the Author

Aude Beneton is a Career and Leadership Development Coach, Partner and Managing Director of Harmony Mobility Consulting in Singapore. Her former 10-year experience as a manager in operations, developing individuals and transforming teams and organisations made her realize how transition stages are pivotal in individual and organisational performance, and led her to focus on the impact of human capital on organisation development. Living in Singapore since 2005, Aude has sharpened her intercultural sensitivity and integrated the challenges of multicultural environments in her coaching approach.

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How Managers can Deal Constructively with Executing Downsizing Decisions

FRANK DANNENHAUER

The Starting Point

Downsizing is often talked about as a regular instrument of management with its specific economic drivers and outcomes. Psychological dimensions like the survivor syndrome and other systemic effects on the organisation are increasingly being discussed, however a key omission in these debates is the underlying psychodynamics of the managers (or executors) responsible for planning, execution and evaluation of downsizing activities. What are the emotional experiences, responses and reactions of managers executing downsizing decisions [1] ? How can they deal constructively with the situation from a psychodynamic perspective? And how can we better support executives during such a process?

Idea in Brief

The main objective is to explore how managers can deal constructively with executing downsizing decisions. Twelve mangers from different companies and countries share their experience through interviews and questionnaires. And this is what I found:

- Executing a downsizing decision comes with a great variety of *severe coping challenges*. Simplistic models like the change curve often do more harm than good. It is essential for companies to apply a more sophisticated understanding of the main coping challenges of executives in order to support them better.
- It matters greatly *why and how downsizing was initiated*, namely what the relationship is of the downsizing to the long term organisational purpose and vision and how the downsizing decisions have been made in the first place. With a long-term oriented, strategic downsizing case which is well balanced and discussed, companies will be more prone to do it “in the best possible way” and give executives a certain level of involvement and “room for action”. This greatly influences the individual experience of the executor and the overall effectiveness for achieving business targets after a downsizing.
- Executing downsizing also brings *major development opportunities* like other personal crisis situations. A detached, impersonal manager might be effective for the company short term within certain limits, but suppressing the emotional part comes at a high price in the long run. At the same time, managers who work through their emotions during and after downsizing can

benefit in terms of psycho-physiological health, learning and growth.

Idea in Practice

The more an executive avoids the confrontation with his and other's emotions the less personal development will take place. Executives can use such challenges actively to grow. The following, main developmental opportunities were identified:

- *Taking a more sophisticated view on the coping challenges of executives matters.* If we understand the situation of executive in downsizing situations and the heterogeneity of their experiences better, we can deal with them more effectively.
- *Taking ethical and sustainability issues into account matters.* It is highly recommendable to make sure decisions about the "why and the how" of downsizing are made with a long-term perspective on what makes sense for the organisation and its stakeholders. How these questions are addressed greatly influences the individual experience of the downsizing executor as well as the overall achievement of business targets during and after a downsizing.
- *Dealing with development opportunities in the context of downsizing matters.* Humane/in touch/authentic managers benefit more in terms of psycho-physiological health, learning and growth than impersonal/detached/cold "executors". A detached manager might be effective for the company short term. Long term, a leader who works through his emotions instead of suppressing them, a person who can contain the emotions of others and finds ways to regenerate will be more effective.

Introduction

While there is an established knowledge base about the causes and effects of downsizing, research concentrates mostly on the economic drivers and outcomes. Even the psychological dimension has been considered in many studies and articles, for example in the research about the survivor syndrome[2] and other psychological effects on the organisation. A key omission in these debates however, is the underlying psychodynamics of the individual executive. First of all, the perspective is generally more organisational than individual, and if the individual perspective is taken, it is more about the employees, not the executives in their specific role. Even in literature dealing with a more individual and clinical perspective, there is room to better understand the authentic differences between the emotional experience, responses and reactions of managers executing downsizing decisions and the psychic reality of the people they lay off. There is much more to discover regarding what makes psychodynamic processes of managers different from other employees in those situations. Advancing knowledge in this area is important on account of developing an understanding of the downsizing experience, and also to develop more sophisticated conceptual maps for dealing constructively with the situation.

An important contribution, therefore, would be to explore in much more detail the experience of the executive in downsizing situations and their potential to deal constructively with the situation from a psychodynamic perspective. This would allow for a better support of executives regarding their coping mechanisms. As a lack of "coping" on the manager side has a severe effect on the entire organisation, this question in turn is highly relevant beyond the benefits it brings to the individual.

METHOD

Apart from a literature review, my research adopted a phenomenological approach, with an observation of a major downsizing case and open as well as structured interviews with 12 managers during or after a downsizing process, acting as executors in middle management roles in various business organisations and countries. The process included the following key phases:

1. **Observation:** Analysis of the relevant concepts within one major downsizing case. The company is a large, global, industrial player headquartered in Europe. It decided to undertake a major efficiency programme, including a significant number of layoffs.
2. **First interviews:** First, tentative interviews with three executives to structure and focus the later stage interviews.
3. **Interviews:** 12 interviews as a deep dive into the executors' experience. Interviews started with open questions and ended with a structured questionnaire of 55 questions.

For more information, please refer to my EMCCC thesis (Dannenhauer, 2013).

Key Findings & Discussion

During periods of layoffs, managers are asked to execute an activity that collides in many cases with parts of their values and beliefs system. They are confronted with challenging their own emotions and at the same time the emotional reactions of their staff. The expectation of organisations that executives will be able to deal effectively with major change while experiencing it themselves creates a major risk factor for the inner world of managers. The psychological state of executives, however, is critical to any organisation and its success[3].

Downsizing is a severe coping challenge

Beyond being a pure "temporary phase of emotional intensity in a change curve", downsizing is a severe *coping challenge* for a significant number of executives. In many cases, the relevance and magnitude of the problem is not sufficiently appreciated, neither by the affected individuals who want to project the image of a strong and competent leader nor by their organisations. In this study, 58 % of respondents stated that their quality of life had been severely affected within the period of downsizing. 83% stated that the downsizing occupied their thoughts heavily even after work. The families of managers are therefore also affected, in some cases this resulted in a further destabilization of the executives' situation. Several accounts have pointed to severe issues in family lives related to the downsizing-induced stress. 42% of participants even felt they disconnected to people in general. Beyond the work situation, the emphatic wall was not fluid anymore, cutting executors effectively off their environment and leaving managers alone in their "execution tunnel".

Moreover, downsizing stretches over many months and executives mostly are in such situations many times in their careers. We can no longer qualify it as a singular, exceptional event, but it can become a regular element of executive roles. 58% of participants stated that they would not mind to no longer work in an executive role at all and they had concrete ideas what they would like to do if they did not "have to" play the role of an executive. Moreover, 66% of respondents stated that they can never be sure in this organisation if they can keep their position or fall out of favour. This perceived lack of psychological safety is not conducive to mental well-being. It is astonishing to see to what extent companies hazard the consequences of straining their executives psychologically and risk their inner disconnect from their company and corporate role. Especially, companies who attempt to build innovative, high-performance teams after downsizing have to expect severe issues.

Downsizing needs to be linked to overall transformation programme and purpose and vision of the company

This challenging situation of executives is made much worse, of the *why and how the downsizing was initiated* are not related or even contradictory to the long-term

organisational purpose and vision of the company. In many cases, downsizing decisions are perceived to make no sense long term. They are often seen as measures to boost short-term profitability to the detriment of overall business success. Even the direct effect on cost is put in doubt as restructuring cost is high, external capacity is added and intelligent efforts to improve efficiency make way for simple, non-sustainable cost-cutting. Developing an overall transformational programme linked to the purpose and vision of the business would create a completely different context for executives to cope with any downsizing project, which is part of this greater strategy.

Lack of an adequate processes of involving all relevant parties in the "why, when and how" of the downsizing

Downsizing decisions which are celebrated as "strong" top-down actions turn out later to be false compromises and non-sustainable. Downsizing is more complex than just a published personnel reduction figure, and solutions are often unpredictable, unstable, sub-optimal and not understood by the affected people. The corporate agenda remains unclear after many months of restructuring. Anxieties and confusion are the consequence, paralyzing the organisation over long periods and making it more challenging than necessary for executives to cope and deal constructively with the situation.

Downsizing can also offer great development opportunities, especially when the leader is humane and empathetic

At the same time this is a great *development opportunity* for leaders to re-invent themselves and question what their values and beliefs are. It offers a chance to start a new way of living, bereft of the falsely perceived security that governed their working identities. Managers who execute mechanically and in a detached way benefit least. People who stay more connected to their own emotions and to the people around them have the chance to gain important insights. They might experience a more confrontational and painful growth process, but ultimately also are rewarded with personal growth. As stated by Manfred Kets de Vries: "To understand one's own experiences makes for a richer, more complex three-dimensional life"[4]. Or as Spinoza noted: "The highest activity a human being can attain is learning for understanding, because to understand is to be free".

Practical Implications

One of the biggest surprises during the interviews was to what extent executives have been focused on "getting through the events", "staying professional", "not going into the emotionality of it too much". The more an executive avoids the confrontation with his and other's emotions the less personal development will take place. Executives can actively use such challenges to grow. The following, main developmental opportunities were identified:

Taking a more sophisticated view on the coping challenges of executives matter

If we understand the situation of executive in downsizing situations and the heterogeneity of their experiences better, we can deal with them more effectively. For those who aspire to master crisis situations more constructively and grow – or help others in this endeavour – the following summary of the main challenges for executing downsizing decisions from a psychodynamic perspective hopefully provides a useful orientation:

Main Coping Challenges	Main Development Challenges
• Working through the mourning process • Containing emotions • Resolving identity threat • Dealing with increasing interpersonal conflicts • Acting in a boundary role • Dealing with aggressive projections from subordinates • Dealing with the erosion of the organisational framework • Dealing with social isolation • Dealing with feelings of guilt and shame • Dealing with the fear of retaliation • Managing the risk of burnout and finding reflective space • Dealing with increased role-ambiguity • Responding to changing expectations towards leaders • Dealing with collective emotions • Raising the empathic wall while staying empathic • Working in a hierarchical pyramid of withdrawal • Dealing with the secondary effects of non-coping Balancing sensitivity and hypersensitivity	• Development of professional capabilities • Taking an active role • Developing a constructive narrative • Managing identity balance and dynamics • Achieving personal identity growth • Getting used to using professional support • Becoming more competent at confronting own emotions • Tolerating low levels of psychological safety • Developing a tolerance for emotional pain • Learning to reframe • Developing mourning capabilities and rituals • Using transpersonal development opportunities

Table 1. Main downsizing-related challenges for executives from a Psychodynamic perspective

However, the experience of each individual executive during downsizing varies greatly depending on the overall, external context and his/her own situation. The next table gives an overview of what determines this experience:

Main External Determinants	Main Executive-related Determinants
• Past experiences of the executive • Difference in collective emotions regarding the downsizing • The quality of the Holding Environment • The quality of decision processes • Collective organisational mourning – or the lack of it • Corporate and national culture of the organisation	• Perceived personal affectedness • Personal distance to the decision makers • Levels of preparation through past personal development • Personality

Table 2. Main determinants for the downsizing experience from a Psychodynamic perspective

Taking ethical and sustainability issues into account matter

It is highly recommended to make sure decisions about the "why and the how" of downsizing are made with a long-term perspective on what makes sense for the organisation and its stakeholders. The more problematic the decision is from an ethical perspective in the first place, the less it can be discussed, which also limits an open debate about "how things are done around here". In a case with dubious or unclear justifications, companies just "need to get over it" and tend not to involve those who execute the downsizing in the decisions process and give them little "room to manoeuvre". How all those questions are addressed greatly influences the individual experience of the executor but also the overall achievement of business targets during and after a downsizing.

Dealing with development opportunities in the context of downsizing matter

Humane/in touch/authentic managers benefit more in terms of psycho-physiological health, learning and growth than impersonal/detached/cold "executors". A detached manager might be effective for the company short term. Long term, a leader who works through his emotions instead of suppressing them, a person who can contain the emotions of others and finds ways to regenerate will be more effective.

Leaders in organisations as well as their organisational consultants and executive coaches can take the following actions before and during downsizing:

- Consider the need to limit situations which challenge the *inner coherence* of executives in the first place. When making decisions about downsizing we

need to take into account the price individuals and organisations pay if leaders lose their inner coherence.

- Promote *self-awareness* and a more balanced identity in leaders. Leaders need to develop more self-awareness to master emotional challenges, and companies need to review the development plans and the density of executive-agendas to allow for this to happen. Beyond questions of "work-life-balance" we need to avoid executives over-identifying with their role.
- Develop awareness in organisations for the importance of the *ability to transition.* Managers need to develop a certain capability to stay with the discomfort of unanswered questions and of the discomfort of being "in between stories", i.e. in a transitional space.
- Develop *mourning rituals* in organisations. We need to collectively integrate better what has been experienced, both positive and negative, into an inner image and thus develop a better capability to move forward.
- *Limit the rigidity of company systems*. Less rigid systems like role-definitions, procedures and controls as well as some "room-to-manoeuvre" can facilitate the execution of leadership during the crisis. It can help executives to live with ambiguities in the company during downsizing. This helps managers to stay in touch with the company system and keep their own voice at the same time.
- Create a sufficient *holding environment* for executives during downsizing. Leaders need to find safe patterns and spaces where emotional arousal is tolerated and where people allow them to live with strong emotions.
- Support leaders in *making sense* of their experience during downsizing. Once executives become more self-aware, they still need training and coaching to make more sense of their experience as executives and to consequently develop a positive narrative of their role and to achieve a feeling of flow.

Closing Reflections

The sea was calm when Ulysses and his seaman approached the island of the Sirens. All man had plugged their ears with wax to avoid hearing their deadly song. Only Ulysses dared to confront the danger and kept his ears open, however, making sure that he would not be swallowed by the experience by ordering his men to bind him to the mast and not let him loose under any circumstances.

When we hear heroic stories like the one of Ulysses or watch more recent heroes going through live threatening challenges in the movies, we experience in some short moments the angst of confrontation with the unknown and the dangerous. In those moments, together with our heroes, we neither run away nor are we swallowed and destroyed by the experience. We persist with confronting with the danger, and are relieved when the hero comes out of the experience stronger and surer of himself and of what he stands for.

Leading through downsizing and other forms of organisational crisis could be

moments where leaders step up to difficult challenges, where they stay connected to their people and the organisational system while keeping their own ears open and keeping their own voice. It could also be moments where leaders could become more aware about their role and themselves and make sense of who they are and what they do.

However, beyond the questions the experience poses to the individual, this is a challenge to the corporate world in general. Mankind might look back at us in 100 years with incomprehension. Perhaps not unlike our questioning of medieval times: how could they, back in the dark ages of the early 21st century, be so reluctant to accept the psychodynamic reality in organisations and to incorporate this perspective into corporate reality?

This change, however, starts with individual leaders who set out to make a real and sustainable difference to their people and their companies by growing healthier organisations.

About the Author

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PART SIX

EXECUTIVE STRESS & ORGANISATIONAL ANXIETY

Traumatic events, such as organisational disruptions planned and unplanned can have massive socio-psychological consequences on the people within organisations. Rapid market changes and new technologies and digital transformation also have a major impact on businesses worldwide and create fear and anxiety among those affected. The trauma following such threats to individuals can lead to depression and stuckness, seriously damaging the ability to interact with others in their environment. If not handled properly, collective trauma within an organisation may lead to systematic dysfunctional behaviour such as paralysis and shutdown and derailment from the primary tasks of the organisation.

Mark Steinkemp draws from his consulting experience in global companies to look at what happens under the surface of traumatic events on organisations (both as perpetrator or victim) – an area which has not been systematically analysed. The importance of organisational trauma should not be underestimated as such events have a huge impact on people and the direction of the company. Through interviews with companies that have undergone change, Steinkemp shows that organisational trauma does occur, and can be manifested in a systemic collective depression and "mask of silence", which ultimately manifests itself in social defences such as splitting, projections, and denial and dysfunctional behaviours such as passive attitude, scapegoating and withdrawal. This leads to an overall paralysis within the organisation. In response, he proposes a framework for coping with traumatic experience in order to move on as an organisation.

Nathalie Flandre takes personal look at crisis from the inside. Despite the significance and impact of the burnout phenomenon, many individuals never sustainably recover from it, either experiencing repeated burnouts or deciding to move away from business life. Flandre takes us through the aftermath of burnout in a 30-month journey towards transformation. Through her storytelling, she provides a deep and vivid dive into how one can recover from burnout sustainably and how developing resilience implies a change not only in behaviour but in our fundamental beliefs about ourselves and others. More than a healing process, a mid-life burnout is a chance to become more authentic and integrated into a well-functioning whole.

As a strategic planner, *Aysenur Nuhoglu* encountered the phenomenon of busyness within business life, manifesting itself with "I have no time or I'm busy" phrases. She observed that people just had no time to deliver certain tasks. Consequently, she took this an opportunity to investigate time perception and its impact on individuals to attain a better understanding on why and how some experience lack of time and some don't. Her theoretical essay provides insights on the impact of time perception in business life, and serves as a first step towards building an organisational time consciousness. She also provides a number of guidelines to help organisations improve their time management practices towards improving the overall strategy execution process.

Behind the Masks of Silence: How Leaders Can Overcome Organisational Trauma

MARK STEINKAMP

The Starting Point

Crises in organisations are increasingly common for managers and staff all over the globe, some of which can lead to organisational trauma. If not handled properly, a collective trauma experience may disappear behind a 'mask of silence' and lead to dysfunctional behaviour. This paper reviews the research in psychology, psychotherapy, neurobiology and leadership on the topic. It provides guidance to senior management on how to diagnose a traumatic event in an organisation and how to effectively manage and overcome it.

Idea in Brief

The objective of this paper is to define the relevant subjects and to demonstrate mission-critical factors in both diagnosing and managing (immanent) traumatic events in organisations. Key research questions include: Is there such a thing as organisational trauma? If so, can it be resolved or successfully managed from a leadership perspective? And how?

The main findings are that organisational trauma does occur, and can be manifested in silence or depression, and ultimately dysfunctional behaviour like loss of focus and the development of subgroups unrelated to the primary focus of the organisation. Trauma in organisations can be resolved, but it is difficult to do so, and requires timely action. It must be actively addressed by the leadership team, mainly by providing meaning to overcome such trauma.

Idea In Practice

The past decades have seen a number of mega-events such as the collapse of the Soviet system in 1989-90, the financial crisis around Lehman Brothers in 2008, and the terrorist attacks on the World Trade Centre in 2001, which have shaken the existing political, financial and societal systems. Rapid market changes and new technologies like the internet and digital transformation have had a major impact on businesses worldwide and create fear and anxiety among those affected. Yet the question of how collective trauma affects organisations and how it can be professionally managed has rarely, if at all, been touched upon. Silence as a defence against emotional hurt plays a role in this context. To handle such dynamics, leaders should actively connect present to past experience. There is also a need for authentic demonstration of compassion and to provide a compelling story of what happened and why, to help the organisation work through the grieving process.

Introduction

Those who are emotionally hurt perceive silence as protection. Those who are emotionally hurt do not choose silence but are brought to silence by their environment.
– Boris Cyrulnik

Trauma, meaning "hurt" or "wound", is defined as per DSM-5 (2013)[1] as exposure to actual or threatened death, serious injury or sexual violation. The aftermath of trauma, also known as post-traumatic stress disorder, was fully acknowledged in 1980 in the American Psychiatric Association's (APA) 3rd edition of the Diagnostic and Statistical Manual of Mental Disorders (DSM) based on research on Vietnam veterans. Trauma destroys one's structural principles, putting one's identity at stake, and is characterized by absolute helplessness against the intrusion. In other words, the system is unable to bounce back to its original state due to "broken connections"[2]. Trauma can be distinguished from crisis in several ways. In a crisis, the system still functions and does not break down. Crisis is perceived as part of life; trauma is not.

Traumatic events can have massive socio-political and economic consequences. The trauma following existential threats to individuals can lead to depression and stuckness, seriously damaging the capability to interact with others in society. The assumption of this paper is that not only individuals but also organisations can face trauma. However, the impact of traumatic events on the organisations that experience them (as perpetrator or victim) has not been systematically analysed. Yet their importance should not be underestimated as such events have a huge impact on its people. Indeed, coping with traumatic experience seems to be essential for moving on as an organisation. Ever since the first industrial revolution – at the same time that psychological trauma research began to evolve – disastrous events of a traumatic dimension have affected the success of organisations: for example, railroad disasters, mining accidents, and major company insolvencies after runaway speculation. Two world wars brought a further deluge of massive traumatic experiences. Over the past 25 years, there seems to have been an accumulation of such events due to enormous advances in technology and drastic market changes, each with its respective challenges.

From our current understanding of individual trauma, it can be assumed that for organisations 'time is of the essence' post-event. If not handled properly and in a time-critical manner, the collective trauma experienced may disappear behind a mask of silence, leading to patterns that negatively affect organisational culture and performance. We know a lot about individual trauma and trauma therapy. What is missing is a generally accepted definition of organisational trauma, as opposed to a 'regular' crisis' and understanding its impact on an organisation's primary task and its culture. There is also limited research on symptoms and impact of trauma on the well-being and success of organisations[3]. Finally, we also need to find out what happens under the surface of such trauma.

METHOD

The primary methodology was the use of narrative from seven organisations, which were shortlisted to capture the most illustrative stories. This was based on the assumption that only few individuals would be ready to openly talk about such sensitive matters. The interviews were then compared against research and science on individual trauma. Due to the 'wall of silence' that had been erected following organisational trauma, the "acquisition" of honest and critical interviews turned out to be cumbersome, yet led to some very interesting cases and patterns, helping to create grounded theory. This is how the process unfolded:

1. Research literature and current state of science on individual and organisational trauma.
2. Representatives of seven organisations were interviewed based on a structured questionnaire. Four organisations refused to give an interview, yet their resistances revealed insights into how organisations perceive and react to organisational trauma, which in fact led to the title of the paper.
3. Integration of research and interview results.

Detailed information on the interviews and cases are available in the my EMCCC thesis (Steinkamp, 2014).

Keys Findings & Discussion

The key finding was that not only individuals, but also organisations can develop trauma in the wake of existential experiences, one manifestation of the latter being a mask of silence. Such traumatic events impact how members of the organisation cope with the experience to carry on with their lives.

Trauma triggers the primitive fight-fight-freeze response

In the event of a life threat, our so-called fight-flight-freeze reaction was developed from reptiles and early mammals. The immense energy in a highly stressed situation is transformed by the limbic system into a 'fight or flight' reaction. If neither are feasible, the individual/animal pretends to be dead (freeze) for a certain time to either summon its available power for a surprise counter-attack or to stay in freeze-mode until the enemy has lost interest. Traumatic reactions occur when action is of no avail. When neither resistance (fight) nor escape (flight) is possible, the human system becomes overwhelmed and disorganised (freeze). Stress overwhelms body and mind and molecules get stuck, leading to a blocked system which in turn can cause dysfunctional behaviour. For example, in one of the cases analysed, employees sensed during a divestment that the hidden agenda was to get rid of them. The mood plummeted, but no aggression or opposition developed. It was more that the missing 'way out' caused a kind of depression-like frozen energy which surfaced in feelings of agony, insecurity and a feeling of being abandoned.

Response to trauma is time-critical: Unaddressed trauma can lead to a state of paralysis and shut down

There are two phases after a traumatic event, applicable to both individuals and organisations: the imminent 3-6 weeks and – if not cured by then – long-term post-traumatic stress disorder.

A traumatic event releases disruptive energy into a system, which if unaddressed or blocked, causes shame and guilt. Unresolved anxieties in organisations lead to a mode of depression described by Gabriel as a "state of miasma"[4], leading to a passive attitude with scapegoating and withdrawal. Pathological reactions occur such as dissociation (attention and emotions are detached from the environment) and de-realization (alterations in the perception of the external world so that it feels unreal, see Mitscherlich)[5]. Social defences develop in the form of splitting, projections, and above all denial. This leads to an overall silence and blocked communication, which can paralyze the organisation. An increasing number of staff – often the stronger and more resilient ones – leave the organisation. Those who remain withdraw into themselves and manifest passive-aggressive behaviour.

Example 1: The system suffers an identity shock

Organisations, like people, have an identity and personality of their own. Schein states that "organisational culture is to a group what personality or character is to an individual".[6] Just as the human mind needs cognitive stability in its identity, so do organisations. Any challenge or questioning of basic assumptions "will release anxiety and defensiveness".[7] When organisations face issues beyond their control, they construct "a theory of what is happening and why in order to avoid anxiety".

For example, in the aftermath of the major financial crisis in Argentina in 2002, the prevailing feelings of the employees of an engineering company facing insolvency were loss of trust, dignity and security. It affected all levels of the company; only employees with bank accounts in other countries and credit cards were better off. Individuals were overwhelmed by the event and didn't know how to cope with it. Others who felt the same, identified and associated with the trauma. This lowered morale and performance; people began to focus on overly personal relationships and self-optimization in order to secure their livelihood.

Example 2: The system withdraws into itself

A second example involves an M&A between the East German Railroad and the West German organisation after the wall came down in 1989. After the merger, more than 100,000 jobs were to be eliminated in Eastern Railroad. A long-serving top executive from the East sensed massive unrest amongst staff and management, as if they each were awaiting execution with no information on when and how. Nor was there any way out. They all felt a hidden and "mean" agenda that formerly leading individuals would disappear. Insecurity grew, anxiety, agony and low moods led to a lack of decision-making, which in fact built up management's case to remove people.

As this example illustrates, the system is stuck on high alert, frozen energy develops with strong emotions and especially pain. Some individuals are more resilient to traumatic events (see Cyrulnik[8]) and can even experience post-traumatic growth (PTG), based on a bonding capacity stemming from a secure childhood attachment in combination with the ability to build and tell a story. In the railroad case, the few who had enough self-esteem - including my contact - tried to find other jobs in engineering or other rail companies. Many good and experienced people left. Others became stuck and developed feelings of *guilt* ("I have done bad") *and shame* ("I am bad"), the two main consequences of traumatic events. After the changes at the railway company, people withdrew into themselves; informal meetings at the coffee machine slowly disappeared and depression spread. Shame about being an inferior system (compared to the West) and guilt for having been part of a repressive system could be observed, and led to a state of paralysis.

Example 3: The system falls into a state of passive-aggressiveness and denial

A third example involves an Anglo-Saxon health organisation with a bullying supervisor. The victim mentioned denial as main social defence pattern: most people did not dare to speak up for fear of not being believed and because the perpetrator had built a reputation for knowledge and respect based on his bullying (defined as "energetic") behaviour. People kept their heads down and tried to ignore or avoid the situation; others would silently leave. Also, people went off sick, sometimes leaving the team with only 50% of its workforce. Trust and support plummeted due to management inactivity. The victim also talked of stress and a feeling of guilt, as if they had colluded with the behaviour. Such a reaction is typical for PTSD victims. In order to build a story and to explain the unexplainable, victims tend to blame themselves.

As a defence against the trauma, organisations may also put on a mask of silence

Another pattern of trauma response is the mask of silence that develops as a protection against any re-living of traumatic events. Because of this mask, one might not even realize that they are victims of trauma. This manifested itself in my experience of trying to get in contact with presumed trauma victim organisations. For example, the press officer of a company I contacted in Germany considered the subject to be very interesting, yet doubted the openness of the leadership to an interview. The formal written inquiry was, after several phone calls, eventually forwarded to the company owner whose family was publicly seen as the perpetrator of the trauma. Ever since, there has been no reaction or response from the company.

In another instance, an interview with a potential trauma victim enterprise from Asia had been prepared through intermediate well-connected contacts for a period of over three months, but was eventually not approved by management. Management responded that two years after the crisis, the trauma was still so acute that they were in no position to reflect on the event, hence silence prevailed.

In a final example, the press officer of a German enterprise subject to restructuring after the fall of the Berlin wall noted that “The challenges of reunification were an entrepreneurial challenge and not a traumatic event.”

Given that trauma is detrimental to identity and functioning, and that if unmanaged leads to masks of silence and denial, how do organisations cope with it? In the next section I will demonstrate several ways to overcome organisational trauma based on pre-existing approaches to coping with individual trauma.

Practical Implications

A number of approaches exist for overcoming individual trauma. Gernot Brauchle (2013)[9] concentrates on cognitive approaches, Pierre Janet’s Three Phase Model[10] goes for modification of traumatic memories, while others integrate somatic aspects and emotions (Van der Kolk[11]; Reddemann[12]). We extrapolate from these theories to the organisational level by proposing the following three levers, which have to be integrated once an organisational trauma is diagnosed:

1. The grief work process
2. Compassion (authenticity) to be demonstrated by executive management
3. Explanation to provide meaning for what has happened and why

All of these contribute to making the frozen energy “flow”, getting the molecules of emotion moving again, and shaking off the impact of the traumatic event.

The grief work process

A key element to avoid depression mode after traumatic events is ‘grief work’. Harrison Owen’s definition is applied here[13]: Grief is a process consisting of six process steps: first there is *shock and anger* about a loss. Next comes a *phase of denial*: people simply say “this can’t be true” and search for proof that it is not true. But it is. Third comes the *memories phase,* where you remember the situation before the event. Fourth is a *phase of despair*: this phase of no hope must be traversed in order to avoid circling back to phases one or two (and developing post-traumatic disorder with depression or melancholy). After despair comes phase five, the *open space,* where you ask: “What are you going to do with the rest of your life”? – it is a phase of wondering and imagination. From here you enter the final phase, the *vision phase*, where you build a blueprint for the future.

Often, the contrary happens. Organisations completely deny trauma and even eradicate all trace of such events. The author’s personal recollection of some cases of presumed traumatic experience was checked and researched on the internet, yet it was impossible to find a trace of those events. For example, many executive management members of a well-known German family enterprise in the fast-moving consumer goods (FMCC) market were killed some 25 years ago when the company jet crashed, but you cannot find anything about it on the web. A similarly tragic plane

crash affecting the senior management of a UK power generation company some 15-20 years ago left not the slightest trace on the web. Trauma expert Gernot Brauchle confirmed to the author that companies, especially family enterprises, tend to 'clean' such recollections from the web[14] and confirmed that there is technology available to manipulate collective remembrance. This is what is meant by "the mask of silence".

To counter the mask of silence, executives must face the trauma, talk about it openly yet carefully, and move people gently through the phases of grief.

Compassion by management

In general, the role of management is to provide direction, protection and discipline in an authentic way: care about your people, keep them well informed, and be (more than) empathic. Dutton and colleagues analysed this based on the 9/11 attack on the World Trade Centre[15]. They state that trauma in organisations leads to pain, confusion and a disruption of daily routines which has a huge impact on the level of anxiety of the organisation. Members of the organisation have to go on, but how? By "the very nature of their position (…) leaders are supposed to demonstrate compassion, thereby unleashing a compassionate response throughout the whole organisation". Compassion goes beyond empathy. It acts at two levels: to provide context for meaning and a context for action.

In order to provide context for meaning, leaders use communication to establish an environment for free expression and discussion: let the pain, the pressure out, avoid silence and guilt, e.g. the survivor syndrome: why did I survive? In order to provide a context for action, one can alleviate the pain sufferers' feel by taking care of basic needs and routine services (e.g. cash payments, transport services, food supply) and symbolic gestures like the Queen Mother staying in London during the bombing in World War II, and by mourning with them.

The CEO of the tech company during the Argentina financial crisis communicated every day with the whole team and presented the situation from his perspective ("context for meaning"). He explained the overall context, creating a feeling of togetherness and understanding throughout the difficult situation – even though he could not offer any short-term solution. Management also tried to keep people busy even though there was no real business preserving the meaning of going to work ("context for action").

The provision of meaning through story-telling

Our brains are structured in a way that filters the mass of information received to create a perceived reality that makes sense to us: this is how a story is told[16]. This explains why different people can sometimes have totally different perceptions of what happened – it must make sense to an individual's story. The story is needed to survive. Viktor E. Frankl described this convincingly and dramatically in his book 'Man's Search for Meaning'[17] where he shows how he needed an overarching goal to survive a concentration camp. A person who did not get up in the morning was

usually dead in the afternoon. Frankl says: “Man’s search for meaning is the primary motivation in his life (…)”.

Especially in times of traumatic events, meaning can get lost as the story collapses because there are events that cannot be explained by the individual. This in a general sense is the function of religion, superstition and myth: to explain the unexplainable. In organisations, leaders have to take on this role to overcome stuckness by managing the unmanageable, especially after traumatic events. They have to provide a story of what, why, and what next.

In the M&A case, the employees sensed that the hidden agenda was to get rid of them and a collective survival anxiety developed. The CEO then walked the talk: he toured the facilities including the shop floor more than once a day. He actively listened to the employees, he took up their recommendations and helped in cases of personal challenges – all classical ways of showing compassion. He actively communicated with the works council and got them to support the new management. He told employees the true story in town hall meetings (a market change occurred but corporate management was unable to solve the plants issues, hence a new strategy and investor were inevitable) stating that leaking this openness to the outside would cost him and his CTO their jobs. And the team stayed loyal: a good example of authentic leadership and storytelling.

The Argentinian CEO announced in light of the financial crisis: “When the ship goes down, the captain cannot pretend that it will sail on. But you can still say that we will survive because we have life boats.” So he intuitively applied storytelling and enabled the grief work to move his people from despair to open space and a new beginning.

We can see that if these three levers (and they all interwoven) are professionally addressed by leaders and staff – and if heeded by coaches around them – then an effective healing of the effects of trauma in organisations, despite the mask of silence, can be achieved. It can then be stored in the organisational memory, changing the culture, ideally to reach post-traumatic growth.

Conclusions

Traumatic incidents can be diagnosed and, more importantly, effectively managed, through taking a comprehensive approach combining authenticity, compassion, meaning making (provide a story) and the grief work process. It can sometimes involve trivial and simple-looking actions, but it is all about being human.

About the Author

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In the Footsteps of Hansel and Gretel: Living and Looking at Transformation from the Inside

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The Starting Point

The story I'd like to take you through is my story. It is a story of self-transformation, a 30-month journey through the darkness of the unknown. As in all stories, there is a trigger. I didn't choose to embark on this journey. One day in January 2014 I couldn't get up to go to work. Although I knew that I would get into trouble if I didn't show up, my whole body refused to obey my will. I had spent the previous two weeks of the Christmas break curled up in a ball on my sofa, alone, unable to speak to – or to cope with – any human being. I couldn't make sense of what was happening to me. I felt exhausted, worn out. I was naively counting on two weeks' rest to get back on track. But it was as if a safety device had tripped in my mind; to switch it off took more than two years. I was burned out.

Despite the awful start to this story, there is a happier unfolding and, more interestingly, an amazing, enriching and meaningful journey that I'd like to share. In this paper, I wanted to explore the psychodynamic processes which accompany an identity transformation following a burnout; I discovered that I needed to transform myself.

Idea in Brief

People who seek to compensate for an insecure attachment pattern – and thus low self-esteem – by a contingent self-esteem based on performance are prone to experience burnout in stressful conditions because they tend to experience it as an identity threat and chose ineffective coping mechanisms[1]. Recovering from burnout sustainably – without experiencing another burnout in the future – and developing resilience implies a change not only in behaviour but in our map of the world, i.e. in our fundamental beliefs about ourselves and others. It is an adaptive challenge[2], to both social and working environments, which requires us to redefine our underlying cognitive, affective, and behavioural patterns – that is our identity.

How does it look like from the inside? My research uses auto-ethnography to provide insights into a journey of self-transformation subsequent to a burnout triggered by performance-based contingent self-esteem.

The findings suggest that burnout provides an opportunity to acquire a new sense of self, which includes positive affect, belonging, self-esteem, and self-efficacy, which

in turn generate resilience. The change journey was primarily shaped by affective processes, rather than subsequent cognitive processes, and dialogical activity – an internal dialog in which the mind imagines different positions or versions of the Self – could be used as an indicator of mental health. More than a healing process, a mid-life burnout is a chance to undertake individuation and become more authentic and integrated into a well-functioning whole.

Idea in Practice

Despite the significance and impact of the burnout phenomenon, many individuals never sustainably recover from it, either experiencing repeated burnouts or deciding to move away from business life.

Although the work environment has been designated the most important predictor of burnout, it has to be acknowledged that risks differ across individuals[3]. Although the connection between lack of self-esteem and burnout has been established, and the mechanisms of identity transformation have been modelled, first-hand accounts have not linked these together to illustrate the personal development journey required to develop resilience.

Burnout recovery needs to be addressed from a psychodynamic perspective. However, there are few insights about the actual lived experience of the unconscious psychodynamics at play during identity transformation, the reconstruction of self-esteem, and the development of resilience.

Introduction

Burnout

Since burnout emerged as a concept in the 1970s, many researchers have looked into the phenomenon[4]. Burnout can be defined as a syndrome of multi-level response to prolonged exposure to stress and characterized by physical and psychological exhaustion, depersonalization, and a sense of helplessness and low self-efficacy[5]. Burnout is a painful, dysfunctional condition that is costly for the individual, their family, the workplace, and society. It is associated with stress-related health outcomes and mental health issues and impairs relationships within the family[6]. It invariably leads to deterioration in the performance of the entire organisation as it impacts presentism, absenteeism, turnover, job performance and productivity[7]. The magnitude of the phenomenon is expensive for society (e.g. unemployment, social security spending) and extends beyond the Western World.

Broader social and economic changes have resulted in employment conditions that have made many workers vulnerable to burnout[8]. Many researchers have investigated the root causes, particularly the imbalance between job demands and job resources within the organisational context[9]. While stressful aspects of the work environment may be more important predictors of burnout than personality, it has to be acknowledged that the risk of burnout differs across individuals[10]. To understand the complex link between personality and burnout it is useful to dig further into the stress-coping mechanisms.

Coping with Stress

Confronted with potential stressors, two individuals will experience a situation differently in the very same circumstances, depending on the context, their previous experience, and their perception of themselves and of others[11]. Stress appraisal is a two-step process: individuals first appraise the threat, and then the resources available to cope with the threat, e.g. personal resources and social support[12]. Stress appraisal triggers the selection of coping strategies.[13] *Active coping strategies*, such as solving problems, seeking support or directly addressing the stressor involve taking action to change or control the situation, alter or reduce the stressors. On the other hand, when individuals appraise the situation as overwhelming and their resources as inadequate, they focus on regulating the emotions aroused by the situation rather than on the stressor itself. *Emotion-focused coping strategies* such as self-blame, self-isolation, depersonalization, and denial are efforts to deal with negative emotions. The use of emotion-focus coping strategies is correlated with burnout[14].

While the choice of coping strategies partly depends on the social context, personality influences how people appraise potential stressors and the coping resources available[15].

Burnout and identity

According to attachment theory, the individual's attachment pattern (i.e. secured or unsecured) is acquired during childhood as a result of interactions with early caregivers[16]. These initial experiences become internalised in their internal working models of the self and of the self in relation to others[17]. *Attachment avoidance* is correlated to negative working models of others (i.e. as unavailable and untrustworthy) and produces a perceived lack of social support[18]. *Attachment anxiety* is related to negative models of the self (i.e. as unworthy, unlovable and inadequate) and generates low self-esteem, feelings of helplessness and powerlessness[19].

People who suffer from a low basic self-esteem will relentlessly pursue others' approval to feel worthy, seeking admiration for their performance to satisfy their need for self-validation and "earn" self-esteem. Environmental stressors are appraised as being threats to self-esteem[20]. Moreover, unsecure attachment impacts the perception of threats and of available coping resources which foster the selection of emotion-focused coping mechanisms. Burnout can thus be seen as a process of unsuccessful striving to raise a fragile self-esteem using seemingly active coping processes such as perfectionism and working overtime, which in fact aggravate the psychological effect of the situation. When the stressors are prolonged or recurrent, the coping efforts may become too demanding. People with a contingent self-esteem based on performance are prone to experience burnout in stressful conditions because they tend to choose inefficient coping mechanisms[21], and to fail to take the appropriate distance when the situation evolves beyond their control.

One theory is therefore that burnout corresponds to a crisis of self-worth among individuals whose self-esteem is contingent on performance[22]. From this perspective, "burnout becomes more of a cognitive and motivational process than just a stress process" and can occur in any activity "with a potential for self-expression or self-definition"[23].

Individuation

Individuation has been defined as "the drive of the self to consciousness"[24]. Individuation is an active on-going process of self-realization, which tends to accelerate in the second half of life, "the means by which one finds oneself and becomes who one really is"[25]. Finding oneself, or, more exactly, our multiple selves, implies adjusting one's interfaces to be true to oneself, while at the same time being flexibly adapted to one's environment and authentic in one's relations with others. "Although identification shifts from one sub-personality to another, it is possible to develop a growing sense that there is something embodied, coherent, continuous, integrated, and transcendent at play within us, which feels like one self"[26].

Recovering from burnout through identity transformation

If the root cause of burnout is a lack of self-esteem, sustainable recovery requires finding ways to change the unsecure attachment pattern[27] and "earn security". This implies a profound change in beliefs, in one's view of self and of others, which in turn transforms identity.

According to the dialogical self-theory, the cognitive and behavioural dimensions of the self continuously adapt to changing external conditions when healthy dialogues can take place between I-positions in the "society of mind".[28] However, the internal dialogical activity appears ineffective to resolve an identity threat.[29] Indeed, affect regulation and stress coping mechanisms have been imprinted on the infant's right brain as a result of relational experiences with early caregivers. The right brain needs to be rewired to change the attachment pattern.[30] Enduring emotional change can therefore be achieved through new emotional experiences, reflected upon to create new meaning and to build new emotion regulation capacities.[31]

It follows that recovering from burnout sustainably – without experiencing another burnout in the future – means developing resilience and implies a change not only in behaviour but in our fundamental beliefs and dialogues about ourselves, others, and the world around us.

METHOD

The objective of this study is to explore the psychodynamic processes which take place during a journey of self-transformation aimed at recovering from a burnout caused by performance-based contingent self-esteem – as well as to identify the key transformation enablers towards building resilience.

Auto-ethnography was used to provide rich insights into this widespread social phenomenon by using the lived experience of the researcher to connect the reader with his/her inner thoughts and feelings through the narrative. Auto-ethnography uses personal experience (i.e. my thoughts and feelings during my self-transformation) as primary data as it seeks to expand the understanding of social phenomena (i.e. the burnout phenomenon). Ellis (2009) wrote: "As an auto-ethnographer, I am both the author and focus of the story, the one who tells and the one who experiences, the observer and the observed…I am the person at the intersection of the personal and the cultural, thinking and observing as an ethnographer and writing and describing as a storyteller"[32].

The 30 months which followed the day I stopped working as a result of burnout – from January 2014 to July 2016 – are used to illustrate my self-transformation, with its challenges, setbacks and successes, using the conceptual frameworks to make sense of the thoughts and feelings I experienced along the way. As a first step, I've tried to write an evocative narrative, to show rather than tell, exposing my vulnerabilities in order to engage the reader. The second step was to make sense of

my narrative through “holding collected fragments of life against the present light and making sense of their significance within the bigger context of my life”[33].

For more information, please refer to my EMCCC thesis (Flandre, 2017).

Key Findings & Discussion

Like Hansel in Hansel and Gretel by the Brothers Grimm, I decided to look for white pebble stones to explore and understand my own personal journey. In writing auto-ethnographically, I re-experienced the past and rediscovered the meaning of past events. Hansel’s pebble stones were said to shine like newly-minted silver coins in the moonlight, and it was my “night vision” that enabled me to spot them in the forest of academic articles, conceptual constructs, theoretical frameworks and research experiments.

While I was searching for pebble stones the path evolved differently from what I expected. I discovered that it wasn’t a cognitive journey because affective processing preceded cognition. The pebble-stones were traces of the long path I have taken rather than an indication of the direction to follow. The following vignettes summarise this journey:

Vignette #1 – Burnout, March 2014

When burnout was diagnosed in January 2014, I understood that the situation deserved attention and that I needed to improve my lifestyle. From the outset, I decided to pay attention to my food, my sleeping and exercise habits. I established a new rhythm of life: slower, healthier, more mindful. However, the situation proved to be more serious than I thought. There were days when I couldn’t go out or even dress. I had numerous nightmares and sleepless nights. Human contact was a challenge which often left me exhausted, frustrated, feeling lonely and not understood. I was counting on holidays to give me a fresh start to search for a new job, but I can’t. I have no energy. I don’t believe any more that my initial programme will be sufficient to get my life back on track. For the first time, I think that I won’t make it alone. I need help.

A burnout crisis evolves in seven stages[34] and involves a whole set of feelings before acceptance. I experienced denial (a) when I refused to stop working despite my doctor’s warnings. Anger (b) was associated with the lack of response of the organisation to my dedication. The shock came when I couldn’t get up to go to work. The negotiation stage (c) started in January with the focus on my healthy programme as the solution to the crisis. The doubt, uncertainty and depression stage (d) was triggered by my failed holiday.

Acceptance (e), the fifth stage, allowed me to step back and take back control of my life. In vignette #1, my acceptance was a preliminary condition to kick off the change journey and let myself sink into the limbo of the neutral zone. Looking back, I see

this moment as a turning point, when I stopped hanging on to the idea that I would get back on track without changing anything other than my lifestyle. Intuitively, I knew that it meant revisiting major beliefs and assumptions, and I suspected that this process would last much longer. This was the moment when I started to mourn a certain idea of who I was and let go of the idea of the person I would be in the near future. I started to accept the reality of what was happening to me. I decided to seek the help of a psychologist.

Vignette #2 –Enlightenment, April 2014

I asked my coach for book recommendations. The one I started with actually changed my life. "Du Plaisir au Désir de Changer" by Kourilsky (2008) tackles the theme of the analytic, linear, binary way of thinking inherited from the Enlightenment[35]. A child of Cartesianism, everything in my inner representation of the world is either true or false – with no in-between. For me, reality is objective; reason and disjunctive logic rule the world and its succession of causes and consequences. Feelings and emotions only bring confusion. This is the dominant culture among engineers and I am one of them. Suddenly I find this mind frame awfully narrow! A whole world opens up. Systemic thinking offers a way to comprehend the world which takes into account the complexity of intertwined events and interactions without clear root causes. I have the impression of stretching my brain: So, things can be both true and false at the same time. There is a reality where causes are irrelevant. A reality where the solution to a problem is the one everyone commits to around the table.

In vignette #2, the change of paradigm that I made opened my mind to a new way of thinking, which gave more room to emotions, sensations and to the right brain. It triggered the search for more information as I realized how conditioned I was by my education and the era I was living in.

Vignette #3 –Dreams, March 2015

I am dreaming. I am a lycanthrope. I have the ability to shapeshift into a bat and to fly at will. I am a student in a chateau, in France, in a small village in a remote area. There are many students who, like me, can transform into a bat, and we are all learning how to do it properly. I am conscious of the danger, but willing to experiment and to be myself. I feel free, light, and happy to discover my capabilities. I feel protected, accepted, among my peers. I am where I belong and I am learning.

Dreams are "the royal road to the unconscious"[36]. Reflecting on how the feelings experienced in our dreams relate to what's happening in our waking life can shed light on our emotional life and help us to gain insights[37]. At the time, I was in limbo, between two identities. The systemic way of thinking discovered a year before had made its mark. It opened up a mental space to let other realities enter. In vignette #3, my dream shed some light on EMCCC as a safe holding space. It proved to be effective at containing my anxiety at being in a no-man's-land between two identities and at maintaining the reflective mental space that I needed to develop.

Vignette #4 –Self-worth, March 2016

I have dug into numerous research articles in search of a thesis topic and my attention has been caught by the correlation between personality characteristics and burnout. I feel cornered. "I am indeed anxious and negatively biased; I can't help it." "I often feel helpless." It seems to be so intrinsically part of me that now I feel hopeless too. "I am extravert, sociable, intellectually curious, and open to new experience; it didn't protect me!" "How am I going to change the part of my character which allowed burnout to take hold?" From burnout, I move to stress coping mechanisms, hoping to find something to help me. And suddenly, there is this article from Sweden: "Performance-based self-esteem. A driving force in burnout processes and its assessment"[38]. It's crystal clear to me that it fits with both my personality and my experience. Like in an animated puzzle, the pieces all fit together. I decide to dig into self-esteem and attachment patterns. I can't stop until I fully grasp the mechanism of identity threat.

In vignette #4, I discovered how my personal history set me up to experience identity threat at work. My self-esteem used to be primarily contingent on performance: I needed to feel useful in order to feel worthwhile. I was a workaholic, a perfectionist, attuned to others' moods. I tended to see the world with a negative bias, usually anticipating and planning for the worst and relying solely on myself to sort out problems. My self-confidence was as good as my professional achievements and my ability to hang on. This performance-based contingency of self-worth made me appraise the situation at work, at the end of 2013, as awfully stressful; and, beyond consciousness, as endangering my self-worth. The awareness of the connection between performance-based contingent self-esteem and burnout allowed me to frame the challenge I had to overcome.

Vignette #5 –The Unexpected Guest, April 2016

It is the evening. I am at home and have been working for hours in front of my computer, sitting at the big dining table in the living room. My back hurts as I haven't moved much over the few last hours. I feel tired but have an urge to continue working as long as possible. I have two voices in my head. Voice 1 "Demanding Father-in-my-mind" tells me to keep going on. Voice 2 is "Super me", the compliant insecure overachiever, which had been one of my personas for a long time. Suddenly, Voice 3 "The unexpected guest" turned up. While Father-in-my-mind and Super-me colluded to argue that working hard was the only solution, the unexpected guest managed to convince Super-me to stop working and to drive Father-in-my-mind away. Could it be that the unexpected guest was an emerging part of myself, promoting a behaviour change and thereby allowing me to return – more equipped and resilient – to normal professional life?

With vignette #5, I was surprised by the emergence of a dialogical space – a stretch in the space of the self – where a dialogue between two well-known I-positions took place. It was an innovative moment where the dominant self-narrative (Voices 1 and 2) had progressed to the construction of alternative ones (Voice 3). I thought that

the Unexpected Guest was a promotor, having the potential to stimulate and nurture new healthier positions and fostering change in the dynamic of the self [39] "Dialogicality promotes identity transformation"[40]and I wondered whether it would be sufficient to change behaviour?

Vignette #6 –The Ugly Duckling turns into a Beautiful Swan, April 2016

A modest meeting room full of people of all ages – children, parents, grand-parents – all coming to an information session of the giftedness association douance.be. I am not quite sure what I am doing here. It was more of an intuition, the hope of new insights to understand who I am. The speaker defines giftedness as a different functioning of the brain, a different way to feel, think and behave, which may, or may not, increase information treatment speed and therefore be correlated to a high IQ. I am struck by the day-to-day anecdotes. Up to then, I thought I was different in the negative sense of the word, i.e. maladjusted to the social world, hypersensitive and "too complicated". All my contradictions, however, find a place among the giftedness characteristics. Suddenly, I give up. I stop fighting against the evidence: I am a gifted adult, one who has never been diagnosed. I feel breathless. I don't dare to face the implications of my discovery and I leave the room silently.

In vignette #6, I resolved the enigma of why I felt different and how the feeling of belonging, like waving a magic wand, impacted my emotions, interpersonal relations, and self-esteem. I spent my life trying to morph into whatever others wanted me to be in order to belong, wondering why I couldn't find my place. But my dream of feeling like everyone else never came true; I always felt different – until the dots connected. That evening, my self-esteem took a giant leap. It wasn't my fault, a disability, a lack of skill, a deficient cognitive pattern, a failure. There was nothing wrong with me. If my behaviours were maladapted to the majority, there was a reason for it. Andersen's tale of the Ugly Duckling is about a little bird trying without success to fit into a duck community, lonely and unhappy, only to discover that he is actually a beautiful swan[41]. Once he came to know his nature, he could belong to a community which recognized him for what he was, and could live a fulfilling life without having to hide. The unconscious emotional processing of the gifted adult meeting enabled me to accept a side of me that I had rejected until then.

Vignette #7 –Alienated from my Self, June 2016

It is cold and raining. Monday afternoon. I am home. Alienated is how I feel right now. A feeling of not being "at home" in my body, a "living in-between" in a state of "non-existence", where I feel alienated from my own feelings and thoughts[42]. "Where are you, my Promoter? Did Father-in-my-mind win over Super-me to his argument this time?" I summon all the I-positions in my mind in order to resume the dialogue but nobody replies. It is a strange phenomenon to experience of silence and emptiness. None of my I's showed up.

The self can fragment when a person enters a challenging situation [43]. I was undergoing an identity confusion, a disruption in the coherence and unity of my self

– between my new emerging self and my former self. In order to get out of fragmentation, I had to stop struggling, let go, and accept the situation, which would have allowed me to reconcile with myself. But I couldn't. What I needed most was "someone who stayed in the midst of the suffering, mediating a feeling of being accepted as a valuable individual, without feeling threatened"[44]. But people in burnout tend to cut off from everything that interferes with their struggle, which prompts social withdrawal. In vignette #7, fragmentation sustained painful conditions by cutting me off from social connections, emotions and from dialogical activity.

Vignette #8 –Exhaustion, June 2017

I am sitting in front of my coach, listing all my symptoms in the hope he'll help me to make sense of it. "…. negative affect, struggle to concentrate, anxiety, agitated mind, difficulty to connect, compulsion to eat sugar, difficulty to fall asleep, social withdrawal….". He has taken notes and now presents a list of symptoms. I can recognise myself in it. "Damn! This is the list of burnout symptoms". I am listening to my coach's explanations: he is talking about the overflow of emotional stimuli which has cut off the route to the high cortical areas, i.e. the thinking part of the brain, and activated the amygdala in the limbic system, which activate fear circuits[45]. I am reminded of the necessity to maintain equilibrium between the parasympathetic and the sympathetic nervous systems, i.e. rest and action. I feel ashamed. My coach has to remind me: "Don't be too harsh on yourself. Many gifted people are compulsively driven to periods of excitement which leave them exhausted. To avoid exhaustion, you need to accept to restrain yourself." The reference to gifted people makes me feel instantly better; my self-esteem makes a sudden leap. I remember that I was able to spend time with my friends without feeling emotionally exhausted last week, and that it felt promising. This thought further bumps up my self-esteem. Back in my car to return home, my inner voices are chatting healthily again."

The more I worked, the less I invested in my life beyond work, the more I felt leisure was meaningless, the more I felt compelled to work. I have to reverse the snowball effect, discover what I like and what makes sense to me, and invest time in it. Although exhaustion might be considered a setback in my non-linear change journey, in vignette #8, belonging and acceptance helped me to resume dialogical activity, which I increasingly conceptualize as an indicator of mental health.

Vignette #9 –Joy, July 2016

It was the last module of my EMCCC 18-month journey. I remember the anxiety of knowing that it was our last module. Unexpectedly, the second day, I came to the realization that most of the people had commitments for the evening, planning to go out for dinner with their thesis group. I was invaded by an overwhelming feeling of panic. All my insecurities returned. I felt left out. I was finally invited by two fellows to join them for dinner and I spent a lovely evening, but the fear and anxiety of being left out didn't vanish. The next day, I experienced a weird feeling when I realized that some of us were fine without a thesis group. I finally managed to express my

feelings during morning reflection time, as a last resort to be included. Shortly after, a number of people came to comfort me, hugging me, surrounding me physically with their arms and expressing they were also struggling with belonging. Suddenly, I had one of those a-ha moments……the insights waiting at the entrance of my brain started to be processed and I connected the dots. I had never been alone for dinner, I didn't want a thesis group, people did care about me, I wasn't the only one not in need of a thesis group, I wasn't the only one struggling with belonging, and there were people not stressed by being on their own for the thesis. The conclusion hit me: it was a ghost feeling from the past, an enormous fear of not belonging, which was connected to situations in the early days, but which wasn't justified by the current situation. The joy of belonging invaded me and I felt incredibly lighter. Now that I am back home, this joyfulness is still with me and I feel a different person.

In vignette #9, emotional safety and the accumulation of positive interactions allowed me to put the feeling of being left out back into context, which highlighted the discrepancy between my inner beliefs and what I experienced. Incredibly, I seem to have finally managed to overcome my outdated internal working models of affect regulation, enabling joy and happiness to take their rightful place. There seems to be no way back. My former brain pathways have been overwritten. The journey has changed my internal working model of affect regulation. And this is what earned-secure attachment felt like.

Epilogue

My burnout and recovery has been a fascinating journey but also incredibly scary and painful. Nevertheless, it was worth having lived through it as it was an opportunity for renewal. Maladaptive "automatic" behaviours and feelings, driven by out-of-date beliefs and attitudes – often reminiscences from childhood – poison the present. Mine were related to the fear of being left out. They were once suited to my situation and protected me from risks incurred at the time, i.e. a life-and-death situation.

I needed to address this fundamental identity issue in order to eradicate the approval-contingent behaviour activated by threats to a sense of belonging. Through this journey, I have been able to revisit my childhood mental representations as a result of positive repeated experiences with sensitive and responsive significant others, whether coach, therapist, gifted people or fellow EMCCC participants. In these emotionally safe holding spaces, I trusted myself and others enough to dare to change those internal representations of my self and of others, which until then had constituted a defence arising from unsecure attachment. I believe that I have progressed towards earned secure attachment, starting to see myself as lovable, deserving of care, and able to master my environment.

Practical Implications

For those of you who have suffered, or are still suffering from burnout, I hope I have managed to demonstrate the benefit of addressing burnout from a psychodynamic perspective.

My journey was primarily shaped by affective processes. As affect regulation patterns are imprinted in our right brain, they are beyond consciousness and resistant to change solely via cognitive methods. Because they make us who we are, changing them implies an identity transformation.

Transformation enablers include self-awareness, reflectivity, containment, night vision, mindfulness, observing ego, and compassion. You will also benefit from emotionally safe holding spaces and fulfilling interactions with sensitive and caring people. And the most important is the courage to face reality and to be vulnerable and the belief that the power to change is in our hands.

There are also cues which can be used to monitor evolution when in the chaotic neutral zone. One of them is the dialogical activity and the emergence of alternative narratives to the dominant one.

The insights of this journey are captured in the following illustrations (1) burnout as an identity threat and subsequently (2) the mechanisms of identity transformation.

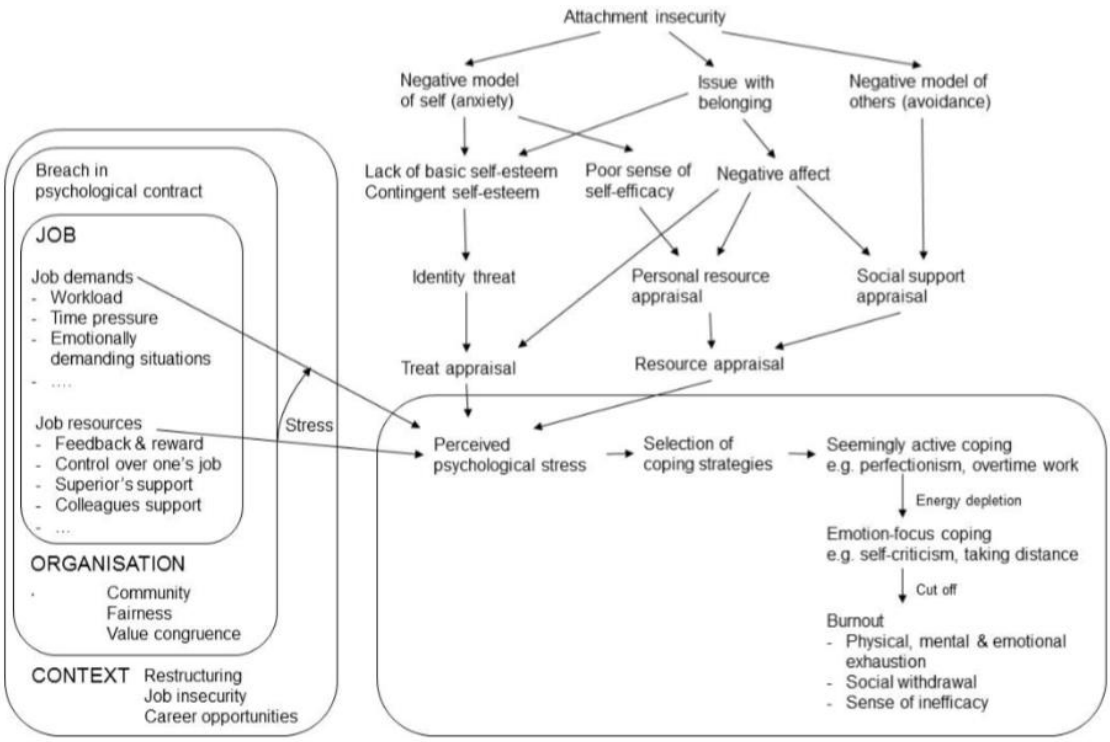

Figure 1. Burnout as an identity threat

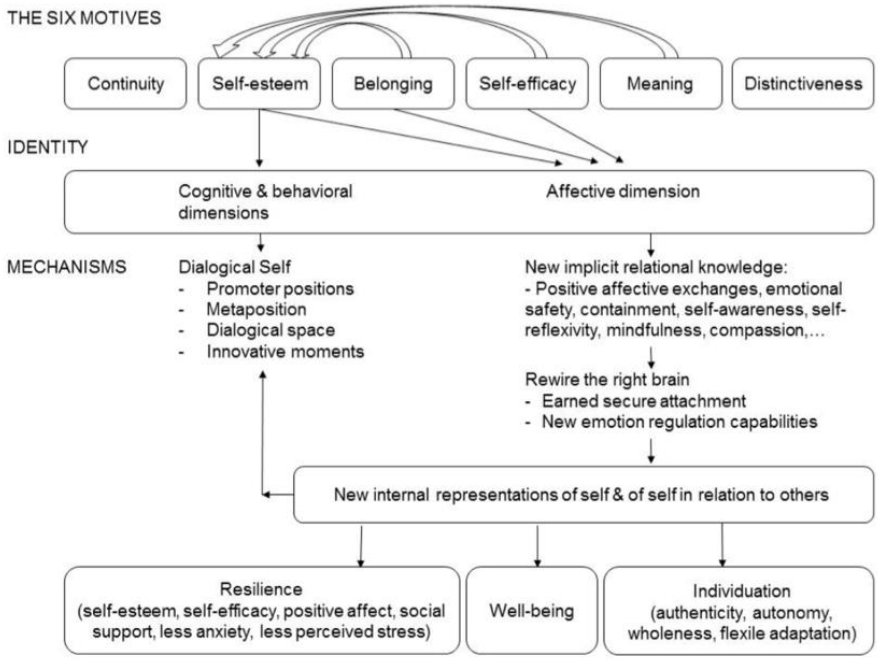

Figure 2. Mechanisms of identity transformation

Conclusions

The findings suggest that burnout provides an opportunity to acquire a new sense of self, which includes positive affect, belonging, self-esteem, and self-efficacy, which in turn generate resilience.

More than a healing process, a mid-life burnout is a chance to undertake individuation in which innate personality elements, components of the immature psyche, and life experiences, all become integrated over time into a well-functioning whole, enabling the person to become more authentic.

About the Author

Nathalie is Civil Engineer with a Master in Management. She has held several positions in the areas of Innovation, Strategy, Marketing, Communication and Business Unit Management. During her 20+ years' experience, she has steered businesses in new strategic directions and led team transformations in large, complex and international organisations. Nathalie is currently a coach and freelance consultant in organisational transformation, change management and strategic marketing. She helps organisations to meet changing business needs by building insight, engaging stakeholders in reaching a shared vision, assessing the implications of transformational objectives on organisation capabilities, leading change programmes, and developing people.

Nathalie lives in Waterloo, Belgium. She believes in the perfectibility of human beings. She enjoys science fiction, jazz, photography, philosophy, traveling around the world, connecting with people and spending time with cats.

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Towards Building an Organisational Time Consciousness

AYSENUR NUHOGLU

The Starting Point

I'm a keen strategic planner. I operate with deadlines. I do not consider them as bottlenecks but as crucial information to schedule certain activities accordingly. I love when my plans work out the way I have anticipated them. On the other hand, in business life I encounter most of the time the phenomenon of busyness, manifesting itself with "I have no time or I'm busy" phrases. I observe that people have no time to deliver certain tasks. Etymologically, business used to mean busyness. We are meant to be busy while engaging any business activity. Consequently, I wanted to investigate time perception and the impact of time perception on individuals to attain a better understanding on why and how some experience lack of time and some don't.

Idea in Brief

This paper is a theoretical essay on time perception in business. I wanted to explore how a phenomenological approach to time, as distinct from the physical concept of time, teaches us about business life – individually or within a work group. In search of the answer, phenomenological assumptions on time were investigated to attain a better understanding of human temporal experience. Along with the descriptions on the realistic awareness of time and the role of deadlines as the trigger of basic assumption mentality, this paper provides insights on the impact of time perception in business life, and serves as a first step towards building an organisational time consciousness[1].

Idea In Practice

This study builds an organisational time consciousness by investigating the influence of time perception in business life. Seen from a phenomenological perspective, time appears not as having three distinct "dimensions", but rather as a unity of past and future within the present. Through conceiving time holistically and acknowledging that future is not determinate, we create a perspective shift to the practice of time in business life, from overly rationalized and deterministic, to one that spills over to all aspects of our lives. Practically, a number of guidelines can help us improve our time management practices towards improving the overall strategy execution process:

- We need to acknowledge that temporal markers do not present sensible differences in terms of duration. Deadlines, in and of themselves, as a temporal marker, do not help us to plan our working hours effectively.
- Furthermore, our time perception depends on the abundance of events within designated temporal borders and not on the fixed duration of physical time. In our time management practices, therefore, we can think of these events ahead to *determine when we will experience abundance and bottlenecks of time*.
- Another precautionary measure would be to *limit our time management practices whenever we feel overwhelmed by the workload*. Time management practices create the illusion that we have enough working hours to catch up with the deadlines. Instead, concentrating on the tasks will create the real control over the overwhelming workload. We *simply need to do the work – one task at a time*.
- To integrate past, present and future in our time management practices, we can engage in *reflection to open the gates of creativity*. Through reflection, we create the transitional space to think about the entire process which leads us to success or failure (as opposed to deadlines which focuses only on the sequence of events) and develop tolerance to the delays in task deliverance.
- Finally, we should quit considering deadlines as the object of our time management practices, and instead *reflect on a strategy map to success*. Through conducting time management practices according to a holistic view of time, we perceive the strategy execution process as a whole, in terms of a temporal experience enduring over time.

Introduction

Time perception is implicit in all human experience. At first instance, time may seem to be what we read off of clocks. Clocks are the basic scenes on which time seems to enter our consciousness. Yet time perception is not restricted to clock-time: it also has a phenomenological aspect, which in its broadest sense, refers to a person's perception of time, as opposed to time as it exists outside of that person.

All change presupposes a notion of time. Seen from a phenomenological perspective, time is not perceived as having three distinct “dimensions” – past, present and future – but rather as *a unity* of past and future within the present. This holistic view of time is also the reason why we experience change as a continuous flow of successive events with temporal boundaries. In this way, time perception differs significantly from physical time.

In business life, time is perceived as *future oriented*: it is stretched out towards tasks and deadlines. Even the word “business” has the connotation of a time stretch that is full and goal-oriented. Being busy is to have one’s time occupied with a task to be accomplished. Nevertheless, being occupied does not necessarily equate itself with success and in some cases also be counter-productive.

This theoretical essay aims to investigate time perception from a phenomenological perspective to gain a better understanding of human temporal experience. It investigates how time perception gives rise to a certain *state of consciousness* in business life. Our natural attitude towards time results in time management practices in the form of creating and imposing deadlines to exercise control in business life. The challenge becomes how to improve our time management practices.

METHOD

This theoretical paper is based on a literature review covering different facets of time perception. I used a phenomenological method towards the analysis of time perception in business life, focusing on a first-person awareness of time. By generating a better understanding of the personal experience of time, which is essential in governing business life, this study seeks to better understand the passage of time and how it leads us to either success or failure.

In the first part of the paper, I review time in business studies and our natural attitude towards time, i.e. reading time by clocks. In the second part, an exploration of the mechanics of time allow us to structure time perception, which in turn enables us to investigate the phenomenology, or personal experience, of time. In the last part of the essay, clinical references to time shed light on the role of the basic assumption mentality and transitional phenomenon to provide an understanding of the essence of human temporal experience.

For more information, please refer to author's EMCCC thesis (Ayensur, 2015).

Keys Findings & Discussion

Time, as conceptualized in Business Studies

In business literature, time is considered as a pillar of the organisational culture[2] and as one of the fundamental consensual assumptions in group formation, time is "the key to coordination, planning and the basic organisation of daily life"[3]. Change agents are also expected to be temporally capable to schedule and plan change initiatives[4].

There have been various studies investigating time management and the individual, such as how to determine individual's time orientation, respectively identifying past, present and future oriented individuals[5]; how individual time orientations toward deadlines affect team performance in the context of perceived urgency[6]; and how a leader's personality shapes the entire organisation's time orientation[7].

Likewise, there are several studies that cover how group scheduling practices vary in stable and changing deadlines[8] while highlighting the importance of corporate level scheduling and planning for effective time management[9].

Other studies also consider time management as an individual tool towards anticipated control over time[10] and its correlation with job characteristics and workload[11]. Furthermore, the virtues of empty time have been discussed to point out that busyness may also be a manifestation of manic defence[12].

Last but not least, studies have suggested the necessity of more effective incorporation of the time dimension in organisational theory building[13]. These studies suggest that during the corporate strategy generation process, subjective time should be integrated into the process[14] to capture the dynamic nature of organisations and business environment. Yet, all the studies have approached time as an empirical phenomenon without describing the true nature of human temporal experience – *time perception*.

It also appears that the natural attitude towards time in business literature is strictly based on physical time. We divide, add, subtract and multiply minutes, hours, days, or even years either to plan individual tasks or to synchronize among organisational tasks. We recall and reflect on past. We anticipate the future to formulate a strategy, which will enable us to achieve our targets, today. Time appears as a uniform object of human activity, with three distinct dimensions: past, present and future.

Nevertheless, these studies fall short in defining how a person can be *temporally capable* as suggested by Huy (2001)[15]. A further inquiry into physical time and the concepts utilised by academics and philosophers in their analysis of time as a

phenomenon aides the discussion on temporal capabilities. This inquiry in turn enables us to structure *alternative concepts of time*.

Alternative conceptions of the mechanics of time

Academics and philosophers approach the definition of time with concepts such as event, duration and repetition as opposed to measurement systems that constitute physical time.

It might be stated that the fundamental component of time is an event. An event is an occurrence with content[16] and a temporal marker such as hour or day[17]. Based on these temporal markers we can measure time, which manifests itself as duration[18]. Furthermore, events can repeat themselves and be experienced as part of natural phenomena, even though there may be an alteration in the content of the event[19]. For example, sun rises every morning, yet depending on the season we might not be able to observe sun's rising because it is cloudy.

Taking repetitive nature of events into consideration, Lefebvre defines the repetitiveness of natural events, including physiological ones, as cyclical repetition, such as sun rise or the sensation of hunger[20]. Furthermore, he defines events, designed by social activity as linear repetitions, such as work-day. Lefebvre also points out that linear repetitions are in constant interaction and through *rhythmanalysis* he revealed how these repetitions give rise to a certain consciousness and reality. According to Lefebvre, these rhythms are "regulated time, governed by rational laws, but in contact with what is least rational in human being: the lived, the carnal and the body"[21].

McTaggart's conception of events in form of A-Series and B-Series might be said to supplement Lefebvre's rhythm-analysis. In 1908, McTaggart categorised events in two groups, independent of their repetitive nature and that the defining characteristic of an event is *its relation to another event*, which results in events holding specific positions in time. He states: "Positions in time, as time appears to us *prima facie*, are distinguished in two ways. Each position is Earlier than some, and Later than some, of the other positions. And each position is either Past, Present, or Future."[22]

The position representing the pastness or futureness of an event stands for A-Series events. Furthermore, A-Series events are *sequential* and have a dynamic nature and embody the notion of passage of time. For example, as a person walks down the street to go to a dinner party, at the present moment, dinner party is an anticipated future event. Nevertheless, tomorrow it will become a past event. Therefore, events' orders are subject to change in relation to another event, even though contents of events do not change[23]. See A-Series illustration in Figure 1.

The position representing the beforeness or afterness of an event stands for B-Series events. B-Series events' position is not subjected to change, because B-Series also represents the *causal* relationship among events which manifests

respectively. For example, walking to a dinner party precedes the attendance to the dinner party. Whether the definition of the event is past or future depending on the time of the evaluation, today or tomorrow, the relationship between going to a party and the party itself remains constant as one is before and the other is after.

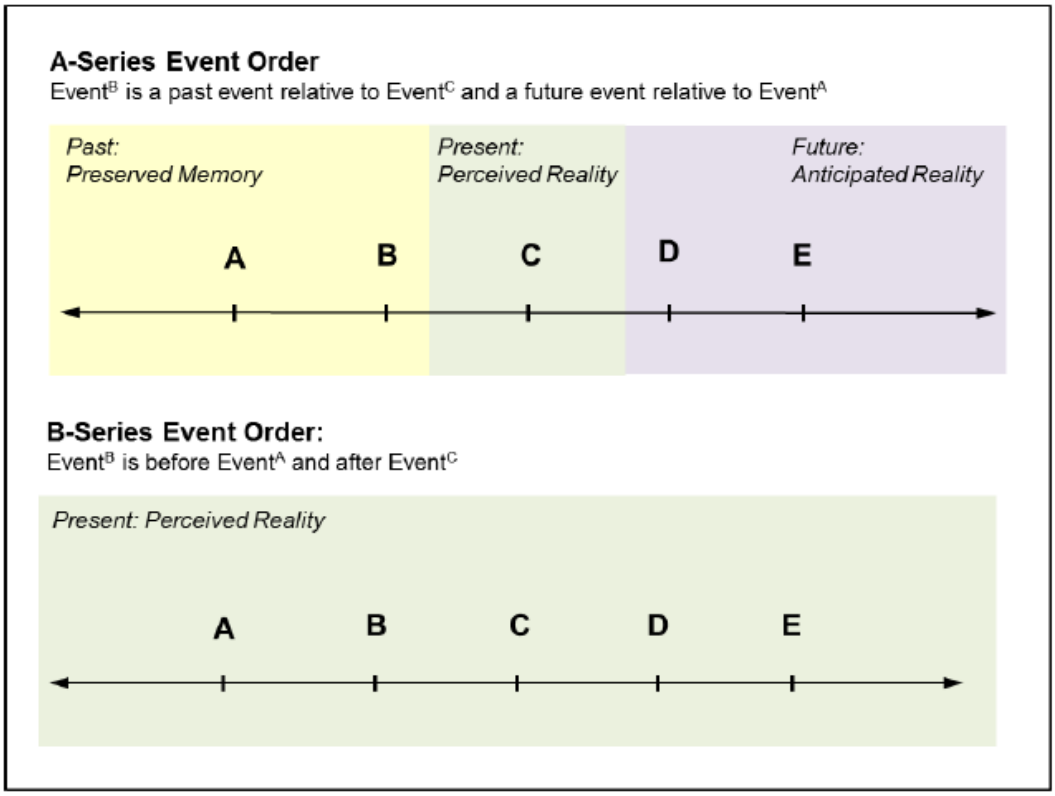

Figure 1. McTaggert A-Series and B-Series

It is argued that we are prone to follow the A-Series order of events in thinking of time because it enables us to act[24]. The lived events of our past help constitute our belief systems. Based on our acquired beliefs, we anticipate future events and conduct social activities as linear repetitions. As Mellor notes "…the reason we need A-belief is that we are agents, most of whose actions depend on our beliefs, and depend for their success on when we do them."[25] As much as we acquire certain beliefs on the workings of the world based on our experiences, we hold certain beliefs which "provide the spur for action" to do the right thing at the right time[26].

These various approaches to mechanics of time show that the concept of time is not solely constituted by abstract measurement of the passing of physical time but also by natural (i.e. the sun) and social (i.e. work day) events with content and duration. Whereas events can be repetitive, they can also be categorised according to their relation to one another. These alternative conceptions of time, viewed from a phenomenological perspective, allow us to more deeply explore the essence of human temporal experience.

Phenomenology of time

In phenomenology, *perception* is the primary source for knowledge. The phenomenological dictum "to the things themselves" stands for the return to the perceptual world as "reality is assumed to be out there waiting to be discovered and investigated"[27]. Therefore, time is explored in terms of how it appears and manifests itself in our own consciousness[28].

As a precursor of phenomenology, William James (1886) suggested that time cannot exist in pure form and is only conceivable with *content in the specious present*[29]. To prove his proposition, he suggested an exercise: To close their eyes and think about time. Once we close our eyes and concentrate on the darkness in front of our eyes, James states that we will find ourselves aware of our heartbeats, the flow of our blood in our veins or inhaling and exhaling oxygen as an ongoing process with its own rhythm. Thus even though we have eliminated visual stimulus and the perception of any kind of movement, we are still subjected to an *internal* process of change which creates the sensation of the passage of time. Furthermore, James states that a temporal marker, such as an hour or one day, does not embody a sensible difference in terms of length or duration. Rather, it is the *abundance of events* in a given hour or day which defines our perception of different durations. James also suggests that the *law of contrast* also governs our sense of time, as the length of a consecutive event will be perceived in relation to the proceeding and succeeding event[30].

Furthermore, if we are *fully occupied* with an unfolding event, for example if it's happening for the first time, we perceive a shortened duration of the present. Yet we recall the event with vivid memory and long duration. On the other hand, if we are solely attentive to the passage of time, such as counting passing seconds, we will experience a prolonged duration in the present. Yet, we will not recall these times in our memories, as they were never lived through as a process with content.

Last but not least, as we experience the sensation of successive events in the present, *disruptive events* may also arise. Such events interrupt the succession of events in the present. As cited by James, according to Wundt, we are prone to have awareness of disruptive events, while we are less likely to be conscious of continuous, succeeding events[31].

On another front, Edmund Husserl explored the subject of *time consciousness*, which enables consciousness to incorporate successive perceptions in the process of sense making. Husserl's defines the workings of time consciousness as temporal presentations which have retentional (past) and protentional (future) latent aspects. Similar to the James's proposal of the specious present, Husserl argued that in the "now" moment, there are no isolated experiences of incidents but a continuous *preservation* of what has just happened and *anticipation* of what is about to happen.

To elaborate on retentional and protentional aspects of temporal presentations, Husserl's time consciousness is illustrated in Figure 2. While musical tones are

represented horizontally, each vertical line stands for the stages of consciousness over time, with the assignment of the letter *t* in the diagram. As the initial experience of tone C starts to unfold as an auditory content at *t*, we cannot come to the conclusion that C is actually part of a melody. As James states, temporal experience is not the accumulation of discrete incidents and experiences but an experience perceived as whole[32].

As the time passes, the tone C is mitigated from the auditory senses, but its retention foreshadows the temporal experience of tone D, shown along the diagonal line over the phases of consciousness with the symbols of rC, rrC, rrrC. As the initial retention of tone C, rC, is a modification of the initial experience of tone C, rrC is also a modification of the initial retention, rC. As cited by Gell, Husserl describes the process as: "each actual 'now' of consciousness is subject to the law of modification. It changes into the retention of a retention, and does so continuously…each retention is intrinsically a continuous modification which so to speak carries its heritage of its past within itself. It is not merely the case that, going downstream, each earlier retention is replaced by a new one"[33].

Consequently, as the moment passes we experience both a retentional past and the newly available tone. As we can see from the diagram, rC will overshadow the experience of tone D. Thus, the retentional aspect of temporal presentation provides the necessary past context for consciousness to perceive tones C and D as a whole and a continuous flow of melody.

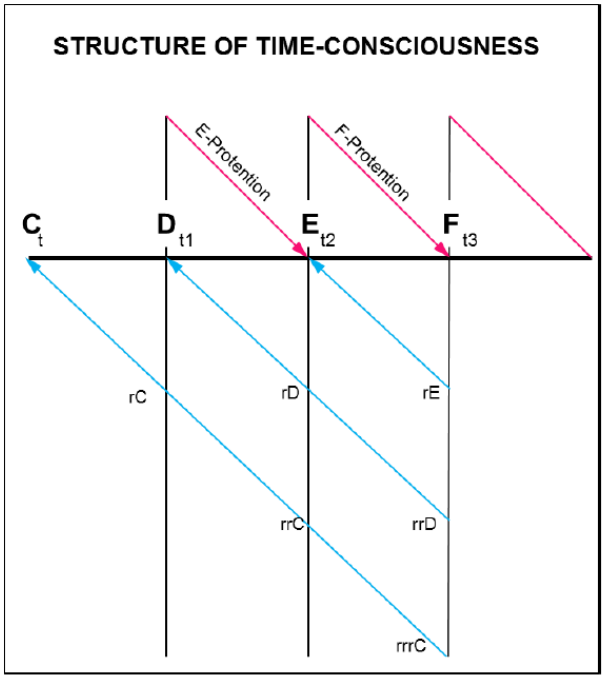

Figure 2. Husserl's Time-Consciousness Diagram

Relatedly, Gallagher and Zahavi argued that time consciousness enables us to *generate meaning*, therefore giving rise to human identity and temporarily extended personal life stories. They state that "we live in a coherent and meaningful world

precisely because we are able to navigate through a stream of experience without getting lost – and our other abilities, like our ability to move through space, or to find our way into relationships in the social world, fully depend on our temporal navigations"[34].

In summary, a person's awareness of the changes in her internal and external world, as well as her capability to fill the moment with content, will determine her perception of time. Time perception is also a mental sensation of succeeding events, with durations, manifesting themselves in relation to the change of external and internal states. And finally the structure of time consciousness and the anticipation of future events, reveals the dynamic nature of the order of successive perceptions in the process of action and sense making.

Clinical references to time

The clinical perspective is based on the *basic assumption mentality*. Central to this is Bion's silent treatment experiment which revealed how the structure of time consciousness affects our mental states and alters our understanding of a process. His experiment demonstrates the difficulties of maintaining a work group mentality in everyday life.

The experiment enfolds as such. At the beginning of a group therapy session, Bion chooses to remain silent. Within the duration of silence, he reports that emotional unrest and tension arise among group members, as Bion does not live up to members' expectations[35]. The silence creates a content vacuum and disrupts the anticipated order of events. Consequently, the group members' expectation of a "group session" is undermined. They are forced to make sense of the silence, and to modify their expectations on how the group session will proceed. Through this experiment, the group has changed into a *basic assumption group* due to an alteration in the order of anticipated event, which in turn also revealed a *sense of anxiety*. As the group members cannot anticipate any possible future, they perceive a danger to group unity, and collectively the realistic awareness of time is lost. Nevertheless, the group mentality flourishes in the moment, in the specious present. Taking into account the holistic view of the "now" moment suggested by both James and Husserl, we witness a change in group mentality in relation to available external and internal contents. Based on Winnicott's definition of transitional phenomenon, "to which inner reality and external reality contribute"[36], we arrive at the conclusion that the structure of time-consciousness manifest itself as the *transitional space in the "now" moment*.

The transitional phenomenon, as studied from the viewpoint of a child, allows the individual to release tension and exercise control over the external world by handling the object. They also start to develop tolerance to frustration. Consequently, the transitional object helps the infant to build a certain time-limit to frustration, with a "growing sense of process"[37]. The infant remembers, as well becomes capable of anticipating future and starts to "integrate past, present and future"[38]. Through the transitional process the infant learns the order of events and

can construct her own historicity of events in relation to external and internal world.

Thus, we find a correlation between the transitional object and the specious present, since they both present an intermediary space which enable individuals to change or manipulate their perception on reality. Both transitional space and the specious present enable us to integrate retentional and protentional aspects of successive perceptions in relation to the change in external and internal world.

In the next section, I describe how the realistic awareness of time can manifest itself in the work groups, and secondly, how, by managing time as the object of business activity, we collapse the specious present and trigger the basic assumption mentality, and finally, I provide insights on how we can improve our individual time management practices to maintain a realistic awareness of time.

Practical Implications

The Realistic Awareness of Time

The term realistic awareness of time utilised by French and Simpson borrows from Bion who states that "as in work group activity time is intrinsic"[39]. However, the further qualifications of the term intrinsic is never explained. Therefore, it is essential to try to analyse what intrinsic might pertain to, if a study of human temporal experience is to be achieved in business life.

On the surface of business activity, we objectify and plan time to mobilise resources and exercise a change in the environment. We divide, add, subtract and multiply minutes, days or even years. Even though James suggests that temporal markers such as hours and days do not present sensible differences in terms of duration, our natural attitude towards time manifests itself as an object of business activity – a resource to be managed like any other resource.

However, to reveal the *realistic awareness of time,* as manifesting itself in work groups, it might be useful to consider alternative perspectives to the business activities.

Starting from the foundation of the company, the temporal markers the company uses to summarise its success through a *timeline* gives rise to its own historicity. Nevertheless, the heritage of the company does not constitute any content in terms of how the company achieved its targets. Without explaining the process which leads to success, the timeline shows the positive results of business activity.

Furthermore, as the company conducts competitive environment analysis and on its competences, it creates a *vision* to direct future business activities and formulates its mission and primary task to validate its strategic goals. The company mobilizes its resources according to its future aspirations with the anticipation that through effective strategic execution today they will outpace the competition tomorrow.

Likewise, through *innovative thinking* we can deliberately change the positions of events to acquire competitive advantage. Nevertheless, there is a limit to the ability to manipulate the order of events. For example, to deliver the final product to the customer, we can eliminate certain players in the value-chain but we always need to acquire an initial input, either financial or physical, before we create value.

As we divide the tasks and create a work breakdown structure based on the interdependence among tasks, we sequence them in consideration of division of labour and time. Based on the occupational order of events, such as how bottlenecks in operations management affect the whole production output, we can reveal the causal relationships between different tasks and determine the duration of each task.

Through such examples of business activity, framed according to the mechanics of time, we have alternative perspectives on how business organisation is formed as a construct of time beyond physical time. These can help us define how a manager can be *temporally capable*. Since a person's time perception will depend on her awareness on changes in cyclical and linear repetitions and her capability to fill the moment with content, *a temporally capable manager* is able to foresee the interaction between linear and cyclical repetitions, which results in a particular reality and time consciousness. Therefore, she will steer effectively in a dynamic business environment by choosing the right course of action at the right time.

The collapse of the Specious Present

By defining the realistic awareness of time according to the mechanics of time, we have revealed that strategic planning accommodates the casual relationship between organisational tasks. Furthermore, the company's own historic account of events provides the necessary starting point to construct the roadmap to success – the strategy map.

Based on the social consensus on working hours, the work day stands for the designated temporal borders for productive activity. Within these temporal boundaries, we are expected to be occupied with the primary task, in alignment with company's strategic goals and operational plans. We divide our individual working hours based on standardized and repetitive events, such as attending a meeting, preparing a report, or visiting a customer. Furthermore, we set specific time markers in the form of deadlines to deliver a certain task. We measure the success by physical time through the delivery of the task by the deadline.

As a result, we collectively create the illusion of effective strategic execution, through planning our individual time and sequencing organisational tasks. We construct a specific order of events which manifests itself as the roadmap to success with specific deadlines. However, through this approach, we become fixated to the belief that there is only one way to attain targets. Most importantly, we do not account for changes in cyclical and linear repetitions beyond our control.

Our illusion of the perfectly planned strategy lasts until we start to experience delays in task deliverance. A delay can occur because a supplier fails to delivers the necessary material to the production on time, it can also be the result of an employees' absence due to illness. Delays are the result of the interaction between linear and cyclical repetitions, through which we experience a change in the anticipated order of events, leading to deviations in the scheduled deadlines, and disruptive to strategy execution. Since delays in task deliverance create a content vacuum, as in Bion's silent treatment experiment, we cannot initiate the successive events at the time scheduled in the roadmap to success. We become stuck in the moment, in a particular stage of execution. And, without the anticipation of the future, we find ourselves in a danger-situation and start to work under basic assumption mentality.

To escape from the perceived danger-situation, we rely on *time management* to preserve the illusion of effective strategic execution and future success. In order to catch up with deadlines, we start to draw decision boxes to prioritize tasks based on criteria of urgency and importance to compensate on the lost time[40]. Consequently, as Macan suggested, *time becomes the object of business activity in the form of deadlines to exercise control over cyclical and linear repetitive events in the present*.

However, once we experience delays in task deliverance, we start to race towards the deadlines. As we focus on deadlines to measure success in strategy execution, we forget James's suggestion that temporal experience is not the accumulation of discrete incidents, in this case accumulation of deadlines, but an experience perceived as a whole. Therefore, through traditional time management, the road map to the success is replaced by deadlines, with the workforce reduced to operating in a basic assumption mode as they try to satisfy the historicity of events but not the order of the events.

In summary, time management geared only towards deadlines creates circumstances in which the work group is reduced to a basic assumption group. Such time management prevents the perception of realistic awareness of time. Under these circumstances, we unconsciously contribute to the basic assumption mentality creating a cyclical repetition, which does not enable us to escape from it. Nevertheless, as an infant overcomes her anxieties and builds time limit to frustration through a transitional object, we can still develop a tolerance towards delays on task deliverance.

Reinterpretation of deadlines

The last part of the analysis focuses on ways in which deadlines might be utilised in a manner that enables the work group to adhere to the realistic awareness of time as well as developing a tolerance towards delays on task deliverance.

To start to formulate an enhanced time management strategy, we first need to acknowledge the fact that temporal markers do not present sensible differences in

terms of duration. To elaborate on this point, we can think of two deadlines in the form of two specific dates. For example, the first deadline, 9th January 2015, stands for a task with duration of 3 weeks, starting at 28th of December 2014. The second deadline, 31st December 2014, stands for a task with duration of 2 days.

While scheduling these two tasks in our weekly agenda, the second deadline appears as an urgent deadline and the first deadline appears as it does not need our immediate attention. On the other hand, based on the duration of first deadline, we can assume that it is a greater task because of its length. But in the presence of a closer deadline, the question is how much we will designate our working hours to a deadline, which appears to be scheduled next year. Usually, we tend to overlook the deadlines in terms of their duration and focus on the specific dates and its distance from the present*. Therefore, deadlines, as a temporal marker, do not help us to plan our working hours effectively*.

Furthermore, we should remember that our time perception depends on *the abundance of events within the designated temporal borders* and not on the fixed durations of physical time. Based on the realistic awareness of time, we know that throughout a year, there is a continuity of cyclical and linear repetitive events, such as quarterly board reviews or product planning workshops. In our time management practices, therefore we can think of these events ahead to determine when we will experience abundance and bottlenecks of time. Thus we will become aware of the fact that at certain times, we will experience that working 40 hours of week is just not enough to meet the deadlines.

Another precautionary measure would be to *limit our time management practices, whenever we feel overwhelmed by the workload*. It could be said that time management is taking a break from work and concentrating on sequencing of events to meet with the deadlines. It might also lead to a creation of an intentional content vacuum when time is not occupied by the content of tasks but only with time in the form of counting working hours. Based on James's suggestion stating that we perceive time with a prolonged duration if we only think of time as passing by; it might be evident that by time management practices we create the illusion that we have enough working hours to catch up with the deadlines leading to the perception of having enough time, therefore control over tasks. Instead, concentrating on the tasks will create the real control over the overwhelming workload. As Winnicott emphasizes: "to control what is outside one has to do things, not simply to think or to wish, and doing things take time. Playing is doing"[41].

Last but not least, to integrate past, present and future in our time management practices, we can engage in what Kets de Vries argues for – reflection to open the gate of creativity. Through reflection, we create the transitional space to think about the entire process (as opposed to deadlines which focuses only on the sequence of events) which leads us to success or failure and develop tolerance to the delays in task deliverance. We can also replace the retentional aspect of anxiety with acknowledgement of the causal relationships among tasks and set another course to achieve our targets.

To sum up, we should quit considering deadlines as the object of our time management practices, and instead reflect on the roadmap to success, as the object of our time management practice. Through conducting our time management practices according to the holistic view of time in the specious present, we will perceive the strategy execution process as a whole, in terms of a temporal experience enduring over time. We will be able to navigate temporally among organisational tasks to set a new order of events with the guidance of the roadmap. Most importantly we will preserve our confidence over success, even though we established an alternative historicity of events.

Conclusions

In this theoretical essay, the temporal human experience in comparison to the physical time is investigated. Following the phenomenological method, the impact of time perception in business life with references to clinical literature is analysed. By revealing the correlations between phenomenological assumptions and clinical references on time, we have a better understanding of how time perception alters individuals in relation to changes in the external and internal world and how it gives rise to a certain state of consciousness.

This study provides a holistic view as a structure of time consciousness rather than time conceptualized according to the physical time view, presenting past, present and future as distinct dimensions. The process of strategy execution objectifying deadlines triggers the basic assumption mentality hence giving rise to the notion of time management to exercise control over business life. In response, several suggestions on how to enhance time management practices according to phenomenological and clinical assumptions are provided. Namely, it has been suggested that deadlines have to be replaced by the *roadmap* to success in time management practices.

Over all, this study provides an awareness to build an organisational time consciousness by investigating the influence of time perception in business life. It is hoped that being aware of alternative concepts, especially that of holistic view of time and that the future is not determinate, might enable a perspective shift in the business life, which is overly rationalized and deterministic, with effects spilling over to all aspects of our lives.

About the Author

Representing the second generation in her family company, operating in Heavy Commercial Vehicle Industry, Aysenur Nuhoglu defines herself as an imaginary Southpole explorer, as well as a strategic planning enthusiast with a keen interest to look sideways. Currently on maternity leave, Aysenur Nuhoglu is excited to transition into her new role in life.

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[1] Organizational time consciousness is the term utilized by the author to summarize the theme of this paper. On the other hand, the term “time consciousness” belongs to Edmund Husserl, the founder of the philosophical school of phenomenology. As such, the author urges the reader to keep in mind that organizational time consciousness solely stands for the awareness on the impact of time perception in business life.
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PART SEVEN

ENSURING ORGANISATIONAL HEALTH

Our final section looks at the underlying dynamics and change process for ensuring organisational health.

With experience in both HR and Business responsibilities, Norbert Schreiner looks at the *reactions to the implementation of a popular HR transformation model* – the Dave Ulrich model of HR transformation – which in theory sought to increase organisational effectiveness in terms of new structures and processes within HR, while increasing HR's proximity to the business through the creation of HR business partners. Having himself experienced certain traps with the implementation of the model and seen both success or failures of transformation, Schreiner identifies a number of paradoxical and psychodynamic forces which continue to undermine the implementation of the Ulrich model. Serving as an example of the implementation of change initiatives in general, he argues that critical underlying forces need to be taken into account in any change process, or the initiative will end up as "phantastic" object – full of promise but without any meaningful impact.

Nathalie Rob, an established change and communications professional, also takes a psychodynamic and systemic look, not at dysfunction but at *organisational well-being*. She proposes that well-being requires an understanding of the conscious and unconscious behaviour that can influence the psychosocial work environment and that a number of enabling conditions can contribute to the development of organisational health. Taking such psychodynamic forces into consideration, she proposes a framework to guide decision-making over whether new policies or practices are likely to be worth the effort, as well as whether leadership processes encourages congruence between individual and organisational needs.

Why So Few Companies are Completely Satisfied with Their HR Transformation Process

NORBERT SCHREINER

The Starting Point

Dave Ulrich's model of HR transformation is pursued by most larger companies in the Western world[1]. Under this model, focus was placed on organisational effectiveness in terms of new structures and processes within HR, with HR's proximity to the business facilitated through the installation of HR business partners. There have been plenty of articles describing the overall result of this model, some full of praise, others more critical. However, little has been written about the specific interpretations of the model and the underlying reasons it was interpreted in a particular way and why a particular focus within the model was chosen. Over several years I have myself experienced certain traps with the implementation of the model and saw different impacts on the success or failure of transformation. Notwithstanding the quantitative research available in the field of satisfaction with HR transformation, I decided to do my own research into this subject.

Idea in Brief

I investigated how the Dave Ulrich model was implemented in different companies. Based on interviews with various companies in Europe that went through the HR transformation, I examined different interpretations of the model and whether the implementation of the transformation was successful. Through 25 interviews with various HR personnel from large companies based in Europe, as well as comparing with recent articles about the model's rate of success, I discovered that:

- Companies are not fully satisfied with the results of their HR transformation because of a number of paradoxical and psychodynamic forces which undermined the implementation of the Ulrich model. However, they also agree that a transformation was needed.
- Focus was placed on organisational effectiveness in terms of new structures and processes within HR, while on the other hand, HR's proximity to the business was targeted through the installation of HR business partners.
- The change from decentralized HR to tightly standardized central HR often disrupted HR delivery.
- Many HR organisations became stuck in fixing their struggling transactional processes and were completely derailed from the primary target – to

implement effective business partnering.

- Most of the so-called HR business partners were still closely involved in transactional tasks and could not focus on the partnering and strategy role they are supposed to fulfil. Some HR business partners who were previously HR generalists even promoted the old way of working, because they liked to stay in their comfort zone of transactional tasks.

Idea in Practice

Based on the interviews, I proposed a number of recommendations that HR may make in order to leverage the promises made by the Ulrich model:

- Redefine clear targets for transformation and what kinds of delivery HR should provide at the end of the day.
- Communicate target clearly to stakeholders, in particular to the main customers inside the company (such as line managers and employees).
- Rigorous selection of resources and training according to well-defined competence profiles. In order to increase business understanding of the HR business partners, the recruitment of some people with business and leadership experience may need to be considered.
- Simplification (in terms of access to HR and HR processes) is key as complexity caused a lot of confusion and deviation from the original targets.
- Temporary project resources should be used to support the transformation and might lead to better efficiency.

Introduction

In the mid-1990s there was a big question mark over which direction HR should take. It was obvious that business as usual was no longer an option for HR and the new direction had to be based on a broad agreement with the main stakeholders. As Dave Ulrich noted in his book Tomorrow's HR Management[2]:

The role of [the] human resource management (HRM) function in many organisations is at a crossroads. On one hand the HRM function is in crisis, increasingly under fire to justify itself and confronted with the very real prospect that a significant portion of its responsibilities will be outsourced[3].

Amalgamating different opinions on that subject, Ulrich proposed a model whose main purpose was to shift HR from being a transactional task – a demand-driven organisation – to being a *strategic player* which supports the business to achieve its fundamental goals and add value to business success. Key to achieving this is the centralization of resources within HR in order to tap into economies of scale.

However, the implementation of this model has received scathing criticism. In a 2005 article, "Why we hate HR?", Keith Hammonds observed that "HR is the corporate function with the greatest potential–the key driver, in theory, of business performance", but "also the one that most consistently under delivers"[4]. Hammond continues that instead of being integrated with business strategy, "most HR organisations have ghettoized themselves literally to the brink of obsolescence"[5] and that "most human-resources managers aren't particularly interested in, or equipped for, doing business"[6].

Hird and colleagues claim that HR units have concentrated too much on being experts in particular areas – recruitment, staffing, reward, communication, organisation development, employee relations and so on – in other words, activities. What HR needed to focus on instead were the *results* of HR activities, and the valued outcomes that improved the business bottom line[7].

As these excepts of responses show, there was and continues to be lots of pressures and expectations on HR transformation. Why then was Ulrich's model adopted by so many companies? Did they adopt the model as a convenient and timely solution to *all* their problems? Was it too tempting to believe that the mere implementation of a different structure would secure the future of HR? Were they seduced into a management fashion?

HR transformation as a Phantastic object

Louisa Peacock wrote in 2008 that Ulrich himself admitted "poor implementation" had let the model down, but insisted HR should stick with it. Ulrich defended his model by saying that "I have evolved the model over the years. I would not judge a TV by what it was like 10 years ago" he said. "People have misunderstood what the model is[;] it starts with the business"[8]. In fact, when you reconsider Ulrich's

first ideas, one must admit that there is a big deviation between the focus of his ideas and how it was implemented.

One idea to explain this discrepancy between intent and reality is the phantastic object. A "phantastic object", according to Tuckett and Taffler, is "a mental representation of something (or someone) which in an imagined scene fulfils the protagonist's deepest desires to have exactly what she wants when she wants it"[9]. When we look at what former HR generalists are fantasizing about, we are "at risk of ignoring the actual pressures organisations face"[10]: they ignore the business orientation and want to stay in the old environment, where they can show their expertise in transactions. As Gordon Lawrence emphasized, "we must distinguish between the stated and actual task"[11]. In the case of transformation, the conflict appears mainly between turning HR into a business-orientated organisation and focusing on the correct and efficient operation of HR services. In reality there is a lot of pressure on the HR organisation to deliver smoothly functioning transactional processes before being accepted as a strategic partner at the business table.

As an example, when we look at timing and resources provided compared to the expected outcome, we see much fantasizing without the necessary reality check. The time needed to overcome incumbents' resistance to the future model, and the resources needed to standardize all transactional processes and at the same time, convince the line of the changes, were greatly underestimated. It almost looked like somebody picked the easy selling points out of the model, decorated them nicely on the table and invited people for a phantastic dinner without mentioning the consequences on their digestion.

Prasad and colleagues cautioned against following fashion, stating that "organisational policies and practices are believed to be increasingly susceptible to the influence of fashion that dictates periodic changes in managerial techniques and work arrangements[12]. They also recognise in their studies of diversity management that fashion seems to have facilitated the initial organisational adoption as well as their transformations, by lending these programmes the credibility and legitimacy that sometimes accrues to management practices being seen as "innovative" and "new"[13].

Despite the promises contained within the model, in reality, many HR organisations became stuck in fixing their struggling transactional processes and are often completely derailed from the primary target – to implement effective business partnering. Most of the so-called HR business partners are still closely involved in transactional tasks and cannot focus on the partnering and strategy role they are supposed to fulfil. Some HR business partners who were previously HR generalists even promote the old way of working, because they like to stay in their comfort zone of transactional tasks.

Clearly the picture of HR transformation is convoluted. As the preceding discussion shows, evaluations of the outcome of the model are mixed. There remains a black box around how the model was interpreted and implemented, in

particular the processes and dynamics of its implementation. What anxieties – on the part of individuals or whole organisations – shaped the project charter and what behaviours by the incumbents caused the model to struggle or succeed?

METHOD

For my research, I wanted to look into why most companies are not fully satisfied with the results of their HR transformation. Instead of focusing on the model itself, I wanted to examine the various interpretations of the model and how successful was the implementation of the transformation.

A qualitative approach was chosen, focused on the experience and reactions of HR people and those affected by the process of change rather than describing and comparing the process itself.

Twenty-five interviews were conducted, mostly with HR managers, in the CHRO function, the HR transformation function, HR business partner role or HR service role. The companies were Europe-based (Switzerland, the UK, Sweden, Germany and the Netherlands), from a wide range of industries (banking and insurance, life sciences, chemicals, airlines, oil and gas, industrial equipment and heavy industry) and had at least 10,000 employees.

In addition, I was able to connect with consultants, HR academics and a line manager. HR consultants and HR academics were approached to get an idea of forward and next-level thinking about HR structures respectively and to get a more neutral perspective of the implementation of HR transformation in the industry. As for line managers, the original intent was to interview several line managers, but most of the organisations were reluctant for me to have contact with them.

Questions for the interviews were grouped into the following categories (1) How HR transformation was framed (2) Objectives and achievements (3) Measurement of success (4) Consequences of the transformation and (5) Changes in order to take HR to the next level. Some of these questions triggered deeper discussions, such as why certain decisions were taken, whether there was a fear of positioning HR the wrong way, and what kinds of impact acceptance or non-acceptance of the model had on the success of its implementation

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In order to explore the undercurrents of the model, namely, what anxieties – on the part of individuals or whole organisation – shaped its implementation and what behaviours by the incumbents caused the model to either struggle or succeed, I also asked each of the interviewees to draw a picture of the model, how they perceive it and how it was rolled out in their company. They were also invited to indicate areas of conflict, and if they felt comfortable with this. Drawing was used as a "powerful tool in the work of socio-analytic exploration"[14] which has the potential to "provide an enormous amount of rich data about both the conscious and unconscious experiences that people have of an organisation"[15].

For more information, please refer to my EMCCC thesis (Schrenier, 2016).

Key Findings & Discussion

HR priorities: Who drives the agenda?

The big problem is that HR is focused on HR: HR impact happens in the line, and HR priorities need to be derived from the line's priorities. This leads us to two important questions: how much cost should HR save directly in their organisation? And to what extent should they drive the HR agenda rather than letting it be driven by the input from the line? Throughout the interviews, the question of who really defined the targets for HR transformation was not fully answered. In cases where the objectives remained focused more on the cost and efficiency side as well as on the company's culture, there was a strong driving role by the company's CEO. However, in companies where the focus was on quality and impact of HR, HR leadership seem to drive the agenda more pro-actively.

HR reputation: How visible is HR?

When asked about the reputation of HR in the various companies, most of the responses were disappointing. The comparison to Finance as an internal competitor in terms of reputation and visibility was highlighted a couple of times. One HR manager claimed that "Finance is more in the interest of investors; therefore, it is easier for them to position themselves".

A few companies mentioned that HR really contributed to the success of the business and is highly accepted. In these cases, HR had a seat on the board in nearly all of the companies. In some others, HR's reputation, however, suffered due to transactions, processes and systems going wrong during the transformation. In these cases, the focus of the transformation project was changed mainly to fix the transactional problems. The support for the business either became a lower priority or was delayed to a later date. One HR manager said: "You need to get the basics right in order to earn the license to operate as a business partner on the management level." Another described it in more picturesque terms: "We recognized how important a good service organisation is. They are the people at the bottom of a valley, who are holding the rope as you climb up the rock face."

Perceptions: HR still perceived as a transactional resource rather than a strategic partner

The implementation of the new model was pursued in very different ways. Depending on whether the company had a global or more local footprint, the model was applied in either a regional or local set-up. The defined level of cost pressure had a clear impact on the various steps in the process. Some companies immediately began outsourcing and took the risk of leaving the standardization of

all transactional processes to an external provider. Others were more careful and started with local service centre, which they wanted to bring or brought up to regional service centres as the next step. These so-called HR factories (terminology of one HR manager) must work properly in order to be recognized as a competent HR department. One interviewee stated that “nobody in the line is interested in the strategic contribution of HR if we can’t manage to write a reference letter”. Pure strategic support without the backbone of properly functioning processes is not an acceptable option. Those who radically outsourced and globalized services for cost reasons without proper standardization and testing of the system upfront had partially “broken HR”, as one manager called it. One HR transformation leader even complained that the HR business partners’ “latest hobby became controlling the transactional work of the service centre.”

Under the model, business partners were meant to change their profile quite significantly. In reality, most companies focused on the business partners quite late or had not yet found the time to do so. The reasons for this shift of priority have already been mentioned. Training to gain business acumen and to understand the products and overall business strategy was quite often postponed or done only once. On top of that, the selection process for business partners became a rather random affair. Some companies changed some of their business partners; others left it to incumbents to leave the role if they could not get on with the new requirements. Still others allowed those who felt comfortable with the strategic part of their job to stay in the position and to continue their transactional work. This again points to the fact that the line still considers HR business partners as a transactional resource rather than as a strategic partner. As one HR manager put it, “The positioning of HR business partners followed the Darwin approach more than the Ulrich approach,” meaning that those who could cope with it survived, while the others left.

Line managers’ scepticism created resistance to centralization and standardization

In general, the reaction of line managers was sceptical. There were comments like “HR wants to transfer the HR tasks to the line through employee self-service and management self–service”. Another HR manager expressed it more diplomatically, saying that “the line was not really waiting for that change”. Some of the HR people I interviewed reported that different business lines had built up their own individualized HR function. They did not appreciate suddenly having to follow broader-based standards as there was a fear of losing control over HR processes. Some just regretted losing the convenience of individual guidance through processes by HR people close to them. One HR manager commented that “some of the leaders got too spoilt and enjoyed passing difficult leadership tasks like performance improvement discussions or terminations to HR”. Overall, this created a risk that weak HR business partners would be drawn back into transactional tasks, or even be induced to keep them.

Mindset change: HR found it difficult leave the comfort zone

The reaction of HR to the need to get closer to the business varied greatly. Some of the CHROs who started the HR transformation were replaced by people coming from the business side. Statements like “we don’t need people from the line to be good at HR; HR is a profession” were countered by others such as “it is easier to bring HR processes to business people than business to HR people”.

The question of what profile would be preferable for HR business partner roles received a variety of answers. Hardly any of the companies had a dedicated strategy for what background a business partner should have. Most mentioned certain core competences, such as “financial understanding” or “partnering skills”. Some preferred people with a consultancy background, other business partners from external companies; rarely were people from HR services seen as having a suitable profile. Remarkably, in all cases the reporting line of all HR functions, including the business partners, was repatriated to central HR. As one interviewee said: “If you are making such a radical transformation, it needs to be in one pair of hands”’ However, one company, which has been involved in the transformation process for some time, is on the way to handing the HR business partners back to the business. Others could envisage the same move after a while, but believe it was necessary to centralize first in order to achieve a greater alignment within HR. Some even mentioned that there is a certain risk that the business partners are too close to the business and therefore seek individual solutions instead of sticking to the standard processes. As indicated earlier, some of the HR generalists renamed as HR business partners even used the fact to stay in their comfort zone. One remark confirms this: “It is not easy to take the HR business partners out of the transactional swamp. Some of them feel more comfortable on the transactional side.” This plays into the hand of some line managers, who prefer to see the HR business partner in a transactional rather than a strategic role.

Not there yet: HR transformation as a necessary journey but far from complete

The original targets have generally been achieved in part; hardly anybody saw the process as complete. It has become a journey rather than a project with a fixed timeline. Those who had cost targets in view are hoping for further savings by more centralization and offshoring to cheaper locations, while most want to develop the skill set of HR business partners towards better consulting skills. The line seems to rebuild trust into HR, since transactional HR processes have stabilized in most of the groups and are becoming reliable. One HR head was more sceptical: “We are like a restaurant with an excellent frontage, nice tables and good-looking waitresses, but the kitchen is still the same, and suppliers are still dropping the food”.

One delicate question I asked was on measuring results of HR in general and of the business partners. The majority of respondents still measure KPIs such as attrition rates, talent pipelines, etc. However, most are aware that they should

have a measurement related to the success of the business. Some are in the process of developing a dashboard; others are already using something similar. I got the impression that very few of them had in place a systematic approach that guarantees a rigorous measurement of HR contribution. However, none of the interviewed companies would ever consider turning the wheel back to the stage they were at before. They recognized shortcomings in implementing the model, and maybe even in target setting, but HR needed to change: "They recognized that the system was outdated and needed to be standardized."

How much should HR be influenced by the line and how much should HR drive the agenda?

Given the above insights, we have a hint of an answer to the role of HR by looking at how long the various companies have been involved in transformation. It depends on the ratio between the influence of the line and of HR, which might differ during the process. Reilly quotes one of his interviewees facing up to the facts: "We have replaced one set of silos (based on business units) with another (based on HR functions)".[16] In one of my interviews an HR manager said: "It is less important where HR reports into – the business or central HR. Sometimes the change itself brings the dynamics into the system". As these observations show, the pendulum swings back and forth; the direction is not the key as movement of the system is the real benefit.

Practical Implications

Most HR transformation are derived from the Dave Ulrich model. Most translations of his model into companies reduced the focus from supporting the business in delivering its goals and objectives efficiently to the implementation of a cost-effective HR department. This was mainly caused by the fact HR was only partly able to sell its value-added solutions. In the majority of the companies, cost reduction in HR became the major target. In order to achieve this, transactional processes became the focus and risky actions such as centralization, offshoring and even outsourcing of HR transactions were undertaken without sufficient standardization of the processes or proper stakeholder management. This led to a temporary deterioration of service levels and forced HR to focus even more on the transactional part of its work. The HR business partnering part thereby became a lower priority in terms of transformation efforts. This allowed forces resistant to transformation (certain former HR generalists, some line managers and employees) who wanted to keep the transactional support close to them to regroup.

Nevertheless, all companies believe that HR transformation was on a correct path, while admitting that there is much more room for improvement. Figure 1 provides a framework of what the process from Transactional to Business-oriented HR looked like and how HR had to engage in adaptation in response to the defensive responses towards the implementation of HR transformation initiatives.

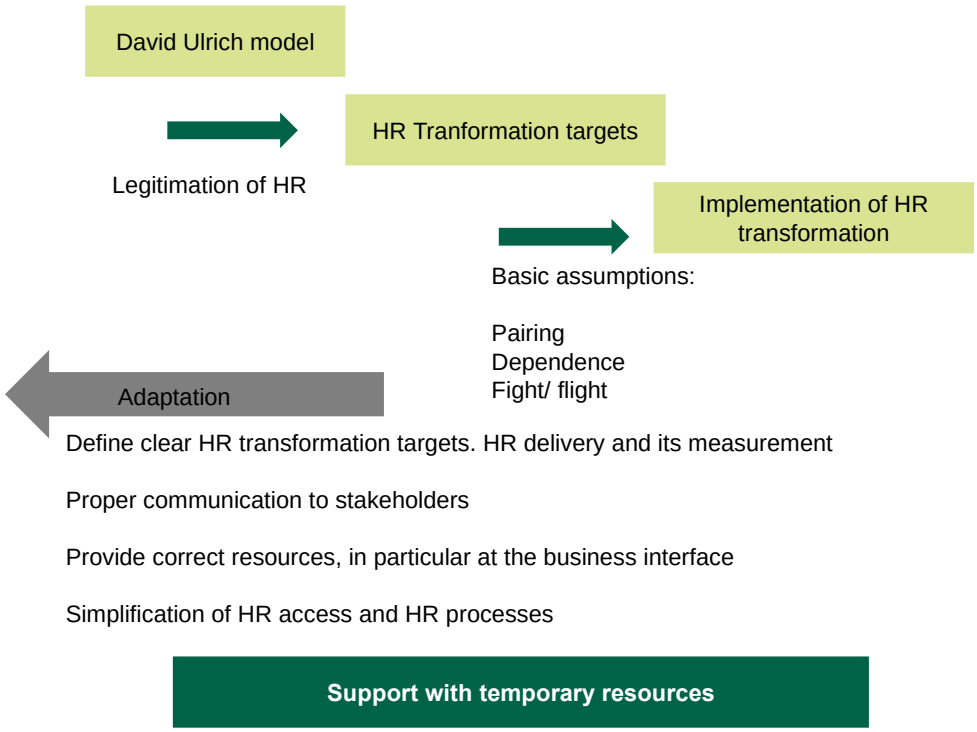

Figure 1. Framework from moving from Transactional to Business-oriented HR

Building on this framework, I would like to propose following recommendations and adaptations HR may make in order to leverage the promises made by the Ulrich model:

1. Redefine clear targets for transformation and what kind of delivery HR should provide at the end of the day. Progress should be regularly checked by putting in place a standardized measurement of HR delivery.
2. These targets need to be clearly communicated to stakeholders, in particular to the main customers inside the company (line managers and employees).
3. The selection and training of resources need to be carried out rigorously according to well-defined competence profiles. In order to increase business understanding of the HR business partners, the recruitment of some people with business and leadership experience may need to be considered.
4. Simplification: Complexity caused a lot of confusion and deviation from the original targets. The following areas should be simplified:
    - Access to HR needs to be straightforward. Instead of handing over the responsibility to the line to deal with the complex structure of HR, HR should have an intuitive access system. All further separation of tasks or specialization should be kept within HR, without bothering the “internal” customer. This is valid for different functional splits as well as for geographical complexity.

- Processes should be kept simple. Leading people is considered a key task of line managers and should be given the time this requires; it is the responsibility of HR to design processes as simple as possible to fulfil this task. Leaders' time is precious and line managers should consider HR processes as a support rather than a burden. They should be able to recognise the value added in every minute they are engaged in an HR process.

5. Temporary project resources should be used to support the transformation and might lead to the efficiency be achieved faster.

The direction HR has taken is not questioned. Following turbulent years of restructuring within HR, the outcome needs to be made visible to the line so that they can gain full respect for the HR function as a professional service and value-adding contribution.

Conclusions

Companies are not fully satisfied with the results of their HR transformation because of a number of paradoxical and psychodynamic forces which undermined the implementation of the Ulrich model. On one hand, focus was placed on organisational effectiveness in terms of new structures and processes within HR, while on the other, HR's proximity to the business was targeted through the installation of HR business partners. The change from decentralized HR to tightly standardized central HR often disrupted HR delivery. Many HR organisations became stuck in fixing their struggling transactional processes and were completely derailed from the primary target – to implement effective business partnering. Most of the so-called HR business partners were still closely involved in transactional tasks and could not focus on the partnering and strategy role they are supposed to fulfil. Some HR business partners who were previously HR generalists even promoted the old way of working, because they liked to stay in their comfort zone of transactional tasks. Such obstacles may be addressed by a clear target definition of the new organisational setup, a transparent catalogue of delivery including the measurement of achievement, proper communication with all stakeholders and a simplification of access channels to HR and of the HR processes including proper selection and training for all HR functions in their new roles. HR departments also need to shift focus from internal issues to their customers. In doing so, they may be able to show line management the real value they can deliver in partnering and strategic support, while discussions about the legitimacy of HR would simultaneously be reduced.

About the Author

Norbert Schreiner has operated in both operational business roles and HR roles, across multiple industries and geographies. During this time, he became deeply interested in the interface between business and HR from a partnering standpoint. Having experienced both successful and unsuccessful HR business partnering implementations, he decided to further pursue his interest academically by diving

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Promoting Organisational Well-Being: A Psychodynamic-Systemic Look

NATALIE ROB

The Starting Point

Despite well laid out project management plans, I have seen various change programmes and strategic initiatives not implemented or sustained successfully in organisations. Organisations and teams themselves approach change more as a 'tick box' of hard measures and not enough attention taken to the 'soft measures' which actually embed the new supporting behaviours and alignment that sustain change and encourage growth and success in an organisation. I believe that it is the leaders' role to find congruence between the change agenda and their teams' collective and individual needs and motivations for it to be successful and to navigate the environment that will encourage the individuals, their team's growth and well-being. For this, leaders need to have an understanding on the unconscious themes that present themselves in an organisation and create a safe space to bring them to the surface which will allow for the required processing that leads to more growth driven behaviour and well-being. Therefore, I set out to define a model of the key dimensions that a leader needs to enable to promote individual and organisational well-being.

Idea in Brief

Despite a vast amount of research in the area of organisational well-being, there is still a lack of theoretical structure, composition and definition that reflects the true complexity of organisational life. A key proposition put forward in this paper is that organisational well-being requires an understanding of the conscious and unconscious behaviour that can influence the psychosocial work environment. This paper uses the systems-psychodynamics paradigm to explore and define key enabling conditions that can contribute to the development of organisational well-being. Key findings show that:

- Organisational well-being can be defined as the *connective flow in the organisation*, requiring the congruence between the *motivational needs* and *values* of individuals and the organisation.
- Leadership effectiveness implies a sense of *personal mastery* and a degree of *healthy narcissism* will help top leaders to effectively perform their role of engaging followers, invigorating and inspiring opportunities for growth and change that can contribute to organisational well-being.
- Leaders also need to provide a *holding environment* to contain anxieties and promote adaptive functioning. This environment promotes *a sense of congruence* in work life.

- And finally, individuals need to consider work as comprehensible, manageable and *meaningful*; at the group level, development of shared meaning, gives the members a sense of confidence and empowerment to achieve the organisational goals.

Idea in Practice

The organisational well-being framework proposed in this paper can be used to guide and generate discussion about underlying issues or areas to be addressed to improve the well-being of the individual and his or her work environment.

- The model may assist in determining whether a new policy or practice is likely to be worth the effort, or whether an issue could be better managed by group or individual coaching or a cultural intervention.
- Intervention strategies that assist individual's in identifying and interpreting their own perceptions will give them greater personal awareness and understanding of self, which can help improve their own well-being, thus contribute to organisational well-being.
- At the same time, this model could assist organisations in reviewing their leadership processes, such as the practices that support the provision of a holding environment and effective boundary management and alignment of task and role dynamics to ensure that it encourages congruence between individual and organisational needs.

Introduction

Within the context of making an organisation healthy, alignment is about creating so much clarity that there is as little room as possible for confusion, disorder, and infighting to set in.
— Patrick Lencioni

As companies try to grow and survive in an increasingly competitive and changing environment, strategic reorientations are required. These often involve changing many facets of the organisation, including structures, procedures, technologies, mergers, role design and cultural patterns. Such changes present new challenges and demands for everyone, from top management to the front-line worker. All members of an organisation must learn to cope with change. However, employees often respond negatively toward change despite its positive intentions and display a natural unwillingness to change[1]. As a consequence, organisational change typically generates workforce uncertainty, fear and resistance, which can create interpersonal conflict, work sabotage, low morale, loss of focus and low performance leading to an unhealthy organisation[2]. So what factors play a role in enabling organisations to thrive in today's world?

Organisational health and well-being

There is a growing body of literature on the importance of organisational health[3]. According to the American Psychological Association (APA), a psychologically healthy workplace fosters employee health and well-being while enhancing organisational performance and productivity[4]. Cooper and Cartwright (1994) characterized a healthy organisation as having both financial success (i.e. profitability) and a physically and psychologically healthy workforce, able to maintain a healthy and satisfying work environment and organisational culture, particularly during periods of turbulence and change[5]. Kets de Vries (2006a) characterizes a healthy workplace as one in which the employees' positive view of themselves and their endeavour contributes to and reinforces adaptive functioning[6].

Organisational health and well-being are also often used in conjunction; health implies an end state without symptoms, while well-being encompasses the organisation in its full context. Danna and Griffin (1999) suggest that *health* refers to the absence of physiological or psychological symptoms and morbidity, while *well-being* concerns a broader and more encompassing concept that takes account of 'the whole person' in his or her context. In support of this view, the World Health Organisation (2010) suggests that mental health should be conceptualized as 'a state of well-being' in which an individual realizes his or her own abilities, can cope with the normal stresses of life, can work productively and is able to make a contribution to his or her community[7]. I extend this definition to organisational health, focusing on the adaptive functioning of both individuals and the organisation and how these two processes interweave to achieve a state of health.

Occupation stress and well-being

Most of the research on organisational heath focuses on underlying conditions for well-being as well as programmes, policies and practices through which a workplace can become psychologically and physically healthier for employees. Several theoretical frameworks have expanded the study of occupational stress to the promotion of health and well-being in the workplace[8]. In the context of continual change, stress is symptomatic; change always induces a high degree of stress[9]. Despite organisational efforts, individuals and teams may still be unable to restore psychological balance to their work lives[10]. This is because individuals as well as organisations are not necessarily what they seem on the surface. They behave irrationally, pursuing unconscious as well as conscious goals to defend themselves against stress and conflict[11].

Looking beneath the surface

A key proposition put forward in this paper is that understanding organisational health in the workplace requires an understanding of both the conscious and unconscious behaviours that underpins organisational life. Armstrong (2005) refers to consciousness as objectivity and rational behaviour, while unconsciousness is the "organisation in the mind" that contains a system's unconscious defences and irrational behaviour[12]. If organisations want to be effective, they need to pay attention to these processes[13]. A systems-psychodynamic lens "provides a way of thinking about energizing or motivating forces resulting from the interconnection between various groups and sub-units of a social system"[14].

METHOD

I use a systems psychodynamics paradigm[15] as a theoretical framework to better understand the conditions that promote organisational health. Systems psychodynamics "provides a way of thinking about energizing or motivating forces resulting from the interconnection between various groups and sub-units of a social system"[16]. Using this lens, I attempt to enhance the understanding of organisational health and to identify the *individual and organisational conditions that increase adaptive functioning*. Adaptive functioning is an important mental health outcome and can be referred to as the domain that includes work functioning and productivity, the ability to actively participate in relationships and manage appropriate roles, and the ability to care for one's needs.[17] It implies the capacity for individuals and organisations to adapt and learn. On this basis, a model of organisational health was constructed that focuses on the deeper unconscious levels of health and well-being at an individual and organisational level.

For more information, please refer to my EMCCC thesis (Rob, 2013).

Key Findings & Discussion

Based on the literature review and interpretative understanding of the systems psychodynamic perspective, I propose a model of organisational well-being within the psychosocial work environment that includes the following findings.

Well-being is a connective flow in the organisation, requiring congruence between the motivational needs and values of individuals and the organisation

It is critical for organisations and leaders to address individual well-being as a first step toward promoting organisational well-being. Unless management is psychologically aware of and attentive to the multi-dimensional nature of worker motivation, it is highly unlikely that employees will feel adequately taken care of and the result will be a negative impact on individual well-being[18]. Therefore, leaders need to pay attention to the underlying forces that contribute to and reinforce adaptive functioning which is shaped around his or her motivational needs system[19]. Motivational needs systems are the operational codes that drive personality and behaviour and are the starting points for understanding and managing individual well-being[20].

One of the most widely upheld theories on motivation is Maslow's hierarchy of needs which is predicated on fulfilling innate human needs, the highest being self-actualization[21]. According to self-determination theory[22], people do well and feel their best when the socio-cultural conditions of their lives (i.e., family relationships, friendships, workplace culture, the political system and cultural norms) enable them to meet innate needs by engaging freely in interesting activities (autonomy), using their capacities to produce valued outcomes (competence) and feeling closely and securely connected to significant others (relatedness). These three basic psychological needs—autonomy, competence and relatedness—have been linked to better performance and greater vitality in the workforce [23]. Ryff's Psychological Well-Being Approach is one of the most well-known theories of eudaimonic well-being[24]. It consists of six well-being dimensions:

1. *Self-acceptance*: holding positive attitudes toward oneself and one's past life
2. *Positive relations with others*: having warm, trusting interpersonal relationships
3. *Autonomy*: possessing qualities such as self-determination, independence, self-regulation of behaviour and an internal locus of evaluation
4. *Environmental mastery*: having the ability to choose and/or create environments that suit one's own psychic condition
5. *Purpose in life:* having beliefs that give the individual the feeling that there is purpose in and meaning to one's life
6. *Personal growth*: developing one's potential, growing and expanding as a person.

Seligman's (2011) theory of well-being is another framework and consists of the pursuit and attainment of one or more of five elements: positive emotion, engagement, relationships, meaning, and accomplishment (PERMA) [25]. It considers well-being as a combination of both feeling and being. According to Kets de Vries (2006a), the congruence between inner and outer reality creates an even higher level of motivation as it affirms an individual's sense of authenticity, accomplishment and personal competence[26].

An interconnecting theme across these frameworks is that every individual has an inherent motivation to grow and develop. Therefore, both individual and organisational well-being require a continual dialog between employer and employee that acknowledges the dynamics of motivational needs and mutual expectations, both conscious and unconscious[27], that help to fulfil one's 'true self'[28].

Leadership effectiveness implies a sense of personal mastery and a degree of healthy narcissism

Management style is one of the key influences for individual and organisational well-being[29]. The key role of leadership is to develop a vision that the organisation can realistically achieve and to deploy resources efficiently in pursuit of this primary task[30]. In order to achieve this effectively, the leader must have a certain feeling of potency[31]. A leader's confidence and assuredness can be sources of psychological comfort for followers, increasing team cohesion and synergy[32]. Narcissistic traits, including the desire for power, self-sufficiency and a dynamic personality, have been found in many charismatic leaders[33]. Such leaders are seen in a positive light and followers are more willing to engage in behaviours in support of the leader and his or her vision, resulting in improved organisational performance[34].

At a group or organisational level, narcissism is reflected in the form of an organisational ideal, or vision. This vision can become collective, create shared commitment and motivation. It can also serve as a defence against the anxieties of its own limits, vulnerability and mortality[35]. Such narcissism is based on a set of identifications such as heroic stories of an organisation's achievements, which start with one individual and are then shared[36]. A healthy level of narcissism within top leadership can establish the 'connective quality' and help 'invigorate' the organisation. In the workplace, healthy narcissists influence by empowering and enabling others and providing a positive vision[37]—in turn, can contribute to organisational well-being.

Leadership should provide a holding environment to contain anxieties and promote adaptive functioning

With change as the only constant in today's turbulent world, the traditional psychological contract that afforded stability no longer exists[38], therefore becoming

increasingly difficult for organisations and management to provide a container for work anxiety as they did in the past[39].

An organisation needs to provide a space where anxiety can be contained and be 'good enough' if it is to protect its employees from the dangers associated with power, authority, termination, loss, deprivation and the employees' own internal conflicts[40]. In psychoanalytic therapy, Winnicott's concept of *holding environment* provides structure, consistency, and a routine that helps to filter out excessively stimulating occurrences[41]. It ensures a set of clearly defined principles, including respect for others, truthfulness, keeping promises, causing no harm and confidentiality[42]. *Containment o*n the other hand, occurs when people absorb, filter and manage difficult emotional material that can then be worked with effectively[43]. Leaders can provide a psychologically safe holding space where anxieties can be contained by having clear performance expectations and appropriate boundaries and structures to ensure adaptive functioning[44]. At the same time, members of the organisation need to be compassionate and empathic toward each other, ensuring no-harm and keeping commitments to each other. In terms of meeting the motivational needs systems of members, a 'good enough' holding environment allows for security, enjoyment, mastery, self-esteem and ego-relatedness[45].

Individuals need to consider work as comprehensible, manageable and meaningful

Levinson (1980) describes the task of leadership as the ability to "help followers to define and integrate their [leadership] into a statement of purpose, then that gives psychological meaning for people to be together"[46]. Boundaries can serve as an unconscious mind-set that organisational members use to gain cognitive and emotional coherence about "who we are"[47], thus helping to develop shared meaning[48].

Engaging in meaningful work is another way to enhance motivation, work performance, effort, efficiency, self-efficacy, understanding of the organisation, psychological and physical well-being, satisfaction with work, happiness, faith in management, team functioning, attitudes at work, intrinsic motivation to work, mentoring and motivational skills, and sense of self-transcendence[49].

Current research also emphasizes the importance of understanding the prevailing culture, climate and leadership[50] in order to promote organisational well-being. Culture shapes group identity and defines the values that provide self-esteem to group members[51]. Furthermore, culture – acting as a holding environment – can enhance organisational success and individual growth[52].

By holding the developing identity, culture allows for the internalization of positive values and qualities thus offer the opportunity for learning and in turn, improving energy and focus to do work[53]. Therefore, a supportive organisational culture is a precondition to organisational well-being and it is important for interventions to address the values that promote well-being in the workplace.

Proposed framework for the development of organisational well-being

The preceding literature review on the definitions of organisational well-being reveals a balanced perspective between the well-being of an individual and that of the organisation in terms of effectiveness and performance, acknowledging their interdependence [54]. Building on these findings, I attempt to synthesise the definition of organisational well-being as the following:

Organisational well-being is about creating a connective flow in the organisation. It requires the congruence between the needs and values of individuals and the organisation and enabling conditions include providing a safe and supportive environment for shared meaning-making, effective boundary management, and invigorating and inspiring employees.

Figure 1 visualises the organising framework that summarises the preceding discussion points.

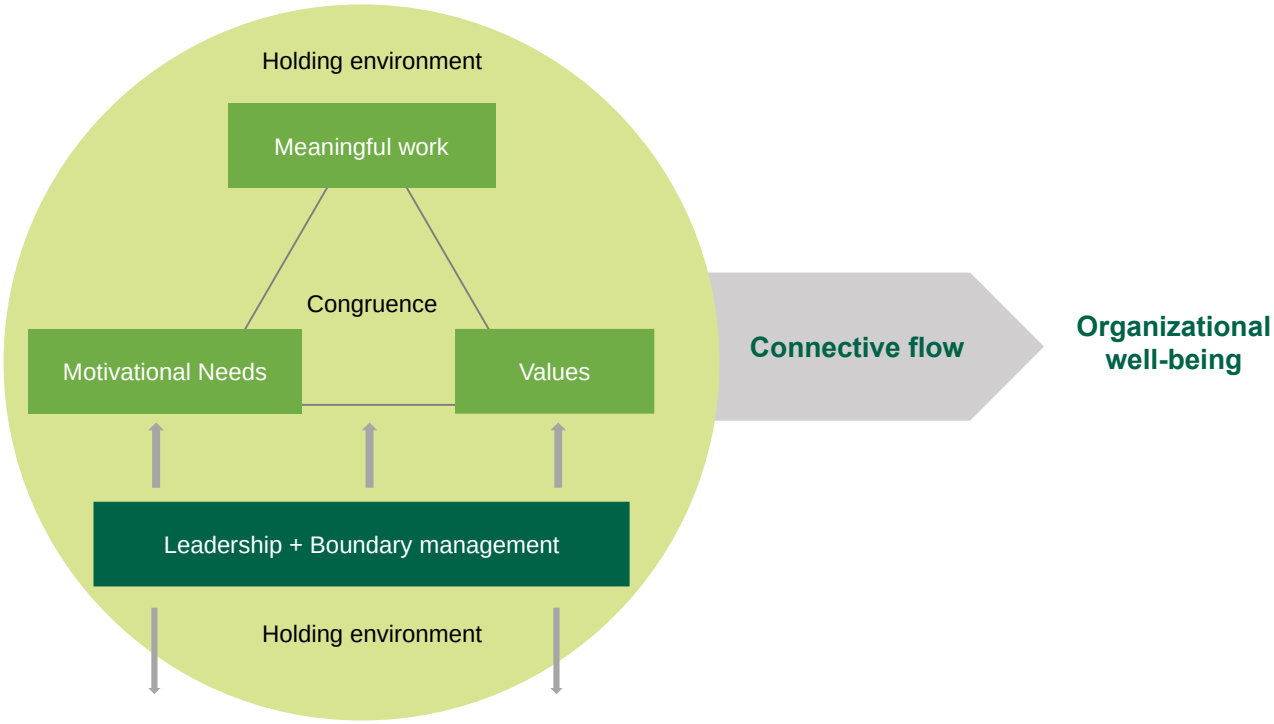

Figure 1. Framework for the development of organisational well-being

Practical Implications

I recommend that practitioners use the proposed organisational well-being model as a guide to generate discussions about underlying issues or areas to be addressed in the psychosocial work environment. In this way, the model may assist in determining whether a new policy or practice is likely to be worth the effort, or whether an issue could be better managed by group or individual coaching or cultural intervention. Intervention strategies that assist individual's in identifying and interpreting their own perceptions will give them greater personal awareness and understanding of self [55] which can help improve their own well-being, and thus contribute to organisational well-being. At the same time, this model could assist organisations in reviewing their leadership processes, such as the practices that support the provision of a holding environment and effective boundary management and alignment of task and role dynamics to ensure that it encourages congruence between individual and organisational needs.

One key recommendation that I would like to advance is that of the need to *redesign leadership practices* so that they pay attention to a systemic perspective on organisational life and the unconscious forces at work[56]. The role of leaders has become very complex; they have to deal with extremely high ambiguity levels[57], while at the same time being expected to give followers a degree confidence and security. Future leaders need to inspire others to learn more about themselves[58]. Leaders need to influence beyond mere survival. Leadership should strive to restore hope, optimism, resilience and meaningfulness[59]. This supports the propositions put forward in this paper that rely a lot on the effectiveness of the leader in navigating the complexities of organisational life and having the capacity to provide for the enabling conditions.

Huffington and colleagues (2004) capture the essence of the 'Wise leader' who works effectively at their role in the emotional life of the organisation[60]. They suggest that leadership capabilities need to include: identifying adaptive challenges, regulating distress (creating a holding environment for processing thoughts and clarifying assumptions), stopping old initiatives in order to enable new ones, being responsible for direction, protection, orientation, managing conflict and shaping norms, and having the emotional capacity to tolerate. Successful managers of the future will have to understand their emotional, irrational sides, and those of others[61].

All this implies that leaders of the future need to be extraordinarily mature to cope with the demands placed upon them[62]. I also argue that *leadership development programmes* need to have an appreciation of the systems psychodynamics within organisations and address the difficulties in leadership development programmes. From a practical point of view, Turnbull & Arroba (2005) suggest a week long leadership development programme based on their Reading/Carrying framework—having ability to 'Read' the context, combined with the ability to manage what is personally being 'Carried' into the situation—which is set around

systems psychodynamic perspective (of taking up of a role) and uses cognitive, reflective and experiential sessions to provide a leadership development opportunity encompassing an understanding of emotion and emotionality in organisations[63]. This will help leaders and organisational members to understand the 'person-in-role' dynamics. Kets de Vries & Korotov (2010) suggest a range of teaching/learning tools and processes to encourage a systemic approach to leadership development and create a supportive environment and culture for doing so[64]. In their 'leadership toolbox', they propose creating self-awareness, action learning, and building of networks, role models (both formal and informal), leadership coaching/mentoring, multi-party 360° degree feedback and debriefing.

Conclusions

The framework proposed in this paper serves as a first step toward discussing the set of conditions or variables that can contribute to organisational well-being from a systems psychodynamics perspective. Future research possibilities include qualitative and quantitative studies to validate the model. These could be carried out from a diagnostic or consultative point of view. It would be of interest to study whether the level of congruence between organisations' cultural values and its employees' motivational needs is a predictor of organisational well-being. More research is also needed to determine to what extent healthy narcissism in leaders can contribute to organisational well-being. One possibility would be to study the relationship between the personality traits of CEOs of the best companies to work for and the culture of those companies. This paper also invites supporting studies to identify the key drivers of organisational well-being from a systems psychodynamics perspective. This would help provide practical insights on whether programmes, practices or interventions are used most effectively.

About the Author

Natalie Rob is an established change and communications professional with over 12 years' experience leading corporate transformations initiatives in Australia and APAC. With a T-shaped skillset centred on learning and development, change management and internal communications, she enjoys the challenge of working with businesses to leverage their capabilities and navigate the constant change in today's environment.

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CONCLUSION:
HR and the Meta-Labour of Developing Self-Transforming Organisations: The 8th Labour?

ERIK VAN DE LOO & ROGER LEHMAN

In the current era of digitalisation, one of the greatest challenges facing HR is to defend and develop the opportunities for people to continue to be able to connect in a way that enables a relationship rather than merely digressing into a state of relatedness. By this we mean to engage in a mutual, reciprocal connection and collaboration with others, which implies a relationship, rather than just going through the motions. Based on a systems-psychodynamic perspective we might ask ourselves "what is the role of HR?" in this emerging and changing world of digitalisation?

If we were to apply design thinking to the role of HR in its organisational context, it might be something like "How do we design the human experience within our organisation so that people feel truly connected to one another and remain in a state of relationship even when they are working remotely and spread across multiple geographic regions?"

As this question implies, one of the greatest challenges facing HR is to define, develop and defend its identity, purpose and role within the greater organisational context. Exploring the role of HR from a systems-psychodynamic perspective, we might want to look at it through the lens of ORA (Organisational Role Analysis). From this perspective, a "system" is a set of interrelated roles in which a change in one of the roles potentially impacts every other role (and individual) in the system as well as the system itself. An ORA exploration provides one way for understanding how systems, and the individuals in those systems, relate and work.[1] The ORA model advocates that roles need to be discussed and calibrated in a continuous dialogue with the multiple stakeholders and others in and around the system. One critical question an organisation may ask itself is, to what extent is there an open and continuous dialog between HR and other key role holders within the system?

Our experience is that all too often the manner in which HR interprets and takes up its role accordingly is based on narrow definitions that look remarkably similar to the "socialised self" of Kegan and Laskow Lahey's developmental model (2009).[2] They note that many individuals remain in the "socialised mind" state in which others define the individual and what they should do and aspire to. At the organisational level, HR has often fallen prey to allowing its role to be predominantly defined by others, ultimately resulting in HR becoming mired in a

role of administration and legal processes where the “seven labours of HR” are at risk of being reduced to bureaucratic processes defined by others. In other words, HR ends up functioning as a “socialised” entity, fulfilling the expectations of others rather than defining itself. As a consequence, paradoxically, the contribution of HR may deeply disappoint others in the organisation, as is reflected in the often expressed perspective that “HR is not really adding value!”

The ultimate consequence of this is the trend to split the role of HR into disconnected parts which then become distinct, more narrowly defined and independent roles. The first role split is the bureaucratic, transactional element of the HR function, which is increasingly being outsourced to external providers. The second split occurs as HR focuses on the roles of solution and service provider. This implies that HR has the ambition to be involved as a key partner in the system, focusing on leadership, change, employee engagement and aligning strategy with culture dimensions, etc.

However, the way HR is present in the mind of others in the organisation is quite mixed. Many continue to view the role of HR as being just “administration”. On the other hand, when HR professionals remain in the “administrative role”, though they perform quite well, they are often perceived as being less relevant. Others might say: “We need HR but they are not really contributing to the core questions and challenges that confront the organisation. Obviously, we need HR to hire and fire, establish a pension fund, etc. but that’s where it stops.”

In this regard, HR seems to trigger a considerable level of ambivalence, to which powerholders have often responded by bringing in external consultants to fill the strategic HR role vacuum. This further erodes the level of internal HR relevance and often places them in a “no win” position. At best, they are involved in the procurement and administrative contracting of the external HR consultants brought in to deliver the “real, strategic HR” contribution. A system-psychodynamic perspective on this would suggest that perhaps the hiring of external HR consultants is a social defence against a genuine and effective integration of HR within the organisation. The ambivalence and anxiety that is triggered by having a highly well-functioning in-house HR is unconsciously warded off by hiring this “expertise” as an external resource.

Many HR professionals recognise this state of affairs, in which the boundaries of their profession are constrained by others in the organisation. Some of them have managed to proactively work within their organisation to establish HR as a “self-authoring” identity.[3] In a “self-authoring” state of mind, one speaks and contributes from a position of personal as well as professional authority and opinion. This step is clearly a challenge for both HR and others in the system as it involves engaging in an ever-emerging role and identity for HR that needs to be aligned with the strategic goals of the organisation—hence affecting the “system” as described above. In the best scenario, this dynamic leads to a situation where others in the system acknowledge the role of HR as a constructive, challenging partner. This enables HR to assist itself as well as the organisation to move from “self-

authoring" to "self-transforming."[4] In the "self-transforming" stage of development leaders in organisations are able to hold apparently opposing perspectives in their mind and to work constructively with each other by leveraging diversity of opinions, interests and perspectives. In this scenario, HR fulfils the crucial task of understanding and addressing the on-going interaction between organisational and business complexity with human complexity. In order to be relevant and effective, HR needs to have the capacity to raise its voice and connect with the "business" colleagues by introducing new vocabulary and approaches rather than just providing the "accepted", more traditional perspectives.

The developmental challenge according to Kegan is to mature from a state of being "socialised" to one of "self-authoring" and ultimately "self-transforming". We believe that a fundamental role of HR professionals is to support this transition at the individual, team and organisational level.

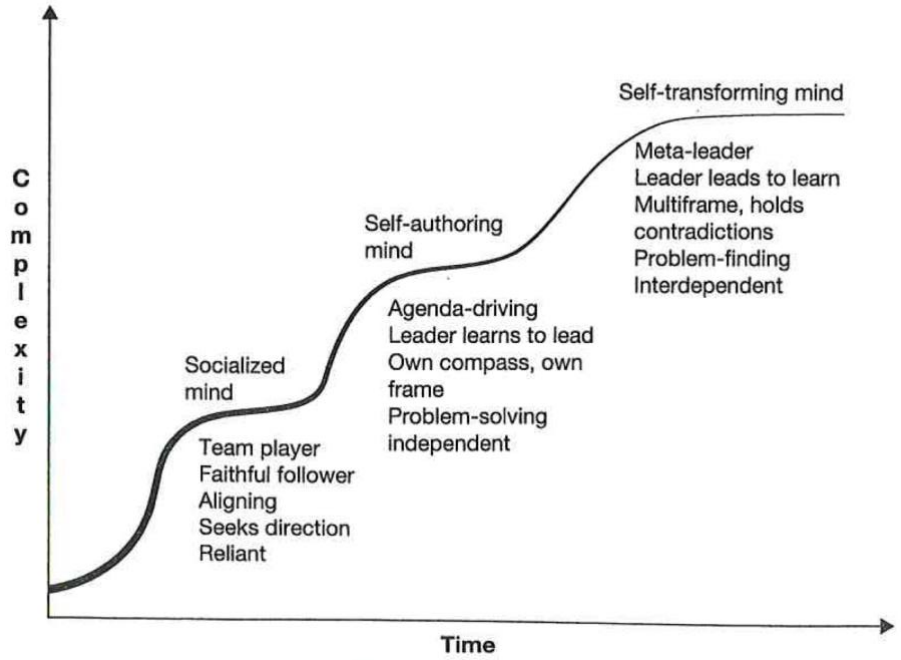

Figure 1. Three Plateaus in Adult Human Development (Kegan & Lahey, 2009)

A case in point of the above is found in how HR identifies and takes up its role in addressing trends related to digitalisation, robotisation, big data and algorithms, artificial intelligence and machine learning. All of these technological trends represent fascinating, relevant and compelling challenges for organisations. It would be a major mistake if at this point HR were to collude with the illusion that it is better to remove humans and the humane from the equation of trend analysis and decision-making. Even though big data and algorithms can significantly help and improve decision-making in many domains, it is dangerous to make use of "big data" without appropriate doses of "thick data". This requires the combination of quantitative big data analysis performed by machines with the more granular, personal, qualitative, ethnographic research methods conducted and made sense of by humans.

We believe that the risk of losing of the human dimension is also reflected in the more fundamental trend of losing the space for reflection in the age of digitalisation. Over past decades a shift or trend has been identified where humans have moved from dealing as individuals with machines and technology, to a state where humans are increasingly becoming part of the technological system itself.[5] For example, there is a threat in social media where, in continuity, information is pushed forward into the "digital universe" without further consideration, thought or reflection on the meaning. Bollas frames this as a transition for humankind from the "reflective self" to the "transmissive self". Without sufficient reflective space, individuals become part of a larger technological system that is suggesting what to eat, whom to meet, which book to buy and where to go on vacation all based on big data analysis. Profiling and smart algorithms increasingly impact and determine the way we live our lives and the decision we make. Bollas cautions that we collectively are at risk of committing "subjecticide" – that is removing ourselves as reflective and self-authoring participants in the act of decision-making and sense-making. This is not just to warn against the current trends of digitalisation and AI but rather to be mindful and aware of the potential impact and the need to remain alert and focused on the importance of retaining the human factor in all technological advances.

It is in this arena where HR professionals can and must play a very significant role in their organisations. By helping their organisations to effectively integrate the technological with the human factor, HR will invest in the sustainability of its own relevance as a crucial function within the organisation and the context in which it is embedded.

The Seven Labours of HR, in view of the digitalisation of organisations, represent both a threat as well as an opportunity for organisations to heed the call to move from the "socialised mind" to the "self-authoring" and ultimately the "self-transforming mind". Taking the lead to retain and integrate the human in the technological advances occurring in organisations represents a significant developmental challenge and opportunity for HR as a profession.

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