A case study illustrates the concept of the neurotic organization by describing the development of "Central Control College" over a period of 11 years. In this period of time, the college moved from a small, informal organization to a highly developed compulsive institution. The image of neurosis has been applied to the organizational arena, where it has been used to describe and analyze a wide variety of dysfunctional organizational structures, relationships, and processes. When "Susan Powers" became president in the early 1980s, morale was high and turnover of staff and faculty was low. Eleven years later, morale and trust were very low, and turnover was high. Interactions between administration and faculty were characterized by overt and covert hostility. The president's style was clearly compulsive in nature, preoccupied with the need for control, while the style of executive vice-president "Susan Steering" was more personal, intuitive, but at times impulsive and manipulative. Five years into Powers' presidency, a conflict over the volleyball team changed Steering's priority to protecting Powers from the faculty. Steering was later promoted and "Bruce Dominick" (who fit with the compulsive orientation of Powers and Steering) became academic dean. The culture of the college is characterized by extreme splits at all levels. While many people look for a change with the announcement of Powers' resignation, the overall sense is not optimistic. The concept of the neurotic organization has a number of strengths and liabilities, chiefly in its tendency to individualize problems of structural inequality and control. (RS)
CONTROL, CONTROL, COMPLETE CONTROL!!!

NEUROTIC CONTROL RELATIONSHIPS AND
THE DEVELOPMENT OF DYSFUNCTIONAL ORGANIZATIONAL STRUCTURES

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Paper presented at the 41st Annual Conference of the
International Communication Association
May 22 - May 28, 1991
Chicago, Illinois, USA
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Historically, critical theory has often drawn on the image of "neurosis" to describe the deeply seated social problems of blockage, domination, and control originating in the structural inequities of social systems, and the corresponding repressive ideological forces shaping social consciousness and behavior. Critical theory has also carried the image of neurosis into a conceptualization of its own role of "therapeutic intervention" into social systems, aimed at revealing the present and historical roots of social distortions and transforming the conditions of human communication and consciousness.

More recently, the image of neurosis has been applied in the organizational arena, where it has been used to describe and analyze a wide variety of dysfunctional organizational structures, relationships, and processes (see Kets de Vries, 1985, 1984, 1979; Kets de Vries and Miller, 1986, 1984). This approach has been very valuable for the study of organizations, for two major reasons.

First, for many people the concept of the neurotic organization is a very recognizable and very real notion, since most of us have spent more time in dysfunctional, controlling, distorted, and otherwise unbalanced organizations than we have in so-called "normal" institutions. At the same time, however, organizational research has typically been preoccupied with studying the latter species—organizations that are successful, balanced, that grow and develop in positive ways. While the study of organizational health may be very important in developing both an understanding of organizational functioning and a sense of normative ideals, it is by no means sufficient. Not only does this singular focus exclude from study the more common human experience of dysfunctional organizations, it also deprives us from key insights into organizational functioning in general. As Bhaskar (1983, p. 91) points out, "a long tradition in the human sciences, from Marx, Durkheim, and Freud through to Garfinkel, has confirmed the usefulness of the postulate of the methodological primacy of the pathological."

Looking at failed, incompletely bungled actions (unsuccessful species, fractured individuals, conflictual relations, contradictory systems) is not just as important; methodologically it is, if anything, more important. For in bringing out just those features of a successful action or adaptation which the very success of the action tends to elude or obscure, it guards against any reversion to a pre-Darwinian view of the world as either obvious (cf. empiricism) or numinous (cf. idealism). (Bashkar, 1983, pp. 90-91).
Thus, a focus on the neurotic organization not only draws our attention to the well-recognized and familiar phenomenon of the "sick" organization, it also can provide us with insights into the dynamics and functioning of all organizations.

Second, the idea of the neurotic organization is important and useful for the study of organizations, because it draws attention to the ways in which micro-level dysfunctional behavior patterns become diffused throughout the culture of the organization. Specifically, it links neurotic patterns and relations that exist at the top executive level, as well relations between individuals and groups, to the structures, strategies, norms and decision-making patterns that occur at the level of the organization.

Of course, while the idea of neurotic has great potential value for the critical study of organizations, it also has its liabilities. Specifically, the approach has a tendency to individualize problems of structural inequality and control. Rather than connecting these problems to underlying "deep structure" issues of power and inequality existing in the organization and in the wider social context, it tends to focus on individuals and their relations as both the source and solution of the problems.

This paper will begin by discussing the idea of the neurotic organization as it has been developed in the literature to date, including the concepts of individual neurosis and personality style, different types of organizational neurosis, group fantasies, and destructive superior/subordinate interactions.

Next, the paper will provide a case illustration of an organization that has developed an extensive compulsive control pathology over a 11 year term. Here, the discussion will focus on an examination of the nature of this pathology, the way in which its relates to the personal style of the organization's top executives, and its impact on the structure, relations and culture of the organization.

The paper will conclude by discussing the strengths and liabilities of this approach from a critical perspective, including a review of both theoretical and practical issues.

I. The Neurotic Organization: Review of the Literature

Naturally, the concept of the "neurosis", and more broadly, the concept of personality style, are based in the psychiatric and psychoanalytic study of individual behavior. First, the concept of personality style is used to refer to "those patterns of behavior by which individuals relate themselves to external reality and to their own internal dispositions". They are "clusters of behavior that remain relatively stable over the years, as opposed to simple dimensions of behavior" (Kets de Vries & Miller, 1984, p. 18). The concept of personality style is seen as preferable over the traditional psychological emphasis on isolated personality characteristics because it provides a more integrated understanding of the person's functioning.
Personality styles develop over time through a combination of interpersonal interactions and instinctual needs. Through human interaction and maturation, people develop lasting representations of themselves and others, which “become encoded as stable and directive forces” — “organizing units enabling the individual to perceive, interpret and react to her environment in a meaningful way”. (p. 19) People’s instinctual needs are connected to these representations and “transformed into wishes of various kind ... articulated into fantasies” (P. 19).

Fantasies can be viewed as original rudimentary schemata that evolve in complexity, as “scripts (scenarios) of organized scenes which are capable of dramatization” (Laplanche & Pontalis, 1973, p. 318)... (They are) complex and stable psychological structures that underlie observable behavior. The dominant fantasies of an individual are the scenes that prevail in his ‘private theatre’, in his subjective world. They are the building block making for particular neurotic styles and are thereby determinants of enduring behavior” (Kets de Vries & Miller, 1984, p. 19).

While all people tend to exhibit some mildly dysfunctional or pathological characteristics, the concept of “neurosis” seeks to describe an enduring and consistent set of dysfunctional psychological states and behavior patterns. Specifically, it suggests that, while all people have pervasive patterns of thinking, perceiving, feeling, and acting that are associated with pathologies of different kinds, normal “human functioning is generally characterized by a mixture of these often neurotic styles” (Kets de Vries & Miller, 1986, p. 266). “Neurosis” develops when a specific neurotic style comes to dominate and “consistently characterize many aspects of the individual’s behavior”, which in extreme cases can lead to a “psychopathology that seriously impairs functioning” (p. 266). Neurotic individuals “exhibit a good number of characteristics that all appear to 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 key theme underlying most of the neurotic organization literature is the idea that the neurotic style of top executives can have a strong influence on the overall functioning of the organization, including its strategy, culture, structure, and the nature of group and interpersonal relations, such that individual pathology becomes organizational pathology. In this process, the top executive’s intrapsychic fantasies are thought to play a major role:

(1) intrapsychic fantasies of key organization members are major factors influencing their prevailing neurotic styles and ... these, in turn, give rise to shared fantasies that permeate all levels of functioning, color the organizational culture, and make for a dominant organizational adaptive
style. This style will greatly influence decisions about strategy and structure (Kets de Vries & Miller, 1984, pp. 19-20).

The relationship between executive and organizational pathology is seen most clearly, it is suggested, in small, centralized firms with a single leader or a small group of unified leaders, even though in large, decentralized firms the neurotic style of the top executive may become institutionalized in - and hence diffused throughout - the corporate culture of the organization.

1. Neurotic Organizational Styles

Out of the different neurotic behavior styles identified by the psychiatric and psychoanalytic literature, Kets de Vries and Miller (1984) selected five - paranoid, compulsive, dramatic, depressive and schizoid - each with their own characteristics, motives, fantasies and dangers. In turn, each of these neurotic styles is seen as related to five common types of organizational dysfunction (Miller & Friesen, 1984), each with their own strategic, cultural, structural, and decision-making problems.

The paranoid organization has persecution as its major fantasy. Management suspicion and mistrust is articulated in extensive methods for monitoring and controlling both internal and external processes, events, and people, such as sophisticated information systems, elaborate budgets and cost accounting procedures. Decision-making appears consultative, drawing information, input, and opinions from all layers of the organization through elaborate sets of meetings and committees, but leaves the ultimate decision centralized at the top. Morale tends to be low, as the organization is often fragmented into separate, distrustful cultures and people concentrate on protecting themselves. Under the influence of fear and distrust, often based on some traumatic experience on the part of the executive or the organization, the organizational strategy tends to be reactive, conservative, and preoccupied with external, hostile forces, thus often resulting in a "muddling through, meandering" approach. Frequently, a paranoid firm may attempt to reduce risk through extensive product diversification, resulting in a fragmented organizational structure and strategy, which only increases the need for monitoring and control, reinforcing thereby the paranoid basis of the organization.

The compulsive organization has control as its major fantasy. Based on a perpetual fear of losing control, the organization becomes preoccupied with perfectionism, ritual, and controlling every last detail of organizational life. The compulsive organization, like the paranoid firm, has extensive formal control mechanisms, but in the compulsive firms the focus is on internal rather than on 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. Morally, the compulsive executive prefers to rely 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 finds its etiology in some experience where the firm or the executive may have lost control and was at the mercy of others, inside or outside the organization, much of the structure and strategy are aimed at reducing uncertainty and avoiding the unfamiliar. Thus, we find a great emphasis on planning, including budgets, designs, evaluation procedures, schedules, and so forth, organized often around some "established theme", that which the organization sees as its particular strength or competence. While this often produces a more unified and focused strategy than that practiced by the paranoid firm, the compulsive organization tends to remain fixated on this theme, even when it is no longer appropriate in the environment.

For the dramatic organization, grandiosity is the major fantasy, the desire to impress and gain attention from others. The leader is central to the dramatic firm. Often very charismatic in nature, s/he attracts subordinates with high dependency needs that idealize the leader and are easy to control and manipulate, resulting in complementary but dysfunctional relationships, based on one-sided trust, uniformity, and conformity. From a strategy perspective, dramatic firms are "hyperactive, impulsive, dramatically venturesome, and dangerously uninhibited" (Kets de Vries & Miller, 1984, p. 31), with boldness, risk taking, and diversification as the major themes. Since appearance and visibility are often stronger motivators than good business sense, the strategies are often conflicting and fragmented. Likewise, the company decision-making style is typically unreflective, impulsive, and also centralized and singular. This is also reflected in the primitive organizational structure of the dramatic firm, which typically lacks effective information systems, concentrates all power in the hands of the chief executive, and provides for little to no upward or lateral communication, all of which is of course aggravated by the high levels of diversification and differentiation in the organization.

Hopelessness and helplessness are the dominant fantasy themes in the depressive organization. Characterized by an avoidant culture, in which the top executive lacks self-confidence and initiative, this organization is pervaded by a sense of futurity, negativity, lethargy and purposelessness. The few things that do get accomplished in this type of organization are those that have been programmed, institutionalized, and routinized and therefore require no special effort or initiative - "the organization thus acquires a character of automaticity (Kets de Vries & Miller, 1984, p. 34). Typically found in well-established firms with stable environments, the depressive organization uses conservative and fixed strategies, aimed at well-known markets and unresponsive to change. Structurally, the organization is bureaucratic in a machine-like fashion, following set rules, plans, policies and procedures. While the structure is hierarchical, based on centralized, position-based authority, control is exercised by policy and precedent, rather than by the initiative of the top executive. This creates both a leadership vacuum and an
avoidant culture, "permeated by unmotivated, absentee executives, buckpassing; delays; and an absence of meaningful communication among managers .. there exists a 'decido-phobia' (Kets de Vries & Miller, 1986, p. 271). Further aggravating this condition is the fact that most depressive firms have weak, internally focused information systems, that fail to discover major changes in the market as well as discourage internal communication.

Finally, the schizoid organization's fantasy is one of detachment and non-involvement. Fearing the potentially harmful consequences of personal interaction with others, the leaders of schizoid organizations remain distant, isolated and aloof, creating a type of organization Miller & Friesen (1984) characterized as "headless". Here, the management of the firm rests on the second-level managers, who are typically political "gamesmen", filling the leadership vacuum by "politicking for their parochial interests with the detached leader" (Kets de Vries & Miller, 1986, p. 276). This results in a highly politicized organizational environment, that lacks structure, order, coordination, and cooperation. This in turn creates the sense of a schizoid culture, in which the firm "muddles through", moves into one direction, and following a shift in the political coalition, completely reverses itself to go the other route, ultimately accomplishing only "small, incremental and piecemeal changes" (Kets de Vries & Miller, 1984, p. 39). Structurally, the schizoid organization disperses decision-making power to the second level of management. Given the high amount of political action and opportunism typically existing at this level, the structure of the organization becomes fragmented into "independent fiefdoms - of alienated departments and divisions" (p. 39), unwilling to cooperate and communicate with each other, and too absorbed in their political battles to adequately monitor the environment.

2. Group Fantasies

In addition to neurotic styles of top executives in the organization and the fantasies that underlie these neurotic styles, 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 often 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.

Bion (1959) distinguished three types of group fantasies: fight/flight, dependency, and pairing. The fight/flight fantasy is organized around the theme of an enemy whom one should flee from or fight. In the fight/flight group culture, typical symptoms include: the belief that others are not trustworthy; that 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; 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).

In the organizational context, the fight/flight culture is associated with fear and suspicion, and an us vs. them attitude. Fixed on fear, all "attention is devoted to the current ongoing battle with a particular foe ... (and) all attitudes have been frozen by a past trauma involving the enemy" (p. 54). This results in a management style that is insular, rigid, fixed, without vision, and based on antagonistic impulses.

Within the fight/flight culture, we can find two different behavioral scripts: paranoia and avoidance-based. The paranoid group is one characterized by an intense "search for the enemy" and "a strong conviction among the organization members of the correctness of their actions" (p. 55), leading to strong competitiveness and courageous action, but also rigidity, stereotyping, lack of tolerance of dissent and disloyalty, and power centralized in the hands of the group leader. While this was also characteristic of the paranoid organization, described earlier, Kets de Vries and Miller suggest a key difference between the paranoid group and the paranoid organization. While the paranoid group is often in a state of panic, focusing on the need to avoid or attack the enemy and thus acting unreflectively or impulsively, the paranoid executive is typically not panicked, but more concerned with uncovering and countering the actual major threats.

The avoidance-based script focuses on "the need to reduce uncertainty, to erect barriers and isolate oneself from one's enemies" (p. 57). This is often articulated in a preoccupation with establishing elaborate rules, programs, and procedures that are designed to buffer and protect the group and insulate its members from a hostile environment, similar to the insulating tendencies found in depressive and compulsive firms.

The dependency fantasy revolves around the need for an idealized, omnipotent leader, who will protect, nourish, and unify the group. Should the leader retire, the group may codify his/her leadership or search for a new leader externally. Typical symptoms of the dependency group include idealization, denial of contrary evidence regarding the leader, feelings of elation over the leader and group, combined with depressive feelings regarding one's own inadequacy, envy of the leader, and guilt.

Dependency cultures are characterized by three phases: charismatic, bureaucratic and take-over. In the charismatic phase, the group is dominated by a charismatic and autocratic leader who holds together the group through group member identification with and dependency on the person of the leader. While the group is cohesive and goal-directed under this leadership, the members are passive and uncritical. A clear parallel exists here between the charismatic phase and the dramatic organizational culture described earlier.
After the leader leaves, the group typically codifies and institutionalizes the formal leadership, resulting in rigid rules, policies, and procedures, based on history and precedent. This is the bureaucratic phase. Should the group or organization be taken over by another firm or leader, this may result in a third phase of development, which may be revitalizing under the right leadership or it may have the opposite effect, where the take-over results in feelings of apathy, inadequacy and passivity, as are symptomatic of the depressive firm discussed before.

Finally, the sharing fantasy is characterized by the messianic hope that in the future everything will finally work out and members will be delivered from their anxieties and fears (p. 52). Centered around an unrealistically high expectation of some future leader, goal, or ideal, groups members are absorbed in anticipation and fantasy which invariably must be followed by shattered hopes and despair. Predominant affects include hope, faith, utopianism, enthusiasm, despair, and disillusionment.

In the organization, sharing or utopian groups are often flexible, participative and democratic, and share a commitment to a common goal, that may be visionary or grandious. Unfortunately, the focus is more often on the goal itself rather than on methods, means or plans to achieve the goal, resulting in a lack of ultimate accomplishment. Alternative, the group or organization may spend all its energy searching for the "ideal" structural form, unable to commit to a practical, workable structure needed to organize its members. In the first scenario, the parallel seems to be with the dramatic organization, while the second, ironically, may end up similar to the depressive organization.

3. Superior/Subordinate Interactions

According to Kets de Vries & Miller (1984), superior/subordinate interactions are influenced by two major dynamics: early developmental experiences and current influence patterns. In the first case, relationships between people are influenced by "transference", whereby current situations and interactions are interpreted, often in a distorted fashion, on the basis of experiences in the person's past. While all relationships typically contain elements of both realistic and transference reactions, "what characterizes the latter is their inappropriateness to the current situation" (p. 75), as well as their ambivalence. Often resulting from understimulation, overstimulation, or fragmentation experienced in early child-parent relational patterns, transference reactions in the organization are classified into three types: idealizing transference, mirror transference, and persecutory transference.

Idealizing transference takes place when a person develops a dependency relationship with the idealized figure of the leader. Based on excessive admiration of the leader, the subordinate becomes highly dependent on praise and approval, and easy to control and manipulate. While idealizing transference may be associated with high team spirit, positive morale and cooperativeness, it also results in the high
conformity, lack of conflict, and independent thinking that are often characteristic of dramatic organizational cultures.

Mirror transference is complementary to idealizing transference, in that a person develops a narcissistic, exaggerated and "grandiose sense of self-importance and uniqueness and are desperately in search of praise" (p. 84). In the organizational context, mirror transference is apparent when superiors surround themselves with "yes-men", who cater to the executive's needs for attention either based on their own idealizing transference reactions or based on political motivations. Typically, the leader takes credit for everything in the organization, tends to be exploitative, does not tolerate criticism, and oscillates constantly between idealization and devaluation of subordinates.

The third type of transference - persecutory transference - is often used as defense mechanisms against feelings of persecution. Characterized by the "splitting" tendency - dividing the world up into all good and all bad elements - persecutory transferences are typically negative and manifest themselves in hostility, punitive behavior, harsh control and aggression; moral masochism, guilt and a sense of suffering; or envy, spite and selfishness.

In addition to influence from past experiences, superior/subordinate interactions may also become dysfunctional due to current problems, in particular by what Bateson and others have called "double bind" communication. Distortive, manipulative and irrational in nature, double bind communication is based on dominance or dependency needs in the person, and may be one of three modes: binding, expelling, or delegating.

Underlying the binding mode is a perception of the external world as hostile, a world "where nobody can be trusted, where one must be on guard and in charge" (p. 101). The binding executive only has confidence in a few treasured subordinates, who must be protected and controlled. In return for this protection, and the extensive rewards that come along with it, subordinates are expected to show complete loyalty, devotion, support, conformity, and adherence to the clique's norms and ideas. Two specific binding strategies include ambiguity of responsibility, which effectively prevents independent action and protects the centralized control of the top executive; and manipulation of guilt, by which employees are made to feel responsible for the sacrifices made by the president, to be compensation for their loyalty and support.

In the expelling mode, executives reject their employees, viewing them as "expendable nuisances" (p. 108). While expelling may be based on a general lack of interest in the employee, it is more often a response to feelings aroused by previous binding interactions: "(e)xpellers either love and bind the loyal employee or ruthless reject him forever because of a small slight" (p. 109)

Finally, in the delegating mode, superiors and subordinates are torn between "the 'attraction' and 'repulsion' associated with the binding and expelling modes" (p. 105); "it seems that the subordinate is supposed to act in the role of a proxy entrusted with a special
mission. Although s/he is sent on such missions, however, the senior executive does not really relinquish control. Subordinates may play the role of the guinea-pig, acting out the ideas and desires the superior is raid to fulfill; provide a vicarious outlet for the superior’s repressed wishes; become the superior’s "flunkie"; or the "go-between" between the superior and the subordinates colleagues. For the subordinates in the proxy mode, the demanding, contradictory, and confusing nature of the relationship typically results in high levels of emotional stress.

II. Application: The Case of Central Control College

This section of the paper will apply the concepts presented earlier to the case of Central Control College. Specifically, the case analysis will seek to demonstrate the way in which the styles of the two top-executives of this college influenced and shaped the structure and culture of the organization over an eleven year period.

1. Background Description

Central College College (CCC) is small, private, liberal arts college located in the northwest of the United States. Founded in the mid-sixties as a college for the members of a religious order, the institution has steadily expanded enrollment to approximately 1800 students. Its curriculum includes traditional and professional programs, both at the undergraduate and graduate level. CCC employs about 150 people on a full-time basis, including 40 full-time faculty. It also has an adjunct faculty staff of about 100 people. The college is located in a suburban area, featuring rolling hills and attractive, modern buildings.

The college’s president, Susan Powers, is a member of the religious order. When she became president of CCC in the early eighties, she was the youngest person ever to be a college president, at the age of 29. While she had been associated with CCC in a minor staff capacity at some time earlier, she was reportedly "groomed" by the order for the position of president through being sent away to acquire graduate degrees in higher education.

When Susan Powers assumed the presidency, 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 was very low. At that time, about of half the faculty belonged to the religious order; the other half was mostly young academics, who jokingly explained their economic condition at CCC as part of the goals of the "Downward Mobility Club".

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Eleven years later, President Powers announced her resignation, effective June 1992. CCC's public relations literature characterizes 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, and overall assets and an operating budget that each tripled in size.

While this is clearly an impressive record of accomplishments, it is by no means a comprehensive account of all the changes that have taken place over the decade. CCC's organizational structure has steadily evolved from a simple and informal structure to one that is highly formal, centralized, rigid and bureaucratic in all respects. In addition to extensive hierarchical layering of the formal structure - including a president, executive V-P, 5 functional V-P's, division chairs, department chairs and numerous deans and directors - CCC also has 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 adhoc committees, including a recently appointed Governance Committee with the charge of examining this extensive structure.

There are currently college rules governing almost every element of the college's operation, codified in employee and faculty handbooks, which are in the constant process of being revised, updated, changed or extended. The centrality as well as disputed nature of these rules is evidenced in the fact that conflicts between administration and faculty often are fought out using the handbook, with each side quoting different rules and pages, and faculty are seen entering meetings with the handbook in hand.

Morale and trust at CCC are very low. Even though salaries at the college increased substantially, turnover among the staff is typically at around 50% or higher and faculty turnover has increased to 30%. The major area of complaint, the college's elaborate committee and organizational structure notwithstanding, is a lack of involvement in decision-making. Directors, deans and chairpeople feel that they have no control over their budgets and areas of responsibility. Committee and divisional recommendations are ignored, neglected, or manipulated, and there is little tolerance for dissension. In addition to administrative and committee activities, people spend a lot of their time on paperwork, documenting every aspect of their jobs, both for bureaucratic and defensive reasons.

Interactions between administration and faculty are characterized by overt and covert hostility, culminating recently in a number of EEOC complaints and lawsuits. Conflicts between the two groups also affected those members of the faculty that belonged to the religious order, and a substantial number of them resigned. This development, combined with the normal number of retirements means that currently there are no longer any members of the order on the faculty. Relations between the faculty are also fragmented. Even though the faculty recently formed an AAUP chapter with 60% of the faculty as its members, the general atmosphere is uncomfortable, because people worry about the political consequences of their alliances.
Highly tuition driven, CCC has recently experienced budgetary difficulties due to problems in student recruitment and retention, as well as to the rising costs of operating the expanded physical plant.

2. Analysis: The Development of a Compulsive Organization

a. CCC's leadership

Over the past decade, CCC has been under the leadership to two women: the president, Susan Powers and the executive vice-president, Susan Steering. The president's style is clearly compulsive in nature, preoccupied with the need for control. Internally, President Powers showed a leadership style that was essentially cold and non-personal in nature. Her stated interest was primarily in developing the planning process of the college - as evidenced in the establishment of the Planning Commission with its numerous subcommittees - and she preferred "computers to people". The typical concerns about order, structure, predictability and routine also showed in her insistence on bureaucratic over personal rule - and hence, the proliferation of rules in the college - and in her attention to detail. Presidential approval of most decisions, including small purchase orders, minor curriculum changes, and all attempts at information-gathering on the college further show the centralized control of decision-making. Hardworking and industrious, but lacking flexibility and spontaneity, President Powers expected the same type of commitment from all employees. She demonstrated little tolerance for dissent of any type insisting instead on forced, "consensual" decision-making.

In terms of personal relationships with people, president Powers was rather isolated. Except for her extremely close relationship with the Executive Vice-President, discussed below, she seemed to operate largely in an expelling mode. She repeatedly expressed dislike and contempt for the faculty as a whole, whom she seemed to regard as lazy and generally incompetent, and did not seem think much more of the college's staff. Her general dealings with people were impersonal, impatient, and indifferent.

While President Power's internal relationships with people ranged from indifference to hostility, her relationship with external constituencies was usually regarded very highly, 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 de Vries & Miller, 1986, p. 274).

In contrast to the President's compulsive style, the Executive Vice-President's style was dramatic in nature. Susan Steering had met President Powers when they were both doing their doctoral work at a major Southern University. Upon graduation, Susan Steering was hired by the college in a staff development capacity on the recommendation of Susan Powers, and quickly rose through the college's structure.
after Susan Powers became president. Early on in the president's tenure, the then Academic Dean was fired and Susan Steering assumed this position for 7 years, followed by a promotion to the newly created position of executive V.P. Prior to this, she also held the position of Acting President during a sabbatical leave taken by the President. While she is not a member of the religious order, she did convert to the same denomination after about 5 years at CCC.

For the first few years, it seemed that Powers and Steering effectively complemented each other in terms of style. Since the President eschewed personal contact, especially with the faculty, Academic Dean Steering effectively filled the void. Energetic, ambitious, warm and charming in her dealings with people, Dean Steering relied on personal rather than bureaucratic control. She developed strong personal relationships with the faculty-the binding mode—that often included personal as well as material "extras" in exchange for loyalty and cooperation. Characteristic of the dramatic style, however, these relationships were not stable, and oscillated between idealization of a particular employee and complete devaluation. A person would be in favor for a while, during which time s/he would be a part of all formal and informal activities and rewards, invariably followed "the fall from grace", a permanent falling out of favor caused by a real or imagined act of disloyalty.

Like the president, Dean Steering used centralized decision-making but of a style that was much more personal, intuitive, and at times impulsive and manipulative in nature. Based on her close relationship with the president, as well as her informal base of support, she had great latitude in decision-making which she used to make unilateral and often inconsistent decisions. Given her skills in dealing with people, however, she was well-liked and often portrayed as "a better president".

About half way into Powers' presidency, an incident occurred that dramatically altered Dean Steering's style and ultimately, the control configuration of the college. The incident—still referred to as "the volleyball incident"—involved a situation where the president made a fairly typical, autocratic decision to eliminate the college's volleyball team because of inadequate physical facilities for the team to practice. A few of the faculty, who had been involved with the team, expressed their objections to the president in a strong and confrontational manner during an Academic Senate meeting, at which all faculty were present. Immediately following this meeting, a small group of students staged a demonstration outside the building, using a popular song to express their feelings about the president. The faculty stood by, watching the demonstration, some of them offering hints and suggestions about "the proper way to demonstrate". In order to reach her car, the president had to move through the crowd and was followed briefly by a few students with jeering comments.

The incident was followed by a formal investigation by the Board of Directors into the college, particularly its morale and decision-making and the president's effectiveness in this regard, and for a while, there were rumors that the two Susans were thinking of leaving. The president was instructed by the Board to discuss the matter with a
number of faculty members, which placed them in a classic Catch-22 situation. In private interviews settings, the faculty were asked to comment candidly on the president's leadership style, with the president taking careful notes of each of their complaints without any dialogue regarding the issues. Following the investigation which, at the Board level, included only Division Chairs, the Board decided to renew the president’s contract for the next five years and the president accepted.

Dean Steering was furious over the whole incident and what followed, in particular the faculty's role in it. Both the faculty’s lack of intervention in the demonstration and their comments to the president and Board were regarded as disloyal and hostile to the president, and by implication also to her. Even though there had always been a close relationship between Steering and Powers, after this incident it came to approximate an extreme binding relationship of the “folie a deux” — the shared contagion — type (Kets de Vries, 1975). Based on strong fear and suspicion of what is regarded to be a hostile environment, individuals develop exclusive relationships with one another of a high dependency nature in order to protect themselves and the other from outside attacks. In order to preserve this dependency, they “create closed communities, losing touch with the immediate reality of the organization's environment to the detriment of the organizational functioning” (p. 127). Often triggered by some event associated with the person's past, folie a deux results in suspicion, hostility, distortion and an externalization of feelings of guilt and hostility unto “the enemy”. What makes the process often difficult to detect is that “(t)he shared delusions are usually kept well within realms of possibility and are based on actual past events or certain common expectations” — thus containing “a bit of reality” (p. 128). Obviously, there had been a real incident of loss of control here, but this incident provided the foundation for an atmosphere of total suspicion and control in the future.

While Dean Steering had always placed herself between the faculty and the president, she now seemed to feel that protecting her from this hostile and malicious faculty should be her priority. First, this meant that she herself should be removed from the faculty, both structurally and emotionally. Her relationships with many individual faculty members cooled considerably and she withdrew from a number of social interactions. The college also hired a Dean of Instruction, Dean Othellia Order who was now to be responsible for handling all day-to-day faculty affairs, while Dean Steering became Vice-President of Academic Affairs.

Dean Order's orientation was a good match with the by now well-developed bureaucratic structure of the organization. Like the president, she was compulsively control oriented, with an excessive attention to detail, rules and procedures. From the beginning, the faculty resisted her approach and authority, especially when it became clear that V.P. Steering had not relinquished her decision-making powers. As long as one succeeded in somehow developing a good relationship with the V.P., Dean Order could easily be bypassed and her decisions and rules would be reversed in the normal, Steering fashion. Needless to say, Dean Order did not last long.
Overall though, relations with the faculty continued to deteriorate. Faculty resisted the steady increase in bureaucratic rules and procedures, especially as these began to include faculty review, faculty performance evaluation, and faculty promotions, and the negative dealings with Dean Order did not help the situation. While in the past, V.P. Steering's personable style helped to smooth over a lot of the conflict, her feelings of antagonism toward the faculty now made her less than effective in this regard, and she began to move more and more towards mirroring the president's compulsive orientation.

During President Powers' seventh year, she took a one-term sabbatical leave during which time V.P. Steering became the acting president. As acting president, Steering worked at attempting to resolve a number of the long-standing problems between the faculty and president, essentially by reversing some of the president's decisions regarding faculty promotions and divisional leadership and by instituting some extra compensation measures. However, when these decisions did not produce the intended effects of appreciation, gratitude and a generally improved attitude on the part of the faculty, this marked the end of her involvement with faculty members. Susan Steering was promoted to Executive Vice-President, a newly created position with somewhat ambiguous responsibilities, and a new V.P. of Academic Affairs was hired.

The new V.P. and academic dean, Bruce Dominick, was hired after a lengthy search process that extended over one year period, as the college had difficulty finding people who would accept the job. Dean Dominick had previous experience at the small community college level, as well as a background in a religious order, albeit of a different type. Relations between Dean Dominick and the president and executive V.P. appear to be of the delegating or proxy type, where Dean Dominick is sent on special missions, carrying out the goals and agendas of the two top executives, without being given authority to make decisions of any consequence.

Stylewise, however, Dean Dominick seems to perfect the compulsive orientation of both the president and Dean Order. Obsessed with needing to establish his authority, Dean Dominick insists on rigidly ruling and regulating every aspect of faculty life. While superficially friendly and advocating the same model of "consensual decision-making" that characterizes the rest of the college, his need to control people and committees is expressed much more manifestly. His recent restructuring of the faculty search procedure into 27 minute bureaucratic steps is a reflection of this need and his preoccupation with detail, typically at the expense of the big picture. As a result of his being hired, all bureaucratic rules are now enforced and daily life becomes a constant battle. Even though his relations with the faculty have been conflictual and hostile from the beginning, Dean Dominick seems unable or unwilling to acknowledge this, portraying them instead as friendly, collegial, and consensual. This has left people with the sense of a split reality, that has become typical of the college as a whole.
b. CCC's culture

Kets de Vries & 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, in the splitting response people come to be perceived as "all good" or "all bad", and relationships and cliques are formed accordingly.

CCC's culture at this point is characterized by such extreme splits at all levels. Groups within the culture - particularly faculty and administration - are preoccupied with fight/flight fantasies in which the opposing group is regarded as hostile, not trustworthy, and responsible for all the problems that exist in the college, also resulting in radically different accounts of organizational reality and history. Generally, this is accompanied by a lack of self-reflection and self-insight, fear and suspicion, and fight and flight responses on both sides. CCC's split campus - east (faculty) and west (administration), with a road dividing the two - has long been the symbol of this division.

With regard to the administrative group, there are both paranoia and avoidance-based scripts. The paranoia script shows in that there is "a strong conviction among the organization members of the correctness of their actions" (Kets de Vries & Miller, 1984, p. 55), displayed not only in one-sided views of the situation and history but also in a general feeling of suffering and having been victimized. This is accompanied by a denial of any real problems at the college as well as by scapegoating: "we have no problems other than the bad attitudes of some of our faculty". There is also a "search for the enemy", evidenced in attempts to rid the college of a number of its faculty, either directly through forced resignations or indirectly through demotions from administrative offices. There is a great deal of stereotyping, centralized leadership, and lack of tolerance of dissent and disloyalty, which are usually typified as "unprofessional attitudes".

The avoidance-based script, which is designed to isolate oneself from the enemy, is clearly articulated in the rapidly escalated development of college rules, structures, and procedures which, at one level, effectively buffer the top executives from any dealings with the faculty. At a different level, the avoidance-based script is also evidenced in the administration's maintenance of college's theme of itself as a "sharing and caring" institution. While these two concepts clearly have their origin in the religious history of the institution, they do not accurately describe the culture of the college as it exists today. Yet, as is characteristic of the compulsive institution, the college continues to stress caring and sharing as its dominant values, both internally and externally, thus avoiding to address the real gap and contradictions that exist in the organization.

With regard to the faculty, there is both an active fight/flight culture as well as remnants of the dependency fantasy, dating back to both Dean Steering's period of dramatic leadership and to earlier times in the college's history. For some of the faculty, the dependency relationships of those times as well as the rewards and the
positive morale that accompanied them still seem preferable to the overt conflict climate that is present today. Also, a number of the newer faculty do not share or understand the history of many of the conflicts and feel uncertain about their position in the college. Thus, the faculty itself tends to be divided into fight and flight groups, with varying constituencies. The fight group, like the administration, has a strong sense of correctness of its position as well as a "search for the enemy" orientation. Engaged in frequent conflict and confrontation, the group tends to lack effectiveness because it is not always organized and strategic in its actions and has also failed to unify the whole faculty behind its positions. The flight group tends to avoid open conflict, resorts to withdrawal into individual and at times social activities, as well as procedural resolutions of problems and situations.

With regard to staff, there seems to be a predominantly avoidance-based script in operation. Staff at CCC has little power, authority, or job security, and as a result operate typically on the basis of fear. One's political position at the college varies directly with who is in favor at this particular point in time, and, as noted before, this is highly variable and highly unpredictable. Thus, staff tends to focus on protecting themselves, either through association—developing binding relationships with top level people—or, after the invariable fall from grace, through withdrawal into the job, even though the latter is not generally effective as a defense mechanism. It is generally understood that what is expected is conformity and cooperation, and this is rarely deviated from. Relationships between faculty and staff are usually positive, even though it is made clear that overly close associations with certain faculty members are regarded as a sign of lack of loyalty to the administration of the college.

c. CCC's future

Sofar, this case study has sought to illustrate the concept of the neurotic organization by describing the development of CCC over a period of 11 years, moving from a small, informal organization to a highly developed compulsive institution. It has attempted to describe the key characteristics of the college's leadership, the influence of this leadership on the college's culture, and the resultant relationships and dynamics as they developed over time.

Kets de Vries & Miller (1986) note that, even though the "neurotic organization approach" has many strengths or advantages, it also has a more pessimistic aspect to it, namely "that is seems to point to great areas of resistance to change. Neurotic styles of behavior are deeply rooted; CEOs are very hard to change, especially when they hold all the power" (pp. 277–278). Meaningful changes, they suggest, can expected only "after dramatic failure erodes the power base of the CEO, or after a new CEO takes over".

In the case of CCC, the announced resignation of president Powers, effective June 1992, would seem to indicate a potential for future change at the college. While many people look forward to a change, the
overall sense is not consistently optimistic though. First, people realize that whether the change will be positive or not will depend on the type of person selected for the position. While there is nominal involvement on the part of the faculty in the search process, the hiring decision is one that is made by the Board of Directors. Given their positive perceptions of the current president, Powers, their choice for the future president may well run along the same lines. Second, there is an expectation that the executive V.P., Steering, may apply for the position of president, which might only aggravate the current problems and conflicts. While Powers is generally seen as not caring about the employees, Steering's agenda is perceived as vindictive in nature with a desire to still settle a lot of the old conflicts and hardships.

Finally, there is the question of whether and how cultures really change. While this will also be addressed in the next section, the issue here is that CCC now has a well-developed bureaucratic culture, along with an extensive history of conflict and antagonism. Not only are bureaucracies often easier to institute than to de-institute, a history of negative feelings and relationships is even harder to negate. Any new president coming into this situation would not only need to have a very different leadership style; s/he would also have to be willing to fight a long battle to undo what has been done.

III. Strengths and Liabilities of the Approach

As mentioned in the beginning of this paper, the concept of the neurotic organization has a number of valuable strengths. First, it draws our attention to well-recognized and experientially familiar phenomenon of the "sick" organization, which can help us understand not only this and other specific cases of organizational dysfunction; it can also provide us with insight into the general dynamics of organizational functioning. Second, the idea of the neurotic organization is important because it draws attention the ways in which micro-level dysfunctional behavior patterns, become diffused through the organization. Specifically, the concept of the organizational neurosis links neurotic patterns and relations that exist at the top executive level to organization-level structures, strategies, norms, and cultures. Additional strengths include its holistic approach, that searches for global patterns, styles and relationships, and its ability to identify and address deeply rooted and often hidden problems in organizations (Kets de Vries & Miller, 1986, p. 277).

From a critical perspective, the approach is not without problems however. Its first and major liability lies in its tendency to individualize problems of structural inequality and control. Rather than viewing organizational dysfunctions as connected to underlying "deep structure" issues of power and inequality, existing in the organization and the wider social context, it tends to focus on individuals and their relations as both the source and the solution of the problem. Rather than focusing on the institutionalized neurosis of the structure, it focuses on the neurosis of the individual in the
structure, and one is left with the impression that if only the organization's top executive would not be neurotic— or rather, have a healthy blend of neurotic styles—the organization would not have any problems. This fails to consider a number of important issues.

One, what exactly is the relationship between the leader's style and the organization structure? Even though through most of the readings the authors portray the relationship as one-sided, with the executive shaping the organization, at one point they indicate that "the influence between organizational orientations and managerial dispositions is reciprocal" (p. 277), such that certain events occurring within the organization may awaken dormant neurosis within the top executive. Even in this view of the relationship though the emphasis is shifted back to the executive as the impetus for the neurotic structuring of the organization.

In fact, the reverse argument could be made. In many organizations there is a fundamentally neurotic structure and culture firmly in place—usually of a compulsive/paranoid nature—based not only on the history of that particular company, but also the structural inequalities of the organizational relationship and its social context. It is the latter in particular, that not only create but in many ways necessitate compulsive cultures and compulsive executives to maintain the usual status quo. In this sense, neurotic organizations are typical of capitalist society and not generated on a case by case basis by the individuals that manage them.

If organizations are neurotic to begin with—even though they may vary in the degree to which this neurosis is manifested overtly, and the particular form neurotic control takes in the organization—individual's neurotic behavior may be understood better as an adaptive survival response rather than an inherent personality pattern. Especially when it comes to organizational management, people are often taught neurotic control practices during their educational experiences, and the managerial mindset makes them particularly open to perceiving problems in terms of control, conflict, suspicion, and exploitation. Once equipped with this mindset, the manager is placed in the neurotic structure which further sharpens human relationships in terms of inequality and control, and must act out what is expected of him or her.

In short, it may be the neurotic structure of the organization—in particular the neurotic nature of organizational control relationships in capitalism, based on structural inequity and exploitation—that determines the neurotic behavior of individuals and their relationships rather than the other way around. Through its exclusive focus on individuals, the organizational neurosis approach is incapable of addressing the inherent neurosis of the system.

Second, in focusing on individuals, in particular, company executives, this approach individualizes the concepts of power and control. Power and control are seen as residing in the individual rather than in the relationship or, more importantly, in the entire social process and structure. This may be a real simplification of the idea of power, for as Foucault has argued, power is not simple,
individual, personal, unilateral, or direct. Rather, the "micro-
physics of power" must be studied as:

.. the result of measurements and steps, manoeuvres,
tactical approaches, techniques and mechanisms; that, in
this power, one distinguishes a network of tense,
continuously active relationships, rather than a privilege
one might possess; that one would rather compare it with a
continuous struggle than with a contract which regulates a
transfer or with a conquest of an area. In short, one must
realize that this power is something one exercises rather
than possesses, that it is not a privilege conquered or
preserved by the ruling class, but rather the total affect
of this class strategic position - an effect which becomes
apparent in the position of the subordinate and the
prolongation of which the subordinate individual sometimes
contributes to. (Foucault, 1974, pp. 36-37)

Power, in other words, exists in the network and the dynamics of
relationships and not in the individual, who is merely an extension of
this network and the classes and interests that structure it.
Furthermore, power is always dynamic - a struggle - containing within
it its own opposition, the potential for resistance, avoidance, but
thereby also new forms of power. By presenting power and control as
personal, the neurotic organization approach fails to grasp the
dynamic, structural quality of power as well as its potential for
generating its own resistance and denial.

Third, with regard to creating change, Kets de Vries and Miller
(1984, 1986) restrict themselves to one of three scenarios: "cure" the
top executive through therapeutic intervention, lose the top
executive, or create a change through some dramatic failure on the
part of the organization, which would probably have the effect of the
first or second scenario. By viewing change as necessarily a change in
the leadership of the structure, rather than a change in the structure
itself, Kets deVries and Miller underestimate the oppressive potential
of the organizational structure itself. Once a particular structure
and culture are institutionalized, change requires more than only a
change in the top leadership. It will necessitate a change in all the
structural facets of the organization, as well as a change in the
organizational membership at large.

Finally, their approach to change leaves no room for the
possibility of action on the part of any organizational members other
than the leader. Granted, neurotic organizations are usually
characterized by strong, autocratic, and centralized leadership, which
makes action on the part of other people difficult. However, their
scenarios doom people to only one of two choices: either to leave or
to actively participate in the neurotic cultures of the organization.
It would seem that critical reflection on the condition of the
organization - including the realization of its neurotic
characteristics and tendencies and the impact of these factors on the
organization as a whole - would be beneficial in terms of impelling
strategic action for change, not only change initiated at the top but
also movements for change initiated at the bottom of the organization.
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 would greatly strengthen the potential contributions of this type of research. While it would by necessity downplay the role of the corporate executive, it would still be able to identify neurotic patterns of interaction and communication in the organization. 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.

Briefly, how would this change the previous analysis of CCC? First, a focus on the structure of the organization would examine the power inequities that characterize institutions of higher education. It would address the problems inherent in the historic and present structure of CCC that pit faculty against administration, and lay the foundation for ongoing control and resistance cycles. It would also acknowledge that CCC’s move towards compulsive bureaucratic control was not only influenced by President Powers’ control orientation, but also shaped by the power conflicts between different factions and classes in the educational system. In this sense, enhanced bureaucratic control is not limited to CCC, but has been characteristic of the entire educational system over the past decade, manifested in such factors as increased faculty monitoring and the whole assessment trend, while, on the other side, increased faculty unionization and organization are signs that resistance to bureaucracy is also not limited to CCC.

Furthermore, while recognizing President Powers’ compulsive orientations, this broader based approach would also see the relationship between her personal style and the compulsive orientation to educational administration that is taught in schools of higher education, as well as the style of management that characterizes religious orders, both of which might contextualize her approach a bit more. Power relationships in the organization would not be seen as simple or unilateral, but rather as complex and relational. This would highlight President Powers’ role as an agent of the system rather than as an individual. In viewing power as struggle rather than privilege, it would require an examination of the ongoing interactions within the relationships between factions, both within and outside the organization, including exercise of power and resistance to power as the natural dynamics of the phenomenon.

Finally, in terms of change, the extended approach might not view the resignation of President Powers as a necessary sign of change. Effective change would require a change in the structure and culture of the organization, and this in turn would require, at minimum, an awareness of the current problems and conditions. To the extent that certain key factions — administration and the Board of Directors— may not be willing to acknowledge current problems, chances are that they will select a president who is similar to the current one, and may not be inclined to make the drastic changes needed to eliminate the
current neurosis. Furthermore, even if a different type of president is selected, CCC will require a major overhaul to rid itself of the sedimented neurosis that currently characterizes every element of its culture. Open and undistorted communication in a more egalitarian structural order combat this sedimentation, but its occurrence is unlikely without some critical intervention into the system.

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