

Running head: Complexity of Leadership

The Complexity of Leadership – The Complexity of the Organizational Self

Marc Maltz, M.B.A. & Kenneth Witt, M.S.W.

Overview

Leadership is understandably under attack today. Whether in corporate, nonprofit, political or other organizations, leadership is being examined as never before. But, is it being fully explored, understood and worked with? The authors believe not. Yes, there has been much written about the psychology of leadership, particularly with regard to the need for, and excess of, narcissism in the leadership role. There has also been much written about contributing systemic and cultural factors at both the organizational and social levels. But, the dilemmas of the leadership role are enormous and existing frameworks for understanding those dilemmas are limited. Similarly, the answers or solutions to those dilemmas extend well beyond the structures of fiscal responsibility currently being discussed and legally imposed.

The essential limitation of most attempts to understand and explain leadership and organizational behavior is that they utilize primarily modern frameworks to attempt to understand increasingly post-modern phenomena. A central element of the post-modern perspective is the embracing of complexity and appreciation of inherent ambiguity and uncertainty, which has earth-shaking implications for most contemporary notions of leadership that value certainty, consistency and predictability.

It is the authors' view that leaders in all organizations face an enormous set of psychological challenges of which they may or may not be aware. These challenges are multidimensional and part of a two-way, dynamic process between the leader and the led; challenges that need to be better understood by both the leader and the organization as a whole in order that: (1) The leader effectively takes up her/his role and is "allowed," by those being led, to lead effectively; and (2) The organization is "allowed" to effectively follow, while authorizing their leader to lead.

This chapter explores the complexity of the leadership "role." The challenges of adaptive leadership will be explored from a psychodynamic perspective, extending socio-technical concepts of authority relatedness and drawing from psychoanalytic concepts of the "self-system" from the Interpersonal tradition.

Psychodynamic Organization Theory

There is a rich, historical body of work that originated at London's Tavistock Institute in the socio-technical and socio-psychological traditions. These traditions evolved into a psychodynamic theory of organizations, also known as group relations theory, from a number of projects undertaken by the Tavistock, which shared the aim of engaging the social sciences to address social problems of the time. Drawing on general systems theory (von Bertalanffy, 1968) and field theory (Lewin, 1997), the socio-psychological tradition utilized psychoanalytic theory from Melanie Klein (1935, 1981) and the British Object Relations School, to link the psychological and social fields. Key developments included Bion's (1961) basic assumption behaviors of fight-flight, dependency and pairing (linked to Melanie Klein's paranoid-schizoid and depressive positions), and the use of social structures as a defense against anxiety as contributed by

Jaques and Menzies-Lyth (Trist & Murray, 1990). Notwithstanding the powerful concepts for understanding the dynamics of the modern organization that emanated from this tradition, we suggest that the Interpersonal tradition (Sullivan, 1953) of psychoanalysis can extend this understanding and further illuminate the complexities of leadership in post-modern organizations of today.

Interpersonal Psychoanalytic Theory

The Interpersonal school of psychoanalysis, generally associated with the William Alanson White Institute in New York, also has roots in understanding the interplay between psychology, sociology and politics. In contrast to classical Freudian and object relations theories, which have a focus on the individual and a bent toward biological determinism, reductionist thinking and certainty. Interpersonalists bring what Fiscalini refers to as “their own particular psychoanalytic stamp – a rich amalgam of pragmatism, pluralism and field theory” (Fiscalini, 1995, p. 333). A leading force in the shift towards the post-modern, the Interpersonal tradition in psychoanalysis is a process that concerns itself with the mutual or inter-subjective search for meaning; meaning that is constructed rather than discovered, perspectival rather than universal, and contextual rather than absolute.

The chapter concludes with a review of recent thinking on the subject of leadership in the post-modern organization. The authors offer some comparative thoughts about conventional and psychodynamic leadership and a set of tools that may be used to help leaders through the complexity of the post-modern role. The chapter closes with an offering of the authors’ view of the implications for leadership.

Introduction

Complex organizations require complex leaders and complex leaders are complicated.

In a New York Times article titled “Love and Money; A Crisis of Family Values and a Family’s Value” (Spragins, 2002), the author rightly identifies a key dilemma in which Samuel Waksal faced managing the affairs of ImClone Systems *and* the affairs of his family. He either had to hold to the ethics required of him as CEO by not revealing what he knew, watching both his family’s fortunes and his own reputation disappear, or he could do what he did: warn those close to him of Bristol-Myers Squibb’s decision to not continue funding ImClone’s research and development. This resulted in his arrest, discredit as an immunologist and benefactor, and left his family deeply tarnished and in legal trouble. Much has been written about narcissism and its impact on leaders, positive and negative. But, this kind of dramatic decision is probably fueled by much more than a narcissistic charge. The decision represented a fundamental challenge to Dr. Waksal’s identity in the many roles that he held as a professional, CEO, father, son, etc. The ability to tackle this kind of challenge to one’s identity, to reconcile the multiple notions of “self” as held by an individual, is one key to successful leadership.

Organizations are simply, or not so simply, a collective of many selves held within their boundaries and, as such, are both a product and determinant of the self that is held within. The organization is literally the sum of the whole, yet continually influencing, impacting, and affecting each point within the whole, each of the multi-determined selves that make up its whole, its organizational self, and its identity. Like individuals, organizational systems are simultaneously creating, using, affecting and being created by their social and technical selves, moving through the same transitions we do, only further compounded by their dependencies, market forces, external environment; their context shaped as a whole and by the sum of all that are contained within. This is both overwhelming and deeply exciting. Imagine leading such an entity in which one can explore these infinite possibilities. How individuals within organizations digest, understand and process their experiences, consciously and unconsciously, and how they internalize what they learn from these processes are critical to how they endure, prosper, and, as a result, how the organization will endure and prosper.

During any change, one is filled with both wonderful and terrifying moments. In the midst of transition, it is clear that all of our past is present: our traumas, learning, joys, dependencies, fears, all that we moved on from, our conscious development and our unconscious muddle; all of those things that we hold on to for the sake of “self.” We believe change is a continuous, if not daily, process; not just incident bound. It is in this soup, primordial and newly created, that we experience and attempt to process the change event. We need every part of our self – past, present and emergent – in order to cope, make sense of that which cannot be understood and, mostly, survive. This is a simultaneous process (Maltz & Walker, 2000) that enables us to be with the varied parts of self; all of the experiences of what are “me” and “not me.” We do this as the multi-determined self within the many-determined systems in which we operate.

For a leader and her/his people, the work of change and adaptation is about this unfathomable intersection, this coming together or, in some cases, this collision of parts. The leader must be able to take-in and explore these aspects of the self and the whole. A leader must also be capable and open to working with this collective self at the individual and organizational levels and provide the context and facilitating structures so that others can work with their anxieties and safely identify with him or her and others within the organization. There will be casualties, but if the leader has the capacity to adapt and contain, the whole will survive.

An example, of adaptive leadership that learned to contain, comes from the authors’ work with a firm that lost 39% of its employees in the World Trade Center attacks on September 11, 2001. The complexity of the “transitions” this firm, its employees and families have and will continue to experience is striking. The shift, from having its physical location destroyed, its records obliterated and over one-third of its people killed, is profound. Our fascination goes to the heart of the work we did in helping this firm get back into business. Responding to such trauma requires significant shifts for the individuals and system we are consulting to, and, significant shifts for how we think about the work of organizational consultancy. Much of what this firm knew prior to September 11 was shattered. It is clear that how the individual makes the transition

through the multiple facets of traumatic experience determines the future of the individual's ability to remain mentally healthy (Honig, Grace, Lindy, Neuman, & Titchner, 2000). It is also clear that the individuals' capacity for working through the varied mental responses to this trauma is a key determinant in the organization's ability to endure. Most importantly, in a study to determine what lead to this firm's resilience, it was concluded that one of the key factors was leadership; leadership that was transparent, emotive, charismatic, effectively delegated, decisive, and, most importantly, adapted to the extreme challenges faced (Hirschhorn, Maltz, & Freeman, In Press).

The leader who brought this firm from the brink of destruction to perform better than it has in its 14-year history within one year, had to dramatically shift not only his style but also aspects of his identity. In the course of events on that single morning, he was faced with the loss of his best friend and colleague, nine partners and scores of friends and co-workers. Rather than be isolated, he opened himself to the world; helping to build a sense of psychological community that strengthened his role and his firm. He succeeded in transitioning his leadership style, focus, psychological state and firm. As managing partner of this firm, he began a fundamental journey of reevaluating his identity, doing the work that leaders mostly fail to do: searching deeply as to whom one is, what motivates them and how they "see" their role.

The demise of Arthur Andersen provides another example of the failure of leadership facing, and in this case unable to respond to, the powerful dynamics of authorization in complex organizations. According to an interview with Andersen's last managing partner, Joseph Berardino in *Business Week* (Byrne, August 12, 2002), he was part of a culture that looked the other way in order to grow the business and please clients. Andersen was under tremendous pressure to expand and stay ahead of the increasing competition, spurred by consolidation in the accounting business, and increased pressure to generate revenues from other services, i.e. consulting. One might also hypothesize that the firm wanted to prove itself or make up for what it sensed it had lost when the prior consulting arm, now called 'Accenture,' split from the firm in a public divorce. The firm was clearly in an identity crisis, leading the way for an industry that was searching for itself. Its workforce and partners did not want to be identified as "auditors" and it is unclear whether its clients would have just as well gone elsewhere for the consulting services or were demanding such services from Andersen. This combination of forces brought Andersen to focus on more lucrative business services, losing focus on its traditional primary task of providing auditing and tax services.

In his leadership role, Berardino both helped create this process and was trying to respond to the needs of his partners as well as the organization as a whole. Had he decided to focus on the firm's primary task, he would have faced tremendous resistance from within the firm by partners seeking to secure greater practices as well as employees wanting more lucrative careers. Indeed, according to BW, he was unable to fire a partner without a two-thirds vote of the 1,700 partners. One could imagine that it would have been difficult to steer Andersen in any other direction other than self-destruction. In the end, Berardino could not effectively take-up his role *and* the organization could not and did not authorize him to lead. In addition, it appears that Andersen had lost a sense of its

primary task and, one might hypothesize, could not authorize any one leader to hold and reconcile its many parts. The crisis of identity existed at the individual, role and systems levels. Berardino's role-crisis was a product of a system that is in significant transition, a shift in identity, having been forced to spin-off its consulting arm by the partners of that division and facing significant changes within their industry. Berardino clearly needed help in sorting through how these powerful forces in his organization had impacted him, his actions, who he was, and how he had taken up his role as leader of this organization in crisis. Understanding these dynamic forces and deep-seated identity issues, and finding creative ways of managing them is critical to successfully negotiating the minefields of any rapidly changing competitive environment, that is, daily organizational life.

How is it that we come to develop this "multiplicity of self?" How is it that we come to have a sense of "self" that is cohesive and coherent? How can this notion of "multiple selves coexist with our experience of a sense of ourselves that is cohesive or has a "core?" What is the nature of these forces that make it so difficult to follow and to lead?

Psychodynamic Organization Theory

As stated earlier, much of psychodynamic organization theory has roots in the socio-psychological and socio-technical traditions originating at the Tavistock Institute in London. These traditions evolved into the "Group Relations" theory from a number of projects undertaken by the Tavistock, which shared the aim of engaging the social sciences to address social problems of the time.

An underlying assumption of the socio-technical systems approach is the economic maxim of survival; that organizations must continually maintain their viability by maintaining efficiency, thereby justifying the resources that their environment provides. This joint optimization process involves the coordination of the physical, technical and mechanization requirements of the work process, referred to as the technical system, with the responsibilities, interdependencies and patterns of both cooperation and control of the social system in adaptation to the demands of the external environment.

A critical concept that represented a paradigm shift at the time of its emergence, was the move away from the traditional principle of a "redundancy of parts," involving a proliferation of individuals assigned to isolated tasks, to a principle of "redundancy of functions," involving the utilization of multiple skills of workers in the completion of multiple tasks. Many paradigm shifts later, one can see the seeds of socio-technical concepts in the "knowledge workers" of the "customer-driven" organizations in today's global economy. Trist (1981) acknowledged a shift in the macro-social environment that organizations were operating in and described that new environment as "*the turbulent field* in which large and competing organizations, all acting independently, in diverse directions, produce unanticipated and dissonant consequences" (cited in Fox, p. 39,

1995). His suggestion at the time was that these organizations could best adapt by identifying shared ideals by which they could guide the efforts of their enterprises.

The socio-technical systems approach has the goal of integrating social and technical processes in organizations. Key to the understanding of socio-technical systems is the interplay of its core dynamic operatives: role, task and authority relationships. While the role of the leader and the tasks that the leader undertakes are important aspects of the psychodynamics of leadership, particular interest here is in the concept of authority, from where it is derived and the difficulties of assuming authority or being authorized in a “multi-determined” self-system. The focus on authority is not to suggest that it is more important than role or task, but to highlight the difficulties of taking the leadership role given the complexity being discussed.

If one extrapolates the complexity of authority given and taken (Krantz & Maltz, 1997) to a system in which authority is resident in a post-modern structure where role relationships fluctuate given the task, boundaries are permeable, and structures merge and reemerge depending on the need, then leadership authority becomes a complex and fluctuating enterprise. Leaders must move beyond the frame of role, task and authority, and the constructs of group dynamics, to take-in the continuously changing context for their authority. The multi-determined self clearly holds numerous roles depending on the role interaction with different parts of the system. One’s authority needs to be taken and given from that complex array of role relationships. The anxieties that are inherent in such a complex authority-role system are not easily managed, if not unknowable. We believe that it is time for the psychodynamic theory of organizations to be enhanced by theory and technology that can help us both understand and intervene with such complexities. Understanding the greater system of authorization within an organization that has a vast network of authority relations founded on how one identifies, requires processes that help one surface and manage the anxieties resident in such relations.

Interpersonal Psychoanalytic Theory

Multiple Selves

Harry Stack Sullivan (1953), generally recognized as the father of the Interpersonal school of psychoanalysis, and his followers devised a theory of psychology that was free from the abstractions of Freudian thinking and closer to the empiricism of experience. For Sullivan, psychological attributes were thought to arise out of social interactions. This stemmed, in part, from the intellectual tradition of George Herbert Mead (1934), who viewed the self as an aspect of the organism that internalizes the expectations presented by the environment and develops the ability to enact roles consistent with those expectations, independent of any direct stimulus.

For the Interpersonalist, self is the internal representation that emerges from our experiences with others – self is always known in relation to others. Theoretically, there are as many “selves” as there are interactions in life. Mitchell (1991) describes the result as a “manifold organization of self... derived from different relational contexts. We are

all composites of overlapping multiple organizations and perspectives, and our experience is smoothed over by an illusory sense of continuity” (p. 128; Lionells, 1995).

From this perspective, the challenge for individuals and organizations alike is not a deeper understanding of one’s “core self” or a move from one developmental stage or “position” to another. The goal is a continual reconciliation of these different composites of experience over time.¹ In the case of Sam Waksal, his inability to reconcile the dramatic shifts occurring in his psyche as a CEO, son, father, etc., in the face of Bristol-Myers Squibb’s decision to no longer fund ImClone led to his attempt to protect his family and friends who were significant shareholders, and, ultimately, his demise. These were not lateral processes, but simultaneous occurrences that developed in Dr. Waksal’s unaware state and progressed to action.

Development

As posed in the introduction: How is it that we come to develop this “multiplicity of selves?” How is it that we come to have a sense of “self” that is cohesive and coherent, given this complexity? How can this notion of “multiple selves coexist with our experience of ourselves as being cohesive and having a “core?”

Discriminating between experiences that are comforting or disturbing, the infant begins to personify the “reflected appraisals” of early interpersonal encounters into a schema of “good me” and “bad me” personifications that form the initial self-definition. Development proceeds on the basis of an intricate interweaving of expectations, perceptions, behaviors and reactions with mother and significant others. The patterns of interactions that evolve become familiar pathways for: (1) Enhancing the positive feelings of approval and interpersonal security from “good-me” experiences; and (2) Warding off the anxiety of disapproval or “bad-me” experiences. Sullivan referred to this behavioral infrastructure as the “self-system” designed to assure approval and defend against disapproval.

The residues of “good-me” experiences provide the foundation for self-confidence, self-esteem and an image of our ideal self. “Bad-me” experiences form the basis of our conscience and defensive and self-protective maneuvers. Encounters in which rejection or disapproval is felt to be especially harsh, are personified as “not-me” experiences, which are warded off into a repository of experience that remains out of our awareness (often referred to as the sub- and unconscious [Maltz & Walker, 2003]).²

As our behaviors are continually modified in response to the reactions of others, our patterns of interaction become increasingly complex and differentiated, and the personifications resulting from our interactions become increasingly integrated. Over

¹ Stephen Mitchell credits Hans Leowald with reconciliation of multiple experiences as a goal of psychoanalysis. For a more complete exploration of the shifting goals of psychoanalysis from the traditional to the contemporary see Mitchell (1993).

² Recent developments in neurobiology help us understand in more detail the varied levels of brain functioning, which ranges from conscious aware to unconscious unaware. For a thorough description of this see Damasio, A., (1999) *The Feeling of What Happens* New York: Harcourt Brace & Company,

time, the derivative of these experiences is the formation of a trajectory or “career path” of unique maneuvers designed to manage anxiety in response to balancing internal needs and the social demands of the environment, many of which were first formed in the development of the “good me-bad me-not me self-system”.

Over time, these patterns become resistant to modification by transitory experience and similar behaviors present themselves in similar circumstances, leading to a sense of familiarity and consistency that we experience as a sense of self. We struggle to maintain this sense of familiarity and consistency in opposition to experiences that are inconsistent with our sense of self and endanger this equilibrium, often posing the greatest threat to our psychological health. In our work with leaders in organizations, we often have them draw their career trajectory from age “0” to the present, asking them to pay particular attention to growth spurts, key influences (e.g., mentors) and when they felt at the “top of their game.” This process helps the person become more aware of the developmental factors that motivate and drive her/him by illuminating the self-system. It also begins the process of communicating individual self-systems to others, opening a new level of communications about out-of-awareness experience among participants.

Sullivan considered the basic need for social approval and the avoidance of interpersonal anxiety stemming from social disapproval as conditioning the vast majority of human behavior. Critics and supporters alike recognized the limitations of Sullivan’s focus, especially in the narrow definition of anxiety and the lack of attention to issues of agency and volition.

Fiscalini (1991), crediting the foundational work of his predecessors in the interpersonal tradition, has contributed two additional notions of self, offering a more comprehensive model for understanding the multiple conceptions of self, the corresponding motives and the sources of tension or threat to self, as follows:

1. *Physical Self* – the need for gratification of physical needs and the freedom from the fear of these needs not being met.
2. *Relational Self* – the need for intimacy or love, affection or mutuality, which, when unmet, results in the experience of loneliness.
3. *Interpersonal Self* – the need for security in interpersonal relationships, for social acceptance, approval, status, prestige, and freedom from the anxiety of rejection or disapproval.
4. *Personalized Self* – the need for personal orientation, for order, familiarity, clarity, certainty and predictability, or freedom from the fear of uncertainty, novelty or chaos, characterized by Fiscalini as “apprehension.”
5. *Authentic Self* – the need for personal fulfillment or freedom and the fear of psychic un-aliveness or self-constriction (i.e. psychological death), characterized as “dread.”

This need for fulfillment is “a broad category of need which refers to the innate human striving for personal expansion and self-knowledge and the fulfillment of one’s unique

psychic potentialities, *including the full expression and realization of one's singular capacity for feeling imagining and thinking*" (Fiscalini, 1991, p. 247, emphasis added).

Apprehension is a threat that stands in stark opposition to the need for fulfillment. Fiscalini likens his notion of apprehension to Fromm's (1941) "fear of freedom" and Schactel's (1959) "embeddedness anxiety" or fear of separation from the unknown. Freedom from this existential experience of angst in the face of the unknown corresponds to an inherent need for order, coherence or familiarity. Apprehension is often mixed with interpersonal anxiety and is almost always conditioned by interpersonal experience. Early experiences of approval or disapproval of curiosity, adventurousness and risk-taking inevitably shape our way of navigating the world. Also, apprehension of the unknown is frequently experienced with the fear of aloneness, potentially diverting from the consensually determined path of significant reference groups or the approved way of influential individuals.

Fiscalini categorizes the needs for personal fulfillment, interpersonal intimacy and satisfaction of physical needs as forward moving "progressive" needs, contrasting them with the inherently contradictory "conservative" needs for interpersonal security and personal orientation. The fundamental nature of the inherent contradiction in these opposing sets of needs creates an important dynamic. Relief from the tensions of fear, loneliness or dread of "un-aliveness," associated with our Physical Self, Relational Self or Authentic Self, inevitably involves action that threatens the interpersonal security associated with our Interpersonal Self and/or stimulates the apprehension of uncertainty associated with our Personal Self.

This dialectical tension is an inescapable force that a leader may be acutely or vaguely aware of in any given situation. Whether aware or not, this tension plays a critical role in a leader's ability to take up authority in and to be authorized by an organization. As noted earlier, authority can be derived from multiple sources. A successful CEO is authorized by the Board, direct reports, customers, suppliers, organization, markets, and by the many aspects of self. While authority may be derived or taken from one's internal sense of self, exercise of that authority is contingent on it being mutually derived, or given by one or all of the constituents noted above. In the case of Andersen, the Partners authorized Berardino only to the extent that he did not jeopardize the security of their individual and collective aware and not-aware identity.

Identity and Change

All of these needs and sources of anxiety may co-exist and operate in a myriad of ways. Attempts to satisfy one set of needs may be defensive against or compensating for the threat of another. The balance of these forces is always uniquely individual. Some drive towards and others dread the pursuit of self-fulfillment. Those who seek fulfillment exhibit seemingly little apprehension of change. Those who dread self-fulfillment may experience severe anxiety in the face of change. Some may pursue personal fulfillment with an apparent lack of concern for interpersonal intimacy. Still others hold interpersonal intimacy above all other needs. Whatever the combination, one's needs for

fulfillment in some measure contradict the need for security, and the needs for stability, continuity and order always stand in opposition to the needs for creativity, innovation and self-expression.

At the organizational level, Fiscalini's characterization of progressive and conservative needs represent elements of the driving and restraining forces present in any change process. Successful leaders find ways of harnessing the needs for fulfillment to energize change initiatives. They are also cognizant of the counter-balancing needs for order and stability, for meaningful work relationships and for the security, status and self-esteem that comes from those bonds. A leader must be able to understand and work with all of the constituents' identity needs.

Any change represents a risk of loss, or threat, to the people involved; not only to their physical and emotional security needs, but also to identity factors such as role, status, etc. In situations such as the World Trade Center example noted earlier, this threat is magnified and realized in quantum proportion by the traumatic nature of the event. Change also poses a threat to the fulfillment needs of the people involved. Striving to realize one's potential is unique to each individual in an organization. If consistent with the direction of change, these strivings can be utilized in the service of the change. If these strivings are not in line with the proposed change, they can be experienced as resistance to change (Basler & Maltz, 1997). The role of leadership in today's ever-changing complex organization is to facilitate the construction of new meaning for the organization and all of its constituents. New meaning can be best constructed in a process that is co-determined and adaptive to the social and technical demands of the continuous change.

Leading the Complex Organization

As noted in the introduction, we view an organization as simply a collective of the many selves held within its boundaries and as both a product of and determinant of the self that is held within. Understanding the organization as a sum of the whole, yet continually influencing, impacting and affecting each of the multi-determined selves that make up its whole provides one with greater insight to the formation and continued shifting of organizational self-identity. The leader within an organization must work at understanding the multi-determined influences that this construct implies.

Combining Fiscalini's five "selves" with the complexity of shifting mutuality of post-modern reality provides a greater window from which to peer into the complexity of post-modern leadership. Leaders do not usually delve into their inner world to explore this multi-determined world of their identity, let alone that of the larger organization. To begin to explore what is "me" and "not me" in daily experience requires deep interest and self-reflection. The authors believe that recognizing the existence of a multi-determined self within the many-determined system is a critical step for the leader. The leader, who develops the capacity to adapt, to take-in and explore these aspects of the self and the whole, will be able to better understand the existence and creation of anxiety, an

undeniable and necessary part of daily work-life, and the containment of anxiety, a necessary role for the leader if the whole is to survive and thrive.

New Perspectives, New Approaches

Heifetz's Adaptive Leadership

In today's leadership literature, there are many views of what an effective leader must pay attention to in the pursuit of leadership excellence. One of the more psychodynamic views considering the Interpersonal argument of leadership complexity comes from Ron Heifetz (1994). Drawing on the biological analogy of adaptation, Heifetz's notion of adaptive leadership represents a shift in the social contract between the leader and the led. Heifetz argues that the role of leaders is not to influence a community to follow their vision, but to influence a community to address its problems by finding "adaptive solutions."

According to Heifetz, our natural tendency is to respond to situations from our existing repertoire of solutions in order to restore equilibrium and return to the status quo. These "technical solutions," in Heifetz's parlance, are fine when there is no underlying problem or the situation does not represent an "adaptive challenge." The difficulty arises when we are faced with adaptive challenges that are either not recognized as such or we continue to attempt solutions from our existing repertoire because we cannot tolerate the tension created by the disequilibrium of the required change process. For organizations, as with biological species, failure to adapt leads to extinction and adaptation requires the introduction or development of new perspectives, including the understanding of how adaptation affects one's identity.

In simple words, Heifetz builds a case for the leader as one who leads people by creating a capacity to adapt to the changing needs of the organization. The role of the leader is to enhance people's ability to face reality and take responsibility for solving the problems that the organization faces. Key to this is getting people to examine the values that they currently hold, clarify what is most important, and make necessary changes to bridge the "value gap" between what exists currently and what is required for survival. The leader also needs to address the "value gap" between her/his value system and that of the context within which one works *and* that to which one is seeking a change.

This sometimes requires an understanding and reconciliation of multiple value systems that may or may not be reconcilable. For Bernardino to make such reconciliation would have been an enormous task. His value system, whatever it was at the time, must have been seriously challenged by a number of conflicting elements, including the values of his partners, clients, regulators, and so on. To make matters more difficult, Bernardino was most likely not aware of his own deeper motivations and resistances present in his "self-system." These elements are usually out of one's awareness and only reachable through intensive processes such as therapy, coaching and psychoanalysis. And, of course, Bernardino certainly did not know of these same elements that exist within the

psyches of his partners, employees, regulators and customers. The unaware aspects of one's emotional, behavioral and cognitive abilities, and self-system, can certainly inhibit or prevent one's full understanding of the complex array of value systems requiring alignment.

Adaptive change involves challenging and changing deeply held values, beliefs and behaviors, significant elements in the cognitive recognition of the five conceptions of self (Fiscalini, 1991) that is a product of one's deeper self-understanding. Disruption to this cognitive conception of self is inherently anxiety provoking. Consequently, an essential task of leadership is helping people to withstand the internal disruption to their conception of self while adapting to the daily demands of work, rather than engaging in the myriad "work avoidance behaviors" driven by anxiety. The role of the leader is to enhance people's capability to: (1) Value the tension of competing or conflicting points of view; (2) Tolerate the ambiguity accompanying the disequilibrium of change; and (3) Manage the anxiety of facing uncertainty. In order to do so, he or she must also develop the capacity to manage and contain the anxiety that accompanies ambiguity and change.

Stacey's Complexity

Ralph Stacey (1992) approaches this dilemma of leadership from a "new science" or chaos theory perspective, identifying business organizations as non-linear feedback systems that fail when they seek equilibrium and succeed when they are innovative and creative. In "Managing the Unknowable," Stacey (1992) argues that people in organizations generate such complexity of behaviors that cause-and-effect links are broken and people's self-organizing interactions create what happens. In spite of our wish to create a vision of the future that we can plot, plan and execute, the future of an innovative organization is, by definition, not predictable. Given the unknowable future of an innovative organization, the notion of a "shared vision" is obsolete. Similarly, a unified, strongly shared culture is a hindrance. For Stacey, the role of leader is to create conditions that foster different perspectives, provoke questioning and promote complex learning in a state that he describes as "bounded instability." Such systems will inevitably increase the anxieties of its members, require them to reconcile their multiple perspectives of self and align their differing values as a means to manage ambiguity, contain anxiety and develop compatible work processes.

Wanting to Control the Uncontrollable

This understanding of organizations and leadership characterized by Heifetz and Stacey represents a paradigm shift toward a post-modern perspective that challenges many fundamental ideas and build on the Interpersonal views of self. Yet, many continue to hold dear to "white knight" ideals that reflect the fantasy that a leader is able to chart the course into the future and be in control. In an interview with Steve Ballmer, the CEO of Microsoft was asked about WorldCom and other troubled organizations regarding what CEOs know and do not know. Ballmer was "sympathetic" and, true to his personality and operating style, admitted that he "humor['s him]self to believe that [he]... would know... every last detail" (Bodow, November 24, 2002). In this quote one sees the

wish and desire to control, and the inevitable understanding that one could not possibly “know” everything. Steve Ballmer’s value system has its limits and one might assume that what is characterized as a controlling personality will also limit him in his ability to lead Microsoft. Mr. Ballmer would do well to explore the parts of himself as well as those parts of Microsoft he has internalized, which drive such needs.

What Leaders Can Do, A Way of Working

There are a number of key points that stand out in the thinking presented here. To give them shape and lend useful meaning, Table x.1 compares the conventional framework of leadership concepts to psychodynamic leadership. The table follows a continuum that begins with the Interpersonal idea of multiple vs. singular core self and the intersubjective notion of authority as mutually and multiply determined. A shift in systems thinking from a linear cause-and-effect assumption to a post-modern conception of system dynamics that are non-linear and chaotic argues for a corresponding reframing of leadership thinking. The “old standard” of a “visible” leader, creating the right organization structure for the execution of action items to achieve the growth targets of a strategic plan derived from a “shared vision,” will ultimately lead to stagnation in a rapidly changing world. The new standard of psychodynamic leadership is one that is transparent and can create reflective spaces and foster the “bounded instability” necessary to support the extant self-organizing processes essential for the manifestation of creativity and innovative ideas, both of which are critical to an organization’s survival.

We end this continuum with a note about resilience. Resilience (both individual and organizational) is the ultimate outcome leaders and organizations seek. To be able to withstand the turbulence of daily organizational life, the leader and the organization must work to contain anxiety while adapting to what emerges. As we have observed in the aftermath of September 11th “...when a resilient firm is in that sweet spot where employees feel psychologically contained, excited by opportunity and morally engaged, they give more than they take. ...resilience lies in the relationships among employees, between leaders and followers, and between the firm and its stakeholders. ...an organization that wishes to prepare for trauma due to a physical catastrophe or sudden change in business conditions [must] focus on these human factors” (Hirschhorn, Maltz, & Freeman, In Press).

Table x.1

Comparison of Conventional and Redefined Psychodynamic Leadership

	Conventional	Psychodynamic
Self	Singular Core Self	Multiple Selves
Authority	Taken and Given	Mutually & Multiplied Determined
System Concept	Linear	Non-linear
System Dynamic	Cause and Effect	Chaotic
Leadership Approach	Directive	Adaptive
Leadership Goal	Stability & Control	Bounded Instability
Leadership Stance	Visibility	Transparency
Leadership Focus	Structure & Action	Spaces & Processes
Strategic Principle	Shared Vision	Self-organizing & Adaptive
Strategic Goal	Growth	Innovation & Creativity
Desired Result	Reproduction	Resilience
Frame	Modern	Post-Modern

Table x.2 provides a framework for thinking about the multi-determined leadership role using the organizing language of Emotional Intelligence (Goleman, Boyatzis, & McKee, 2002) and offers some tools to use to navigate these complex waters. Goleman et al. distill their particular collection of emotional intelligence competencies into four quadrants: self-awareness, self-management, social awareness and relationship management. The principles underlying all of the tools identified to facilitate self-awareness are self-reflection and feedback. Lombardo and Eichinger (1989), in their work on derailment³ at the Center for Creative Leadership, highlight that having experience is no guarantee of learning. They found that successful and unsuccessful managers often had the same experiences. Those who derailed, missed the meaning. Personal therapy or psychoanalysis, career trajectory exercises, coaching and role consultation, are all tools to help individuals discern the meaning of the experience of their lives. As noted earlier, the search for meaning and reconciliation of the multiplicity of experience is central to the Interpersonal tradition of psychoanalysis. Role consultation, drawing from psychoanalytic traditions, extends the coaching relationship beyond the conventional coaching domains of skill and strategy into the arena of personal, interpersonal and organizational dynamics as they apply to the person in role. Feedback from others, either in the reflective space of a coaching or consultative process, or directly from those in the 360° constellation of our interpersonal relationships, is critical to grounding our perceptions in a co-constructed reality and to shedding light on aspects of us that might otherwise remain out of our awareness.

Self-awareness facilitates not only one's ability to manage themselves but one's awareness of others as well. Social awareness, the key to effective relationship management is the critical determinant to successfully managing others. Empathy,

³ Derailment refers to "managers failing to make the transitions required to deal with the increasing complexities they face" (Lombardo and Eichinger, 1989).

characterized by Kohut (1984) as “vicarious introspection”, is the ability to understand the inner life or actions and reactions of others. Empathy is the cornerstone of social-awareness and the ability to understand group processes. Adaptive leadership hinges on the empathic ability of leaders to titrate the level of anxiety in a continually evolving organization. Responsibility charting and organizational role analysis/consultation are tools designed to help people understand, clarify and define the boundaries of their organizational roles and effectively manage their interdependencies. Managing Resistance to Change (Maltz & Basler, 1997), Difficult Conversations (Stone, Patton, & Heen, 1999), and Seven Languages for Transformation (Kegan & Lahey, 2001) are tools that have a common thread in their utilization of Chris Argyris’s left-hand/right-hand methodology (Argyris & Schön, 1974) for analyzing what lies below the surface of interpersonal and organizational interactions.

Table x.2

Tools for Developing as a Leader

	Managing Self	Managing Others
EI Quadrants	Self-awareness & Self-management	Social-awareness & Relationship Management
Tools	Self-reflection Career Trajectory 360° Feedback Coaching Role Analysis/Consultation Therapy/Psychoanalysis Emotional Intelligence Psychographic Instruments	Coaching 360° Feedback Group Process/Group Relations Various Team/Group Technologies Responsibility Charting Organizational Role Analysis/Consultation Adaptive Leadership ^a Managing Resistance to Change ^b Difficult Conversations ^c Seven Languages for Transformation ^d Psychographic Instruments

^aHeifetz (1994)^bBasler & Maltz (1997)^cStone, Heen, & Patton (1999)^dKegan & Lahey (2001)

The above charts are meant to be a beginning conversation on how to bring the unknowable and seemingly unmanageable into a learning process that will help leaders develop the requisite skills for leading. Exploring both the parameters of leadership and tools for enabling leaders to pay attention to the psychodynamic processes within the

systems for which they are responsible is critical for their future success. Following are two examples of shifts in leadership from the conventional to the psychodynamic.

One example of this more expansive view of working with organizational leaders comes from the case of the World Trade Center firm referred to earlier. As mentioned, the managing partner who led this firm through extraordinary circumstances entered into a journey of rethinking the “self” (both the person and the person-in-role) once the decision to stay in business was made. From the moment we met, we engaged the managing partner in a deeper conversation, spawned by the unusual circumstances. At our first meeting, the managing partner asked for the “bottom line” as to how we could help his firm manage the loss of their friends and colleagues. Our response got to the heart of who we are in our work, [Maltz] responded ““May I ask you a question? We are talking about you aren’t we? You are the person who has lost his two best friends and mentor? Aren’t we talking about...?” There was clearly so much more being asked for at this critical moment, and [the managing partner] said yes, with tears emerging. He asked again, though in a more engaged tone, how we could possibly help. I believe this incident to be the first time [he] had cried since the unfolding of these events, though I did not know that at the time. My response was simple. “I can only help you find the [names of partners] in you, to find the place in you that has them, that has learned from them. The place where they will always remain.” For [him], no other answer exists; there is no bringing his “closest friend, his mentor, his colleagues” back. [His] journey has circled back to this key concept. At the anniversary memorial held in [this firm’s] offices, [the managing partner] spoke briefly and emotionally from the voices of those lost. He told his friends and colleagues that there was nothing else to speak but what he thought those lost would be saying on this day.” (Maltz, In Press)

This ability to dig internally and reformulate the self in the context of the dramatic shifts in what his firm faced was partially a result of the ongoing consultancy⁴ that provided coaching (role consultation) and comprehensive organizational consultation as well as clinical counseling. At the firm level, a number of factors converged to provide psychological containment, producing a “psychological sense of community” in which grief and work could be co-managed. This firm’s ability to move from the conventional form of response to a psychodynamic one was key to the organization’s resilience and current success (Hirschhorn, Maltz & Freeman, In Press).

Traumatic shifts are not required to create opportunity for fostering change in both the leader and the organization. We believe that shifting from the conventional to the psychodynamic is key in most organizational change, particularly since all organizations face daily turbulence in markets, constituents, etc. In our work with the CIO/CTO and her leadership team at a major university, we have witnessed the transformation from a group that was insular and distrustful to one that has developed the ability to collectively identify and respond to the adaptive challenges of the institution in innovative and creative ways. Psychodynamic leadership has been instrumental in this

⁴ The firm referred to here was consulted to between September 12, 2001 and December 31, 2002 by a team of organizational consultants and clinical psychologists. A core team continues periodic work with the firm.

transformation. In addition to the creation of numerous forums for the exchange of ideas, the reconciliation of competing values, and healing of old rifts, transparency on the part of the leader has been key to the development of trust within the group. A critical point in the evolution of the group came at a retreat in which the leader shared with the group feedback she had received from them and others using an emotional intelligence-based 360° feedback instrument. Her willingness to be transparent and open with this group enabled them to take the step of eliciting feedback from one another and to formulate development processes for themselves and their staff.

Conclusion

The chapter began with an older view of psychodynamics, Group Relations, highlighting the contribution of authority relations and then provided an overview of the Interpersonal school of psychoanalysis as a relevant and meaningful way of thinking about the complexity faced by today's organizational leader. Last, we looked at two current views of the post-modern role of leadership, in which adaptive response to complexity is critical in order to harness productive responses to the ever-present anxieties in post-modern organizations.

Leadership in today's complex dynamic organization requires one to think and to operate in ways that may be foreign to how we have developed as individuals and have internally adapted to the work context. Leading is an anxiety-provoking endeavor. Those with a high capacity for ambiguity generally fair better than those who are less tolerant. Those who have a need to control outcomes do worse than those who can let go and adapt. The dilemmas posed are manifold. People are not independent entities within an organization; they are dependent socially, technically and psychologically, linked in an intersubjective mutuality. One does not have all the internal capacities to adapt that the work context demands. And, those around us have a continuous "self" impact, greatly promoting and/or inhibiting one's capacities to change. For people to be truly able to negotiate the multiplicity of self and the resulting value systems around them when leading, one has to be able to: (1) Have an additional capacity to empathize with the other; (2) Find that part of us that identifies with the other (and help the other see that part of her/him that identifies with us); and (3) Find those parts of us that connect to what the other values.

Extending this process for each individual within the institutional realm (including stakeholders to the organization) is a daunting task. The challenge is in creating organizational structures that will facilitate the essential innovative and adaptive processes that will ensure that institutions survive and thrive, and simultaneously contain the anxieties generated. It should be noted that the authors do not portend that one can completely understand these processes, only appreciate them, widen one's field of understanding of the events occurring around them, seek help to sort out the deluge of data encountered, and remain hungry to learn as one assumes the role of leadership.

References

- Argyris, C., & Schön, D. (1974). *Theory in practice: Increasing professional effectiveness*. San Francisco: Jossey-Bass.
- Basler, F., & Maltz, M. (1997). Managing resistance to change. In A. Hiam (Ed.), *The portable conference on change management*. New York: HRD Press, Inc., 245-263.
- Bion, W. (1961, 1989). *Experiences in Groups*. London: Routledge.
- Bodow, S. (November 24, 2002). *Microsoft*. New York: New York Times Magazine, pp. 72-75.
- Byrne, J. (August 12, 2002). "Joe Berardino's Fall from Grace." New York: McGraw Hill, *Business Week* (Cover Story), 50-56.
- Fiscalini, J. (1991). Expanding the interpersonal theory of self-threat. *Contemporary Psychoanalysis*, 27(2), 242-264.
- Fiscalini, J. (1995). Narcissism and self disorder. In M. Lionells, J. Fiscalini, C. Mann & D. Stern (Eds.), *Handbook of interpersonal psychoanalysis*. Hillsdale, NJ: The Analytic Press, 333-374.
- Fox, W. M. (1995). Sociotechnical system principles and guidelines: Past and present. *Journal of Applied Behavioral Science*, 31(1), 91-105.
- Fromm, E. (1941). *Escape from freedom*. New York: Holt, Rinehart and Winston.
- Goleman, D., Boyatzis, R., & McKee, A. (2002). *Primal leadership: Realizing the power of emotional intelligence*. Boston, MA: Harvard Business School Press.
- Goleman, D., Boyatzis, R., & HayGroup. (2002). *The emotional competence inventory*. Cambridge, MA: HayGroup.
- Heifetz, R. (1994). *Leadership without easy answers*. Cambridge, MA: The Belknap Press of Harvard University Press.
- Hirschhorn, L., Maltz, M., & Freeman, S. (in press). The aftermath of September 11, 2001: Crisis and resilience. Sandler O'Neill & Partners, L.P.
- Honig, R., Grace, M., Lindy, J., Newman, C., & Titchener, J. (1993). Portraits of survival: A twenty-year follow-up of the children of Buffalo Creek. In A. Solnit, P. Neubauer, S. Abrams, & A. Dowling (Eds.), *The psychoanalytic study of the child: Vol. 48*. New Haven: Yale University Press.

- Kegan, R., & Lahey, L. (2001). *How the way we talk can change the way we work: Seven languages for transformation*. San Francisco: Jossey-Bass.
- Klein, M. (1935, 1981). A contribution to the psychogenesis of manic-depressive states. *Love, Guilt and Reparation, and Other Works: 1921-1945*. London: The Hogarth Press.
- Kohut, H. (1984). *How does analysis cure?* A. Goldberg & P. Stepansky (Eds.). Chicago: The University of Chicago Press.
- Krantz, J., & Maltz, M. (1997). A framework for consulting to organizational role. *Consulting Psychology Journal: Practice and Research*, 49(2), 137-151.
- Lewin, K. (1997). *Resolving social conflicts: And, field theory in social science*. Washington, DC: American Psychological Association.
- Lionells, M. (1995). The interpersonal self, uniqueness, will and intentionality. In M. Lionells, J. Fiscalini, C. Mann, & D. Stern (Eds.), *Handbook of interpersonal psychoanalysis*. Hillsdale, NJ: The Analytic Press, 31-61.
- Lombardo, M., & Eichinger, R. (1989). Preventing derailment: What to do before it's too late. Greensboro, NC: Center for Creative Leadership.
- Maltz, M. (in press). "Finding You in Me": The organizational clinician. Consulting to an investment bank that was in the World Trade Center on September 11, 2001. New York: Contemporary Psychoanalysis (Journal of the William Alanson White Psychoanalytic Society and William Alanson White Institute).
- Maltz, M., & Walker, M. (2000). Simultaneity and parallel process: an on-line applied social dreaming matrix, In W. G. Lawrence (Ed.), *Social dreaming @ work*. London: Karnac Publishing, 141-167.
- Maltz, M. & Walker, M. (2003). Dream intelligence: tapping conscious and non-attended sources of intelligence in organizations. In W. G. Lawrence (Ed.), *Experiences in social dreaming*. London: Karnac Publishing, 189-201.
- Mead, G. (1934), *Mind self and society*. C. Morris (Ed.). Chicago: University of Chicago Press.
- Mitchell, S. (1991). Contemporary perspectives on self. New York: Psychoanalytic Dialogues, 1:121-148, 173-180.
- Mitchell, S. (1993). *Hope and dread in psychoanalysis*. New York: Basic Books.
- Schactel, E. (1959). *Metamorphosis*. New York: Basic Books, Inc.

- Spragins, E. (September 1, 2002). *LOVE & MONEY; A Crisis of Family Values and a Family's Value*. New York: New York Times, Late Edition - Final, Section 3, Page 11, Column 1.
- Stacey, R. (1992). *Managing the unknowable: Strategic boundaries between order and chaos in organizations*. San Francisco: Jossey-Bass.
- Stone, D., Patton, B. & Heen, S. (1999). *Difficult Conversations: How to discuss what matters most*. New York: Viking.
- Sullivan, H. (1953). *The Interpersonal Theory of Psychiatry*. New York: Norton.
- Trist, E. (1981). *Interdisciplinary teams and the control of clients: A conceptual framework and action research framework* (occasional paper No. 2). Ontario, Canada: Ontario Quality of Working Life Centre.
- Trist, E., & Murray, H. (1990). Historical overview: The foundation and development of the Tavistock Institute. In E. Miller & H. Murray (Eds.), *The social engagement of social science: Vol. 1. The socio-psychological perspective*. Philadelphia: University of Pennsylvania Press, 1-34.
- von Bertalanffy, L. (1968). *General systems theory: Foundations, development and applications*. New York: George Braziller.

For the contributors page:

Marc Maltz is Managing Principal, TRIAD Consulting Group LLC, New York, New York and the Co-director of the Organization Program at The William Alanson White Institute of Psychiatry, Psychoanalysis and Psychology, New York, New York.

Kenneth Witt is a Senior Associate, TRIAD Consulting Group LLC, New York, New York, and a member of faculty in the Organization Program at the William Alanson White Institute of Psychiatry, Psychoanalysis and Psychology, New York, New York.