"EXPLODING THE MYTH ABOUT RATIONAL ORGANIZATIONS AND EXECUTIVES"

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EXPLODING THE MYTH ABOUT RATIONAL ORGANIZATIONS AND EXECUTIVES

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ABSTRACT

This chapter is the introduction to the book Organizations on the Couch: Handbook of Psychoanalysis and Management. In this introduction it is argued that executives are not necessarily rational, logical beings but prone to a fair amount of irrational behavior which can seriously affect organizational processes. To understand the rationale behind this type of irrationality, the clinical paradigm is introduced as a way of decoding organizational "text." A case study is presented to clarify the process of organizational "textual analysis." Finally, a number of rules of interpretation are introduced.
Exploding The Myth About Rational Organizations And Executives*

_Wo es war, soll Ich werden_ (Where id was, there ego shall be)

Sigmund Freud, _New Introductory Lectures_

The classic management theory of rational organizational action— that human beings can be managed solely around logical means-ends models of organization—is giving rise to an increasing amount of unease. Many students of organizational life have been seriously disillusioned by the gap between their expectations of how decision-making takes place and their observation of what actually happens. The lack of resemblance to the dictates of rational action has made some students of organizations realize how simplistic many of their concepts are.

In numerous empirical attempts to study organizations there has been a lack of scientific imagination, a tendency to overlook much of the real data. The intrinsic richness of the material has been lost. In many instances we are left with superficial descriptions which neglect the underlying factors that could help explain managerial and organizational behavior. We are reminded of a comment attributed to Thoreau: "It is not worth going round the world to count cats in Zanzibar."

Many of these studies clearly ignore subjectively determined self-interest and motivation. While management science talks about rational choices, many observers and practitioners of organizational life have come to understand that the "irrational" personality needs of the principal decision-makers can seriously affect the management process. If these needs are not taken into consideration, it is only to be expected that many management models will fail to work.

Interestingly enough, until very recently students of organizations were extremely reluctant to use clinical concepts taken from psychoanalysis and dynamic psychiatry. There are a number of possible reasons for this. Those antagonistic to the use of clinical concepts

maintain that what cannot be directly observed does not exist. This presupposition omits
one of the center pieces of psychoanalytic thought, that is, unconscious motivation. For
others, investigation of the real reasons for certain actions and behavior can become
psychologically disturbing--such probing may arouse a host of defensive reactions. We are
familiar with the tendency of first-year medical students to discover in themselves all the
symptoms of every new disease being studied. In order to prevent disturbing thoughts from
coming to the surface, many students of organizational processes find it much safer to
operate at a superficial level and stick to the obvious and banal. Moreover, the desire for a
"quick fix" in organizational intervention means that for many people psychodynamic
formulations only complicate life: and they do not like the implication that their quick-fix
solutions are more often than not completely illusory. We know all too well that
suppressing symptoms rarely has a lasting effect, news which is unfortunately not
welcomed by those who receive it.

In spite of these barriers to the clinical approach, however, an increasing number of
participants in organizational life have come to accept the fact that there are limitations to
logical decision-making, that extra-rational forces can strongly influence leadership, group
functioning, organizational strategy, structure and corporate culture. Recognition of the
existence of cognitive and affective distortions helps us to identify the extent to which
unconscious fantasies and out-of-awareness behavior affect decision-making and
management practices in organizations.

There is a substantial body of knowledge to support the contention that organizational
leaders are not necessarily rational, logical, sensible and dependable human beings.
Quantities of research show that executives are prone to a fair amount of irrational
behavior. Given the impact leaders have on their environment, organizations are not
spared. Within them (as with all human endeavors) we find both irrationality and
intentional destructiveness. Clinical investigation shows that many organizational problems
originate in the private, inner world of an organization's senior executives--in the way they
act out their conflicts, desires, fantasies, and defensive structures (Zaleznik, 1966, 1989,
Jaques, 1970; Levinson, 1981; Zaleznik and Kets de Vries, 1985; Baum, 1987;
Hirschhorn, 1988; Kets de Vries, 1989). As the science of the irrational, psychoanalysis is ideally placed to provide new insights into organizational functioning.

The Clinical Paradigm

The use of psychoanalytic concepts outside a purely clinical context is not new. In his writings Freud devoted some attention to societal issues, questioning the nature of religion, civilization and war. He also contributed to the study of group behavior by emphasizing the peculiar nature of the identification processes which take place between leaders and followers. Unfortunately, apart from some comments about the army and the church, Freud said very little about the nature of organizations and work. In one of his rare reflections on this topic, he viewed work not only as a way to neutralize human drives but also as a means of binding the individual to reality. He emphasized the role of sublimation and examined the relationships between work and creativity.

Since Freud, clinical knowledge has greatly expanded, contributing to the advancement of psychoanalysis. At present, psychoanalysis can be looked at as a method of investigation of language, action, and imaginary productions such as dreams, fantasies, and delusions. It can also be seen as a therapeutic method distinguished by interpretation of resistances, wishes and transference reactions. Finally, psychoanalysis is also a set of psychological and psychopathological theories which systematize the data collected through the psychoanalytic method of investigation and treatment. These three orientations make psychoanalysis a rich source of understanding of life in organizations.

Furthermore, psychoanalytic theory has become increasingly complex, integrating drive psychology, neurology, ethology, information theory, child development, ego psychology, cognition, family systems theory, self-psychology, and object relations theory. This has enabled the development of a more general psychology. At the same time, the application of psychoanalytic concepts to the social sciences has become more widespread. With this evolution, and given the importance of work to overall mental functioning, students of organizations have begun to realize the value of applying the psychoanalytic
method to an organizational setting. The main working premise is the role of unconscious motivation in explaining human action and decision-making.

Psychoanalytic models of the mind are now being used to clarify life in organizations, and to deal with issues concerning career, individual and organizational stress, corporate culture, leadership, entrepreneurship and family businesses. Psychoanalytic conceptualizations have proved helpful to the better understanding of the behavior of groups (Bion, 1959). Resistance to change and intervention have been looked at in a new light. It is now recognized that individual defensive processes operate throughout organizational life and may become integrated in the social structure of the organization, affecting strategy (Jaques, 1955; Menzies, 1960; Kets De Vries and Miller, 1984). Processes such as affectionate reactions, aggression, control, and dependency have been viewed in an organizational context. Metapsychological constructs such as ego, id, superego and ego ideal have been introduced, indicating the importance of fantasy, anxiety, envy, shame, and guilt and illustrating the relationship of these concepts to ambition and goal-directed behavior.

The "clinical approach," with its premise of not taking for granted what is directly observable, has been helped by contributions from other fields. For example, Clifford Geertz (1973), an anthropologist, has continuously advocated the search for deep, underlying structures. He has urged that we should go beyond the obvious and superficial. Geertz presents his argument by distinguishing between "thin description" and "thick description." The first approach typifies traditional studies that concentrate on what is merely observable and a simple relating of facts. Thick description, however, is interpretive. Like literary criticism it involves an iterative process of analysis that seeks out the basic significance of events. It searches for a theme that can explain a myriad of facts. Thick description is, in Geertz’s words, "guessing at meanings, assessing the guesses and drawing explanatory conclusions from the better guesses" (1973, p. 20).

Such an approach involves the study of "texts," which can be viewed as groupings of inter-related elements—all types of data containing messages and themes that can be systematized. This requires the analysis of "a multiplicity of complex conceptual
structures, many of them superimposed or knotted into one another, which are at once strange, irregular, and inexplicit, and which we must continue somehow to grasp and then to render" (Geertz, 1973, p. 10). In decoding texts, significance is extracted from interrelated factual, cognitive and affective units constructed out of experiences. The observer looking for meaning becomes a sort of translator and cryptographer, transforming different levels of understanding.

In studying organizations we can interpret their "texts" through the analysis of organizational artifacts: managerial statements, writings and observable behavior (Kets de Vries & Miller, 1987). The "text" implicit in a specific strategic decision, choice of a particular interpersonal style, or type of organizational structure gives clues to what life in that organization is all about. A further dimension is added if we are alert to underlying themes, meanings behind the metaphors used by managers, reasons for the selection of certain words, and implications of certain activities (Barley, 1989; Martin, 1982; Riley, 1983). The ability to distinguish between the signifiers and the signified (de Saussure, 1915) and understand the underlying messages (hidden agendas) can help scholars and managers identify the crucial orientations and assumptions that influence organizational life, an important step toward clarification, diagnosis and intervention. Recognizing the ways in which how intrapsychic processes affect decision-making will make for a more complex, and more authentic description of organizational life. This can direct the executive towards more effective problem-solving and creative leadership.

The following case study will clarify this process of organizational "textual analysis" in action. It illustrates how the personalities of the members of the dominant coalition can affect corporate culture, strategy and structure (Kets de Vries and Miller, 1984, 1986; Kets de Vries, 1989). However, the reader should bear in mind that the material presented here is only a preliminary analysis and not the final reading of the case.
Hollywood in the Alps

The Vocatron Corporation\textsuperscript{1} was set up about fifteen years ago by Stephan Muller, who believed that there was a niche in the market for private vocational training programs, particularly for younger people. His hunch proved to be right and over the years the company had steadily expanded. Muller had branched out from his home base in Denmark and set up sales subsidiaries in most European countries, the United States, Canada and Australia. Almost all of his fifty regional sales offices were run by women, who were usually in their twenties or early thirties. Most of the selling took place by telephone and through home visits. For tax reasons, Muller had very recently decided to move the head office from his home country to Switzerland.

I was asked to visit Vocatron by a friend who was a principal in a consulting firm. He explained that he was somewhat vexed by the problems at Vocatron and hoped that a second party would help him understand what was really going on in the company. He thought my experience with entrepreneurs and family businesses would be helpful.

Vocatron's head office commanded a spectacular view of snowcapped mountains. The small parking lot in front of the building was full of Porsches and Mercedes--and a splendid red Ferrari which stole the show. Once past the heavy security at the entrance, the visitor discovered an opulent interior with white wall-to-wall carpeting and modern paintings and sculptures, including a Henry Moore. An attractive secretary pointed out a fitness center with sauna, whirl bath, and swimming pool.

We waited for ten minutes before being greeted by Stephan Muller. The president was very well, if conservatively, dressed and seemed young for his age. His height, bushy eyebrows and penetrating stare left a lasting impression. His manner of speaking was obviously that of a man used to giving orders.

Muller explained that all was not well with Vocatron. Growth had levelled off and profits had been declining. After a rapid increase in the number of sales offices, subsidiary development had been put on ice for the last year and a half. He attributed these new

\textsuperscript{1} All names have been disguised.
circumstances to the fact that his top management group had become seriously overextended.

The president explained what he expected from us: he wanted us to find a way for the company to continue the growth pattern of the past, eliminating the bottleneck caused by what he felt was a scarcity of top management talent in the company. For that purpose, arrangements had been made for us to interview his top management team and some of the more experienced subsidiary directors. He also wanted us to assess his son David, who had been working for the company for the last two years. He wanted to know if his son had top management potential and could eventually become his successor. He mentioned as an aside that he had heard rumors which had sown doubts about his son’s competence.

The interviews quickly revealed a number of problematic issues. The directors of the subsidiaries, who were specially flown in for the occasion, turned out to be a deeply disgruntled group. These young women were very unhappy about the way their careers were progressing. At first, working for Vocratron had seemed very glamorous. They had had early responsibility, excitement, adventure, and travel. But as the years passed, the glamour had gradually worn off.

We were astonished to discover that none of the female directors had ever been at head office before. Communication took place by phone, fax, letter or personal visits from senior management. Comparing the modest conditions under which she worked with the opulence of head office, one of the directors commented, "This place is unbelievable, it's like Hollywood in the Alps!" During her visit, this particular woman made several attempts to see the president. She was prevented from doing so by his secretary, who consistently maintained that he had gone out for a business meeting. The president had, however, been seen in the office. We learnt that Muller had made promises about this woman's future career which had come to nothing, although she had apparently been running the most profitable subsidiary for the last ten years. A previous attempt to pacify her by giving her a sports car as a bonus seemed to have met with only partial success. While we were present, in an angry attempt to get through the president's door, this woman "accidentally" spilled a cup of black coffee on the immaculate, deep-piled white carpet.
There is no need to dwell on this personal symbolic act. What is more important is that the feelings of this director were shared by most of the others. The common complaint was that they all felt stuck in their present position. When they had joined Vocatron in their early twenties, it had seemed exciting and challenging to set up a sales office in a foreign country. Over time, however, the long hours and only average salaries had killed the spirit of adventure. Since most of the selling took place in the evening, and there was a lot of pressure to perform, their social life had been seriously affected. None was married or had a long-term stable relationship. Indeed, the only relationships they appeared to have were with some of the men from head office who made regular visits to monitor their performance. Many complained of stress symptoms and had repeatedly been put on medication and even been hospitalized. The major criticism was that career progress stopped with the position of director of a sales subsidiary. No woman had ever been promoted to head office.

A close inner circle of all-male executives, many of them old school friends of Stephan Muller, ran the head office. Some of the directors compared this group to the KGB because of the control systems they used to monitor sales performance. When asked why they didn't leave, the subsidiary directors replied they did not know where to go. Many of them had left their home countries long ago and felt no sense of belonging anywhere—their only sense of being part of something was the ambiance created by Vocatron. They felt that the people at head office would look after them, whatever the circumstances.

During the interviews, some of these subsidiary directors talked about David Muller, the president's son. According to them he was incompetent, and without his father would never have got on in business. They drew their conclusions from his behavior during internships at three of the sales subsidiaries and cited incidents illustrating what a disaster he had been.

This view of David rather surprised us. He had come across as a thoughtful individual when we interviewed him and he was well trained, with both law and business degrees. However, when talking to him, we had detected a certain amount of ambivalence
toward his father, who gave him impossible assignments, never praised him for work well done, kept checking up on everything he did, and chastised him in public.

Although it may have been premature at this stage of the consultation, at a further meeting with Stephan Muller, we asked him why, given his own assessment of the need for more top management talent in his company, he did not do the obvious thing and select the most capable subsidiary directors for promotion to head office? Muller reacted with astonishing violence. He became very agitated and then stiffened up, saying, "Impossible! Women have only limited capabilities and running a sales office is as far as they can go." According to him, having women in senior positions at head office would seriously disrupt the general atmosphere. He then said, rather wistfully, "Wouldn't it be nice if only I could get rid of all these older women in a pleasant way. They were alright when they were younger but they turned into such bitches later on!"

In contrast to the female subsidiary directors, the four male executives who made up Muller's inner circle at the head office seemed to be quite happy working at Vocatron. They shared their boss's perception of women, believing that it would be very disruptive to have them at head office in anything other than secretarial positions. In their opinion these particular women needed continuous surveillance, otherwise they would begin to act irresponsibly. Then they jokingly said, with an obvious sexual innuendo, that they knew how to keep their subordinates in line.

This group of executives seemed to be quite satisfied with the existing reward structure. Further prompting revealed, however, that at Vocatron bonuses were given rather haphazardly. One of the executives had once gone to Muller saying that he needed a yacht and, surprisingly enough, in due course, he received it.

Reading the Signs

An organizational consultant is something of a detective. We try to decipher and interpret what is going on in the world around us. As "code breakers" we are constantly bombarded with different kinds of information; sometimes we understand its meaning,
sometimes we are at a loss, and sometimes we fail to realize that an important piece of evidence is being presented. In every situation however, our task is to make sense of things, to get behind the surface and disclose the underlying significance. Inevitably, we engage in interpretative acts. This becomes a reiterative process: every interpretation brings up new associations and leads to new interpretations. Thus, there will never be complete closure.

This visit to the company's head office and the interviews with the key players provided us with a preliminary "text." It was now up to us to translate the signs, to find the rationale behind all this irrational behavior. We had to be literate enough, however, to make sense out of the text that was presented. If scholars of organizations and executives want to understand their world, they must pay attention to the subtleties of the text. They must interpret the way in which the stories unfold, and assemble the fragments into a coherent whole. They will have to find the hidden meanings, motives, and consequences behind acts, decisions, and social behavior.

During a subsequent dinner with the president, we learnt more about his background. He was an only child and he had not been happy growing up. A key event of his childhood had been his father's leaving home when Stephan was only five years old. His father had moved to another country where he had started a new family. His son had not seen him since.

Muller described his mother as an irresponsible, unreliable individual who went through an endless series of short-lived love affairs. He felt that his father's departure had really changed her. He cherished a few early memories of family togetherness. Later on, his tactics for survival at home had been to minimize his stays there. He spent most of his time with a close circle of friends, some of whom now worked for him. The interest shown in him by an uncle who regularly took him on excursions had helped to overcome his feelings of desertion by his father. His uncle had provided some kind of stability.

Muller explained that his own marriage had not been successful. He and his wife had not divorced, but they lived separate lives. Although it had never been explicitly stated, his wife was aware that he had had (and maybe still had) a number of mistresses.
After some prompting about stress symptoms, the president said that at times he had stomach problems. He also complained about recurrent nightmares, describing one where he would dream that he was cornered by a horrible-looking witch who would jump on his back and almost choke him. He would begin to scream, which woke him up.

This dinner conversation helped put some of the irrational patterns prevailing in the company into perspective. An essential aspect of the organizational "text" obviously had to do with Muller's relationship to women. In his inner world, he had developed some kind of mental block vis-à-vis women following the experiences he had had as a child. Women seemed to him to be dangerous, unreliable, and untrustworthy. In order for him to keep the upper hand, they had to be played off against one another and kept down, otherwise chaos would prevail. So, by recreating his childhood situation within his organization, he and his small "band of brothers" could keep things in order and prevent this from happening. And he knew all too well what chaos meant, given the "messes" he had experienced when growing up.

In his company, the president had managed to create a sort of folie à deux situation, in that his key executives had begun to share his strange feelings about women (Kets de Vries, 1979). They did not have much choice--if they thought differently they would be asked to leave. Muller had made it clear that "fickle" women could never become part of the inner circle. Every kind of behavior was permitted in order to keep women in line, including sexual manipulation. The origins of this way of thinking were not hard to find: after all, his mother had provided a negative role model as far as sexual relationships were concerned.

The organizational consequences of the president's behavior were predictable. A strong paranoid streak ran through the company; a fight-flight culture prevailed. Not only was there a "war" going on with the competition, another "war" was taking place within the company, and the adversaries were the women. They were hired for the purpose of being continuously put down, in order to master the anxiety of the president and others who had absorbed his ideas. With this kind of attitude there was obviously a lack of trust and a considerable amount of secrecy between the inner circle and the others. Information was a
much-sought-after commodity, with the sales subsidiaries usually kept in the dark. In spite of its irrational nature, this formula had worked for many years. Only now, because of its success, had it begun to crack at the seams.

As might be expected, these management practices were causing tremendous anger and bitterness on the part of the women in the company. In spite of the perks, they eventually came to feel that they had given the best years of their lives to Vocatron. They had been molded into workaholics with no consideration given to their private lives. And what could have been a major "pacifier"--a top job at head office--would pass them by. The accumulated result of the irrational practices at Vocatron was a demotivated group of sales directors, overextended head office executives, stagnation in sales and a decline in profits.

How did this state of affairs affect the president's son, David? It is quite possible that he became the victim of displacement activities when he was sent to the subsidiaries to learn the rules of the trade. He may have been a scapegoat for the disgruntled group of directors, who may have been trying to "kill" the father through the son. Apart from this "displaced parricide," we should not rule out a problematic father-son relationship. Did David ever really have a chance of joining the "band of brothers" that surrounded his father? Would they be willing to accept such an interloper? Could it be that the father, because of his unresolved problems with his own deserting father, projected his sense of responsibility for that occurrence onto his son? Maybe, because he had not been able to keep his own father, sons unconsciously became "bad" for him. Perhaps he had set up his own son and sent him on an impossible mission. Unconsciously, he may have given him assignments which were insurmountable. Of course, the other side of this Oedipal drama could be that his son may have been rebelling, unwilling to submit to his father's wishes and thus consciously or unconsciously playing the role of the incompetent.

Finally, there is the way the consultant is perceived by Stephan Muller. Will he turn into the "good uncle" of Muller's childhood, or will he become the deserting father or even the responsible and reliable mother? Or will he play all of these characters at once, or in turn? Muller's future reactions towards the consultant will tell.
Our interpretation of the "text" of "Hollywood in the Alps" has really only just started. The few inferences proposed represent the proverbial tip of the iceberg. Longer term interaction with the key players will be needed in order to succeed in validating some of these conjectures. We should bear in mind here that acting is another form of remembering. More data about the past will help us understand the present better and give counsel for the future.

The story of "Hollywood in the Alps" illustrates how, by putting an organization "on the couch," we can find a rationale for what would otherwise come across as highly irrational action and behavior. In this case, the intrapsychic fantasies of the key power-holder turned out to be the catalyst for a series of highly unusual management practices.

Freud and the Semantics of Desire

For Freud the "semantics of desire" became the basis for understanding a text. He developed a theory aimed at revealing the messages hidden in manifest statements and the desires implicit in these messages. He wished to understand the resistances against expressing these desires in order to comprehend better the patient's basic fears and needs. Freud's early work on dreams is illustrative. He was trying to solve the riddle of dreams, to discover the hidden logic of their processes. In his magnum opus, The Interpretation of Dreams, he claimed that:

The dream-work is only the first to be discovered of a whole series of unconscious, hidden psychical processes, responsible for the generation of hysterical symptoms, of phobias, obsessions and delusions. Condensation and, above all, displacement are invariable characteristics of these other processes as well... (1900, p. 671).

The themes and symbols that result from an individual's subjective experience create an evolving series of "signifiers" through the processes of displacement (the transference of
emotions from the original idea to others) and condensation (two or more images combine to form a composite image) under the influence of social forces. Certain signifiers come to be preferred over others. These become manifest and recur in social interactions. What initially may have been a purely subjective experience becomes a "text" more readily open to interpretation by others, particularly in a clinical setting. We have observed in the Vocatron case that, like the structural anthropologist, the clinical investigator becomes a code breaker or interpreter. He "listens with the third ear," searching for hidden meanings in texts and looking for the unconscious ideas and fantasies that underlie manifest experience.

In the psychoanalytic setting, the task is to recreate or re-experience the thought of the creator of the "text." In principle, at least, it is possible to enter into a dialogue. We realize that the text will deepen if we re-experience the author's thoughts and check our empathic understanding (Devereux, 1978; Lacan, 1978; Levine, 1980; Watson, 1976). To do this, there must be an effort to understand the individual's past, to examine his personal history for clues regarding his current behavior.

A major device for understanding the meaning of text in a psychoanalytic setting is the interpretation of transference (Gill, 1982, Greenson, 1967; Kets de Vries and Miller, 1984; Racker, 1968). Briefly, transference is a process whereby attitudes which developed early in life are repeated in the present. Thus the transference reactions that appear in the psychoanalytic dialogue, the kind of feelings the person evokes in the other, can be considered as additional text, confirming or disconfirming other "textual" information about a person. This additional text provides clues about the person's past and facilitates the recognition of fundamental themes and important defenses, since these will often be acted out when the patient reacts to the analyst as though he were a key figure from the past.

There is, however, a difference between the work of a psychoanalyst in a consulting room and that of an organizational consultant: the psychological contract tends to be different. In a psychoanalytic relationship the analysand is there for the long haul; he or she is involved in a continuing exploratory journey to learn more about the self. Time factors tend to become more-or-less irrelevant. By contrast, the client usually wants quick
results from consultancy. In most instances the luxury of a long-term learning commitment is not really an option. So, in some ways consultancy work can be likened to clinical intervention "on the run." In spite of all these disadvantages, however, consultants have one advantage: unlike psychoanalysts, they can observe their clients in their natural environment. They can visit the places where they operate. Through conversations with superiors, subordinates, friends and family members they can check some of their conjectures.

We should also note that the psychoanalyst tries to make conscious what is unconscious. (We have only to remember Freud's famous dictum, "Where id was, there ego shall be.") Clinically trained consultants often arrive at more realistic and durable interventions using their understanding of unconscious processes but without necessarily making the unconscious conscious, given the different psychological context within which they operate. Basically, there is usually much less opportunity for clarification, confrontation and working through in consultation (Kets de Vries and Miller, 1984; Zaleznik, 1987).

**Rules of Interpretation**

Putting organizations on the couch involves a search for central themes in apparently unstructured processes. The patterns, ideas, or sentiments that surface often appear to explain many phenomena. We use the notions of compression and underlying structure--the idea that much surface complexity can be explained by an underlying organizing theme. This was suggested by Geertz (1973, 1983), Lévi-Strauss (1955, 1969), and the proponents of hermeneutics (Palmer, 1969; Radnitzky, 1973).

We must look for elements that are not only logically central, but have deep, perhaps unconscious, emotional significance (see Freud, 1900, 1920; Greenson, 1967; Lacan, 1978). The emotional components that motivate an organizational text are crucial to its decoding. These components are best understood by some form of "historical" analysis. Finding out about the individual actors, their past, and their current modes of interaction,
can disclose information about their aspirations, goals, and fears, and explain their behavior. This involves dialogue.

Obviously, in order to tease out deeper structures, a process of discovery is necessary rather than a single stab at explanation. Initial conjectures must be tested against reality as it is perceived by others. Informal predictions are made, based on initial insights, and these are compared to what actually happens or are tested to determine if they can explain other parts of the "text" (Kets de Vries and Miller, 1984). Interpretation is a dynamic, iterative, and interactive process that may bring insights but rarely provides any final, unitary solution. The tentative conjectures or explanations that evolve are made more concrete and operational and are checked against other aspects of the situation or against events to come. The importance of dialogue, reformulation, historical analysis, tentative explanation, and modification cannot be overemphasized.

In interpreting organizational texts, the rule of thematic unity comes first. When we analyze an organizational story we try to shape the different observations into an interconnected, cohesive unit. In the case of Vocatron, we found the unifying theme of the unreliability and limited capabilities of women; consequently, women were denied greater responsibilities and had to be carefully monitored.

Secondly, we are engaged in pattern matching, looking for structural parallels, for a "fit" between present-day events and earlier incidents in the history of an individual or organization. We are watching out for revealing repetition (Geertz, 1973; Spence, 1982). To turn to Vocatron again, the president of the company consistently transferred his childhood situation into the present. For example, his remark that women turn into "bitches" when they get older is probably very closely related to his childhood perception of his mother's behavior before his father left. His recreation of his childhood situation with the "band of brothers" is another indication. Pattern matching is based on the tendency each of us has to become entangled in displacements in time. Instead of remembering the past, we may misunderstand the present in terms of the past and relive the past through our present actions. We often react to important individuals and situations as if these were figures or incidents from the past (Greenson, 1967). What might have been an appropriate
reaction at one time now turns out to be transparently anachronistic. This is what is referred to as "transference" in psychoanalysis.

Thirdly, interpretation must be guided by the rule of psychological urgency (Freud, 1920; Lacan, 1978). The challenge is to identify a pervasive relationship pattern (Luborsky, 1984; Luborsky et al., 1988). The assumption behind this rule is that somewhere in the text it is always possible to identify the most pressing need or needs. In our case study, it was the need of the president to settle a score with women, to get even for the wrongs he had experienced at the hands of his mother. He wanted to be free from domination, to assert himself, and impose his will on others. His agitation at the idea of breaking the vicious circle in the company by giving the female directors more responsibility was highly revealing. He clearly saw this as opening the way to being controlled by women. The need to assert oneself and the preoccupation with getting even pulsated throughout the company, as it was shared by the other executives. When we play organizational detective, then, it is important to note the persistence, enthusiasm, regularity, pervasiveness, and emotions surrounding decisions, interactions, and pronouncements.

Finally, there is the rule of multiple function. Depending on the psychological urgency of the matter at hand, a part of the text can have more than one meaning and can be looked at from many different points of view (Waelder, 1936). Sometimes organizational resistances and defensive processes stand out. At other times the key dynamics may be related to how organizational participants manage aggression or affectionate bonds. Processes centered around shame and guilt can also become important. To complicate matters even further, these issues may all play a concurrent role and may occur at the individual, interpersonal, group, and organizational levels (Geertz, 1973, 1983; Kets de Vries and Miller, 1987). It is thus necessary to seek out meaning at multiple levels, and determine the individual and organizational roots and consequences of actions and decisions.

Interpretation is at the center of work in organizations. Researchers and executives are inevitably involved in a continual dialogue with other actors in the organization. They
must search for basic themes and configurations in their text, finding meaning in what at first glance may seem random or insignificant. Text, as we have indicated, must be viewed in context for true decoding to take place. The rules outlined above--thematic unity, pattern matching, psychological urgency, and multiple function--are useful clues in the search for continuity and connection. They disclose patterns that can be woven into a unified *Gestalt*, revealing a matrix that helps to explain the psychodynamics of organizational life.
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