2 The Cornerstone of Psychoanalytic Organizational Analysis: Psychological Reality, Transference and Counter-Transference in the Workplace

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ABSTRACT   We start with the premise that organizations are processes of human behavior that are experienced as experiential and perceptual systems governed by unconscious processes. This starting point leads us to discuss psychoanalytically informed organizational perspectives as a means of understanding how psychological reality shapes organizational dynamics. In particular, we argue that psychoanalytic organizational diagnosis requires a central role for transference and counter-transference. That is, interpreting data through the lens of transference and counter-transference assists in unpacking organizational identity and culture by relying upon an 'experience near' stance for examining the narratives of organizational life. This introspective and empathic stance makes transference and counter-transference one of the core elements of a psychoanalytically informed organizational consultation. We provide a case illustration and conclude with some thoughts on how leaders and members of organizations can improve organizational performance by attending to the complex nature of psychological reality in the workplace.

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

We view organizations as processes of human behavior that are experienced as experiential and perceptual systems governed by unconscious processes, whereby 'much thought and activity takes place outside of conscious awareness.'[1] This starting point leads us to discuss psychoanalytically informed organizational perspectives as a means of understanding how psychological reality and subjectivity shape organizational dynamics. In particular, psychoanalytically informed organizational diagnosis illuminates the crucial and complex role of transference and counter-transference in the study of organizations (Stapley, 1996). More specifically, interpreting data through the lens of transference and counter-transference dynamics assists in unpacking organizational identity and culture by relying upon an 'experience-near'[2] (Kohut, 1977) stance for examining the narratives of organizational life (Diamond, 1993; Kets de Vries & Miller, 1984; Levinson, 1972, 2002). This introspective, and empathic stance makes transference and counter-transference,[3] in our opinion, one of the core elements of a psychoanalytically informed organizational consultation. It is also the case that it is this conceptualization of the psychoanalytically informed study of organizations that sets it apart from more traditional social and behavioral approaches to organizational research. In particular, the consultant's self-awareness becomes a means for interpreting transference and counter-transference that occur between the organizational consultant and organization members, and among organization members and groups. We conclude our exploration of the contributions of transference and counter-transference for organizational analysis by offering some thoughts on how

leaders, organizational members, and consultants can improve organizational performance by attending to the psychological reality and subjectivity of the workplace.

The context for organizational study

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

At the surface of organizational culture, artifacts such as organization charts, rules and regulations, routine workflow, interior designs and architecture, dress, language and communications, distribution of benefits and rewards, company or agency policies, and many more manifest features of organizational culture significantly influence organizational effectiveness and competitiveness. While political, economic and marketplace variables are external factors that set the context for adaptive strategic decision-making, the latter compilation of organizational and cultural artifacts, as well as the above-mentioned visible components, represent intra-organization phenomena that may enhance or limit organizational performance.

These data, the external and internal organizational variables, must of necessity be incorporated into any organizational diagnosis, particularly one that is psychodynamic in nature (Baum, 1994; Czander, 1993; Diamond, 1993; Kets de Vries & Miller, 1987; Levinson, 1972; Stapley, 1996; Stein, 1994). However, in contrast to the quantitative and neo-positivistic empirical methodologies that are so frequently relied upon to study the above organizational attributes, a psychoanalytically informed assessment focuses on the psychological nature of the ultimately not so concrete aspects of organizational culture – the subjective derivatives of reason, motivation, and meaning. Psychoanalytically informed consultants indirectly ask questions such as: What are the underlying motives, desires, wishes, and fantasies that energize the thoughts, feelings and actions of organization members? And, what is the personal experience of organizational reality and what does it seem to mean to each and all organization members?

Psychoanalytic anthropologist and organizational consultant, Howard Stein (1994: 8–9) writes:

> Political, economic, and structural 'reasons' are only part of an organization's story. Group [and organizational] life is complex, not neatly packaged. The surface picture presented to the consultant often is a symptom and symbol in which people invest because it protects them against pain . . . Client organizations often do not know what they, at some unrecognized level, already know too well. The consultant's role becomes that of mediating between the known and the unknown, the knowable and the unknowable.

Stein observes that many workplace phenomena most often exist outside of the immediate awareness of organizational participants and, therefore, are frequently ignored and taken for granted. Psychoanalytic organizational consultants, therefore, have among their tasks that of addressing this collective inattention to one's experience of work-life that so often includes hard to detect and question individual, group and organizational defenses.

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

Organizational diagnosis

Levinson (1972, 2002) offers a model for psychoanalytically informed organizational assessments in *Organizational diagnosis* that incorporates

various levels of data collection and describes a psychodynamic process for engaging the organization and its leaders. These categories of data include: (i) genetic and historical data, (ii) structural and process data, and (iii) interpretive (or narrative) data. His approach to organizational diagnosis integrates data from 'objective reality' and 'psychological reality,' thereby illustrating the importance of analyzing the unconscious meaning behind supposedly concrete and rational organizational dynamics. In so doing, Levinson introduces transference as an essential conceptual framework for organizational diagnosis.

The location and interpretation of transference and counter-transference enable psychoanalytically informed organizational consultants to understand the subjective meaning of individual and collective actions and experiences within organizations. Psychoanalytically informed organizational diagnosis is thereby informed by the hermeneutic and 'narrative' scholarly tradition (Ricoeur, 1970; Schafer, 1983; Spence, 1982). Thus, we turn briefly to the function of text and subtext of organizational narratives, which is supported by a process of locating and interpreting transference and counter-transference.

The notion of organizational text

In their article, 'Interpreting organizational texts,' Kets de Vries and Miller (1987) propose a number of 'rules of interpretation,' that are consistent with Levinson's (1972) diagnostic attention to 'patterning' and 'integration'. Following the collection of varied data by consultants, the organizational narrative is constructed by shaping 'the different observations into an interconnected, cohesive unit' through the rule of *thematic unity* (p. 245). The method of thematic unity becomes crucial to making sense out of the dense nature and sheer volume of narrative and observational data.

Next, the consultant looks 'for a "fit" between present day events and earlier incidents in the history of an individual or organization' based on the rule of *pattern matching*. Pattern matching reveals repetition or what Kets de Vries and Miller call the tendency to become 'entangled in "displacements in time"' (p. 245). The relevance of these displacements (transferences) as a tool for introspection and the surfacing of pattern matching are discussed further below. The notion of pattern matching, however, like that of thematic unity, provides a theoretical context that guides organizational consultants in organizing seemingly disorganized quantities of narrative data into a coherent organizational story.

Next, and in contrast to a strict hermeneutic approach, the principle rule of *psychological urgency* includes the assumption that somewhere in the text it is possible to identify the most pressing problems. 'It is important,

then, to pay attention to the persistence, enthusiasm, regularity, pervasive-ness, and emotion surrounding decisions, interactions, and pronouncements' (p. 246). Members may repeatedly mention common or similar overriding barriers to organizational change and progress. They revisit the same organizational myths or stories in their narratives as a way of re-enacting them to master painful organizational experiences. These narrative data, however, require interpretation, if the organizational researcher is to appreci-ate the associated unconscious dynamics. In other words, it is often the case that some of the more critical issues of the organization are disowned, disavowed, and displaced by members onto more superficial concerns.

Finally, Kets de Vries and Miller call attention to the rule of *multiple functions*. 'Depending on the psychological urgency at hand, a part of the text can have more than one meaning and can be looked at from many different points of view.' They continue: 'it is thus necessary to seek out meaning at multiple levels, to determine the individual as well as the organiz-ational roots and consequences of actions and decisions' (p. 246). The rule of *multiple function* stresses seeking validation and confirmation of meaning with organizational participants.

In sum, organizational consultants who pay attention to the nuances of unconsciously shared thoughts, feelings and experiences in the workplace, can, through interpretation, gain a deeper, multidimensional understanding of the workplace that permits unpacking the text. 'Its usefulness resides in its reminding us that psychoanalytic explanation depends on our knowing what an event, action, or object means to the subject; it is the specifically psycho-analytic alternative to descriptive classification by a behavioristic observer' (Schafer, 1983: 89). This implies that the consultant understands what organizational artifacts, events and experiences unconsciously signify to organization members.

Psychoanalytically informed organizational diagnosis, it may be concluded, presents the organizational consultant with a challenging context in which to function. Not only must commonplace organizational artifacts, events and history be taken into consideration, but so must the subjective experience of organizational participants. These experiences are most often revealed to consultants by paying attention to the organizational story that unfolds as organizational data are collected. Making conscious the story and many of its fantastic qualities is enabled by paying attention to and inter-preting transference and counter-transference dynamics. In particular, the self (of the consultant/analyst) becomes an instrument of observation and data collection, thereby revealing the subjective and intersubjective world of work. We now turn to the use of transference and counter-transference as a means of localizing the unconscious side of organizational life.

The significance of transference and counter-transference in understanding the workplace

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

Participants' conscious desires and wishes may contradict unconscious fears and anxieties stemming from childhood. These internal conflicts then affect workplace experience, performance and often shape the nuances of roles and relationships in organizations. Hence, we study organizations, in part, by paying attention to the sometimes conflicted and contradictory ways in which the subjects (organizational members) engage us as consultants as well as our own responses to them. In particular, the interpretation of trans-ference (whether in the nature of the attachment to the organization, super-ordinates, subordinates, or to the consultant) provides the consultant with a deeper understanding of individual and organizational dynamics and greater insight into the meaning of organizational membership (Allcorn & Diamond, 1997; Baum, 1994).

In sum, psychoanalytically informed organizational diagnoses provide a means of knowing the psychological reality of the workplace. In particu-lar, the inevitability of transference and counter-transference in the workplace among organization members and relative to outsiders, such as consultants, provides context for knowing and understanding the workplace. Before proceeding to discuss transference and counter-transference as ways of understanding the psychological reality of the workplace it is essential to define these terms.

Transference and counter-transference defined

Psychoanalytic terms are often used in idiosyncratic ways that may be thought of as placing a new spin on a term or that may be borrowed from a previous idiosyncratic application. There are also instances in which the terms are simply described differently. These considerations make it important from our perspective to provide a definition of these two psychoanalytic concepts.

Transference

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

Counter-transference

Counter-transference is narrowly defined as a specific reaction to the client's transference. Counter-transference works much the same as transference. It arises out of a context in which the consultant's feelings and attitudes toward a client are influenced by the client's transference onto the consultant and elements of the consultant's life that are displaced onto the client which then influences analytic understanding. Counter-transference, therefore, reflects

the consultant's own unconscious response to the client, though some aspects may become conscious. Acknowledgement of counter-transference dynamics in the consultation process places an emotional pressure on consultants such that working in teams becomes crucial to the processing and constructive utilization of counter-transference data. It is also the case that some theorists include under the general concept of counter-transference all of the consultant's emotional reactions to the client, conscious and unconscious. We designate this broader definition a counter-reaction as compared with the more narrow definition of counter-transference. We now turn to the theoretical implications of using transference and counter-transference to understand the psychological reality of the workplace.

The nature of transference and counter-transference in the workplace

To begin, although we discuss each aspect of the concepts separately, it is critically important to appreciate that all of these potentialities co-exist, thereby creating hard to understand and even chaotic experience on the part of the organizational consultant. It is this appreciation that leads us to a deep respect for the complexities that any endeavor to know the psychological reality of the workplace will encounter. The consultant is faced with an exceptional challenge, that of locating the parts and the over-arching organizational text from this 'stew' of experience and unconscious organizational dynamics.

Organizational life is rich with a stockpile of transference dynamics between employees and executives, executives and employees, individuals and their organizations, and between clients and consultants. Executives may evoke positive transference from some employees and negative transference from others depending upon the quality and vicissitudes of internalized authority relations and their childhood experiences. Employees may evoke positive or negative transference on the part of executives depending on how responsive they are to receiving direction. The perception of resistance may be unconsciously associated with a distant echo of a past relationship with a parent who stubbornly resisted the efforts of the child to affect the parent. It is also the case that groups and divisions within an organization most certainly end up transferring historical experience onto the groups and divisions that surround them within the organizational milieu. And last, these same processes of transference are frequently evoked by the presence of a consultant. In sum, the analysis of transference and counter-transference dynamics supplies insight into the nature of consultant–client relations and the aims and fantasies of organizational members regarding their working

affiliation with the organization and its leadership and members. The analysis inevitably reveals psychologically defensive responses to anxiety-ridden aspects of the workplace. These anxieties are often unconsciously and automatically responded to by familiar means worked out during childhood. These responses are referred to as psychological regression.

Transference and counter-transference[4] as shaped by psychological regression at work

Psychological regression represents an unwitting endeavor of organization participants to manage their anxieties. Regression is defined here as a metaphoric return to earlier modes of object relations in which stage-appropriate conflicts re-emerge in the present. To put it simply, adults come to rely on familiar, yet unconscious childhood defenses to combat anxieties at work in the present. Regression is most often accompanied by the interplay of transference and counter-transference dynamics.

Many have observed that group and organizational membership entails an intrapersonal compromise between individual demands for dependency and autonomy. These are dilemmas of human development rooted in the psychodynamics of separation and individuation. The mere presence of a group, Bion (1959) observed, presumes a defensive state of psychological regression among participants. Referencing Freud (1921), Bion wrote: 'Substance is given to the phantasy that the group exists by the fact that the regression involves the individual in a loss of his "individual distinctiveness" (1921: 9). . . . It follows that if the observer judges a group to be in existence, the individuals composing it must have experienced this regression' (Bion, 1959: 142). For Freud and Bion, psychological regression coincides with group and institutional membership.

Workers with limited freedoms and a sense of powerlessness may engage in psychologically regressive behavior. Relations between divisions become contentious and riddled with conflict. Otherwise mature adults find themselves thinking in primitive categories of good or bad, all or nothing, enemy or ally, characteristic of an active fantasy life fueled by psychological splitting and projective identification. And, finally, there is always the danger that bureaucratic, silo-like organizations might foster regression into more homogenized and conformist, authoritarian organizations (Diamond et al., 2002). Shared individual anxieties of group and organizational membership generate a vicious cycle of regressive and defensive responses that reinforce the schizoid dilemma.

Kernberg (1998) recently explored several dimensions of psychological regression in organizations and organizational leaders as characterized by

'paranoiagenesis in organizations'. The term describes the paranoid–schizoid collapse of individuals in groups and organizations. According to Kernberg, organizational paranoiagenesis stems from 'a breakdown of the task systems of organizations when their primary tasks become irrelevant or overwhelming or are paralyzed by unforeseen, undiagnosed, or mishandled constraints; the activation of regressive group processes under conditions of institutional malfunctioning; and the latent predisposition to paranoid regression that is a universal characteristic of individual psychology' (pp. 125–6). Applying a Kleinian object relational model (and confirming the group and institutional observations of Freud and Bion), Kernberg views dysfunctional group and organizational structures and their ineffective leaders as unwittingly fostering psychological regression with paranoid and schizoid features.

Therefore, if psychological regression is a tension in group-like organizations, the character of associated psychological defenses and coping mechanisms may then be observed in the patterns of transference relationships between consultant and organization, organization members and their organizations (as objects of attachment and identification), and between organizational participants themselves. Participants' anxiety around forfeiture of individuality and relative autonomy is a central dilemma that evokes psychological regression – known to some as the *schizoid compromise* (Alford, 1994). In addition to the schizoid compromise and contrary to the wishes and illusions of many professionals, the workplace does not typically operate with linear precision and members are thereby often fraught with denial and unacknowledged irrationality. Losses of anticipated stability, predictability, and control are commonplace, provoking members' anxiety of the unknown and unmanageable. Uncertainties and ambiguities of authority and task along with the problems of absentee leadership also tend to encourage psychological regression among organizational participants.

There are many forms of organizational malfunctioning and regression. Inordinate power at the top exaggerates the impact of personality deficits throughout the organization, negatively affecting organizational culture and climate. Organizational leaders may perpetuate paranoid–schizoid dynamics in an atmosphere of vicious competition, win–lose dynamics, mistrust and secrecy. Defensive strategies, structures, and cultures may further produce oppressive policies and constraints that limit autonomy and suppress creativity and free-flowing ideas among workers – activating the schizoid dilemma and fostering psychological regression.

In sum, rather than effectively managing participant anxieties, the destructive pull of psychological regression in groups and organizations perpetuates members' anxieties. These anxieties, then, provoke splitting and projective identification, which are then experienced by consultants via

transference and counter-transference dynamics, otherwise engaging the consultant for purposes of 'containment' (e.g. Bion) and 'holding' (e.g. Winnicott). In turn, these dynamics may promote additional confusion (in the form of undigested emotions) and anxiety, thereby deepening and reinforcing the process of psychological regression, congruent or complimentary fantasies, to cope with attendant anxiety (Person, 1995). Without intervention (containment and holding) and interpretation, these psychodynamics become self-sealing, repetitive, compulsive processes embedded in people and their organizational systems.

A note on Kleinian theory

Klein's (1959, 1975) conception of the paranoid–schizoid and depressive positions further informs our inquiry. The pre-Oedipal paranoid–schizoid position is driven by persecutory anxieties and fears characterized by psychological splitting of self and others into good or bad, caring or rejecting, nurturing or withholding – black or white, objects. This position is primarily one of experiencing the other (self–objects) as split and fragmented into polarized part objects. Psychological splitting is then combined with projective identification as an unconscious effort to manipulate and coerce the object by projecting undigested bad 'introjects' into the other and thereby experiencing these previously internalized self–objects vicariously through the other. In contrast to an internal and external world of fragmented relationships, the Kleinian depressive position is characterized by the self experience of objects as whole and thereby comprised of good and bad dimensions – the so-called gray area of psychological reality is mournfully acknowledged.

Klein's corresponding view of transference and counter-transference encourages the analyst to pay attention to his or her experience of the other by way of introjects and thereby his or her awareness of that which the analysand projects. This introjection is then turned back to the analysand in the form of interpretation after having been emotionally digested. Our application of transference and counter-transference with organizational participants is similar in that we pay attention to the use of the consultant in role and our experience of projection and projective identification stemming from psychological regression and splitting as an inevitable outcome of intervention.[5] We now turn to the underlying complexity associated with using transference and counter-transference with a case example of organizational intervention.

Applying transference and counter-transference to the workplace: A case example

The application of knowledge about transference and counter-transference to the workplace is, if anything, a challenging endeavor. For our purposes here we discuss the role of the psychoanalytic consultant in observing and intervening in organizational dynamics. As mentioned, these roles and the individuals within them introduce transference and counter-transference to and from organization members. We begin with an illustration from one consultation. We have organized the case material into four sections – contracting, organizational diagnosis, intervention, and follow-up. We also wish to note that the case illustration disguises the true identity of the client in the interests of protecting confidentiality and anonymity.

The contracting phase

The dean of a law school (Thomas) in a large public university requested our assistance in helping him and his associate deans resolve a dispute between a majority of the faculty and their chairman in one of the school's highest profile and most successful departments. A faculty spokesperson (Richard) had presented the dean with a petition signed by a majority of the department's faculty demanding the removal of their chairman (Harold). Our discussions with Thomas and the nature of the petition encouraged us to explicitly *not* contract to provide recommendations regarding personnel assignments and retention in order to avoid being seen from the outset as having Harold's removal as our task. We also requested a task group be formed that included the dean, the associate deans, Richard and a few faculty representatives from the department. The task group was convened to review the contractual scope and parameters of our work. In particular, it was once again made clear that we would provide no personnel recommendations. We also used this opportunity to review our methodology and our time-line for accomplishing the work. We, therefore, commenced our work with as near as possible a clear scope that explicitly excluded being seen as on a mission to 'take out' the chairman.

The diagnostic phase

We commenced our diagnostic work by conducting interviews with faculty and staff within the department in question. We also interviewed within the dean's office, as well as department chairs whose primary tasks were linked with the client department. Our findings readily confirmed many of the problems we had learned about in our initial contracting interviews.

It was generally felt that Harold was interpersonally clumsy and had rapidly lost the respect of many faculty. The chairman's relationship with the dean was also ambiguous which further accentuated the problematic nature of his leadership role. The responsibility for the ambiguity belonged to the dean who had failed to make clear his performance expectations for Harold, individually, and for the department as a whole, including how the departmental budget was to be managed. We also discovered that a highly respected and influential semi-retired faculty member was using his considerable influence to promote the view that Harold was a less than effective leader and administrator. Finally, the department had recently received a major grant and it was unclear whether the department would be able to keep the grant award as the dean was maneuvering to take a portion of the grant to benefit other departments.

In sum, the new department chairman was under pressure from all sides and was not effectively responding to his leadership opportunity. It, in fact, appeared to many that he was a weak, divisive and indecisive leader who lacked communication and interpersonal skills. Harold had failed to take charge of the department and had succeeded in alienating many of his colleagues.

However, our diagnostic work also revealed that there were other elements to the dynamic that contributed to this outcome. We found a long history of ineffective and unsupportive leadership from the dean's office that served to undermine the effectiveness of the department chairs. In particular, there existed an inordinate degree of centralized power and authority within the dean's office accompanied by insufficient delegation of authority and empowerment to the departments and academic programs. This highly centralized power combined with limitations and deficiencies within the dean's office to sufficiently confuse the departments so as to make them unnecessarily ineffective, as illustrated by the above example of the dean unexpectedly intervening in a grant award. It was, therefore, reasonable to conclude that a portion of Harold's and each chair's poor performance was attributable to the dean himself and his immediate staff.

It was also the case that Richard's role as the spokesperson for the dissenting faculty contained elements not readily apparent at the outset of the engagement. Richard had served as the interim chair during the recruitment and selection process for the new chairman 18 months prior to his presentation of the faculty petition. It was also public knowledge that Richard was severely disappointed that he had not been selected by the dean to serve as the permanent chairman. Richard, although highly respected by his colleagues for his scholarly achievements, had a lengthy history of not feeling that his many accomplishments were sufficiently recognized and

compensated by the dean. His not being selected chairman merely underscored this lack of acknowledgement and approval. This made him an invaluable 'container' of faculty disappointment and disenchantment. Thus, Richard came to be identified (consciously and unconsciously) by the faculty as someone who might best represent their sentiments about their chairman's failures and deficiencies.

In sum, the diagnostic work revealed, as is often the case, that initial presenting problem was only part of the story. It was now time to reflect back to those in the task group our findings that supported a more careful and intentional response to Harold's performance problems and the faculty's wish to be rid of him. We had also kept the dean (our client) informed of our progress and some of our findings. It was apparent that Thomas was aware of much of what we learned and was contemplating changes in how he supervised his department chairs.

The intervention

Our findings from the organizational diagnosis were organized for a feedback session with the task group (dean, associate deans, the selected departmental faculty and Richard). As the feedback session commenced several participants offered flattering compliments on our diagnostic work. It was also clear from other comments that were made that they spoke for the majority of those in the meeting. Everyone reported feeling 'listened to' and that the consultant's depiction of the findings, although critical of their department and school, was 'fair and balanced'. In particular, Richard and the faculty members from the department felt that what they heard communicated their shared 'perceptions, views, and ideas' for the dean to hear.

This unexpected wave of approval, although sincere and heartfelt, signaled for us as the consultants a desire on the part of those present to ally themselves with us in our role as outside 'authorities'. Responses such as these, while always welcome, signify that splitting, projection and transference may well be at work to create an idealized object. In particular, it is not uncommon for consultants (powerful, mysterious, authority figures) to be unconsciously associated with childhood experiences with parental figures. We were, therefore, alerted to the presence of these out of awareness psychodynamics that would have to be 'watched' for adverse effects upon the group's ability to accomplish work.

The presentation of our findings continued to be well received right up to the end when it became clear to Richard and his departmental colleagues that we the consultants were, true to our contract, not going to advocate or in any way to tacitly support the removal of their chairman. This realization

lead to a reasonably well modulated but hostile response from Richard who held up the signed petition for Harold's removal. In effect, how could we as consultants or anyone else in the room not believe that this was essential? Efforts to assuage Richard failed as the intensity of his comments escalated. We intervened by recommending a separate meeting be held with Richard, the faculty and the dean. Richard immediately embraced the proposal as a face-saving way out of what had gradually become an over-wrought response on his part.

Follow-up

The meeting was immediately scheduled for our next visit to campus. It was clear that Richard and his colleagues were severely disappointed. Predictably, when the meeting was convened, Richard expressed outrage at the betrayal of what was his and the faculty's now disillusioned fantasy that the outcome of our work would lead to Harold's termination as chairman. Richard was convinced beyond any reasonable doubt that a conspiracy existed against him and the faculty – a conspiracy planned from the very beginning. We the consultants, he asserted with increasing paranoia, had colluded with the dean from the start to retain Harold. Paradoxically, this view was held despite the fact that Richard was initially one of the most outspoken proponents of the content and integrity of the organizational diagnosis, which he described as 'fair and balanced' and as having given him and others 'a voice they had previously lacked'. Moreover, his outrage was contradicted by other aspects of the organizational diagnosis that pointed to disarray in how the dean's office managed the school and related to the departments and their chairs. Finally, he was also fully aware that the scope of work contracted for explicitly excluded our making a recommendation consistent with his desires. It was, therefore, important on our part to appreciate a shared fantasy had been shattered with concomitant psychological regression, splitting and projection, transforming the consultants from idealized, good objects to despised, bad ones.

As Richard proceeded with his accusations we came to understand that his antagonistic transference was a reflection of his lack of influence and power over the dean's decision-making and his historical absence of recognition by the dean as underscored by him not being selected as chairman. It was reasonable to assume that his aggression could not be safely acted out relative to the dean. Rather, Richard's hostility was displaced onto the consultants who, after becoming all bad persecutory objects, were not only safe to attack but merited attack. Once idealized by Richard, we were now despised and expendable intruders.

One might speculate in this case that the outcome could be associated with childhood experiences of parental withholding of affection and appropriate adoration, inflicting narcissistic injury on Richard. Acting upon these feelings required locating a safer target for the child's rage or perhaps a retreat into fantasy where unlimited aggression could be directed against parental figures without harming them. We remind the reader that this is merely speculation.[6]

Acts of regression, splitting and projected aggression, transferred onto us as consultants were undeniably felt and thereby introjected into our experience of the client system. In response to this transference-shaped interaction, we were confronted by counter-transference evoked by Richard's intensely hostile and persecutory statements. And, if these counter-transference experiences went undigested and unarticulated, we could be faced with the potential of a failed intervention. At first, we felt helpless, defenseless, and angry. While 'sitting with' these aggressive attacks we had to sort through our thoughts and feelings to avoid a counter-transference fueled defensive or aggressive reaction to Richard's accusations and condemnations. In so doing, we came to experience Richard's frustrated desires to successfully lead a coup and his fear at the possibility of directing his anger at the dean who had so consistently disappointed him but from whom he continued to seek approval. We, who had initially provided him voice in much the same way that he had given voice to the faculty's concerns, were now summarily judged to have failed to fulfill his fantasy of annihilating his boss – a fantasy that he had carried on behalf of the faculty and he failed to deliver on. Our ability to locate the projected content and our counter-transference experience permitted us to respond to Richard and the larger context of the meeting in a candid and empathic way.

We responded by acknowledging Richard's disappointment as legitimate. We also validated his feelings of anger and paranoia by stating sincerely that if we were in his position we might feel much the same way. At the same time, we also wanted to engage him in a reflective process that drew into question the role he had assumed on behalf of the faculty to achieve Harold's termination by using the consultants to accomplish the task. A process such as this validates the individual's thoughts and feelings while not judging his experience and perceptions. It also restores reflectivity and a more mature (non-regressive) handling of the disappointment.

We also wanted to make an effort to unload Richard's projections onto us to support him in a process of reintegration. In particular, we indicated that we were neither perfect in our work nor perfectly imperfect. We had done our work to the best of our ability and had stuck with the scope of the contract despite the regressive pull of wanting his approval which we acknowledged included recommending Harold be removed as chair. Richard

was receptive to our feedback so we ventured one additional step. We pointed out that we felt that we had been made the focus of displaced aggression that he held for the dean but felt safer in acting out toward us. We encouraged him and the dean to meet to discuss their history and how they might better work together in the future.

Although not entirely accepting the outcome, Richard and the faculty group for whom he spoke acknowledged the validity of the consultation process if not the outcome. We also want to point out here that by our using a clearly defined organizational change methodology and scope of work that stipulated phases (contractual agreement, organizational diagnosis, intervention and follow-up) we created for ourselves and the client system an important procedural and psychological anchor from which to proceed. This anchoring effect is especially critical when unconscious and irrational forces work against a successful organizational change process.

The case in sum

This brief case example illustrates much of the organizational terrain that exists within the psychologically defensive workplace (Allcorn & Diamond, 1997). Several fantasies existed. The first was that this group and its leader could dispose of their chairman. The second was that the consultants possessed sufficient authority and power so as to fulfill this fantasy and would act contrary to the contractual agreement. Failing to do so on the part of the consultants led to a dramatic collapse of the fantasy and accompanying positive transference and the rapid emergence of bitter disappointment, helpless rage, polarized black and white experience, and a highly energized transference-fed attack on the now disposable consultants. The individual most mobilized by this outcome was Richard who carried for the faculty the wish to be rid of their chairman.

Richard's hostile reaction to his inability to manipulate us as the consultants or to control the dean, points toward a number of psychodynamics that are mutually interactive and reinforcing. As mentioned in the case, psychological splitting and projection creates all-bad objects that deserve annihilation. Confrontation with this individual's (and group's) helplessness to affect the wished for change relative to the bad object appeared to lead to a revisiting of childhood experiences in which the child's fantastic wishes were not attended to by parental figures. In this case the coping response on the part of the child appears to have been feelings of narcissistic rage that were displaced onto safer objects or acted out in fantasy in order to avoid destroying the necessary parental figures.

In conclusion, this case illustrates how psychological regression, splitting, projection of aggression via transference, combined to create a challenging multidimensional and psychologically defensive workplace for the consultants. It is also equally clear that counter-transference dynamics and psychologically defensive splitting and projection if recognized and interpreted, can inform interventions.[7] We now turn to a discussion of several important perspectives implicit in psychoanalytically informed intervention not thus far discussed.

Creating change – using transference and counter-transference as the basis for organizational interventions

Thus far, we have suggested that organizational life is filled with unconscious processes that are hard to locate and understand but which, nonetheless, influence organizational dynamics and performance. We have indicated that transference and counter-transference dynamics between consultants and organizational participants represent a psychoanalytically unique stance and frame of reference for in-depth exploration of organizational culture by way of organizational diagnosis. It is within the context of (self–object) relationships that we can observe and experience underlying organizational dynamics peculiar to one or another organizational culture and its group of members. Transference and counter-transference transport members' anxieties and their concomitant defensive and regressive actions (such as splitting and projection) into workplace roles and relationships that shape the intersubjective structure and meaning of organizational experience. It is, therefore, essential in this context that the consultant is able to retain a self-reflective (observing ego) stance in which subjective (and intersubjective) experience is accessible for examination and reflection. Therefore, the capacity by psychoanalytic consultants to contain anxiety-filled workplace experience enables organizational clients to engage in reflective learning for change and minimize regression. However, by so doing the likelihood that a positive transference will develop is substantially increased and may indeed be unavoidable.

During the course of consultation, we suggest positive transference dynamics that the consultants are aware of (despite their regressive nature) enables psychoanalytic consultants to establish therapeutic alliances with organization members. An essential component of this alliance is the capacity for 'containment' and 'holding' where as consultants we stand at the interpersonal and organizational boundary with one foot inside and one foot outside the institution. Trust is an essential component of this relationship.

And, although we may inevitably develop a unique working relationship with the executive who authorizes the organizational diagnosis, the integrity of the work and thereby the establishment of trust, ultimately, comes about as a result of fair and unbiased listening and observing on the part of the consultants in the collection of data.

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

In conclusion

In conclusion, this article has emphasized that organizational experience is in large part a derivative of unconscious and very often psychologically defensive individual and group processes. This appreciation leads to the conclusion that knowing an organization necessitates a complex, lengthy, and at times problematic, journey into the psychodynamics of individual and group behavior in the workplace. This journey, we have emphasized, leads to the discovery of the psychological reality of work that is most eloquently revealed by careful collection and interpretation of 'objective' organizational data (organization charts, financial reports, history) and 'subjective' data (experiences and perceptions, unconscious fantasies and defenses at work). Locating psychological reality at work requires organizational consultants to

possess a capacity for self-observation and an ability to pay attention to transference and counter-transference dynamics between them, organizational participants, and within organizational cultures. As noted above, awareness and processing of these transference and counter-transference dynamics often reveals valuable insights into organizational regression and dysfunction. These data must, however, be introduced into the workplace in a manner that minimizes self-centered, narcissistic distractions or anxieties that induce further regression and psychological defensiveness. In the final analysis, psychoanalytically informed organizational assessments require methods of working effectively with organizational members and of collecting data that illuminate the uniqueness and meaningfulness of participant experiences.

Acknowledgement

Notes

1   See Hunt (1989).
2   Knowledge of the subject of research via empathy and introspection or what Freud called 'identification.' See Kohut (1977).
3   'Transference phenomena are things all of us show every moment of our lives to varying degrees. Our particular interpretations, and even distortions, of the external environment, whether physical or social, are influenced by our particular unconscious need systems. Our behavior is therefore governed not only by conscious needs and environmental demands but also by unconscious needs. Thus a person (subject) exhibiting transference in a relationship experiences the other (object) in a way that is not representative of the actual situation alone but is based on previous interpersonal experience' (Stapley, 1996: 180–1).
4   Regressive action serves the defensive function of protecting individual organizational members from persecutory (and/or separation) anxiety by constructing unconscious fantasies of withdrawal into a safe and secure inner space – a space-in-time symbolized by the 'holding environment' of infancy.
5   Beyond Klein's (1959) object relational model and its implications for the application of transference and counter-transference in psychoanalytically informed consultations, we find Bion's (1959) notion of contained/container to be of particular conceptual and practical assistance in understanding the value of counter-transference in our work and a deeper appreciation of the consultant as a 'container' of participant emotions. And taking from Winnicott's (1971) object relational theories, we find the importance of holding and interpretation to be crucial in a reflective practice that engages an alliance with organizational participants in a deeper understanding of their organizational culture rooted in object relations at

work. In addition we take Ogden's (1989) revision of Klein as crucial to a fuller understanding of transference and counter-transference dynamics driven by regressive forces at work. We find insightful his notion of dialectical modes of experience between the paranoid–schizoid, depressive, and (what he calls) the autistic–contiguous dimensions. His addition of the autistic–contiguous represents a more primitive, pre-verbal infantile, sensory state of experience.

6   The consultants did not have any information on the client's childhood experience.
7   It is important to stress here that in our experience effective and constructive interpretation requires using non-psychoanalytic language with clients and with the aid of organizational diagnosis and text this can be done, descriptively, analytically, and non-judgmentally.

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