Fantastic performance and neurotic fantasy: 
A case-based exploration of psychodynamic development

Astrid Kersten
La Roche College, Pittsburgh, USA

ABSTRACT
This paper takes up the themes of organization as dreamscape, the psychodynamics of everyday organizational performance and organizational rituals and the enactment of death and desire in the context of a longitudinal case study of an academic institution. This case study focuses on the various ways in which the organization has developed and continues to develop neurotic and dysfunctional tendencies. It looks at the ways in which those tendencies are expressed in the culture and structure of the organization and the ways in which the various constituencies of the college are complicit in the enactment of the neurosis of its leadership, as reflected in various dependent and counterdependent dynamics and performances. Of specific interest in this paper are the changes in neurotic patterns over time and the ways in which these changes relate to the changes in leadership. Using Kets de Vries' concepts related to organizational neurosis, we will discuss how the college moved from a compulsive organization to a dramatic organization

INTRODUCTION
The images of “theatre” and “performance” have been used to gain a better of understanding of organizations in many different ways (for excellent overviews, see Oswick, Keenoy & Grant’s 2001 special issue of JOCM and Boje, Luhman and Cunliffe, 2003). There are considerable differences in the approaches, most notably on the question of whether we can or should separate between reality and performance. On the one extreme, some argue that there is a pre-existing reality and identity and social performance requirements are superimposed on this, a position most frequently associated with Goffman’s (1959, 1974) work. On the other end, people argue that reality and identity are constituted in and through the performance, a Burkean position (Burke, 1937). Boje, Luhman and Cunliffe (2003) provide a persuasive critical, dialectical and postmodern addition to these ideas, arguing that reality may be more complex and less unitary than commonly assumed in either of these approaches. They suggest that we need to examine possibilities of change and critical reflection, through concepts like “spectacle” (Debord, 1967) and “carnival” (Bakhtin, 1981). Spectacle, they note, is “not a collection of images, but a social relation among people mediated by images (Debord, 1967, #4); it “is a narrative and theatrical performance that legitimates, rationalizes and camouflage production and consumption” (Boje, Luhman & Cunliffe, p. 7).

The idea of carnival represents the dialectical counterforce or resistance to spectacle: “it is a call for release from corporate power, a cry of distress and repression mixed with laughter and humorous exhibition meant to (create) awareness of the psychic cage of work and consumptive life” (Boje, Luhman & Cunliffe, p.8). Together, the concepts of spectacle and carnival “set the stage to understand why those far from power willingly accept a life scripted and authorized by others who are merely better storytellers and theatric performers” (p.9-10) and ultimately, they open up the road to change.

In this paper, I aim to provide a case-based illustration of what I see as lived theatre, ways in which day-to-day organizational experience creates reality. The case is particularly illustrative I believe of the
idea of spectacle in that it demonstrates ways in which organizational participants become seduced by and trapped within the theatrical script. While the basic framework of the case analysis is psychodynamic rather than dramaturgical, it provides an exciting look into possible critical connections and linkages between the two perspectives. The paper presents a longitudinal case study of an academic institution using the themes of fantasy and desire. It focuses on the ways in which the organization has developed neurotic tendencies and how those tendencies are expressed in the culture and structure of the organization. It also examines ways in which constituencies become complicit in the enactment of the neurosis of its leadership through dependent and counter-dependent dynamics and performances. Of specific interest are the changes in neurotic patterns over time and the ways in which these changes relate to changes in leadership. Using Kets de Vries’ organizational neurosis framework, I discuss how the college moved from a compulsive to a dramatic organization and how this altered the culture and structure of the institution.

Of particular interest is the different nature of the two scripts and the ways in which these differences generated desire and complicity in the organization around leadership and individual and collective identity, change, and growth. Fantasy is always active especially in dysfunctional organizations, but it became particularly important in this institution with the emergence of a dramatic profile. Therefore, the paper closely examines organizational fantasy and ways in which fantasy and denial affected the organizational script, culturally, structurally and economically.

As the organization enters into another new phase -- one of crisis management and attempted economic recovery -- it has searched out new leadership. As a final focus, the paper examines the ways in which the desired leadership profile is shaped by past and present fantasy. It explores the ways in which we can conceptualize these kinds of profiles as a contested terrain that includes competing images, fantasies, desires and interests. While not carnivalesque in nature, these moments still create ruptures in the dominant scripts and represent opportunities for change.

**The importance of studying organizational neurosis and dysfunction**

For many people there is a disconnect between the prevalent image of “the healthy organization” and their daily experiences. Whereas organizations are often portrayed as rationally ordered, appropriately structured, and emotion-free life-spaces, where the right people make the right decisions for the right reasons, in a reasonable and predictable manner, many of us live and work elsewhere. We are a part of neurotic, psychotic and otherwise dysfunctional organizations where conflict, contradictions, and recurring problematic behaviors are the norm rather than the exception: organizations that are obsessed by rules, by compulsions to control and regulate, and by addiction to work. Outwardly, they manifest the trappings of success while inwardly concealing suppressed emotions and tensions until they erupt in violence, burnout, depression or sabotage (see e.g. Cohen & Cohen, 2003; Fassel, 1990; Fisher, 2004; Jackall, 1988; Kets de Vries and Miller, 1984; Ruth, 2004; Ryan and Oestreiche, 1991; Schaeff and Fassel, 1988; Weaver, 1988).

Critical and psychodynamic approaches to organizations (see e.g. Carr, 1998, 1993, 2002) provide us with a way of understanding these organizations. They counteract and de-construct the ideological image of the rational subject, creating a voice and space for the non-rational, or differently rational subject and reclaiming the suppressed voices that are so characteristic of the modern organization (see Deetz, 1992), separating emotion from emotional performance, and irrationality from dysfunctionality (Gabriel, 1991 1998).
Kets de Vries (2003, 1991, 1985, 1979; Kets de Vries & Miller, 1986, 1984) has developed a particularly useful way of understanding emotion in organizations. Using the concept of the neurotic organization, he argues that organizations can become dysfunctional as a result of the neurosis of their chief executive. Generally, all people show a mixture of dysfunctional or pathological traits, but neurosis develops when a particular style dominates and "consistently characterizes many aspects of the individual behavior" (Kets de Vries & Miller, 1986, p. 266) resulting in an enduring and consistent set of dysfunctional psychological states and behavior patterns. Neurotic individuals "exhibit a good number of characteristics that all ...manifest a common neurotic style" and "display these characteristics very frequently, so that their behavior becomes rigid and inappropriate ...distorts their perceptions of people and events and strongly influences their goals, their modes of decision making, and even their preferred social setting" (Kets de Vries & Miller, 1984, p. 19).

The neurotic style of the top executive shapes the overall functioning of the organization, including its strategy, culture, and structure, and the nature of group and interpersonal relations. As a result, individual pathology can become organizational pathology. The relationship between executive and organizational pathology is most evident in small, centralized firms with a single leader or a small group of unified leaders, but even in large, decentralized firms the neurotic style of the top executive may become diffused throughout the corporate culture.

Kets de Vries and Miller (1984) describe five specific neurotic organizational profiles -- paranoid, compulsive, dramatic, depressive and schizoid -- each with its own characteristics, motives, fantasies and dangers. Each of these neurotic styles is in turn related to five common types of organizational (dys)functioning (Miller and Friesen, 1984) with its strategic, cultural, structural, and decision-making features, described in terms of "strengths", i.e., the extent to which they generate material success for the organization, and "liabilities", i.e., the risks and difficulties they generate for the organization and its members.

In addition to the neurotic styles and underlying fantasies of top executives in the organization, Kets de Vries and Miller (1984) also discuss shared fantasies of groups in the organization, based in the common perceptions and desires of its members. Drawing on the work of Bion (1959), group fantasies are seen as the "pool of members' wishes, opinions, thoughts and emotions" (p. 48). Operating at the level of "basic assumptions", group fantasies are primitive rather than rational in nature, and reflect the manner individuals and groups cope with the anxieties of life. Group fantasies result in a group mentality with uniform images, thoughts, and identity, that are reflected in stories, myths, and legends of the organization, and that shape the rational tasks of the group and organization, usually in subtle and covert ways. Kets de Vries and Miller (1984) describe the ways in which fight/flight, dependency and pairing fantasies develop into group cultures with specific beliefs, emotional themes, and leader/follower relationships. In the fight/flight group culture, for example, typical symptoms include: the belief that others are not trustworthy; the world is split into "good" and "bad" people; scapegoating; lack of self-reflection and self-insight; anger, hate, fear and suspicion as the dominant emotions; an "us vs. them" attitude, and a view of the leader's role as responsible for the mobilization of the group into fight or flight (Kets de Vries & Miller, 1984, p. 51). The group fantasy both feeds and complements a management style that is insular, rigid, and fixed, based on the antagonistic impulses that characterize the various neurotic styles.

Neurotic organization theory has a number of valuable strengths. It draws our attention to the experientially familiar phenomenon of the "sick" organization, which
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can help us understand specific cases of organizational dysfunction and organizational dynamics in general. It also shows how micro-level dysfunctional behavior patterns become diffused throughout the organization by linking neurotic patterns and relations that exist at the top executive level to organization-level structures, strategies, norms, and cultures. Thus, we come to see how the behavior of lower level employees may result from mirroring behavior, connected to upper levels.

We do need to recognize though that organizational neurosis is itself fed by a larger context of social and systemic inequality that normalizes neurotic relationships? (Kersten, 2002). Schooled in conformity and obedience, and socialized into a structure of control employees and managers readily participate in, rather than critique, neurotic control relationships. In this sense, neurotic organizations are typical of our society, rather than generated on a case by case basis by the individuals that manage them. This echoes Freud's (1935) conclusion that "under the influence of cultural urges, some civilizations, or some epochs of civilization -- possibly the whole of mankind -- has become neurotic" (as quoted in Gabriel, 1998).

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

These are important considerations, because often times, the very behaviors that cause failure are the same ones that are otherwise hailed as proper, desirable, admirable and reflective of core organizational values. Just because organizations "succeed", they will not become less neurotic and replacing the leadership won't necessarily change the organization or eliminate its crisis potential. Effective change requires a change in the structure and culture of the organization, and this in turn requires an awareness of the existing problems and conditions and a willingness to address these problems through long-term structural, cultural, and leadership changes (see also Brown, 2000)

I now offer a case-based illustration of the neurotic organization approach, based on a 25-year study of Central Control College. The case includes a historical account recast in the analytical framework of the neurotic organization and followed by a discussion of ongoing dynamics and prospects for the future.

The Historical Development of CCC: The Powers Decade3.

Central Control College (CCC) is a small, private, liberal arts institution located in the United States. Founded in the mid-sixties by a religious order for the education of its own members, the College soon opened its doors to lay students and over the next 40 years steadily expanded enrollment to about 1800 students. Its curriculum includes undergraduate liberal arts and professional programs, and 3 professionally oriented graduate programs. CCC has about 200 full-time employees, including 60 full-time faculty and about 120 adjunct faculty. The college is located in a suburban area, featuring rolling hills and attractive, modern buildings.

In the early days, CCC had a number
of relatively short-term presidents. The first one to serve for over a decade was Susan Powers, a member of the religious order like most of the presidents before her. Reportedly "groomed" by the order for the position of college president, she accepted the post in 1980 at the age of 29. At that time, CCC was about two-thirds the size it is today in terms of students, faculty and employees. The organizational structure was simple and informal, patterned after the personable but autocratic style of its previous presidents. Morale in the organization was high, with a great deal of collegiality and social interaction, both during and after working hours. In spite of low salaries and long working hours, turnover among the faculty and staff was very low. About half the faculty belonged to the religious order; the other half was mostly young academics.

President Powers served for 11 years, until June 1992. CCC's public relations literature characterized her decade of leadership as one of physical and economic growth, with a 35% increase in student enrollment, 12 new academic programs including two new graduate programs, two new buildings, with assets and an operating budget each tripled in size. Less publicized was the fact that CCC's organizational structure had steadily evolved from a simple, informal structure to one that was highly formal, centralized, rigid and bureaucratic. There was extensive hierarchical layering of the formal structure which included a president, executive V-P, 5 functional V-P's, and numerous division chairs, department chairs deans and directors. CCC also had an elaborate committee structure, including a central Planning Commission, 10 standing Planning Committees, an Academic Advisory Council, an Administrative Council, a Faculty Senate, a Student Senate, and some 15 other committees, not counting numerous long-lived ad hoc committees, including a Governance Committee charged with examining this extensive structure.

There were college rules governing every element of the college's operation, codified in employee and faculty handbooks, which were in the constant process of being revised, updated, changed or extended. The centrality of these rules was evidenced in the fact that the frequent conflicts between administration and faculty were often fought out using the handbook, with each side quoting different rules and pages, and people entering meetings with the handbook in hand. Morale and trust at CCC had become very low. Even though salaries had increased substantially, turnover among the staff was now at around 50% or higher and faculty turnover had increased to 30%.

In spite of the college's elaborate committee structure, the major complaint was a lack of involvement in decision-making. Directors, deans and chair people felt that they had no control over their budgets and areas of responsibility. Committee and divisional recommendations were ignored, neglected, or manipulated, and there was little tolerance for dissension. In addition to administrative and committee activities, people spent a lot of their time on paper work, documenting every aspect of their jobs, for bureaucratic and defensive reasons.

Interactions between administration and faculty were characterized by overt and covert hostility, culminating in a number of legal complaints and lawsuits. Conflicts between the two groups also affected those members of the faculty that belonged to the religious order, and a number of them resigned. Highly tuition driven, CCC was experiencing significant budgetary difficulties due to problems in student recruitment and retention, as well as steeply rising costs of operating the expanded physical plant. In spite of these financial problems, the focus of the organization was not external; rather it was on ordering and controlling internal matters. Over the course of a decade, CCC had developed a full-fledged compulsive neurosis.

As described by Kets de Vries, the compulsive organization has control as its major fantasy. Based on a perpetual fear of
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losing control, the organization becomes preoccupied with perfectionism, ritual, and controlling every last detail of organizational life. Like the paranoid organization, the compulsive firm has extensive formal control mechanisms, but the focus is on internal rather than external monitoring. There are extensive and elaborate policies, rules and procedures, extending to "not merely the programming of production procedures, but to dress codes, frequent sales meetings, and a corporate credo that includes suggested employee attitudes" (Kets de Vries & Miller, 1984, p. 29). Since all relationships are perceived in terms of dominance and submission, the organizational structure is hierarchical, position-based, centralized, controlling and formalized.

The compulsive executive, Kets de Vries notes, relies on formal controls, rather than on positive human relations, resulting in feelings of suspicion, manipulation, and a loss of personal involvement. Since the compulsive style originates in some experience where the firm or the executive may have lost control and was at the mercy of others, much of the structure and strategy are aimed at reducing uncertainty and avoiding the unfamiliar. Planning processes, budgets, evaluation procedures, and schedules are prevalent, often organized around some "established theme" that the organization sees as its particular strength or competence. While this often produces a relatively unified and focused strategy, the compulsive organization tends to remain fixated on this theme, even when it is no longer appropriate in the environment.

The leadership style of the president and the executive vice-president over the period of a decade closely follow Kets de Vries' description. Being highly control oriented, Susan Powers formalized, bureaucratized and micro- managed every last detail of the College's operations. Hardworking and industrious, but lacking flexibility and spontaneity, President Powers expected the same type of singular commitment from all employees. She had little tolerance for dissension of any type insisting instead on forced, "consensual" decision-making. In terms of her personal relationships with people, president Powers was very isolated. Except for her close relationship with the Executive Vice- President, Susan Steering, she operated largely in an expelling mode. In this mode, executives reject their employees, viewing them as "expandable nuisances" (p. 108). Steering repeatedly expressed dislike and contempt for the faculty as a whole, whom she regarded as lazy and generally incompetent, and she did not think much more of the college's staff. Her general dealings with people were impersonal, impatient, and indifferent.

While President Power's internal relationships ranged from indifference to hostility, her relationships with external constituencies were positive, particularly with the Board of Directors. Members of the Board repeatedly expressed their admiration of the President, not only in terms of her accomplishments but also in terms of her warm interpersonal style. While this may seem contradictory, it fits the compulsive pattern of dominance/submission: "(compulsives) can be deferential and ingratiating to superiors while at the same time behaving in a markedly autocratic way toward subordinates" (Kets deVries & Miller, 1986, p. 274).

CCC's culture at the Time of the First Transition

Kets de Vries and Miller (1984, 1986) note that "splitting" is a common defense reaction to an environment that is perceived as hostile and dangerous. Typical of neurotic cultures, people come to be perceived as "all good" or "all bad", and relationships and cliques are formed accordingly. CCC's culture at this time was characterized by such splits at all levels. Both faculty and administration were preoccupied with fight/flight fantasies in which the other group was regarded as hostile, not trustworthy, and responsible for all the problems that exist in the college. This
resulted in radically different accounts of organizational reality, accompanied by a lack of self-reflection and self-insight, by a denial of any real problems and by fear and suspicion on both sides. CCC's split campus - east (faculty) and west (administration), with a road dividing the two -- had long been the symbol of this conflict but now paranoia scripts were rampant, with "a strong conviction among the organization members of the correctness of their actions" (Kets de Vries & Miller, 1984, p. 55). These scripts displayed one-sided views of the situation and history as well as a general sense of suffering, victimization and scapegoating.

Avoidance-based scripts, designed to isolate oneself from the enemy, were also articulated, not only at an individual level but also in the rapidly escalated development of college rules, structures, and procedures that effectively buffered the top executives from any dealings with the faculty. Avoidance was further evidenced in the administration's maintenance of the college's theme as a "sharing and caring" institution. While this theme had its origin in the religious history of the institution, it did not accurately describe the culture or the practices of the College as it existed now. Yet, as is characteristic of the compulsive institution, the college continued to stress "caring and sharing" as its dominant values, rather than addressing the real gaps and contradictions that existed in the organization.

At this point, CCC's culture and structure clearly demonstrated all the major characteristics of a compulsive organization: a perpetual fear of losing control, a preoccupation with perfectionism, ritual and controlling detail, extensive internal monitoring mechanisms, elaborate policies, rules and procedures, a hierarchical, centralized, controlling and formalized structure, feelings of suspicion, manipulation and loss of personal involvement, a major emphasis on planning and forecasting, and a reliance on an outdated and ineffective theme.

In early spring of 1991 it was announced that President Powers had resigned, effective June of the following year. While the news was generally welcomed with open arms, the overall sense was not consistently optimistic. Kets de Vries and Miller (1986) note that meaningful changes can be expected "after dramatic failure erodes the power base of the CEO, or after a new CEO takes over", but people at CCC were more cautious in their outlook, affected no doubt by the low morale and deep-seated distrust that now typified their culture.

In June of 1992, the Board of Trustees announced that CCC had a new president: Paul Pleasant, a friendly, open-minded, humanistic person with a serious but upbeat look on life. President Pleasant came from a much larger university where he had been involved in public relations and fundraising. While not a member of the sponsoring order, he did have a theology background and held a religious title. He also appointed a person from the religious order to serve as the Executive Vice-President, thus maintaining close affiliation with the Order.

The initial response from all College constituencies to the new president was unequivocally positive. Charming, unassuming, outgoing, and projecting a warm interest in people, Paul Pleasant stood in sharp contrast to Susan Powers. An inspirational speaker, he revitalized people's interest in the College and promised a great future to come, with major increases in fundraising, enrollment and salaries. The faculty -- now characterized as "competent and caring"- were pleased by the president's openness, his willingness to listen, his vision of the future and his participatory approach to management. Eleven years later, President Pleasant left the College. The highlight of his term was undoubtedly the establishment of a widely acclaimed peace program that educates students from war torn countries, preparing them for the process of rebuilding community and restoring peaceful relations. Public relations literature notes that President Pleasant doubled the size of the college
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campus, inaugurated and successfully concluded a $30 million capital campaign, completed a major construction program, restructured the academic programs and increased student enrollment for traditional and nontraditional students. Not mentioned are that Paul Pleasant left a disillusioned constituency, a crippling long-term debt estimated to have quadrupled during his term, and a disempowered governance structure. CCC's compulsive neurosis had vanished but a dramatic neurosis had taken its place.

The Historical Developments of CCC: The Pleasant Decade

Central to understanding the events at CCC during this decade is Paul Pleasant's visionary narrative for CCC: a small college emerges from obscurity with a world-embracing vision appropriate for the 21st century. The narrative includes greatly improved salaries for faculty and staff, a quality curriculum for students, a multicultural environment that is truly welcoming of diversity, extensive new technology, and a theatre. In many ways, it was this vision, along with his charismatic personality, that won Paul Pleasant the job at CCC. Faculty and staff were very clear about what they wanted, if only by contrast. They wanted someone who was NOT Susan Powers, someone with warmth, vision, and shared governance. Not only was Paul Pleasant going to bring this to the College; his personable and pastoral style, religious garb, and appealing vision re-activated a dependency fantasy that had lain dormant for quite a while. Paul Pleasant was going to SAVE the College, morally, culturally, spiritually and economically.

How CCC was going to be saved was not altogether clear though. In fact, after the first few years, a general disillusionment set in at CCC. A number of new ventures and fundraising initiatives had not been realized. Conflicts between middle management and faculty continued to escalate, resulting in the resignation of Dean Dominick. Faculty morale was low, with persistent in-fighting and a sharp increase in apathy and avoidance. Staff turnover continued to be high and morale continued to be low. Two percent salary increases did not help the morale situation of either faculty or staff. Student enrollment dropped significantly in many categories and there were persistent rumors of an impending financial crisis in the College, in spite of some major fundraising successes on the part of President Pleasant. The general consensus was that the prospects for the future were negative and that very little had actually changed in the culture and structure at CCC. There were even comments made to the effect that things were better under President Powers, since "at least at that time we knew where we were going..."

As a person, President Paul Pleasant was concerned about people and demonstrated this concern on numerous occasions. He liked to be seen as a listener, a friend, a concerned pastoral figure4. As a manager, however, his persona was less clear and more problematic. While vision is important, even essential, for transformational leadership, leadership also requires the ability to involve others in one's vision and to move from vision to systematic action. President Pleasant made some major attempts towards involving the college's constituencies in his vision. He instituted Town Meetings as a major forum for the re-establishment of communication between the office of the President and the various groups in the college. People were encouraged to state their wishes and opinions openly at these and other meetings and he seemed to welcome their input. But the same time, Pleasant was faced with other pressures, fundraising being the major one, especially in light of the fact that Susan Powers had left the College with huge financial obligations that could not be met within the existing budgetary constraints. Paul Pleasant soon reduced his internal involvement with the College and focused his efforts on external factors, donors and constituencies.

There were other residual effects of
the previous administration, most notably a divisive and conflictual set of relationships between groups of people at all levels, and a highly developed, compulsive and punitive bureaucracy. Intervention in these problems was difficult, since they often had a long history, involving significant members of the College administration at different levels. Rather than addressing these problems openly and head on, Paul Pleasant dealt with people individually and privately. This approach reduced the public eruption of conflict and was perhaps also more compatible with his previous pastoral experience and training. Unlike that particular setting, however, the problems at CCC often required structural and managerial action. Such action was very slow, not forthcoming or not visible to the people involved.

A related and more serious effect of this style was that it created a sense of disorientation at the middle management level. Middle managers at CCC -- ranging from Vice-Presidents to Deans to Directors and Division Chairs -- often had been hired and/or promoted for their ability "to fit in" with the organization, not for their ability to independently create strategy or change. Typically, "fitting in" meant actively participating in the compulsive neurosis of the organization, accepting orders without questions, and mirroring the compulsive, distrustful management style of the organization. Being presented now with only a general vision without specific orders and directives to go along with it was severely disorienting to this group of people. Incapable or unwilling to produce strategy or change for themselves, they simply continued to do what they had done all along, namely act out the bureaucratic dictates of what was already in place.

Vacillating between conflicting directions and initiatives, the organization began to appear headless and directionless. The only clear dictate became a personal one: to identify and accommodate the real or imagined wishes of the president. Conflict at the middle management level reflected this in two ways. The first was competition for the president's ear -- the perception being that whoever had access would receive support for his or her plan, position or proposal. The "president's ear" was also used actively in the second form of conflict, namely conflict between faculty and administration. This included faculty conflict with the academic dean who had begun to develop some major control excesses on his own, and conflict between faculty chairs and their respective faculty. The centrality of the presidential ear was reflected among others in the dean's prohibiting any faculty contact with the president, a strategy that resulted in his resignation at the end of the third year.

In spite of all the competition over the presidential ear, the ear rarely produced any definitive decision or action and the future appeared to be impacted by whoever had the ear next. The President's closest relations were with people whom he knew before his arrival at the College and whom he personally recruited to come to CCC, not always based on their experience or managerial expertise. His relations with others in the College were much less close and their relations with one another often appeared strained. The President developed a history of making key decisions unilaterally, particularly around staffing issues and also at times interfered in key conflicts between various groups at the college. While the motivation seemed to be to protect people from arbitrary treatment and bureaucratic harm, he was always very careful not to upset the very relations of power that caused it, a difficult and contradictory position to take. The punitive bureaucracy remained, but Paul Pleasant stood at its center as every victim's savior.

In his book The Icarus Paradox, Miller (1992) argues that companies -- and individuals -- can ultimately destroy themselves by applying their strengths to extremes and to the exclusion of anything else, and that would certainly be one way to read this particular case. A person is hired for his reflective, caring, and listening qualities but relying on these qualities as his
by the international students and celebrated publicly in the media. While this is not to suggest that his motivations for the program were personal or self-serving but it is to suggest that the program provided him with an opportunity to formulate and enact a dramatic vision, a vision that was largely his.

The financial side of this was a different story because the program was a costly one. Students were flown in from their home countries. Their tuition, books, meals, healthcare and monthly stipends were paid. Campus housing was insufficient so the College rented luxury apartments nearby. At times, companion programs at other universities were funded as well. Even the luxurious fundraising dinners that allowed the faculty and students to appear in fancy garb often cost more money than they raised. Nevertheless, the program continued. Paul Pleasant continued to assure faculty, staff and Board that money was forthcoming and regularly made announcements of large grants, gifts and other monetary arrangements. Most often though, these did not materialize and by the end of the 10th year, a general suspicion has arisen with all the constituencies. The Board up to now had been a staunch supporter of the President and even sent in 2 of the Executive Committee members to the College’s annual opening meeting to reinforce their support. Now the Board began serious inquiry into money matters and in January 2004 the resignation of Paul Pleasant became public, effective June of 2004.

His resignation was generally welcomed but an overall feeling of disillusionment was present. Clearly, Paul Pleasant did not save the College. He left a huge debt that currently appears insurmountable. He also left a confused and disempowered governance structure that revolved only around his personal authority. In fact, during his last 2 years at the College, Paul Pleasant repeatedly stated that he did not really understand nor believed in the idea of shared governance - a far cry from where things started. Following a brief search

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procedure, the Board announced in May of 2004 the appointment of a new president, Carol Kandu. Carol is a member of the religious order, served as a member of the Board of Trustees and some 20 years ago, served as an adjunct faculty at CCC.

**CCC's transition from Compulsive to Dramatic Neurosis**

What is the dramatic profile? Kets de Vries suggests that dramatic dysfunction exists when the primary fantasy of the top executive is attention seeking, through the performance of drama: exciting, bold, uninhibited theatre. The person craves excitement, activity and stimulation and life is approached as a dramatic performance, to be given to a hopefully appreciating and applauding audience (Kets de Vries, 2004). The person is also touched by a sense of entitlement and tends towards extremes in statements, perceptions and actions. The dominant fantasy, Kets de Vries suggests is "I want to get attention from and impress the people who count in my life" (2004, p.9). For Paul Pleasant, CCC -- in particular the peace program -- became the theatre: bold, uninhibited and unfunded.

Led by the dramatic executive, the organizational structure is "characterized by overcentralization that obstructs the development of effective information systems". The dramatic organization develops around the person of the top executive and, unlike compulsive or paranoid organizations, it has very little need for information, rules or structures. The organization goes where the leader wants it to go, based on his/her vision, the dreams, the values, hopes and ideals. This is very clear, especially when we look at the themes of the "competition for the president's ear" and "whatever the president want".

Practicality is of little concern as the dramatic organization, its leader and members are fully convinced of the correctness of their actions: 'Build it and they will come', 'God will provide', 'We only need to do that which is right'. From a strategy perspective, the dramatic organization is "hyperactive, impulsive, venturesome and dangerously uninhibited; favoring executive initiation of bold ventures; pursuing inconsistent diversification and growth; (and) encouraging action for action's sake" (Kets de Vries, 2004; Kets de Vries & Miller, 1984, 1986). These elements became particularly pronounced when CCC lost connection with and control over the financial situation. Not only was the peace program seductive in its aesthetic and moral appeal, financial information was not available, hidden or distorted. If we just continue on this path, the idea was, the money will come and the check is in the mail.

The culture and decision-making structure of the dramatic organization by necessity complement its centralized focus. Its structure is "too primitive for its many products and broad market" and lacks "influence at the second-tier executive level". Its culture is "well-matched as to dependency needs of subordinates and protective tendencies of CEO" (Kets de Vries & Miller, 1984, p. 31). Subordinates are heavily engaged in "idealizing and mirroring", psychodynamic processes that allow them to identify with the leader, personalize their relationship, and absorb his/her style and thinking. The leader in turn is the "catalyst for subordinates' initiatives and morale" (p. 31). As long as subordinates agree with and support the leader, they will be accepted, protected and taken care of. Not surprisingly, the organization is also characterized by non-participative decision-making, group think, heavy conformity and lack of questioning. These themes again are reflected clearly in the above summary. Finally, what was most evident as the drama unfolded was the increasingly loose connection between vision and reality. Fact and fabrication, wishful thinking and truth, preferred reality and hard figures all blurred together to support the drama and to deny the impending fiscal crisis facing the college.

One of the interesting features - - and problems - - in the dramatic culture is the centrality of its narrative and the fact that in
most cases, it provides no alternatives. The story is singular; there is no turning back and there is no alternative script. In the case of Paul Pleasant and CCC, the peace program provided a wonderfully seductive narrative, the rhetorical appeal of which should not be underestimated. In this narrative, there was global vision, ethics and morality. The CCC community had a chance to become great, to be interesting, to be world-embracing, to be beautiful and much more. Financial, organizational and procedural objections were raised at times, but they paled in the larger context. In fact, they were commonly described as limited, provincial, lacking faith, vision and flexibility, and really, belonging to the realm of others in terms of responsibility -- the president and the board in particular who would take care of these matters.

Attractive as they may be, narratives can become psychic prisons: "Favored ways of thinking and acting become traps that confine individuals within socially constructed worlds and prevent the emergence of other worlds. As in the case of Plato's allegory of the case, disruption usually comes from the outside. But the hold of favored ways of thinking can be so strong that even the disruption is often transformed into a view consistent with the reality of the cave" ((Morgan, 1997, p. 220). In the case of CCC, this is seen when the president, the board, faculty, staff and students continue to hold on to a vision that is unsupported by reality and that, in fact, requires the denial of reality.

The "folie a deux" - the shared madness and the insistence that those around us share our perception of the world - becomes again reflected in internal splitting. Particularly towards the end of Pleasant's term, those asking questions are perceived as the enemy, the attacker. Information and decision-making processes are always interesting in dramatic organizations, since generally, they have little need for them. The narrative provides direction and needs no data and the executive provides the central decisions. At CCC, evidence had been mounting over the years that perhaps the President's reports on the finances were not accurate. When questioned, the typical response was denial: money was indeed forthcoming, was officially promised, could not come because of external factors, new contacts had been made and so forth. When it was impossible to deny the facts, appeals were made to the collective good, noting that leakage to the press or accrediting agencies would seriously damage the college. Everyone needed to participate in the dramatic script, whether one believed in it or not.

Even after Paul Pleasant has left, reality is still not clear. What really is the financial condition of the college? What explains the huge differences between accounts? Was Paul Pleasant purposely deceiving the Board, the staff and the faculty or was he simply incapable of distinguishing fact from fiction? Or was Pleasant himself misled by donors and public agencies? From the perspective of organizational management, the issue of information accuracy is vital. However, what this case illustrates is that the line between fact and fiction, information and fantasy, reality and ideology may be very blurry indeed. That line is governed not by our desire to be rational, because reality always looks rational to its occupants. It is governed by our fantasies, which often make us complicit in relinquishing processes of openness, inquiry, accountability and dialogue -- ones that are the first to go when people and organizations develop neurotic tendencies.

What makes dramatic neurosis particularly vulnerable to distortion is its narcissism. The dramatic culture is so enamored with its own story and so fully believes in its own reality, morality and promises, that it begins to place itself outside of the rules and regulations that govern the rest of the world, feeling that "the rules don't apply to us". Aided by false and incomplete information, grand drama, and an "ends justify the means" mentality, the organization indeed becomes "dangerously uninhibited" (Kets de Vries & Miller, 1984, p. 31).
Is Change Possible? Factors Obstructing Change and Transformation

By the time President Pleasant assumed the leadership of CCC, a compulsive neurosis was firmly in place. CCC had a highly bureaucratized, rigid structure, a history of centralized and punitive leadership, an extensive monitoring and reporting system, and an elaborate cultural memory and narrative that centered on issues of punishment, conflict, fear and banishment. The organization fragmented into different groups, each with their own fantasies and fears. While the particulars of these fantasies varied, they all included fight/flight patterns and an institutional dependency fantasy, which revolved around an idealized, omnipotent leader, who would protect, nourish, save and unify the group.

The impact of Paul Pleasant's leadership must be assessed in the context of this situation and must include ways in which these factors resisted any changes and contributed to creating the dramatic culture. Three factors will be looked at: leadership selection patterns, dependency fantasies and the relationship between dependency fantasy and organizational structure.

At the time Paul Pleasant's selection process was underway in 1992, people had 2 major issues. One, they worried Susan Steering, the Executive VP would take over, replicating the existing control structure. Two, they knew what they did not want in a new president: they did not want another Susan Powers. The new president should not be bureaucratic or centralized in the approach to leadership, should not be cold and closed, should not spend all their time inside the institution, should not be uncomfortable around people, and so forth. Paul Pleasant met all of these criteria and more. He was not female, not a member of the sponsoring religious order, not young, not trained as an educational administrator, and not a manager. Within limits, Paul Pleasant was as much unlike Susan Powers as one could be which made him a very attractive choice. What became much less important in the selection process were certain skills and qualities Powers did have, such as focus and a sense of direction.

The other factor impacting Pleasant's selection was the dependency fantasy that actively lived in CCC culture and governed the central themes explaining what had gone wrong and what the new president should bring. Presumably, everything that went wrong at CCC went wrong because of Susan Powers and everything that would be made right, would be made right by the new leader who would guide, lead and ultimately, save them. In that context, too, Paul Pleasant was an attractive, properly pastoral person to fill the role of savior.

Once installed, that role was much harder to carry out. After the initial honeymoon period, it became clear that the new President was looking for input and direction, at least in some areas. This was hardly compatible with people's savior fantasies. Moreover, having gotten used to centralized, bureaucratic structures, people lacked the skills, initiative and trust to really respond to the invitation. The president's town meetings, for instance, were eagerly attended by nearly the entire workforce, but with one or two exceptions, no one spoke up about anything, waiting instead for the great leader to show them the way. Ironically, a town meeting in which no one participates meets both the needs of a passive and fearful constituency and a leader disconnected with his "flock", so they continued to be held until the end, albeit with lesser frequency.

In this sense, the relationship between the dependency/savior fantasy and the college's continued bureaucratic structure is an interesting one. There is an underlying compatibility between the two in that both require a relatively passive constituency that allows for withdrawal and disengagement. It also provided President Pleasant with some
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benefits. The faculty in particular openly resented the bureaucracy and were very vocal about their disdain for the bureaucracy itself and the people administering it. The bureaucracy however provided focus and coherence to the institution, which lessened the immediate pressure on the president for directive leadership. It also allowed him some latitude for his own independent decisions, and, when people came to him for help he could act out of a comfortable and familiar listening and support position and assume the position of savior.

There are other fantasy modes contributing to the continuing structural and cultural neurosis. Most people function in the flight mode. For the faculty, the centralized monitoring of their campus presence stopped and they became free to flee with responses ranging from simple absence to engagement in extra-curricular or professional activities. The other dominant flight mode is social activities. CCC has always taken pride in its "sharing and caring" culture and the veneer of friendly, social engagement effectively continues to hide underlying problems and issues.

Fight activities are still taking place here and there, but they are now focused around chairs and their faculty. This is in itself interesting, because on the one hand it reflects the fact that some of the chairs still express the bureaucratic and punitive mentality that originally put them in the job. On the other hand, it may also reflect a sort of displaced frustration with the top management that is acted out at lower levels. Especially in the case of a president like Paul Pleasant, focusing one's anger at a lower level makes it easier to maintain a positive, unified image of the top level. Needless to say, it also makes it more pleasant for the top level which may have been an extra inducement not to make either major or consistent interventions into the structure.

Today, the structure of CCC remains excessively high and top heavy. It is also very poorly integrated, both horizontally and vertically. The town meetings did not succeed in providing additional linkages. Shared governance structures have been designed and redesigned, but have not resulted in a practice of shared decision-making. Committees and taskforces produce reports that are ignored. The Faculty Senate occupies most of its time with piecemeal discussions of courses and programs. The elaborate system of rules put in place during the Powers decade still functions, but flounders without a central administrator to oversee its implementation. Most recently, CCC reorganized itself into a new school structure which if anything, promises to further disintegrate functional connections at all levels. While not efficient at some levels, structural disintegration does effectively supports continuing flight dynamics and fantasies so it will be interesting to see how this structure fares in the future.

The dependency fantasy also continues to live. The disappointment that is evident today centers on the unfulfilled wishes in this fantasy. Paul Pleasant should have been a stronger leader, a more directive manager, a more focused administrator. Never mind that this was clearly not the profile at the time of selection. We return to the original starting point which is that what we really need is a better leader -- savior, mother, father -- to save us. The recurring excitement around new VP's for Academic Affairs (CCC went through 5 different ones in a decade) is a manifestation of this pattern and so are the high expectations being held of Carol Kandu, the new president just coming in. Carol Kandu accepted a job that few other people would have taken, running an organization that is deeply in debt with few realistic prospects of recovery. Her optimistic statements though that "it can be done" and "we will pull through" and "we've been in trouble before and will prevail again" provide an apt new narrative for the college. It will be interesting to see how this narrative connects to the dependency fantasy. At one level, the narrative reinforces it, by providing CCC with a new leader and with hope for the future. At another level, it is clear that no
leader will be able to make the ship float by him/herself. Also, Carol Kandu appears to be a strong believer in true participatory processes and in honesty, both of which have the potential to break through neurosis and fantasy.

In terms of change, replacing one president with another solves nothing. Neurosis, once it sits in the culture and structure of the organization does not cure itself; it is too deeply seated and embedded, in procedures, structures, cultural forms and people. This does not mean that neurosis cannot be cured. One can address it through therapeutic confrontation, one can do a radical "-ectomy" by removing key people, relations and practices, but one cannot ignore it -- which is what has been done at CCC for nearly two and a half decades.

Effective change requires a change in the structure and culture of the organization, and this in turn requires, at a minimum, a critical awareness of the current problems and conditions. Having been exposed to neurotic organizational structures repeatedly over time, people tend to normalize the neurotic and neurotize the normal. To the extent that they may not be able or willing to recognize the deeply seated nature of the problems, and to the extent that sometimes the neurosis feels more comfortable and real than anything else in life, chances are that they will not be likely to make the drastic changes that are needed to eliminate the neurosis, dooming themselves to repeat their mistakes. It is not really the top executive (only) who is in need of therapy; rather, the entire organization is in need of therapy. In the case of CCC, it will require a major overhaul to rid itself of the sedimented neurosis that currently characterizes every element of its culture and structure. Open and undistorted communication in a more egalitarian structure could begin to combat this sedimentation (cf. Jacobson, 1993; Diamond & Adams, 1999), but its occurrence is unlikely without some guided critical intervention into the system.

Power relationships in the organization are never simple or unilateral, but always complex and relational individual. Viewing power as struggle rather than privilege requires an examination of the ongoing interactions within the relationships between factions, both within and outside the organization, including the exercise of power and the resistance to power as natural dynamics of the phenomenon. If this is true for organizations that are relatively non-neurotic, it holds even more strongly for neurotic organizations. Focusing on the issue of change in particular, neurotic organizations contain deeply embedded contradictions, ingrained illusions, neurotic organizations, exploitative relationships, violent memories, warped rationalities and many, many other things that are resistant not only to analysis but also to action.3

Conclusion

For many of us, organizational neurosis is a fact of daily life that poses continuous problems and challenges, not the least of which is the constant question of who of us is really the crazy one. Any systematic examination of the phenomenon of organizational neurosis is helpful, if it allows us to develop a better understanding of the nature and cause of this phenomenon. Extending the organizational neurosis approach to include a consideration of the inherent neurosis in the structure of the organization itself as well as the complexities of power and the change process greatly strengthens the potential contributions of this type of research. The understanding of these patterns would be grounded in a sense of the underlying structure, relationships and dynamics rather than only the individual psyche and change in the organization would be addressed from a personal as well as a structural dynamic point of view. In addition, we need to understand the organizational experience through the lens of lived theatre. It is hoped that the analysis of this particular piece of organizational drama provided an insight not only into organizational neurosis,
but also into the power of organizational script and the dynamics of script acceptance and enactment, thereby opening up the road to understanding and to change.

Notes

1. Personal and institutional details of this case have been altered in order to protect the privacy of those involved.

2. It is not clear how his religious title and garb affected CCC dynamics. Paul Pleasant always dressed in the priest uniform even though this was clearly neither required nor related to the job. He also personally performed religious services at least once a week on campus which were attended by employees and people from the neighborhood. The dual pastor/president role did not appear to cause him conflict though and may have provided additional support for the organization's dependency fantasy.

3. One limitation of the Kets de Vries' approach is his focus on the organization rather than the larger context (see Kersten (2002)). Leaders may make organizations neurotic, but many organizations are already neurotic. An organization's neurosis is based on not only the history of that particular company, but also on the structural inequalities of the organizational relationship and its social context (see e.g. Kersten, 1991). It is the social context that creates and necessitates compulsive and other neurotic cultures to maintain the inequities of the status quo. Put simply, unequal relationships create dynamics of dominance, submission, resistance and control. The more systemic the inequality, the greater the need for a neurotic culture that emotionally interprets and justifies these inequalities. Neurotic cultures in turn require neurotic executives to effectively reproduce their dominant relations.

References


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