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The Psychodynamics of Top Teams and the Impact on Strategic Organisational Learning: Three Case Studies in the Public Sector

School of Management

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Michael G. Jarrett

The Psychodynamics of Top Teams and the Impact on Strategic Organisational Learning: Three Case Studies in the Public Sector

Supervisor: Dr. Kim James

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Abstract

The growing literature on organisational change, organisational learning and the role of the top team prompted the question: what is the relationship between top teams and organisational learning? It seemed that role of the top team was important to attain successful change and ultimately learning. Yet how this was achieved seemed to be poorly understood in the literature.

Thus, the thesis focused attention on the dynamics of the top team, its organisational context and the state of the external environment to gain a clearer understanding of these relationships. In order to deepen that understanding, the thesis took a systemic and psychoanalytical approach and a clinical research methodology, which provided a different perspective and seemed to be more suited to this type of inquiry on organisational dynamics.

The 'findings' from the three, in-depth, public sector case studies suggested that while the dynamics of the top team could impact negatively on the group task, its impact on strategic organisational learning was less significant.

The main conclusion drawn from the study was that strategic organisational learning was impaired not so much by the top team's dynamics, but by organisational and systemic defensive routines.

The source of these recursive patterns was threefold:

- psychodynamic ego and social defenses among top team members, within the top team's group and within the dynamics of the Board

- A poor 'holding environment' so that these organisational dynamics were not sufficiently contained and thus each strategic subsystem was less 'task' focused

- an underbounded strategic apex that reinforced the dysfunctional dynamics already in play

The implication from these public sector, case studies was that while the external environment and the dynamics of the top team were not insignificant, it was the poor quality and instability of the internal organisational context that inhibited learning. The role of the Board or elected officials was particularly significant in contributing to this outcome.

Acknowledgments

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Table of contents

Abstract iii

Acknowledgments iv

Table of contents v

Figures and tables xx

Appendices xxiv

Contents

Part one - Setting the scene

Chapter 1: Introduction *1-12*

1. Introduction - The aims and purposes of the work 1

2. The scope of the work 3

3. Perceived gaps in current thinking 3

Shifting the focus of inquiry on the management of change 3

Exploring the role of leadership 4

Putting learning at the centre of change 5

A lack of integration 6

4. The focus of inquiry: the research questions 8

5. The organisational context 9

6. The research approach 9

7. An overview of the rest of this thesis 10

Part two - The theoretical domain 13

1. Introductory remarks (to part two) 13

2. Theoretical areas of inquiry 14

Organisational change 14

The nature of organisations 14

The role of the top team 14

Organisational learning 15

3. A psychoanalytical approach 15

Chapter 2: Understanding organisations and change ***17-24***

1. Introduction: Organisational change and learning 17

2. Concepts of organisational development and change 17

3. Organisational development 18

4. Kurt Lewin and beyond 20

Kurt Lewin's contribution 20

Lewin on change 20

Generalising Lewian models 22

Some tensions in the model 22

Chapter 3: The tensions between rational and subjective analysis ***25-45***

1. Introduction 25

2. Strategies for managing change 26

Empirical rational strategies 27

Normative re-educative strategies of change 29

Power-coercive approaches to effecting change 32

3. Further developments 35

The strategic choice and entrepreneurial framework 36

The systemic conflict framework 36

A processual approach 38

4. The application of a psychoanalytic perspective 41

What does psychoanalysis add to our understanding of Managing change? 42

5. Summary and conclusion 43

Chapter 4: Theories of organisation ***45- 68***

1. Introduction 45

2. An overview of the main schools of organisation theory 46

The thematic approach 46

The historical approach 48

3. Systems theory 52

The environment 55

Task and boundaries 56

Technology 58

Psycho-social elements 58

4. Difficulties in system theories 61

5. A conflict systemic paradigm 63

6. A psychoanalytic perspective 65

7. Summary 67

Chapter 5: Organisational learning and the role of 'top teams' ***69-87***

1. Introduction 69

2. What is organisational learning and why is it important? 69

3. The context of organisational learning 71

4. The role of the 'top team': a strategic subsystem 72

5. What does organisational learning mean in this thesis 73

Orientation 73

Organisational learning: the components 74

6. Levels of learning 78

Scanning 82

Sharing 84

Taking action 84

Review and reflection 84

Defensive routines 85

Systemic problem solving 85

7. A psychoanalytic perspective 86

8. Summary and focus on strategic learning 87

Chapter 6: Psychoanalytic perspectives: the role of the subjective in understanding the dynamics of social systems ***88-104***

1. Introduction 88

2. The case for a psychoanalytic approach 89

3. A psychoanalytical approach to social systems 90

4. The individual level 91

5. Freud: the father of psychoanalysis 92

Neo-Freudians 93

6. Melanie Klein and early object relations 93

Critique of Klein 98

7. Post Klein 99

Attachment and separation 99

The work of Donald Winnicott 100

8. Summary (of chapter 6) 104

Chapter 7: The application of psychoanalysis to organisational systems 105-125

1. Introduction 105

2. The application of psychoanalysis 105

3. Taking up a role in organisations 107

4. The implications for role 108

5. The organisational group 109

Psychoanalytic theories of groups 110

Developments in psychoanalytic thinking on groups 111

Beyond Bion 113

The application of Group Analytic thinking to 'top teams' in organisational systems 115

6. Implications for groups in context of organisation 118

Inter-group dynamics 119

Large group dynamics 120

7. Organisational level 121

The symbolic nature of the organisation 121

The holding environment 122

Defensive routines 123

8. Conclusion 125

Chapter 8: An emerging model of organisational dynamics - summary for part two ***126-138***

1. Introduction 126

2. The key gaps 126

3. The research question (revisited) 128

4. The emerging model 130

5. The psychodynamics of 'top teams' and their impact on strategic organisational learning 131

6. Working hypotheses 134

Working proposition 1 - Organisation and the impact of the external environment 135

Working proposition 2 - Boundary management 135

Working proposition 3 - The dynamics of the group 136

Working proposition 4 - The individual and role in the group 136

7. Conclusion 137

Part Three - Undertaking the research 139

Chapter 9: The research philosophy and approach ***139-163***

1. Introduction 139

2. Research orientation: reality and frames of reference 141

The role of the subjective 141

The choice of research orientations 142

A constructivist orientation 147

3. Research approach and strategy 148

Introduction 148

Research strategy 149

A qualitative approach 155

4. Summary and conclusions 162

Chapter 10: The research design and methodology ***164-184***

1. Introduction 164

2. The key elements of the design 164

3. Research methods 168

4. Research methods and questions 170

5. Research instruments 174

6. A deeper look at the research instruments 176

The Group Analysis Grid (GAG) 176

Interview schedule 177

Personal inventory 178

The development of the organisational questionnaire 179

The self as instrument 180

Interpretation and dialogue 181

7. Data analysis 182

Task and 'top team' 182

The dynamics of the team 183

Organisational learning 183

Organisational context 183

8. Summary 184

Chapter 11: The case material ***185-198***

1. Introduction 185

2. Case selection 185

Groups in public sector organisations 185

Organisational scope - 'local' 186

Organisational types 186

The selection process 186

3. The overall research process 188

Introduction 188

Key stages in the research 190

4. Methodology and instruments: practice and issues 192

The Group Analysis Grid 192

The interview schedule 193

Personal interviews 194

The organisational questionnaire 195

Clinical methodologies 196

5. Conclusions 197

Part four - Cases in organisational 'learning' 199

Introductory remarks 199

Chapter 12: The 'top team' that fragmented - coping with uncertainty

211- 327

1. Introduction 211

1.1 Background information 211

1.2 Initial contact 213

1.3 The key players 215

2. The organisation and its environment 216

2.1 Is the environment turbulent? 216

2.2 Does the context of the organisation provide a 'holding environment' for organisational learning 223

2.3 Analysis of the organisational environment and context 243

3. The group and task 247

3.1 Does the team hold a common view about its task effectiveness? Is it effective? 251

3.2 Is the leaders role facilitative to task attainment? 252

3.3 Are the boundaries of the 'top team' sub-system optimally managed? 256

3.4 Analysis 262

4. The group and its internal dynamics 264

4.1 Does the team display examples of 'basic assumption' motifs over 'work' 264

4.2 Do individual 'valencies' reinforce difficult group dynamics? 280

4.3 Do individual valencies reinforce difficult group dynamics? An analysis of the individuals 301

Postscript: After the elections and the implications for the group and individuals 304

5. Organisational learning 306

5.1 Is there strategic learning? It nature and scope 306

5.2 Is there double loop learning? The role of defensive routines 311

5.3 Does the strategic leadership provide facilitative structures? Implications 312

6. Personal insights 313

7. Conclusion 322

Chapter 13: The 'top team' that changed - a case study of organisational transition ***328-415***

1. Introduction 328

1.1 Background information 328

1.2 Initial contact 330

1.3 The key players 332

2. The organisation and its environment 333

2.1 Is the environment turbulent? 333

2.2 Does the context of the organisation provide a 'holding environment' for organisational learning 338

2.3 Analysis of the organisational environment and context 348

3. The group and task 352

3.1 Does the team hold a common view about its task effectiveness? Is it effective? 354

3.2 Is the leaders role facilitative to task attainment? 356

3.3 Are the boundaries of the 'top team' sub-system optimally managed? 359

3.4 Analysis 361

4. The group and its internal dynamics 362

4.1 Does the team display examples of 'basic assumption' motifs over 'work' 362

4.2 Do individual 'valencies' reinforce difficult group dynamics? 379

4.3 Do individual valencies reinforce difficult group dynamics? An analysis of the individuals 395

5. Organisational learning 399

5.1 Is there strategic learning? It nature and scope 399

5.2 Is there double loop learning? The role of defensive routines 402

5.3 Does the strategic leadership provide facilitative structures? Implications 405

6. Personal insights 405

7. Conclusion 411

Chapter 14: The 'top team' that stayed the same - a case study of organisational routines 416- 520

1. Introduction 416

1.1 Background information 416

1.2 Initial contact 419

1.3 The key players 420

2. The organisation and its environment 421

2.1 Is the environment turbulent? 421

2.2 Does the context of the organisation provide a 'holding environment' for organisational learning 426

2.3 Does the context support organisational learning? Analysis 442

3. The group and task 449

3.1 Does the team hold a common view about its task effectiveness? Is it effective? 452

3.2 Is the leaders role facilitative to task attainment? 454

3.3 Are the boundaries of the 'top team' sub-system optimally managed? 456

3.4 Analysis 459

4. The group and its internal dynamics 461

4.1 Does the team display examples of 'basic assumption' motifs over 'work' 461

4.2 Do individual 'valencies' reinforce difficult group dynamics? 476

4.3 Do individual valencies reinforce difficult group dynamics? An analysis of the individuals 495

5. Organisational learning 498

5.1 Is there strategic learning? It nature and scope 499

5.2 Is there double loop learning? The role of defensive routines 505

5.3 Does the strategic leadership provide facilitative structures? Implications 507

6. Personal insights 509

7. Conclusion 516

Chapter 15: What impairs strategic organisational learning: lessons and conclusions ***521-542***

1. Introduction 521

2. What are the conclusions form the case studies 525

Revisiting opening propositions 525

Developing ideas and further research 531

3. What were some of the key lessons from the research process 535

4. What are the implications 537

Comparisons with other studies 537

The contribution of this thesis 538

5. Final statement 542

References ***543 - 575***

Figures and tables

Figures

Figure 1.1: The dynamics of top teams, change and organisational learning 2

Figure 1.2: An outline of the chapters of this thesis 12

Figure 2.1: A Schema of the Key Theoretical Areas of this thesis 16

Figure 2.2: Change and Organisational Learning 17

Figure 3.1: The Transition Curve - the emotional journey of change
31

Figure 3.2: A Systemic and contextual model
- The Nadler-Tushman model for diagnosing organisational behaviour 39

Figure 4.1: An Open System: A Simple Model 57

Figure 4.2: A Systems Model for Examining Organisational Change 67

Figure 10.1: The Embedded Relationship of the Group 166

Figure 12.1: An overview of the structure - Ellismoore District Council 213

Figure 13.1: An overview of the structure of Gladding NHS Trust Hospital 330

Figure 14.1: An overview of the structure of Tutherington Council 418

Tables

Table 3.1: A Summary of the Analytical Perspectives 44

Table 4.1: Models of Conflict 63

Table 5.1: Common Problems in Unsuccessful Systems 80

Table 5.2: Features of Successful Implementation 80

Table 5.3: Success and Failure in CAPM Implementation 81

Table 5.4: Properties of Overbounded and Underbounded Systems 83

Table 6.1: Two Contrasting Roles for Personal Responsibility 103

Table 7.1: A Group Analytic Perspective: the 'group matrix' 116

Table 9.1: The Underlying Assumptions Characterising the Subjective - Objective 143

Table 9.2: Choices Between Methodological Issues 145

Table 9.3: Wertz's cannons of a phenomenological approach 151

Table 10.1: The Relationship between the Key Questions and the Methods 171

Table 11.1: An Overview of the Key Relationships between Research Interests, Methods and Propositions 189

Part four: A table of the case study template 204

Table 12.1: The key eras in Ellismoore's history 228

Table 12.2 : A list of items that describe the negative aspects of the organisation from the COG's strategy day in February 1994 233

Table 12.3: The Dynamics of the group based on the Group Analysis Grid (Ellismoore District Council) 274

Table 12.4: The key decisions made by the COG over a six month period 310

Table 13.1: The Key eras in the Trust's history 340

Table 13.2: The Dynamics of the group based on the Group Analysis Grid (Gladding Hospital) 371

Table: 13.3 The comparison of Firo-B score and self assessment for Geoffrey Hands 380

Table 13.4: The comparison of Firo-B score and self assessment for Dr James Miller-Winthrope 383

Table 13.5: The comparison of Firo-B score and self assessment for David Larson 385

Table 13.6: The comparison of Firo-B score and self assessment for Harriet Quinn 387

Table 13.7: The comparison of Firo-B score and self assessment for Ginny DeVoil 389

Table 13.8 The comparison of Firo-B score and self assessment for Jean Peat 392

Table 14.1: The key eras in the Tuthering Council's history 430

Table 14.2. The key dynamics in the group (Tuthering Council) 471

Table 14.3: Firo -B scores for Chris Hinds 477

Table 14.4: Firo-B scores for Paul Harris 480

Table 14.5: Firo-B scores for Fred Jones 482

Table 14.6: Firo-B scores for Ben Chandra 485

Table 14.7: Firo-B scores for Peter Atkins 487

Table 14.8: Firo-B scores for Janet Taylor 490

Table 14.9: Firo-B scores for Charles Tews 492

Table 14.10: The views of the top senior management population on Tuthering's strategic organisational learning 504

Table 15.1 A summary of the key points from the cases presented 522

Appendices

Appendix 1: Coding Verbal Interaction In Groups 576

The Unit Of Interaction For Coding 576

Scoring Of Verbal Statement 578

Appendix 2 - Group Analysis Measures 586

Appendix 3 The Interview Questions 587

Appendix 4 Reliability And Construct Validity For Firo-B 592

The Dimensions Of Firo-B 592

Reliability 593

Validity 594

Appendix 5 The Item Analysis For The Strategic Organisational Learning Inventory (Soli) 596

Appendix 5.1 The Original Strategic Organisational Learning Inventory 598

Appendix 5.2 The Revised Strategic Organisational Learning Inventory 599

Appendix 6 The Clinical Researcher - Job Skills, Knowledge And Attributes 600

Appendix 6.1 Firo-B for Michael Jarrett 601

Appendix 7 Key Issues In Local Government 602

Local Authorities And The Management Of Change 602

Key Changes Facing Local Authorities Since 1985. 602

The Role Of Local Government 613

Organisation And Management Issues In Local Authorities 618

Conclusion 622

Appendix 8.1 Examples Of Field Notes To Case Study One - Ellismoore District Council 623

Appendix 8.2 Results Of Group Observations Based On The Group Analysis Grid 625

Total Group Scores 625

Analysis Of Group Scores By Session 625

Appendix 8.3 Overview Of Personal Inventories 629

Appendix 8.4 Lessons And Conclusions From The Research Process 630

Appendix 9.1 Examples Of Field Notes To Case Study Two - Gladding (Nhs) Hospital Trust 641

Appendix 9.2 Results Of Group Observations Based On The Group Analysis Grid 644

Total Group Scores 644

Analysis Of Group Scores By Session 645

Appendix 9.3 Extracts From A Gladding Trust Executive Meeting 647

Appendix 9.5 Firo-B Scores For Gladding Hospital Trust Directors 649

Appendix 10.1 Examples Of Field Notes To Case Study Three - Tuthering Council 651

Appendix 10.2 Results Of Group Observations Based On The Group Analysis Grid 654

Total Group Scores 654

Analysis Of Group Scores By Session 654

Appendix 10.3 Extracts From The Director's Group Meeting 657

Appendix 10.4 Firo-B Scores For Tuthering Local Council 659

Chapter 1 - Introduction

1. The aims and purposes of this work

The aim of this research is to explore the relationships that exist between the dynamics of the 'top team' in organisations and the impact of their behaviour on the organisation's capacity to learn from their experience, especially that which arises from the necessity to change. It seeks to increase our understanding of the nature of learning in organisations and to develop theoretical postulates that arise from that understanding.

The research is based on the notion that, for organisations to be able to change to the ever increasing demands of their business environment, they need to be able to change not just once, but that they should possess the capacity to manage multiple changes, of varying degrees, over long periods of time and see such changes as strategic. This, by definition, requires organisational development, which means that organisations are able to continuously learn and develop from their experience. Thus, a central feature of the capability for organisational development is the capacity for organisational learning.

Whereas change refers to externally or internally driven discontinuities, such as greater competition from an emerging market, legislation, or the appointment of a new CEO, development refers to enhancing the capacity of the system's performance, however defined. Learning refers to the ability of the organisation to respond to the environment and to absorb and replicate processes within the system. This argument is developed in chapters 2 and 5, where the terms are also discussed in more detail. However, the point being made here is that learning, development and change are similar but not the same.

It is argued in this thesis that change and organisational learning need to be managed and that the 'top team' has a leading role to play as part of the process. The 'top team' may be very positive and active in promoting the change, or they could sabotage change and engage in dysfunctional and political maneuvers to resist change.

While the role of 'top teams' cannot and should not be overestimated, they do work across multiple boundaries and within a broader context of the organisation's staff, customers, key stockholders, and environment. Thus, the impact of some of these contextual issues will also form part of the analysis to be conducted in this work.

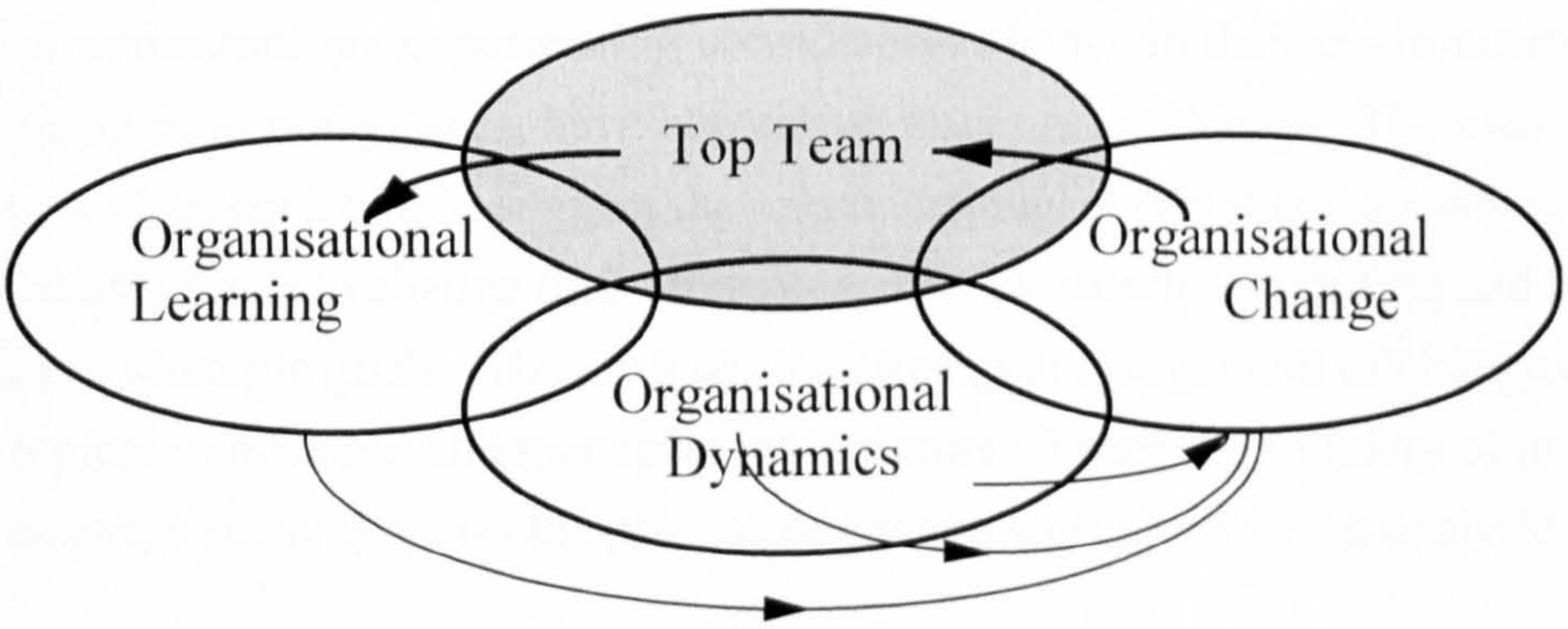
The implication of this argument is that organisations with 'top teams' that are 'functional' will be able to manage their learning better. Thus, their organisations should be more responsive to environmental demands and be able to adapt and change accordingly for better performance vis a vis their stated goals. In particular, the outcomes that this study addresses are less concerned with output goals, but more process goals in the form of 'organisational learning'.

The focus of the research is to understand the conditions that promote or hinder functional 'top team' dynamics and its attendant capacity to achieve or undermine organisational learning at a strategic level.

In particular, this thesis explores the factors and dynamics that relate to the 'top team's' management of boundaries and what impact these have on learning. (See figure 1.1 below)

Fig 1.1

The dynamics of top teams, change and organistional learning



2. The scope of this work

This scope of this work is on the links between the top team, its internal dynamics and organisational learning in the context of change. It is informed by three main domains:

* Perceived gaps in current theory
* The focus of inquiry
* Organisational context

This thesis first and foremost contributes to the discipline of organisational behaviour and aims to provide some new insights and perspectives to understanding the dynamics of organisational life. This goal is being explored in the context of broader economic, social, technical and political changes that are facing organisations and institutions.

3. Perceived gaps in current theory

Current theory in the domain of leadership, organisational learning and change appears to have a gap in three areas: a lack of integration; incomplete models and needing more depth.

Shifting the focus of inquiry on the 'management of change'

Organisations are experiencing considerable change in their environments and these changes, in many cases, have become an impetus for change. Theories in organisation (see chapters 2 and 3) suggest that organisational survival and growth require organisations to change their strategies, internal structures, culture and relationships to meet strategic goals. Thus, we see the strategic management of change as extremely topical in business and management literature. There are a variety of normative and descriptive analyses on the process of change with fewer being analytic in nature.

Business magazines and some academic journals provide prescriptive approaches to change with the six steps, seven steps or ten steps that are required to manage change. These models are useful. However, their emphasis implies change can be controlled and they tend to be rooted in a modernist position of organisation and management where reality is seen as 'objective', and organisations are seen as 'things' or machines to be controlled, rather than people and processes to be understood.

The implication is that change interventions may be misdiagnosed due to an inadequate understanding of the system. Such approaches tend to be dominant with fewer contributors taking a perspective that seeks to understand the internal processes, dynamics and meaning of the key actors or stockholders (Hatch (1997), Kilduff (1993), Warner (1994)). This research aims to contribute to the latter perspective of understanding internal processes and to provide another perspective on organisational dynamics.

Exploring the role of leadership

Much of the literature on organisational development and change emphasises the role of leadership. This is particularly explored in chapter 5. It suggests that it is important to gain the support of top managers otherwise change will not occur. This notion by itself is not contentious. However, our understanding of what it means is constrained by a number of factors.

No theory offered

Firstly, there are prescriptive models of change that state the importance of leadership but do not offer theories or explanations about how they take up their roles and enact change. It is 'as if' they assume that by managers being present and saying that they support change, then it will happen: as if by magic. Notable exceptions include Schein (1985), Kets De Vries and Miller (1984) and Smith and Peterson (1988). These provide socio-cultural or contingency approaches; they are not in the realms of rational models. A fuller discussion on this topic is in chapter 5.

The charismatic leader

Where leadership is considered in organisational change management, a great deal of emphasis is placed upon the personal qualities or 'traits' of the Chief Executive Officer (CEO). Such changes tend to be reliant on the charismatic leader and an implied dependency assumption about the 'followers' (Beckhard, R and Pritchard, W (1992), Kanter et al (1992), Kouzes and Posner (1987)). These approaches suggest that leaders are born but they are not supported by empirical evidence and have been criticised for being misleading as they do not take into account the context and complexity of the organisation.

Leadership in context

A contextual perspective on organisational life suggests that we see leadership as a role within the organisation more generally. There are contextual or contingency approaches to leadership but the explanatory link between leadership behaviour and organisational learning, as opposed to team behaviour or task competency, tends to be low. Secondly, these theoretical approaches and studies tend to focus upon the sole leader and their particular style or personality, with less attention being given to the influence of culture. Thirdly, few studies look at the broader leadership role of the 'top team', which is the collective mechanism for real change in terms of implementation and learning. The works of Katzenbach & Smith (1992, 1994 & 1997) are notable exceptions. Furthermore, where a strategic team is considered, it tends to look at qualities or even behaviour, without looking at possible dynamics and motives that inform the group's effectiveness. This latter category is a gap in the literature that this research will address.

Putting learning at the centre of change

The relationship between learning and change is not always clear in the literature. Change does not necessarily mean development or learning, especially when the change is forced upon an organisation or any part of it. However, learning is usually associated with development. These assumptions about the relationships between change, development and learning are tested and explored, especially the contention that, for organisations to be able to meet the demands of a rapidly changing environment, they need to engage in learning across the whole system in order to survive and thrive. These issues are discussed in more detail in the following chapters.

There are many benefits that arise from organisational learning. Organisational learning provides a strategy for sustainable and continuous development. Much of the interest in this area is because it offers a number of benefits that affect both the bottom-line and the dynamics of the organisation.

Firstly, in pursuing organisational learning, the system is expected to be more open to the signals and trends in its environment and read what is going on before it's too late. IBM's misdiagnosis of its environment in the late 1980's and the subsequent losses of over $420bn is an example of strategic organisational learning not happening. Secondly, organisational learning provides a wider and deeper range of options in response to problems and difficulties. Thus, one can move beyond seeing things simply as a crisis, but possibly identify the 'root' problem that can be tackled corporately. This is a better option than addressing the 'presenting' organisational problem and the waste of time, money and emotional energy that goes into damage limitation. For example, documented material from the inquest into the Challenger disaster suggests that one of the root problems was "a tendency to manage isolation" and thus not see things holistically across the whole system (Hirschhorn (1988)). Thirdly, increases in organisational learning can reduce mistakes, if the learning is shared. Fourthly, organisational learning can increase the competitive edge of the business through increasing creativity and innovation. Examples of this can be found in the software field, such as Microsoft. Finally, increases in organisational learning facilitate further individual and group learning and thus the process can be generative.

Thus, understanding the way in which the system learns, or fails to learn, provides us with information about some of its internal processes.

A lack of integration

Theories about the relationship between leadership groups as 'top teams', their internal dynamics, organisational change and organisational learning are not fully integrated as a perspective on understanding organisational behaviour and dynamics. Thus, it is these key areas that draw the initial boundaries around this work.

Incomplete models

There are theories of leadership, such as Fielder's (1967) contingency model that covers a discussion on context but not organisational change. Alternatively, there are models of transformational leadership, such as Bennis and Nanus (1985), that cover change and leadership but do not cover the group phenomena in depth. In short, each of the areas has a body of knowledge in their own right but they tend to stand in isolation or in partial relationship to each other. There is a lack of integration. Thus, this thesis aims to synthesis the key aspects of these areas of interest and provide a framework for understanding the impact of 'top teams' on strategic organisational learning.

Insufficient depth

It was suggested earlier that dominant theories of organisation were in a 'modernist' tradition and that such an analysis may miss some of the complexity of understanding organisations. As this thesis takes a different perspective, which gets behind the external face of systems and understands the complexity from inside the system, it is more likely to provide a greater and deeper level of understanding of the dynamics that take place. Thus, an analysis that takes into account the subjective experience and motives of the people involved in the 'top team', organisational learning and their immediate context will also be a feature of this work. In developing a deeper understanding, this thesis will apply psychoanalytic theory to organisational and group life as a tool of cultural inquiry.

Thus, in examining the role of the 'top team' we are interested not only in their context - the organisation - but also in their internal world and subjective experience. How do their actions and thinking impact on the organisation's learning at the strategic apex of the organisation? This sets the limits of the inquiry. The thesis is not an examination of the strategy process, nor is it an in-depth analysis of organisational culture. It also falls outside the domain of organisational consultancy interventions. These areas are relevant in that the research work will be influenced by these factors and have implications for them. However, they do not form the centre-piece of this analysis.

4. The focus of inquiry: the research questions

What is the main question that the thesis work aims to address? What is it seeking to explore and understand as a contribution to our understanding of organisational behaviour and organisational dynamics in particular?

The broad research question is:
"What is the impact of the 'top team's' internal dynamics on the task of strategic organisational learning?"

This breaks down into four sub-questions, which aim to explore:

* The team's task effectiveness
* The team's internal dynamics
* The nature and quality of strategic organisational learning
* The impact of the team's context on its boundary management and thus it's capability to learn.

Thus, the four sub-research questions are:

Task effectiveness
"How does the 'top team' see its effectiveness as reflected in its ability to manage its task and boundaries?"

The nature and quality of the internal dynamics
"How far are the internal dynamics of the 'top team' dysfunctional?"

Organisational learning
"To what extent is there strategic organisational learning?"

The impact of context
"How far does the context of the team - including the relationship with the Board - impact on its process of boundary management and the space that provides for successful learning?"

These four questions provide the framework for furthering this inquiry.

5. An organisational context of change: the public sector

The context for exploring these issues is the UK public sector. In the United Kingdom there have been many company lay offs and liquidations with a resultant depression in the housing market, and unemployment at around 10% at the time of study[1]. A sector where the impact of these changes has had to be actively managed is the public sector.

Government cuts and a philosophy of competition and minimal intervention for the public sector mean its nature and role has been challenged. No longer are public sector organisations to be the sole or direct provider of services and goods, but they are expected to compete with the private sector, contract out their services and reduce cost while improving effectiveness and efficiency.

The challenge for the UK public sector organisations is that they still have to exist, but they are required to manage their resources more effectively, with new cultural imperatives, structures and working practices. They are organisations in transition, currently undergoing change. How far is this change, development and learning? An examination of these fairly long established organisations will provide a context to examine the relationship between the dynamics of 'top teams' and organisational learning at a strategic level.

6. The research approach

The research approach[2] will reflect the nature of the inquiry. Namely, it will seek to understand the complexity of the organisation not only from a body of established research and knowledge, but also from the experiences and reality of the people within the organisation. In taking such a perspective the research lies within the realms of a 'qualitative' perspective that draws upon and treats as valid the subjective experience of those involved in the system or organisation. Thus, a qualitative approach will be the main research strategy with quantitative analysis added to support triangulation of data sources where possible. In addition, a case study approach will also be taken so that the depth of each of the systems, processes and dynamics can be fully analysed. Three 'top team' cases are studies.

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[1] Economist, Jan 1996

[2] The research approach is discussed in further detail in chapters 9, 10 and 11.

7. An overview of the rest of this thesis

The work that follows is developed under five main parts or headings: setting the scene; review of the literature and the emergent analytical model; the research process that follows; the case studies and finally, their interpretations and wider learning.

Part one, this chapter, sets the scene and defines the purpose, rationale, scope and approach to the work.

Part two has seven chapters. It reviews the literature and concludes with an emerging model for understanding strategic organisational learning. It is a review of the literature in five areas: theories of organisational change; organisation; organisational learning and the dynamics of groups and teams. These frameworks are used to provide an integrated understanding of 'top teams' and their relatedness to organisations, change and organisational learning and they suggest a deeper framework of analysis based on the application of psychoanalytic principles to organisational behaviour.

Chapters 2 and 3 look at the concepts and understanding of organisational development and change. They take a systemic conflict approach to understanding change for this thesis. Chapter 4 explores our understanding and models of organisations based on a review of organisational theory. It takes an integrated approach that uses an open systems theory approach to understanding organisations, along with an integration of the social, psychological and political aspects of organisational life. Chapter 5 briefly reviews the notion of organisational learning and defines its meaning and relatedness to 'top teams' for this thesis. Chapter 6 puts forward the case for the application of psychoanalytic thinking to organisations and provides a brief overview of psychoanalytic thought. An object relations approach to psychoanalysis is developed and this is applied to groups and organisational social systems in chapter 7. Chapter 8 provides a summary of Part two and an identification of the gaps in the literature leading to an emergent model for understanding the relationship between 'top teams' and strategic organisational learning.

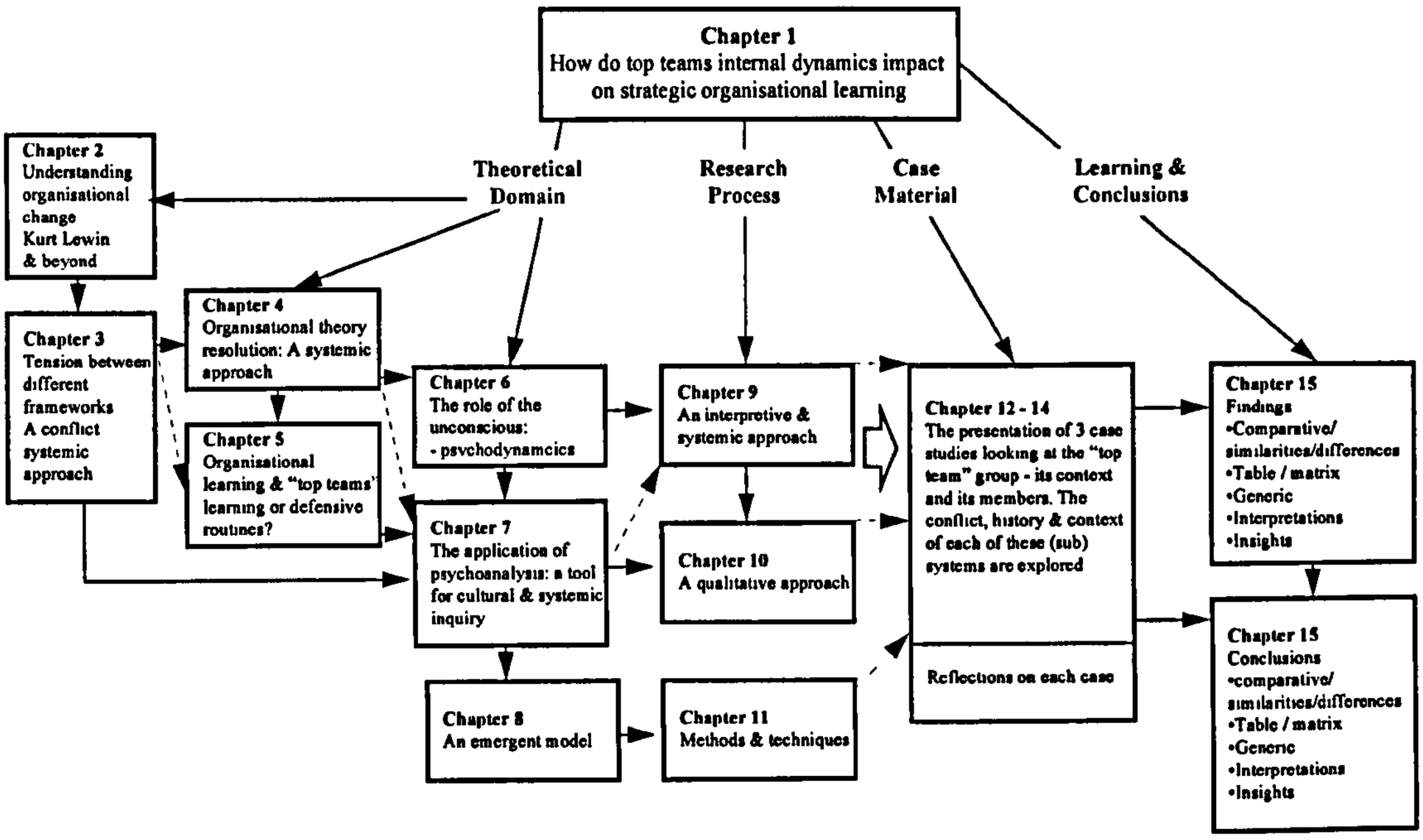
Part three addresses the research process. It starts with a discussion on the research orientation and philosophy (chapter 9), which is followed by the research strategy and the actual techniques (chapter 10) as they relate to the research hypotheses. Finally, in chapter 11, there is a discussion about the selection, preparation and context of the case studies so that the limits of the study are made explicit.

Part four provides an account and analysis of three case studies (chapters 12 - 14). They are reported in a common format for comparability but each case has an analysis and interpretation section in its own right so that the complexity of each system is valued.

It also has the findings and conclusions. Comparative and generic themes that arise from all of the cases are reported and summarised in chapter 15, concluding with recommendations and a closing commentary of wider implications that arise from the research. A summary of the chapters is in figure 1.2 below

Figure 2.1

A Schema of the Key Theoretical Areas of this thesis



Part two

1. Introductory remarks

Research by Pettigrew and Whipp (1991) concluded that the central factors in successfully managing change were: constant environmental assessment; leading the change; linking strategy with operations; having a human resource strategy and, that these factors together should have coherence. These findings are relevant to the scope of this thesis, which falls within the domain of organisational learning and change through strategic leadership in the public sector. It specifically aims to address the question: What is the impact of the 'top team's' dynamics on the task of strategic learning?

Part two makes a case for taking a psychoanalytic approach to understanding the key internal and unconscious processes of 'top teams' and organisational life. It examines the literature in the key areas of inquiry for this thesis which are organisational change, organisational theory, theories of groups and organisational learning. Each of these bodies of knowledge is briefly examined, critiqued and developed by applying a psychoanalytic perspective.

In addition, this part of the thesis puts forward the argument that the role of the 'top team' is critical to the success of learning from change and that their behaviour will have an impact on the process. It is recognised that the organisational and environmental context will also have an impact and that these variables must be considered as contingent to an organisation's learning processes. Studies show (see chapter 4 on organisation theory) that, where the environment is rapidly changing, the organisation needs to have complex and integrated systems to manage successfully otherwise it will become overloaded and congested. The ability to manage the boundary of the environment and create the opportunity to manage internally will impact on organisational learning for the strategic apex.

2. Theoretical areas of inquiry

Four topics form the literature review and these seek to gain a greater understanding of the key inter-relationships of this area of inquiry. These are:

Organisational change

Organisations are expected to go through the process of change as they successfully adapt and learn from change. Organisational models of change are rooted in the work of Kurt Lewin (1947, a and b). Such models need to be appraised and evaluated in relationship to current thinking in organisational theory and business practice. Are such models still appropriate? What developments should be incorporated into the analysis to increase our understanding of organisational life? These issues are discussed in chapters 2 and 3.

The nature of organisations

If we are to capture learning from the process of change in organisations, then we have to examine our assumptions, constructions and theories of organisations and the relationships we would expect to find within them based on those abstractions. Thus, the first main section of chapter 4 takes a historic and critical look at the main developments in organisation theory and the implications for this work. It then moves to look at open systems theory and its boundaries with symbolic interactionist theories.

The role of the 'top team'

The literature on high performance teams (Hannah, 1987) and the role of senior managers' (Beckhard et al, 1992) impact on change, form a dominant view of how 'top teams' should take up their roles. Yet there are many views on what makes teams really work. This thesis will explore some of these in relationship to the research aims and distil from the review what frameworks are able to meet the criteria of depth of understanding in their analysis (chapter 5).

Organisational learning

The works of Chris Argyris (1977, 1985) and his works with Donald Schon (1978 and 1996) have a significant influence concerning the current thinking on organisational learning. Are these the only approaches to understanding organisational learning? Are there other perspectives and what can we learn from them as a way of informing our understanding on organisational learning (chapter 5)?

These four subject areas are large in themselves and cannot be reviewed in depth within the scope of this thesis. It is not the purpose of this work to undertake a meta-analysis of all the work in these areas. Instead, the review is far more selective concentrating on each of the areas as they relate to constructing a logical argument which increasing our depth of understanding and as they relate to each other. As a consequence there may be some areas that are excluded in the following review as they fall outside the scope of this work.

A psychoanalytic approach

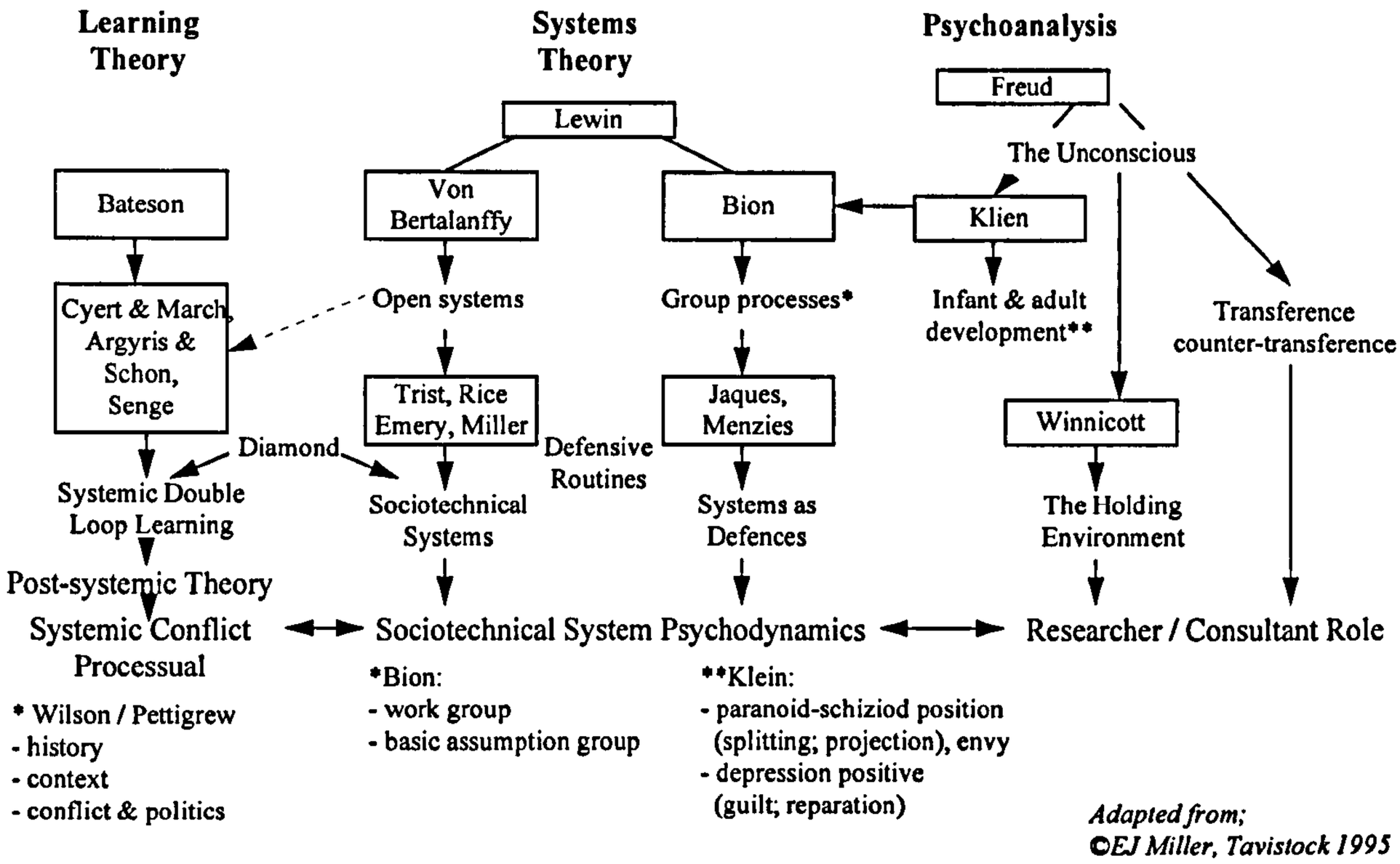
A more comprehensive understanding of a psychoanalytical approach will be developed in the context of this thesis in chapters 6 and 7. However, as an initial primer, a working understanding is briefly put forward at this stage.

Psychoanalysis is a systematic and interpretative study of the unconscious process. It is both a body of theory and practice in the development of social understanding. Its underlying theory suggests that behaviours are driven by motives that are outside normal cognitive awareness and that these are a product of unresolved conflicts and relations that arise from childhood. These 'tensions' become unconsciously mobilised in adulthood in our multiple roles - father, child, manager, consultant, friend - as part of the stresses and anxiety-provoking situations of everyday life. Thus, they impact upon managers taking up their roles and the functioning of groups and larger systems as organisations. There are cases where these anxieties are so excessive that they lead to character disorders and long term psycho pathology. It is not the intention of this work to address such clinical issues. The purpose of drawing on this body of knowledge is to gain a deeper understanding of organisational dynamics and to use it as a tool for organisational analysis.

A map of the key areas of inquiry is shown as a summary in figure 2.1.below

Figure 2.1

A schema of the key theoretical areas for this thesis

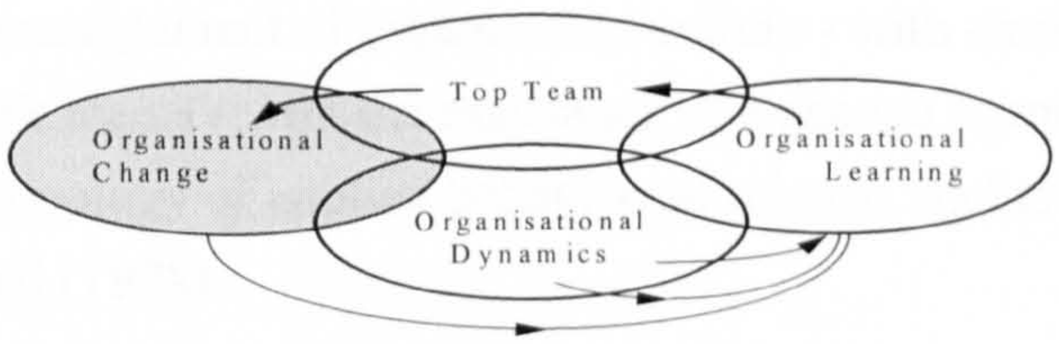


Chapter 2 - Understanding organisations and change

1. Introduction: Organisational change and learning

Change impacts on learning. The mechanisms of managing learning can be positive and facilitative or harmful and hindering. This chapter and chapter 3 aim to increase understanding about these mechanisms by exploring the main contributors to organisational change theory and the implications for organisations. This starts by drawing upon the work of Kurt Lewin, whose work has considerable influence in this theoretical domain. Contemporary change theory includes work by Pettigrew under the heading of a processual perspective on change and these incorporate a political element to the analysis. Finally, the chapter ends with exploring a psychoanalytic perspective and an examination of how that may inform our understanding of change and its implications for organisational learning.

Figure 2.2
Change & Organisational Learning



2. Concepts of organisational development and change

Organisational development, organisational change and organisational learning, while sharing some common ground, are not necessarily the same thing.

3. Organisational development

The study of organisational development (OD) has its origins in the 1960's and aims to increase the 'effectiveness' of organisations through planned change.

"OD is a response to change, a complex educational strategy intended to change the beliefs, attitudes, values and structure so that they can better adapt to new technologies, markets and challenges and the dizzying rate of change itself." Bennis (1969) p2.

"Organisation development is an effort (1) *planned*, (2) *organisation-wide* and (3) *managed* from the top, to (4) increase *organisation effectiveness* and *health* through (5) *planned intervention* in the organisation's "processes", using *behaviour-science* knowledge." Beckhard (1969) p9.

"Organisation development is a long range effort to improve an organisation's problem-solving and renewal processes particularly through a more effective and collaborative management of organisation culture - with emphasis on the culture of the formal work teams - with the assistance of a change agent and the use of the theory and technology of applied behavioural science, including action research." French and Bell (1978)

"Organisational development is a system wide application of knowledge to the planned development and reinforcement of the organisational strategies, structures, and processes for improving organisations' effectiveness" Cummings and Worley (1993) p2.

There is a high level of common agreement about what constitutes organisational development. It is seen as part of the change agenda and it is incremental, planned, strategic and managed. This contrasts with organisational change.

Organisational change is a process of 'movement' that impacts upon the body corporate. It may be evolutionary or incremental, partial, system-wide or, transformational (Dunphy and Stace (1993)). Where it is driven from inside and is planned, it shares several elements of OD: it is planned, managed, may use behaviour technologies and shares an assumption that the environment is stable or unproblematic. Where it is not planned and driven by the demands of the environment there are a wider range of possibilities other than OD.

The other end of the organisational change spectrum is 'transformational' change. Here, the context of a rapidly changing and often uncertain environment makes planned change difficult to sustain. Pettigrew and Whipp (1991, p174) have pointed out that, "A crisis provides the space and legitimacy to effect major strategic re-orientations."

Transformational change requires organisations to take a quantum leap, a radical perspective and operate on new norms and values. It requires organisations to transform and take on a new paradigm (Gouillart and Kelly (1995), Beckhard and Pritchard (1992)).

Dunphy and Stace (1993), suggest that, "Organisational development and organisational transformation represent two different approaches to the understanding of organisational change." They go on to say that the two approaches are compatible and when considered jointly can "inform the larger understanding of change." (p908) Essentially we have different orders of change, genesis, levels of control and influence, and predictability of outcome.

Finally, organisational learning is mentioned here in that both organisational change and development will have an impact on learning. OD has an explicit learning agenda but not all change will lead to learning. A working definition of learning within organisations is: those organisations that are able to learn from their experiences, internalise and communicate these and develop new insights and routines to deal with new situations in the future. Learning in organisations is mentioned here as it provides the context of our discussion on change and a fuller discussion on organisational learning is provided in chapter 5.

Thus, there are important links between organisational change, OD and organisational learning. The implication is that those organisations that can respond and adapt to a changing environment, so that there is congruence between the external demands and the internal processes, will also be organisations that engage in functional learning. The extent of this link is the focus of this thesis: what is the relationship between managing organisational change, the role of the strategic leadership and the ability of the organisation to learn?

The next section looks at one of the earliest, comprehensive and most influential, theoretical contributions to organisational change.

4. Kurt Lewin and beyond

Kurt Lewin's contributions

Kurt Lewin was a psychologist who was influenced by the philosopher Ernst Cassirer and his colleagues in Gestalt psychology at the Psychological Institute at Berlin University in pre-Nazi Germany (DeBoard (1978) p50). In 1933, he left Germany and was part of a group in the United States who contributed to the foundations of organisational development and change. As a Jewish émigré in the US he was interested in social issues and notions of conflict between groups of different racial origins and communities (Lewin, 1948). This, along with other interests, led to his main contributions to the field of organisational development. Lewin was also instrumental in developing the laboratory method of learning now instituted at the National Training Laboratory; the action research approach and the data feedback methodology (Cummings and Worley, 1993). It is his work on groups in the literature that is of particular interest as it informs the principles that have been applied to change management.

Lewin on change

Lewin's work on change is encapsulated in his two seminal articles in the first two volumes of Human Relations in 1947, "Frontiers in Group Dynamics".

These two articles form the basis of Lewin's original thinking - both initial and new thinking - on change and development. His work also acknowledges and engages with the notion of the unconscious. Lewin incorporates the unconscious explicitly from an ego psychology perspective by looking at the work of Freud and the role of the Id (Lewin, 1948), and philosophically in exploring the notion of 'existence'.

"Beliefs regarding 'existence' in social science have changed in regard to the degree to which 'full reality' is attributed to psychological and social phenomena, and the reality of their 'deeper' dynamic properties."

In social science, he continues, "Emotions were declared as something too 'fluid' and 'intangible' to be pinned down by scientific analysis or by experimental procedure. Such a methodological argument does not deny existence but it has the same effect of keeping the topic outside of the realm of empirical science." (Lewin (1947) a, p7.)

However, while he continually acknowledged the importance of the emotional factor, his theory of field life space or social field is based on perception psychology and is taken analogously from the world of physics. His model is akin to a magnet's sphere of attraction and influence and is compared to the limits and subjective goals of the individual's life space. This theory suggests that individuals and groups operate in a psychological field, called 'life space', which is a highly subjective space of how the individual sees their world and thus how they may act upon it (Lewin, 1972).

"In specific terms, the life space for a person will consist of his conscious and unconscious goals, his dreams, hopes, fears, his past experience and his future expectations. The physical and the social conditions will also be important, limiting as they do the variety of possible life spaces and creating the boundary conditions of the psychological field." (DeBoard (1978) p53.)

This central concept is then used to examine the 'quasi-stationary equilibria' in group life and the problems of organisational change. Lewin argues that groups and systems are resistant to change and an understanding of this is important to understand why change might not occur. The mechanisms of resistance are found in the social field and field spaces of individuals whose drives and aspirations are focused on stability and away from change. Lewin gives as an example the motivational 'forces' for racial discrimination reflected in jobs for whites, self idealisation and stereotypes against the 'coloured' population. Countervailing forces are also said to be operating: too much discrimination may be seen as unfair, it may spark rebellions etc. These opposite forces lead to the notion of the status quo or what Lewin calls 'quasi-stationary equilibrium'. These resting points are so called because if the forces are changed in strength (for or against discrimination, for example through new legislation) then the point of equilibrium will shift and there will be change. Lewin illustrates his case through a variety of case examples.

The key point is that socio-emotional and unconscious dynamics are seen as central to understanding the organisational and social dynamics of change.

Generalising Lewinian models

These conceptual tools have been popularised and developed in the organisational development literature in many guises - for example the change management phases, force field analysis and the change equation. The point here is to highlight the influential nature of this work on change management theory.

All of these models are used as principles for change. They have a shared theoretical foundation and have informed change models in the field of organisational behaviour, OD and organisational consultancy - see Burke (1987), DeBoard (1978), Beckhard and Harris (1987), French and Bell (1978), Carnell (1990) and Scott and Jaffe (1989) as examples of Lewin's work being generalised.

In addition, the work of Lewin was influential in the inter-disciplinary "Tavistock" approach to organisational intervention and change (see Neumann, 1997).

However, there are some tensions within the use of these models that remain untapped.

Some tensions in the model

The reason there is a discussion of Lewin's work is because of the considerable influence and impact it has had on the basic theory and practice of organisational development, systems based approaches and change (Cummings and Worley (1993), Burke (1987), Bennis (1969), Beckhard (1969)). In considering change and learning, a systems approach is critical as it provides a feedback loop for learning, development and 'planned' change.

The frameworks outlined continue to be used as models for managers to apply and are taught by organisational behaviour, human resource management and strategy faculty in management schools across the UK and Europe (see Johnson and Scholes (1993), chapter 10 as an example). Yet, there are some unresolved tensions in the axioms, assumptions and framework of the models that are open to criticism.

The context for this thesis is one of considerable and on-going change in the environment. One implication of this is that systems of organisations will be in a state of continual transition, where it will no longer be operating on the notion of 'stability' but will be like the white water of 'shooting the rapids'. Thus, Vaill (1989) would argue that traditional models of organisations, which are based on the underlying assumptions of the military model are inappropriate. Instead, a flexible and creative mindset, based on management as a performance art, is suggested which means the notion of flexibility, involvement, passion and insight become the new qualities of change. Learning too would be essential for long-term survival and growth.

Secondly, Lewin's topological and 'physics' based model of human behaviour has all the characteristics of economic models of "rational" man and woman. The assumption is that people have objective functions that can be mapped and understood in 'quasi-mechanical' terms. Like economic models, these abstractions and the axioms can only be approximate and will not be able to take account of the unpredictable nature of human beings. At least in econometric models there is an acknowledgment that some factors are 'unexplained' in the residual variable. Thus, the approach has its limitations and a multidisciplinary approach provides a broader framework to understand the complexity of organisations (Neumann, 1997) and by implication its systems of learning.

This takes us to the third point; Lewin articulates both an objective and subjective aspect on the nature of human being. He talks about and acknowledges the unconscious but continues to work in a framework of perceptional psychology. Thus, he never really reconciles or fully explores the nature and consequences of this divide in an organisational context. It appears that this omission or lack of integration has been passed on to other generations of theorists and practitioners, with people being in one camp or the other. It is doubtful whether this was an intention. However, it is this tension and splitting between the emotional, subjective and irrational side of change and the so-called objective and planned side of change that will be explored within the following sections of this thesis. The aim is to examine both the conscious and unconscious side of change and learning to see what they offer in terms of increasing our understanding and how there may be greater integration between these different realms of 'reality'. The re-integration of these two elements may increase our understanding of organisational systems and clarify what organisations learn and how they do it - especially as managed by 'top teams' at the strategic apex.

Understanding the relationship between 'top team' dynamics and organisational learning as a consequence of change requires a deep understanding, and therefore analysis, of how organisations work. A framework for doing so is one that draws upon a range of perspectives which allows a greater level of complexity to be explored. The following chapters (3-7) review the literature on understanding organisations and the relationship between these two organisational phenomena. Chapter 8 concludes with a framework that helps develop that analysis.

Chapter 3 - The tensions between rational and subjective analysis

1. Introduction

Can organisations learn from change? An understanding of the dynamics of change and its implications for those that manage change and learning may help to draw some conclusions to this question. This chapter explores the seeming tensions that exist between 'rational' and 'subjective' aspects of change. It seeks to understand why this divide persists and the loss in our understanding because of it. Thus, an integrated and multidisciplinary approach is advocated.

The tensions between the 'objective' and 'subjective' schools of thought on change are clearly seen in the 'orientations' that are taken by various contributors. There are several frameworks one could use. Robert Chin and Kenneth Benne (1985), consider the change agenda under three main schools of thought:

* 'empirical-rational' strategies, which are those that assume self interest and rational plans provide a basis for change

* 'normative re-educative' strategies are a second set of approaches which examine the socio-cultural norms of people and groups in a system

* the third perspective is described as 'power-coercive' which is based on an examination of political and power relationships

Bolman and Deal (1991) consider four ways of reframing organisations: the structural framework; the human resource one; the political analysis and, the symbolic framework. Wilson (1992) explores change issues covering the domain of 'strategic choice' compared with 'systemic theories of conflict' and these are sub-divided into planned change versus emergent change and, process versus implementation. Thus, we see a tension in the literature between different perspectives and it is hard to draw firm lines between them (Warner, 1994). The rest of this section will explore these in more detail.

2. Strategies for managing change

Chin and Benne provide an initial starting point for discussing the main differences in approach to understanding and managing change. They see three approaches: empirical rational; normative re-educative and, power and coercive.

Their framework is one of the most comprehensive, historically based schemas of the relationships between the different approaches to understanding change. It recognises the complexity of the nature of change and again graphically highlights the tensions between different approaches. (Burrell and Morgan's (1979) schema, or Morgan's (1986) schema, are more about the development of organisational thought and perspectives on organisations than organisational change.)

Using Chin and Benne (1985) will provide an initial framework for organising an analysis of theories of change. A short account of their work followed by other more recent work and critique will be the approach used for this section. Chin and Benne identify three main fields of contribution to change: empirical rational; normative re-educative and, power and coercive.

Empirical rational strategies

These strategies were based on the assumption of rational enlightenment, western liberalism and a belief that people will change through their own efforts once presented with rational data. The strategies themselves included: basic and applied research and data feedback; personnel and psychometric devices for selection; systems analysis of large organisations and bureaucracies and, the use of mental processes in inferring the future from the past.

The authors suggest that these strategies are useful in periods of relative stability and when used with other approaches. On their own such strategies have been know to fail, particularly used in complex situation, (Chin & Benne (1985)). In particular, the authors note that the context of the organisation and its socio-cultural norms may need to be revealed if improvement through change is to take place. Thus, rational approaches on their own do not work. There are similarities between rational approaches and the normative re-educative approach, when the influence of the culture and context have an impact.

Examples of such limitations can be found in three current areas of rational-empirical methods of change. These are strategic management, business process re-engineering and organisational transformation. Traditional models of strategic management are based on a planned approach and a rational-empirical one. With large strategic planning units being used during the 1970's (Faulkner, 1993), such limitations are also found in the rational and incremental models of strategic change as discussed by Quinn (1978), Johnson (1987) and Quinn (1988). The notions of context, behaviour and political power and culture are all acknowledged as important factors in understanding the process of strategic change. It is a generally held view now that rationality alone is insufficient (Johnson and Scholes, 1993). In the field of business process re-engineering (BPR), a process is essentially based on a rational-empirical approach to change.

Michael Hammer, a BPR guru, suggested that over 80% of BPR initiatives fail due to issues of implementation and the impact of cultural on change (Economist, w/e November 5,1994). BPR is the fundamental rethinking and radical design of business processes to achieve dramatic improvements in critical, contemporary measures of performance, such as cost, quality, service, and speed (Hammer and Champy, 1993). BPR has been defined as the analysis and redesign of business and manufacturing processes to eliminate that which adds no value (Parker, 1992).

Another study on BPR, Ascari, Rock and Dutta (1995), also attempts to examine what works and what the pitfalls are in gaining the benefits of BPR. They undertook a meta-analysis of 35 well-known case examples of BPR implementation. While the organisations' structure and technology were important factors, the other elements that made for success or failure were the organisational processes and the organizational culture. "Change in the culture of the company is a common theme in most of the BPR/change efforts studied. Some organisations, such as Taco Bell, underwent a radical shift in their culture." (p4.) 'Successful' cultures needed to be: flexible and adaptable; coherent; customer focused and, clear about their strategic intent and how their culture related to the strategy. Thus, the normative and cultural aspects of the organisation play a significant part and the individualist and rational model alone is insufficient.

Finally, Gouillart and Kelly (1995) argue in their work on transformation that, in order to transform, organisations have to move beyond 'mechanistic' models of business. "Born in the Industrial Age, our model of business has been a mechanistic one. Corporations have been economic agents in an efficient market system, parts of an ever expanding, ever complex machine."

It is time to replace our mechanistic view of business with a more organic one, and to endow the recently discovered biological nature of our corporations with a new spirituality that recognises the sanctity of individual human life and has compassion for individuals." p3/4. To transform organisations for the 21st century, they propose four processes. These are the four 'Rs' of reframing, restructuring, revitalising and renewal.

Reframing aims to shift the corporate mind or mindset so it can see things in a new light beyond what the data presents and seeks to have meaning and new insight. Restructuring is the changes in the body of the organisation and is the more familiar aspect of change. Revitalising is linking the corporate body with the environment and it seeks to be generative. Renewal deals with the spirit of the organisation and human relations. On this point, Gouillart and Kelly (1995) state:

"Renewal is the most subtle and difficult, the least explored, and potentially the most powerful of transformation dimensions." P7.

What these three areas illustrate is the limitation of a perspective that sees change only from a rational empirical view and that cultural, spiritual and normative features of organisational systems are indeed relevant and do impinge.

Normative re-educative strategies of change

The assumption of this way of thinking is that people are social agents, as opposed to being individualistic. Here, people influence and interact with their environment and others in forming relations and that people have needs, habits and motives: they are not automatic machines. Thus, actions are influenced by social norms and commonly held beliefs about the nature of human interaction.

Lewin's contribution is greatest in this domain and it stems from his vision of the inter-relationship between research, training and action and the need for collaborative relationships in solving human problems. However, Freud's influence is also noted.

"Freud's main contributions to normative re-educative strategies are two. First, he sought to demonstrate the unconscious and preconscious bases of man's actions. Only as a man finds ways of becoming aware of these non conscious wellsprings of his attitudes and actions will he be able to bring them into conscious self control.

"Second, in developing therapeutic methods, he discovered and developed ways of utilising the relationship between change agent (therapist) and client (patient) as a major tool in re-educating the client toward expanded self awareness, self understanding and self control. Emphasis upon the collaborative relationship in the therapeutic change was a major contribution by Freud and his students and colleagues to normative re-educative strategies of changing human affairs." Chin and Benne (1985) p32.

This infers an active and essential role for a change agent in assisting the system - individual, group or organisation - to effect change through a series of interventions based on theories of change.

Thus, many of the features of the collaborative 'therapeutic alliance' are suggested as important guidelines for the relationship between the client and consultant (be the latter researcher, trainer or friend). These include addressing underlying and systemic causes, addressing resistance, timing, building a relationship on positive regard for the client and jointly supporting problem solving for self analysis, learning, insight and renewal. Thus, the approach focuses on the human dimension of change - the human relations (Coch and French, 1948).

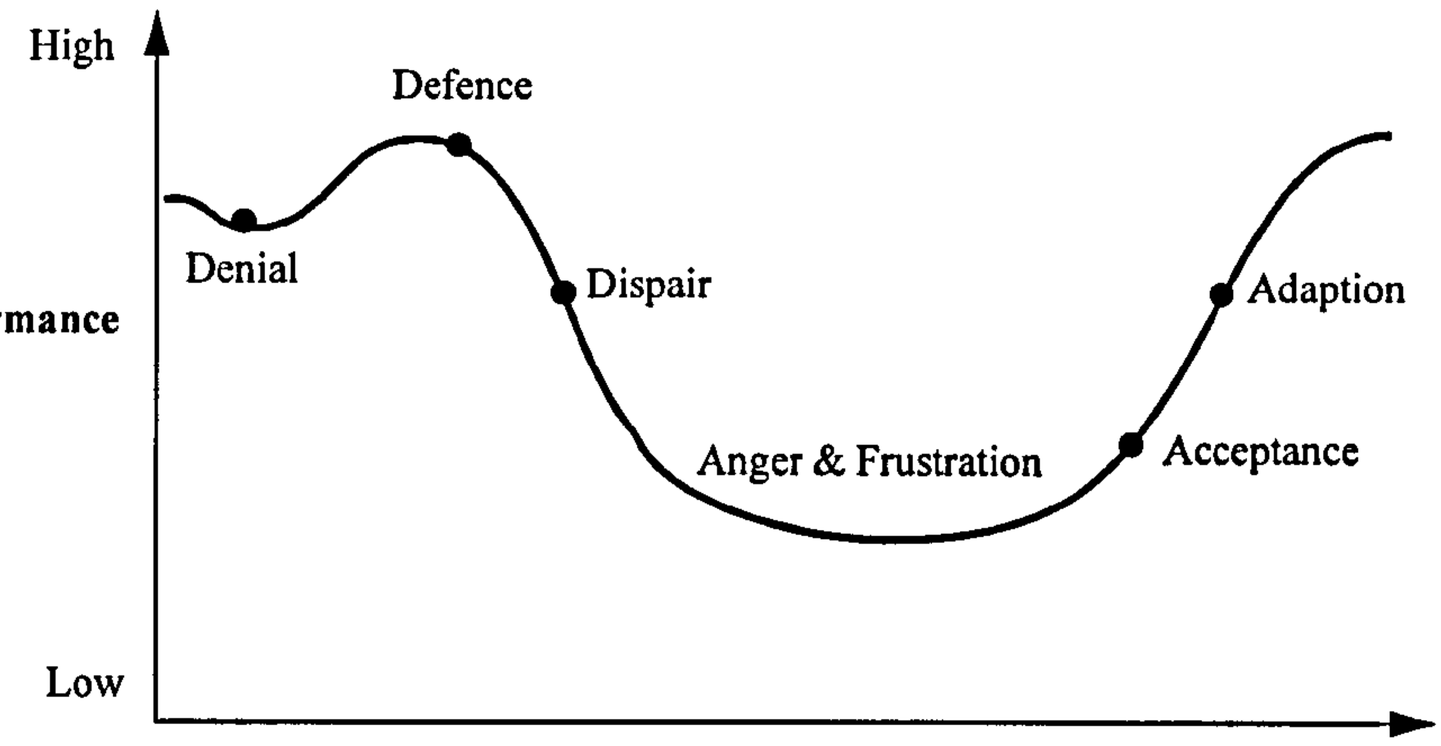
The two goals of the normative re-educative approach were to improve the problem-solving capabilities of the system and release the growth and potential of people in the organisational system. These two goals included a number of behavioural science methodologies. It is not important at this stage to give a detailed account of such methodologies but they include approaches that address both the technical and social aspects of change . Examples cover the areas of diagnosis, data feedback, discussion and action through action research, group work, counselling and psychotherapy.

The underlying assumption of this approach to change is that human systems are collaborative, that they are essentially functional and, that change in such systems can be planned. The banner of a 'normative perspective' is what brings these threads together. The normative aspect of the change agenda is reflected in the work of Burke (1987), Beckhard (1969), Beckhard and Harris (1987), Beckhard and Pritchard (1992), Bennis (1969) and much of the dominant organisational development literature (see Robbins, 1991).

In Beckhard's model we see the case for the need to manage the transition between the stages of change. Beckhard (1969) and Beckhard and Harris (1987) concur with the basic Lewinian principle of taking change in stages. There are three key stages in their model: take account of the present state; the transition state and, the change state. The approach includes having a clear view of the future, assessing the readiness for change, being clear of and ready for resistance to change, force field analysis and strategies for change ranging from education and training through to political strategies.

The group dynamics of change are seen in the work of Lippet (1990) in Cartwright and Zander, (1960), Lewin (1947, a and b), Argyris (1962) and the work of Wilfred Bion (1961). These will be discussed in more detail in chapter 7. We also see the emotional side of change in its comparison to bereavement, loss and change as reflected in the 'transition curve', Marris (1974) and Carnell (1986 and 1990) (see figure 3.1 below).

FIG 3.1
The Transition Curve - the emotional journey of change



The four main phases are:

! 'psychic crisis'	comprising shock - including confusion, denial &
! 'emotional reaction'	expressing anger, rage, sorrow, grief, failure, depression
! 'adaptation'	letting go, acceptance, gaining insight
! 're-orientation'	beginning to organise, seek help, develop & establish structu for performance & well being

Adapted from: Bowman & Jarrett, 1996. p230/231 and Carnell, 1986

The organisational and systems elements of understanding change are reflected in the works of Likert (1961), Katz and Kahn (1978) and open systems and contingency theory. These organisational theories will be discussed in the next chapter.

Thus, we see the normative re-educative approach operating at several levels: the individual; the group and, the organisation. These are all informed by different but related theories of change and the linkages are discussed through the remainder of Part two. The normative aspect of organisational change appears to be underlying and dominant in the work at the individual, group and organisational level. This suggests a series of systems seeking harmony, conflict free and smoothly adjusting transitions, along with the right level of support. Perhaps we can see whether such a picture is valid when we examine the third strand of looking at strategies for change when looking at the political change strategies.

Power-coercive approaches to effecting change

These approaches to effecting change emphasize the political and economic sanctions used in the exercise of power. They include a range of approaches from naked power, persuasion, manipulation and the use of the moral injunctive such as shame or guilt.

This emphasis acknowledges that the power of influence of one person over the other does exist and is endemic in any change process (Dahl, 1961). In the rational strategies information is power; in the normative strategies emotional intelligence, resilience and ego strength are sources of power and influence.

This approach to power rests on the coercive nature of power as exercised and enforced through the application of law, rules and regulations and through the use of economic sanctions. In the international arena we saw clear examples of this in the defunct sanctions against South African goods to put pressure on the apartheid regime to dismantle. Currently, the international community has invoked sanctions against Iraq to demobilise its rocket weapons.

In an organisational context, this dynamic between legitimised power and countervailing groups, was reflected in the management-union relations in the UK during the 1970's (MacInnes, 1987). The power and conflicts over legitimacy led to negotiation or compromise between the different interests. Again, the accord between the Irish Government, the UK and the various para-military groups reflects this same dynamic. In organisational terms these power relations can be played out in gender or race dynamics (Bell et al (1993), Kanter (1977), Marshall (1995), and Jarrett et al (1991)).

Three broad strategies are identified within this approach: non-violence, the use of political institutions and the manipulation of power elites.

Gandhi and Martin Luther King provide models of non-violent strategies, which aim to use the moral argument and highlight the injustice or inequalities exercised through the dominant agents of social control. In organisational settings an awareness, or conscious raising, of gender issues are raised as a way of breaking the stereotypes, or the 'glass ceiling', that women experience in their promotion prospects. Fagenson (1993) and Vinnicombe and Colwill (1995) provide more discussion of the key issues and other strategies used in this realm of organisational life. A critical review of the debate is also given in Marshall (1995).

The second coercive strategy is using political institutions to achieve change by 'working the rules' to one's interests. This may be explicit and non-oppressive.

"Changes enforced by political coercion need not be oppressive if the quality of our democratic processes can be maintained and improved." Chin and Benne (1985) p41.

However, this view is open to scrutiny. First, while accepting the value of changing the rules, this may give legitimacy to those already in power. The individual, group or organisation needs re-education to change behaviours and attitudes. This was certainly the case in the race relations field in the UK following the Race Relations Act 1976. Enforcements were hard to obtain and training and education were also a necessary part of the strategy of change, as were organisation and systemic interventions (Jarrett et al, 1991). Furthermore, policy changes may be a reflection of the system incorporating the political challenge as a way of reducing the impact of change (Luxemburg, 1989).

The dynamics of such changes are taken to be explicit. Lukes (1974) argues that this may not always be the case and that coercive strategies may operate outside of the public arena and through manipulation. Lukes also suggests that the implicit and private agenda setting leads to the manipulation of others, unbeknown to them and probably is the most powerful form of political enactment. This takes us to the third possibility argued by Chin and Benne: changes through the recomposition and manipulation of power elites.

Change through the recomposition and manipulation of power elites is based upon a Marxian view of the social relations between the power elites who own and control the means of production, and the dispossessed 'proletariat'. The former exploit and reap surplus labour efforts and thus accumulate capital from profits (Fine and Harris (1979), Catephores (1989)). This class divide could not be broken through 'enlightening' the ruling classes as rational self-interest would favour the 'invisible hand' of the market over collective social enhancement. Neither would the use of normative re-educative approaches alone be sufficient. The development of charitable foundations as a response to social needs beyond industrial development proved to be inadequate and thus the development of the welfare state (Barr (1987)). It was the mobilisation of the 'working class' that provided pressure and political involvement from 'below' and Chin and Benne (1985) suggest this movement provided the basis for new social and political engagement. Whether a Marxian perspective to change is taken or not, the point the authors aim to make is that countervailing power bases provide a focus for change or for influence. Two quotations draw out the salient points of their case:

" ..normative re-educative strategies of change must include power elites among their target of changing as they seek to defuse their ways of progress within contemporary society."

"Those committed to normative re-educative strategies of changing must take account of present actual concentrations of power wherever they work. This does not mean that they must develop a commitment to power-coercive strategies to change the distribution of power except when these may be necessary to effect the spread of their own democratically and scientifically oriented methods of changing within society." Chin and Benne, p43.

The coercive-power strategies as presented provide a valuable point of discussing power relationships and the emphasis on the coercive approach is helpful as it acknowledges other power sources through the other strategies. However, its conceptualisation is weak on several grounds. First, a clear definition of politics is not defined; it is implied as behaviour and activity. Yet it could also include ideology, which they touch upon; a 'Marxian' perspective. In the quoted case example of Floyd Hunter's study on power elites and decision-making in an American city, we see a clear case of structural power dynamics. The reluctance to acknowledge a Marxian analysis in the authors' account of the case leaves one with the impression that the ideology of politics is not open for serious discussion. Furthermore, ascribing a 'normative re-educative' value to Marx's values denies the importance of those values and ideology as reflected in the Marxian debate between Hegallian Classicism and Materialism. Thus, in the final analysis, it appears that it is behaviour that matters.

It is argued here that both ideology and behaviour impact on political outcome (see too Baddeley (1995). Extremist groups, driven and motivated by ideology, demonstrate the importance of ideals which inform their actions. They work outside the realms put forward by Chin and Benne.

Secondly, the work continues to gravitate towards a normative and collaborative stance. Pluralist and conflict notions of change (Rex (1981), Dahrendorf (1967), Marx (1976)) exist and the dynamic equilibrium that is suggested is not always attainable or even desirable. These frames of reference are omitted.

Thirdly, an outcome of coercive models of legitimate power can be seen in bouts of organisational authoritarianism. The 'authoritarian popularism' of, now, Baroness Thatcher provided a rallying point for the UK in its period of economic despair (Hall, 1985). Dunphy and Stace (1993) argue that in periods of transformational change the authoritarian leader may be as valuable and appropriate for the organisation to survive as the incrementalist models are for stable environments where fine tuning may be more congruent.

Thus, Chin and Benne's (1985) framework for considering political coercion is limited to a normative and stable outcome. Other forms of political enactments take place and these need to be recognised. More explicitly we see the role of power and politics sustained from a number of positions.

These may reflect the personal and perceptual roles of politics (Baddeley and James (1989), Ferris and Kacmar (1992)). Power can be ascribed to others or it may be based more on behavioural relations and interactions through alliances and coalitions (Mangham, 1979). At the systems and rational end we have the political enactment through the organisational structure (Bacharach and Lawler (1980), Hinings et al (1974), Hickson et al (1971), Mintzberg (1983), Zaleznik (1970), Pfeffer (1978 and 1992)) or

more subtley through the cultural management of meaning and symbols (Pfeffer (1981), Morgan (1986), Bolman and Deal (1991)).

The political role of the external change agent also features in considering organisational change (Pettigrew (1975), Kakabadse (1991b), Kakabadse and Parker (1984)). Social differences and role status can get played out in organisational relations (Dahl (1957), French and Raven (1959), Brown (1983), Jermier, Knights and Nord (1994)) and the nature of conflict and a plurality of interests is more likely to be the case, leading to a processual change agenda that recognises a political agenda and conflict as the norm (Pettigrew (1985), Dawson (1994)). The management of uncertainty and the degree of dependency on other systems is also included as a way of exploring power relations (Hickson et al (1971), Pfeffer and Salancik (1978)).

3. Further developments

Later works reflect some of the same conflicts. The work of Dunphy and Stace (1993) and Wilson (1992) provide the final analysis here on the tensions that exist between the different schools of thought in the field of managing change.

"A review of the diverse literature on organisational change shows that the field is at an early stage of theoretical development. There is no one, all embracing, widely-accepted theory of organisational change." Dunphy (1996) p541.

Moreover, literature on organisational change has been seen as being characterised by an atheoretical pragmatism over-emphasising the political aspects of change, Hendry (1996).

Wilson (1992) also notes that there are a variety of frameworks to understanding and theorising about the management of strategic change. He identifies two broad categories: the 'strategic choice' framework and the 'systemic conflict' framework.

The strategic choice and entrepreneurial framework

Here the organisation is viewed as a social system and the focus of analysis is based upon the premise that managers have 'strategic choice'. It sees answers to problems as lying outside the organisation and all managers have to do is to scan the environment and import the most relevant solution. Managers are 'doers' and all they have to do is follow the recipe and they can make things happen. It is a 'can do' message.

The 'strategic choice' framework underpins much that might be described in the HR and training field and has a lot in common with the 'leaders of transformation' literature which is available for managers and in the popular management literature. It includes theories in the field of: organisational development; planned incrementalism; entreprenueralism; learning from 'best practice' (e.g. Japanisation); the use of external consultants and change agents and, the enterprise culture as normative practice (Wilson, 1992). These, again, broadly fall, within a normative or pragmatic paradigm and in some ways deny the reality of organisational life.

Wilson notes: "In contrast, there appears to have been relative neglect of the systemic conflict framework in which the context, history and antecedents of change are fundamental pieces of the jigsaw of evidence and understanding. Such analyses are both rare in number and inherently more difficult to research, in contrast to studies of managerial entreprenueralism, management training and strategic choice." p22.

The systemic conflict framework

Here the organisation is seen as a social system. However, this is characterised by conflict, politicking and inherent tensions. These tensions can operate at the individual, group or organisational level, but it is these tensions and contradictions that provide the impetus for change.

"Energy to support the change comes from within the single organisational unit, the ultimate goal being to achieve a new balance between the current set of conflicts." p21.

Some authors argue that conflict can be a healthy process that provides a competitive edge within an organisation (Pascale, 1990).

Examples of the systemic conflict framework include the following theories of organisation: contextualism; population ecology models; organisational life cycles; general market and sector approaches; power in organisations and, political models of change and social action theories. At the extreme the two frameworks or paradigms are different in orientation, their theories in use and the nature of evidence. Yet they share the view that the environment is important. Contingency theories that relate the organisation with environment also straddle the two orientations. Wilson comments that the distinction between theory (which framework is chosen) and theorising (the manner in which the theory is used) allows us to make the differences clearer where the boundaries might be blurred.

Working within a systemic conflict framework provides an opportunity to understand the processes of organisational change. It can meet the criteria of a processual approach. It is a more realistic account of organisational life and it aims to build understanding in an area of organisational analysis that has been neglected.

Furthermore, in understanding a systemic approach, it sees social systems as a complex and dynamic whole. Thus, it takes a holistic perspective and is interested in the inter-relationships between sub-systems and events: nothing is taken in isolation. In addition, a systemic approach recognises the import of unconscious or parallel processes that take place within subsystems. Thus, an event in a team or between a pair of people may reflect a dynamic that is representative of, or enacted on behalf of, the organisation, Bateson (1972), McCaughan and Palmer (1994), Tosey (1993).

"So systems thinking is a way of describing and explaining patterns of behaviour that we encounter in the life of organisations: the regularities of individual behaviour, which we describe as a role; the characteristic ways of doing things in organisations which we refer to as their culture; the repeating patterns of sterile conflict or mistakes or absenteeism or failure to delegate, we define as problems and try to solve." McCaughan and Palmer (1994), p12.

Taking a systemic framework is in keeping with the aims of this research compared with one of strategic choice. A 'systemic conflict' framework provides the paradigm for understanding the dynamics of organisations and the more specific phenomena of 'top team' dynamics and 'strategic organisational learning'.

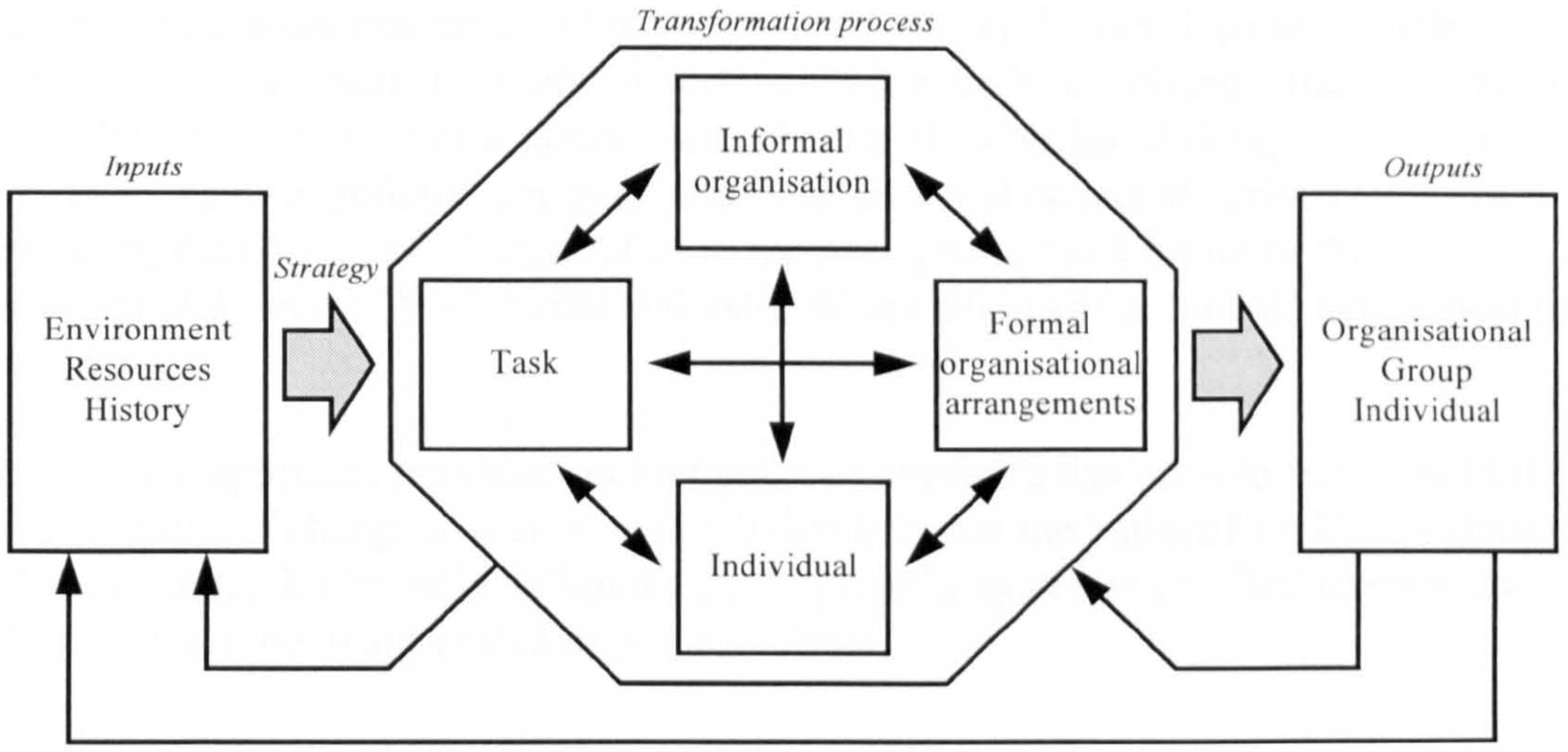
A processual approach

The processual approach is included as it provides a new departure from the dominance of the normative approach or the structural class analysis of organisations. It builds on the notion of context and not just the environment.

The term processual was coined by Pettigrew in his case study of ICL (1985). He commented that much of the management research was ahistorical, a contextual and apolitical. He sought to move away from the quick-fix, five or six point plan offered by the works of Peters and Waterman (1982), Pugh (1978), Nadler (1980) and critiqued by Beer, Eisenstat and Spector (1990).

A processual approach requires a systemic analysis but it also argues that context, politics and history should be included as part of the analysis of organisational dynamics. Nadler and Tushman's (1979), congruency model is processual in its analysis. It looks at the environment, historical and contextual nature of organisations as inputs and the impact this has on strategy and task. The power and politics are discussed within the internal and transformatory boundaries of the system - particularly in the 'informal organisation' and its relationship to the other systems, boundaries of task, formal organisational arrangements and individual. (See figure 3.2 below).

Figure 3.2
A Systemic and contextual model



The Nadler-Tushman Congruence Model for Diagnosing Organisational Behaviour, 1979

Thus, it meets the criteria of taking a processual viewpoint. It does not meet the systemic conflict paradigm as it stands, because insufficient attention is given to the nature of conflict, dissonance and latent differences within organisations. Thus, the application of the suggested propositions above would be the basis for developing an integrated approach - examples are seen in the works of Miller and Rice (1967) and Nadler and Tushman (1979). This conceptual integration is discussed further in chapters 4, 7 and 8.

In drawing on the benefits of a processual approach, there are parallels between Lewin's and Beckhard's three stages of transition model and Dawson's (1994) three timeframes: the conception of a need to change; the process of organisational transition and the operation of new work practices and procedures. However, he develops and builds on Pettigrew's work in considering three determinants for analysing change: the substance of change - the type and scale of organisational change; the politics of change - i.e. political activity in terms of negotiation, conflict and resistance that occurs at various levels of the organisation; the context of change refers to the past, present and future of the organisation and some of the internal and external operating environments that impact on current practice.

The processual approach provides another point of reference that aims to incorporate the messy dynamics of change and crosses the divide between the 'rational' and 'subjective' aspects of change. It also falls within the paradigm of a 'systemic conflict' framework and therefore will be incorporated into this analysis.

In addition, the advantage of this analytical approach to organisations is that it provides a framework for understanding the nature of organisational life from a broader perspective. It goes beyond an instrumental or rationalist approach. It does not address political ideology explicitly but it can be incorporated. While it provides a framework for understanding organisational life, it seems to lack the deeper level of understanding that we seek and the application of that is discussed in the next section of this chapter.

4. The application of a psychoanalytic perspective

The incorporation of a psychoanalytic perspective addresses a number of the issues we have discussed so far about the split between the different positions, including the 'subjective' and 'objective' approaches, to organisational change. What the psychoanalytic perspective provides is the additional level of depth to our analysis of the subjective and is consistent with Lewin's original ideas and thinking on this aspect of change. In addition, it falls within the chosen analytical framework of 'systemic conflict', as the very nature of psychoanalysis is to examine and understand the internal and intra-psychic conflicts that people experience as yet another system. Within this framework there are a number of traditions of and contributions to psychoanalysis that provide an opportunity to understand the possible reasons behind the conflicts at the small unit of analysis, the individual. These intra-psychic conflicts can then also be understood in relationship to pairs, groups and organisations as systems as well. These are discussed in more detail in chapters 6 and 7.

What does psychoanalysis add to our understanding of managing change?

A psychoanalytic perspective can be used as a tool to enhance our understanding of organisational dynamics within social systems. It has a number of advantages that fulfil the aims of this research.

These include the following:

* It provides a deeper analysis of social systems and cover areas that are usually missing or only treated in a cursory way

* It provides an analysis at the smallest unit of analysis in the organisation and that is the individual, who form groups and make up the organisation.

* A psychoanalytical perspective can be used as a tool of organisational analysis as its principles can be applied to role holders in organisations, groups and large social systems within the organisation

* Such a perspective is consistent and fits with a 'systemic conflict' paradigm and a processual approach in that history, context and in the politics of internal conflict within social systems as groups and individual all fall within its remit of application

* It can be integrated with other systemic approaches to understanding organisations and there are many authors who have contributed to this developing area of knowledge - examples include: Miller & Rice, (1967), Miller, (1993), Hirschhorn, (1988), Czander, (1993). (See chapter 7 for further examples).

Thus a psychoanalytical perspective will provide an additional lens to increase our understanding of the complexity of organisations.

3. Summary and conclusion

The dynamics of organisations are a complex interplay of external and internal factors. A review of the literature on change has provided a series of lens that help focus the analytical approach and identify the key relationship between change and the dynamics of organisations.

The work of Kurt Lewin has underpinned much of our understanding of organisational change (and development) as currently taught and practiced in western management education (Dawson, 1994). Lewin's personal and theoretical insights put forward the view that both 'objective' and 'subjective' parts of the dynamics of change should be considered in managing the process. However, while Lewin (1947a and b) acknowledged the importance of the deeper and unconscious dynamics of change, and even considered the works of Freud explicitly, Lewin (1952). These elements are essentially excluded from his wider analysis of change. This leaves some ambiguity and unresolved differences between the approaches and suggests a multidisciplinary approach to enhance understanding (see Neumann, 1997)

The difference of perspectives is continued in other contributors' frames of reference. We see this in the accounts above. Yet from the literature we see at least three, rather than two (objective vs. subjective), frames of reference constantly emerging. These are rational, normative, and political models of change. On closer inspection they still gravitate towards a normative bias. The underpinning nature of these falls within what Wilson (1992) calls the 'strategic choice framework'. The historical, political and conflictual nature of organisational life and the emotional, intra-personal dilemmas are missing in such analyses. Thus, Wilson's other framework, the 'systemic conflict framework' provides a basis for analysis that is more relevant to the aims of this research. It provides a theoretical basis to explore and enhance our understanding of the dynamics of change and its impact on learning and further helps to build theoretical postulates.

The chosen nest of perspectives within this thesis does not aim to be prescriptive nor over - emphasis the rational approach. However, it multi-disciplinary approach seeks to work beyond the current, dominant paradigms of organisational development. It is able to address social and technical systems while taking politics and conflict as given. The human relations side of the system as explained in deeper and psychological models of organisation can also be incorporated as the added contribution to this analytical framework.

Thus, in understanding organisations the implications are that any theory should be able to work within a 'systemic conflict framework' where a plurality of interests exist and where the conflict and uncertainty are considered as normal. Secondly, our analysis of organisations should also be within a processual perspective where the history, context and political dimensions of organisational enactments are included.

Finally, in developing theory about organisations, this thesis should also take account of the deeper, psychological and emotional side of people in organisations.

The conclusion is that each of these approaches of understanding organisations is inadequate on their own. They can impact on each other thus on their own provide a partial and inaccurate analysis. However, together they share an in-depth, process-orientation which is fundamentally concerned with understanding the nature and dynamics of conflict. Thus a greater understanding of these and their relationships with one another is critical to developing an integrated approach. These areas form the basis of the next chapter in reviewing the literature on organisational theory, taking a systemic approach as common point of departure.

Table 3.1:
A Summary of the Analytical perspectives

Level of Analysis	Perspective
Paradigm	A systemic conflict framework
Approach/ Model	Processual /systemic
Analytical tools	Applied psychoanalysis

Chapter 4 - Theories of organisation

1. Introduction

In chapter 3, the common framework for understanding organisations in the context of change was a 'systemic' one. As Wilson (1992) suggests, it is important to differentiate theory from theorising, but we have to understand the theory to do the theorising.

This chapter gives an account of systems theory and suggests why it might provide a theoretical basis for understanding organisations. The difficulties and problems of its framework are explored and some additional elements are put forward so that we can begin to develop theory and theorise, within the context of the systemic conflict framework.

There are five main sections:

1. The position of systems theory in relationship to other views of organisational theory and why it provides a valuable framework for this work
2. An account of the history and theoretical axioms of system theory
3. A description of the application of systems theory to organisations and the development of contingency theory
4. A critique of systemic theories as described
5. Theorising and developing a systemic theory of organisations within the 'systemic conflict framework'

In undertaking a review of organisational theory, we shall limit the review to organisational theory that has been developed since the industrialisation and institutionalisation processes of western economic development at the turn of the century. Secondly, by the nature of the dominant contributors and ideology, these theories are based on western principles and notions of reality. These are by no means lacking in their richness and diversity. However, the cultural bias of this work needs to be acknowledged and accepted.

2. An overview of the main schools of organisational theory

In looking at organisational theory it is useful to start with a shared meaning of what is being addressed.

"Organisational theory is a set of inter-related constructs (concepts), definitions and propositions that present a systematic view of individuals, groups, and subgroups interacting in some relatively patterned sequences of activity, the intent of which is goal oriented." Tosi (1984), p13.

Hatch (1997) takes a broader view, " A theory is an explanation, that is, it is an attempt to explain a segment of the experience of the world. The particular thing that a theory explains is called the phenomenon of interest. In organisation theory the primary phenomenon of interest is the organisation, however, organisations can be defined in many different ways, for instance, as a social structure, a technology, a culture, a physical structure, or as a part of the environment. Organisations can also be studied in terms of the central issues and recurring themes or organising including control, conflict, decision-making, power and politics, and change." P.9.

Thus, there are a number of perspectives that can be taken to look at organisational theory. Broadly speaking these approaches fall into two categories; a historical look at the development of organisational theory and, a thematic approach to understanding organisations.

The thematic approach

This approach aims to cluster aspects of organisational life into a common heading. In such cases, organisations are being conceptualised or theorised within a particular set of characteristics or dominant phenomena of interests. For example, Bolman and Deal (1991) look at organisations from four perspectives: a structural frame; a human resource frame; a political frame and, a symbolic frame. These show the multiplicity and complexity of organisations and, depending upon which analytical frame used, it will inform ideas about cause and effect, interventions and realities of organisational life. Vaill (1989) also sees organisations in a range of metaphors from the militaristic axioms, which he suggests underpins most organisational theory to a more liberating one of seeing within the context of a performance art.

Gareth Morgan (1986) has eight images of organisations and these are described in metaphors: organisations as machines; organisations as organisms; organisations as brains; organisations as constructs of social reality and culture; organisations as political systems; organisations as reflections of our inner psyche; organisations as flux and transformation and, organisations as instruments of domination.

He concludes, "Our discussion brings us to a very important point: that there is a close relationship between the way we think and the way we act and the many organisational problems are embedded in our thinking.

"One of the major strengths of the different metaphors explored in this book is that they open numerous avenues for the way we attempt to organise in practice." (Morgan (1986), p335.)

The strength of the metaphor is that it provides an easy association between organisations and everyday experience; it makes concrete the abstract and provides simplicity to complexity.

However, it can also be misleading. Hatch (1997) reminds us that metaphors form a partial analysis and that they tend to focus on the similarities rather than the differences inherent in the phenomenon of interest and the metaphor itself.

"For instance, the machine metaphor depends upon the similarities between machines and organisations and under-emphasizes their differences. Many aspects of organisations are not machine-like, such as organisational commitment or culture. Over extension of the machine metaphor has led some theorists to talk about how to engineer commitment or culture, a use of metaphor that produces a simplistic and possibly misleading understanding of what management entails." Hatch (1997), Chapter 2, p30.

Thus, in using the thematic or metaphoric approach a degree of caution is advised.

The historical approach

This schema take the historical development of organisational theory, starting with what is usually called the 'classical' school of management, followed by the Human Relations or Modernist view, and ending with systems theory/contingency theory (Tyson and Jackson (1992), Hodge and Anthony (1984), Tosi (1984), Burrell and Morgan (1979), Warner (1994)).

Within each of these we see the classical theories viewing organisations as rule bound, efficient and hierarchical bureaucracies (Weber (1947), Fayol (1949), Crozier (1964)). These rational and instrumental models while providing early analytical constructs for understanding organisations, became limited and unhelpful and thus the focus shifted to the human side of the enterprise.

"By the 1930's and 1940's the prevailing ideas of scientific 'management' were discredited by many in the West, where there was a growing awareness of the non-ration factors which govern relationships stemming from the work of Freud and Pareto." Tyson and Jackson (1992), p137.

The studies by Roethlisberger and Dickson (1939) and the raft of 'experiments' by Elton Mayo started an interest in the human side of work. This suggested that people cannot be treated as machines and that they have their own incentives, motives and feelings and these need to be taken into account (Cyert and March (1958), March and Simon (1958), Katz and Kahn (1978), Likert (1961), McGregor (1960)).

An early critic described classical theories of organisation as inadequate on a number of grounds:

"(1) The motivational assumptions underlying the theories are incomplete and consequently inaccurate. (2) There is little appreciation of the role of intra-organisation conflict of interests in defining limits of organisational behaviour. (3) The constraints placed on human beings by his limitations as a complex information-processing system are given little consideration. (4) Little attention is given to the role cognition in task identification and classification as well as in decision. (5) The phenomenon of program elaboration receives little emphasis." March and Simon (1958) p33.

Thus, we see the recurring theme of rationality ignoring the human and subjective experience of organisations. While much of the methodology and research process of the much quoted "Hawthorne-effect" studies have been discredited, they brought squarely to the fore the importance of the social and emotional side of the work place. The 'Quality of Work Life' movement also took hold as the need to meet and understand the motivations and relationships of workers became the focus of many works in organisational theory (Likert (1961), McGregor (1960), see too Burrell and Morgan (1979)).

Finally, system models of organisation were offered as a way of looking at the inter-relationships that existed within the organisation and in relationship to its environment. The approach was founded in biological models of systems and then applied to organisations as 'open systems'. The theory was then developed and it suggested that open system functionality was 'contingent' upon other external factors. These included the environment, the technology and the social systems. These derivatives of open systems theory were collectively known as 'contingency theory'. This approach suggested that there was no one best way to achieve the task but a number of ways to get to the same point. This acknowledged the discretionary and informal parts of systems and went beyond the simple identification of system relations. This approach was not without its critics and both theory and criticisms will be discussed in more detail in the next section of this chapter. It is presented here as a way of positioning it in relationship to the historical development of organisational theory.

Two new developments have been added to organisational theory and these are developed in the framework presented by Hatch (1997). In her analytical framework the 'Classical' and 'Modernist' perspectives follow the discussion so far with 'Modernists' incorporating both the human relations movement and systems theory. Two further frameworks are offered: 'symbolic-interpretative' and 'post-modernist' perspectives.

The symbolic and interpretative approach comes from a belief that rational and linear assumptions about organisations and human being are false and that the way that meaning is found is in the rituals, initiation rites, symbols, myths and stories of the organisational culture.

The term comes from Mead's works (see Mead, 1956) where he drew a distinction between 'non-symbolic' and 'symbolic'.

"In non-symbolic interactions human beings respond directly to one another's gestures or action; in symbolic interaction they interpret each others gestures and act on the basis of the meaning yielded by the interpretation." Blumer (1966) p537.

This orientation comes from several sources: organisation theory and work on culture; the discipline of sociology and, psychoanalysis and ego-depth psychology.
The focus and interest in culture is seen in the fields of strategy (Johnson (1987), Peters and Waterman (1982, Deal and Kennedy (1982)), organisational change (Hampden-Turner, 1990), leadership (Schein, 1983 and 1985), power (Pfeffer, 1981) and as a lens for examining the dynamics of organisational life (Hatch (1993), Pettigrew (1986)).

Schein (1985) defines culture as: "The deeper level of basic assumptions and beliefs that are shared by members of an organisation, that operate unconsciously, and that define in a basic 'taken for granted' fashion an organisation's view of itself and its environment. These assumptions and beliefs are learned responses to a group's problem of survival in its external environment and its problems of internal integration. That come to be taken for granted because they solve those problems repeatedly and reliably." p6/7

Schein acknowledges that organisations are themselves "open systems in constant interaction with their many environments."

The methodological and conceptual roots of the work on the symbolic nature of culture are founded upon the work of anthropologists such as Geertz (1973 and 1983) and the 'Chicago school' of sociology that applied anthropological techniques back home in their own cultures under the banner of field work (see Kirk and Miller, 1986). Sociologists Berger and Luckmann (1966) were also influential in putting forward the view that reality was socially constructed. They argued that social order was a product of interpersonal negotiation and implicitly shared meaning based on shared experiences of patterns of actions and interpretations.

"Culture denotes an historically transmitted pattern of meaning embodied in symbols, a system of inherited conceptions expressed in symbolic forms by means of which men (and women) communicate, perpetuate, and develop their knowledge and attitudes towards life." Geertz (1973) p89.

The development of this approach in organisational analysis is also influenced by work such as Goffman (1959 and 1961) who examined both personal and institutional enactments.

Karl Weick (1979) takes the debate further in introducing 'enactment theory', which focuses on the 'subjective origin of organisational realities'. Weick uses the term: "...enactment to emphasise that managers construct, rearrange, single out, and demolish many 'objective' features of their surroundings. When people act they un-randomize variables, insert vestiges of orderliness, and literally create their own constraints." p164.

The nature of these symbolic registers can also be found in psychoanalysis through the work of Freud generally, Jung (1968), Long (1992), and Foulkes and Anthony (1984). However, the application of psychoanalysis to field work is still under-developed (see Hunt (1989), Menzies (1960), Long (1992) and Schein (1987b and 1991)). This point is covered further in chapter 9 (and to a lesser extent in chapter 10) in considering the research approach.

The importance of this observation is that the development of such theory takes a more subjectivist position where meaning and understanding of the social system are central. This concurs with the analytical approach taken thus far in this thesis.

Finally, Hatch (1997) discusses the contribution of post-modernism. This is a recent and developing area in organisation theory. Its roots are in post-modern architecture, art and literature.

Postmodernism argues that the assumptions and axioms of knowledge as a unified body of thought are to be challenged and that the source and validity of knowledge is multiple and fragmented. This means that diversity and difference should be valued and that all sections of the 'community' should be given a voice, as they too hold a piece of the truth. Knowledge is not all found in the dominant ideologues, power groups or relationships. In addition, in a world of decentralisation, informal and flexible organisations, a post-modernist perspective may have something to contribute to that debate. Further discussion in this field can be found in Clegg (1990), Cooper and Gibson (1988), Hatch (1997), Parker (1992), Hassard and Parker (1993) and Kilduff (1993).

In summarising, the 'classical', 'modern', 'symbolic-interpretative' and 'post-modern' categorisations provide a comprehensive view of organisational theory. The Modern and the symbolic interpretative work provide a way to integrate and begin to theorise about the relationship between the 'hard' and 'soft' aspects of change. At the same time, it holds on to the broader conceptual frameworks that this thesis has ascribed to in a systemic conflict framework and a processual view that takes into account the context, history and politics. The particular slant that will be developed in what follows is the symbolic nature of meaning as understood by psychoanalytic theory and how these different parts of theory contribute to our understanding.

To begin we shall look at the systems theory in more detail.

3. Systems theory

A systemic perspective provides the overall framework for understanding organisational learning and change as 'learning' through feedback is inherent in systems thinking. How systems theory relates to that approach is the focus of this section. It starts by outlining the origins and development of systems theory.

The early origins of systems theory were to be found in the work of Von Bertalanffy (1968). He drew upon his work in the field of the natural sciences to observe the systemic nature of living organisms and noted that their existence and survival were dependent upon the broader systems of which they were a part. They took in food from the system, processed it internally and exported matter, which was in turn used by the system. This process operated for systems within systems and Von Bertalanffy put forward the notion that most phenomena could be explained within this framework, which was later to be called General Systems Theory (GST). He further resolved the contradiction of the physical laws of thermo-dynamics which suggested that systems were self-depleting. The latter case, Von Bertalanffy argued, was to be found in 'closed systems', whereas those that developed and drew from their environment were denoted as 'open systems'. GST was concerned with open systems. It is the generality and relative simplicity of GST that makes it both appealing and a commonly used basis for understanding relationships and phenomena of interests. However, generality can also be misleading, inaccurate and open to different interpretations, thus, several contributors aimed to qualify and elaborate upon the GST.

Among the first of these was the economist Kenneth Boulding (1956) who argued that there were several levels of systems that increased in complexity from the simple amoebae to the more complex structures of the double helix of DNA. He identified nine levels. This hierarchy of systems is useful in understanding and applying such an analysis to organisations, its subsystems or context, where the system is an individual, a group, a product of inter group relations, the organisation, the organisation in its industrial environment and the broader socio-political and economic environment. How the boundaries are drawn and managed determine the next system. The hierarchy of levels and relationships between systems of inquiry, their subsystems and context is followed in this thesis.

Early theorists developed some common agreements about the nature of systems and these almost became codified as a set of system rules (Boulding (1956), Katz and Kahn (1978), Kast and Rosenzweig (1973)). They included:

* Systems are holistic
* They are a series of inter-related objects, parts or events that each will have an impact on each other
* Systems are goal seeking, self-regulating entities that seek equilibrium via feedback, adjustment and control
* The notion of homeostasis and stable equilibrium was seen as important

* They meet the notion of a 'minimum critical specification', which challenges the bureaucratic imperative of the 'Classical' school and the need to have everything defined. Instead, there is a suggestion that the system needs a 'minimum enabling structure' to help it to self-organise and learn
* There are no blueprints or a single master plan in systems theory as there are many paths to the same end - the principle of 'equifinality'
* There is the 'law of requisite variety' which suggests that there must be enough variety in a system to absorb the variety in the environment if it is to be able to address external demands. We see this notion particularly in later contingency theories that examine the relationship between the environment and system's structures. The implication being: where there are insufficient options of internal configurations, the system will become congested or breakdown. This impacts negatively on organisational learning.

Thus, GST sees organisations as learning systems that have various levels of complexity and capability to learn, depending upon the environment (and later, other contingencies).

These cannons of system theory are still very much in evidence (Morgan, 1986). However, there are further developments which move away from the notion of system stability to the notion of 'autopoiesis'. Here it is suggested that the system is not only continuously learning, but it is also self-designing and has a tendency to become more complex as it tries to absorb more variety from the environment (Maturana and Varela, 1980). Taken further the system may not be stable and may have features of chaos (randomised process) (Bahlmann (1990), Goldstein (1988), Stacey (1993)). However, such developments may have 'convergent' outcomes in which case the outcome is unknown but the destination is stable, however temporary. The other possibility is that the outcomes are unknown and the destination unattainable because of divergent and unstable processes. These features have implications for learning and the system's ability to learn from its environment and the limits to which the system can be exposed before it is unable to cope or learn in an untenable systemic environment. The issue of learning as a system is prime to this thesis and will be explored in much more detail in Chapter 5. However, it is strongly suggested that organisations in excessively turbulent environments will find it difficult to learn.

These assumptions and principles of system theory provide the basis of our understanding of how organisations work. Yet further developments to theory were to follow and these were in the form of 'contingency theory'. While keeping a systemetic approach as the first building block of a model of organisation, it does not stop there.

Later contingency theories basically rejected the implied packaging of systems theory and the simple and predictable nature of systems. They aimed to reflect the diversity and complexity of organisations.

Contingency theory has been described in the following way, "In general, there is a rejection of universal principles appropriate to all situations. There is no 'one best way' to organise or to manage. Decentralisation is not necessarily better than centralisation; bureaucracy is not all bad; explicit objectives are not always good; a democratic-participative leadership style may not suit certain situations and, tight control may be appropriate at times. In short 'it all depends' on a number of interrelated external and internal variables." Kast and Rosenzweig (1974) p507.

The 'dependent' factors varied from theorist to theorist. There seem to be five factors of greatest interest: the environment; task and boundaries; structure; technology and the psycho-social dimensions.

The environment

Organisations operate as open systems and the impact of the environment is suggested to be significant. Two influential studies contributed to this view.

The work of Burns and Stalker (1961) examined the relationship between the environment, structure and innovation. They found that organisations operating in a stable environment took on traditional, 'mechanistic' structures. These tended to be bureaucratic in their operating procedures and role relationship and tended to have relatively routine tasks. These were not the centres of innovation. In contrast, organisations that were innovative were more flexible, responsive and more likely to be working in a dynamic and changing environment. In such cases the structure that served their organisational needs was 'organic' - loosely defined, open and adaptable. Thus, structure was contingent upon the environment.

Similarly the study by Lawrence and Lorsch (1976) looked at the performance of organisations' different environments: in steady state; random placid and turbulent environments. They concluded that in rapidly changing environments, in their study the plastics' industry, where internal integration and co-ordination were complex (complex structures), then organisations had better bottom-line performance. In low technology industries, making metal containers, routine structures and stable environment appeared to generate low returns. Again, the study aimed to show the importance and contingent nature of the environment. (See too Emery and Trist, 1965.) Later contingency theorists, such as Burke and Litwin (1992), Nadler and Tushman (1979), Kast and Rosenzweig (1973), would agree that the most significant variable in terms of influence on the system, is the environment and in their estimation it is given the greatest weight. Thus, the implication is that if difficult environments are not well managed then the impact on internal systems, and therefore learning, will be negative.

Task and boundaries

Most contingency theorists agree the importance of the environment. The next area that shares some common ascent is the nature of the task and boundaries. In the context of open systems, each system relating to other systems, then the contingent variable that identifies one system from another is the nature of the system's task and the boundaries that are drawn around the task and the system itself. Miller and Rice (1967) probably articulate the importance of the task most explicitly.

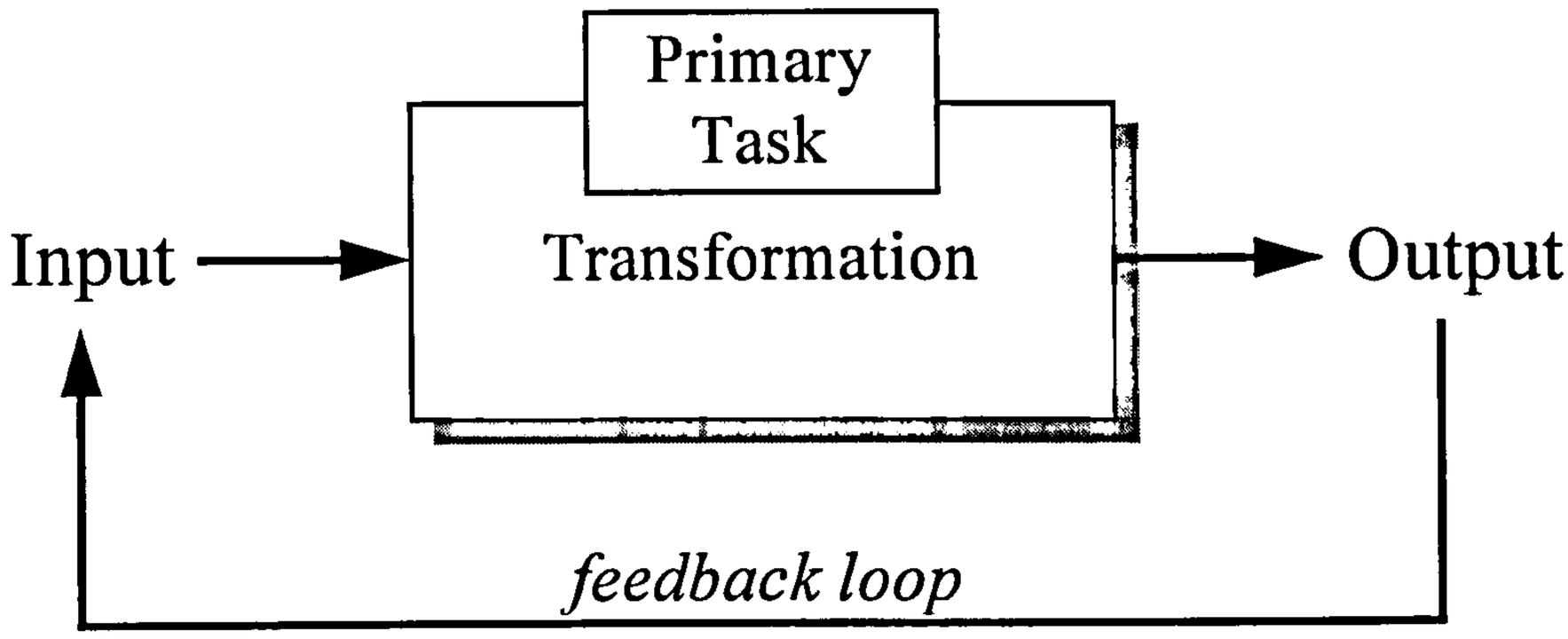
"...The optimum form of organisation is that which best fits the requirements of primary task performance." p33.

The 'primary task' may be defined as that which the system is created to perform (Rice (1958) p32-3).

Miller and Rice (1967) argue that in open systems, the 'primary task' provides the main input, transformation and export relationship: the method or strategy that the system takes to fulfil its aims.

This conceptualisation of the system as task and boundaries within its environment is represented in the diagram shown below

Figure 4.1
An Open System: A Simple Model



The management of systems' boundary with the environment, or other systems at lower levels, provides a role for managers at the strategic interface between the organisation and its environment. There is a balance between which has the greatest sway. There are those that suggest the internal dynamics of the people have more sway (Kets De Vries (1980), Kets De Vries and Miller (1984 and 1986), Kets De Vries, Miller and Noel (1993) and Zaleznik and Kets De Vries (1984)).

Others would argue that it is the environment that has the greatest impact, and that informs the strategy and the structure of the organisation (Miles and Snow (1978), Miller (1990), Pfeffer and Salancik (1978)). The key issue here is that the strategic task provides the focus for the system and that is how the boundaries are managed through a complex interplay of internal and external factors. However, the conclusion can be drawn that poor management of task and boundaries can undermine strategic organisational learning because it creates distortions in the system.

Technology

Structure continued to be part of the subtext in contingency theory: its relationship with the environment; its relationship to strategy and then, its relationship with technology. Joan Woodward's (1961) study of 100 manufacturing companies in the south of England aimed to identify the relationship between performance and structure as defined in terms of spans of control, hierarchy, the degree of centralisation and management style (Child, 1984). In collecting her data she found no obvious relationships. A further analysis of the data by complexity of technology identified the relationship between structure, as embodied in technology and performance. There were three broad 'types' of technology: simple or small batch production; large batch or mass production and, continuous production.

Woodward found that mass production with mechanistic organisational forms and small batch, or continuous processes, with organic configurations had better performance over other combinations. While useful in understanding the impact of technology, the actual study was less generalisable to larger and more complex systems than the ones in the original studies that tended to be small to medium-sized firms. Technology was also seen as a key variable in looking at task interdependence and the complexity and analysability of work processes (Perrow, 1967).

Psycho-social elements

People also form part of the organisational system and while the organisation has a primary task, it also provides a container for the formation of human relations.

"A task system is a system of activities plus the human and physical resources required to perform the activities." Miller and Rice (1967) p6. They acknowledge, as do others (Kast and Rosenzweig (1973 and 1974), Katz and Kahn (1978), Nadler and Tushman (1979)), the importance of the human side of organisation and they describe this as the 'sentience' of the work group. The sentience is the ties and emotional relations that exist within a system, be it a small team or an organisation. The impact or contingent nature of the emotional side within a system framework is identified in relationship to technology, the informal side of systems and the psychodynamics of these relationships in organisation systems and subsystems.

The work of Trist and Bamforth (1951) shows the psychological and social impact on

technology. Their study on British Coal was an action research project on the introduction of new coal mining methods from small, multi-skilled teams and affiliates, to a technically advanced method where new roles, specialisation, working patterns, and temporal relations were all changed to improve productivity. Despite the investment in new technology and coal mining methods, productivity surprisingly fell. On closer inspection the researchers realised that deep and lasting social relations had been broken in the new regime and that this affected performance. The system was changed to account for both the social and the technical side of the organisation and this approach was referred to as the Socio-Technical System approach (STS) (Emery and Trist (1965), Kast and Rosenzweig (1973 and 1974)). A similar project examining the relationships between social and technical relations was also carried out in the cotton-mill re-organisations in the Ahmedabad experiment in India (Rice, 1958).

A further development of the psycho-social side of organisations is the role of politics. Hickson et al (1971) and Hinings et al (1974) do consider political processes from a systems view, be it implicitly based upon structural relationships. Nadler and Tushman (1979) talk about the informal side of organisational life where informal leadership and power bases are explicitly discussed. However, the analysis is not deepened beyond the notion of 'congruency' but politics in change is overtly accounted for in that framework (see Nadler, 1980).

Finally, the role of the unconscious and psychodynamic aspects of the organisation is discussed most fully in Miller and Rice (1967). Others who follow that tradition include Hirschhorn (1988), Obholzer and Roberts (1994), Diamond (1994), Ket De Vries et al (1991) and De Board (1978).

Miller and Rice (1967) suggest that: "The tendency for most human beings to 'split' the good from the bad in themselves and to project their resultant feelings onto others is one of the major barriers to understanding and control of the relationships between human resources and the task which they contribute." p16.

"The resulting pattern is one of co-operation and conflict between members as individuals and between them and the group culture they produce." p18.

In other words, intra-psychic and inner conflicts in the minds of the individual are not kept within the boundaries of the individual and these are unconsciously projected onto other members in the group, managers, the organisational structure and roles. Thus, the manager may be seen as a mother or father figure in the unconscious. Or, the organisation becomes a place to work out past conflicts that were in one's family (Czander (1993), Obholzer and Roberts (1994)). The key factor here is that there are several human dynamics that are unconscious, outside normal awareness, unspoken and misunderstood. In increasing our understanding, this area may provide some further insights within the context of this thesis and the role of the unconscious in understanding the deeper psychological aspects of change - that which is often ignored or misunderstood. A deeper analysis of the psychoanalytical perspective of organisations follows a short discussion on the limitations of systems theory. Thus, it can be concluded that where psycho-social dynamics are discordant, then this will reduce the attainment of task and the ability of the system to learn.

4. Difficulties in system theories

Systems theory is a robust framework for analysis but it has some weaknesses. There is an assumption of equilibrium and harmony that is taken for granted in many discussions of systems theory. Conflict is seen as absent, equilibrium and homeostasis as the norm and there is an assumption of a single primary task. Thus, it is oversimplified.

Woodward (1980), Hodge and Anthony (1984) and Zey-Ferrell and Atkin (1981) argue that the analysis is static and instrumental in its managerial and centralist view of organisational decision making. They also argue that its application may be difficult to operationalise and concepts have been said to be too abstract.

Miller (1976) acknowledges that sociologists charge the psychoanalytic perspective as not seeing the wider context and putting every thing down to intra-psychic anxiety.

The primary task may not be easily identified or stated as a single task. However, it is unlikely to be a large number. The significance of the primary task is that it helps make decisions about how to allocate resources among different and competing demands on the system. Another way of looking at it is that a system with a vague, poorly specified, ambiguous task or having multiple 'tasks' may be a reflection of underlying and unresolved conflicts within the system. Thus the notion of the primary task does not preclude conflict, complexity, multiple agendas and the need for these processes to be resolved.

Miller and Rice (1967) add: "The primary task is essentially a heuristic concept, which allows us to explore the ordering of multiple activities (and of constituent systems of activities where these exist). It makes it possible to construct and compare different organisation models of an enterprise based on different definitions of its primary task; and to compare the organisations of different enterprises with the same or different primary tasks. The definition of primary task determines the dominant import-conversion-export system..." p25.

Thus, it is a starting point for organisational analysis. It is not a property of an organisation but an exploratory tool between consultant and client (Miller (1993) p18).

The 'concept' of the primary task is an analytical tool. It can also be understood as a product of different interests at stake, social bargaining or psycho-social dynamics (Miller, 1993).

The latter point is further elaborated by the criticism that the term 'primary task' was sometimes used as a 'should' statement, or an 'is' statement without clarity of definition. Lawrence and Robinson (1975) help clarify the point in making the following distinction.

They identify three 'types' of task which are often confused:

1. The normative primary task, which is the task that people in an organisation ought to pursue (usually according to the definition of a super-ordinate authority);

2. The existential primary task is that which they believe they are carrying out;

3. The phenomenal primary task is that which is hypothesised, they are engaged in and of which they may not be consciously aware.

The analytical issue about which task the system is addressing is helpful in examining 'espoused' or intended actions in the organisation (the normative task) and how these compare with the organisations' actual behaviour (existential primary task). Where these are incongruent there is an opportunity for the organisation to learn. The differences may be explained in examining the phenomenal task as the organisation takes up the challenge of change. It is this distinction of system task and the role of the psycho-social relationships that is put forward in this thesis as an approach to further deepening our understanding of organisational dynamics of change. A fuller discussion of these themes in relation to learning within the system of the organisation is in chapters 5 and 7.

For this thesis the usefulness of systems theory has to be judged for theoretical development on three main criteria. Can it be understood within a 'systemic conflict framework'? Does it reflect a processual perspective? Can we develop a deeper psychological analysis of the interactions, dynamics, relationships and outcomes?

5. A conflict systemic paradigm

Miller and Rice (1967) understand and recognise that conflict is inherent. However, it is a second order consideration and it is implicit that differences in interests are barely recognised and 'power is largely ignored'. Social systems theory still falls within a dominant framework of homeostasis and a 'unitary' position.

"The unitary view of organisations regards conflict within organisations as a rare and transient phenomena which, when present, can easily be eradicated or controlled through appropriate managerial action. Because interests are regarded as being characterised by a harmonious order, conflict within organisations is regarded as an alien, obtrusive and unwelcome force and one which is largely the creation of deviants or troublemakers. From a pluralist perspective, on the other hand, conflict within organisations is viewed as an inevitable and ineradicable feature of everyday life." Burrell and Morgan, p203.

The two views are summarised in Table 4.1 below

Table 4.1
Models of Conflict
The Unitary and Pluralist Views of Interest, Conflict and Power

	The Unitary View	*The Pluralist View*
Interests	Places emphasis upon the achievement of common objectives. The organisation is viewed as being united under the umbrella of common goals, and striving towards their achievement in the manner of a well integrated team	Places emphasis upon the diversity of individual and group interests. The organisation is regarded as a loose coalition which has but a remote interest in the formal goals of the organisation
Conflict	Regards conflict as a rare and transient phenomenon which can be removed through appropriate managerial action. Where it does arise it is usually attributed to the activities of deviants and trouble-shooters	Regards conflict as an inherent and ineradicable characteristic of organisational affairs and stresses its potentially positive or functional aspects
Power	Largely ignores the role of power in organisational life. Concepts such as authority, leadership and control tend to be preferred means of describing the managerial prerogative of guiding the organisation towards the achievement of common interests.	Regards power as a variable crucial to the activities of an organisation. Power is the medium through which conflicts of interest are alleviated and resolved. The organisation is viewed as a plurality of power holders drawing their power from a plurality of sources

Source: Burrell & Morgan, 1979

This thesis takes conflict as a central axiom for understanding systemic dynamics.

Lewin (1948) saw conflict as a phenomenon to be understood within social systems and incorporated it into his thinking. Conflict can arise from a difference in ideology, or a difference in interests and these are enacted in social differences or power relationships. Thus, 'conflict' is also about politics in this thesis (Burns (1961), Zaleznik (1970)). In dominant, classical and some modernist theories of organisation and rational models of organisational change, we see conflict as something to be avoided. Harmony and equilibrium are the norm and conflict is seen as dysfunctional (see Mintzberg, 1983). There are those who take the position that conflict is normal and it reflects a plurality of interests that are worked out through social bargaining and negotiation (Crozier, 1964). While Pascale (1990) and Brown (1983) would argue that conflict is functional and necessary to generate innovation. The issue is that if there is not enough conflict then the organisation can become moribund; if there is too much then it can be pulled apart. The level of conflict needs to be optimum and this can be due to differences in position power, social status and interest group (Brown, 1983).

Therefore, in thinking about systems theory within a systemic conflict framework, it is necessary to reconsider some of the assumptions and axioms. Within such a framework, organisations maybe described as complex, social systems and some further assumptions maybe posited.

There are four:

1 . The system is inherently in conflict as it attempts to seek 'dynamic equilibrium' rather than some goal seeking, homeostatic point. The nature of conflict recognises the differences between the formal and informal organisation; their relationship to the task and, differences between individual, group and organisational task, needs and motives.

2 . The notion of 'whole system congruence' may not be attainable and second-best solutions provide 'good enough' system functionality for the greater complexity of operating within a changing environment. The implication of this is that systems will tend to be operating at a sub-optimal level and the idea that the whole system can learn is rejected. Instead partial learning in systemic terms will be possible and it is the level and significance of the sub-system that may determine the importance of the learning for the whole system.

3. The psycho-social dimension may have greater weight than has hitherto been acknowledged and much of the theories of change argue the importance of such elements. This proposition does not reduce the importance of the impact of the environment. However, it suggests, of all the factors of influence within the internal boundaries of the system, this one continually resurfaces and insufficient treatment is given or understanding attributed to the impact of this phenomenon. Even in the nature of how the 'environment is seen' and the nature of the phenomenal task illustrates this aspect of the system's dynamics: i.e. intrapersonal, interpersonal and group conflicts.

4. Finally, this suggests that the system is limited in task attainment and learning by the dynamics of the psycho-social system, after environment and task, over other contingent variables.

6. A psychoanalytical perspective

The psycho-social basis of social systems theory provides a sufficient base for this aspect of the work to be developed further. It is the integration of the psychoanalytical approach to the notion of the 'complex systems' framework, rather than a psychoanalytical perspective per se that will help in deepening understanding.

Thus, a reformulation of a complex, dynamic systems framework may be reflected in the following summary statements:

1 . Organisations are complex systems that are based on the assumption of conflict and differences of interest. Thus, it is in a state of continual dynamic tension or points of 'quasi-equilibrium'.

2. The organisation's configuration is a feature of external and historical features as well as internal dynamics. The internal dynamics are power relations, a psycho-social dimension, task and formal organisational arrangements.

The literature suggests that the environment and task are the most important factors to impact on a system's attainment of its goals and on learning. It is hypothesised that subsequent to the influence of environmental context and task the most significant factor to consider in understanding the dynamics of strategic organisational learning are the psycho-social dynamic. This is shown to impact on how managers respond to the environment, task attainment, systemic learning, formal organisational arrangements and political enactment. Thus, the focus for the thesis is on the role of the 'top team'.

From the review of literature there is also a case that can be put forward that suggests that social and political forces impact on the task of organisations and on their learning as social systems. Explicitly examining this aspect of the organisation may help to explain and deepen understanding of what happens in subsystems like 'top teams' and how that affects that system's learning.

The technical, rational, political, and systemic nature of organisations has been the subject of the discussion so far. A fuller discussion of the socio-psychological dimension is required to see the links between a systemic conflict framework for understanding change and its impact on learning. The latter is provided in chapter 7.

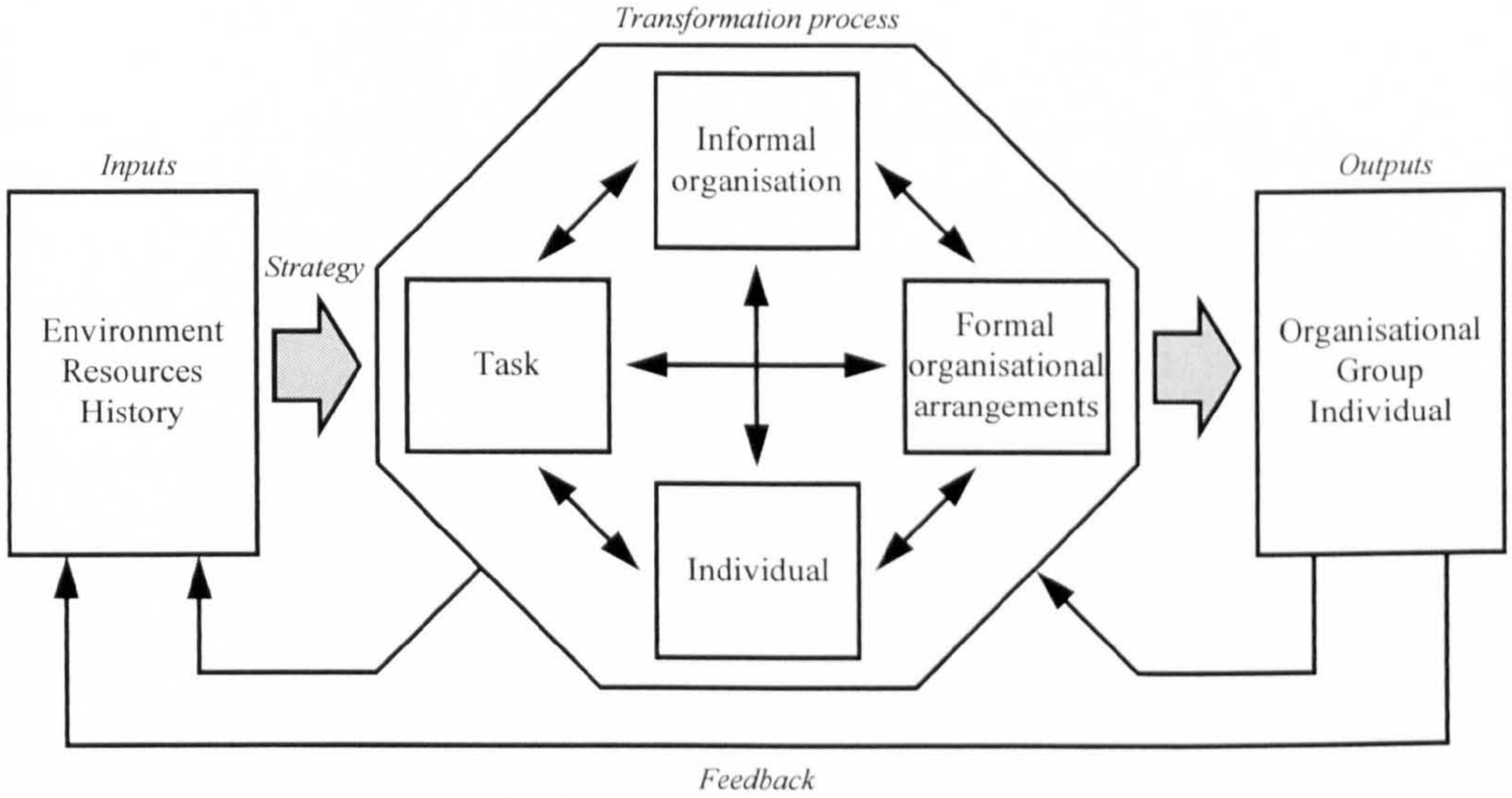
Power and politics are endemic and these are features that operate throughout the system. They are reflected in both power relations and social interest groups and worked out through social bargaining and relationships. These additional dynamics are discussed as they relate to the research question and are not themselves a focus of this thesis.

These assumptions form the basis of our understanding of complex systems and the following chapters explore the contribution of psychoanalysis to this perspective in more detail.

7. Summary

An overview of systems theory suggests that, as a means of conceptualising organisations, it can represent many of the complexities of organisations. It is holistic, contingent, it incorporates social processes and has feedback and learning as central to its understanding and theorisation of organisations. However, it has limitations in some of its assumptions, axioms and application to organisational analysis. Furthermore, it highlights the difficulties of system learning. There are three criteria that the theory needs to satisfy for the purpose and interest of this thesis. These are: that the theory falls within a conflict systemic framework; that it takes a processual perspective and, that it addresses deeper psycho-social dynamics. This has led to reframing and theorising about the nature of systems against these criteria and exploring the notion of 'complex systems theory'. Thus, some of the principle axioms of systems theory have been redrawn in a series of additional propositions. The use of later contingency theorists - e.g. Miller and Rice (1967) and Nadler and Tushman, (1979) - is a point of departure.

Figure 4.2
A Systems Model for Examining Organisational Change



The Nadler-Tushman Congruence Model for Diagnosing Organisational Behaviour, 1979

The new assumptions are:

* The system is inherently in conflict as it attempts to seek 'dynamic equilibrium' rather than some goal seeking, homeostatic point
* The notion of congruence may not be attainable and second-best solutions may provide 'good enough' system functionality for complexity
* The psycho-social dimension has greater weight than has hitherto been acknowledged and much of the theories of change argued the importance of such elements
* The system is limited in its task attainment and learning by the dynamics of the psycho-social system, after environment and boundary management, over other contingent variables

These axioms are the result of reviewing the theory and they meet the requirements of the paradigm - systemic conflict framework - that was argued to help understand organisational dynamics at a deeper level. This model of conceptualising organisations is now applied to understanding organisational learning in the next chapter.

Chapter 5 - Organisational learning and the role of 'top teams'

1. Introduction

"...If we wish to learn more about the conditions that facilitate or inhibit organisational learning, we must explore the ways in which the behavioural worlds of organisations affect the capacity for inquiry into organisational theory in use." Argyris and Schon (1978) p28.

This chapter pulls together the relationship between change, organisations, organisational learning and the role of the 'top team'. It takes the organisation as an open, dynamic and complex social system and considers the role of one of the most important boundary managers: the 'top team'. This subsystem operates at the boundary between the utilisation of internal resources and the external market and, between the inner world of the organisation and the external demands of the environment. They are thus at the strategic apex of the organisation.

Argyris and Schon (1978), Bessant and Buckingham (1993), Senge (1990), suggest that there is a strong relationship between the effectiveness of the 'top team' and the organisation's ability to learn. In this chapter these links are explored and from the literature a working definition is developed of what constitutes organisational learning. The focus of the inquiry will be 'strategic organisational learning', that is learning that takes place at the interface between the organisation and its environment. The strategic apex is the critical subsystem of this inquiry.

2. What is organisational learning and why is it so important?

Organisational learning is the capacity for an organisation - that is its members and the system as a whole - to respond, adapt, transform and learn from changes in its environment.

Definitions

The term 'organisational learning' is used in this work based on the theoretical roots to be found in a systems approach (March and Simon (1958), Argyris and Schon (1978), Senge (1990)) which is coherent and consistent with the foundations of the theoretical framework. Some authors (Pedler et al (1989 and 1991), Garrett (1989)) use the term 'the learning organisation'. While valid, the distinction is based upon focus. The term organisational learning is concerned with the how: development and process, which again relates to the theoretical ground of this inquiry. The concept of 'the learning organisation' is concerned with direction and implies a normative goal (Jones and Hendry (1994), DiBella et al (1996)). The implied relationship between the two is that there needs to be organisational learning for there to be a learning organisation. The focus for this thesis is organisational learning. That is, how can we understand the nature of organisations, rather than just a descriptive and normative account of how organisations should be, or some idealised special case.

The use of the term 'organisation' is used in preference to 'company' as the latter has a private sector association and may be unduly restrictive (Jones and Hendry, 1994). Furthermore, this research covers public sector agencies and thus the term 'organisation' tends to be more inclusive. Pedler et al (1991) stay with the term 'company' for philosophical reasons as they say that it implies collaboration, or 'in company'. Few commentators share the latter view and, given the public sector context of this thesis, it will take the pragmatic position and focus on the 'organisation'.

Argyris and Schon (1978) define organisational learning as a "process of detecting and correcting error". Fiol and Lyles (1985) see 'Organisational learning' as the process of improving through better knowledge and understanding.

Senge (1990) goes further and describes a learning organisation as one that is continually expanding its capacity to create the future. Pedler, Burgoyne and Boydell (1989 and 1991) define it as an organisation that facilitates the learning of all its members and continually transforms itself. Stata (1989) suggests that organisational learning occurs through shared insights, knowledge, mental models... (and) builds on past experience and knowledge - that is, on memory. Finally, Garvin (1993) states that a learning organisation is an organisation skilled at creating, acquiring and transferring knowledge and, at modifying its behaviour to reflect new knowledge and insights.

The literature seems to confirm four elements to organisational learning: the acquisition of knowledge; the transference and sharing of knowledge; the utilisation of knowledge as evidenced in action and feedback (see Garvin (1993), Nevis et al (1993), Kim (1993)).

3. The context of organisational learning

In a rapidly changing environment, the capacity for social systems to engage in learning provides the basis for a number of benefits. These include: a competitive edge for getting ideas into the market quicker; gaining profitability from being able to exploit innovations and new processes that add value over alternative service techniques; improvements in the service or value chain and, better ways of reducing costs. These all make the organisation's capacity to learn increasingly important for its survival, development and long term growth and transformation (Bahlmann (1990), Barrow and Loughlin (1992), Williams (1992), Hendry (1996)). It also supports strategy implementation, Beer & Eisenstat (1996) and is argued to be central for organisation development (Flood (1993), Stata (1989)).

In managing change, the opportunities for learning are great but these are not always realised. Change does not imply learning (Fiol and Lyles, 1985). Argyris (1977) suggests that where change scenarios are driven by crisis or revolution, there are inhibiting forces that can reinforce the difficulties of change and prevent system learning. These inhibiting forces are referred to as 'defensive routines', which support dysfunctional behaviour, cover up mistakes and poor practice, by-pass conflict and difficulties and hide opportunities to do things better or in different ways (Argyris (1985), see too Ashford and Lee (1990) and Gersick and Hackman (1990)). Thus, while planned change may support organisational learning, organisational change does not per se support organisational learning. It is more likely that where changes are environmental - that is, driven from the outside - organisational learning will be more difficult to sustain (Bahlmann, 1990). In the current context of organisational flux and change much of this is driven by the environment and thus dysfunctional routines are likely to surface.

In addition, in the context of change, organisations have to make difficult decisions between investing in development and exploration versus doing what they know best and exploiting their existing talents for short-term gain. It is suggested that organisations that tend to go for short term and 'exploitative' solutions do so at the risk of learning (March (1991), Levinthal and March (1993)). Thus, if learning is to be sustainable it needs to be strategic.

4. The role of the 'top team': a strategic subsystem

Strategic change and learning have to be managed and cannot be left to luck or the invisible hands of the market. The role of the 'top team' in managing change, the boundary with the environment and organisational learning, is argued to be critical - Gouillart et al (1995), Kanter et al (1992), Beckhard and Pritchard (1992), Pettigrew and Whipp (1991), Bessant and Buckingham (1993)). The leader and, more generally, the 'top team' have an impact on culture and strategy (Kakabadse (1991a), Schein (1983 and 1985), Miles and Snow (1978), Peters and Waterman (1982), Kets De Vries and Miller (1984), Miller (1990), Schneider (1997), Wasdell (1997)). They manage the boundaries between the policy of the Board, strategic formulation and strategic implementation. Burke and Litwin (1992), Katz and Khan (1978), Nadler and Tushman (1979), Kast and Rosenzweig (1973 and 1974), have all argued the importance of the environment and the management of the organisational boundary. The role of the 'top team' is to do this and do so in a way that maximises both performance and the process of learning. They have to manage the tensions of resource allocation and conflicting demands over timescales between short-term goal and long term investment. For the 'top team' to engage in efficiency and performance management only is to focus on learning within fairly restricted parameters about the nature of the learning task; 'single-loop' learning. Such an approach may lose sight, or even undermine, long term viability.

Johnson and Scholes (1993) show the iterative nature of the strategy process as performance outcomes are not realised. The management process at first works harder within the existing boundaries and framework of the perceived problem; if nothing improves they re-look at the strategy. If things still remain unchecked, they look at the organisational paradigm - values, assumptions, beliefs and culture. It is at this point that the organisation is engaging in 'double-loop', strategic organisational learning. They move from 'primary' problem solving of the manifest issues to 'secondary', which aims to uncover the latent and systemic difficulty (Tosey, 1993).

Organisations can be easily stopped from exploring their paradigms and fall into 'single loop' or increasingly defensive routines (Argyris, 1985). Thus, the process of strategic learning needs to be managed and contained. The 'top team' is both best placed and has the authority to do so. The role of the 'top team' here is to provide a facilitative environment and to manage the organisational boundaries in order to support dialogue, team working and organisational learning. Thus, the 'top team' becomes increasingly paramount as an important subsystem in the process of strategic organisational systems learning. However, they are not always able to perform this task well and in part this may be explained by their own internal dynamics.

5. What does organisational learning mean in this thesis?

The focus of this inquiry is strategic organisational learning, that which takes place at the boundary between the 'top team', culture, strategy and the environment: at the strategic apex. This is opposed to learning that takes place at the operational level - further down the organisation. DiBella et al (1996) make a very useful distinction between strategic learning as compared with tactical and operational. Pedler et al (1989 and 1991) also make a similar distinction between the realm of policy and that of operations in their model of learning. While strategic and operational learning are important, the focus for this thesis is the former.

There are a number of issues that abound conceptually and operationally concerning the use of the term organisational learning. There are three areas that are briefly discussed: the philosophical orientation on learning; the components of learning and, the levels of learning.

Orientation

The concept of organisational learning is rooted in a number of different traditions of biology, social psychology, history, economics, learning theory and organisational studies (Morgan (1986), Ulrich, Von Glinow and Todd (1993), Dodgson (1993)). The latter concludes that a multi-disciplinary approach will improve the understanding of learning within organisations as they are such complex entities.

The theoretical approach and paradigm of this research build on this conclusion as it is systemic and interpretative. This means that, while the approach is processual, where open systems are seen as complex and contingent upon context, it is also based upon internal and psycho-social relationships and meanings within organisations. Thus the latter also incorporates a psycho-cultural/ psychoanalytic approach.

It is the integration of these domains that underpins the orientation to organisational learning in this thesis. Thus, organisations as social systems are seen as 'complex systems' where the relationships between structure, function, differentiation and integration are complex and are also influenced by context and time. In such systems, where they are able to operate effectively, they are characterised by many of the features of Argyris and Schon's (1978) 'model II type' of organisational learning. Here the organisational system is able to detect what is happening in the environment, detect errors and facilitate action to rectify them. However, there may be distortions in the system (of feedback) which prevent this process operating effectively. It is suggested that these distortions in the system reduce the capacity to learn and they are due to 'bounded rationality', dysfunctional organisational dynamics and defensive routines (Cyert and March (1958), Argyris (1985), Argyris and Schon (1978), Ashford and Lee (1990), Diamond (1986 and 1994)). Understanding these 'distortions' in systemic dynamics and learning in terms of cultural and psycho-social frameworks helps identify the latent and deeper meaning behind such acts.

Organisational learning: the components

The notion of the 'learning organisation' pertains to the whole organisation engaged in learning. All systems will have some element of organisational learning but not all organisations will be learning ones. There is conflicting evidence as to the reality of superior learning organisations and it may suggest that such an 'organisation' is a special case. However, the case of subsystem learning may be more feasible.

It is the contention in this thesis that a 'container' (or framework) for systemic learning is more likely if learning takes place at a strategic level - within the strategic apex. This is the key subsystem that enacts, supports or undermines systemic learning. A systemic approach would suggest that such a subsystem would be a microcosm of the broader system and therefore is a valid unit of analysis (Alderfer and Smith (1982), Alderfer (1990) and Tosey (1993)). Furthermore, the importance of the 'top team' in managing the transformational variables of culture, strategy and its environment (Burke and Litwin, (1992)) has been established from the literature. Thus, the focus of this thesis is strategic organisational learning as enacted by the 'top team' as part of the strategic apex, a key subsystem.

What is it that constitutes organisational learning?

There are a number of debates about the nature of organisational learning. The four components of acquiring knowledge, sharing it, taking action and undertaking reflection are the most commonly agreed. In addition, Nevis et al (1993) identified ten facilitating factors to enhance learning. These included scanning, performance gap analysis, measurement, involved leadership, a climate of openness, initiators of learning, experimental mindsets, a systems perspective, requisite variety and continuous education. Senge (1990) adds systemic problem-solving and working through teams. Schein (1993) also suggests that an important component of learning is the value of 'dialogue', which literally means the mutual flow of 'logos' of meaning. He goes on to argue that the value of dialogue is that it facilitates problem solving in a way that builds on sufficient common ground and trust to really share what is in one's mind. Thus, he suggests that dialogue is essential for effective team working.

Ulrich, Von Glinow and Jick's (1993) review article adds to the common reference points of organisational learning. They suggest that they are four (macro) components of organisational learning. These build on those identified earlier.

'Acquisition' includes the gap analysis and scanning of Nevis et al (1993). 'Invention' includes the problem solving aspects of Senge (1990) as well as the sharing and institutionalisation of knowledge, practice, standards and process (see too McGill and Slocum, 1993). 'Production' is the implementation of solutions; it is the action. Finally, 'generalisation' is the opportunity to evaluate the experience and encode it into organisational routines (policies), conceptual maps (strategic planning models), and norms (Ulrich, Von Glinow and Todd, 1993). These macro components are similar to the four building blocks that seem to be generally agreed from other sources. Huber (1991) also identifies four related constructs of knowledge acquisition, information distribution, information interpretation and organisational memory. They share many of the features of knowledge acquisition and transfer as opposed to action.

These macro components can also be distinguished from the micro components of: dialogue, taking a systemic approach and team working, which are ways that can inform the macro-processes and which seem to run as themes in all of the macro-components.

In this thesis it is intended to use those four building blocks of organisational learning, but qualify them by two further additions: understanding defensive routines and systemic problem solving.

Thus, the key macro components of organisational learning in this thesis are considered to be: scanning and interpreting; sharing information; taking action; reviewing and reflecting; understanding and countering defensive routines and, systemic problem solving.

Scanning

This is the organisation paying attention to the trends, information, knowledge and opportunities that exist in the 'external' world as opposed to the 'inner world' of the organisation. It is part of the acquisition of learning.

Interpreting

Once the organisation has the information coming in, how it makes sense of it is critical to its learning. This can be determined by management's belief about the environment and is associated with differences in organisational scanning, equivocality, strategy and decision-making (Daft and Weick, 1984). Organisations that are not in touch with the external reality will distort the external signals. For example, IBM in the mid 1980's totally mis-read the introduction of PCs into the computer market. IBM saw this innovation as a route to further develop the dominance of the main-frame market rather than the threat of powerful, desk-top and stand alone computers that became a new market. Organisations that are more able to hold a 'reality' perspective will see the world for what it is and decide how to engage with it.

These first two components are features of 'acquisition'.

Sharing information

Organisational learning is more likely where there is an openness to sharing information, learning and practice: both for those that are sharing it and for those that are receiving it. Cohen (1991) suggests that transfer of learning is the key to improving organisational effectiveness. It assumes that boundaries between subsystems are managed so that they are not too closed (over-bounded) or too open (under-bounded) and that there is a general climate of openness to sharing and debate - see too Alderfer (1980) on 'under-bounded' systems.

Taking action

This is taking the learning and applying it to the situation. It calls upon teamwork, leadership and a general climate of openness and experimentation. It may also involve taking risks in order to learn.

Reviewing and reflection

This is having a mechanism for receiving feedback in the system, being able to make sense of it and generalising from the experience into institutionalised practices, policies and mind maps - strategy. It implies a systems perspective.

Countering defenses

Organisational defenses and defensive routines are among the key 'distortions' in the learning process. Where these are excessive it is expected that very little systemic learning will take place. Strategies and codified practices to inhibit such processes will facilitate and support organisational learning (Arygris, 1985 and 1990). Thus, conflict would be managed, difficulties understood rather than blame attributed and people and groups would 'own up' to their part in the problem rather than 'act out' and fuel already difficult processes.

Systemic problem solving

This approach views the organisation as a whole and aims to understand the recursive patterns of behaviour and actions that operate in the system. In addition, a systemic approach would aim to understand the 'symbolic' meaning of unconscious enactments based on the data and the development of working hypotheses (Senge (1990), Tosey (1993), McCaughan and Palmer (1994)).

These are the seven components that will be used to identify the nature of strategic organisational learning.

6. Levels of learning

Gregory Bateson (1972) identified four levels of learning: zero; one; two and three. He suggested that 'zero-learning' is routine and habitual. There is no judgment on this but an acceptance that certain stimuli generate a 'soldered in', unquestioning and unconscious response. Level one learning is that which comes from trial and error. From iterations of responses within a stable context, where the boundaries and parameters remain the same, there is a process of correcting errors within a set of alternatives. Bateson (1972) describes this as 'proto-type' learning. It is akin to Argyris and Schon's (1978) 'single loop' learning. Level two learning is learning that re-examines the alternatives and parameters that make up the set of alternatives. It is re-evaluating the situation. It is, "[The] change in the way the individual construes his circumstances." (Bateson (1972, p263f.) Bateson and others that followed, e.g. Argyris and Schon (1978), described this a 'deutero-learning'. Finally, level three learning is the ability to step outside the existing paradigm of experience and apperception and to re-interpret the experience. These levels of learning have been influential on the theory of organisational learning.

The possibility of having different levels of learning is further represented in the literature by 'types' (Shrivastava, 1983). These include: two types - single versus double (Argyris and Schon, 1978); four types with eleven elements (Pedler et al, 1991); four types - knowing, understanding, thinking and learning organisations (McGill and Slocum, 1993); and five learning orientations (Nevis et al, 1993). These 'types' seem to start with crude to ever complex operationalised modes of the key concepts in organisational learning.

Bateson's original formulation of learning provides a suitable framework that incorporates the thinking of later authors, while at the same time has theoretical clarity about the nature of each level of learning. Thus, such a formulation is applied in this thesis to levels of organisational learning. These are: 'zero' learning where there are consistent habitual and sometimes dysfunctional routines that reduce the organisations capacity to learn; 'incremental' learning which aims at doing things right within a given context and is akin to 'single-loop' learning (level one); double-loop learning (level two) where the organisation learns from failure and is able to challenge and change its own precepts and principles; 'generative' learning where the organisation is able to step outside its current mind-set, assumptions, paradigm. The scope for creativity and innovation also lies in this place. This is level three learning.

There may be other 'levels' of learning but at this stage these are the four proposed types that we would expect to see. Further, refinement of these would be an outcome of the research - see tables 5.1 - 5.3 on the following pages for examples of the practical differences between different 'types' of learning.

The focus of this inquiry is the learning that takes place at the strategic apex and boundary of management and its implications on organisational learning. In this arena, the context is not stable and the inability to move beyond level one learning has negative implications for the organisation's development, performance and longer term survival. Thus, the focus of the research and use of the theoretical model will consider the management of the strategic boundary between the policy makers, strategy implementors and the environment. While other parts of the model provide a basis for inquiry these could be the basis of further research and papers.

Within this framework, there are a number of hypothesised relationships between the components of learning and the level of learning.

Thus to understand organisational learning in this context we would expect to see the following relationships between levels of learning and the macro components.

Table 5.1

Common Problems in Unsuccessful Systems

Symptom	Single loop characteristic
Poor data integrity	Lack of openness and information sharing. Unilateral view rather than global one. Information is power therefore keep it close to your chest.
Integrated system used in a non-integrated way - for example, only some modules of MRP2 used and confined to local areas only	Lack of shared vision of system or goals. Unilateral design, exclusion of some key user groups
Lack of long-term flexibility in the face of changing environment	Inability to revise goals and adapt to meet new challenges
Continuing dependence on manual system is parallel	Lack of commitment and trust in the new system and in the information provided by other functions
Interdepartmental conflicts	Unilateral views in design and lack of effective conflict resolution in implementation
Inadequate skills to support implementation	Lack of training, itself a symptom of lack of communication and involvement Where training does take place, it is only for the "what" rather than a broader understanding of why the system is implemented

Source: Bessant & Buckingham, 1993

Table 5.2

Features of Successful Implementation

Success factor	Double loop characteristics
Participative design	Generate commitment and high quality solutions through participative of all those with valid information to contribute
Multi-function project teams	Shared perspective on system
Top management commitment	Shared strategic vision which is effectively communicated downwards throughout the organisation
Readiness to re-examine and change existing procedures	Monitoring and adapting on a continuous basis
Close working with system suppliers	Making use of all valid information inputs
Cross-functional co-operation	Effective conflict resolution as part of building a shared vision and agreeing a common blueprint
Extensive and widespread education and training	Building and communicating a shared understanding of the project and its relevance to the business
Continuous monitoring and design input throughout project and on all aspects of the system - software, hardware, jobs, structures, etc.	Monitoring and adapting on a continuous basis

Source: Bessant & Buckingham, 1993

Table 5.3

Success and Failure in CAPM Implementation

(Derived from Mumford, 1975; Hughes et al., 1988 Gilllingwater, 1987; Voss, 1986; Callarman, 1987 and Trade Press)

Success is associated with	Failure is associated with . . . .
Top management commitment at all stages of the project	Lack of commitment
Clear strategic vision, communicated throughout the organisation	Lack of clear strategy and/or its effective communication to the rest of the organisation
Shared views of project aims and implementation approach	Lack of shared view and unresolved conflicts regarding design and implementation
Multi-function project teams function perspective	Single function teams, unilateral with multi-perspective
Effective conflict resolution within team	Unresolved conflicts over key implementation issues
Extensive user education to give understanding of broader implications and purpose of system	Minimal training for operation
User involvement in system design (of hardware/ software, jobs, structures roles, etc)	Unilateral design, organisation expected to adapt to systems rather than change system
Close involvement with suppliers	Minimal involvement
Readiness to re-examine and change existing procedures	Attempt to computerise what is already there
Performance measures reflect broader organisational effectiveness	Performance measures narrowly defined and related to efficiency at local level
Flexibility in design and continuous monitoring to adapt to unexpected changes	Inflexibility in system in response to unexpected changes in environment

Source: Bessant & Buckingham, 1993

Scanning

The first component of learning that needs to take place is 'knowledge acquisition'. Organisations need to scan their environment and collect timely and relevant information to meet their strategic needs and to be competitive (Williams, 1992). Where organisations do not scan, or do so inadequately, they consign themselves to being closed systems. Closed systems by their nature work within a set of pre-defined parameters, lose touch with reality and reduce their capacity to learn to single loop learning. Crisis, failure or breakdown may challenge their 'normal' way of working, but otherwise the system has a tendency to operate 'as if' it were in isolation, the environment is stable or it is protected from the reality of the environment. In such cases it will at best achieve single loop learning.

The process of scanning is necessary but not sufficient. Once the 'data' or knowledge is 'acquired' and is in the system, its interpretation, how it is perceived and made meaning of, will also be significant. The strategic and boundary management role of the 'top team' will be relevant here.

Where organisations operate from a 'defensive' position then it is more likely that the 'top team' will see the 'threat' element of changes in the environment compared to an organisation that is strategically more of a 'prospector', which will be more likely see the opportunities (Miles and Snow (1978), Kets De Vries et al (1993), Kets De Vries and Miller (1984 and 1986), Pettigrew and Whipp (1991)). Thus, the interpretative nature and apperception will also influence the capacity to learn. Systems that protect themselves from the reality of the changes and context of the external environment will have less success in achieving higher levels of learning. Those able to take in and realistically assess - e.g. through bench-marking and other tools - are more likely to achieve higher levels of learning.

It is argued here that these two components of scanning and interpretation are the most significant as they reflect the ability of the organisation to take in information, acquire knowledge and make use of the changes and opportunities for learning. It is also within this space, at this boundary between the organisation and its environment, that the system is either closed and 'over-bounded' or too open and 'under-bounded' (Alderfer, 1980) - see table 5.4 below.

Table 5.4

Properties of Overbounded and Underbounded Systems

Overbounded systems	Variable	Underbounded systems
Goals clear; priority unequivocal	Goals	Goals unclear; priority equivocal
monolithic	Authority relations	multiple and competing
minimal short-term stress	Economic conditions	impending economic crisis
precise, detailed, restrictive	Role definitions	imprecise, incomplete, overlapping
difficulties with openness when people meet	Communication patterns	difficulties in determining who can and should meet
constrained, blocked	Human energy	diffuse, exhausting
positive inside; negative outside	Affect distribution	negative inside; negative outside
organisational groups dominate	Intergroup dynamics	identity groups dominate
dependency	Unconscious basic assumptions	flight-fight
long	Time Span	short
single theory - ideology	Congnitive work	multiple or no theory - ideologies

Source: Alderfer, C (1980) "Consulting to Underbounded Systems" in vol. 2 of Social Processes pp267-29

In the first case learning will tend to be single-looped. In the latter, some learning will take place but its outcome is likely to be lost or fragmented unless actively harnessed. Thus, systems that are defensive will lose the value of scanning in their processes of organisational learning. **Where boundaries are optimally managed by their top teams, it is expected that the opportunities for learning would be enhanced. Thus, the management of boundaries at the strategic apex is an important role for the top team to facilitate strategic organisational learning.**

This takes us to the next component.

Sharing

For systems to learn, there needs to be sharing of the acquired knowledge. Systems that are unable to do so may have to continually engage in level 'zero' or level one learning. Subsystem boundaries in such a case will tend to be closed. Thus we can see a downward spiral of lost opportunities for learning.

Taking action

Paulo Freire (1972) uses the term 'Praxis' to mean: taking action through reflection. This process of learning through taking action moves the cognitive learning into concrete behaviours and leads to changes in internal and systemic relations. Praxis involves both action and reflection.

Review and reflection

Learning theory posits that reflection provides a basis for review and learning (Kolb, 1976). It allows members of the system to distil and understand their experiences (individually and collectively), share meaning about the context, including reframing it, institutionalise facilitators of learning and combat defensive routines. Where there is no review process then learning becomes 'soldered in' and tends to level zero learning where it becomes habitual. Where the context is changing, zero level 'learning' may become a further defensive and collusive routine, preventing further scanning and promoting 'closed' interpretations of the environment. Thus, the recursive and systemic nature of zero' level learning becomes apparent. These patterns are often referred to as 'defensive routines'.

Defensive routines

These are often embedded in social systems as level zero learning: processes, practices and learned behaviours in the past that once provided some benefit to that social system. Interpretative approaches - psychoanalytical and cultural - would recognise this as 'taken for granted' mechanism for survival (Schein, 1985). In many ways these actions were once useful, learned responses to specific stimuli that became generalised and applied inappropriately to a wider set of stimuli and contexts. These actions are unrelated to the reality of the current situation and are a failed response to the environment and context. In psychoanalytic terms they may come from an 'ego-defense' for the individual, or a 'social defense' for the system or subsystem, which collectively generates defensive and collusive routines in the learning system. There is a tendency to compulsively repeat defensive mechanisms of the past as part of the characterology of individual and the systemic dynamic of groups and other social systems (see a fuller discussion in chapters 6 and 7). The tendency in such cases is to zero level learning. Thus, interpretative and systemic strategies to uncover and re-cover the impact of defensive routines and zero-learning would support organisational learning. The relative nature of defensive routines in supporting or undermining organisational learning is considered to be the next significant component of organisational learning. The reason this is argued to be the case is because defensive routines have a natural tendency to 'zero-learning' and because they are often 'soldered in', it is unconscious and systemically embedded. Perceiving this level of learning and engaging in the interpretative strategies of 'combating' defensive routines is both long and difficult (Argyris (1985 and 1990), Diamond (1986), Hirschhorn (1988)).

Systemic problem solving

Members within organisations need to think systemically in order to understand, counter and intervene in defensive routines (Senge, 1990). This provides a holistic and logical framework that aims to provide a structure for managing complexity and identifying the recursive and dominant patterns within the organisation. It seeks to also understand the inter-relatedness of difficulties and not see them in isolation. Finally, it aims to uncover the implicit processes that undermine organisational learning (McCaughan and Palmer (1994) and Tosey (1993)).

7. A psychoanalytic perspective

A psychoanalytic perspective helps to understand the latent meaning to manifest behaviours. Its contribution can add to understanding organisational defenses, systemic dynamics and group processes and the impact on learning. Theories of groups and team dynamics suggest that they go through various stages of development, group members take on roles and performance will vary depending upon how critical stages of conflict and change are internally managed.

A psychoanalytic approach to understanding groups and organisation is discussed in more detail in chapters 6 and 7. However, its relevance here is that it begins to help us understand why organisations do not learn and what gets in the way. Thus, an understanding and theory as to why organisational learning is difficult to attain and sustain is developing in this thesis.

It is suggested here that the key process that undermines organisational learning is the extent and nature of organisational defensive routines and an ability or inability to understand these through systemic process problem solving. This forms part of the process of interpretation of the organisation's internal context.

Argyris acknowledges defensive routines in several of his works; 1978 (with Schon), 1985, 1990 and 1992. He sees these as cognitive and as behavioural difficulties. Yet he also acknowledges their continual persistence. It is also implied in Bateson's work (1972).

A psychoanalytic perspective provides a deeper level of analysis as to the possible nature of these defensive routines (see Diamond (1985 and 1994), Schneider and Shrivastava (1988), Hirschhorn (1988, 1989 and 1995), Hirschhorn and Barnett (1993), Menzies (1960)). The causes of the defensive are not only political and conscious, they are also unconscious, triggered by unpleasant and difficult situations. Defensive routines are understood from a psychoanalytic perspective as arising from the nature of 'anxiety' (see chapters 6 and 7).

The nature of external change leads to organisational relationships being upset and destabilised and this is the first level of anxiety. The task of managing strategic change and learning for each member in top teams, also generate feelings of anxiety due to the task itself, the associated risk, the possibility of redundancies and further defensive routines.

The role of the 'top team' at the strategic apex is to manage both the changes and the anxiety in the system in order to facilitate learning and strategic development. The strategic role is also on the boundary of internal and external tensions and these are yet another source of conflict and anxiety. The strategic role is an exposed one and often brings with it isolation (Kets De Vries (1980), Kets De Vries et al (1993)).

These defensive routines undermine learning at every level. They can lead to closed systems that cease to scan the environment, or once they receive information they 'distort' it and are unable to hold on to the reality of the situation. They can either over or understate the problem from a basis of fear. Information is not shared and action becomes self serving and debilitating rather than organising around the tasks of the system. Finally, where defensive routines persist, the quality of thinking, strategic boundary management and learning deteriorates. These are some examples of how defensive routines can impact negatively on strategic organisational systems learning.

8. Summary and focus on strategic learning

This chapter has explored the nature and relationship of organisational systems learning to the strategic role of the 'top team'. It suggests that organisational learning is systemic. The ability of the system to scan the environment, interpret realistically, share information, take action and review, counter defensive routines and engage in systemic problem-solving, will impact on the organisation's ability to learn.

Organisational learning is undermined by defensive routines in each process. A psychoanalytic perspective on understanding defensive routines provides further depth as it helps to explain the underlying and latent meaning and processes of 'resistance' to learning.

These dynamics are explained in further detail in the two chapters that follow concluding with an emerging model which is discussed in chapter 8.

Chapter 6 - Psychoanalytic perspectives: the role of the subjective in understanding the dynamics of social systems

1. Introduction

The thesis has argued that, in order to understand organisational change, an integrated approach is required that takes account of the rational and structural side of organisations as well as the subjective, messy and process side of organisational life. Much of the work on organisational change comes from the 'strategic choice framework' of analysis that is based on notions of rationality, equilibrium seeking and a pragmatist orientation. The irrational, conflict based and psycho-social domains are seen within a 'systemic conflict framework' (Wilson, 1992). Such approaches receive less attention. Yet, in developing Lewin's original thesis (1947, a and b) of understanding change, such an approach forms the crux of any analysis. The systemic conflict approach, which explores the deeper issues of change, provides greater understanding and insight into how one views and tackles the difficulties of change.

The purpose of this chapter and the next is to take the analysis further. They aim to develop an integrated approach on two subjects: the dynamics of the 'top team' and strategic organisational learning. They draw upon psychoanalytic theory to explain the role of the subjective in increasing our understanding of learning, the dynamics of 'top teams' and the impact on strategic organisational change. It argues that the application of a psychoanalytic perspective falls within a systemic conflict paradigm and thus increases our insight and understanding in changes to social systems.

This chapter covers two areas. Firstly it provides an introduction to the key elements of psychoanalytic theory. Secondly, it applies these principles to individuals. This chapter emphasises the theoretical dimension with its application to individuals as an analytical foundation for the rest of the thesis. In the subsequent chapter, the psychoanalytical precepts are applied to groups and to organisations more broadly as social systems. These lead to the development of an integrated framework for analysing the dynamics of change at the different levels of the social system - individual, group and organisational.

Finally, chapter 8 concludes with a number of propositions about how these social dynamics may impact on strategic organisational learning. The chapter pulls together and summarises the discussion from the four areas of the review and draws the psychoanalytic component as the basis of an emerging systemic and interpretative theory of why organisations find it difficult to learn.

2. The case for a psychoanalytic approach

A psychoanalytic approach is valuable as it provides a deeper level of analysis of organisational processes and systems than dominant theories of organisation. It also addresses a gap in the research area on understanding the dynamics in the 'top team' as it addresses the issues of greater integration, depth and a theory of understanding (see points raised in chapter 1). This is because the theoretical frameworks of many of the earlier studies were laboratory based and did not inquire into the deeper level of group dynamics. The theoretical framework of this thesis, sees the organisation as complex and dynamic social systems where change itself is processual and dynamic rather than comparative static in its analysis. This framework shares some common elements with psychoanalysis and thus is applied to the domain of strategic organisational learning.

In managing the strategic task and boundaries of the organisation there is often uncertainty, change and risk (Hirshhorn (1988 and 1995), Miller (1993), Jarrett and Kellner (1996)). Feelings of anxiety are also associated with many such changes. Examples might include the fear of not meeting deadlines or income targets, allocating resources to politically sensitive service areas, or managing large scale public investments on behalf of the community. The management of that anxiety is often located in the 'top team' of an organisation because this is the group that has to turn general political policies into strategies and operational plans for implementation. Thus, the role of that group and how they manage the task, boundaries and relationships will impact on the organisation's strategic learning capacity (see too Diamond (1994)). The role and task of the 'leadership' in relationship to organisational learning is considered as important (Argyris and Schon, 1978) yet, again, this is an area that receives less attention along with the dynamic nature of the 'top team' (see Kakabadse (1991a) for further discussion on the practice of top teams). Filling the gap and increasing our understanding of the role of the 'top team' and organisational learning is the focus of this inquiry. A psychoanalytic approach provides a language and framework for understanding how anxiety can impact on

social systems be they individuals, groups or organisations.

3. A psychoanalytical approach to social systems

A psychoanalytic approach to social systems shares the same analytical paradigm as a 'systemic conflict framework'. They both see individuals, groups and organisations as open, social systems. Thus, as described in more detail in chapter 4 above, social systems have inputs, internalise and process what is taken in and then exports its outputs. The system is more effective when it can manage its boundaries well. If it takes in too much it becomes swamped; whereas, if it takes in less than required, it can become starved or inadequately informed or nourished. Similarly, it can export or give away everything it has and feel depleted; on the other hand it can excessively hold on to its internal, processed material and becomes congested. The nature of biological systems, according to Von Bertalanffy (1968), is that they seek equilibrium and stability. In a conflict systemic framework, equilibrium, especially in the short term, may not be possible and in psychoanalysis it is the very internal systemic conflict that gives rise to anxiety and the actions and behaviours that follow. It is these dynamics that psychoanalysis is well equipped to understand.

It has been argued, in chapter 4 above, that while the structures and systems of organisations provide a framework for understanding input and output relationships, they say less about what goes on in the middle - the internalisation and processing of the inner world of that social system. From a psychoanalytic position, it is argued that in periods of change there is greater strategic risk, task complexity and uncertainty. Thus, the relational certainty of inputs and outputs falls down, as the combined impact of anxiety and uncertainty leads to the breakdown of this 'causal' relationship. Thus, in times of change, anxiety and collusive routines might hinder organisational learning if they are not appropriately managed through clarity of task, roles and boundaries. This is true at the individual, group and organisational level. A theory of how this takes place is what follows in the rest of this chapter.

4. The individual level

Psychoanalysis was first and foremost applied to the individual. It has two sources: a body of theory and the personal 'analysis' in the consulting room, where a collaborative relationship exists between the psychoanalyst and the analysand.

A psychoanalytic approach to understanding behaviour suggests that actions, motives and behaviours are driven by unconscious dynamics outside of normal awareness. These unconscious dynamics are a result of past conflicts that arise in childhood as part of the normal stages of development and maturation. Thus, in periods of stress and difficulty the concomitant anxiety causes the adult to regress and to act 'as if' the (unresolved) conflicts were still alive. Moreover, these unresolved, unconscious conflicts (as well as fixed, poorly processed memories) at childhood express themselves in symptomatic behaviour. These form the repetitive and inadequate behaviours of unresolved motifs that feed rigidity and block the flexibility needed for effective thinking as part of individual and organisational learning (Silberman (1996), Freud (1955)).

These actions are unconscious and act as a defense against re-experiencing the full effects and buried memories of the past.

The management and systemic nature of the individual are carried out by the 'ego': the psychological boundary manager and reality tester.

Freud described the ego as follows: "As regards external events it performs that task (of self preservation) by becoming aware of stimuli without, by storing experience of them (in the memory), by avoiding excessive stimuli (through flight), by dealing with moderate stimuli (through adaptation), and finally, by learning to bring about appropriate modifications in the external world to its own advantage (through activity)." Freud (1955) p2.

Thus, the ego is a manager of a system - the individual - that takes inputs, internalises them, exports them and learns. The linkages between the notion of external change, systems theory, internal conflict, learning and psychoanalysis are embedded in Freud's definition and it is these linkages that are the basis of inquiry for this thesis.

The ego manages the reality of the external world and the phantasy of the internal world. The ability to do so well and unravel internal conflicts that impact on the external world is the purpose of psychoanalysis.

5. Freud: the father of psychoanalysis

Freud put these conflicts down to unresolved difficulties during the psycho-sexual stages of development. He argued that there were five key stages of development. First was the oral phase which is the early stage of the infant where it is dependent and its preoccupation is with sucking the breast and oral gratification. The anal phase (1-3 years) follows and is said to be about control of faeces and development of autonomy. Phase three is the phallic stage (3-5 years) and this is the identification of sexual relations with the same sex in the form of rivalry and with the opposite sex in the form of desire. The resolution of these conflicts with parents and/or significant adults is referred to by Freud as the 'Oedipus complex' from the Greek tragedy where the 'hero' kills his father and marries his mother. These are the qualities of the emotions that are said to exist during this phase of development. It is at this stage, if successfully completed, that the ego is said to exist.

The successful management of this phase constitutes healthy ego development in Freud's terms. The next stage is said to be a latent phase as the child physically matures into puberty. The process finally concludes with the genital phase with the resolution that sexual relations can take place with the opposite sex who are not the parents. The rivalry with the same sex parent/adult subsides and this is channelled into other activities.

According to Freud, people can get unconsciously 'stuck' in any of these phases and thus have a predilection for certain types of normal neurosis or in extreme cases, psychosis. Cleaning obsessions may be associated with difficulties in the early infant days of development (the anal stage). The instinctive drives for life, and, later in his work, death (Freud, 1917), were the key drivers in his analysis.

Freud was undoubtedly the father of psychoanalysis as he original coined the word and contributed extensively through his life on the matter. However, not all psychoanalytical models agree with his analysis. The emphasis on the sexual and instinctual was a point of contention and other theories, based on Freud, were developed. There were three main developments from Freud in the psychoanalytic tradition in the UK, reflected in other parts of the world: the Neo Freudians led by his daughter Anna Freud; the Kleinians led by Melanie Klein and the independents (including the object relations group), see Kohon (1986). These other traditions are commented upon briefly.

Neo-Freudians

Anna Freud continued in her father's footsteps and retained a 'classical' psychoanalytical stance. Her main contribution was in understanding children and reference here is to her work on ego defenses (Freud, 1966). It was accepted from Sigmund Freud's work and others that the way people managed their inner conflicts was to try to stop them from coming up and to generally 'repress' them, keep them down. This process was said to be unconscious and its purpose was to protect the 'ego' from experiencing pain and emotional turmoil.

Anna Freud's work argued that these mechanisms of defense were developed to protect the ego. They included 'splitting' off bad feelings from good ones, 'projection' of bad feelings of self onto others, 'denial' of painful memories and feelings, 'sublimation' of difficult feelings into useful work and 'displacement' of these feelings into routines and other activities to avoid the difficulties of conflict and pain. These were essentially evasive strategies to avoid pain and anxiety while continuing an existence that was not entirely rooted in external reality.

6. Melanie Klein and early object relations

Another development during the same period was the work of Melanie Klein. Klein and her followers (Issacs, Riviere, Heiman - see Klein et al, 1989) argued that these inner conflicts arise from internal psychic pain or traumas that result from difficult 'object relations'. This approach reformulated the 'instinctual drive theory' and suggested, as was implied in Freud's later work (1917) that the instinctual drive was directed to another - person, event, object - and was there to be gratified for its own sake. This difference was a revolution in psychoanalytic thinking at the time.

The revolution was literally led by Klein (see Kohon, 1986). Klein built on Freud, but her emphasis and analysis were different. Firstly, she was concerned with the early phases of development and particularly the sadistic oral phase and anal phases: the ambivalent phase. Secondly, she posited the view that the 'ego' was established at an earlier age than first suggested by Freud. He put ego development at the age of about 5 at the phallic stage. Klein suggests the ego was developed by age 2 or earlier.

"In early infancy anxieties characteristic of psychosis arise which drive the ego to develop specific defense-mechanisms. In this period the fixation points for all psychotic disorders are to be found... The psychotic anxieties, mechanisms and ego defenses of infancy have a profound influence in development in all its aspects, including the development of the ego, super-ego and object relations." Klein (1946).

Thus, to have ego defenses, there needed to be an ego and from her observations these began in 'early infancy'. Klein could be mistaken as an anti-Freudian. This is not the case. She explicitly acknowledges and develops her hypotheses from his original theories **and** her own clinical psychoanalytic experience with patients. Moreover, the notion of object relations is implicit in Freud's later work on the separation of the self and the linkages between the Id (the unconscious and untrammelled), the ego and the super-ego, which includes the conscious and normative sense of self (internalised parents) and the ego ideal that represented how people liked to see themselves. However, it is Klein who puts forward among the earliest and coherent ideas on object relations.

Thirdly, Klein was not only a pupil and follower of Freud but she was also influenced by Ferenczi, Abrahams, Fairbairn and Jones (see Klein (1946), Segal (1979), Kohon (1986)). Abrahams and Jones encouraged her to develop her own independent thinking and it was Ernest Jones, an eminent British psychoanalyst of the time, who invited her to England. The logical development of Freud's work and the notion of 'object relations' formed a new departure in the British psychoanalytical movement (Klein et al, 1989).

Early object relations theory suggests that the development of the ego was a consequence of the way the inner world of the infant relates to both its internal reality and the external world of the parent, mainly the mother, or mother figure.

Klein states: "I have often expressed my view that object relations exist from the beginning of life, the first object being the mother's breast which to the child becomes split into good (gratifying) and bad (frustrating) breast; this splitting results in a severance of love and hate. I have further suggested that the relation to the first object implies its introjection and projection, and thus from the beginning object relations are moulded by an interaction between introjection and projection, between internal and external objects and situations. These processes participate in the building up of the ego and the superego and prepare the ground for the onset of the Oedipus complex in the second half of the first year." Klein (1946), p2.

This quotation reflects the key notions of Klein. The infant develops its first relationship with the mother, through its first primary object the breast. The breast, or object, is seen as separate from the mother but the infant is very dependent upon it. Thus, when it is receiving comfort, milk and warmth, the breast is seen as 'good'. When the breast is withheld, or slow to appear, it is seen as 'bad'. The infant perceives the breast/object as good or bad through the process of 'projection' and 'introjection'

Projection is a defensive strategy to protect the fragile ego in its development. It is the process that occurs when the person's inner world concerns and fears are 'split off' from themselves and placed onto another person, or object, 'as if' it was real to that external object. Thus, feelings of fear and inadequacy can be unconsciously 'denied' and be put onto others. Instead of acknowledging the butterflies and anxiety in one's own tummy, the owner of these feelings shouts at someone else for appearing weak. The purpose of this defense mechanism is to protect and relieve oneself from anxiety so that the other carries it on your behalf.

'Introjection' is another unconscious process. It is an internalisation of the external world based on the internal pre-occupations of one's inner world. It can 'take in' and perceive the 'bad breast' as persecutory and avaricious. Introjection can also be used to retain or 'idealise' the good object so as to keep something good to hang onto. These processes are 'managed' by the ego.

In order for the 'object' or other person to carry the anxiety, they must identify, unconsciously, with the projection and 'internalise' it. So the person or object then takes on the qualities of being fearful, when the source is external. This interplay between internalisation or 'introjection' and projection forms the kernel of Klein's analysis and that is the process of 'projective identification'.

Wells (1980) agrees with the view that projective identification is an activity of the ego that modifies perception of the object and, in reciprocal fashion, alters the image of the self. These conjoined changes in perception influence and may, in fact, govern behaviour of the self toward the object.

'Projective identification' refers to the projection onto the 'other' those split parts of ourselves that illicit in others, behaviours and feelings complementary to those left in the subject after the split and projection takes place. Thus, for example, sad feelings may be split off as a defense against loss and projected onto someone else or some psychological object. If the other person identifies with those feelings, then the person feels sad and the originator of the projections feels happy and relieved. This robs the recipient of their own happy feelings, as they introject the sadness and project idealised happiness onto the originator and concomitantly reinforces the originator's false sense of happiness. Thus, the conjoined changes in perception and behaviour establish a circular and recursive pattern between self and object.

This process is explained by reference to early childhood development of the ego. In the early stages of the infant's life, the process of ego defenses is a combination of splitting, denial, projection, idealisation and introjection as it wards itself against anxiety in a struggle to protect a fragile ego and develop it at the same time. This early phase is termed as the 'paranoid schizoid' phase, mainly because the dominant experience of anxiety is paranoia and the defense is schizoid, represented by the extensive 'splitting' and 'projections' that take place during this phase. Characteristic neuroses for adults 'stuck' in this phase may be a 'compulsive tie to certain objects', the fear of 'retaliation', 'artificiality' and feelings of loneliness as one fails to manage feelings appropriately and manage boundaries between splitting, projections and other defense mechanisms (Klein, 1946).

Klein argues that, as part of the development process, the infant begins to introject and integrate the external object as a whole object and realises it is one and the same. On this realisation there is the fear of having damaged and possibly lost the 'good', loved object and there follows a sense of guilt. This sense of loss and guilt is called the 'depressive phase' by Klein and the infant seeks reparation in an attempt to make good the damage. It is at this phase that the 'persecutory' nature of the early months has less of an impact. However, if the ego is unable to manage the continued process to 'repair' and the internal anxiety is too great, then the 'paranoid schizoid' phase will have to be worked through again and revisited.

In addition, it is at this phase where Klein suggests that 'Oedipal complex' is confronted and the ego developed. However, in Klein's model there are no clear stages of development. She argues that there are phases that people experience and re-experience in service of ego development.

The role of the ego is to retain an appropriate management of the boundary between 'introjections' and 'projections'. Otherwise as a system, the ego can be depleted, congested or swamped and this will weaken ego development and the capacity for learning. Projective identification is one instance of inappropriate management of the boundary.

"As regards normal personality, it may be said that the course of ego-development and object-relations depends on the degree to which an optimal balance between introjection and projection in the early stages of development can be achieved." Klein (1946), p10/11.

The object relations school

The extension of the theory of object relations was developed further by Guntrip (1977), Kernberg (1980), Mahler et al (1975), Balint (1986), Bollas (1987), Winnicot (1990), Bowlby (1969, 1973 and 1980) and Kohon (1986). To do the subject justice is not possible in this brief discussion and the reader is referred to the above references as well as Bacal and Newman (1990) for an extensive overview of object relations, Kohon (1986) for a sample of theoretical and clinical debates, Davies and Wallbridge (1987 on Winnicott's work, Holmes (1993) on the work of Bowlby and, Johnson (1987) on Mahler's work.

There are four areas of some commonality and application to this inquiry that are discussed in a little more detail. These are: the clinical and theoretical disagreements with a Kleinian approach; the notion of inner conflict being understood in terms of early attachment, bonding and separation from the 'mother' figure; an agreement that there are clear stages in ego development and that difficulties in the development of the ego is a result of failures in the environment to provide sufficient support during the early phases of growing up.

Critique of Klein

Kernberg's (1980) criticism of Kleinians rests on a number of clinical and theoretical issues. First, he argues that there is a lack of evidence in the consulting room that anxiety is really founded in the death instinct or in oedipal conflict. Johnson (1987) also suggests that such an approach does not 'fit' with borderline patients. Clinical evidence is not unequivocal on this and while the point remains unresolved, it does suggest that other approaches may carry their own validity. Secondly, the veracity of infant phantasy and projective defenses is questioned. Kernberg (1980) suggests that Kleinians pay insufficient attention to "actual developmental factors in the first year of life, of the clinical evidence pointing to retrospective falsification of memories and to reinterpretation of the past." Kernberg (1980), p42.

Thirdly, Kleinians are said to neglect the developmental aspects of the formation of the ego. Bion's attempts (Symington and Symington, 1996) to provide a structural framework seem to fall outside of the traditional psychoanalytic framework and neither is this dilemma explicated by others such as Segal (1979). How does the 'internal object' - the inner world or inner self - integrate the ego and super-ego? How does this explain fixation and regression in people's individual history of psychological development? It is felt by critics that Kleinian theory is not explicit about this. However, in all fairness, neither does the self psychology approach of object relations have much to add on this matter either. It is an issue that is side-stepped (Bacal and Newman (1990), p58). Finally, Kernberg (1980) suggests that Kleinian ambiguity in technical terms means that it is open to interpretation.

Thus, differences and development in object relations theory seem to focus on the notion of self and the nature of inner conflict, the process of ego development and, later, the nature of the child's physical and emotional environment. The rest of this section briefly looks at theories of development that take a view that inner conflict arises from the nature of early object attachment, the issues that arise from the process of separation and the emotional space that either helps or undermines the success or failure of these difficult periods of transition in early childhood. It is these elements that are discussed in considering an object relations approach.

7. Post Klein

Early psychological investment in the object - attachment and separation

Later object relations theorists and psychoanalysts argued that based on their clinical experience with patients, Kleinian theory did not account for certain types of neurosis - for example those severely detached from their feelings (Johnson (1987), Kernberg (1980), Winnicott (1990)). They observed and theorised that the nature of anxiety and inner conflict did not stem from the death instinct but in fact was a result of the quality of early childhood experience of attachment to the mother (or mother figure) and the difficulties and anxiety of separation that took place as the infant developed physically.

The themes that are present in their slightly different orientations start with a common base that there is an initial bond with the mother - 'attachment' and 'secure base' (Bowlby, 1969) 'symbiosis', (Mahler et al, 1975) and 'subjective object' (Winnicott, 1990). These are put forward based on clinical observations that the child is emotionally and physically enmeshed with the mother.

Secondly, these theories do not present themselves as a new branch in psychoanalysis, like Klein, but were attempts to bridge relationships and ideas between Freudian stages of development model and Kleinian object relations. The stages of development are articulated clearly in Mahler et al 'phases of development', Winnicot's 'maturation' process, Bowlby's trilogy (1969, 1973 and 1980) and Kernberg (1980).

Thirdly, the anxiety is said not to be a result of the death instinct but is due to transitional phases in development and particularly separation from the primary, 'loved object'. The anxiety and fear of 'object loss' is what the infant struggles with: a fear that the love object will be destroyed or will leave them.

The anxiety, due to separation, is ameliorated or aggravated by the way in which the primary love object responds to the infant's needs. This provides the fourth element that is common to this collection of theories. They argue that the quality and constancy of the emotional and physical environment will impact on the ego development of the infant. Where parental or 'maternal' environment is inadequate this will impact negatively on ego development. Where the environment is positive, supporting a positive introjection of the good object, then this enhances the development of the ego. Such facilitating environments have been referred to as a 'holding environment'. Thus, the focus of the analysis in explaining the excessive nature of ego defenses is found not in the inner world but in the external environment. Where the environment is unable to provide adequate containment, support or facilitation, then it will be a primary source of poor ego development and it provides an explanation as to the psychological difficulties and neuroses that people may re-experience in times of adulthood.

A fuller explanation of each of the theories falls outside of this analysis. However, the theoretical and clinical work of Donald Winnicott is used for exposition as it provides a framework that shares many of the common elements of what is a broad church: it is within the British psychoanalytic tradition of object relations and it develops the thesis and inquiry of the dynamics of 'top team's in relationship to systemic organisational learning.

The work of Donald Winnicott

Donald Winnicott based his work partly on the theories of Melanie Klein but mainly on his own clinical observations. He identified that the early object attachment with the mother was significant and all embracing: where 'not me' is not recognised. This intertwined relationship was called the 'self-object' where self and other were indistinguishable. Winnicott puts it: "There is no such thing as a baby... only a couple." That is the mother and child.

As the infant maturates, the management and separation of 'self' and 'object' occurs and the ability to manage this change is a critical stage in the developmental process. The ability to empathise, tolerate ambiguity and loss, manage one's own aggression are all said to take place at this stage. Winnicott stressed that the success of this process was the quality of the facilitating environment and the role of the mother as 'object-mother' and 'environment mother'. It is the latter that "receives all that can be called affection and sensuous coexist; it is the object mother who becomes the target for excited experience backed by crude instinct-tension." Winnicott (1990) p75/76 in Bacal p188/189.

The stage of development is thus seen as important as is the relationship between the primary love-object, the infant and the 'holding environment' of the mother figure. During this early phase the infant's ego is enhanced by the mother's 'mirroring' and affirmation of themselves as separate and worthy. This 'space' is between the infant and the external reality and provides a healthy mechanism for managing reality. It provides a space for play and mastery. It is an illusion but one that holds the boundary between the inner world and external reality. It is an 'intermediate' space. In reality, the 'object' is often a soft toy or rag doll and the space is the space of phantasy.

The 'successful' completion of these stages leads to the fulfilment of the 'true self' - that part of us that is real, spontaneous and alive. It is there at birth and is possible from some initial 'good parenting'. The 'true self' in actuality is harder to define but it enlightens our view of the 'false self', which is an ego defense. The 'false self' hides the 'true self', provides a way of splitting off feeling and is often the result of a conditional external environment where the infant learns to adapt to the external demands and complies with these demands at the expense of their own needs.

A healthy 'false self' is polite and operates in socially accepted norms. When an issue is crucial the 'true self' will come through and take up the issue. However, in cases of excessive development of the 'false self', it is split off from the 'true self' and is unable to hold on to the notion of symbols and use transitional space. Instead there is no separation between reality and myth and, when out of a role, people with this structural defense, lose a sense of self and personal reality (Winnicott, 1990). Diamond (1985) suggests how the notion of the false self can undermine one fully taking up the role in organisational systems. Table 6.1 draws upon Diamond to illustrate the key differences between the 'true' and 'false' self.

Thus, Winnicott's ideas on object relations take our theory of psychoanalysis a stage further. The concepts of attachment, stages of development, the 'holding environment' and the concepts of 'self' provide a comprehensive but different analysis to that of Klein. Yet while it is one that shares the same theoretical grounding - Freud - its implications are somewhat different.

These psychoanalytic theories provide different explanations for neurosis and the origin of anxiety, which is based on how separation is managed and the response from the 'environment' rather than a focus on the inner world. Ego defenses are shared but their understanding is different. For example, Kleinians suggest that the infant's aggressive posture is part of its nature. A Freudian perspective may put it down to sadistic oral behaviour or an oedipal conflict. Whereas a Winnicottian analysis suggests it is a result of excessive frustration due to a poor 'environment'.

Furthermore, the concept of a 'false self' requires additional caution on behalf of the analyst that they are not working with the 'actor' or 'false self' rather than the real inner person. Excessive dependency may exist in the early stage of such a relationship as the transference in the relationship is initially replacing the 'false self' with the analyst. The quality of the 'good enough mother', or 'devoted mother', also implies a different psychoanalytic intervention where a Kleinian bias for interpretation may need to be replaced with an 'optimal responsiveness' to the patient's needs - especially in the early stages.

Table 6.1

Two Contrasting Roles for Personal Responsibility

"As If Performer"	**"Participant Observer"**
"False self	"True self"
Cannot take personal responsibility	Can take personal responsibility
Lacks intentionally, "I can't attitude"	Intentionally, "I can" attitude
Disconnectedness from actions	Connectedness to actions
Maximum defensiveness	Minimum defensiveness
Engages in projections and distortions	Counter-projective remarks
Security oriented	Competence oriented
Compulsion to repeat mistakes	Reflective, learns by experience
Passive and submissive	Collaborative and consensually - validating
Adaptive to bureaucratic demands	Non-adaptive to bureaucratic demands
Narrow minded	Open minded
Closed to criticism	Open to criticism
Blind loyalty and conformity	Questions authority
Dependency-oriented	Relatively independent
Responds to external authority	Responds to internal authority
Form-oriented, stress formal organisational attributes	Substance-oriented, stress informal and interpersonal attributes
Reactive	**Proactive**

Source: Diamond, 1985

The use of an object relations approach is favoured as it falls within the broader paradigm and model of incorporating the history, context and conflicts of the individual, who is also an intra-pyshic system.

8. Summary

This chapter has provided an overview of psychoanalytic thought within the British psychoanalytic movement. It has suggested that a Freudian analysis was criticised for being too instinctual based and the work of Melanie Klein too narrow: no stages of development and focused on the nature of the inner world. The works of the object relations school have tried, in varying degrees, to bridge some of the valuable aspects of both psychoanalytic traditions and address some of the difficulties in their formulations and counter-evidence in some cases of psychosis and neurosis. They share an agreement on: the importance of the quality of the early attachment; the process of development; the view that anxiety and defenses are being driven by difficulties in the developmental transition and that these defenses are a function of the quality and responsiveness of the primary external object - mother and subsequent parental support and, to the emotional support and containment that is provided by the 'holding environment'.

The implication for people taking up organisationally sanctioned roles is the ability to manage self may relate to their developmental experience and the level of attachment, degree and management of object loss and the degree of object constancy. It implies that the 'inner self' engages in the archaic agenda rather than the reality of the present and external reality. Thus, to understand the role holder in organisations - i.e. members of the top team - as they engage in organisational change then an analysis of their past, object identification, context and role expectations and demands will provide some understanding of how these individually and collectively impact on learning in social systems.

The implications of applying psychoanalytic thinking to organisations are extended in the next chapter, where it looks at individuals taking up their roles, the dynamics of groups and the implications for strategic organisational learning.

Chapter 7 - The application of psychoanalysis to organisational social systems

1. Introduction

In the previous chapter, the discussion was focused upon the fundamentals of psychoanalytic theory in general and object relations in particular. In this chapter, the principles and precepts of that discussion are to be used and developed to wider social systems which include individuals in organisations, groups and organisations themselves. The chapter argues that psychoanalysis can be **applied** outside of the 'therapeutic consulting' room to other social systems beyond individual analysis (see Stapley, 1996). In adopting such an approach, it does **not** hold the view that one is engaged in the psychoanalysis of organisations. On the contrary, organisations are **not** seen as possessing a 'personality' in the strictest sense, nor are organisations to be reified. Instead, the organisation is seen as a collection of role holders whose systemic and emotional inter-relationships impact on the organisational task and who collectively make up the notion of the organisation.

The areas of theoretical development and application in this chapter are to the individual, the group and the organisation as a social system.

2. The application of psychoanalysis

The application of psychoanalysis or 'applied psychoanalysis' is argued to be a legitimate development to assist our understanding of organisational life. In taking such a line of inquiry, it is important to be clear that it is psychoanalytic **theory** that is being applied. According to Edelson (1988):
"Psychoanalytic knowledge may be usefully applied whenever a discipline faces deviations from its own laws, something it cannot explain given its own knowledge, and it suspects that its model of the world needs adjusting just where that model includes a model of the human mind." p164.

Anzieu (1984) goes further and suggests that: "The task of applied psychoanalysis is to discover the specific effects of the unconscious in a given field and the necessary transposition of the general method when applied to this field." p2.

Diamond (1994) also adds: "Psychoanalytic organisation theory is not only a framework for understanding organisational dynamics: it is a theory for practicing organisational change and development. That is, it is concerned with changing the culture of organisations." p20.

This thesis is primarily concerned with the **application** of psychoanalytic theory to organisations. Psychoanalytic 'method' and a 'clinical method' are also argued to be important (Armstrong (1991) and Edelson (1988)) and the relevant aspects of that approach are discussed in Part three on the research approach and methodology.

Freud was among the first to recognise that psychoanalysis could be used in everyday life and other cultural phenomena (Freud (1901 and 1912), Lapierre (1994) and the debate between Amado (1995) and Jaques (1995a and b)).

Psychoanalysis helps us understand the component parts of social systems - individuals. There are intra-personal, interpersonal and transpersonal relationships and dynamics in these wider social systems of which psychoanalysis can further our understanding. The key dynamics of 'transference', 'projective identification', 'ego defenses' and understanding the nature of anxiety provide greater insight into understanding human behaviour. Such an application to groups of people is readily understood and this is discussed in more detail in the next section. However, the difficulty is more often in understanding organisations as a whole from a psychoanalytic perspective.

The analogy of the organisation as a person, with the organisation having a 'personality' (Kets De Vries and Miller, 1984 and 1986) can often lead to misunderstandings about organisational life (Edelson (1988) p167 and Armstrong (1991)).

The notion of the organisation here is a social system which has task(s), roles, relationships, structure and boundaries and that these are influenced by the informal relationships, the sentient relationships in the group and psycho-social dynamics. The approach that is taken in this thesis is that, in addition to the external constructs of organisations, the organisation represents various objects of attachment in the minds of individuals. Thus, individuals refer to their unconscious constructs of organisations and hold these as internal representations. These attachments and internal representations (internal objects) are an apperception of the external world (external objects). The latter suggests that members of organisations hold unconscious organisations in their minds as they perceive their organisational environment and these will be based on their past experiences and process of maturation (Armstrong (1991), Hosking and Morley (1991), Stapley (1996)). In times of change the organisation may symbolise past change and transition and the regressive nature of the unconscious collectively interacts and impacts on the organisational culture and ability for the social system to learn. The dynamics of these psycho-social transactions and the impact on organisational learning are discussed in the rest of this chapter.

Finally, in applying psychoanalytic knowledge to social systems, the thesis is informed by the 'methodological cannons' put forward by Edelson (1988), p167-170, which provide a safeguard and clear limits of the veracity of such an approach. These 'cannons' are re-visited in the discussion on methodology (Part three, chapters 9-11).

3. Taking up a role in organisations

The notion of taking up a role was mooted by Mead in the 1930's (see Mead (1956), Blumer (1966)). He argued from a sociological and subjectivist stance that notions of 'self' had to be seen as a complex interplay of environmental requirements and one's internal self image. Thus, the role of father, teacher, friend had attached to it notions of social expectations and identity.

This concept of taking up a role, has a specific meaning in this thesis of the organisational roles and legitimate authority that managers are given. This defines role holders' tasks, boundaries, level and scope of authority and accountability. The role is not the individual. However, the inner world of that person can have an impact on the role.

Rice (1969) links the relationship between systems theory and the psychodynamics at the individual level. He states: "An individual may be seen as an open system. He exists and can only exist through processes of exchange with his environment." p574

He adds: "The mature ego is one that can define the boundary between what is inside and what is outside and can control the transactions between the one and the other." p574.

In other words the capacity to maintain boundaries, be in touch with reality and hold the demands of the role will provide the means to achieve tasks and engage in learning as a system. Thus, the management of the ego requires that the role holder maintains appropriate role behaviours, mobilises skills and emotions to perform the role, and control and suppress other activities that are irrelevant to the task.

4. The implications for role

It suggests that, to achieve role performance, the individual manages their 'inner self', motives and drives. These, often unconscious, inner dialogues can be enacted in the form of ego defenses and can either support or undermine learning.

As managers and organisational members take up their organisational role, there are implications for them when the psychoanalytic perspective is extended. It suggests that in the increasing flux and change there is more uncertainty, ambiguity and complexity. This often gives rise to risk and high levels of anxiety among organisational members. In such cases psychoanalytic theory suggests that ego defenses are mobilised and the role of the unconscious state of thinking takes a greater amount of attention. The inner world of the self is the source of unconscious material and it is here that the notion of the internal dialogue predominates and impacts upon people's ability to take up their role. Accordingly, the role becomes contaminated by the 'self' establishing its unconscious and archaic agenda and people as a result 'act out', where they repeat patterns that belong in the past. They 'act out' rather than engage in creative problem solving and this has negative implications both for the individual and for organisational learning (Diamond (1985), Halton (1994) in Obholzer and Roberts, Czander (1993) and Shapiro and Carr (1991)).

In other cases, such as in the workplace, transferential material may evoke strong referrals that they appear 'as if' they were real and the role holder unconsciously 'acts out' the role of sibling, child, authoritarian father, or doting mother. In such cases there is a sense of being 'lost in a familiar place' in that the old, defensive routines are not applicable in the new, adult and work setting. Yet role holders may not be aware of the routines that they are in and, where they sense intuitively, they make the same mistakes or are unable to develop new functional and supportive routines (Shapiro and Carr, 1991).

In terms of object relations, the primary object relationships and maturation environment would provide fruitful areas of inquiry to help explain the nature and cause of the difficulty. The impact on role would then be defined (most likely) by the specificity of the context and the demands on the role. This joint perspective links the psychodynamic and the structural and external 'reality' into the analysis.

Such an approach is developed further in the next section as it applies to group development and organisational malaise.

5. The organisational group

This section looks at groups from a psychoanalytic perspective and, using object relations theory, argues that dominant psychoanalytic models of groups do not encompass the whole gestalt of group life. It suggests that the internal dynamics of interactions are not enough to explain the dynamics of groups and that the structural relations, the stages of development and the environment also have an important part to play on the learning of social systems.

What is a group? A group is a collection of three of more people who share a common task and have sense of its membership and boundaries. They can vary from large sizes, like a football crowd, to smaller groups of four to fifteen. The area of interest for this thesis is the small group which operates as an open social system.

There are numerous theories of group dynamics: Bales' interaction theory (1950, 1970 and 1980); Belbin's role approach (Belbin et al, 1976); Tuckman's (1965) stages of development are among the many approaches that can be and have been taken to understand groups. These include an understanding of the interpersonal nature of groups and provide a valuable approach to group dynamics. However, many of these approaches have been developed in experimental environments rather than natural settings and they fail to address the deeper question of why groups behave the way they do. West and Slater (1995) argue that a deeper meaning for understanding the group is necessary as many of the stated benefits of groups do not seem to accrue.

The focus for this inquiry is more on psychoanalytic theories of groups as they provide that 'deeper' understanding. For a wider review of groups and other approaches readers are referred to Cartwright and Zander (1960), DeBoard (1978), Smith (1980), McLeish et al (1973), McGrath (1984), Wheelan et al (1994).

Psychoanalytic theories of groups

A short review of psychoanalytic approaches to groups suggests that the work has closely followed the developments in psychoanalysis more broadly, as outlined in the previous chapter. The work of Freud and Klein was very evident and the development of group analytic thinking is particularly influenced by Wilfred Bion. However, there are a number of areas that are not covered by Bion's work, which, if developed further from an object relations perspective, may deepen our understanding of group life and signal new implications for organisational learning.

A psychoanalytic approach to understanding groups has to be informed by Sigmund Freud's work (1912 and 1921). In Freud's earlier work, Totem and Taboo (1912), he applied psychoanalysis to anthropological material and examined the role of the group and the leader. He described the group dynamic as the 'primal horde', where a group was ruled by an autocratic leader that was killed and replaced by fraternal relations. The notion being explored was that of the 'primal father' - and the omnipotent phantasy of castration anxiety. The group is suggested to eat the leader in order to gain the powers of the father so that each member has it, while at the same time destroy the threat and fear of the castrating and envied father.

Later, in Freud's Group Psychology and the Analysis of the Ego (1921), he uses his 'instinct' driven theories of understanding unconscious motives to suggest that the 'glue' to hold a group together were the emotional ties and bonds arising from the desire to meet 'libidinal' needs. He gives the church and the army as examples. In both cases they have a clear leader or head; God and the Commander in Chief respectively. He argues that the group members 'identify' with and 'introject' the leader as part of their ego-ideal and thus members share a libidinal tie with the leader and therefore with each other. Thus, the group exists from a process of 'introjective identification'.

Freud (1921) summarises his views on groups thus: "A primary group is a number of individuals who have substituted one and the same object for their ego ideal and have consequently identified themselves with one and another in their ego." p80.

Developments in psychoanalytic thinking on groups

The key analytic building block that Freud put forward was that personal psychology was group psychology. To understand groups we therefore needed to understand the individual. This tenet allows a joint analysis of the group and the individual and it is an axiom that is incorporated into the analysis that follows.

Such an approach to group behaviour within a psychoanalytic framework was continued by several contributors: Lewin (1947, a and b), Bennis and Shepard (1956), Schutz (1955). However, the difference in these models was that the individual drives were not 'instinctual', instead the drives were more to do with relatedness to others. They were essentially object relational models. Thus, unsurprisingly, given the assumption made between individual and group psychology, there is a parallel between the development of theory and practice of psychoanalysis at the individual and at the group level. The most influential of these psychoanalytic-orientated models of groups was that put forward by Wilfred Bion, who himself was in analysis with Melanie Klein.

Bion's (1961) work was based on Melanie Klein's key concepts of anxiety, projective identification and ego defenses: for example denial, rationalisation, projections and transference of old events of 'hidden memories' and people from the past to the present, leading to inappropriate responses to here and now realities. These were seen as regressive behaviours, thoughts and feelings and formed the basic conceptual and analytical tools for understanding groups from a psychoanalytic perspective.

As a psychoanalyst, Bion observed that therapeutic groups operated in a functional and task related manner, which he denoted a 'work group', **and that they also** worked in dysfunctional ways. The latter group he called 'basic assumption' groups. They were given this name because they operated 'as if' they came together to fulfill some other unconscious motif.

Bion hypothesised three types of basic assumption groups: basic assumption dependency (BaD) where the leader was idealised, all powerful and omniscient and the 'followers' knew nothing - as no such leader exists the inevitable 'dethroning' of the basic assumption leader ensues; basic assumption fight/flight (BaF/F) is where the group operates on a war footing with the fight or withdrawal strategy the extreme options - the enemy may be seen as external but this may be a defense to the enemy being within, reflected in the scapegoat; basic assumption pairing (BaP) works 'as if' two members of the group will provide its salvation and mate to produce a new idea, project or leader/Messiah (see too Colman and Bexton (1975), Symington and Symington (1996), Miller (1989), Pines (1987), Menzies (1969) and Lawrence, Bain and Gould (1996) for a fuller discussion on Bion's work on groups).

Two further basic assumptions were later put forward. A fourth basic assumption of 'Oneness' (BaO), or 'fusion', was posited by Turquet (1974). In such cases all individuality is subsumed by the group. The fifth basic assumption was 'Me-ness' (BaM) where the group is driven by the opposite force to BaO and it is characterised by narcissism, selfishness and individuality (Lawrence, Bain and Gould, 1996).

These motifs provide a deeper understanding and analysis of what happens in groups and suggests a range of other ways of explaining group behaviour and phenomena. However, while such an analysis may provide insights into learning groups or therapeutic groups, how do such ideas relate to organisations?

The integration of Bion's work on groups and open systems theory can be seen as an attempt to re-integrate Lewin's aspirations for managing the rational and emotional sides of change (see too Neumann, 1997). This approach was developed through the work of the Tavistock Institute and is captured within the bounds of a socio-technical approach to organisational analysis and intervention (see chapter 3). The reader is also referred to Miller and Rice (1967), Trist and Bamforth (1951), Miller (1993) for further work in this area.

Essentially such an approach regards both the structural and rational aspects of social systems **and** the emotional sides as important.

The group is also a system, which is directed by a 'primary task', a definition of boundaries and how they are managed, structured through leadership and authority relations and a group culture. The unconscious drives form the emotional and psychological text to the group and these either enhance or hinder the group's attainment of the 'primary task' and may be substituted by the 'dual' or unconscious task where the group takes on a 'basic assumption' mentality. This 'Tavistock' model is comprehensive, integrative and has been applied to organisations for fifty years. It has been the dominant one in understanding social systems from multiple perspectives.

However, Bion's formulations may be problematic in their wider application and there are some additional factors that other psychoanalytic perspectives could add to current thinking. These are explored in the following section.

Beyond Bion

Bion's work has a long tradition and value in group relations and systemic organisational consultation (Miller (1959, 1979, 1989 and 1993), Obholzer and Roberts (1994), Czander (1993)). However, there are a number of issues that arise from its Kleinian roots that weaken its application to groups generally and organisational settings in particular.

Firstly, Bion's analysis is of the group. Thus, it is not seen as an analysis of individuals in the group but of the group as a whole. Such an analysis is valid in its own right. Furthermore, Bion acknowledges that members in the group will be used by the group as a whole through the process of 'projective identification' and the members' individual 'valencies' can be hooked on certain regressive patterns (Bion, 1961). The group will use the most foolish person in the group (Bion, 1961). However, this formulation sits uncomfortably with the notion that individual psychology is group psychology, where Bion's emphasis is primarily on the group mentality and not the individual mentality.

Secondly, Bion's analysis starts with the 'here and now'. This arises partly from its Kleinian roots that tend to focus on 'here and now' projections and transference but then goes on to trace the roots of the difficulty to childhood. This compares starkly to a Freudian analysis, where a historical perspective is more central to the analysis. Furthermore, the brief group work that Bion did was developed in 'therapeutic' groups and 'temporary learning institutions'. This contrasts with the broader analytic framework of a systemic conflict framework, where a historical and developmental perspective is essential.

Thirdly, building on the last point, Bion's approach takes no account of the stages of development in a group. In Bion's work, the group goes through different states of 'mentality' and thinking. Some have attributed the group development stages of 'dependency', 'fight/flight', 'pairing' and 'work' to Bion (Rosenfeld (1988), Brown (1970) in Brown and Pedder (1991), McLeish et al (1973)). However, these are group mental 'states', some of which may co-exist. They are not stages of development and they tend to resemble the 'positions' of Melanie Klein's theory, rather than the 'phases' models of other psychoanalytic approaches. A review of psychoanalytic analysis of groups suggests that groups do seem to have phases of development (Rosenfeld (1988), McCollom (1990), Wheelan et al (1993), Bennis and Shepard (1956), Foulkes and Anthony (1984), Vella (1996) and Brown (1996)). (A fuller review can be found in Wheelan et al (1993)). Thus, a psychoanalytical model of groups would better inform us if it incorporated such a framework with phases of development. Long (1992) cautions that a 'stages of development' model may suffer the problem of generalisibility and it may need to be specific in terms of the actual group, and the meaning that a system attributes to history and development. Her point reinforces the value of bringing context into the analysis but Long (1992) is not conclusive. Foulkes and Anthony (1984) share that caution but concluded that every group begins and ends and there are a family of similarities among groups that can be seen in terms of phases.

In this thesis these points about group development are well taken and thus 'phases of transition' are sought as an explanatory feature of groups. The 'transition' phases are 'spaces' of development and change as the group seeks to fulfill its 'primary task'. Bion's formulation may be understood as accounting for micro and temporary process dynamics in a group rather than stages of structural development in a group (see Brown (1996), Stapley (1996)).

Fourthly, the nature and source of anxiety from a Klein-Bion axis are based on the internal object and insufficient treatment is given to external reality and the management of those boundaries.

Finally, the context and environment are not adequately incorporated in the model. A Bion-type model has been developed in therapeutic and group relations settings. Thus, in organisational settings, further refinements may be necessary - especially developing the idea of the organisation as a 'holding environment'. In this thesis the context forms an important explanatory factor in helping to understand groups.

The application of group analytic thinking to 'top teams' in organisational systems

Many of these difficulties in Bion's formulation of groups can be addressed within a psychoanalytic theoretical base, from an object relations perspective. Such an approach can be developed further by drawing upon the work of Steven Foulkes on group analysis. An account of object relations was discussed in the previous chapter, however, the theory and practice of group analysis needs further explanation.

Briefly, group analysis is the theory and practice of psychoanalytic group psychotherapy. It is psychoanalytic psychotherapy of the group by the group; as opposed to individual analysis in the group or analysis of the group, as in the case of Bion. It shares a number of premises with object relations theory but is group specific (Foulkes, 1946, 1968a, 1968b, 1968c and 1975). It starts with the assumption that the essence of a human being is social and that neurosis is caused by a breakdown in relationships. It takes the view that the individual psychology is the group psychology and it suggests that the construction of the group is a complex interplay of individual and shared transference and projections which form the 'group matrix'. The latter operates at multiple levels: the level of the current adult to adult relationships in the room; the level of individual transference relationships; the level of projected and shared feelings and fantasies, often from a pre-verbal stage of development and, the level of the archetypal universal images, reminiscent of Jung's Archetypes of the Unconscious (see table 7.1 below).

Table 7.1

A Group Analytic Perspective: the 'group matrix'

	Presented by	*Group represents*
Current Level **tr level** **(= transference in broad sense)**	Experience in and outside the group Interrelationships	Community, Society, Public opinion, Forum
TR Level **(= transference in specific sense)**	Transference reactions Repetition compulsion	Primary family, Present family and intimate network
Projective Level **(mirror phenomena)**	Primitive phantasies object relations the "intrapsychic" shared in the matrix	Inner objects, Part objects
Body Level	Physical manifestations, illness etc.	Body-image
Primordial Level **(Jung's collective unconscious)**	Universal symbols	Archaic images (e.g. mother)

Source: Foulkes (1990)

Finally, the individual and the group are seen as embedded in a wider social system of community and society. Thus, it shares many elements of an object relations approach: the notion of object relations, the source of anxiety is 'dis-ease' or failure in early relationships for the individual, the individual and the group form the analysis and the importance of the environment is also recognised. Group analysis also has a stages of development model of group formation (Foulkes (1946), Brown and Pedder (1991), Brown (1996), Long (1992) and Vella (1996)).

Drawing on these two psychoanalytic frames - object relations and group analysis - an emerging theory of groups is offered. The following theoretical postulations are:

1. The group psychology is individual psychology and the group is embedded in a wider social system which, for this thesis, is the organisation.

2. The group operates in a number of modes and at a number of levels of expression simultaneously, from the notion of 'reality' in the external space, to deeper shared transference relationships. These form the 'group matrix'.

3. The notion of attachment may be explained also at these different levels. The 'primary' level of attachment is rooted in the past and the experiences of individuals in their own process of maturation. Separation and individuation conflicts would be the source of anxiety and group members' attendant experiences of their 'holding environment'. These would form the 'primary process' thinking of the individuals in the group. The shared nature of this 'primary process' thinking and the collective transference and projections would be the text that underpins the group. This would take the form of group 'basic assumption' motifs, group phantasies and the deeper levels of enactment, the 'latent occupation' of the group in Foulkes' schema (see too Anzieu (1984) discussion on the psychoanalysis of groups).

The 'secondary' attachment would be those that operate in the external reality of the present and group task, which brings them together, the group's manifest or explicit 'occupation'. The attachment here would be the psychological investment in the task, the group and its boundaries.

4. Each group is predicted to go through development, 'transitional' phases in its pursuit of the task and personal and group 'maturity'. Drawing on object relations theory and group analytic theory, it is suggested that the group goes through fusion, attachment, the management of trauma and conflict, integration, separation and individuation. 'Maturity' is seen as a place of managing the boundary of the inner and external world. These phases are described in more detail below.

5. The context and 'holding environment' for the group is important - where this is 'good enough' then the group can manage its phases of transition and group development. Where the environment may be described as fragmented, turbulent or simply 'not there' then the impact will be negative.

6. Holding environments that are not 'good enough' perpetuate individual and organisational anxiety, and defensive and compulsively repetitious routines that are anti-task and anti-learning (Bion (1961) p86-91).

6. Implications for groups in context of organisation

In looking at the implications of this theoretical approach for this thesis it will be restricted to the dynamics of 'top teams' and their 'holding environment'. Thus, it is essentially an analysis of the small group in context.

The 'top team' is the 'leading' executive subsystem in an organisation. As argued in chapters 1, 4 and 5, the 'top team's' influence is great and its impact on strategic organisational learning will also be significant. New organisational 'top teams' and strategic project or task groups may well experience some of the same uncertainty. Where groups 'perform' and are able to learn, hold a reality that is reflected of the external world and transfer experiences to other settings, it is suggested that the group is a learning group. However, the extent to which such development is able to take place is significantly influenced by the internal quality of thinking in the group and the 'holding environment' of the group.

Thus, the implications for our understanding of groups is that the 'top team' has to be able to manage the boundaries between its internal life and the external demands of the environment in order to perform and provide the conditions for strategic organisational learning.

This analysis forms the theoretical framework for understanding small groups in an organisational context. However, before discussing the application of psychoanalytic knowledge to organisations, a brief comment is made on another group configuration: inter-group relations.

Inter-group dynamics

The importance of inter-group dynamics is that it forms the 'space and boundary' for larger social systems, like organisations, to manage the primary task of that system through smaller, inter-related systems. In considering inter-group dynamics there are different configurations that can exist. Reid and Palmer (1972) suggest that sub-systems or subgroups can form into diametrically opposing warring factions: 'group' and 'anti-group'. Where the power basis is relatively equal, this inter-group dynamic provides, at an unconscious level, some stability as the rules of the game are well practiced. Where power bases are unequal the dynamic would be asymmetric and not necessarily as predictable as 'warring' strategies may become varied in scope and intensity. In terms of this thesis, the 'holding environment' would also be a factor to add to this analysis: either fuelling the war where the environment is 'not good enough', or facilitating mediation and negotiation of differences and conflict where it is 'good enough'.

The second type of inter-group dynamic is when a group subdivides into smaller sub-groups. However, it is the third area where much of the analysis of inter-group dynamics has been undertaken and that relates to multiple groups, which recognises the system inter-dependency of most social institutions.

Inter-group dynamics raise a number of issues. Each group will have its own internal dynamics as discussed above and they also have to relate to other 'objects', other groups (Alderfer, 1987). Where groups are 'mature' or 'independent groups' they will manage these boundary transactions much better than groups that have a greater preponderance of basic assumption activity.

The environmental context will have some bearing and this has been discussed at length in previous chapters. Yet, in addition to the quality of the 'holding environment', there are some other facilitating structures that can help manage the complexity. Reid and Palmer (1972) conclude: "The management of the inter-group transactions therefore entails the exercise of control, through definition of tasks, roles, and authority, setting of time limits, allocation of territory, taking of minutes, and other activities. Such forms of organisation, like any other, constitute defenses against anxiety as well as a means of facilitating constructive activity. A measure of the strength of the anxieties which they are intended to control is the frequency with which the inter-group transactions degenerate into S-activity (basic assumptions) and produce bizarre results." p17.

Reid and Palmer (1972) further suggest that members' ability to manage and accept change as part of the process and to tolerate the anxieties of decision-making and the attendant feelings of guilt, loss, depression and anger are all part of groups operating as 'work' groups.

Thus clarity about task, time and territory (Miller, 1959) and authority relations can help facilitate and provide a good enough holding environment for inter-group dynamics to produce 'work' outputs as opposed to the inherent strong pulls for regressive, repetitive and collusive dynamics which are anti-task and anti-learning.

In this thesis the main inter-group dynamic is between the 'top team' and its 'Board'. Other groups play a part, but this is the main area of inquiry for this research.

Large group dynamics

The concept of large group dynamics often means that members lose themselves in the fray of the 'primal hoard' and the individual is subsumed (Freud (1921), Anzieu (1984), Turquet (1974), Gilmore (1997)). They tend to resemble larger social and societal dynamics and thus are very different from the small group. For the purposes of this thesis, the large group is not discussed as it is not central to our understanding in relationship to the focus of our inquiry. The references above provide a fuller discussion of this area.

7. Organisational level

This final section looks at a psychoanalytic understanding of system-wide organisational dynamics. It argues that an object relations approach assists in understanding the difficulties of organisational culture change and the difficulties of organisational learning. In understanding the dynamics of organisational systems from an object relations perceptive there are three main conceptual operands. The notion of attachment and its symbolic representation in the organisation, the organisation as a 'holding environment' and the concept of defensive routines at the organisational level.

The symbolic nature of the organisation

The symbolic nature of organisations is part of the attachment process. The object attachment to the organisation is a feature of 'projective identification' and 'introjective identification'. This process helps the individual to 'contain' the notion of the organisation and provides a symbolic representation of it. Thus, the process is both defensive and creative; for those members of the organisation that see the organisation as persecutory, such mechanisms are ego defenses. If it is seen in the creative state of 'illusion' then, as Winnicott (1990) argues, it becomes a vehicle for development: both for the role holder and for the organisation as it can be seen as possible for change.

The organisational culture is argued by Schein (1985) to mean: "... The deeper level of basic assumptions and beliefs that are shared by members of an organisation, **that operate unconsciously** and that define a basic 'taken-for-granted' fashion an organisation's view of itself and its environment. These assumptions and beliefs are learned responses to a group's problem of survival and in its external environment and its problems of internal integration." p6.

Thus, Schein concurs with this analysis that unconscious group processes inform organisational culture as the organisation adapts to its environment and addresses internal issues of identity. In addition, he suggests that the system has 'learned' responses to external stimuli and these by implication become the embedded and repetitive routines.

Diamond suggests that a psychoanalytical study of organisation can be developed from an analysis of the externalisation of these projections. These would be evidenced in the organisational history, its artefacts, use of space, espoused norms and practices, its groups, subgroups and organisational politics. These are considered for inclusion in the emerging model below (see chapter 8).

However, it is the work of Stapley (1996) that takes this approach further and uses an object relations approach to increase our understanding.

The holding environment

We have argued that organisations are a function of individual apperceptions and social interactions. The notion of organisational culture is a feature of projective and introjective processes and, by themselves, these are neither 'good' or 'bad'. It is what these projections symbolise for organisational members and their collective meaning that will give them positive or negative attributes.

Stapley (1996) argues that, as much as the 'mother' provides a 'holding environment' for the individual, so does the organisation for its role holders. He states: "If the holding environment is 'good enough', that is (in simple terms), if the primary task is clear enough and achievable, the culture that develops will be task supportive. However, where for any variety of reasons, the holding environment is not 'good enough' there may be regression or an anti-task culture." p148.

By implication, where the 'holding environment' is insufficient and anti-task, it is also anti-learning.

Stapley goes on to make the distinction between the external and the internal holding environment. The external holding environment is essentially the social holding environment the real, external objects. Thus, it includes tasks, roles and structural assignments of authority and forms part of the open systems of organisations. This concords with the notion of the explicit agenda of the group (discussed above in this chapter), the 'rational' side of a socio-technical approach (see chapter 3), the 'secondary process' thinking - all in all the external reality.

The internal holding environment is basically the psychological holding environment. It is the internal objects, phantasies and unconscious dynamics that form 'primary process' thinking. It is the deeper level of 'latent' occupation for the group and basic assumptions that were discussed in the previous chapter and above. The internal objects of the internal holding environment form a cathexis with the external objects of the external holding environment so that they influence each other. It is here that Bion's (1963) notion of the container operates: the ability to psychologically hold the inner world. The process may be nurturing or it can be destructive. This concept is thus different from Winnicott's notion of the *external* 'holding environment'.

Thus, in periods of change the attachment between the two is broken and they are subject to new object relating. It is this process that generates anxiety in the organisation and leads to a restimulation of poorly worked out past transitions which manifest themselves in resistance to learning, acting out, politicking and dysfunctional routines. However, while the difficulty in the internal holding environment explains the individual and collective resistance for most members of the organisation, it is the failure in the external (and internal) holding environment to provide 'good enough' containment that appears to be the real source of perpetual difficulty. The lack of containment leads to 'acting out', anti-task and anti-learning behaviour enacted as defensive and repetitive routines.

Defensive routines

Groups that have not reached 'independence' or 'maturity', will be more reliant upon the external environment (Silberman (1996), Diamond (1994)). The failure of a 'good enough' holding environment means that organisations are unable to contain the anxiety in the system and the internal objects of the regressed state of mind contaminate external objects. Thus, roles are compromised, there are regressive dynamics in the group, there are defensive rituals, collusive routines and the organisation is given to social defenses (Menzies (1960), Hirschhorn (1988), Jarrett and Kellner (1996)).

A 'social defense' is a shared, collusive and collective method of dealing with a threat. It is a defense against the anxiety caused very much in the same way that an ego defense is against individual anxiety. In both cases the source of the anxiety is simultaneously past and present: the inability to elaborate and understand (think through) one's past often perpetuates the difficulty, leading to a vicious circle of unresolved inner systemic conflict and unconscious 'acting out'. This pattern reduces the potential for learning.

The term 'social defense' was originally coined by Jaques (1953), using a Kleinian analytical framework and then again by Menzies (1960). The key point is that a social defense creates a distortion between the social system of the organisation and the environment - customers, clients, competitors, sponsors and stakeholders. The outside world can become the enemy and the inner world preserved in order to avoid confronting the problem. The inner object relations are separated from the external ones and the internal phantasies and collusive delusions continue (Hirschhorn (1988), Schneider and Shrivastava (1988) and Schneider and Dunbar (1992)).

Menzies (1960) adds: "The needs of the members of the organisation to use it in the struggle against anxiety leads to the development of socially structured defense mechanisms which appear as elements in the structure, culture and mode of functioning of the organisation. A social defense system develops over time as the result of collusive interaction and agreement, often unconscious, between members of the organisation as to what form it will take. The socially structured defense mechanisms then tend to become an aspect of the external reality with which old and new members of the institution must come to terms." p10.

These organisational defensive routines can be seen in "repetitive relational patterns along horizontal and vertical axes." (Diamond (1994), p186). The appearance and centrality of such organisational patterns highlight the avoidance of conflict and the continued enactment of dysfunctional organisational routines. In such cases, this thesis argues that they promote closed and defended systems and it becomes hard for individuals, groups and organisations to learn.

Thus, the implication for this thesis is that the presence of systemic defensive routines and the regressive dynamics in the 'top team' would suggest that double-loop, organisational learning at the strategic level is unlikely to be realised because the culture and dynamics would be anti-task and anti-learning as the social systems put more effort into collusive defensive routines.

Thus, a psychoanalytical understanding of strategic organisational learning suggests that learning is inhibited by poor internal dynamics of the 'top team' and a holding environment. This sets up a vicious cycle of defensive routines that is hard to break and contain. It is these unconscious and repetitive defenses that are said to undermine learning for the individual, the group and the organisation.

8. Conclusion

This thesis has argued that a psychoanalytical perspective can be used to increase our understanding of the impact of 'top team' dynamics on organisational learning during periods of change. It has taken an object relations perceptive and has applied it to groups and wider organisational systems. In so doing it has provided different ways of conceiving the behaviours and actions in groups and social institutions and these come together to form an emerging theory of social systems. A summary of this emerging theory and Part two as a whole is provided in the summary and concluding chapter that follows.

Chapter 8 - An emerging model of organisational dynamics; summary chapter for Part two

1. Introduction

This thesis aims to understand the relationships that exist between the dynamics of the 'top team' in organisations and the impact of their behaviour on the organisation's capacity to learn from their experience, especially that which arises from the necessity to change. In doing so it also aims to address some of the research gaps identified in the first chapter in understanding change, the role of the 'top team' and organisational learning.

In addressing the main research questions the thesis has drawn upon a systemic approach to provide the language and analytical tools to increase understanding and depth in pursuit of the research aims. It suggests that defensive routines in the form of ego and social defenses are the features that undermine learning. These are tempered by the quality of the 'holding environment' and the group context. A number of axioms and propositions have been reformulated from this thesis and led to the emergence of a systemic and 'interpretative' model of understanding the relationships between change, the 'top team' and learning. A distillation of the argument so far is encapsulated in the model that follows.

2. The key gaps

The review of the literature, guided by the initial scope of the research, converged on a number of key areas of agreement and gaps in terms of understanding the relationship between 'top team' dynamics and organisational learning. These are briefly summarised from the preceding chapters.

There was considerable agreement that organisations were a function of both 'rational' and 'behavioural' dimensions but the emphasis tended to be towards the former, while acknowledging the latter.

Furthermore, the importance of the environment was seen as significant, even though there were differences as to what aspects of the environment were important and how this impacted on the organisation as a system.

Many models followed a 'general systems theory' approach, but again with a considerable array of difference in emphasis; from very simple models to more complex ones.

The role of the 'top team' was seen as important in understanding successful change and, to a lesser extent, learning.

The value of organisational learning was a constant theme in much of the literature, varying from implicit in nature to more explicit modelling. However, the definitions, 'types' of learning, building blocks for learning and practical outcomes did vary.

The key theoretical and analytical gaps are as follows:

- Most of the work on understanding change dynamics is within the 'strategic choice' framework rather than the 'systemic conflict' framework.

- This means that the organisational dynamics of conflict, organisational politics, the subjective experience of uncertainty and the drives and reactions that are generated are often missed.

- While there has been much discussion on the important role of leadership in facilitating learning (and change) there has been little formalised theory on how these key parameters relate.

- Furthermore, there are fewer contributions that work outside of the mainstream approach to organisational analysis that takes a 'normative' and 'traditional' approach. Thus, there is a gap in looking at the deeper level of psycho-social dynamics within organisations and its impact on learning.

- Where there are contributions that cover these areas, there is a gap in looking at the group or organisation 'in situ', or in context: where the dynamics under study arise out of an on-going, live organisation. The exceptions to this tend to be consultancy-based experiences with little, if any, formalised theory to support their observations, reflections or conclusions.

- In conclusion, there are few integrated, theoretical approaches that provide a deeper level analysis of the organisational dynamics involved between 'top teams' and organisational learning.

In focusing this thesis to address these areas there are three levels of frameworks that have been used. They are:

- A 'systemic conflict' paradigm, which sees organisations as complex, social systems that are inherently conflictual and where they can be understood systemically in terms of internal inter-relationships, underlying dynamics and recursive patterns of behaviour.

- A processual model of understanding organisations, which falls within the systemic conflict framework, builds upon later (contingency) systems theories and sees context, history and politics as key elements of organisational identity and its dynamics.

- A psychoanalytical approach is a tool of cultural analysis to understand the latent and micro-dynamics of people in their organisational roles as directors, within 'top teams' and, for larger systems, within the organisation as a whole.

Together these three analytical lenses provide focus to addressing the issues of research gaps and some answers to the research question.

3. The research question

A brief reminder is provided of the research question before discussing the emergent theory and the working hypotheses that follow.

The over-arching research question was:

"What is the impact of the 'top team's' internal dynamics on the task of strategic organisational learning?"

Specifically, the question explores the following:

* The team's task effectiveness
* The team's internal dynamics
* The nature and quality of strategic organisational learning
* The impact of the team's context on its boundary management and thus its capability to learn.

Thus, there were four sub-research questions:

Task effectiveness
"How does the 'top team' see its effectiveness as reflected in its ability to manage its task and boundaries?"

The nature and quality of the internal dynamics
"How far are the internal dynamics of the 'top team' dysfunctional?"

Organisational learning
"To what extent is there strategic organisational learning?"

The impact of context
"How far does the context of the team - including the relationship with the Board - impact on its process of boundary management and the space that provides for successful learning?"

These were the questions that have framed the inquiry. An outcome from the review is that while behavioural and cognitive models are useful, 'interpretative' models provide greater depth. Depth of understanding is the goal of the research and thus the emerging model and subsequent methodology seeks to take that goal into account.

4. The emerging model

This chapter goes on to make the links between the rational and the subjective dynamics of change and transition by applying psychoanalytic and systemic thinking to organisations as social systems. It has been argued in chapters 6 and 7 that the unconscious and psychological dynamics will impact on the 'primary' and explicit task of the system and, unless supported by a facilitative 'holding environment', it will lead to regressive defensive routines for individuals, groups and the systems as a whole. The impact of these routines is that they will impact negatively on the organisational task and reduce the capacity for double-loop learning at the strategic level. It is at this boundary that the notions of the 'top team' being a 'mature' or 'independent' group is critical for strategic learning. It requires that the group is able to manage the boundaries of the internal and external world, be in touch with reality, manage their collective anxieties and subsume these anxieties to 'work' in order that the 'top team' can be the container and 'holding environment' for themselves and the staff (see chapter 5). It requires the strategic subsystem, the 'top team', to provide optimum boundedness for there to be strategic organisational learning.

The task of the 'top team' is supported or hindered (or both) by their relationship with their external environment, including the Board. That authority not only provides and models a 'holding environment' for the group, but also forms the crux of an important strategic inter-group dynamic between policy on one hand and strategy and implementation on the other. The resultant impact on the 'top team' is argued to be significant in that it forms part of the 'holding environment'. How these dynamics are inter-related are summarised under the following postulates.

5. The psychodynamics of 'top teams' and their impact on strategic organisational learning

The dynamics

1. In this thesis, organisations are construed as complex and dynamic social systems. They have rational and psycho-social elements to them. In order to understand the process of change and transition both of these components need to be taken into account.

2. The rational elements of task, structure, resources and constraints provide an initial understanding of organisations. However, these have been shown to be insufficient in helping to understand the dynamics of change in the post-industrial age of rapid change and a turbulent environment. These 'rational' models, discussed in chapters 3 and 4, tend to assume a steady state environment, where people's motives are less important and are thus incomplete.

3. The rationalist 'strategic choice framework' is insufficient and the acknowledgement of the conflict, complexity and uncertainty of organisational life suggest that a 'systemic conflict framework' provides a better paradigm to understand these organisational and social phenomena. A systemic framework also provides a framework which identifies how 'strategic learning' is inhibited by 'defensive routines' and how these might be understood from a deeper psychological analysis

4. Within that framework, the application of psychoanalysis provides another, deeper understanding of change and learning. It goes beyond the manifest behaviours of organisational dynamics and seeks to understand the latent meaning and text of people's actions. It suggests that the role of the unconscious provides a deeper insight and understanding of organisational dynamics.

5. Psychoanalysis posits that the source of the unconscious motif is unresolved, unworked through memories that are not fully elaborated and understood and that these are formed during the natural process of maturation. The more elaborated (cognitively) is the experience, the more there is for thinking and understanding. The less elaborated (and, in the general sense, traumatic), the more it fuels repetition at the expense of thought. There will always be an element of transferential and regressive enactments due to the quality of 'elaboration' (Silberman, 1996). As adults these past emotions and thoughts are unconsciously re-surfaced in periods of stress and anxiety provoking activities and the adult regresses. This process is unconscious and it is a functional ego defense to protect the person from 'pain' and 'unpleasant memories'. However, the impact can be negative as people use a variety of defense mechanisms, such as projection and transference, to avoid the pain and inner conflict. The result is often the problem lies with someone or something else; but not with them.

6. There are a number of psychoanalytic theories proffered as to the source of this inner conflict. The psychoanalytical approach that is used in this thesis is based on object relations. Object relations suggests that the difficulties that people experienced in their child development were not just about their instinctual drives but were more about how they formed relationships with others and the development of their inner self. The failure or difficulty to form an attachment with the earliest maternal caretaker may be the result of a poor 'maternal holding environment'. It was the interaction between the inner self and the failure of 'good enough' care and emotional support that led to the inner conflict and difficulties.

7. The implication of this is that it helps to understand how people take up their role and manage their authority. Systems and structural roles can be undermined by the individual's inner world of doubt and personal projections of what it has to be like to be a manager - 'superman' or 'superwoman'. The reality of imperfection, managing one's own anxiety and operating from a well-developed ego, goes some way to reducing the regressive dynamics for people in organisational roles and helps them to take up the role and authority that the organisation invests in them. The wider implication for the group or institution is that, where the inner world dominates, it contaminates the role and distortions take place in organisational relationships. It can also undermine a 'good enough' holding environment and the capacity for self-insight and learning because of excessive defensive routines and group or ego phantasies.

8. Organisational groups are systems that have a task, boundaries and time horizons. Applying a psychoanalytic perspective to groups suggests that the group may be subject to collective projective and transferential relationships and dynamics. Groups will have ways of thinking and enacting these and they take place within the 'group matrix', the broader organisational dynamics which comprise the collective projections and introjections of its members. These can impact negatively both on the group task and on group learning if they are not supported by a good enough 'holding environment'. It is taken in this thesis that a 'good enough' holding environment is not a perfect environment, but one that minimally holds clear tasks and boundaries and provides a space that enables the group to look at processes and allows the group to think.

9. The implication for groups, especially the top team, is that the strategic boundary is the place where that 'top team's' internal and systemic dynamics will impact on the organisation's strategic learning. It implies that if the dynamics as described are dysfunctional then we would expect learning to be impeded. Where the group was a 'mature' or independent group, then we would expect the likelihood of double-loop strategic organisational learning. In the latter case the boundaries would be 'optimally bounded'.

10. Finally, the link between change, organisational dynamics and organisational learning is seen to be complete. The discontinuity in task and structure due to organisational change causes a disassociation and an object transitional phase for individuals and groups in the organisation. Where the environment is unable, for whatever reason, to provide a process to facilitate change or a transitional space, then collusive and recurring defense routines will be observed. These mask conflicts and serve the organisation as a collective defense against the object-loss of the old structure and culture and its meaning for those members. In such cases, the organisation is unable to engage in double-loop learning.

These themes from the emerging model suggest a number of working hypotheses and these are presented in the next section of this summary chapter.

6. Working hypotheses

The literature review suggests that integrating the psycho-social dynamics into understanding organisational change and learning provides a greater understanding of what is happening and therefore has implications for how it is managed. Four initial propositions follow from the theory and are put forward for further development in Part four, where case studies are discussed.

Simply stated the propositions being explored are:

- Organisations are influenced by the nature of their environment which, in the case of public sector organisations, was in a period of rapid change.

- The capacity for strategic organisational learning is a function of the 'top team's' ability to manage the boundaries between the internal systems and the external environment without being 'under-bounded' or 'overbounded'.

- The dynamics of the 'top team' are a feature of the psychodynamics of its members, reflected in the 'group matrix'.

- Defensive routines are the underlying dynamics that undermine 'strategic organisational learning'

- The role effectiveness of individual 'top team' members is a feature of their ego defenses, or defensive 'inner dialogue'

The impact of these five aspects is the specific areas of inquiry in understanding organisational learning.

Organisations are influenced by the history of the organisation, its economic and socio-political context and the internal politics, or intra-group object relations. Thus there is an external and internal impact on the organisation.

Working proposition 1 - Organisation and the impact of the external environment

If the environment is turbulent, then organisations' ability to learn will be reduced.

Theory suggests that a turbulent environment impacts negatively on the organisation's ability to learn where the context is rapidly changing, because it impinges on the boundaries of task and territory and creates uncertainty and ambiguity. This generates anxiety and fear of object loss which in turn are perpetuated by a turbulent environment. At worse, a vicious cycle begins that makes it difficult for the system to scan, interpret and share its learning or take action to stop the downward spiral. The impact is to undermine task attainment and learning at the strategic level - the boundary between the organisation and its environment is diminished. Where organisations are 'over-bounded' they become closed to effective scanning and therefore learning. Where organisations are 'under-bounded' learning may be lost or fragmented.

Working proposition 2 - Boundary management

If the 'top team's' boundaries are poorly managed then its ability to achieve strategic organisational learning will be limited.

The ability of the group to manage its own boundaries would impact on its capacity to learn. Where boundaries are poorly managed and are either too closed, or let others set the agenda, the system had less chances of learning. 'Underbounded' systems are characterised by loose goals, multiple agendas, rivalry and difficulties with authority. They are more likely to be swamped by others' agendas and learn in a fragmented way - genius group, a bunch of idiots, or both. Groups that are 'overbounded' are characterised by very specific goals, authoritarian authority relations and object identification and 'dependency' basic assumption motifs.

Such groups are likely to constrain their learning to lower levels of learning, if efficient or working in an excessively stable environment; or in a defensive or dysfunctional, turbulent environment.

Working proposition 3 - The dynamics of the group

If there is a predominance of basic assumption thinking in the group, this is likely to impact negatively on strategic organisational learning.

Theory suggests that basic assumption thinking modes are both anti-task and anti-learning. These motifs interfere with the group's capacity to think and address the group task. Thus, in addition, the process of scanning, the mentality and fantasies the group uses to understand the external world, the process of sharing and 'learning' will be distorted. 'Learning' in such cases will be constrained, repetitive, or, in extreme cases, chronically dysfunctional.

Working proposition 4 - The individual and role in group

If senior management role holders are unable to contain their anxieties and primal memories, this is likely to contaminate the role and its boundaries. This will reduce strategic organisational learning.

In environments that do not provide sufficient 'holding' these form a 'group matrix' which hook individual's inner worlds and make for rigid role definitions of members within the group. This occurs through a process of projective identification, transference and repetitive defensive routines.

Psychoanalytic theory suggests that there is a relationship between one's past and how one behaves as an adult. In terms of the research question, it is how these internal histories and dynamics impact on how one exercises one's role in the workplace.

The proposition is that past conflicts impact negatively on how members take up their role(s) in 'top teams' if they are unable to contain their own anxieties. In cases where the 'holding environment' is not good enough, this is more likely to spill over into the group and impact negatively on the dynamics of the group.

This is because the inner reality is not sufficiently contained and the external environment - the group - is not cohesive, or is in conflict. If team members are able to understand and have insights into their own 'inner dialogue' and conflicts and still contain their anxieties, the impact of the external holding environment will be less, but indeterminable.

These are the guidelines and basis for our further inquiry and are the questions that one seeks to address and understand in considering the case studies.

This part of the thesis is now concluded and it provides a theoretical underpinning to exploring the research approach in Part three and the case material in Part four.

7. Conclusion

The thesis has developed a systemic model of understanding organisations and the relationship between 'top teams' and 'learning' based on psychoanalytic principles which provide greater insight and deeper understanding than current dominant theories of organisational change and learning, which tend to be behavioural or cognitive (Diamond (1986), Hendry (1996)).

In many ways the emerging theory is one of why organisations do not learn at a 'sophisticated' level. However, as a model within a systemic conflict framework, such an outcome is not unusual. Thus, we have a theory of why not.

It suggests that these defensive mechanisms operate first at the individual level but that they are replicated also at the group and organisational level. There is an on-going interaction between all levels of the system and that is also influenced by the quality of the 'holding environment'. The theory suggests that the system task and structure provide some containment but these can be undermined by defensive routines and a poor 'holding environment'.

The inquiry is focused on the 'top team' as a group in context as it addresses the strategic and learning domains of this research. It implies that the gréater the group's ability to work at and manage the boundaries of its task, the more likely it will achieve a higher level of strategic learning than those that do not. These are the features of an 'independent' or 'mature' group. Thus, there is a link between how the group manages its 'boundedness', the psychodynamics of the team as a group and as individuals and its impact on strategic organisational learning.

Part Three - Undertaking the research

Chapter 9 - The research philosophy and approach

1. Introduction

This chapter proposes a research philosophy and orientation that is consistent with the ontological and epistemological assumptions implicit in the theoretical constructs of the organisation and the role of the social agents within it. After a brief recap of the key points in Part two, it goes on to argue that, given the theoretical underpinning of a 'systemic conflict' and psychoanalytical approach, the philosophical orientation of this study falls essentially within a 'constructivist' paradigm. Thus, the orientation of the thesis takes a phenomenological and qualitative approach using case studies. This orientation informs the strategy, design and methodology of the thesis, which seeks to understand, explain and develop further working hypotheses about the nature of organisational dynamics as reflected in 'top team' process and their impact on strategic organisational learning.

Key points from Part two

The argument thus far suggests that the 'subjective' element of organisational change has been neglected, poorly understood and under-researched and this represents a gap in the understanding of organisations as social systems (chapters 1-3).

In understanding the dynamics of change and learning, this thesis has theorised organisations as a system of cultural, structural and social dynamics - both conscious and unconscious (chapters 4 and 5). It has been argued that these dynamics are influenced by the 'top team' and that opportunities for strategic organisational learning are hampered by defensive routines (chapter 5). A deepened understanding of defensive routines is offered from taking a psychoanalytic perspective.

Briefly, a psychodynamic approach perspective has its origins in psychoanalytical theory and its application to social systems was described in chapters 6 and 7. The main thrust of such an approach argues that the behaviour of adults is rooted in their childhood. The anxiety and neurosis that arises from difficult work situations and tasks induces an unconscious regression and a pattern of internal defense mechanisms are evoked to prevent re-experiencing those early developmental psychological emotions. There are a range of such defenses that operate unconsciously, e.g. denial, 'splitting', projection, sublimation, repression.

These defenses also generate unconscious group fantasies (Beres (1962), Anzieu (1984), Morgan (1986)) which lead to shared 'mindsets' and myths that form a 'psychic' and social reality for those involved. These collusive, yet unconscious behaviours, protect the worker or manager from the 'pain' of 'reality' and can lead to apparently irrationally driven behaviours, which undermine task and learning (Bion, 1963).

An emergent model was put forward in chapter 8 that proffered a framework to understand systemic and unconscious dynamics for individuals, groups and larger social systems. A series of working hypotheses followed.

A full discussion on each of the hypotheses are in chapter 8 but they are briefly reproduced here. The hypotheses were:

- *Working hypothesis 1 - Organisation and the impact of the external environment*
  If the environment is turbulent, organisations' ability to learn will be reduced.

- *Working hypothesis 2 - Boundary management*
  If the 'top team's' boundaries are poorly managed then its ability to achieve strategic organisational learning will be limited.

- *Working hypothesis 3 - The dynamics of the group*
  If there is a predominance of basic assumption thinking in the group, then this is likely to impact negatively on strategic organisational learning.

- *Working hypothesis 4 - The individual and role in group*
  If senior management role holders are unable to contain their anxieties and primal memories, this is likely to contaminate the role and its boundaries. This will reduce strategic organisational learning.

These are the guidelines and basis for our further inquiry and are the questions that one seeks to address and understand in considering the case studies. These working hypotheses provide guidelines for further inquiry. Finally, they are also informed by a psychodynamic understanding of social systems.

How one approaches the epistemological questions from such a theoretical underpinning is important as the response will influence the strategy, design and methods that are used. Thus, the next section looks at the orientation of the research and its epistemological implications.

2. Research orientation: reality and frames of reference

The role of the subjective

The aim of this thesis to develop and deepen understanding of the dynamics that operate in social systems and particularly the relationship between 'top teams' and strategic organisational learning. This level of deepened understanding of these relationships was identified as a gap in the research (see chapter 1) and one that has been further neglected in literature in understanding change and organisations (see chapters 3 and 4). Thus, as suggested in Part two, the role of the subjective, the nature of conflict and the psycho-social dynamics are poorly understood. As a primary aim of this thesis is to understand and explain such dynamics, the research orientation should be congruent with the research purpose and those theoretical assumptions.

The dynamics of social systems appear to have their own internal logic that needs to be understood from the point of view of its members.

Czander comments on this point: "The efficiency and effectiveness of an organisation are influenced by the conscious and unconscious motivations or wishes that underlie the capacity to engage in the work involved in these three variables." (Czander (1993) p182.)

Michael Diamond goes further and likens the nature of understanding social systems to a psychoanalyst in relation to a patient. He argues it is not just the application of the theory but it is also its practice.

"Psychoanalysis is a theory of interpretation for understanding the significance of

human feelings and actions. Its application to examining organisational life moves us beyond the scientific search for observable facts and truths; rather it offers a theory and practice for ascertaining the meaning of human relations and experiences at work - meanings found in the unconscious and latent processes of social systems.

"... (It) attempts to locate the intent of human experience by focusing on psychic reality in contrast to objective reality... referring to subjective and, especially, unconscious meaning." (Diamond, 1994)

The subjective experience of organisational actors becomes all the more important when we try to understand the complex relationships, actions and dynamics in organisations. Why do people become 'blockers', or intransigent, when on the surface of things all is rational and logical?

In order to understand and explain rather than predict, or simply describe, these social phenomena, the research orientation has to be able to surface the experience, latent meaning and reality of the social actors under study.

The choice of research orientations

There are a number of research orientations that can be taken to further the aims of this research. An initial dichotomy is one between 'subjectivist' and 'objectivist' orientation. Morgan and Smircich (1980) suggest that the chosen approach is not simply based on matching the qualitative approach to the 'subjective' and a quantitative approach to the 'objective'; it is more complex than that. They state that such a debate, which has long plagued social scientists, has missed the mark. The nature of the research orientation, they argue, is the product of ontological assumptions, assumptions about human nature, the basic epistemological stance, the favoured metaphors and the resulting research methods.

They follow a schema that is also adopted by Burrell and Morgan (1979) and both sets of authors concur on this point. The differences and implications of this are summarised from Morgan and Smircich (1980) in table 9.1 below.

Table 9.1

The Underlying Assumptions Characterising the Subjective - Objective Debate in Social Science

	Subjectivist Approaches to Social Science ←					→ Objectivist Approaches to Social Science
Core Ontological Assumptions	reality as a projection of human imagination	reality as a social construction	reality as a realm of symbolic discourse	reality as a contextual field of information	reality as a concrete process	reality as a concrete structure
Assumptions About Human Nature	man as a pure spirit, conscious-ness being	man as a social constructor the symbol creator	man as an actor the symbol user	man as an information processor	man as an adaptor	man as a responder
Basic Epistemological Stance	to obtain phenomenological insight, revelation	to understand how social reality is created	to understand patterns of symbolic discourse	to map contexts	to study systems process, change	to construct a positivist science
Some Favoured Metaphors	transcendental	language game, accomplishment text	theatre, culture	cybernetic	organism	machine
Research Methods	exploration of pure subjectivity	hermeneutics	symbolic analysis	contextual analysis of Gestalt	historical analysis	lab experiments, surveys

Source: Morgan & Smirack, 1980

In comparing the theoretical discussion of Part two of this thesis and the research aims, this work falls far more in the subjectivist sphere than the 'objectivist' domain. The reason this follows is because the primary construct for understanding the defensive and systemic routines is psychodynamic. Such a process requires a deep understanding of the people involved and therefore the ontological assumption is that reality is socially constructed from individual's experience as represented especially in the 'group matrix'.

The implied assumptions about human nature fall within the boundaries of people as social actors - interpreting symbols and their contextual culture - and as those who create their reality. An object relations model falls much more in the latter boundary and this is also true for understanding the manner in which social systems have been theorised as articulated in chapter 8. The notion of an 'external' reality is evident in the model. However, the approach to how that is constructed and managed by those within the system has tended to be a salient feature in this inquiry.

The basic epistemological stance is that the thesis aims to understand how social reality is developed. While the extremes of the epistemological range are clear (see table 9.1), it is less defined in the centre and there may be grounds for difference. However, there is general agreement in discussing the philosophy of research inquiry that the notion of scientific rationality and order can be challenged as abstractions (and therefore mind creations) of reality. Thus, by simplifying theories to replace complexity, our understanding of the natural world becomes more opaque (Feyerabend (1993), Morgan and Smircich (1980), Blaikie (1993)).

Blaikie (1993) further re-visits the argument over a decade later and argues that the choice between methods rests on ontological and epistemological assumptions. He extends the debate but comes down to two perspectives: a 'realist' orientation and a 'constructivist' orientation. These tend to support an 'objectivist' and a 'subjectivist' position respectively (see table 9.2 below). He develops and critiques the research approaches that can be taken and concludes that it depends on the nature and aims of the research.

Table 9.2

Choices Between Methodological Issues

Issue	*Alternative Positions*	
Nature of reality	Constructivist Multiple	Realist Single
Starting point	Observation Lay language Inside	Theory Technical language Outside
Role of language	Constitution of social activity	1:1 correspondence with reality
Lay accounts	Fundamental Authentic Situational	Irrelevant Corrigible Trans-situational
Social science accounts	Specific in time and space	Generalizable across social contexts
Researcher	Subject-to-object Involved Reflective partner	Subject-to-object Detached Outside expert
Objectivity	Relativist Dynamic	Absolutist Static
Theory of truth	Consensus Pragmatic	Correspondence Political
Aim of research	Understand Change	Explain Evaluate

Source: Blaikie (1995)

Some research can be purely exploratory and this is important as it is hard to start to predict before we can explore and understand the regularities of social phenomena; other research is more focused on prediction. The latter tends to be more in the 'realist' realm, whereas the former is in the 'constructivist' frame of reference.

Finally, Easton (1994) provides an axiology of research aims: exploration; description; explanation; prediction and control; and action. This thesis aims to build theory and using Easton's schema this thesis is focused on understanding and explanation, through the process of describing. It does not start without a theory, but the theory it puts forward is tentative and it develops a series of working hypotheses in order to understand the nature of social systems, rather than to test them for causal relationships.

The work is not seeking to evaluate nor develop firmly held relationships between variables, such as in a causal study. Easton (1994) concludes that there are four epistemological orientations: positivism; conventionalism; realism and constructivism.

Positivism is considered as purely descriptive and it is value free. Its ontological and epistemological assumptions are within the 'objectivist' realm and it sees no difference between the human and material world. This approach tends to be based on deductive testing of complex theory with a desired outcome of generalisation.

Conventionalism suggests that reality and knowledge are based on convention. What these conventions should be (philosophy) or are (the sociology of knowledge) is not obvious says Easton (1994). He concludes, however, that such an approach holds only one view of the world and thus it shares a limited construct of the world.

Realism suggests: "There is a reality out there to be discovered". The use of alternative theories to discover this 'truth' is the epistemological stance.

Constructivism is related to relativism. Human beings are different to each other and are central to the research inquiry. Easton (1994) suggests that: "The reason why relativism occurs is because reality is psychologically and socially constructed."

Finally, Burrell and Morgan (1979) have a schema of four orientations to research - again based on the ontological and epistemological assumptions. Their 'interpretist' paradigm supports the 'constuctivist' aims and theoretical assumptions of this thesis.

A constructivist orientation

This short overview of research orientations has identified some common themes and has highlighted a broader set of considerations beyond the old debate among social scientists about the value of a quantitative versus qualitative approach. The latter tends to focus on methodological issues when in fact both types of methods can have a place within different traditions or orientations (Morgan and Smircich (1980), Lee (1989), Hassard (1991) and Easton (1994)).

From the above discussion it is concluded that the central factor that informs the choice of research orientation seems to depend on the ontological and epistemological assumptions that are held. A range of related orientations were briefly discussed and there is agreement about the extremes - positivist orientations at one end and constructivist at the other. Qualifications to these extremes are provided by Easton (1994), Burrell and Morgan (1979) and Hassard (1991) who show different approaches can be used for different purposes. It is not that one is better than the other, it is how the approach supports the purposes of the research.

In this thesis, the ontological and epistemological assumptions fall essentially in the constructivist research orientation as it fulfils and supports the aims of the research and theoretical constructs over other approaches. It draws extensively upon that approach and as Blaikie (1993) suggests, it is the locus of the orientation that is the core to the positioning of any study. Thus, it is a constructivist orientation that is used and this influences and informs the research strategy and methodology.

3. Research approach and strategy

Introduction

The approach to the research seeks to retain the integrity of the theoretical framework and the research orientation of a 'constructivist' approach. It also seeks to address the over-arching research question, which is:

"What is the impact of the 'top team's' internal dynamics on the task of strategic organisational learning?"

The "causal" link between these was discussed in chapter 1 and in the working hypotheses of chapter 8. They suggested that both the environment and the dynamics of the 'top team' could impact on organisational learning. Where the environment was turbulent, or internal dynamics 'poor', then strategic organisational learning would be lessened and the likelihood of achieving 'double-loop' learning would be very low.

The research questions were broken down into four sub-questions. These covered:

Task effectiveness
"How does the 'top team' see its effectiveness as reflected in its ability to manage its strategic task and boundaries?"

The nature and quality of the internal dynamics
"How far are the internal dynamics of the 'top team' dysfunctional?"

Organisational learning
"To what extent is there strategic organisational learning?"

The impact of context
"How far does the relationship with the Board and the environmental context constrain the learning opportunities?"

In exploring these four questions the prime research interest is with the internal reality and meaning of those members of the 'top team'. Furthermore, we seek to compare their experiences with others in the system and to see how far aspects of their internal world relate to the externally shared 'reality' at the strategic level.

Research strategy

The research strategy aims to provide a systematic way of gathering data, staying within a theoretical and epistemological framework and providing a boundary for the particular area of inquiry as argued in Part two and earlier in this chapter.

There are a number of features that form the research strategy and these come as a natural process of the line of argument thus far. These are three in number: the research strategy takes a phenomenological epistemology; it is informed by a case study approach; and it is essentially a qualitative research strategy. These follow a 'constructivist' orientation and seek a deeper level of analysis of the research questions as argued above.

Phenomenological

The research approach in this thesis aims to understand the deeper meaning and subjective experience of social agents in systems of organisation. It takes a phenomenological approach as knowledge is seen as the product of experience. While a purist position on this approach would suggest that all pre-thought, knowledge and theory should be abandoned, the reality is that people are not memory-less automotives and frameworks and theories provide a basis for making sense of each person's experience both consciously and unconsciously. As Lapierre (1992) argues, even where such an approach exists, " (it) Aims to describe the phenomenon as it presents itself and to understand rather than explain it, it seems to us nonetheless impossible to wipe the slate entirely clean of all theory in any research approach even one that is phenomenological." p3.

He goes on to argue that psychoanalysis provides a body of knowledge, which holds assumptions and hypotheses about the nature of the workings of the unconscious and its impact on individuals and groups.

He cautions: "The researcher must be aware not only of the theoretical choices he has made: he must also state them as explicitly as possible. A theory, even when it is in a hypothetical state, is the organising projection behind the research." Lapierre (1992), p4. He goes on to quote from Zaleznik and Kets De Vries (1984),"Without theory, there is no story and without a story, there is no text to decode or interpret." This point is fully accepted in this thesis and the 'theoretical' background, discussed in Part two, is also an additional criterion for deciding upon the research approach.

Wertz (1986) also provides some useful guides on a phenomenological research approach that are congruent with the theoretical underpinning of psychoanalysis. He summarises points made by others (Hassard (1991), Kets De Vries et al (1993), Kets De Vries and Miller (1987)) and identifies the following fundamentals for this approach (See table 9.3 below).

Table 9.3 - Wertz's cannons of a phenomenological approach

a) Empathetic immersion in the world described by the people involved
b) Dwelling and magnifying the issues that are important to the respondent.
c) Turning from object to meaning and thus from description to interpretation
d) Suspending belief and investigating the source or origins of what the respondent presents
e) Distinguishing constituent parts or phases of the narrative - what are the sub-themes that are presented
f) Explication of the relational whole so that the data can be related to other diverse data, temporal boundaries, context and relationships
g) Identification of recurrent meanings, where themes are surfacing from many sources leading to some thematic unity
h) Comparison of various real cases
i) Comparisons involving imaginative variations and examples such that the researcher is not constrained in their thinking and analysis
j) Retaining the language of analysis within the theoretical sphere. Thus, using the theoretical framework for understanding and analysing what is going on
k) Verification according to this approach is found in the re-enactment of the 'very procedures we have already discussed'. Just as there are better or worse manipulations, controls and statistical instruments, there are better or worse descriptions, empathetic immersions, magnifications, empirical comparisons and command of the theoretical based language. Wertz (1986) argues that disconformation of hypotheses does not mean the abandonment of qualitative procedures but, "The extension and rigorous application" of all the procedures above (p589).
l) Reflecting on one's experience in the process and applying the notion of 'projections' and other dynamics that occur between the researcher and the social system in order to gain further data and insights about the system under inquiry

These twelve 'fundaments' provide a comprehensive basis for understanding the principles applied to a phenomenological approach, within a constructivist orientation. These points are noted and have been incorporated into the research approach of this thesis (see chapters 10 and 11).

A case study approach

A case study approach is to be used because it will increase understanding, help unravel social complexity and deepen knowledge of social systems under study (Yin (1993), Easton (1994), Ragin and Becker (1992), Sommer and Sommer (1991), Bryman (1989)). In addition, the strength of a case study approach for this type of inquiry is that its aims are congruent to studying the organisational behaviour of a living social system: a phenomenon in context.

"As a research strategy, the distinguishing characteristic of the case study is that it attempts to examine a contemporary phenomenon in its real-life context." (Lee (1989) p119.)

Furthermore, "It consists of the entire configuration of individuals, group, and social structure in the setting of an organisation, and the case researcher passively observes the rich details of events in the way they naturally unfold in their natural, organisational setting." (Lee (1989) p119/120.)

Thus, the case study approach is not contrived. It does not attempt to reduce complexity through controlled experimentation, or generalisations from a survey approach. Ragin and Becker (1992) argue that, in the limit, a survey after all is just a large number of 'incidences', or a series of case studies. Furthermore, it is argued by Yin (1993), the survey approach sacrifices detail and understanding for generalisability.

Proponents of the case study approach (e.g. Easton (1994), Yin (1993), Morgan and Smirich (1980)) suggest that there is still considerable misunderstanding about it. This misunderstanding is about how it is used; its benefits and the drawbacks tend to be understood in 'objectivist' terms rather than in a constuctivist one.

Lee (1989) argues that it is a commonly held view that case studies are all qualitative. While the qualitative nature is true as an approach, it is not true in terms of research design or methodology. It is not simply a design based on a series of unstructured interviews - the common mis-perception. Easton (1994), Lee (1989), Kanter (1977) and Hassard (1991) show that the case study approach is not by necessity qualitative or 'subjectivist', but it can be used to follow the nature of the research inquiry.

For a study that seeks to increase understanding, as this thesis does, the case study approach would fall within a constructivist framework and aim to develop theoretical constructs and use case material within a specific contextual domain, rather than seek generality (Easton, 1994).

Moreover, while there can be weak research design - both in case study and survey type research, the critical question is: does it provide us with a legitimate tool of inquiry? For the purpose of this study it does because the case study is good for situations where control is neither desired, nor possible. It covers depth and can use a multiplicity of methods for verification. It can manage the complexity of cases within cases, as well as multiple cases to establish the replicability of instances or phenomena under inquiry. It has a long and reputable history in ground-breaking work, such as medicine and psychoanalysis and many classic studies in organisational research were also based on such an approach - Mintzberg (1973) on managerial work (individual comparative), Jaques (1953) (organisational - single), Lawrence and Lorsch (1967) (organisational comparative).

Its main limitations are that it is hard to generalise and secondly, the features under analysis may be untypical; while they help to understand and explain phenomena, they may not be generalisable.

The other approach that was considered that may help us understand the dynamics of 'top teams' was an experimental approach. Such an approach has its strengths in trying to establish cause and effect relationships among clearly identified variables and a variety of competing explanations. In this work, the focus is on understanding, explaining and generating further hypotheses. Thus, the experimental approach falls outside of the epistemological boundaries discussed above. In addition, on theoretical grounds, it does not address the issue of context which is a key research question. An experimental approach is also less useful in design terms. Many of the original group findings were conducted under experimental conditions (see Cartwright and Zander (1960)). The difficulty of these was the limited nature of the actual population and broad generalisations that were made from them. Examples include the theories about leadership such as Lewin et al (1939), which were based on work with delinquent school-aged boys on summer camp. The work on group consensus was based on the perceptional 'reading' of a beam of light (Sherif, 1936). Both were very far from the context and dynamics of a strategic working team. The point here is that many of these 'well known' contributions were taken out of their context and were based on a small data-pool. Thus, they may also be criticised for over-generalising.

Finally, in experimental studies, control procedures can be difficult to maintain. For this thesis, which is concerned with change and learning, detailed control would be difficult to hold and, given context is important, controlling that variable may be undesirable. Although in the discussion on case selection some broad control variables are featured, these provide some boundaries while at the same time not restricting the natural dynamic that the study seeks to understand.

The case study approach is chosen philosophically because of its fit/congruence with the epistemological approach. In strategic and operational terms it has sufficient flexibility to draw upon other traditions that will in fact strengthen it. Kanter's (1977) thesis on the dynamics of men and women in the workplace, regarding power, demonstrates how well a case study approach can be used when supported by other methodologies in the research design.

A qualitative approach

The overall approach could also be described as a qualitative approach.

"Qualitative research is a particular tradition in social science that fundamentally depends on watching people in their own territory and interaction with them in their own language, on their terms." (Kirk and Miller (1986), p9.) However, it is stressed that quantitative methods and systematic methods are used as rigorously as other approaches. In a desire to be 'objective', it does not mean only to 'objectify' and assume that all phenomena can be determined by causal relations. The qualitative approach is based on the argument that traditional, 'objectivist' approaches alone would not satisfy the demands of the research orientation and thus the research design and methods. Furthermore, a qualitative approach is often misunderstood, especially by those from a 'objectivist' persuasion, and its value is not fully utilised (see Morgan and Smircich (1980)).

"To see qualitative research as strictly disengaged from any form of counting is to miss the point that its basic strategy depends on the reconciliation of diverse research tactics." (Kirk and Miller (1986), p12). Thus, a qualitative approach can also be seen as pluralistic.

Schneider and Shrivastava (1988) put forward the case that, when analysing the psychodynamic aspects of organisations, "Rational positivist paradigms are inappropriate for explaining these more difficult to measure phenomena." p509.

A 'clinical' research methodology

It has been argued in this chapter that a constructivist approach provides alignment with the theoretical constructs of the thesis and its subject of inquiry. A phenomenological and qualitative approach both support a 'subjectivist' methodology. An ethnomethodological approach, a symbolic-interpretist approach, or even organisational anthropological approach, are all possibilities. However, the distinguishing feature for the approach chosen for this thesis is its task of understanding the subjective experience of those in organisational 'top teams'. Considering the theoretical discussion in chapters 5-8, it is the application of psychoanalytic concepts to broader social phenomena that provides some validity for what shall be used in this thesis: a clinical approach. Such an approach to social inquiry is not new and we shall build on the contributions of others (Freud (1901), Kets De Vries (1991), Amado (1995)).

Psychoanalysis is both a body of theory and a therapeutic process. Kets De Vries (1991) argues that with that combination: "Psychoanalysis can be looked at as a method of *investigation* of language, action, and imaginary productions such as dreams, fantasies, and delusions." There is common ground between the theory and approach of psychoanalysis and a phenomenological approach (Wertz, 1986) and it further supports the case for a clinical approach to this research.

What is a clinical methodological research approach?

There appears to be no one specific definition. However, I would describe it as a research methodological approach that seeks to systematically gather data about the subjective experience of actors in organisational social systems. In this thesis, it is distinguished from the approach of Schein (1987b, 1991, and 1995), who sees it much more as a consultancy intervention to solve client's problems.

It is most suited to the scope of this research because: it falls within a constructivist orientation; it is aligned with the theoretical framework which draws upon psychoanalysis; it is applied to the analysis and understanding of organisations; and it aims to gain a deeper understanding of the system of study using a broader range of 'interpretative' techniques than used in the other subjectivist approaches. These qualities are discussed below.

A 'clinical' methodological approach in organisational analysis engages the problems and issues of the 'respondent' and draws more on their reality and agenda (Lapierre (1994), Berg and Smith (1985), Schein (1991)).

" A clinical inquiry model that stimulates real openness on the part of clients will reveal a set of variables and phenomena that will make it possible to build far better theories of organisational dynamics." Schein (1995), p18/19. This statement reflects the aims of this thesis.

A 'clinical' methodological approach also falls within a constructivist paradigm and the proposed research strategy. It is generally associated with a phenomenological approach and is a scientific method that aims at acquiring a thorough understanding of individual cases (Lapierre, 1992). This approach sees the research process itself as a form of 'intervention' and the dynamics that arise from the research process are seen as contributing further value from analysing it, as well as the analysis of the content data (Berg and Smith (1985), Schein (1987b, 1991 and 1995)).

Wertz (1986) argues that there is a convergence between a phenomenological approach and psychoanalytic psychology. He recognises the lack of rigour that has been exercised in some individual case material and studies but puts forward the case for the "possibility of relevant and valid protocol data" from a clinical perspective, p569.

Lapierre (1992) states that the clinical approach requires the researcher to provide a rich description of the social agents under study.

"Through a phenomenological approach and through exhaustive efforts of description, the clinical researcher strives to get at the subjective experiences of his subject and to understand the meaning of this experience." Lapierre (1992), p2.

"The 'clinical approach', with its premise of *not* taking for granted what is directly observable, has been helped by contributions from other fields." (Kets de Vries, 1991). The work of Clifford Geertz (1973 and 1983) of looking below the surface and attempting to identify the underlying structure and themes has also influenced the 'clinical approach'. Geertz suggests that a rich picture of the social system needs to be painted and makes the distinction between 'thin' and 'thick' description. Thin description concentrates on what is observable and simply relates to the facts. Thick description, however, is interpretative. He says that thick description is:
"Guessing at meanings, assessing the guesses, and drawing explanatory conclusions from the better guesses." Geertz (1973) p20.

This approach involves the study of organisational 'texts', which is the constellation of data that relates inter-connected groupings and themes which can be systematised.

The characteristics of the approach

From the literature, there does appears to be some agreement on the main features of a clinical approach.

a) A clinical approach includes a systematic, phenomenological approach to gathering 'rich' data from social agents in organisations and this can take a variety of forms. It also involves a description of social systems that is dense or 'thick' and favours depth over breadth in any single undertaking.

b) A clinical approach is useful for exploring and understanding social processes.

"Clinical methodologies worth developing are those that uniquely add to understanding and that have widespread applicability. They are perhaps most useful as exploratory devices for those aspects of a field of inquiry that are uncharted; for studying complex social systems as a whole that cannot be examined easily, if at all, by the traditionalist's scientific scrutiny; and as the methodology of choice for interpersonally based change strategies." Lowman (1988), p176.

It means that the researcher must be willing to adapt theory and develop or refute working hypotheses as part of the research process and output of building theory. Thus, the research process itself changes the dynamics of the system under study. Rather than ignore that 'intervention', as in a traditional research approach, the research is enriched by incorporating and understanding the impact of the interaction. This is the heart of a clinical approach.

c) Thus, in such an approach, a relationship is established between the researcher and those involved in the research process. There is direct involvement with the social system that is being investigated and the researcher has first hand experience of the social system. This is unlike 'traditional' approaches where the research-agent relationship is distant, 'objective' and non-involving. A clinical approach argues that such an assumption is unrealistic as the Hawthorne Studies demonstrated (Roethlisberger and Dickson, 1939). Hunt (1989) goes further and puts forward the case that in field work settings the process of unconscious psychological 'projection', 'transference' and 'counter-transference' takes place between the researcher and the organisational agent. Kahn (1993) also illustrates how the 'unconscious process' draws the researcher into other unstated roles, which if captured and understood, provide an additional source of data of what might be taking place in the system.

d) Thus, the researcher is not just observing but is part of the research process (Blanck and Turner, 1987). The researcher's subjective experience in the research setting of the 'projections', 'transference' and 'counter-transference' becomes a source of data for the researcher in their role and is explicitly captured.

"When using these methods, the researcher himself acts as an information-gathering instrument as well as the interpreter of the raw material he obtains, which must be organised and in which meaning must be found." Lapierre (1992), p2.

Such an approach makes additional emotional demands of the researcher and requires other experiences and skills in addition to traditional research skills. In using this approach: "Clinical researchers place themselves in the thick of the data-gathering process and place their person on the line in the process of collecting data or making interventions." Lowman (1988), p182.

Wertz (1986) states that a clinical approach: "Requires a special attitude on the part of the researcher, variously described as wonder (Fink), love (Laing), unprejudiced openness (Giorgi) and even hovering attention (Freud), within which the researcher moves back and forth from the whole to the part of the phenomenon." p569.

Hunt (1989) also comments on the unconscious dynamic of gathering data and the projections, transferences and countertransferences that operate in the role and in the research process itself (p52 et seq.).

"Reaching conclusions depends rather upon the clinical and sociological acumen of the consultant [term used for researcher] and on the soundness of the psychological and organisational theories he uses as a background to analysis and interpretation." Menzies (1969), p121.

Thus, the researcher must manage the boundary between self and the social system, and this requires a different range of attributes; they have to experience the social system while at the same time be separate from it. Lowman (1988) notes that these attributes are under-researched. However, if we draw from the training and development of psychoanalysts, there are a number of well-established practices for systematic clinical methodology. Smith (1990) also provides a detailed account of the 'self as instrument' in relationship to group dynamics, but the issues of role provide strong parallel (as discussed in chapter 7).

Berg (1980) argues that all OB practitioners should have clinical field skills and proposes a training model to develop these qualities. The qualities that he sees as essential are: personal and emotional skills to understand the inter-subjective nature of the dynamics between the researcher and the social system; relationship management skills to understand and work with complex relationships in the process with individuals, groups and larger social systems; and diagnostic skills - i.e. collecting data and drawing inferences from data while directly involved with the organisation.

Lowman (1988) also builds on that work and identifies three key areas for clinical researchers to have competence. There are:

- Job skills
- Organisational knowledge
- Personal attributes

The skills outlined are primarily interpersonal and it is suggested these will make for a "successful clinical investigator." (Lowman (1988) p183.) These seem to focus on receiving training in applied psychoanalytical or clinical methodologies, supervision and peer support, self awareness and a willingness for self scrutiny. The researcher has undergone training and supervision in these areas. Lowman's (1988) core competencies are listed in Appendix 6.

e) A clinical approach is systemic in that it incorporates the multiple layers of systems (see Levinson, 1972). It is also about working at the conscious and unconscious process: the rational and emotional as put forward by Lewin (1947a).

"Recognising that behaviour is determined by both conscious and unconscious factors, and that it is typically overdetermined by multiple sources of causality, the clinician seeks an understanding of both the rational and irrational.

"It is the unconscious processes that have largely been ignored by traditional researchers of organisations and social systems." Lowman (1988), p181.

f) A clinical approach is developmental for the social system - individuals, groups or organisation - because they are involved in the research process. Thus, members of the social system are engaged in the contract of the research, worked with over a long time, rather than just a one-off snap shot, and have goals for themselves as part of the process. Observation alone will provide one source of data but the meaning comes from the involvement of the people in the system in the data gathering and diagnosis - akin to the patients being the key data source for doctors' diagnosis. Thus, participants in the process provide some 'insight' validity to interpretations and internal insight for themselves.

Application to organisational analysis

A clinical methodological approach can be applied to the study of organisational dynamics, a focus for this thesis. While the approach was seen as 'recent' at the Conference of the International Society for the Psychoanalytic Study of Organisations, 'Clinical Approaches to the Study of Managerial and Organisational Dynamics' (1990), the approach has a history which can be dated back to the late 1950's.

Menzies' (1960 and 1969) study of dysfunctional behaviour and collective 'social defenses' in her study of a London hospital uses a clinical approach to understanding the social systems.

Berg and Smith (1985 and 1988) explore the issues, boundaries and methods of the clinical approach with other organisational researchers and interpretist thinkers and practitioners. The series of contributors suggest that, while it is not the easiest of approaches, it is both the research method and the complexity of the process itself that need to be incorporated into the analysis. Thus the role of the researcher, the actual methods used and the multiple complexity of social systems all impact on each other and these need to be commented upon explicitly as part of this approach.

Kets de Vries (1980) also uses a clinical approach to understand the nature of managerial motivations and actions. In Kets de Vries' (1980) introductory remarks, he states: "In the search for supporting disciplines I have discovered that psychoanalytical orientated concepts can be of great help. They will add another dimension to organisational studies otherwise looked at from a purely descriptive angle. A psychoanalytical orientation, with its concern about empathy and its specific ability to distinguish between illness and health, can contribute substantially in conceptualising about the nature of work, the etiology of individual and organisational stress, the vicissitudes of power and leadership, human motivation, and the effects of career." p4.

He also uses this approach to understand the 'text' at an organisational level of analysis (Kets De Vries and Miller (1987) and again in Zaleznik and Kets De Vries (1984)) in understanding leadership. Diamond (1994) and Hirschhorn (1988) use a clinical approach to understand the dynamics of the larger social systems; as does Kets De Vries and his associates (1991) who look at clinical perspectives to understanding organisational behaviour and change.

Thus, such a methodological approach is not new and has its own traditions. It is these traditions and norms that apply to this thesis.

4. Summary and conclusion

In conclusion, the research strategy is a phenomenological approach that will use the case study as its main vehicle for pursuing the research questions. Multiple-methods will be used within a qualitative and 'clinical' approach where greater validity, consistency and data collaboration may be ascertained. There may also be a developmental and learning element in this approach, but this is not to be undertaken as a piece of action research. The research, for example, is not seeking to evaluate consultancy interventions where action research would be valid. The research inquiry centres on 'understanding organisational phenomena.' The details of the design and methods are discussed in the next chapter.

Frantz Fanon's (1952) comments provide a useful summary of the research strategy. He argues: "What matters for us is not to collect facts and behaviour, but to find their meaning." p168. He calls upon the words of Karl Jasper, from Psychopathologie Generale, to elaborate his point:

"Comprehension in the depth of a single instance will often enable us, phenomenologically, to apply this understanding in general to innumerable cases. Often what one has once grasped is soon met again. What is important is less the study of a large number of instances than the intuitive and deep understanding of the few individual cases." p49.

In using a clinical approach one may conclude that the validity of the interpretations are grounded within: the context of the theoretical framework, its working hypotheses, the rich data from the social system, the input and participation of the agents of the system and a dialogue with them in order to uncover meaning and self reflection, supervision and 'psychoanalytical' thinking by the researcher to uncover data from unconscious dynamics. The research design which holds to such an approach is discussed in the next chapter.

Finally, this chapter has argued that a constructivist orientation is valid for the nature of the inquiry and how it relates to the theoretical underpinning. The main elements of the research strategy are to take a phenomenological approach, draw upon a case study method and to have a qualitative approach. These provide considerable common ground of theoretical, ontological and epistemological unity and coherence. These guiding principles are used as signposts for the overall design of the research, the methodology and instruments. These are discussed in the next chapter.

Chapter 10 - The research design and methodology

1. Introduction

The aim of this chapter on design is to operationalise the principles discussed in the previous chapter. It is the how, or the working principles, of the research process. The chapter identifies the key design features as the use of multiple case studies, the unit of analysis as the group and that embedded cases are also possible from the personalities and roles that 'top team' members bring and enact as part of the group. The detail of the methodologies, techniques and instruments is provided so that the reader can assess for themselves what level of confidence can be placed in the data gathering and the research process and whether it meets the objectives it seeks to attain within the context of the research orientation taken.

Briefly, the research strategy discussed above has three main components. These are the research strategy takes a phenomenological epistemology; it is informed by a case study approach and, it essentially takes a qualitative orientation. These elements come together in a 'constuctivist' approach, which suggests a deeper look at a small number of cases in order to understand the internal dynamics of 'top teams'.

2. The key elements of the design

The elements of the design are as follows:

a. The first feature of the design is that data gathering is to be through in-depth case studies. The single case provides significant depth and is useful for 'unusual' events, i.e. a freak flood, working with individuals, or piloting untested work. In looking at larger systems, with some 'regularity' to them, the use of more than one case study would provide some comparisons for making sense of the organisational 'text', further validity of the themes uncovered and greater applicability, rather than generalisability, to other similar social settings (Yin, 1993). Thus, a multiple case study approach is to be used.

On this approach Wertz (1986) states: "It often serves the interest of the investigator not only to differentiate general themes with their variations in a given case, but to do the same between two or among more individual cases. Two sorts of discoveries follow from this procedure - those of difference and similarities between cases. These respectively reveal the unique, typical and general features of psychic lives." p582.

Three cases are used in this thesis as they provide sufficient differences for comparison, yet do not sacrifice the need for depth in each of the cases. The first case is the pilot case, where the original working hypotheses were applied and then developed. The other two cases explore the reformulation of the theory and hypotheses and develop the theory further. They provide more data sources as a consequence of the pilot work.

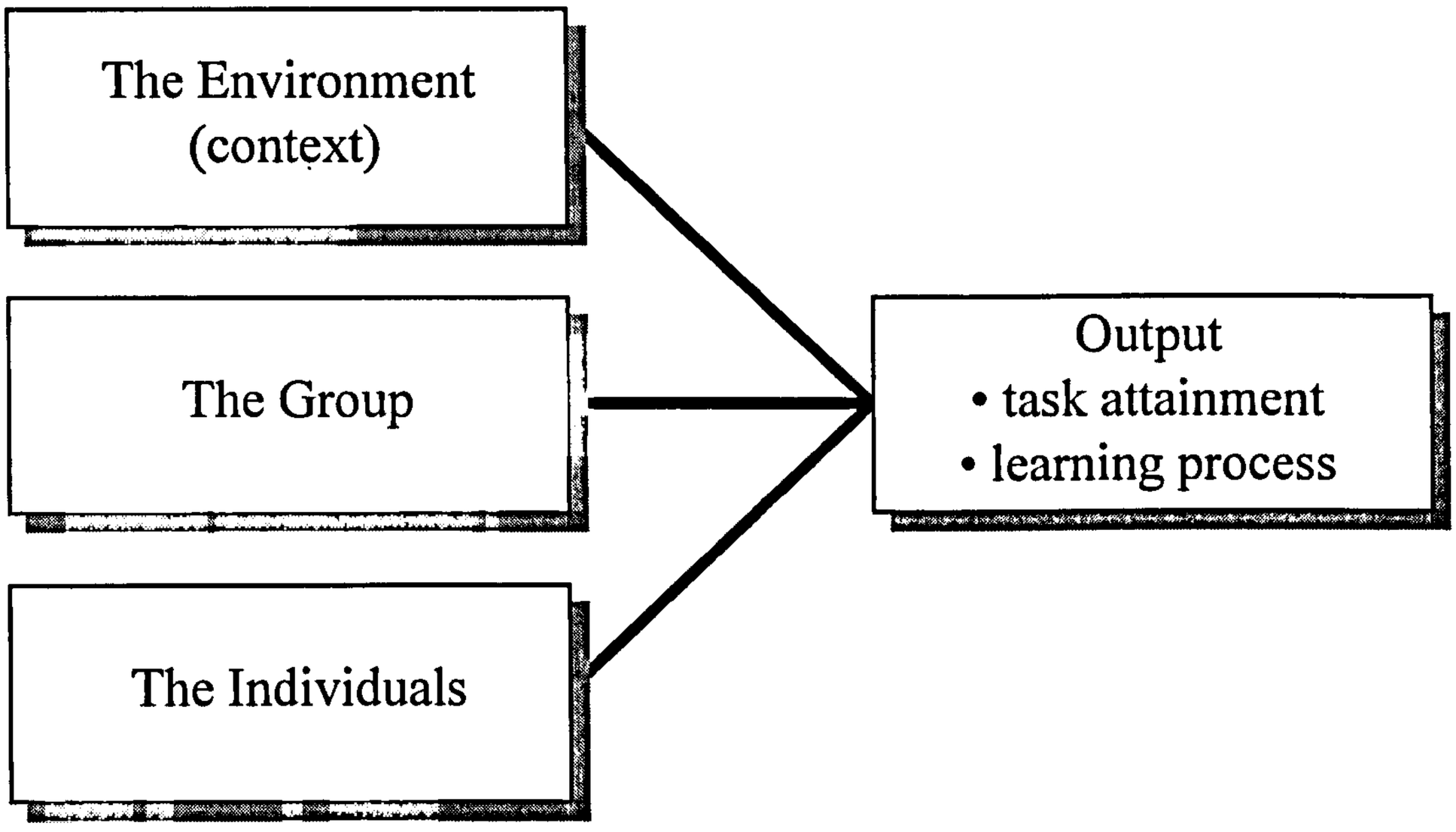
b. The second feature of the design concerned the unit of analysis. In relationship to the research questions, the unit of analysis is the group - the 'top team'. However, the unit of analysis is placed in a context - the environment and history - and is made up of sub-units, the individual and subgroups. See figure 10.1 below. Thus, the design also allows for examining cases within each main case.

c. The third element of the design is to take on the role of a 'clinical researcher'. Thus, the need to engage in the research process, make sense of feelings and associations in the process, reflect and draw upon an interpretist understanding of some of the events in the research process is to be incorporated. These are reflected in the excerpts of file notes in the appendices and are used in the cases as a final commentary.

d. Finally, the design draws upon a variety of methods to enable a degree of cross checking and triangulation in data collection. These methodologies are informed by a qualitative approach but are used with systematic and quantifications of behaviours, statements and 'texts' to provide meaning to the dynamics of the social system.

Figure 10.1

The Embedded Relationship of the Group



These four elements make up the design of the research. The actual methods and instruments that were used are discussed in the next subsection. The linkage between the main research questions, the working hypotheses and the research methods is extended in chapter 11.

The research orientation and strategy to addressing the working hypotheses are 'constructivist' and qualitative and the orientation is developed from a psychoanalytic approach,. The reason for such an approach was outlined in chapter 9. Thus, as suggested by Schneider and Shrivastava (1988), Ket De Vries and Miller (1987), Kets De Vries et al (1991), Hatch (1993), the research methods will draw heavily on in-depth interview, non-participatory observation and the interpretation of themes or organisational text. Such methods are argued to increase understanding and have been used to provide feedback to top's team in assessing their impact (Beer & Eisenstat (1996))

Each hypothesis is therefore explored in relationship to the most relevant data collection method that would provide relevant, reliable and consistent data. In addition, the multiple use of different techniques provided the opportunity for cross checking, triangulation and the detection of recurring themes arising from different data sources. The result of the design is briefly described. Details about the methods and techniques follow in section 3 of this chapter.

a) Three case studies were taken of strategic groups with the task of managing the organisation and its change. The groups were worked with for periods of over one year or more.

b) Each of the groups were observed for a period of over 1000 minutes. These were observations of their strategic meetings held on their usual site and in their normal context.

c) Twenty-one executive directors were interviewed from public sector organisations. Each director had an in-depth interview to gather information on the context and dynamic of the organisation, group and the role of group members.

d) A second in-depth interview was held with each of the same set of executive directors. Eighteen of these were held as some left during the period of study. FIRO-B[1] Questionnaires were also used as part of that process to gather data on the issues of personal concern that may impact on the role of the interviewees.

e) An organisational questionnaire was developed, designed and used in one of the cases to ascertain from those in the strategic domain what their shared view was about organisations' strategic learning abilities. This was administered to 100 senior managers.

These five elements made up the main processes for collecting data under this design. These are explored further in the following sections.

3. Research methods

In undertaking this type of research, a variety of methods are available. Schneider and Shrivastava (1988) share the view that socio-analytic paradigms are more likely to be fruitful in analysing complex social processes such as 'basic assumptions' and unconscious collusive routines. They also recommend a 'clinical' approach, which they believe is both extensive and intensive. They say that: "This approach relies heavily on behavioural observation, unstructured interviewing and questionnaires, and subsequent interpretation of themes. Structured questionnaires are unlikely to reveal basic assumptions as they tend to reflect *espoused theories* as opposed to *theories in use.*" (Argyris and Schon, 1978) Schneider and Shrivastava (1988) p509.

The authors go on to suggest that using this approach data can be gathered across and within multiple levels to reflect adequately the degree of organisational differentiation and this approach concurs with the one taken in this thesis, which also uses embedded cases.

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[1] FIRO-B is short for Fundamental Interpersonal Relationship Orientation - Behaviour). It is a behavioural questionnaire on how people relate to others based on the dimensions of affection, control and inclusion.

They propose six main ways of collecting data for this sort of study and approach:

a. Behavioral observation

b. 'Thick description' of the way processes are carried out in the social system including rituals, symbols, artifacts, rites and logos

c. Stories of leaders, heroes, critical events or organisational history should be incorporated

d. Individual and group unstructured interviewing using techniques and methods to get behind the manifest meaning and tap the latent or unconscious meanings

e. In-depth studies of strategic decision-making groups using Tavistock Institute socio-analytic approaches, which can surface underlying assumptions by interpreting group behaviour

f. Annual reports, company newsletters, internal memos, speeches by leaders and press and news coverage can also provide useful data

These methods provide data that can be content analysed and interpreted for recurrent and systemic themes, which in turn can be explored in further depth (Schneider and Shrivastava (1988) p510).

These methodologies are common to a 'clinical approach' (see Kets De Vries and Miller (1987), Menzies (1969), Kets de Vries, Miller and Noel, (1993)) and will be discussed in more detail when looking at research instruments.

Schneider and Shrivastava (1988) conclude: "The extensiveness and intensiveness of the above procedure requires a case study approach. Issues of generalisability must therefore take on less importance while validity issues are explored thoroughly. At this stage of theory development, research should maintain an exploratory nature emphasising the generating of hypotheses as opposed to their testing." p510.

Thus, the theoretical underpinning, research strategy, approach, design and methodologies share a good fit. There is a prima facia case to suggest that the research should support and fulfill the aims of the research's focus of inquiry.

4. Research methods

The actual methods used in the research follow the line of argument put forward so far, as summarised above in paragraphs by Schneider and Shrivastava (1988). Table 10.1 also summarises the relationship between the research questions and the methods used. These are now described in more detail below. The use of similar methodologies and techniques are also cited in assessing the final usage of data collection.

Table 10.1

The Relationship between the Key Questions and the Methods

Questions	Methods
a) Task Effectiveness "How does the 'top team' see its effectiveness as reflected in its ability to manage its task and boundaries?"	First in-depth, semi-structured interview Secondary data management, reports and minutes Conversations and observing Rituals Non-participatory observations - use of group analysis grid
b) The nature and quality of the internal dynamics	First in-depth, semi-structured interviews Non-participatory observations - use of group analysis grid
"How far are the internal dynamics of the top team dysfunctional?"	Dialogue and interpretations Second in-depth, unstructured interview using FIRO-B Experience and observations of individuals in the group Non-participatory observations - use of the Group Analysis Grid
c) The impact of context	First in-depth, semi-structured interviews
"How far does the relationship with the Board and the environmental context constrain the learning opportunities?"	Analysis of symbols Dialogue through feedback
d) Organisational learning "To what extent is there strategic organisational learning?"	First in-depth, semi-structured interviews Development of organisational questionnaire Dialogue through interpretations

Taking the methodology discussed by Schneider and Shrivastava (1998) the following were used for this thesis.

a. Behavioral observations were made of the groups in their natural settings of 'top team' meetings. The protocol used for systematically gathering data on the group was based on a psychodynamic model of groups and was originally developed by Thelen et al (1954) and Stock and Thelen (1957). Further work by Karterud (1988 and 1989), Karterud and Foss (1989), Long (1992), Wheelan and Krasick (1993) and Guerin (1995) also adopt the same protocols. These procedures were used in all cases and slightly refined after the pilot.

b. 'Thick description' was used to a lesser extent in the work because it was seen as contextual to the focus of inquiry - the group. However, its application to the entry process, the 'reception' process, where 'top team' meetings were held and significant symbols are commented upon in the context of the inquiry.

c. Stories are used in the case studies particularly on historical events, leaders - past and present - cultural morass and organisational processes/rituals as these were argued to have a significant impact on groups from the theoretical discussion in Part two.

d. Semi-structured, in-depth interviews were undertaken with 'top team' members to understand how they saw themselves and each other in the group, the group's dynamics and its context. An interview schedule was used in all cases and this was slightly amended after the pilot.

A second in-depth interview was used to gather data on the internal dialogue and pre-conscious thought that managers held and to see how these impacted on the managers' role and contribution in the group. These interviews were started with data gathered from a personal inventory, FIRO-B, which was used in unstructured interviews to provide a contained session for exploration of self in role. A fuller discussion on the choice of this instrument is in the next section on research instruments.

e. Group observation along with a 'critical analysis' of strategic decision-making and implementation through individual interviews were used to understand recurring themes in the strategic process of action, reflection and learning. This is also known as the 'critical incident' technique (Sommer and Sommer, 1991).

f. Annual reports, minutes, newspaper cuttings were also used, but to a lesser extent, as they provided data about context, of which there was considerable data available.

These data together are presented in case studies and the underlying themes are considered at each level of analysis - context, group and individual. The 'text' and thematic, recurring dynamics were put forward to increase our understanding of 'top teams' and how they manage strategic learning during periods of change. Developing and reformulating hypotheses is used as an iterative process in order to aid our understanding as the inquiry unfolds. Furthermore, the involvement of the group in developing insight and further hypotheses through interpretations and dialogue provided additional learning both for the research and for the group involved in the study. This process is part of developing theory and is in line with the research orientation and strategy.

g. The use of one's own experience in the role of researcher is also incorporated and captured in field notes. As part of a clinical approach this puts a responsibility on the researcher to reflect upon and make sense of the feelings, associations and multiple projections that might be experienced and to use these as an additional source of data.

h. Out of the research process the internal world of the 'top team' was compared with the notion of a broader experience of other actors in the strategic domain. This took the form of a short questionnaire which aimed to gather data on the nature and degree of strategic organisational learning perceived by others in the nascent social system. This was only used in one case study.

Thus, in summary, the main research methods were a combination of observation of group behaviour, individual, in-depth interviews, the use of case history (stories), an analysis of strategic decision-making processes, the use of content analysis to surface recurrent themes, the use of the feelings and experience of the research process through field notes, the development and use of an organisational questionnaire, the continual development and interpretation of meaning through hypotheses and dialogue, plus other background data and information.

5. Research instruments

The research instruments used were the result of the discussion in the above sub-sections and the previous chapter. They aimed to collect the data in such a way that was consistent, provided validity in terms of what we were hoping to measure and some confidence and reliability in the research process.

In simple terms, by *validity* we mean the degree to which a procedure or protocol measures what it is suppose to measure. *External validity* refers to the extent to which the results can be related to similar situations and this is likely to be greater in research undertaken in social settings. *Internal validity* is greater in laboratory research where the elimination of alternative hypotheses is greater and one can suggest stronger causal relationship between variables (Sommer and Sommer (1991), Blanck and Turner (1987), Kirk and Miller (1986)).

Face validity or *content validity* are terms that infer some prima facia validity which is not statistically validated, in such cases this would be called *construct validity.* In qualitative studies the notion of *consensual validity* is also useful as it provides another form of verification within the social systems of groups and organisations (Wertz, 1986). *Insight validity* suggests that the social system derives some resonance, or 'insight' from the research process, but this on its own does not mean that the process validates the theoretical propositions.

By *reliability* we mean the repeatability and replicability of the findings. Thus it addresses the question: will the instruments produce the same results when applied to similar social settings? The simultaneous realisation of as much validity and reliability as possible gives the research 'objectivity'. It is possible to have reliability without validity; 'perfect validity' would assure reliability as every observation would yield the complete and exact 'truth'. The attainment of 'perfect validity' is rarely possible. Thus, most social science studies have relied on techniques where reliability has been assured over validity (Sommer and Sommer, 1991). In this thesis, both validity and reliability are discussed.

Each instrument should demonstrate a degree of 'reliability' and where possible, 'validity' in their use. There are some assumptions that have been made about the veracity of the respondents, who are assumed to be working from the basis of 'truth' as they know it. Thus, in cases where there may be different accounts in the narrative of respondents, it is less that one respondent is lying and the other is not, but more likely reflects the differences in experience and the meaning that each attributes to their experience. Thus, the research process seeks cross verification of events and common related experiences: consensual validation.

Sommer and Sommer (1991) make a number of points on this matter in terms of research approach, methods and technique in seeking to gather data that can be relied upon. They say: "Inconsistencies in people's narratives can provide valuable leads. The researcher is a bit like the psychoanalyst who pays special attention to distortions and omissions. Asking for further elaboration is a better way of internally checking a story than challenging people as to their truthfulness or objectivity. Cross-verification is also possible through a multi-method approach. Perhaps better than all other techniques, the case study lends itself to the use of multiple sources and techniques for gathering data." p198/199.

6. A deeper look at the research instruments

This section looks at each of the chosen instruments and comments briefly on their purpose, procedure, reliability and validity.

The Group Analysis Grid (GAG)

The purpose of this instrument was to systematically gather data on the behaviours and interactions of the group members based on psychodynamic models of groups.

The procedure involved scoring behaviours and content analysis of the 'top team' meetings recorded by written notes. The actual behaviours scored and content analysed followed the theoretical constructs of 'work group behaviours', 'basic assumption behaviours', thematic conflict and socio-metric relationships in the group as discussed in chapter 6 above in Part two. Examples of these behaviours and the scoring grid are provided in Appendix 1. The use of a tape recorder was not permitted due to the strategic and confidential nature of the discussion of the meetings.

The GAG was informed by previous researchers who had used this protocol. It was originally developed by Thelen et al (1954) and Stock and Thelen (1957) who identified 'work' and 'basic assumption' proxies as reflected in the discussion of teams in the US Navy. Further work by Karterud (1988 and 1989), Karterud and Foss (1989) applied the basis of the same protocol to therapeutic groups but focused much more on the dysfunctional side of group behaviour. Karterud (1989) also refined the instrument and its use to assist in the data analysis and consistent application through a researcher training programme. Long (1992) and Wheelan and Krasick (1993) used the same genesis for an analysis of Tavistock type group relations events and Guerin (1995) applies the same protocol to workplace teams. Guerin (1995) uses a variation of the protocol developed by Wheelan et al (1994) called the Group Development Observation System (GDOS).

The original methodology (Thelen et al, 1954) undertook a co-relation test and an analysis of variance and it reported to "indicate that the theoretical constructs on which the test is based provide a useful and meaningful framework for describing individual behaviour in a group situation." p130.

The sample for this tentative conclusion was small and the methodology was not without criticism (see Karterud and Foss, 1989). However, it suggested that face validity was attainable and that construct validity was also possible.

Karterud and Foss (1989) developed the work of Thelen et al but, particularly, had a greater number of reliability tests: pearson coefficient of correlation, 'overall agreement', 'specific agreement' and a 'Kappa' agreement (see Appendix 2 for further explanation). They found that inter-rater reliability was 0.77 for overall agreement, 0.57 to 0.85 for 'specific agreement' and 0.58 to 0.93 for the correlation coefficient. Guerin (1995) quotes a reliability figure of 0.93 for the GDOS and 0.85 for her own study. The use of the GDOS requires attendance of their training programme in Philadelphia.

Thus, an inter-rater reliability test was undertaken for the Group Analysis Grid based on the pilot study. The procedure was based on Schutz's (1952) overall agreement, reliability test on groups and used four 'expert' raters in group dynamics to compare the ratings on 36 useable observations. Using Schutz's reliability test a return of 0.76 was obtained.

Interview schedule

The purpose of this instrument was to systematically gather data about the nature of the group, its context and the roles played by its members. This was through an in-depth interview (the 'first interview') for usually an hour and a half[2] with members of the 'top team'. As the purpose was to gain further information about their views of the organisation, a semi-structured interview was used with the aid of an interview schedule. There were key topics that the interviews were expected to cover for systematic comparison and analysis. A copy of the final schedule is in Appendix 3.

Each interviewee was reminded of the research area, the time slot together and invited to talk. Most (75%) preferred to be led through a schedule where they could then elaborate points. Their responses were recorded by written notes.

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[2] Three of the 21 directors had 3 hour sessions

During the pilot stage, half of the group were interviewed using the pilot schedule and the others used an unstructured interview to find the balance between depth and comparability. The coverage of topic areas between the two approaches was about 80%. The main difference was that the treatment of pet subject areas were much greater for the unstructured interviews. There was also a split between taped or un-taped interviews, in two of the four pilot interviews data was withheld because it was being taped and the tape had to be stopped. The decision was to use semi-structured interviews with a schedule and that these were untaped in order to get the data unimpeded by the use of a tape-recorder.

The point in terms of reliability was that the use of an interview schedule provided comparability without the loss of depth and meaning that interviewees attributed to their organisational experience.

Secondly, the 'consensual validity' from the commonality of agreement on key issues suggested that the interview schedules provided a degree of face validity and consistency in the gathering the data.

Personal inventory

The purpose of the personal inventory was to provide a common framework for understanding the issues that 'top team' members brought to the group and to explore these in a way that was containable within the ethic and boundaries of the research brief and the time frame of about an hour and half. A second in-depth interview was conducted to identify the intrapersonal dynamics of the Directors and this addressed the research question on the dynamics of the 'individual' in role.

The procedure was to administer the Fundamental Inter-personal Relationship Orientation - Behaviour (FIRO-B) questionnaire in accordance with the developmental guidelines set down in Schutz (1978). The instrument was used under supervision of a qualified FIRO-B user and chartered psychologist. The data from the results was used as a developmental process to identify the key relationship issue, the source of this, the meaning and inner dialogue (pre-conscious) that this yielded and the impact this had on their role, especially in the group. FIRO-B was chosen because of its theoretical underpinning which is psychodynamic in origin (Schutz (1978, 1984 and 1992)). Two other personal inventories were used in the pilot (see below).

The content or face validity of the FIRO-B is reported to be at least 90% reproducible, whereas the construct validity is weak as it has non-independent scales, so some of the factors are inter-related (see Appendix 4 for figures).

Reliability is relatively high for internal consistency (0.94) but lower for stability using test-retest procedures, with an average of 0.76. It should also be noted that the majority of test samples while large were less representative of the group under study.

Thus, the FIRO-B provided a manageable framework to discuss issues that were 'under the surface' but in a way that held the integrity of the research's aims while also retaining an ethical and responsible stance in relationship to the respondents.

The development of the organisational questionnaire

The purpose of the organisational questionnaire was to gain further data about the organisation's strategic learning. The Strategic Organisational Learning Inventory (SOLI) aimed to provide that data as a cross check of another reality outside of the 'top team'.

The genesis of the questionnaire initially came from the literature, with further refinements from the pilot study. The procedure requires those in the study to answer a Likert scale questionnaire that reflects a collective sense of organisational learning. This is similar to other value or climate questionnaires that are used in culture surveys and the like. One of the more well-known proprietorial questionnaires is the 'Pillars of Excellence' values questionnaire that is based on Peters and Waterman (1982). Other questionnaires are developed on the same principles, e.g. the Visionary Leadership Questionnaire and other unpublished cultural studies used in the consultancy field. These tend to be reliable but are weak on construct validity.

The original questionnaire had 42 items, with some category questions for classification and comparison. These were 'scanning', 'interpreting', 'taking action', 'sharing and dissemination', evaluation/review', 'counter-organisational defenses' and 'systematic problem solving' (see chapter 5).

It was piloted with a group of 10 managers on a part-time, public sector-orientated Masters degree programme. Thus, it was applied to a sample group representative of the population to which it would be applied. It was a check for reliability using an item analysis (see Sommer and Sommer (1991) on rudiments of item analysis). The outcome of this analysis led to a reduction of the questionnaire to 35 items (see Appendix 5 for the results of item analysis).

The item analysis and reduction of the questions improved the reliability of the questionnaire. Feedback from the users of the pilot questionnaire and an 'academic expert' in organisational learning suggested that the questionnaire had face validity but at this stage it was only indicative of the issues in the organisation and could not be relied upon beyond its scope. It was an area for further development and research.

The self as a research instrument

In a 'clinical' based approach to research there is considerable emphasis on the role of the researcher, their involvement with the social system and the dynamics of the research process itself and the impact that may have. Thus, the ability and willingness to engage in personal reflection is a critical part of the process. In so doing the researcher is able to gather more information about the system based on the 'projections' and 'transference' dynamics that operate in such settings. The objectivity - i.e. validity and reliability - of this 'instrument' rests on the ability of the researcher to disentangle their own feelings and subjectivity from the dynamics that are projected onto them from the social system (see Berg (1980), Lowman (1988), Alderfer (1990), Smith (1990), Hunt (1989) and Hirschhorn (1995)).

The procedures for engaging in such a process are premised on training and experience in psychoanalytic or clinical methods. This provides consistency of application, diagnostic protocol, the development of the role and professional and personal identity and continual development. (See Appendix 6 for an outline of the key elements of a clinical researcher, which fall within the researcher's experience, personal development and training)

The procedures involve 'clinical' supervision, personal development work, reflection and managing the social relationships. Clinical supervision is supervision that was informed by a psychoanalytic perspective and helped the researcher explore and separate their personal issues from the transference issues that arose out of the role. It provided another set of eyes and ears from someone outside of the research process. Often the dynamics of the research process were re-created in the supervision session to notice and study. Over and above the course of study of this dissertation, clinical supervision had been used by the author since September 1992.

The use of psychotherapy or some personal 'work' on self-insight and development is also suggested and the author has been in group psychoanalytic psychotherapy. In the role of researcher, a series of field notes have been regularly diarised during all of the data collection periods of feelings, associations, thoughts of possible dynamics in the sessions, reflection and observations of minutia or more significant variations of behaviour experienced as unusual or curious (some of these notes are recorded in the case study Appendices 8 - 10).

Managing relationships has to be at the individual, group, inter-group and broader social level of the system and the process needs to be handled sensitively so as not to 'collude' with some of the dynamics that are operating (see Jarrett and Kellner (1996), Kahn (1993)). Edmondson (1996) also highlights the tensions that exist in the researcher versus the consultant's role and plumbs for the latter if the goal is to effect organisational change, rather than simply understand.

As part of managing the relationship the use of interpretation as a means of dialogue and further inquiry can be also valuable.

Interpretation and dialogue

These instruments are used to develop the individual, group and organisational 'text'. Each of the instruments provide a basis for further verification through the use of triangulation and can be developed further by the use of interpretations. The purpose of interpretation is to seek validation of understanding and glean further in-depth information about the social system involved in the study. It is akin to sharing a working hypotheses in order to gain more understanding. Interpretations are like hypotheses, and are used as a tool of inquiry in qualitative research, not as a 'truth' waiting to be disproved.

The combination of these instruments provided the main procedures and protocols for systematic data gathering. They have varying degrees of reliability but these are generally satisfactory, ranging from 0.6 to 0.99, where quantitatively attainable. For the qualitative processes there is the use of triangulation and 'consensual' validity that provides some validity. In terms of theoretical validity, with the exception of the framework of the Group Analysis Grid, the construct validity is weak or unknown. The implications of this and the wider research issues are discussed in the last section of the following chapter.

7. Data analysis

This section briefly comments upon the analysis of the data as it relates to the key area of inquiry and based on the instruments discussed above - see table 10.1 - that shows the linkages between the research areas and the research methods and instruments. After each area of inquiry is discussed, a comment on some of the research issues that arose from these are discussed in the next chapter.

Secondly, the structuring of the data was also influenced by the theoretical relationships that were presented in the last chapter of Part two on the theoretical framework and the propositions that arose from the theory in relationship to the research questions.

Task and 'top team'

Information about the strategic task and boundary management competencies of the team came from both the observations of the group and the individual interviews. Content analysis of the observations and the coding of common themes provided the basis of analysis. These were not classified by the nature of the strategic task as it was felt that was a further development of the research inquiry and, while interesting, it was outside the scope of this thesis as defined. Common categories also emerged from the interview data and these were clustered under common themes relating to the area of inquiry. For example, issues concerning the environment focused on the reduction in public sector funds, the increase use of competition, the role of central government and the perception of public services by the public. 'NUD.IST', a computerised tool for categorising data from qualitative research, was also used.

The dynamics of the team

Data about the 'top team's' interaction was analysed from two main sources: observations of the meetings using the GAG and the first and second round of interviews. The data from the GAG was scored and categorised according to an analysis of content of the discussions and informed by the theory of group dynamics. These were classified, counted and presented in summary, descriptive statistics. The content and themes of the narratives were further analysed for themes and areas of focus in the conversation using conflict focal analysis (Stock and Lieberman, 1962) and theme analysis (Long (1992), Guerin (1995), Wheelan and Krasick (1993)).

Data concerning roles and relationships was gleaned from the interviews and this was coded along the areas of relevance for that group/individual but within the specific area of inquiry. Thus, information about childhood experiences, or statements about other colleagues in a group, were coded only as they related to the research questions and propositions. Some data is not relevant and thus is not used for this thesis.

Organisational learning

Data was gathered both from the first interview with the Directors and through the organisational questionnaire. The structuring and coding of key features of critical incidents from the strategic decision-making process provided a format for analysis. Whereas the questionnaire was more quantitative and lent itself to a scale (Likert-type) analysis using a spreadsheet, the latter was piloted and used only in the third case study. It was a result of the research and requires further development as an instrument in its own right.

Organisational context

Data regarding the organisational context was analysed from the first interviews by coding key contextual features of the group. Content analysis of the group's fears, concerns, relationships and boundary management was also used along with secondary data including public sector reports, journal articles, local newspapers and the in-house magazine. Non-participatory observations were also used in the public places within the organisation e.g. the lifts, canteens, foyers

8. Summary

This chapter has operationalised the implications of the argument that the theoretical and philosophical underpinning of the research inquiry suggests a research approach that is qualitative, takes a case study approach and uses a 'clinical' methodological approach for inquiry. These methods are largely observational and in-depth interviews with members of the groups being studied. The design allows embedded cases to be looked at and also uses multiple methods to support the verification of data.

There is a high degree of face validity in the research approach but poor construct validity. The level of reliability is acceptable but some of the details of the methodology needs additional refining. Further research issues are discussed in the final chapter.

Chapter 11 - The case material

1. Introduction

Chapters 9 and 10 make the case for a research approach that builds on the theoretical constructs and aims of the research. The purpose of this chapter is to qualify the boundaries and limitations of the overall research process. It looks at the case material in terms of choice, approach and replicability instead of generalisability. As the case histories form such an important part of the epistemology of this thesis, this chapter describes and discusses the processes that led to the selection of the final cases. It provides a commentary about the final design and the way the research aims to systematically gather the data in order to develop the initial working hypotheses that arose from the theoretical underpinning. It concludes that, while the research approach was appropriate to the theoretical domain and area of inquiry, the methodological detail and degree of construct validity place limitations on the general applicability of the findings. Thus, the level of contribution is both specific and qualified with the opportunity to develop the areas of weakness in further research projects.

2. Case selection criteria

Groups in public sector organisations

The area of inquiry was to examine the impact of the internal 'top team' dynamics on organisational learning at the strategic level. There are many sectors currently engaged in change. However, among those observed, change in the public sector was both significant and rapid. It was also an area familiar to the researcher and it provided a relevant context to explore and increase understanding in the process of strategic change and learning and the role of the 'top team'. Thus, the public sector was a context for exploring the issues and was not the area of inquiry per se.

Organisational scope - 'local'

The organisations that were included were those that had sufficient resources and strategic significance and impact on the area of their jurisdiction. National public sector organisations were excluded as they were too closely tied with national politics and, it was felt, harder to trace relationships and dynamics. 'Local' or regional bodies provided a basis for considering the 'strategic' aspects of public sector organisations in a manageable and containable form for this work. They also had clearly defined, geographically self contained areas of responsibility with clear lines of authority, political and managerial roles defined, but each had varying degrees of exposure to the environment.

Organisational types

An initial involvement with ten public sector organisations between 1992 and 1994 provided some preliminary information about the nature of change in local public sector organisations and the issues 'top teams' had to address. Of the organisations involved, one was a regional Probation Service, another was a City challenge organisation, the third was a London hospital trust and the others were local authorities. (For an overview of the local authorities see Appendix 7.) The ideal was to have three cases from different organisational types. However, this was not possible, mainly due to the problems of identification, prima facie, of types of 'learning organisations' (see section below). The final selection was one local authority and one health trust, with the pilot providing considerable information from a local authority.

The selection process

The selection process was informed by a variety of methods. Initially, the aim was to get three organisations that reflected various stages of 'organisational learning' - from dysfunctional to double-loop learning. This follows the typological case study approach advocated by Yin (1993). However, in reality, identifying such organisational 'types' 'a priori' was difficult as there was no comparative, published data. The possibility of a survey would provide a study in its own right (see Yin (1993), Flynn and Talbot (1996)) and even where 'types' were thought to exist these proved to be more complex than the simple formulation of 'type' allowed.

Another approach was needed. The working premise was that an organisation's 'top team's' ability to manage change was seen as a proxy variable to understanding learning at an organisational level. The assumption being applied was: if organisations were shown to be 'managing' change, then there was more likelihood that they may also be engaged in organisational learning. This rationale followed the discussion in chapters 1, 3 and 5.

Thus, a panel of experts were used from the field of public sector management to give their assessment on organisations who seemed to be managing change well. They included members from local government associations, associates and professionals from the medical profession, public sector consultants and other academics from well-known institutions with knowledge in the field. Three main criteria were used to assess public sector organisations: those able to manage their finances; those engaged in change and transition programmes and, those that had active diversity programmes. These were also based on a number of reference points in the literature (see Pettigrew and Whipp (1991), Kanter (1983), Kanter et al (1992), Jarrett et al (1991) and Peters and Waterman (1982)).

Over sixty potential organisations were identified as representative of the changes being experienced and managed by public sector organisations. Of those targeted, based on the panel's assessment of these organisations, over half were unsuitable because of insufficient data, impressionist or contradictory assessment, too extreme or well known in the public arena. Thirteen were subjected to their CEO having left or about to leave, or with difficulties in the 'top team' appointments. Three were interested but replied 'not now!' Three started the process but then decided to withdraw. In three cases the reason was there was too much change going on and there was reluctance by members of the 'top team'. Of the remaining eight or so, two met the general selection criteria and were 'managing' the changes, not being swamped by it, but nor were they leaders in the field. However, the point is that the actual dynamics, strategic learning and internal processes were unknown at that stage of all the potential case organisations.

Furthermore, as Wheelan et al (1994) explain, the research process for in-depth group work is both long and extensive. Thus, with the pilot and an additional two case studies it was felt that these were sufficient for the purpose of this thesis - to understand the relationship between the 'top team's' dynamics and strategic organisational learning.

Given the above difficulties, the other 'type' approach that was considered was to examine the nature of the teams as they emerged from the research process and examine what relationships and impact these had on the organisation's strategic capacity to learn. This approach provided a match between the research 'constructivist' orientation, the case study approach and the need to have comparable sets of data that related to the research question. Thus, this study focuses on the dynamics of three 'top teams' and the impact on strategic organisational learning. There were three teams: the team that fragments; the team that changes and, the team that stays the same in relationship to membership.

3. The overall research process

Introduction

As argued in chapters 9 and 10, the research process followed a qualitative approach and thus relied mostly on interview data and non-participant observation using a systematic scoring method and content analysis. In addition, it required the researcher to take a 'clinical approach' and identify and use feelings and associated thoughts as a means of further data. The linkage between the theoretical framework and hypotheses developed in chapter 8 is drawn together with the research methods and summarised in table 11.1, which builds on table 10.1 and makes the links explicit.

The research process had seven distinct phases:

* Group observations
* First interviews
* Group feedback and dialogue
* Personal interviews (second interviews)
* Organisational analysis
* Final feedback option
* Use of personal reflection

A summary of the research questions, hypotheses, the data sources and the structure of the cases in represented in table 11.1 below.

Table 11.1

An Overview of the Key Relationships between Research Interests, Methods and Propositions

	History	Context	Conflict	Summary of Hypotheses Explored
Environment	- secondary data on past - interviews re g arding key issues in environment & task (Q4)	- published articles and secondary data on public sector - interviews re g.arding questions in key issues (Q5 - Q7)	- interviews (Q7-Q8) - informal conversations - non participating observations on areas of conflict - e g.. with a central government agency	(1) rapidly changing environment impacts ne.g atively on 'learning'
Group	- interviews: question of how people saw the group's history (Q10-Q13 particularly)	- interviews: questions on role; leadership and relationship with 'Board' (Q6-8, Q14-16) - secondary data - news paper cuttings, internal magazine and minutes - non-participative observation GAG on group phantasies about their 'Board'	- interviews (Q9-13) - non-participatory observations / GAG - dialogue & interpretation from group feedback after non-participatory observations	(2) underbounded 'top team' boundaries limit 'learning' (3) excessive basic assumptions reduce learning
Individual	personal in-depth interviews on personal history & significant events or people	- non-participatory observation of how acted in group - GAG - Interviews how people saw each other's role in the group (Q12-13) - personal interview & how people saw themselves take up role authority	- non-participatory observations - dialogue & interpretation - use of FIRO-B as a basis for exploring 'inner dialogue' and theories in action	(4) role authority, insight and learning are compromised if managers are unable to contain their anxieties
Organisational Learning	critical incidents taken (Q17-21) in interviews	- in-depth personal interviews - group analysis of key 'occupations'	- non-participatory observations - interpretation of text	
	← The development and use of organisational questionnaire →			

Key stages in the research

Group observations

The group observation was the first phase. It was important to do this piece of work first so that the meetings were as natural as possible and were not influenced by any other aspect of the research process such as the interviews. In the pilot the researcher attended over 23 hour sessions (3600 minutes) of the team meetings and this provided a wealth of data. In fact too much. It was excessive in relationship to other studies that had taken only three meetings; 540 minutes, Guerin (1995); 1200 minutes, Peck (1995) and 1260 minutes, Karterud and Foss (1989). Thus, data from six, two to three hour sessions was considered as reasonable for this research totalling approximately 800 -1080 minutes. One of the criticisms and issues that Karterud and Foss (1989) makes of Stock and Thelen's (1957) earlier work was the difficulty of scoring for long periods. Their approach was to observe in units of 20 minutes before resting and scoring again. In this thesis recording periods were typically for 40 minutes before resting. This seemed to provide the balance between consistent themes in the groups and a good quantity of data.

First interviews

After the group observations, individual interviews were conducted with each member of the group using the questionnaire discussed in the section on methodology and instruments below. These lasted between one and half hours with one member in the pilot taking over three hours. The optimum level of data collection, attention and relevance was about an hour and half before rapidly hitting diminishing marginal returns. The pilot provided the opportunity to identify the best timing for the interview and how to conduct the interview process effectively.

Group feedback and dialogue

The data from the first two phases was analysed and fed back to the group. This provided an opportunity to cross verify and clarify the findings, check points of information and detail and to see whether the observations had some meaning and reality to the group. As part of this process initial interpretations were made on the basis of the theory and in terms of identifying cycles of defensive routines or structures that impeded organisational learning at the strategic level. In all of the cases the feedback was used as part of their away days and the researcher worked closely with the two different external consultants that helped the group through what were seen as relevant and important issues. Thus there was some content and consensual validity to the material as well.

Personal interviews (second interviews)

The fourth stage of the research process was the individual interview using the FIRO-B questionnaire, observations from the group work and the interviewees' personal and role experiences to explore themselves in role. These interviews were deliberately placed later in the process as, by now, it was expected that the research relationship was sufficiently strong for the interviewees to have enough confidence in the process and the researcher to be open enough for the task. This yielded considerable 'personal' data about the research collaborators and ethical issues of disclosure have been wrestled with as part of the research.

Organisational analysis

In the pilot study, information about the organisation was gathered through observation, informal discussion and information in a comprehensive staff survey. While useful contextual data, it was not sufficiently geared to the issues of organisational learning; much of this had to be inferred. Thus, from the pilot this gap was recognised. Considering this gap, a research need was met and, from the two subsequent cases, information and a questionnaire developed as a research output. This research tool was to provide a wider view of the organisational context and particularly how other agents in the organisation perceived its capacity to learn at a strategic level.

This provided the final data gathering method for the purposes of the research but was only used in one of the case studies and is discussed in Appendix 5.

Final feedback option

The groups were provided with the opportunity to receive final feedback from all of the research findings to date and to share with each other what they discovered, both about themselves and the system more generally. Each group had the opportunity to do something about it. This methodology was consistent with a clinical approach and provided further data to develop the group's understanding of itself. It also was one of the 'benefits' from agreeing to be involved in the research and an activity that was a healthy part of research relationship. Only one organisation took this opportunity.

4. Methodology and instruments: practice and issues

The Group Analysis Grid

The Group Analysis Grid was an instrument for consistently scoring discussions into theoretical constructs from a psychodynamic understanding of group behaviour. The work by Thelen and Stocks was the original base for the instrument and, from their work and others subsequently, there was a good degree of validity and reliability in the approach as discussed above in chapter 10.

The practice of scoring was more developmental. The first difficulty was that a tape recorder was not permissible in the meetings. Thus, all the data collection was scored from hand-written notes. The decision to use notes rather than score in situ was made so that the narrative could be inspected by others and a inter-rater reliability test could be undertaken. It also allowed further content analysis of the groups' dialogue and to surface other themes, conflicts and meaning that emerged from the groups' internal dynamics. While the gathering of notes was valuable for the reasons stated, inability to use a tape recorder was the main weakness in this particular application of the research.

Originally, verbatim notes were taken but these ranged from very good quality to poor notes. Material from the pilot was used for the inter-rater scoring. Of the 50 statements that were taken from the extracts only 39 could be used. Thus, there was some data loss. This was compensated somewhat in three ways. Firstly, the emerging themes and conflicts were easier for the 'experts' to identify and agree upon. There was near 100% overall agreement on themes (see Kets De Vries et al, 1993) but the statement by statement analysis was more difficult - only 0.76 overall agreement. The second compensation was that subsequent teams each had the feedback session and discussion tape recorded. This was seen as legitimate and not crossing confidentiality of strategic information. These were rechecked with group experts. Finally, the third compensation was the sheer volume of notes taken and thus the ability to have a large 'population of narrative' to use.

Inevitably, selective attention and poor quality notes reduced the quality of the data collection. However, this was the trade-off that had to be struck in this work with the 'top teams' and it highlights the difficulties of managing open access in such cases.

The pilot did provide some reliability in the thematic issues and the overall agreement on statements. Further checks were made from the later taped conversations. Revisions were made both to the categories of material scored and the manner in which the notes were taken to reflect the categorisation, but with notes of the data to support it. Thus, the final method was a compromise between a direct scoring method and a gathering of verbatim statements as additional data to back up the score.

Thus the GAG had good validity and reliability as an instrument but was weakened by the method of data collection.

The interview schedule

The interview schedule attempted to capture information about the context of the organisation, the strategic issues, relationships between 'top team' members and the Board, the relationships among 'top team' members and the leader and among themselves, the capacity to manage change as an organisation and the culture and informal nature of the organisation - see Appendix 3. The original interview schedule was the result of the literature review, preliminary studies and interviews undertaken earlier. The schedule allowed interviewees to talk on topics of 'top team' dynamics, their context and their internal dynamic in a way that made sense to them, rather than following a structured questionnaire. Gathering data from taking notes was more efficient than a tape recorder and the researcher could summarise and check their understanding from the notes. Notes could be cross referenced in the interview under cross headings and other thoughts and feelings could be recorded in situ (as marginal field notes) which also picked up the 'clinical' approach.

The interview schedule proved to be a consistent and relatively reliable method of collecting data. It had no statistical test to verify its reliability but there was sufficient consensual validity regarding consistent core themes.

The interview schedule changed with two or three minor amendments in questions on the following: the strategic task of the top team (Q6), the relationships with the Board (Q8) and the probing questions on some of the topics that seemed to arise and added clarity to the line of inquiry, without leading.

The major amendment to the interview schedule from the pilot was the introduction of a new section on how the organisation learned using a critical incident process on recent strategic issues (Q17-21). This was a result of the pilot where it was felt that insufficient attention was paid to systematically collecting information about the organisation's learning. The data that was collected was either inferred or was a result of anecdotes. The incorporation of this section ensured a greater degree of consistency.

In summary, the interview schedule covered the theoretical areas of inquiry. It provided an instrument that allowed comparability of response and consensual validity on the key themes and issues that group members shared. It was not 'validated' in any quantitative sense, but from a qualitative point of view, despite its limitations, it provided a basis for consistent data collection.

Personal interviews

These interviews differed in depth, nature and purpose from the earlier interviews. Data about the psychological dynamics and internal dialogue of the team members was sought. The use of a personality inventory was considered as a useful platform to have a contained conversation within the realms of the research aimed and the ethics of this sort of research. Thus, there was not a contract to provide psychotherapy, nor go beyond the realms of acceptance with each of the interviewees on their personal history or dynamic.

Three personal profile questionnaires were used in the pilot. These were Catells 16PF, Myers-Briggs Type Indicator (MBTI) and the Schutz Fundamental Inter-personal Relationship Orientation - Behaviours (FIRO-B) questionnaire.

Discussion about each of the personal histories was very informative. MBTI was high in terms of construct validity and reliability but it is rooted in cognitive psychology and, while the results were generally informative for the individual, they did not strongly relate to the theoretical basis of the thesis.

The Catell 16PF had a number of personality factors that seemed relevant to the research - for example emotional resilience. Yet, again while these were very high in reliability, it was not underpinned by a theoretical base and was not related to this thesis' theoretical orientation.

The use of FIRO-B was chosen in the final analysis because of its theoretical congruence and understanding of psychological defenses and inner realities (Schutz (1955, 1984 and 1992)). It also meant that relationships could be established between interview material and the theory. However, as stated above, the construct validity was weak. The reliability was claimed to be good (Schutz, 1952 and 1978). Yet another study suggests that the results can be sensitive to context between home and work (Orlans and Georgiades (1983)).

The instrument was useful for developing existential interviews with interviewees about what goes on for them in their minds and the impact of this on their role. It provided a consistent format for such interviews and some comparability of data. The instrument itself was used more as a basis for exploration and further inquiry rather than a means in its own right. It is felt that more on-going work with these Directors would be needed to draw further conclusions.

The interviews were also supported by the use of clinical supervision where the researcher was able to untangle the issues faced by the interview from those arising from the research process. Supervision was provided in a group, led by an experienced 'clinical' orientated social scientist and such meetings.were held about once every two to three months during the period of study. These were also supplemented with three one-to-one supervisions with a 'clinical' mentor.

Overall, the use of the personal questionnaire FIRO-B was chosen because of its theoretical congruence with the thesis, but its own validity and reliability was limited. Its greater use was to provide a consistent framework to explore some possibly difficult issues with people who operated in 'top teams'.

The organisational questionnaire (SOLI)

The organisational questionnaire aimed to identify the strategic organisational learning as seen by those involved in the strategic process - scanning, formulation, implementation and reviewing. This would typically involve the 'top team', some of the Board members and two or three levels of the top management group. In numeric terms it could represent as low as 60 managers to as much as 200 in larger public sector organisations.

The original questionnaire was developed as a further output from the pilot work. The questionnaire is not based on other or similar work, but follows the usual protocols of any Likert-type scale inventory. It is thus subject to the problems of such scales. These are that what people do and what they say can often be at variance, thus, it can be a poor predictor of behaviour. Furthermore, the words on the page may mean different things to different people and, finally, the assumption that people's ideas can be mapped on a single scale underscores the complexity of their opinions. Where items had a low correlation coefficient (below 0.5 or low relative to the other items in each factor) questions were reworked and clarified, or items were dropped (see appendix 5).

The construct validity and reliability of this instrument were discussed above: where the former was low but its face validity and reliability based on an item analysis were acceptable. It was clear that the instrument needed further development, but as it was not the purpose of the research, it was used with an acceptance of its limitations.

Clinical methodologies

A 'clinical approach' has a variety of methodologies aimed to help gather data in a way that stops the researcher's valid and valuable subjective experience leading to bias or collusion in the research process. The main methods of supporting this process are through personal insight work by the researcher, supervision, training in clinical approaches and reflection.

Each of these methods is discussed in either the above chapter or in the appendices. However, the learning from the pilot was that these were to be used consistently and regularly to constantly check what was happening in the organisational system. For example, as recorded in the field notes, the CEO of the pilot organisation was experienced by the researcher as all powerful, "A character to be attracted to". Yet the use of this as a clinical researcher is to understand "if that is how I feel, how do others feel?". They may feel undermined, envious and that provides another perspective on understanding the relationships and comments in the 'top team' (See chapter 12, section 6 and appendix 8 for further details.)

Another example is the rejection the researcher experienced after giving the hospital trust 'top team' feedback. In the field notes, the researcher acknowledges the great mistake of just giving the group feedback, which they welcomed, but not offering solutions - not part of the research contract (See chapter 13, section 6 and appendix 9 for further details.) This led to the group subsequently feeling very angry about the process and with the researcher. Once the researcher had understood this for what it was and its meaning, in terms of that team going through major change, he was able to broach the subject with the group and regain a relationship, but after losing several months' work.

All the methods to retain the integrity of the 'self as instrument' were used by the researcher. It cannot guarantee 100% reliability but provides an opportunity for self scrutiny and personal and professional development in service of a 'clinical' approach.

5. Conclusions

The use of a case study and 'clinical' approach was used to understand the internal dynamics of a 'top team' in its context of rapid change in three public sector organisations. The nature of the research itself and the process have meant that there may have been some selective commonality about the final cases - for example an openness to inquiry - and that other organisations have not been included. Case studies, by their very nature, are not generalisable but aim to understand what might be the dynamics of internal systems that make them how they are. Thus, the conclusions that one might draw from the research are only applicable to area-based public sector organisations with some openness to exposure and the three that dropped out, or the other organisations that just said no, may be more typical of this group of organisations.

Secondly, the research instruments and design were compatible with the 'clinical' approach. The extensive nature of the design meant that the quality of data was reduced for group data and a trade-off was made between access (and no data) or some data. This applies particularly to the group observation material but not to the interview data, the personal interviews, the organisational questionnaire or other secondary sources. While measures were taken to retain the quality of the data, it would have been better had audio-equipment been used. Thus, for the group data, while the score of statements against Bion-type activities is reliable - inter-rater reliability 0.76 and the thematic issues are agreed - the detailed content analysis of deeper analysis is less reliable.

The next part uses the research approach discussed in the last three chapters to examine three case studies.

Part four - Cases in organisational 'learning'

1. Introduction

This part of the thesis applies the theoretical framework to three public sector organisations and explores and refines the working hypotheses that were developed in chapter 8 and reiterated in chapter 11 - see too table 11.1.

Each of the case studies reflects a progression in thinking so they are not exactly identical. However, they do share data concerning some common themes on history, context, and politics and conflict at the organisational, group and individual level. These were the themes that came from the systemic conflict theoretical framework of chapters 2 and 3 and the interpretative aspects of the theoretical development in chapters 5-7. Thus there is a matrix of data that provides the structure for analysing and commenting upon the data. This is shown below.

	History	Context	Politics/conflict
Organisation	**History**	**External Environment and internal configuration**	**National and local politics, organisational conflicts and coalition/ routines**
Group	**Origin and birth**	**Relationship with the Board and quality of the holding environment**	**Inner and outer groups, group dynamics and roles of members and leader**
Individual	**Personal and work history**	**Role within group and its resonance with the past**	**Inner conflicts, inner dialogue and defensive routines**

The data structure also informs the discussion on the nature of organisational learning and the role of the 'top team' in each case study as set out in chapter 5.

The research process of using case studies requires the presentation of qualitative data to be both accessible and available for the reader so that they can judge for themselves whether, given the data and the theoretical framework, they may draw similar conclusions. The balance between providing excessive detail that can lose the reader and sufficient detail to make a 'judgement' is a difficult one and is an area where qualitative research can sometimes be weak. Inevitably not all of the data can be presented or should be presented and thus it is selective. However, the judgement taken on what to include is driven by the themes that address the key research questions in each case study. The final style and structure of the cases have been influenced predominately by the works of Diamond (1994), Menzies (1960) and Levinson (1972) as well as Hirschhorn (1988), Kahn (1993) and Mirvis and Berg (1977) on style and structure. They tend to provide rigour, descriptive data and an analysis of the presenting and systemic issues. In addition, the development, analysis and presentation of inductive reasoning has been strongly influenced by Minto (1982), Neumann (1996) and, to a lesser extent, Miller (1989).

The research strategy and the data collection methods are set out in part three, chapters 9-11. Briefly summarised, the research strategy was based on a constructivist philosophy, a qualitative, case study approach using clinical research methodology. These included several in-depth interview techniques, non-participatory observation, feedback and checking processes, personal profile questionnaires and in one case an organisational audit instrument. These methods were considered to attain reasonable standards of reliability and face validity.

The use of cross verification of data, triangulation methods, statistical verification of the personal profiles, independent interpretation of group observations by group experts plus checking understanding and meanings with the research participants provided some checks and reduced the effects of bias and omission, which no doubt is present.

Thus, in order to strike that balance of clarity and data transparency each of the cases present key themes in the data collection and have a common format both for ease of reading and for comparability . They start with a short summary paragraph of the key issue. Each case also has an account of the entry process as an introduction to the way the system handles external imports, along with some 'thick description' of the first meeting in order to give the reader a flavour of the organisation.

A common template has been developed and it is shown in the table at the end of this introduction to Part four. The table seeks to show a clear link between the research questions, propositions/working hypotheses, the analysis required and the sources of information. This link can sometimes be lost in the narrative of a case study approach. Thus, the template seeks to provide natural points, at the end of the four research questions, where inferences can be drawn from the data as to how far questions can be answered. The emphasis is on inference and an inductive, and therefore, interpretative process to understanding the organisational dynamics of 'top teams' (see Minto, 1982).

Each case then has six main sections following the format of the above matrix. It includes:

* An introduction to the case - the history, setting and key players

* The organisation - the issues of the environment and context on organisational learning

* The role and dynamics of the group - how it manages its task and boundaries, the roles and authority of members of the group and how these relate to personal histories and the group 'matrix'

* The nature and scope of strategic organisational learning - is there any and what helps or hinders it

* Personal reflections as the researcher as instrument - what feelings and impressions and projection did I experience in the role of researcher and what do these add to the analysis

* Conclusions about the case and the inferences that can be drawn

In addition, each of the cases also reflects a slightly different predicament in relationship to its strategic task and learning opportunities. The first case is of a local authority managing whole sea-change in its political agenda and control and the difficulties for the 'top team' in coping with uncertainty in such turbulent times. The second case is of a NHS trust status hospital that is faced with changes in the external terrain as they move from a civil service ethos to a market led-organisation and the problems that arises for the 'top team' as they seek to manage the transition and their learning. The third case study is of another local authority that seeks to manage stability after a period of considerable change and their difficulty of managing through 'peace-time', the subsequent dynamic and the impact on strategic organisational learning. The names of each organisation and the key players have been changed to maintain anonymity in all of the cases. Each case is slightly different in the detailed content. **However, reading one case study in-depth provides an indication of the others but together they suggest some recurring patterns of organisational dynamics and the impact on strategic organisational learning.**

The intended outcome of these cases is that they will illuminate, refine and enhance the initial propositions and help develop the emerging theoretical model presented in chapter 8. Such an outcome will help understand the dynamics of strategic organisational learning from a systemic and interpretative perspective and its implications for further research, management interventions and organisational consultation.

A table of the case study template follows.

A table of the case study template - part four

Issue analysis - key issue	Initial proposition	Analysis required	Source of information
Key research question(s) - What is the impact of the dynamics of 'top teams' on strategic organisational learning?	*Proposition one*: If the environment is turbulent then the organisational learning will be reduced to lower levels of attainment		
1. Are the dynamics of the 'top team' influenced by the conditions of the environment?	Yes - There are changes in the environment mainly due to central government . reduction in finding . increase in central govt. control . reduction in public sector policy input . increased competition in public services	- Sector analysis of key trends in the public sector . political trends . economic and financial trends . social positioning of public sector and its competition . impact of new technology - Experience of people in public sector organisations	- Secondary data including articles on the sector - data sources on funding to public sector e.g. national statistics - Committee papers - Interview material from the first interview with directors drawing upon Q4 and5

Issue analysis - key issue	Initial proposition	Analysis required	Source of information
1.1 Is the environment turbulent?	Yes - Boards/Members provide a facilitative and holding environment for the 'top team' . they provide a policy framework . they provide management experience . they are motivated to support public endeavour	- Look at the history of the organisation - Examine the values and politics of the organisation - Seek commentary about the strategic and policy leadership of the chairman and the 'board'/committee of Members	- Secondary data from notes of committee/board meeting and similar references - Interview material - first interview with directors - drawing upon Q6-8, Q15 and 16
1.2 Does the context of the organisation provide a 'holding environment' for organisation-ional learning?	*Proposition two* If the top team's boundaries are poorly managed, then learning will be reduced		

Issue analysis - key issue	Initial proposition	Analysis required	Source of information
2. Is the 'top team' able to manage its boundaries and task?	No - 'Top team's are often plagued by difference about the nature of the task - Political differences interfere with them carrying a common view - There is a difference between what people say and what they do	- Examine whether the 'strategic task' is shared - Examine how it carries through its decisions	- Secondary data using strategy papers that explains the key task(s) - Interview data that infers differences individually and collectively to answers to Q6 and 10 (first interview) - Secondary data using minutes of meetings and decision 'hit rate' - Examine interview (first one) data on team effectiveness Q10
2.1 Does the team hold a common view of the strategic task?	No - The 'top team' leader's role is contingent upon . the environment . the organisational context . the group's dynamics . personality which suggest that the leadership role is difficult to maintain and would therefore rely upon an ability to hold ones 'role'	- Explore how does the leader supports task attainment	- Interview data from directors about their leader - Q11 - Interview data from the leader about their own style (both in the first interview and second 'in-depth' interview) - Observed behaviours in the group from non-participatory observation - see group analysis grid/content analysis [1]

[1] The data was restricted to relevant points due to its extensive volume and managing ethical issues about confidentiality. This was also true for the group material

Issue analysis - key issue	Initial proposition	Analysis required	Source of information
2.2 Is the leader's role facilitative to task attainment (and therefore learning)?	No The ability to manage the boundaries of the sub-system are a function of internal and external relationships. These suggest that such boundary management is difficult	- Explore how it manages its external relationships with other groups esp. the board/committee - Explore how it manages its own internal dynamics of . roles . conflict and differences . politics	- Interview data from first interview Q8, Q12-14 - Observed behaviours in the group from non-participatory observation - see group analysis grid/content analysis
2.3 Are the boundaries of this 'top team' subsystem optimally managed?	*Proposition three* If there is a predominance of basic assumption motifs then learning is constrained		

Issue analysis - key issue	Initial proposition	Analysis required	Source of information
3. Do the dynamics of the team impact on organisational learning?	*Proposition four* **If role holders are unable to contain their anxieties, then they will undermine their own role 'authority'**		
Yes			
- Basic assumption behaviours are likely due to . difficult organisational context and environment . difficult leadership and group dynamics		- Examine the behaviours and themes in the group in relationship to basic assumption, group fantasies and social defences	- Group Analysis Grid and content analysis from non-participatory observations of the group

Issue analysis - key issue	Initial proposition	Analysis required	Source of information
	Yes - Personal valancies impact on role effectiveness - The dynamics of the 'group matrix' will be present	- Explore the inner dialogue and assumptions of each director and its impact on their role in the group	- Draw upon their words and behaviours in the group using Group Analysis Grid and content analysis from non-participatory observations of the group - Use FIRO-B/ personal inventory for initial scores for opening discussions - Use of key elements of secondary in-depth interviews with each of the directors
3. 1 Does the team display examples of 'basic assumption' motifs over 'work?	*Proposition five* Double-loop, strategic organisational learning is impaired by organisational defensive routines		
3.2 Do individual 'valancies' reinforce difficult group dynamics?	No - All systems learn - Learning may be facilitative or habitual (level three or level zero) - The drive for (public sector) efficiency focuses on operational/single loop learning	- Explore the nature of the learning that takes place within the strategic system - i.e. the 'top team' across the boundary with the board/committee	- Interview data from the first interview with directors Q17-19 - Further data from feedback and dialogues sessions with each 'top team' as a group in the latter stages of the research

Issue analysis - key issue	Initial proposition	Analysis required	Source of information
4. Is the organisation able to attain strategic organisational learning at a high level?	No - The learning is not shared institutionally - Context promotes single-loop learning - Defensive routines inhibit such learning - Hard to gain insight from crisis, without reflection	- Examine how far the learning is double-loop learning	- Interview data from the first interview with directors Q20-21 - Further data from feedback and dialogues sessions with each 'top team' as a group in the latter stages of the research
4.1 Is there strategic learning?	- Where leadership is optimally bounded	- Explore boundary relations between the 'top team' and its board/committee as contingent upon the key questions above	- Feedback and dialogue with each 'top team'
4.2 Is such learning double-loop?			
4.3 Does the strategic leadership provide facilitative structures? (Builds on 1.2 and 2.1 above)			

Chapter 12 - The 'top team' that fragmented - coping with uncertainty

1. Introduction

This case study is about a 'top team' in a local authority that experiences considerable change in its local environment and context and the difficulties it faces to adjust in such uncertainty and difficult times.

Information about the setting of the case, the initial contact and entry and the key players is provided in this section. The organisational and group dynamics form the bulk of the rest of this chapter with analysis of the presenting data.

1.1 Background information

Ellismoore District Council operates within the leafy suburbs of a large metropolitan city. It has it roots in a political and legal framework of local government policy and thus it seeks to provide statutory and public services to its local beneficiaries. In 1974, it was re-organised as part of the broader local government review of the time and in 1979 its boundaries were redrawn which turned out a conservative political majority both nationally and locally. The conservatives have been more or less in power for most of that time with the exception of the last local government elections in May 1994, when a Labour local government was returned.

The district is generally affluent with a small part of it in the south being economically more dependent with 'social housing' and 'high rises' being the social landscape. This divide between the southern part of the district and the majority is marked by a busy dual-carriage way, which is a notable social as well as physical boundary.

The formal organisational structure was based on traditional local authority lines with the elected officials (Elected Members) running the council through sub-committees. These in turn reported to a main lead committee. The latter was run by the Chair or 'Leader' of the council and supported by the CEO and his 'senior officers' meaning the members of the directors group. The other sub-committees were run by their respective departmental chairs and supported by the directors for each service. There were six main committees: Finance, Welfare Services, Planning, Environment, Leisure and Education Services. Other ad hoc and special projects committees were set up on the basis of need.

The authority had approximately 8,400[2] staff at the time of study, with about 150 -200 senior managers depending upon what criteria were used and the role, experience and opinion of the interviewee.

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[2] Internal staff Survey, Jan 1994

Figure 12.1 - An overview of the structure

Elected party

Leader of the Council

Committee Chairs

CEO

Departmental Directors[3]

Service-led Departments

Units and teams supporting/providing public service(s)

1.2 Initial contact

The initial contact for his organisation came from two sources. Firstly, it was one of the local authorities that was considered by the panel of public sector experts as an organisation going through change and would be worthy of study and learning. Secondly, one of the directors was informed about the research and suggested that he and the 'top team' would be interested in exploring it further having spoken to the CEO.

[3] Departmental directors were accountable to the CEO through the line and executive management structures as well as to their committee chair through the political management of the authority.

A meeting was arranged with the 'top team' as part of their regular meetings and a presentation was given of the research inquiry and the resources and input that would be required from each of the members of the group and the group as whole.

Two members expressed some doubts about the use of 'academic' research but after considerable debate it was collectively agreed that the research would go ahead and members would see all of the stages through.

The group met in one of the elected Members' committee rooms and it had a combination of either a business operational meeting or a policy-type meeting once a fortnight. Ellismoore District Council (EDC) was a Conservative authority at the start of the research period. On entering the main town hall I was met with a clean and efficient looking reception area and a low profiled security presence. The large reception area was very busy and with housing benefits and rent related queries being on the ground floor that may well have swelled the apparent numbers. Members of the public were seen in other areas of the town hall: in the education department, in the environmental control section, in planning and with the exception of their colour-coded security badges they seem to have a free range of the building.

The study started in February 1994 and throughout the duration of the study, over a year, this busyness in the main reception area and the building more generally was always present.

The town hall, or civic centre, was a very modern, multi-storey building with glass and brick 1960s architecture. It was surrounded by an artificial lake out side of the main doors that was traversed with a walkway which was like a bridge across a moat.

The Town Hall was often referred to as the 'Silver Tower'

1.3 The key players

The research was undertaken with the 'top team' of the local authority: the directors or as the called themselves the Chief Officers' Group (COG). The nine key players were:

Colin Maccini, the CEO

Anne Marks, Director of Administration

Francis Craig, Director of Finance

Harold Matthews , Director of Housing and Social Services (DHSS)

Leon Davids, Director of Leisure

Toni Johns, Technical Services

Geoff Browns, Director of Environment

Judi Patch, Policy Analysis unit

Trudy Lukes, Director of Education.

2. The organisation and its environment

This section addresses the research question:

Question one: Are the dynamics of the 'top team' influenced by the conditions of the environment?

Theory suggests that the answer should be yes, but we are concerned with two specific sub-questions:

2.1 Is the environment turbulent? I.e with large scale and unpredictable change

2.2 Does the context of the organisation provide a 'holding environment' for organisational learning?

2.1 Is the environment turbulent?

An analysis of secondary data including articles, background papers and minutes suggested that there was a general context of change and uncertainty. This was characterised by a number of trends.

- There was the political drive for increasing the competitiveness of local authorities through Compulsive Competitive Tending (introduced by the Local Government Act (1988)).

- There was a move to take public services out of the realms of public provision and change the role of local authorities. Authorities were no longer there to provide but were to be 'Enablers', according to Nicholas Ridley, MP (Gyford (1991), Clarke and Stewart (1998)). This meant a change in roles, structures and relationships with 'customers' and 'partner' agencies. It also provided a different paradigm for working where 'commissioning bodies' took over the role of service managers and different parts of the department could be both client and provider.

- The Conservative government was committed to reducing public expenditure with its efficiency drives starting in 1981, rate capping and local government restraints through the mid 1980s through to actual cuts in expenditure during the years that followed. The main cuts were between financial years 1981-82 and 1989-90 and they were in the order of 6-7% in real terms, with some growth for a year of two per cent for 1990-1991. This was followed by a further 1.5 per cent cut in real terms between financial year 1991-1992 and 1993-4 and an estimated relaxation of cuts for 1994-1995. Since then the government has found it difficult to keep its expenditure commitments without its active privatisation programme (Flynn (1993) HM Treasury - Public Expenditure Analysis to 1994-95, Cmnd 1920)

- Several legislative acts have impacted on the provision of services in a parliamentary act in housing, the Children Act 1986 and in the case of this authority new funding arrangements for socio-economic projects in the south of the district funded from European monies. This had required new internal structures, processes and procedures to meet the criteria of central government (or its agent) and the expectations of local people.

- The authority was also in the midst of preparing for 'white collar' CCT where a proportion of services such a legal, training or other professional services were expected to be put out to tender.

The impending local election in May was only three months away when the study started and it was a source of great anxiety and excitement as it was predicted that there would be a change of local government from Conservative to Labour.

- The national government was not seen as hostile or overly engaged with the authority compared to the extreme examples of the time - Lambeth ('looney-left) or Wandsworth ('Tory stars'). Thus, the authority did not receive considerable external attention, it had good political and resource relationships with central government and many of the 'top team' saw the local authority as rather inward looking (see comments on culture later). Thus, while there were changes in national political and economic conditions these were not considered by the Chief Officers (the directors management group) to be overwhelming. It was said by Chief Officers that the operational side of CCT and the employment implications of jobs going outside the council was the most worrying. But the key issues on every one's agenda was the difficulty of the forthcoming election. This seemed to be the key issue for the Chief Officers group (COG).

These main features of the national and local environment suggested that most of this authority was not in 'turbulence', when compared with the mid 1980s between 1983 and 1990. It was during this phase that most of the legislation was introduced, most of the cuts were experienced and the political polarities were most apparent between central and local government and especially between the conservatives and Labour local authorities (Widdicombe Report, 1986). As Toni Johns put it: "I do not see central government as the problem."

In addition to these external trends the directors identified three other key issues that concerned them.

- The implications of less resources
- The implications of CCT
- The forthcoming elections

2.1.1 The implications of less resources

Quotes on these based on the first interviews

"The most important issue facing the council is economic development." Toni Johns (Technical Services).

"We need to develop our economic development strategy for the south of the district and the rest of the area." Toni Johns (Technical Services)

"Economic development is the most important. We should have started to develop plans, take steps forward and give an increased coherence to the council's work." Anne Marks (Education)

"We also need to be more innovative in the way we do things." Anne Marks (Education)

"The council's macro problem is not having the (legal) capacity to raise the money it wants." Anne Marks (Admin.)

"High unemployment and poverty in some areas of the district are a real concern for me." Anne Marks (Admin.)

"Resources. They are low compared to other similar districts but we are high spenders compared to other Tory councils and we have higher service for rates level." Francis Craig (Finance)

2.1.2 The implications of CCT

* Quotes on these based on the first interviews

"On competitive tendering there is lots of independent action taking place. So we are not consistent nor well co-ordinated. Lots of people in the organisation are feeling threatened." Judi Patch (Policy Unit)

"The externalisation of CCT is my main concern. We have started our first phase of 50%, some of the libraries are out, we've got partnerships with the private sector and developed new ways of working on new central government funding and on economic development. It has broken down departments across the council but needs quality and marketing to be monitored across all directorates." Leon Davids (Leisure)

"On CCT we have moderate policies but the way they get implemented will depend on the Members.. How will it be developed? What will be the strategy?" Francis Craig (Finance)

"... people are feeling threatened by competition and externalisation," said Judi Patch (Policy unit). The same view was shared by Geoff Brown (Environment), Leon Davids (Leisure), Anne Marks (Admin) and Francis Craig (Finance).

Craig added: "Unsure of Labour (on CCT)and what they would want to structurally change to meet CCT interests as there is a question of efficiency on the interfaces between client-contractor split."[4]

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[4] Craig is referring to the predicted Labour victory in the forthcoming local elections. Labour Group policy is to provide as much as possible through their own units. However, this can cause a conflict or management difficulty as the 'client' and the 'provider' could be in different parts of the council or in some instances report to the same director. How those issues should be resolved in an efficient manner is the point of his comments.

2.1.3 The forthcoming local elections

* Quotes on these based on the first interviews in March 1994 before the elections

"There is great mistrust of the COG (by the Members) at the moment but its going to be more if its going to be Labour." Toni Johns, Technical Services

"The Labour Group is lacking in political nous... and that worries me." Toni Johns, Technical Services

"The election. It brings such uncertainty. It's uppermost in the directors' minds and depending on the (political) outcome some people feel threatened especially Colin (CEO), Leon (Leisure), Geoff (Environment) and Harold (DHSS)." Judi Patch, Policy Unit

"My concern is whether or not there will be political power in the district. Otherwise, there will be uncertainty and the sense of instability." Colin Maccini, CEO

"There is greater tension than usual, especially between Francis and Anne. It is due to the elections and the pressure as this had not happened before." Leon Davids (Leisure).

"The elections will mean a great change on the political persuasion of the council." Anne Marks, (Administration).

"The elections is a key issue but particularly what happens after. There will be a change in party and leadership style... it is going to be interesting." Francis Craig (Finance). Craig continued his comments: "People are fearful and scared. They do not like the uncertainty."

"Some feel threatened about jobs, especially if Labour come (as a result of the elections)." Harold Matthews (DH and SS).

"It all leads to power plays and gossip. People take sides. The whole building is buzzing ... you can see and hear it in the lifts and in the canteen." Colin Maccini, CEO

Thus, while the external environment may have the difficulties of change during the mid-1980's, at the time of study the external environment was not turbulent, changes were not large scale and unpredictable. The pressures of funding, resources and the process and implications of CCT did not abate but the council's responses to these relied on the direction given by the elected Members. However, the uncertainty attached to the outcome of the local elections generated a high level of speculation, uncertainty and anxiety in the minds of the Chief Officers and this seemed to create internal turbulence in the COG, as a strategic sub-system, and as the case will describe it had an impact on strategic organisational learning. The external environment was not turbulent during the period of study but it appears that was not the case for the internal context. This is discussed further in the next section.

2.2. Does the context of the organisation provide a 'holding environment' for organisational learning?

The context of the organisation or its 'holding environment' as described in chapter 8, includes the values, culture, leaderships and facilitative structures.

This section will briefly examine:

- The history of the organisation
- The values and culture of the organisation
- The strategic leadership role and task

2.2.1 The history of the organisation

The organisation's history is understood from the changes that took place through the most key appointments: the Chief Executive Officer. The events leading to a new appointment were often a reflection of the elected Members' collective unconsciousness as well as rational political decisions.

Since 1979, the authority has had four clear epochs. The first epoch was marked by the authority having a traditional Town Clerk. His role was a legal and administrative executive to the elected Members and to carry out their policy remits through the rest of the organisation. As a custodian to public funds and a keeper of probity the role was to carry out the political mandate but within the strict guidelines of local authority standing orders and government guidelines and legislation.

However, the authority realised that it needed a different internal configuration of organisation in response to the increasingly challenging and changing environment.

In 1986/87, the Town Clerk 'fell out'(mentioned by Judi Patch, Toni Johns, Anne Marks) with the Members as they wanted to move from a legalistic focus to a broader customer orientation one. This was in tune with the mood of local government more generally at the time. The Local Government Training Board, published several working titles in the domain of public service orientation (LGTB, 1988 and 1989), reflecting the general tenor of local government reorientation.

The second epoch began during the year 1986/87, when the new incumbent, James Grubeck, was given the new title of Chief Executive.

"James was good at establishing a team and being open." (Anne Marks, Admin). He also provided the customer focus that was wanted by the elected Members and set down clear vision and value statements Marks added. The authority based their new culture on the McKinsey 7-S model as described in Peters and Waterman, (1982). The move from legalistic to customer focus was also reflected in the authority's attempts to move from being a direct provider to being an enabler of a mixed economy of providers with the private sector, the voluntary sector and joint ventures being part of a new public service economy.

It was Nicholas Ridley, MP, who described the times by exhorting that local authorities should become 'Enablers' of public services rather direct providers (Gyford (1991), Clarke and Stewart (1988)).

The Members undertook the message with some seriousness and put forward a major reorganisation. They wanted to see the organisation change from functional and departmental silos into responsive and competitive business units in response to central government calls for greater competition in public services.

The then Chief Executive was described as a 'mover and shaker'(agreed by Judi Patch (Policy unit), Toni Johns (Technical Services), Anne Marks (Admin), Colin Maccini (CEO at the time of study).

In 1989 'they got rid of people'. "The changes were managed through budgetary control, cultural and structural change , so we had a flatter organisation ... a loosening up." (Francis Craig, Finance)

"We also had losses at the 'top team' which fell from seventeen to the now."(Harold Matthews, DH and SS). There were nine members now on the 'top team'..

"Initially, most staff reacted well, with most dissatisfaction in Finance more than in others. The cultural maladjustment was at the 'top team' level and its relationships with Members." (Francis Craig, Finance)

The process of change led to financial cuts, restructuring and a loss of staff (10% plus the loss of about 4000 teachers to locally managed schools). "Devolution is seen as fashionable." (Francis Craig, Finance) With the changes that followed James became increasingly unpopular both with the staff and the elected Members. "The management of change he did appallingly. There was no consultation and just academic tracts. James was a great shaker of trees but didn't know what to do with it." (Colin Maccini, CEO)

"I could not believe what he was doing to us." (Senior staff). James became more unpopular with his own 'top team', the staff and the Members and in 1992 left 'having fell out with the Members.'

May 1992 marked the third epoch. The Members were left with the problem of no head at the organisation. After much internal politicking they decided to appoint an internal candidate, an existing Director, who got the post over two other internal Directors who also applied for the post in the 'top team'. Colin Maccini, the newly appointed CEO, decided to carry on and build on the work of his predecessor. He claimed that his appointment was due to his vision of: fast, flexible, customer-orientated service delivery; empowerment of staff; corporate rather than departmental working; and a significant move towards the concept of an "enabling" authority, collaborating with other service providers. All staff were invited to a series of repeats of the presentation to elected Members which won him the post of CEO.

The views about the new CEO varied from supportive to outright hostility and envy and these are considered further in the case material on the group. The new changes were seen as: "Too reactive - it should be more proactive." (Harold Matthews, DH and SS).

"The pace of change is very fast, people get left out. There's been no time set aside by Colin Maccini for preparation." (Trudy Lukes, Education)

"It's chaos, but its constructive chaos."(Geoff Brown, Environment). Brown continued: "Colin Maccini is a good communicator and has a structured and participative approach. But he needs to communicate even more."

"Colin picked it up and moved it on. Last year (1993) was very painful." (Leon Davids, Leisure)

"He's not really consulted but managed it well." (Francis Craig, Finance)

"Colin has accelerated the process out of anxiety." (Anne Marks, Admin.)

The changes continued until the summer of 1994, which marked the transition into epoch four. Shortly after the May elections, the new Labour majority sacked a number of the Directors. These included two of the CEO's 'favourite directors' and the 'trouble-maker' (see the account of the group). Colin Maccini also resigned on a point of principle. Thus the final epoch was marked with the appointment of a new CEO from a neighbouring Labour authority.

Table 12.1 - The key eras in Ellismoore's history

	Period 1 Since 1979	Period 2 1986/87-1991	Period 3 1991-1994	Period 4 1994 Post elections[5]
Driving force	Public interest/ Good governance	Central govt. drive on efficiency	Central govt. and internal politics	New Labour Group and economics
Leadership	Politicians with Town Clerk admin	Chief Exec James Grubeck	Politicians and Colin Maccini, CEO	Leader of council and new CEO (designate)
Environment	Stable	Rapidly changing/ turbulent	Changing but known	Unknown reactions by central govt.
Values	Custodian of public funds	Excellence culture projected	Excellence in service delivery	New Labour - popularist
Strategy	Maintain probity	Public sector orientation	Meet social and economic goals	Address low income and unemployment
Skills	Legal and admin.	Managerial	Professional[6]	N/A.
Structure	Traditional hierarchy	formally Corporate	Flat with business units	No evident changes
Staff at the top	Large management team	Initial reductions made	Slim-lined	Reduced further
Style	Legalistic	'Can do - tough love'	As before plus confrontative	More politically controlling
Systems	Functionally bureaucratic	Looser due to change and CE personality	Business process tied to strategy	N/A.

[5] The data for this period was accurate until the autumn, in the year of the elections. Where insufficient data was available, then the cells have been left as N/A.

[6] A high degree of value was given to maintaining professional affiliations. For example three of the COG were chairs of their national local authority professional group and each spoke proudly of it in their interviews. Two of the others kept close professional links with their private sector counterparts.

The internal changes over the last decade match those externally. From the 1979 to the mid 1980s, the changes were incremental, planned and intentional. The further responses to a turbulent environment were matched with changes in structures, staff numbers, political reality and the change in CEO in circumstances that continued to be due to conflict between each CEO and the elected Members.

2.2.2 The organisational culture

The data about the organisational culture came from the interviews with the directors and the material addresses question 2.2- specifically: Does the culture support organisational learning?

There were a number of typical quotes from the interviews and some secondary data from the staff survey and non-participant observation in public areas of the council.

Typical quotes about the organisational culture

"It's cosy, comfortable and compliant. The place lacks passion." (Toni Johns, Technical Services)

"Yes, its over-cautious, has a middle-class white culture and is perceived as staid and holding up the status quo. There is a feeling of being comfortable. Yet we do some cutting edge stuff compared to other authorities." (Harold Matthews, DH and SS).

"There is something about the culture here where the message is repeated in several places but the staff hear different things," said Anne Marks (Admin). A similar view was also held by Trudy Lukes (Education) and Geoff Brown (Environment).

"I think its a canteen culture - not a healthy organisation." (Francis Craig, Finance). Craig continued: "This authority is a political hot house - but not everybody's allowed to play and it taken me some time to realise it. In other authorities I've worked in, the front-line staff are far more involved with the political process. They are aware of the political processes and nuances, know the pet loves and hates of (elected) Members, the personalities. But not here. They are simply not involved'.

In addition, the directorates found it difficult to work together.

"The notion of corporateness threatens the identity of the directorates and there are feelings of anxiety as the CEO undermines my own authority as a director." (Trudy Lukes, Education). She added: "Corporate working is flourishing, but it depends on issues to make it work. Co-operation between directorates is not so vibrant."

"I think inter-directorate issues are explained by change generally rather than anything to do with difficulty in the organisation... I would sum it up as saying relations are good and bad." (Harold Matthews, DH and SS)

"There is not enough sharing." (Francis Craig, Finance)

"They are good on bilateral working but not on multi-lateral working." (Anne Marks, Admin)

"It varies considerably, by and large its OK among the senior officers but not so good further down." (Geoff Brown, Environment)

"It seems to works well at second tier level (i.e. assistant directors) but levels three, four and five, uncertain. At best I'd restrict it to the top 150 -200 (out of a staff of 8,400)." (Anne Marks, Admin.)

"It works well for the first three or four tiers (of senior officers) but after that it doesn't." (Colin Maccini, CEO)

"There are tensions between those who want the freedom of being business units and those holding onto the corporate role." (Judi Patch, Policy). Anne Marks held a similar view.

"Some of us are trying to work better together. Thus, some individuals in individual directorates worked well with other individuals but the inter-group relations were at best poor."

The staff survey reported that: "Of the 1,108 respondents, over 50% felt that inter-directorate relations were poor."

The report also stated that it was difficult to get information to carry out tasks from other departments.

Finally, on the working culture of the 'top team' there were a number of perceptions.

"The staff see that within the 'top team' there are a chosen few - whether true or not. The perception is there... a "Queen Bee" philosophy." (Anne Marks, Admin)

During the study, observations of staff in the staff canteen and in other group events e.g. training events - showed that staff would openly discuss their distaste and anger at Colin, and his favourites. Some of these staff, which were mainly outside of the senior management cadre, did not like his style. They characterised it as: insufficient consultation, too fast, head in the clouds, and selecting people who did things his way.

The internal staff survey reported that: a majority of respondents did not feel that the 'top team' was giving clear direction and leadership (report Q3b) and only 4 out of 10 had read and understood the Council's strategic plan for the future.

The culture of the organisation was characterised by an organisation in flux and it appears that it hindered the organisation from performing. Table 12.2 from a strategy workshop of the COG summarises the key aspects of the culture that hinder performance and possibly learning.

Table 12.2 - A list of items that describe the negative aspects of the organisation from the COG's strategy day in February 1994

Departmentalism. We're OK you are not
Lack understanding of managing corporately, projects or inter-relationships
Hard to communicate the relevance of creativity
Pace of change is too fast
Hard to achieve participation at all levels
Hostility and criticism when risk taking goes wrong
Not good at celebrating successes - or tend to be qualified
When thrown off course it tends to lead to depression
Lack confidence in clear overall plan
Working to antiquated rules
Transparency of reorganisation is low
Public service is compromised by fear of job security, competition and commercial relations.
Poor on complaints and customer service
Consultation and participation is poor

2.2.3 The strategic leadership

The data about the strategic leadership comes from the interviews with the Executive directors, non-participant observation in meetings and in public areas of the council, regular briefings from Judi Patch (Policy unit) and informal one to ones with the Colin Maccini (CEO), Anne Marks (Admin) and less frequently with Harold Matthews.

In the first and pilot case study there was not an explicit question about the task. Thus, inferences about the task may be drawn from how the leaders take up their role collectively and individually.

By 'strategic leadership' we are looking predominately at the role of the elected Members and to a lesser extent their relationship with the Executive directors, the Chief Officers Group (COG). Do they provide the conditions for learning?

The central question is how do they manage their boundaries:

- Externally with other agencies but particularly central government and other agencies
- Internally among themselves and with the COG

External relations

The political flavour of the council was a 'centralist' one with few differences in values between the elected leadership and the Opposition. Good house-keeping, liaison with the local business community and nothing too outrageous was the approach compared with some of its more radical neighbouring authorities. The political leadership had enjoyed considerable stability for over a decade and a half.

The council, under the conservatives, were aligned to the national political agenda but tended to represent the 'paternal' side of the right's political spectrum. "It is a moderate conservative council," said Francis Craig (Finance).

Matthews said: "As the Tories are pragmatic and Labour are pragmatic there tends to be not that much difference between them. One of the problems for Labour, if they get in, is to show they are different."

From the management meetings of the COG, they reported good relationships with the European Community evidenced by new sources of funding and that they worked well with neighbouring authorities. This was corroborated by work the researcher was doing work in some of those authorities and the Department of Environment, which saw them as partners. Large scale contractors generally worked collaboratively with them and the expert panel also saw the authority as collaborative. Relationships with the local voluntary sector was more strained as were some relationships with political wards where repairs and council standards were not meeting published goals.

There was little discussion about the external world and compared to the other studies this may also reflect the inward-looking nature of the council that is inferred in the accounts about the culture in 2.2.2 above.

Internal relations

The leader of the council under the Conservatives was reported to take the middle ground. But there was a sense from senior officers that this leadership lacked strategic clarity, commitment from the leadership group or 'leadership' to elected Members of the authority more generally.

Quotes included:

"There is no political ideology or leadership." Harold Matthews (DH and SS)

"The leadership is muddling through... it lacks decisiveness and is short on follow through." Toni Johns (Technical Services)

"The leadership is non-existent," said Colin Maccini (CEO). The same view was expressed by Judi Patch (Policy unit), Harold Matthews (DH and SS), Leon Davids (Leisure) and Trudy Lukes (Education).

Other statements included: "It is confused." (Geoff Brown, Environment); "They vacillate." (Francis Craig, Finance); "The leadership is fragmented." (Anne Marks, Admin).

"There is no control over the committee chairs so decisions are unpredictable at committee." Judi Patch (Policy unit)

Colin Maccini adds: "There is a leadership battle every week."

"Policy is ambiguous so it makes it difficult to take a practical approach to strategic intent. And where there is clarity it is very temporary." Anne Marks (Admin)

"He has a weak style (referring to the leader of the council).... The formal political leadership, he's leading a coalition rather than a party. He has a style of management of balancing people's interests and really he could be more directive without a problem from officers." Anne Marks(Admin.)

The policy leadership group was not coherent. It seemed they lacked the ability to articulate their policy or strategic intent and found it as difficult to act on any commitments that were made. An inference from the above accounts is that the group did not have a clear sense of its strategic task and was not able to manage its task boundaries.

2.2.4 How did the leadership group manage its boundaries with the COG?

'The Joint Consultative Group mechanism of chief offices and the executive Members (chairs of committees) works well' said Anne Marks (Admin). This view was also held by Geoff Browns (Environment) and Leon Davids (Leisure). They also felt that the inner group of the leader of the council, the deputy leader, the CEO and the director of Finance (plus ad hoc Members) inter-group meeting also 'works well'. Harold Matthews had a contrary view on the latter. He said: "It doesn't work!" The political agenda changes by the time the issue gets into the public domain (a committee meeting) and it leads Chief Officers into a false sense of security mainly because the chairs are not managed.

"The line between Members and officers are managed and are fairly well understood," suggested Anne Marks (Admin).

In addition, to the formal structures, described in the introduction above, there were three main co-ordinating bodies between elected Members and Chief Officers: first there was a partnership mechanism of chairs of the main committees and directors that meet. This was a quarterly meeting and was generally reported to work well. The second main mechanism was a very much smaller group of the top elected Members of the council and the key management group officers. The purpose of this group was to set the agenda for the partnership meetings and provide a chance to trouble-shoot.

These met more regularly every four to six weeks. Those that attended included the leader of the council, the deputy leader, the chief whip, the Chair of Finance and other invitees according to the issues. For example the Chair of Housing may be invited if there is an issue on rents arrears. Officers included the CEO, and the Directors of Administration, Finance and another management Board director. Generally, these were said to work well in that they provided a full flow of information and contact between officers and elected Members (Anne Marks, Leon Davids). But were not felt to be working well at the time as there were not being held as frequently, contact had been waning recently and Members' own agendas seem to undermine the partnership (Harold Matthews). Finally, there were the one-to-one chats that took place between the director and the chair of the committee - some of this was formal and above the line discussion and some of it was politicking and below the line. Toni Johns had the reputation among the management group of often operating below the line with the Chair of Technical Services.

Nonetheless, it was agreed by the majority of the COG that the formal links between officers and Members appeared to be clearly understood. However, was it the same or different on the relationship side?

"Relationships have declined due to the incident of the 'get them off your back' memo."[7] Judi Patch (Policy unit)

"Many colleagues are tarred with having their own agenda." Toni Johns (Technical Services)

[7] This refers to a remark made by a Chief Officer to a request from an elected member. The Chief Officer had hand-written instructions to a Member's request in reply to a memo from a middle manager. The Chief Officer ended his response with.. 'this should get them off your back' - referring to the Members. Unfortunately, the returned memo found its way into the Members papers.

"Officers are more to be coped with than the opposition." Anne Marks (Admin)

"There is a fear of the COG being too strong." Harold Matthews (DH and SS). A similar view was expressed by Toni Johns: "The Members are fearful of a united Chief Officers' group."

"Labour want to take back power from the officers and give it to the community." Harold Matthews (DH and SS)

"The political agenda is to get rid of Chief Officers." Geoff Browns (Leisure)

"I think that the power struggle at member level is getting mixed up with power struggles among officers." Francis Craig (Finance)

"I am reluctant to take anything to the Environment committee..." Harold Matthews (DH and SS). The story is continued by Judi Patch (Policy unit): "Geoff Browns and his group got a severe beating at the (Environment) committee for tabling papers and giving a poor presentation. The argument was sound but they got a hammering on presentation."

Thus, the quality of the relationship between Members and their Chief Officers is described as low and thus so is trust.

The key messages suggest that:

- The external environment is not a source of organisational anxiety: relationships with key external agencies is collaborative, new sources of funding are potentially available, there is some need for area based economic initiatives and priorities do need to be set on resources. Thus, the environment, per se, did not appear to impact negatively on the organisation during the period of the study.

- The internal context was supported by clear structures and processes between Members and Chief Officers

- But these structures were undermined by three processes:
  - The lack of clear political leadership and authority. Thus, Members worked on their issue or personal agendas over a broader and shared political agenda. Outcomes on agreed decisions are uncertain and it makes it hard to carry through tasks or policies

- The poor quality of the relationship between Members and officers along with low levels of trust.

- That there was not a shared responsibility of the strategic task and Members appeared to take a combative, style towards officers in a 'us and them' approach rather than taking the overall interests of the council.

- The forthcoming election was seen and experienced as a difficult time for the management group. It was experienced as a time of high uncertainty, a possible threat to their own employment prospects, a fear of being hounded out and sense of increased tensions was felt by all members of the team. The onset of the election raised considerable anxiety and not knowing whether the conservatives would get back in or whether the Labour party would get in made it difficult for the team to operate with any certainty. This was a topic that took up about half a day in the strategy workshop in February 1994. They had to ensure that they kept in touch with both parties without appearing to give favour or at the same time undermine their current responsibilities to local political administration. This was a very difficult line to tread and the interface between the COG and the elected Members will be discussed in the next section (Group - context).

* * * * * * *

In May 1994, the elections were held and the Labour group were elected. This provided an initial impetus for organisational change. The change agenda was clear and a change in culture was also incorporated with a change in the colours of the reception area - from blue to red. The authority was going to provide as many services in-house as possible and new partnerships were going to be forged with the local business community - looking for better planning gains. It was a period of excitement and energy. There was new hope. However, the economic reality, as opposed to the strategic intent of the political manifesto, began to hit home. The honey-moon period was short and by the end of the summer the politicking between Members and officers intensified. The Members then proceeded to get rid of three of its Chief Officers, and two others left including the CE, who was replaced with new CE from a nearby authority. There also seemed to be a fall back on the traditionalists in the existing team - the two internal candidates.

2.3. Analysis of the organisational environment and context

This first part of the case study addressed the question:

Are the dynamics of the 'top team' influenced by the conditions of the environment?

In looking at both the nature of the environment and the organisational context the narratives seems to suggest that these factors did impact on the 'top team' operating as a subsystem for strategic organisational learning. In this case study, the impact of the environment and organisational context on strategic learning appeared to limit learning to meeting operational imperatives over strategic ones.

Firstly, the environment was seen as a significant factor that impacted on the process of change and the capacity to learn. There were clear stages during the process of transition from an authority with political and environmental stability to one that made a paradigm shift during 1989- 92.

The starting point, pre 1979, seemed to represent an initial attachment both politically and historically to a well established understanding among Members (of both political parties) about the organisational norms and protocols and these were rooted in history and traditions.

Initially, the Members appeared to make incremental changes in response to the demands of the external environment. But this appeared to break down as the demands from the external environment became increasingly frequent and the size of expected changes also increased. There was unprecedented change. For example, during 1987/88, the authority had to introduce a competitive tendering process, cut budgets by 5%, and re-organise the whole of the social services department and the education departments (two of the biggest departments in terms of spend, employees and contact with the public).

These demands continued through until 1989, when the organisation's staff experienced the first major trauma. Redundancies were made. The organisation became flatter and there was a break with tradition and traditional values. There was considerable anxiety and unhappiness. This delayed and rapid change led to the breakdown in the boundary management between the environment and the organisation as held by the leading political subsystem of the elected Members. This was evidenced by poor task leadership by the politicians, in fighting among the Members and high levels of uncertainty and anxiety that was present through out the case. This made it difficult for officers or Members to take time to reflect or use the opportunity for learning. It is suggested that during the rapid changes that took place staff and Members suffered the trauma of object-loss as tradition and stability were replaced with chaos.

The major change took place during the second and third epochs as described above and summarised in table 12.1. Yet we also see in the accounts evidence of managing external boundaries through strategic projects and partnerships with central government, Europe, large national contractors and neighbouring district councils.

These two differing realities of the external boundary management suggest that there maybe a process of splitting taking place between internal and external. The source of that may be the initial and unacknowledged loss and therefore it may suggest that the learning and responsiveness to the external world is 'adaptive'. Meanwhile the unresolved conflict and differences continue internally.

There seemed to be a lag of a year or two between the key changes in local government (circa late 1886-1988) and the impact of these changes on the authority (1989/90).

During the period of study, while the environment itself was not turbulent, the aftermath of the change appeared to continue in the form of a delayed response to loss: deferred to internal differences and flight from the strategic task. This may lead to a reduced capacity to learn strategically as the social and defensive routines of denial, blame, scape-goating, hostility and political in-fighting take precedence over reflection and insight.

Secondly, the internal organisational context reinforced this dynamic by factors identified earlier in the Chief Officers accounts. The uncertainty of change, the inward looking nature of the organisational culture, the in-fighting by elected Members. However, a significant element seemed to be the difficult and poor quality relationship that existed between the COG and the elected Members. Thus, the internal context for strategic organisational learning appeared to be impaired by 'basic assumption' activities, phantasy and fears with the 'good object' of the past being replaced with the feared external and persecutory 'bad object' of the future: the impending Labour Group.

Finally, the elected Members seemed to have a history of scape-goating their executive directors: Harry Jukes (the first Town Clerk), James Grubeck (the first CEO) and Colin Maccini (the exiting CEO). All were exported from the system as the authority reached a transition phase in its history. Thus a recursive pattern was emerging, a defensive routine, which suggested that in periods of high stress and uncertainty, there was a ritualisation of getting rid of the CEO: the internal bad object. This can be seen as projecting the anxiety and difficulty of change onto the CEO and exporting him and those bad feelings of anxiety out of the system (Jaques, 1953).

Moreover, regarding Maccini's departure, his post was replaced by a CEO who worked in a traditional Labour authority and the newly elected Members relied on the advice of the two internal candidates who represented resources and probity. At one level the new Labour authority may have been just getting its house in order. From a psychodynamic perspective, it may have reflected the political leadership's (Members) wish for comfort, familiarity, things known, and possibly control, over things uncertain, uncontrollable and uncomfortable.

3. The group and task

Question two: Is the 'top team' able to manage its boundaries and task?

This section addresses the above question. Here the focus moves from the boundary between the team and its context and environment to the 'top team' of executive directors themselves, the Chief Officers Group (COG). After looking at the main features of the group this section will look more deeply at three related sub-questions

3.1 Does the team hold a common view of its task effectiveness? Is it effective?

3.2 Is the leader's role facilitative to task attainment (and therefore learning)?

3.3 Are the boundaries of this 'top team' optimally bounded?

The key features of the group

The group was the result of cuts. In 1990, it had a reduction from seventeen Heads of departments to eight Directors and the Policy analyst, who was not a director. In 1992, the group lost its CEO, James Grubeck, and was replaced by one of its own members, Colin Maccini. Two other internal directors applied for the CEO post: Francis Craig (Finance) and Anne Marks (Admin.). The two internal candidates each individually declared they could do the job better than Colin Maccini in their one to one interviews. Toni Johns, an ally of the two also had no respect for Colin. Toni Johns stated: "Colin is management by hype. I don't go with him at all. He's just muddling through, amateurish, has no power base with Members and does not use my experience and credibility. He needs to bring Francis (the Director of Finance) and I on board. But he just won't listen." Toni Johns

Each director, excluding the CEO, had very large directorates to manage. The age band of the group was from 40 to 57 with the modal age being about 56 based on the information from most of the COG.

The group members

Each member of the group contributed experience and skills in their roles.

Colin Maccini was the CEO. He had been appointed from among the ranks of the directors and was previously charged with managing Social Services. He had held a number of senior posts in other authorities and his rise to the CEO's position was met with mixed reaction from colleagues and staff.

Anne Marks was the Director of Administration. She had a long track record in local government, of which 12 years were spent in this authority. She was a fairly traditional local government officer protecting her directorate, the role of central services generally and the public purse as required by local government legislation and committee standing orders.

Francis Craig, Director of Finance, had worked his way up from a junior post to his Directorship. He'd been in post for nine years. He was known for his thoroughness but also for his conservative nature and wish to keep 'Finance' centralised.

Harold Matthews, Director in Housing and Social Services, had been in post three years. He was bright and intellectually very sharp. Brought into the management group from another authority because of his strategic thinking and shrewdness.

Leon Davids was the Director of Leisure. He had been in post four years and had successfully taken the leisure service into the world of CCT. He was well qualified both in his area and in general management being one of the few managers with management qualifications. His rather unusual and grandiose schemes and personality had won him successes but also attracted unpopular acclaim from, colleagues and elected Members.

Toni Johns, Director of Technical Services, was brought in from outside to a new technical directorate where changes were made swiftly and the rest of the time Toni operated more as a politician than a Chief Officer.

Geoff Browns was Director of Environment. His experience in the private sector and creativity was initially highly valued and certainly respected by outside contractors. But his seemingly flamboyant style and consistent, 'just-in-time' or late delivery of policy papers and ideas later became an irritation to staff, colleagues and elected Members.

Judi Patch was the Policy Analyst. Her role was to provide continuity to the group, ensure that items on the strategic agenda were progressed and support the directors. She had been with the authority for ten years and was seen as very knowledgeable about the working of the organisation, trust-worthy and was seen as the 'honest broker' between colleagues, between directors and elected Members and among staff.

Trudy Lukes was the Director of Education, a Head of school turned local authority director. She knew the education field well and the local council and has been in post for best part of eight years and 'has seen it all'. Trudy Lukes was very disillusioned with the changes in education through Local Managed Schools (LMS) and there was anxiety and fears among staff in her directorate with the proposed changes in local education organisation.

3.1 Does the team hold a common view about its task effectiveness? Is It effect?

The group task

The group's normative task was to provide a corporate and strategic focus to the council's political agenda and to help the council provide the appropriate services and support to the local community.

Views about the group's capacity to fulfil the task varied.

"We need more planning processes. We are not seen as corporate and the group needs more strategic support and information on what is going on in order to do a good job." Harold Matthews (DH and SS)

"The group is much better than it was. Very effective decision making with 95% of them carried through. When ever there is a crisis we get on well. Nice group to work with. Very creative." Colin Maccini (CEO)

"The team has deteriorated over the last three to four months. Probably if Toni left there would be more team work and trust. The team works very well due to Colin and the range of angles people bring. Its just not effective at the moment; team working is not working. It's temporary." Geoff Browns (Environment)

"The group is crying out for team building." Trudy Lukes (Education)

"The group needs more planning processes... it is not seen as strategic." Harold Matthews (DH and SS)

"We need more reflective time." Trudy Lukes (Education)

In addition, there was the continued task uncertainty that arose from the forthcoming elections (Trudy Lukes, Geoff Brown). In the meetings there was also a general feeling of deficit and that the group needed something more to fulfil its task.

The group appears to be less effective than it would like to be and explains it by the lack of strategic clarity, the need to have better internal processes and time out for strategising.

3.2 Is the leader's role facilitative to task attainment (and therefore learning)?

The role of the leader features as high in the theoretical approach to understanding groups in this thesis, especially how they provide the conditions for task attainment and learning. Information was obtained from each of the directors about Colin Maccini. There has already been a flavour of some of the views held by the two internal candidates for the CEO post when Colin was appointed and those of Toni Johns. The following captures other comments made about the CEO.

The role of the CEO

The role of the CEO, Colin Maccini, was seen as both positive and negative depending who was speaking.

There were those who said positive things about him:

"He's made us crisper less emolument - energised us." Anne Marks (Admin)

"He's really shaken people." Geoff Brown(Environment)

"His style has created a buzz and he's able to keep the broad picture." Harold Matthews (DH and SS)

"He has the distinctive ability to focus on the outside and has developed working partnerships with other regional CEOs." Anne Marks (Admin)

Colleagues also agreed that the CEO was very strong and could be hard to shift once his mind had been made up. However, "if you make a cock up of something you will get a roasting but the next day you start with a clean slate." Judi Patch (Policy unit), Toni Johns agreed.

"He's scrupulously fair in handling multiple roles." Judi Patch Policy unit) Three people had described him as very supportive at a personal level (Geoff Brown, Leon Davids and Judi Patch). He was described as chairing meetings well and one officer felt that they shared the same management style (Leon Davids), but, "He needs more of a strategic plan to give people clear leadership."

"He does not always carry erudite arguments for his actions... but I have never seen him run away from an issue either." Judi Patch (Policy unit)

There were also those that said less positive things about the CEO:

"I think he is into damage limitation... He lacks the corporateness he speaks of and the clarity and timing. Everything is all at a gallop." Toni Johns (Technical Services)

Johns continued: "He does the opposite to empowering - at specific, usually lower, levels he empowers (them) but at a corporate level his style leads to fragmentation. He has strong views about the way forward." The stong-mindedness of the CEO was also noted by Anne Marks (Admin). Both Francis Craig (Finance) and Anne Marks (Admin) described the CEO as working with 'Maoist theories'. It was said that Colin Maccini, CEO, had an autocratic style and likes to have 'yes' people around him (Francis Craig).

"He has a Queen Bee philosophy and selects people who do it his way." Anne Marks (Admin)

"My worry is that too much of the work falls on a small group of people. This leads to cracks and a potential crisis." Leon Davids (Leisure)

"He does not take a rational assessment of the reality and just about gets through the business. He' s lousy finisher." (Francis Craig (Finance). Colin Maccini was also reported to have stereotypes about each of the other directors and works by bringing pressure from below by stimulating lower level officers. This point was raised by both Toni Johns (Technical Services) and Anne Marks (Admin)

"Thus, he will work directly with individuals rather than through the (management) line." Anne Marks

Colin's role was firstly established in his formal authority as CEO, given to him by elected Members in 1992. He was not highly regarded by all his colleagues, and even those that followed him were not without criticism. He was seen as strong-willed and driven by conviction rather than by a focused strategy or hard data. He appeared to work with people who understood and worked with that style of energy and seemed to work with a selected group of individuals. He did not always observe the formal reporting lines or mechanism. He was an object of admiration, competition, envy and anger by various directors (and senior managers) and was split into 'good' Colin Maccini and 'bad' Colin Maccini for some of the same members of the COG and these views may have also reflected more structural differences within the group where there were those for him, those against him and those in the middle trying to steer a middle ground.

Colin Maccini appears to provide visionary leadership as he thinks 'big picture', goes for the strategic platform and works from conviction. This works for some people in the organisation and some of the COG. It also generates anxiety and resentment in others - e.g. Francis Craig, Anne Marks and Toni Johns as well as second and third tier officers. The lack of strategic focus, by-passing agreed structures, not providing sufficient containment and holding for the COG as a whole suggests that the CEO was unable to provide a facilitative holding environment for the COG. The process of splitting and some openly expressed contempt also suggests that projective dynamics were enacted and under such conditions it may have been harder for the CEO to play out any other role (see individual reports below).

Thus, it suggests that the CEO as group leader was unable to provide the conditions for strategic organisational learning.

3.3 Are the boundaries of the 'top team' sub-system optimally managed?

The management of the group's boundaries is important in that it provides containment and supports task attainment and learning. This is looked in this case as the relationship with the elected Members. Data from the interviews with the directors suggest that the group were clear about the formal structures and boundaries but felt that the relationship side was poor. (See section 2.2 above). They thought that the leadership was weak, unclear about strategic intent and troubled by infighting. However, the dynamics of the group's boundaries with the elected Members was simply dominated by the impending elections. Further comment on the dynamics during that time provides further data.

Strategies for coping in the context of uncertainty

The management group developed a greater awareness and attention to the political subtleties of both the Conservative and Labour groups. They talked about their context regularly between agendas item in their business meetings and with each other in their various sub-groups and alliances. Collectively they set a number of strategic away days and used these as a process for managing the volume of information, the enrolment of the next tier of managers and a forum for strategic debate and planning. The data was collected from non-participatory observations of two of the strategy sessions (February and April 1994), a COG management meeting (March 1994) plus informal conversations and formal interviews with members of the COG. The three main sources are presented in chronological order to provide a sense of the developing themes and issues: the strategy session in February, the COG management meeting in March and the second strategy session in April.

The first of these strategy events took place in February 1994. It was a two day event with second and third tier officers also attending - about 45 people in total. The group was presented with a number of trend and scenario analyses as well as the results of the then recently completed staff survey and some attempts of bench-marking the council with other authorities. Maccini did not join the meeting on the first day due to other business, but joined the smaller group meeting of the COG on the second day and received feedback about the day.

Themes that arose out of the first day included the question of organisational culture and structure as it related to the change. Competition within the organisation and a better understanding of corporate working were among the issues that the group were expected to adopt. The organisational focus of the discussion was: How should we structure ourselves to meet the new challenges? The group was given a considerable amount of data to digest with a total of ten main reports to consider and comment upon within the space of five hours. Each topic areas had a presentation, followed by a quick burst of questions of substance and then some rather shallow debate - due to time - before moving onto the next topic. The first three or four presentations were taken very seriously. By the early afternoon the level of humour, boyish exchange and puns had increased and it was more like the House of Commons on a Thursday afternoon than a strategic analysis group. Several references were made to Colin's absence and the thought that a tape-recorder was in the room developed currency through the afternoon to the point where one presenter said: ' and if you are listening Colin..' and subsequent comments followed the same way. The meeting ended at about 4.30pm with the last items being rushed and the group ending on a rowdy and noisy note.

The second day was more serious with Maccini in the Chairman's role and Judi Patch facilitating the day. There was some discussion about the value of yesterday's meeting.

Leon Davids (Leisure): "I saw yesterday as helpful as it was a means of gathering information."

Francis Craig (Finance): "Yesterday's work was interesting but it suggests that structure is used as a general word for other things e.g. culture. I also saw centralisation (of structure) as a mark of frustration or cop out with what is happening and I would welcome some clarity about where we want to go. I have some uncertainty with the leader (of the council) or even the party."

Toni Johns (Technical Services): "I found yesterday astonishingly negative and pessimistic. The 7-S framework is useful but we need to get a strategy that works."

Anne Marks (Admin): "There is a lack of strategic, superordinate goals from Members and this affects the COG and the staff."

They started to use the 7-S framework to consider the importance of structure to meet the needs of the customers.

Over the months, the group made continued attempts to structure their thinking, process data and manage their concerns and anxieties. An excerpt from a COG meeting in March highlights some of the issues.

Anne Marks: "How trusted are we by the public? Are we trusted? Do we have the credibility to show it?"

Geoff Browns (Environment): "We need to build on these."

Francis Craig (Finance): "Members feel they represent democracy and they perceive pressure groups as unrepresentative, white middle class lobbies and forums. When Members see them being acknowledged by officers they take this as undermining their roles."

Judi Patch (Policy unit): "We know that Members do not like us to do it as we have had explicit feedback."

Toni Johns (Technical Services): "But Members will not stand up and take the flack. Officers take it."

Geoff Browns: "Yes, the last committee meeting was a classic example of a member putting the CEO in a poor position. ... So what is this democracy we are here to support?"

Toni Johns: "It's to make them feel in charge."

Harry Mann (Education -substituting for Trudi Lukes): "Some feel in charge individually (the chairs of committee) but not collectively."

Colin Maccini, CEO: "We need to help them to realise when we help them deliver what they want."

Francis Craig (Finance): "When labour get in things will change. Current Members, don't trust us, but will give us a clear run."

Anne Marks (Admin) "At a macro level they're OK with us in control... but at a local level they want more involvement."

Francis Craig (Finance): "Often meetings get high-jacked. They put in an agenda item high, say its urgent. No facts or nothing. And when you've done the research and brought things out to the light, they say they are not interested."

Leon Davids (Leisure): "It reinforces the points and suggest the we need to provide Members with information."

The discussion continued for another 10 minutes, with the group trying to work out what the new administration might want and need post May, after the elections.

Finally, the second strategic away day was in April 1994. It was a confidential briefing for the management Board and it provided an analysis of each Party's main policy agenda, likely voting outcomes by ward, the likely actions that might follow and the implications for the management group. The content of the briefing was **confidential**. However, the meeting itself and the impact on the group provides further data of their strategies for coping with the difficulty of uncertainty and the impending May elections. Some of the reactions from the group included the desire to deliver in short time scales despite whoever won the elections to show that they were committed to new political administration. It was reported at the meeting that two or three prominent elected Members would 'put the boot in... saying that the management group don't do what you want them to do and they cannot be trusted'. Later a discussion about Members desire to see financial prudence was seen as a mask for getting rid of management.

Francis Craig: "Here is another concern. The processes for change is seeking *improvements* (his stress) and should not undermine our excellent record on financial control. In them trying to review critically and see who is doing what, I still have some concerns that they will start making comparisons of level of delegation and my own structural role. Colin, I hope you are taking this on board."

Colin Maccini: "Yes, I do not want us to get sucked into or messed up on financial controls..."(interrupted by Francis)

Francis Craig: "We need to properly evaluate whatever model of performance that the Members put forward."

Colin Maccini: "The argument is not about that. There is no difference of opinion among us (the management group). It's just a silly game. People are trying to split us up." (All around the table agree)

Anne Marks (Admin): "Can we continue this discussion elsewhere?"

Francis Craig: "No!"

Anne Marks: "Well, there are some concerns and anxieties among staff - there's turbulence in the staff. They are worried as their views differ with Members on CCT. Staff do not see focus on customers but are more concerned about the product and the internal affairs of the council. Need to take that on board."

Colin Maccini (CEO): "Yes. Judi, have we got the papers for the next item..."

The meeting was swiftly moved on and during the morning coffee break there was a heated disagreement between Geoff Browns and Toni Johns over who should take the lead and which side was right on a planning development that was in the process of negotiation. Toni Johns took the side of the private developers a large contracting outfit. Geoff Browns felt that the social aspects were more important. Each represented a different view, which also reflected the differences among the elected Members.

Maccini attempted to arbitrate but the issue remained unresolved and the formal meeting resumed. The meeting continued with further data so much so that one officer said: "There's lots more data. How best can we use it especially in such a rapidly changing environment?" Later the same officer says: "It's what conclusions that get drawn for the document that's important." The first part of the meeting ends at lunch time. Colin concludes the meeting: "Fascinating documents. Well done!"

3.4 Analysis

The Chief Officers Group's immediate context of the impending elections seemed a major pre-occupation of the group's strategic discussion and a distraction. The scenario planning, the speculation, the absorption of large quantities of data also prevented the group from focusing on the strategic organisational task. The hive of activity can be understood as the COG's attempted to manage it boundaries, contingency plan and create a common platform and agenda that they could collectively agree upon. Yet their behaviour could also be seen as far from task related, and more like a case of 'basic assumption 'flight' from the pain that most of them dreaded and some predicted; they would lose their livelihoods

The COG did not share a similar experience or support of the CEO. The individual interviews showed that they had varying political alliances with elected Members and they seemed to think that other COG members were going to 'get the chop' but not them individually. Thus, the group seemed to have differences that were not acknowledged in these meetings, and therefore generated a false unity or a pseudo-group: acting 'as if' they were a task related group.

Can the team manage its boundaries?

The inference from this case study is that the COG sought to manage its boundaries but was unable to do effectively due to:

- The continual internal flux of their context and relationships with elected Members

- The difficulty of effectively processing the continual stream and volume of data despite all attempts

- It seemly acting as a 'pseudo-group', where it did not acknowledge differences within the group

Thus, the proposition that insufficient management of the 'top team's task and boundaries, which leads to impaired learning for organisations at a strategic level, does seem to have some face validity in this case. Further analysis of the group may provide addition validation or data that counters this view.

4. The Group and its internal dynamics

Question three: Do the internal dynamics of the 'top team' impact on organisational learning?

This section addresses the above question by exploring the key internal dynamics of the team in order to answer two further sub-questions. These are:

4.1 Does the team display examples of 'basic assumption' motifs over 'work'?

4.2 Do individual valancies reinforce difficult group dynamics?

4.1 Does the team display examples of 'basic assumption' motifs over 'work'?

There are three areas that help us understand the dynamics of the group in considering 'basic assumptions'.

These are:

- The roles and relationship of each director as seen by other members of the group - the source of this data is from the first interviews using the interview schedule

- The dynamics within the group as understood by members within the group - the data also comes from those same first interviews

- The dynamics of the group based on scoring statements against basic assumption theory (see Appendix 1) using the Group Analysis Grid and content analysis of text of latent themes

4.1.1 Roles and relationships

In understanding the dynamics of the group a first level analysis suggests that group roles are formed and that these may be significant in understanding the impact on organisational learning.

The following provides an account of how each member is seen by their colleagues. The CEO's role was discussed in 3.2 above and thus he is not included here. The group members each had perceived roles. Themes that were said to have resonance from the interviews with their colleagues were as follows.

The group members each had roles that were both given to them and taken. Here are some of the common themes that were mentioned about each group member.

Toni Johns - Director of Technical Services

"Often he doesn't talk and when he does he makes obvious statements." Judi Patch

Colin Maccini saw him as: "A genius or a mad man."

"I see him as untrustworthy. Yes he is a scapegoat but it brings it on himself. He's also more comfortable with the elected Members than being one of us (COG)." Harold Brown

Anne Marks summarised him as: "A difficult person!"

Toni said of himself: "I have a severely individualist management style."

Toni had a very individualist management style - for example he didn't have a desk in his office but had it laid out with settees, and his secretary handled all of his correspondence and schedules. He was often the scapegoat in the group but seems to enjoy it. He tended to take his lead from Members, especially his chair of committee, and was not widely trusted.

Anne Marks - Director of Administration

"She is not trusted by colleagues and is seen as devious, clever and astute." Judi Patch

"She has a subtlety of thinking so is a sage. She's a good lateral thinker too." Geoff Brown

"A strategist and conceptual thinker." Leon Davids

Anne said of herself: "I feel very uncomfortable regarding my own confrontational style vis a vis Toni Johns."

Anne is cast as a strategist and very conceptual. She is seen as a sage like thinker and maybe a little aloof. While her capacity to think is valued, she is not trusted by her colleagues as seen as devious perhaps are they are unsure which way she will be thinking.

Judi Patch - Head of Policy unit

"She just says what we are thinking; very capable and able to carry out work programmes." Geoff Browns

"Very, very helpful. Well regarded and good at communication." Leon Brown

Harold Matthews had another view: "I question her role on the COG. Is she support for the executive function or policy analyst. I think we need the latter. She is the former?"

Judi described herself as: "The honest broker ... spending a lot of the time walking on the fence trying to retain an independent position. I am very uncomfortable with some of the conflicts between Colin and Toni, and Colin and Francis."

Her role on the management group is sometimes questionable: unsure if its to support the group or really a policy analyst. Seen by all as very capable, helpful and well regarded through-out the council at all levels.

Harold Matthews - Director of Housing and Social Services

"He's a process man. He doesn't say much but he is very resourceful." Leon Davids. He continued: "He's sensible, quiet, rational, thinks through issues... I really like him."

"Quiet but listens, especially on capital expenditure items. No. You can't get anything past him." Anne Marks

Harold Matthews was seen as the process man; doesn't say much but was very sensible and rational. The strong silent type.

Francis Craig - Director of Finance

"Speaks more than he needs to." Leon Davids

"He holds the purse strings and so is very powerful. But he's not adapting to the cultural change." Judi Patch

"Peter and I have a good relationship except at budget time. He's very powerful at budget time. It difficult, frustrating as he's not managing the change and so I get annoyed when he plays policeman (of the finances)." Colin Maccini. Leon Davids shared the same view.

"He's a child compared to Anne Marks. He's straight. Hates his authority being challenged and is a power base." Geoff Brown

"He's very emotive." Leon Davids

Francis Craig holds the purse-strings and is thus very powerful. He can act out organisational financial policeman and dislikes his power base being challenged. Otherwise he is not devious: what you see is what you get

Trudy Lukes - Director of Education

"The older stateswoman" was the opening comment made by Judi Patch and it was a view commonly held by others.

"Detached sage. Deep even." Geoff Brown

"Not really get on with others; tends to keep herself to herself." Colin Maccini

"A sober individual who is well regarded." Leon Davids

Trudy was seen as the sage-like, but may be distant, elder stateswoman. It was also noted that she often sent substitutes to COG management meetings.

Geoff Brown - Director of Environment

"He's really successful. A shooting star. Very much like myself. We have the same star sign, same clothes and hang out in the same places." Colin Maccini

"I wish he would come down out of the clouds." Harold Matthews

"He flits in and out, a bit of a scatter brain. Bubbly type but he could slow down a bit." Leon Davids

Geoff was an ideas man and often came up with innovative solutions to problems with varying degrees of appreciation from others. The CEO saw him as high-flyer and there seemed to be a degree of identification between the two. The role of the ideas person appears to hold for Geoff.

Leon Davids - Director of Leisure

There was a noticeable absence of comments about Leon Davids from his colleagues; only two directors mentioned him. They said:

"Unsure of his calibre. He tends to ride on the back of others. Good speaker though." Geoff Brown

"He rarely exerts his influence on the COG management meetings." Anne Marks

There is a silent or invisible role that he appears to play.

Each of the members seem to have a role in relationship to this group. The scapegoat, the strategist, the sage, the process man, the ideas one or the invisible. There appeared to be some general agreement among colleagues about each others roles.

4.1.2 The dynamics of the group as understood by its members

How did the group understand its own dynamics. Data from 2.2 and 3.1 suggests that the group does not see itself as an effective team and a number of reasons were given. An exploration of the teams view of its own dynamics provides additional data for this analysis.

Data for this section was from the initial interviews, a feedback and dialogue event in September 1994 and continuing conversations with people in the organisation.

There were two other dynamics that the group noted about itself over and beyond those of role covered in 4.1.1. These were:

- Identifying subgroups within itself
- Identifying internal conflicts.

Groups within the group

There were three clear groupings that were identified and agreed by all the members of the group both in the individual sessions and the feedback session in September.

The first group was Colin Maccini (CEO), Geoff Browns (Environment), Leon Davids (Leisure) and Harold Matthews (DH and SS). These were the people who worked well together and shared some of the 'can do' culture and values that were articulated by Maccini. They worked on the basis of meritocracy and enterprise.

The second group was almost in direct and open opposition to the first. They included Francis Craig (Finance) and Tony Johns (Technical Services), with Judi Patch having a close and personal relationship with Francis Craig, but was very distant from him in meetings.

The third group were 'the others'. They were not a group together but were more independent. These included Judi Patch (Policy unit) in her role as peace maker, Anne Marks (Admin), who was not really trusted and Trudy Lukes (Education) who was the 'Elder Sage'.

The roles that the women were given also appeared to be genderised in that they were often 'go-betweens', and again the women all talked of the sexist attitudes and climate of the organisation in their individual interviews.

Conflict and dynamics

The group dynamics were described by directors as:

"… Having some tensions." Judi Patch

"Issues of trust, isolation and hurt continue to be around." Francis Craig

"There are differences in values," stated Toni Johns. That view was held by others including Harold Matthews.

"The relationships are unsatisfactory." Trudy Lukes

There were also tensions between individuals:

"The battle between Toni Johns and Geoff about who owns economic development is constant and warring." Judi Patch

"The tensions between Francis and Colin, I feel uncomfortable about the exchange." Leon Davids

"I feel Colin protects Geoff Browns, Harold Matthews and Leon Davids and leaves Toni Johns and Francis unprotected in meetings." Judi Patch

"There are also tensions between Anne and Francis." Leon Davids

"Trust is an issue for the group, especially the relationship between the management group and Toni Johns. If we could improve that everything would work much better." Francis Craig. It was also a view expressed by Trudy Lukes and Harold Matthews.

Finally, Patch concludes: "There is good social respect between officers with the exception of Toni."

There were several directors who reported that Toni Johns was spreading 'dirt' about fellow officers.

4.1.3 The dynamics of the group based on the Group psychodynamics

The dynamics of the group were predominantly 'work' type of behaviours but the level of 'work' on a 1-4 scale tended to be low (scores 1 and 2) (see chapter 7 and Appendix 1). The other main dynamic in the group was 'fight' activity and there were a number of examples of those as described in the accounts in section 4.1.2 above.

(See tables 12.3 below)

Table 12.3

The Dynamics of the group based on the Group Analysis Grid

	w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
791	47	302	76	8	62	161	65	46	0	0	24
100%	6%	38%	10%	1%	8%	20%	8%	6%	0%	0%	3%

A breakdown of relevant sessions by team member is provided in Appendix 8.2.

The group spent 55% of its time in 'work' mode with 'fight/flight' motifs accounting for 28% along with 'dependency' 8% and pairing 6%. Most of the 'work' activity is level 2 (represently nearly 70% of all work) with level 3 activity representing 17% of all work.

The pattern of the group's dynamics suggests work took place but at low levels. This dynamic was profiled with a range of basic assumption motifs including 'fight', 'flight', 'dependency' and some 'pairing'.

The following notes were taken on 1 March 1994. They highlight some of the tensions in the group's regular meetings.

The Management group is having a discussion following a presentation by Francis Craig (Finance), regarding a small capital investment project.

Colin Maccini (CEO): "Fine in principle but are the numbers where they should be?"

Francis Craig: "The numbers?"

Colin Maccini: "Looking at the legislation, Anne and I looked at it (the proposal) and we are ..."

Francis Craig (interrupts) : "The letter dated the 1 February responds to that..."

Colin Maccini (abruptly): "We'll look at it"

Francis Craig: "What is my role in relation to this institute? My independent financial advice can't be given if I'm blind, deaf and dumb. We need more discussion on this point.... Does not the Executive Director on Finances not have a primary role in the allocation of resources, rather than just feeding in the input?"

Colin Maccini: "Can I remind you that those decisions are brought to the Chief Officers management group and that directors can discuss them here. You have had ample time for..."

Francis Craig (interrupts): "I am concerned that we are moving away from what was said at the last Chief Officers strategy retreat about the role of the team. I am concerned we are going against agreed principles."

The discussion continued in the same vein for several minutes with Francis Craig and Colin Maccini exchanging views. No one else contributed.

Colin reminds Francis that the decision was, "Made at the management meeting."

Francis Craig: "No it was not. You could not have raised that here. I would have remembered. You only mentioned it [the decision] yesterday and you didn't even give me five minutes."

Colin Maccini: "Do you recall the order of things regarding your report?! At that time we only had half of your report without the other side [from the customers' view] and at that point we made a decision in principle."

Francis Craig: "I differ. The general view by my staff is they have been targeted in this. They are worried about the investment and thus the delay. There is a feeling of... [pauses] of being de-stabilised. Some officers are saying to my staff: 'You're out of a job; you'll be working for me.'

"The process is dismissive of us and... you should be aware that I am consulting (elected) Members on this."

Colin Maccini (interrupts): "Thank you."

Others chip in and the conversation gets heated. Toni Johns (Technical Services) sides with Francis Craig and Anne Marks (Admin) sides with Colin Maccini. The rest say nothing notably trying to keep a low profile (the others actually slouched in their chairs). The meeting built up to a direct confrontation from Craig.

Francis Craig: "Why was I not involved? You are side-lining me and the management team. No one has contacted me since then (when the 'decision' was made). I simply do not understand you. You are deliberately..."

Colin Maccini (interrupts): "My experience of you at times and at the moment is that its impossible to…"

Craig (now shouting): "I was in your office only on Friday, why not mention it then?!"

Colin: "Let's talk after the meeting."

Francis: "No. I want it to be discussed here. It should be discussed. I want my colleagues to know how I've been treated."

Colin: "It will be discussed outside of here."

Anne Marks steps in as do others and the matter is closed. "Lets move on," said Colin.

This extract serves to demonstrate a number of points regarding some of the deeper issues relating to the tensions. These seem to include:

- The question of director's authority within the team and the council: both of the director of finance and the CEO as leader. Who has it and how should it be exercised?

- The collective role and authority of the group. Is there a clarity about task as directors remain silent or take sides rather than tackle the issue?

- What are the agreed protocol and procedures - structures of containment - that can be relied upon to manage through the internal chaos? They looked unreliable and arbitrary which makes it hard to channel organisational learning of any type.

The dynamics of the team are explored further in the next sub-section, which looks at 'basic assumptions'.

4..1.4 Does the team display examples of 'basic assumption' motifs over 'work'?

The data suggests that the group does engages in basic assumption motifs in the form of splitting, 'fight', flight and acting 'as if' they were a coherent group as opposed to a 'pseudo-group'. The group appears to put a lot of energy into understanding and managing the relationship with the elected Members and there is a thin line between doing that well and being obsessional. Thus, basic assumptions seem to be dominant over 'work', given the routine nature of the 'work' that takes place (See appendix 1 for definitions and descriptions)

A systemic analysis of the Group

The organisational context for the relationships with Members was an over-riding dynamic which seems to explain much of the dysfunctional aspects of the group's thinking and actions. The way elected Members behave seemed to have spilt over into the officers group, where these dynamics were also replicated.

It seems that the boundary of the inter-group dynamic is 'under-bounded'. The task of both groups was not clear, they both had examples of basic assumption activity, time scales for decision making were short, communication patterns were difficult and there was competition for authority. Thus, the group appeared to be 'underbounded' (Alderfer, 1980) where boundaries and task are underdeveloped. The implication is that organisational learning will be impeded by unfocussed and recursive routines.

4.2 Do individual 'valencies' reinforce difficult group dynamics?

This section explores how the managers' context, history and inner conflicts and drives help throw light upon how they took up their roles in the strategic forum of the management team. Five people left during the entire period of the study. However, at the time of gathering this data from the second, one to one, in-depth interviews there were still six Chief Officers in the management team. The three that had already left were: Toni Johns (Technical Services), Trudi Lukes (Education) and Geoff Browns (Environment).

Toni Johns

A second interview with Toni Johns was not possible as he had already left and his appointment was cancelled.

Trudy Lukes

In all the changes, it became too much for Trudy Lukes. She could not come to terms with loss of the role of the local education authority with the introduction of Local Managed Schools (LMS) and she suddenly took early retirement. By all accounts in the building and reliable sources this move was welcomed by all concerned. Thus, a second interview was not possible.

Geoff Browns

A second interview was arranged with Geoff Browns but it was postponed due to a large project needing his final touches before completion. We arranged to meet after his late vacation later on in the autumn. Events took their course and he did not return to the council and a second meeting did not take place.

Thus, this part reports on six of the remaining directors. These include: Colin Maccini (CEO), Anne Marks (Administration), Judy Patch (Policy unit), Francis Craig (Finance), Harold Matthews (DH and SS) and Leon Davids.

Each of the directors filled a variety of personal profile inventories[8] and these were used as tools for personal and existential exploration through in-depth interviews. These were held during October to December 1994. The details of this process are in chapters 10 and 11 of the research methodology. A summary of the instruments used for each person is presented in Appendix 8.3

The following accounts are taken from the process outlined above, the comments from their colleagues (used as feedback and dialogue) and working notes from each of the sessions. All of the directors completed their Myers Briggs Indicators forms and one other profile (except Leon Davids who only did MBTI).

The outcome helped look at the individual accounts to the question: What impact do individual, 'unresolved', memories or conflicts have on the group's dynamics

[8] As this was the pilot a range of profiling instruments were used. These included: Firo-B, Myers Briggs Type Indicator and Cattels 16PF. A summary of these are recorded in Appendix 8.3

The individuals - history, role context and inner drives - the internal dialogue

Colin Maccini

Colin was in his mid-Forties and had been in the authority for some five years. He was dedicated to work and each day was one of the earliest to arrive to work and one of the last to leave in the evening.

His natural style was an extroverted one based on the personal inventories and he tended to be good at making and maintaining good social relationships. He described himself as independent and daring and didn't care too much for stuffy conventionalism. 'I like to cut through the crap.'

His personal profiles gave a clear view that he was strong on abstract thinking (NT in MBTI and a sten score of 8 out of a ten point scale on 16PF). Thus, he was fascinated with good ideas, innovative approaches and processes and enjoyed solving complex problems.

When asked about his strengths he said: 'positive energy, enthusiasm, a winner, speedy, happy, quite receptive, lucky and good with large groups.' He had won the support of the elected Members with a presentation of his vision for the council and now presented this quite regularly to staff groups. From these a number of officer 'working groups' were set up where Colin Maccini could work more directly with staff.

"I lead from the top and quash from the bottom. I've a fairly participative style but retaining eight-tenths or nine-tenths of the decision-making - a consensus with leeway to make the decision as the Executive Director (CEO).

"I don't get around as much and do get complaints from staff that I'm not with them enough."

At the end of the day, Colin would take time to relax and reflect on his decisions (Colin Maccini). "At about 5pm is the best time to catch him if you want to put forward another view or argument he seemed so attached to earlier ideas in the day. Here's where he is at his most thoughtful." (Leon Davids)

"I can cope with pressure, but tend to just work harder. My personal circumstances allow me to do that...I know I expect a lot from my colleagues and sometimes drive them too hard. I'm a hard task master," said Colin Maccini.

"Much of my style comes from the enterprise nature of my family. I am the only one in the family that does not work for themselves. The rest are all small business people. I guess that's why I'm like this."

In the final interview with Colin Maccini, he spoke of his decision to leave and the principles and reasons behind the decision, including that the elected Members had undermined the authority of the CEO and it was time to leave. He was both fair minded and philosophical about it without malice. An appropriate deal had been negotiated and he was going off to work as an independent consultant. The only other post that was challenging enough in another part of the public sector had recently been taken so that was it. Independence was the chosen route for the time being. Subsequent contact with Colin Maccini suggests it was the best decision he had ever taken and he was still kept informed of the internal politics of the council.

Analysis

Colin was seen and presented himself as entrepreneurial in his approach. Clear about the vision for himself, good at presenting and convincing others but it appeared that he was less grounded than his peers (and staff) would have liked him to be. This was coupled with a fairly firm, some suggested autocratic, style of management. Together, the overall approach was experienced as undermining of the directorate and corporate working but liberating for staff who could shine under Colin Maccini's version of meritocracy. It appeared that he had to have the last say in decision-making. He liked to influence processes and was driven by values rather than rules. He rarely changed his mind.

He worked hard and appeared to enjoy it. He said that the 'can do', 'work hard', 'sociable' and 'entrepreneur style' was traced back to the small enterprise culture of his family where all these virtues are well known as a successful recipe for small enterprises. How far these values were appropriate to the council seemed questionable and they, in fact, clashed with the organisation's dominant culture and sense of identity of bureaucratic incrementalism. It is possible that Colin's unconscious dialogue was to 'run the business' of the council 'as if' it was a small, family business. The COG did have the features of a dysfunctional family dynamic, which may have been collectively enacted between Colin and the other directors to meet some other unconscious agenda. However, it can be said that his style was generally counter-cultural both to the organisation and more immediately the COG. Thus, the anger, envy, competition and admiration that was expressed by his colleagues was not surprising. Colin Maccini did have a very charismatic impact. It was easy to see why he was the object of both love and hate as positive transference feeling towards him were very strong. (See my personal reflections on this point below).

It seemed that the style that Maccini took as CEO was the only one he knew and given its absence in a large public sector organisation, it may be suggested that the familial explanation of the eldest sibling taking over 'father's' role, may have some face validity. Thus, the clash in mutual expectations - unspoken and unconscious - contributed to a 'cycle of mistrust' between Maccini and his colleagues. The enacted dynamics between Colin Maccini and the group, and the friction with him and Francis Craig and Toni Johns has some of the marks of 'sibling rivalry'. What can be said, however, was that people were working from completely different unconscious models and internal dialogues (see accounts below).

Colin Maccini played the role of both rescuer and persecutor (good and bad object) on behalf of the strategic apex to be a focus for the organisational social fragmentation, change and flux. This systemic organisational dynamic was reflected through 'splitting' in the social systems of the COG, the staff and the elected Members. He also become the victim of these schisms and was the third CEO to 'leave' in unpleasant circumstances.

Anne Marks

Anne Marks declared a strong commitment to working in the public sector and felt she was able to take a detached and analytical look at things. She saw herself as good at strategic analysis, a bit of an ideas person and definitely a shaper of events. This was in line with her MBTI profile which she agreed was INTP. She described herself as fairly positive but acknowledged that the lack of self reflection meant that sometimes she could loose the learning. She expressed a deep dislike for politicking and said that she was not very good at it.

When asked about the dislike of politicking she described the dislike of noisy confrontation and how uncomfortable it was to experience: people shouting at each other. Further discussion traced this back to her own family dynamics where she was always the one in the middle of terrible rows and relationships. So when Colin and Francis Craig fought, she often found herself taking up 'the role of interpreter and conduit'.

The issues she had with Francis Craig were not being avoided because she was scared, according to Anne. But were to do with good conduct and how 'we should behave as officers'.

Anne Marks said that she did not have significant periods of doubt but also said that while she enjoyed the leadership role there had been a mixture of contradictions in her achievements. She had reached seniority quite quickly in her career and had chances to go further. But either did not go for them or did not succeed. This created a degree of ambivalence about her success and left some unresolved doubt in herself - expressed as: 'given who I am, am I sufficiently ruthless and daring to succeed? The general model of a CEO had a more hard edged approach.'

Anne Marks also set high standards for herself, and staff, and usually delivered to deadlines but could also be seen as too slow to come to a decision, when others - staff and Colin - wanted it quickly - "I can be seen as over fussy". "I sometimes say about myself: good product but slow."

"It doesn't worry me if I turn up slightly late, I work best in teams where I can be in and out."

About half way through the interview, Anne Marks asks: "Not sure if this is the sort of thing you want." She goes on to report a balanced and stable family life and that there should be more support within the organisation so that people could take risks, fail but learn from the consequences before it was beyond the pale and they were into exit counselling before anyone could do anything about it. Anne Marks stated that the culture of the COG was really set by Colin Maccini; that he sees her as a threat and thus tends not to use her as much, even when the task is part of her job. The CEO's talk about teamwork was described as 'rhetoric'.

From an earlier interview Anne Marks had raised the issue about what might she do next and asked for it to be raised again in the second interview. The options as she saw them varied from early retirement to going back to the private sector. She expressed an increasing and growing doubt about how one could make an impact on people's lives in her role, or even that of CEO, in a large local authority. She concluded the exploration with the thought: "I could well be happy here for sometime... bar some of the tensions in the building, and we can put that down to Colin's style. While I admire his initiatives he lacks strategic sense... If things don't improve by a significant factor I feel performance will fall compared to other authorities."

Her final point was that she decided not to apply for a recent CEO post in the south of the county because: "I do not want to move the family until the teenagers have finished college; I did not want to travel across the county; and I need to come off the fence and make a decision quickly. One way or the other."

"If early retirement was to be discontinued it is going to be a tough choice." She acknowledged, "Some conflict and tensions between wishes and greed."

Analysis

Anne Marks is experienced as somewhat cautious and guarded. Her sharp intellect, legal training and principles tended to reflect her day to day style of working to accepted rules - be that the behaviour of officers, criteria and authority for decision-making, or requests from authority figures. Her formal legal role also reflected her personal preference for rules.

Her difficulty with tackling confrontation between colleagues was directly linked to a past memory of her own family. The more familiar role of the minor sage, seemed to resonate with her ambivalence around authority reflected in her own conflicts around personal success and career progression. This issue of authority was seen again right at the very end of the interview when three reasons were given for withdrawing from applying for a CEO post, even though it was something he expressly wanted. We also see some discrediting of the CEO, and the internal mental model of a CEO was one that is hard edged and much more aggressive. Earlier in the interview she suggested that there was little self doubt. Yet, the doubts were implicitly and explicitly expressed through-out the interview. There were also several requests to the researcher to gain reassurance: 'Is this OK?'; 'Is this what you want?'; 'Are we on track?'.

The discussion about various forms of support - the family life, support to take risk and invitation to the researcher for support - may be an expression of generosity from a position of positive self regard, a call for support or both: expressing personal ambivalence about intimacy. He had very low scores of expressed and wanted inclusion for his Firo-B

Finally, the fear of managing other's hostility, playing by the rules and ambivalence about success and authority impacted on Anne's ability to take up her full role in the group: accentuating a pacifying role, the minor sage and a one who keeps their distance. The role of distant thinker generated feelings of mistrust among group members and the role provided an unconscious 'pay-off' for both the group and for Anne. For Anne, it stopped her having to confront the two underlying themes in the discussion of managing her own hostility and getting close to others. For the group, they could keep her on the outside, and therefore reduce her personal authority and power because of a fear that was based on her being 'unknown' - seen as 'devious' and a bit of a dark horse.

Judi Patch

Judi Patch was in her mid 50's and was seen as trust-worthy and 'safe'. She described her current family life as great and very stable. Her 'real life' was outside the council and she did not find it difficult to switch off. Judi Patch did not let work-life dominate. "Life, kids, job, finances, house, friends are all good and I have lots to celebrate."

"If I get kicked out, I'd be worried but I'd get on with it. I'm past my prime but have confidence in my own ability." Three more references are made to the stability of the family and how important it was to her. "I talk to my mother every day."

Discussion based on her personal inventory focused on her relaxed and stable approach, plus her ability to act as a resource investigator and chairperson[9]. Her personal inventory also suggested that she was far more outward going than she had expected or for that matter been observed in the group. There was a clear extroverted preference in her MBTI scores and a sten score of 8.69 out of ten on the extroversion scale for 16PF. When asked why this might be so she suggested: "I'm less confident in the Chief Officer group management group as I do not have a directorship." On further inquiry Judi Patch said she didn't know why she was less than outward going in the group but added that she did not like the friction between Colin and Francis. "I'm intimidated by the Francis and Colin thing. I feel uncertain about the appropriateness of their interventions in the meetings. I often want to say something but feel its not politic to do so. I'll bide my time. Sometimes confrontation is OK but its a short route to achievement and often it goes wrong. I go for the bridge building approach. My personal philosophy is that it will pass."

On organisational politics, Judi Patch said she could play that game better than most if she wanted to, but doesn't. "I prefer to give of self, rather than role."

Judi held a number of secrets for the group of which some of them were shared in the interview. Over 50% of the interview was spent on these rather than herself and when the conversation did really focus on her she got and made a cup of tea.

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[9] Here the respondent is describing group 'roles' of their colleagues in 'Belbin terms'. For example, 'resource investigator' for one who brings in new ideas and resources into the group, 'chairman' for those chair the group, 'shaper' for one that takes control and shapes events, 'plant' for ideas person and 'monitor evaluator' for the person that constantly checks reality. A fuller discussion of Belbin can be found in Belbin et al, 1976.
The other point is that their concept of 'roles' is not the same as used by this thesis which refers to group dynamic roles such as 'scape-goat', 'rescuer' and those that are based on a psycho-dynamic approach

Analysis

It appears that much of Judi's stability in role comes from the stability of her family life and relationships outside of the work environment. She presented herself as fairly self assured, philosophical and happy to deal with what life brings in the work arena. She was the keeper of many secrets and was thus in a position to use these to best advantage. Thus, the comment that she could be political if she wanted is grounded, among other things, in the quality of confidential information that she often receives. Yet, taking the role of 'honest broker' and 'confidant' was chosen as a personal strategy over confrontation and politicking.

Moreover, not being a full a member of the COG, made her feel that she had a weak power base or legitimacy in challenging and questioning the CEO, the Finance Director or the COG. The stated low level of personal investment and attachment to the job was less than that to her family. These may help explain some of the dynamics that affected how Judi took up her role i.e. sitting on the fence. However, further inquiry would be required as she spent a good deal of the interview avoiding the stated purpose of the interview. On reflection the 'secrets', which took up nearly half of the interview, may have been used consciously or unconsciously as a distraction from the topic, Judi.

Francis Craig

Francis Craig was in his late 50s. He was very professionally driven in his role and described himself as "Standards orientated... [but] happy with short cuts as long as they do not go beyond certain standards set for the task." He was out-going, independent and tough-minded according to his personal profiles.

He felt that he was good at handling people and was quite humorous as an accountant. "I've got a good sense of humour, don't panic, don't frighten easy and don't run away from problems. I'm good at my job and feel competent in the job. 'I think that I am a reasonably intelligent person... and I know how to get things done. Tell me where you want to be and I know how to get there. I'm hard working, loyal, imaginative and a practitioner, a doer. I know the rules better than anybody else and can use them without breaking them. Others just blunder around.

"Thus, I am well respected by the [elected] Members. Can be difficult and am happy to stand out.

"There is a problem with Colin and me. He's good at projecting himself and "assertion management". I am more structured and keen on having implementation stages explicit. Colin, people find him more difficult. What he wants, they don't know. How they are doing, they don't know. He doesn't tell them and there are no agreed targets. So the only way to get them on board is they take on his approach body and soul.

"My fairness can get me into hot water. I can get into difficulties with Members unknowingly." He gave an example of his 'fairness' that upset Members. He also stated that Toni Johns' treatment was unfair and when he spoke up for Toni Johns it left 'a bad odour' in the COG.

" I can also be mischievous, with an intrusive humour, that relieves tension and grates so that things are not taken too seriously. My wife agrees with me on that.

"As the second child in the family it tends to make me like that. As I could not beat him up [his brother] as he was nine years older, I use to take the piss.

"The problem is that I don't know when to stop, especially when I know I've got it right. It a core issue. In work with my own professional standards of behaviour, the financial management and regulatory role, I won't let it go. It has very clear and set parameters. So sometimes I'll be happy about that and sometimes unhappy.

"Some people say that I can be assertive and overbearing. My wife and staff don't say that as they know how to handle me. I have a good relationships with staff. I know I can be intellectually arrogant but I'm not with my own staff.

"I think Colin is overbearing in the COG meetings - he uses excuses not to talk to me and I get pissed off when he doesn't ask me (to undertake a task) and I tend to do something stupid. But if asked, I always help.

"It happens like this. Colin makes an assertion, and acts on it. I react and say its bloody unfair so I tend to be bloody unfair back. He pushes me into doing things I don't wish to.

"This used to get me into a lot of trouble as a kid, with my parents, especially my mother, and get me into fights. I was small, thin with big hands - but cocky. An East End boy. I would match like with like. I was a street-fighter: dangerous physically but channelled it into rugby. And now I put it into intellectual dangerousness."

He saw some of his childhood traits in his own children and commented what a difference it had made to his own life. "I can still do it... I worked up from the shop floor... to a director's position."

Some of the traits were also seen in his own parents and he spoke of them with affection and respect, without a sense of idealisation. "It's nice to have parental role figures and extended family.

"I've got lots to give [long pause] but where is local government going and how can one influence it. Generally, I don't take work home but in general work hard. The work-home balance is very divided. I personally prefer to keep home isolated from work." Francis Craig then spoke of a number of personal, family difficulties.

"It recently dawned on me that staff say 'you always reassure us' and that's nice - feels appreciated.

"I think I am good at delegating both at home and at work, especially where there is a lot of trust."

Analysis

Francis presented himself as competent and well attuned to the organisation - in the staff, the managerial and political domains. He liked to deliver and used 'professional standards' to set appropriate boundaries for himself. His drive to work outside the boundaries, 'act out' if he doesn't get his way and engage in a dyadic, collusive and dysfunctional relationship with Colin, can be in part traced back to his childhood experiences and how he dealt with his older brother. His coping mechanism for dealing with siblings, authority (parents) or other forms of threat, frustration or competition was to hit back out of a sense of fairness. As a child this may be seen as justified rage. As an adult, it appears to feed some other unconscious need in relationship to Colin.

Given other data reported in this case, some of it may be competition for the post of CEO, envy and sibling rivalry. While Colin Maccini is not nine years his senior, Colin's seniority comes from his role as CEO, drawn from a body of equals. Thus, there is likely to be a degree of transference, counter-transference and projection operating for Francis and maybe Colin too. The other part is the authoritarian way in which Francis Craig experiences Colin Maccini's management style and his negative reaction to such authority since he was a child.

Francis Craig also valued his family life, despite some of the difficulties which the family managed. He separated work from home very clearly and this splitting provided a boundary from the excesses at work. His coping mechanism for those excesses are to 'act out' and get into trouble, as did as a child; or sublimate his frustrations by working extra hard or launching an intellectual attack, like the game of rugby. Thus, he can get into playing games.

His notions of family and support are in some ways unconsciously carried from his appreciation, that the new Members may just need support as they take on the challenge of running the authority. Francis's comment about staff finding him reassuring may also symbolise the 'solid man' he saw in his father and as he may wish to be himself. The lack of a university education was raised as something that stopped him from feeling completely 'whole' was discussed in the first interview. Yet his 16PF indicates a high score on intelligence.

Harold Matthews

Harold Matthews was the youngest member of the group at aged 40. He said of himself that he had a serious approach and was not light-hearted enough at times. Harold Matthews said that he was interested in process and its balance with task. He saw himself, as did others, as fairly introverted. He was normally happy to speak off-the-cuff but in the group he did not feel confident to do so and liked to think things through first. He said: ' I do this because I do not always feel confident about myself or trust the group.' But if the issue was important enough he was prepared to challenge.

"I am not an extrovert, talkative or expressive and not infectiously enthusiastic."

His MBTI profile, and he agreed, was INTP tended to support this view of himself. Although he was warm hearted the conversation regarding his Firo-B suggested that he did not need to be included and was happy to stand outside of events.

He suggested that his approach was rooted in his experience of being at school where he was not a good performer. "I was in the lower class of a grammar school at the age of thirteen and was not a real achiever.

"It was not until after I left school and attended a management course that I realised that I had something to offer.

"Another reason why I am so quiet in the group is that the group does not always work on strategic items, deferring to the easier operation things." (See comments on defensive routines in section 5.2). Furthermore, he stated that: "When people start playing games, and I'm not in the chair or in control, I just shut off."

He also felt that Toni Johns was feeding Members with information to oust him out.

"I have little respect for authority but am able to manage it most of the time."

Analysis

Harold Matthews appeared to take the role of the introverted, process strategist or "intellectual" in the group. This was partly his natural style but it may be also used as a defence against getting it wrong and the possible attendant feelings of being perceived at the low end of the class. As the youngest member of the group, and a source of at least one colleague's attack, such feelings may have some validity.

He was unapologetic about his style and re-emphasised at the end of the interview that he was: "Not an extrovert, not talkative or expressive and not infectiously enthusiastic." The interview ended abruptly at that point.

His dislike for authority, and possibly the role of the researcher, may be reflected in the abrupt end in the interview and it being punctuated with the nots.. The authority issue may be related to the experience of school Harold spoke of that had failed to validate him for whatever reason.

Leon Davids

Leon Davids presented himself as a fairly jovial and positive individual. He was in his late 40's and had a good track record in local government. He came to the council from a neighbouring authority, where he'd felt that he had gone as far as possible in that job.

Leon Davids said: "I'm creative, imaginative, gregarious, easy going with entrepreneurial skills and prepared to take risks." His profiles reflected his own views with an agreed MBTI of ENTJ and the Firo-B highlighting his expressed and wanted desire for social contact.

He felt that he had good leadership skills and was a good analytical thinker.

"I'm able to organise himself, get money from the council and am fairly upfront and team orientated with my own directorate teams."

He acknowledged that: "I'm sometimes seen as always having hare-brained schemes by the COG but the project management bores me to tears." In fact, it was one of his 'hare-brained schemes' that led to his departure.

He also acknowledged that in his current role he had a problem with saying no, challenging Colin on very difficult deadlines and taking on too much. When asked why was it hard to say no, Leon Davids admitted that it was due to, "Not wanting to offend. It's a personal thing. It's wanting to be a good boy sort of thing."

Leon also found it difficult to have a voice in the COG management meetings, being one of the quiet ones, compared to being in his own directorate team meetings. "I'm more confident in my own team. In the Board we are set up as a group of equals but it does not feel like that. Everything is polished and it feels that papers are signed, sealed and delivered. There are less ideas and the focus is unreal.

"I feel better as a COG member outside the room than in it. For example the Quality Team is an excellent one and I run that.

"The room also feels weird. I feel more secure in my own room. The room for the COG management meetings carries a lot of baggage of those where we have horrid meetings with committee. When we use other venues we achieve more on the away days, but elected Members are unhappy about it."

Leon sought and gained a great deal of personal satisfaction from passing examines. He had done a DMS earlier in his career as well as his professional exams and had just completed another diploma programme by Open University and was to take on another. He'd received top marks for his year.

"I'm extremely proud of my academic achievements."

He also gained satisfaction from his staff being praised, as it reflected his glory. He also liked to have an entrepreneurial and high profile approach.

"Working in teams is the best approach," reports Leon Davids. On asked why, his response was that his belief in working in team arose from his public school days, his squadron days in the RAF and some of his university experience as a student. He also learned from his early career in local government, around the mid 70's, that the autocratic style of his boss was experienced by all as, "awful and if I'm in charge I'll never operate like that. I operate an open door policy yet for some senior managers, not heads of services, they find it hard to come through the door of the Director." A further exploration of the strong attachment to teams is closed down as Leon is unable to remember anything from earlier on in his childhood, before the age of nine.

Analysis

Leon Davids is experienced as friendly and ambitious. His strive to do well, be the best student, be a good boy, and be liked by his team may suggest a desire for **approval** from others - peers, subordinates and those in authority. It may also reflect an internal critic that he needs to do really well to be approved. He is good at his work and his personal profile suggests a preference for visionary leadership, which supports his strategic and idea's driven approach.

Leon Davids' **role** was the quiet one. Given his need for external recognition, his positive regard for teams in general and authority in his own team in particular, there is reason to believe that the COG's group dynamic reinforced the silent role for Leon and that it had some resonance for him. One thing that is evident from others' views of Leon and his own analysis of himself is that he found it difficult to take up his full authority in the group. The organisational and group context explains some of this **role hesitancy**. But the negative attachment to the room, which may have symbolised a critical parent in the mode of the elected Members, plus his ability to run his own show outside the group suggests that the group and Leon were enjoined in an unconscious dynamic to hold him in a particular role for the group: the quiet, hare-brained one or the 'idiot' of the group (Bion, 1961). It is also possible that there was some **ambivalence** on Leon Davids' part between being a team player and the deeper desire to be an individual as expressed in his other roles outside the group. It may be the **fear of rejection** by his peers or even Colin Maccini in his role as authority, that keeps Leon Davids from fully functioning in the group. When Leon Davids did take his ideas to the limit, took up his role his internal prophesy was fulfilled and the elected Members rejected him. He was sacked.

4.3 Do individual 'valancies' reinforce difficult group dynamics? An analysis of the individuals

Each individual's personal dynamic were presented from the in-depth interviews that explored their personal history, inner dialogue and context and meaning for each directors. While each member had their own unique history, inner tensions and conflicts, they all fitted a role within the group that served some of the needs of the group as well.

Each of the individual issues and concerns that affected how members of the COG took up their role had its own origin. Yet there were a number of common themes that emerged, which provide a wider systemic understanding of the dynamics in the group.

The social and unconscious roles that people took up and were given were a function of three key elements:

- People's personal style
- Their family and childhood relationships
- Their formal job roles

Theory suggests (discussed in chapter 7 on roles) that there are links between personality preferences and job roles. Thus, these links are as expected. However, the factor that appeared to significantly reinforce these roles was the unconscious and collusive dynamic of the group. Each of the individuals had a variety of skills, strengths and preferences and as team members acknowledged, if these skills could be harnessed then the group could achieve a lot during period of transition (Anne Marks, Judi Patch and Geoff Brown). However, instead of the differences being a source of innovation and change, they were used as way of fuelling the defensive routine of the 'cycle of mistrust'.

The 'cycle of mistrust' was driven by the daily pressure of the organisation but could be seen as: tensions lead to miscommunication and misunderstanding, which means mutual expectations are not clear or met and results in poor outcomes. As a result trust is low and politicking and with-holding takes place leading to greater tensions and miscommunication and misunderstanding. The compound effect of differences being used as an ego defense for individual role rigidity and a group defense within the team, partly helped explain how this dynamic continued.

The dynamic however can also be seen at a personal level. For each individual another source of the dynamic was the splitting and inner conflicts within themselves. Each in some way talked about the internal critic - past messages of 'not being good enough' were expressed by all bar Colin. This was juxtaposed with the other phantasy of some ego ideal - the 'hard-edged' CEO, the entrepreneurial CEO, the intellectual, the solid man, the great thinker. All represented notions of the ego ideal and maybe how people would like to see themselves. These two contradictory aspects of self suggests an inner conflict. It is suggested that these inner conflicts were played out in at least two ways.

Firstly, it led to roles being limited and encouraged individual defensive routines, which reinforced how directors took up their roles. Secondly, the inner conflicts were projected into the group and it is suggested that they were enacted on the group's behalf by the duelling pair of Colin Maccini and Francis Craig, with Toni Johns as Francis's additional shadow who would tend to egg Francis on. It could be said that Francis and Colin represented the split in the COG.

The underboundedness in the system and at the inter-group level may have resulted in the conflicts among the elected Members spilling into the COG. Thus, the dyadic split between the CEO and Francis Craig could also symbolise a greater difficulty in the council, among the elected Members, the staff and the subgroups in the

management Board between traditional democratic local government and the new, meritocracy of managerialism. Thus, it can be argued that the two men also enacted in actuality and existentially the competition and rivalry that was in the group and the system more broadly.

These two thus provided a focus for the dominant unconscious dynamic of role rigidity, authority and conflict. It became a stand off. Thus, it is suggested that the COG as a subsystem was trapped in its own turmoil, in a context and organisation that was itself in turmoil. Thus, systemically, it was difficult for these dynamics to change - for the group or for the individual.

Within the group, two or three had a stable family and social life outside of the group. But because their investment and attachment in the group was not as great, or because they were ambivalent about their role, they did not take up a stabilising role in the group. Instead, they either stood on the touch-line and watched (Judi Patch and Anne Marks) or even fuelled it (Francis).

The inference from this case analysis is that individual valencies can reinforce difficult group dynamics through projective identification and the dynamics of the 'group matrix'. These processes can lead to role rigidity and a reduction in personal authority and group task effectiveness and learning. In this case, the situation was aggravated because the possibility of containment of the group was undermined by the wider systemic dynamics of the elected Members and their collectively impact and underbounded relationship with the COG.

These themes along with the analysis of the group and contextual level provide some other insights and understanding of the collusive and deep dynamics of management groups.

Postscript: After the elections and implications for the group and individuals

The Labour party was elected with a majority. The group's context after the elections was initially seen as positive but this rapidly changed. The first member of the group to be sacked was Toni Johns. This happened in the late Autumn of 1994. In his politicking before the elections, he is said to have 'crossed one of the Members' and his angry retort gave them enough to get rid of him.

Then there was Leon David.

Judi Patch (Policy unit) was the informant about the changes that had occurred since the first interview (second interview October 1994): "The Members had expressed great displeasure over two leisure events put forward and carried out by Leon and his staff and had asked for an investigative panel to look at it."

The panel included the CEO and two other directors. Patch continued: "It's the tip of the iceberg... there's going to be a major clear out."

"There is a lot of nervousness at the top at the moment. Most of the directors are doing twice as much -working sixty hours a week... The uncertainty is so difficult to manage. It means we're always tired. On one hand the Chair of Leisure is praising the work then, later wants Leon's head on a platter.

"Only the new leader is trying to keep things cool but there are no clear messages. We are all being carried away on the crest of the waves and it feels like a runaway train.

"I'm nervous that I am guilty by association and feel this is being used as a convenient way to get rid of the Board. It's a very tense situation. I'm sure Colin will have his own version. But the uncertainty. Members do not want to hear the bad news and they are looking to Francis to be a White Charger to deliver them from the problems." Judy Patch

Initially Leon was suspended from duties. But it did not stop at Leon Davids. Geoff Browns was also investigated by a panel for "inappropriate actions"[10]. The panel included the Colin Maccini (CEO) and Anne Marks (Admin). The new leadership did not accept the panel's conclusions and set up another committee with leading party Members involved in the new panel. In the event, Geoff Browns and Leon Davids parted company with the council and Colin Maccini also left on the grounds of principle.

Francis Craig (Finance) had an additional view on the matter. He suggested that the Members may be just as uncertain and concerned as they were. "People need comfort about what's going on. There are three zones: comfort, discomfort and pain. The Members comfort and discomfort zones are very small so they get into pain quite easily and with that is panic." (Second interview, October 1994)

[10] These "actions" were never discussed in the public domain so remained unknown

5. Organisational learning

Question four: Is the organisation able to attain strategic organisational learning at a high level?

The purpose of this section is to address three sub-questions about the nature and level of strategic organisational learning in the system and the impact of systemic defensive routines. The sources of data for the inquiry are varied: the responses to the first interview, the dialogue and feedback sessions held at the interim stage of the research, and a review meeting with the CEO in December 1994.

The three areas of inquiry are:

5.1 Is there strategic organisational learning?

5.2 Is such learning double loop?

5.3 Does the strategic leadership provide facilitative structures for learning?

5.1 Is there strategic organisational learning? Its nature and scope

Organisational learning here refers to manner in which the strategic apex of the system understands how it interprets its environments, acts on its decision and systematically reviews and institutionalises its findings. It is based on the elements argued in chapter 5: scanning, detection and interpretation, taking action, reviewing and learning and countering organisational defenses.

5.1.1 Scanning and detection:

The COG group was the body responsible for this. We have seen from earlier accounts, especially of the strategy days, that a considerable amount of scanning took place in this organisation. Information about funding trends in Europe, a research review on other neighbouring authorities performance, regular informal bench-marking and constant scanning of the local economy. Thus, the organisation had formal and informal systems of scanning.

The group was also able to detect when things may go off path. However, this sensitivity was mainly focused on one agenda during the period of the study: the local elections. Thus, the COG as the strategic executive group lost the long-term, overall strategic picture and were absorbed by the local, short-term and political agenda. The consequences were:

- An obsessive drive for data to the point that it could not be efficiently processed and thus the action was counter-productive.
- Some strategic data was ignored -e.g. CCT was only on the agenda once during the 6 month period September 1993 to March 1994.
- Interpretation of detections was distorted by the need to 'fit' the outcome to needs of the new elected Members in May (particularly evident in the April strategy session).

Thus, the system was able to scan but its focus for detection appeared to miss or mis-read the interpretative element on the broader strategic agenda for an operational one that was short term.

5.1.2 Taking action

The COG readily took action under the leadership of Colin Maccini (CEO). The COG developed new processes and approaches to old problems - for example on economic development, housing, inward investment. They developed a number of new initiatives as well. These included attracting huge sums of government funds, developing new partnerships with other authorities in the regional and new relationships and building programmes with additional planning gains with the private sector. A number of the COG members were being used as 'consultants' and they did local authority seminars as part of their professional profile. They would tell other authorities what they did and all of this was taking place quietly. As one officer noticed: "We don't spend enough time celebrating the successes" and with little time for formal strategic reflection and planning some of these community benefits and successes were not a source for further learning, systematic processes, sharing within the organisation or even replicating.

5.1.3 Reviewing and sharing of learning

The COG was made up a number of leading professionals in their field. They professed to seek learning in their field and many were happy to share their wisdom with colleagues in other authorities. They valued professional or peer recognition at external seminars or with other agencies. However, sharing inside the organisation appeared more difficult.

Sharing across departments was described in the following ways:

"It easy to work in my own directorate. Eighty per cent of satisfaction comes from that." Toni Johns (Technical Services)

"It varies considerably." Geoff Browns (Environment)

"The departments blame the COG for what happens to them." Harold Matthews (DH and SS)

"Need more information to go up and down. There's a barrier between the departments." Geoff Browns

Both Colin Maccini (CEO) and Leon Davids (Leisure) said it worked well in the senior management cadre of the top 150 managers but after that it fell apart.

These accounts suggest that it is not easy to share learning across department boundaries.

Looking at the strategic review process, it was also noted that instead of strategic reviews there were more progress chasing meetings, people were often working by the seat of their pants, e.g. Geoff Browns' committee report and the sense of rushing about mitigated against learning.

There were also examples of the group avoiding its task.

Harold Matthews said that one of the reasons he was quiet in the group was: "I'm reluctant to take part in things that should not be at COG management meeting, which are really not strategy. There is a tendency to deal with easy things rather than the real ones." (Harold Matthews, second interview, October 1994).

Colin Maccini claimed that 95% of decisions were carried through. This claim was tested by examining the strategic content of the decisions from September 1993 to March 1994. Of the 39 items on the agenda 35 were carried through and completed (90%). The majority (37%) were of a strategic nature - looking at resources and strategy. (See table 12.4 below). A further 17% were 'corporate' initiatives across the organisation. They included: health and safety standards, the organisations proposals for its training policy, the internal quality initiative, telephone responses and the provision of computer services as examples. These topics would facilitate or hinder strategy but were not themselves strategic issues. However, if they were included then 54% of the agenda would be 'strategic' in nature. The other items included issues affecting individual directors which had greater or lesser impact on the strategic direction of the authority. For example items affecting the devolved local education through Local Managed Schools came under this heading. It still left a third of the items addressing internal administrative issues.

Table 12.4[11]

The key decisions made by the COG over a six month period

Type of Decision	Strategic Resources	Corporate and organisational e.g. Health & Safety	Lead directorate with strategic implications	Individual directorate	Internal Administrat-ion	Other
Number of completed decisions	13	6	2	2	11	1
% of completed decisions	37%	17%	6%	6%	31%	3%

[11] Source: Internal tracking document held by CEO.

A further break down of the nature of decisions show that the majority were accepting reports and an exchange of information. Problem solving and strategic implementation decisions numbered six. Four items remained outstanding or were 'in hand'.

The level of strategic content and impact within the group was low and thus possibility of strategic organisational learning was also likely to be low.

5.2 Is there double loop learning? The role of defensive routines

Double loop learning was not apparent in this case study. Quite the opposite. The organisation seemed to have developed a number of internal routines to impair its own learning. The data suggests the system had learned to locate its internal stresses and anxiety into an internal bad object: namely the CEO. It had learned to manage the transitions of change by scape-goating CEOs and exporting them. The case for suggesting that the CEOs were scape-goats and not just poor performers is as follows. If all three of them were poor performers it would reflect the quality and judgement of those that appointed them. Secondly, the sudden, attacking and unresolved manner that led to the parting suggests that the process reflected some other underlying problem within the social system of the political leadership. There was considerable evidence for that. Finally, this dynamic process had happened three times. It suggests that there is something wrong with the system, where the scapegoat argument puts forward the view that the scapegoat is a manifestation of the problem not the root cause.

Finally, the organisation engaged in a number of defensive routines. These operated at an individual level, at a group level and systemically. The role of these routines, it is argued was to protect the organisational agents from confronting the anxiety, conflicts and pain that they experienced, acknowledged or were not publicly shared.

The purpose was to avoid further pain. Yet the implication of the model suggested in chapter 8 is that only by public sharing of these dynamics can one systemically break these cycles and regain learning.

Thus, it is inferred that the dual effect of 'fragmented single-loop learning' and dysfunctional learning suggests that the capacity for strategic organisational learning in this system was low.

5.3 Does the strategic leadership provide facilitative structures? Implications

There are four sources for considering the strategic leadership in this case study: the elected Members, the COG, the CEO and other ad hoc groups.

- The information about the role and dynamics of the elected leadership group both in the political majority and the wider elected Membership suggested that there was considerable in-fighting, a lack of leadership and low levels of trust.
- The CEO provided a vision of how he wanted the organisation but this was not widely shared and in some instance provoked an opposite and equal reaction among the COG management group, staff and also, it was reported, among elected Members.
- The COG management group was not aligned around its task and its boundaries, due to splitting within the group, political differences and their own valancies which played out in the group in a way that restricted both the individual taking up their own authority and the group being task and learning focused.
- The critical boundary for the organisation was in the strategic apex of the elected Members and COG. The inter-group dynamics was poor and appeared to be 'under-bounded' and thus unable to act as a container or a 'holding environment' for learning.

Thus, it is concluded that the strategic leadership was unable to provide the conditions to facilitate learning.

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The implications of this final commentary on defensive routines is that the system was under-bounded and operated from a 'schizoid paranoid' position. The system did not then have the capacity to manage and learn during change and as the flight from the difficulties increased, the system was even less equipped to learn from change. A macro-systemic defence was evoked, which reinforced the other defence patterns. This suggests a system in 'manic denial' (Jaques, 1953). In such a case learning would be severely curtailed.

6. Personal insights

In the spirit of self reflective inquiry and a 'clinical' approach, this section records some of the key experiences and dynamics, I experienced in the role of researcher. It describes some of the feelings and thoughts about various aspects of both the organisation and the process and concludes with additional personal insights.

Experiences and reflections will cover:

- The environment and context
- The leadership within the system
- The team of directors
- Individuals in the system
- The research process
- Personal insights and learning

6.1 The environment and context

My initial experience of the environment and context was described in the entry process in section 1.2 above. It was a formal meeting in the Boardroom but the majority of people were open.

The external environment only seemed to live to me in the conversations about the budget, CCT and the regeneration project in the south of the borough. There was little attention given to central government or other external pressures.

The internal context was more apparent. To begin, the building itself was a filled with activity and it had a efficient yet open buzz about it. There was a strange juxtaposition of openness and boundedness. While the reception was an open-spaced lobby, there were several security guards almost lounging in the main entrance and exit points. I had to get a special pass to get around the facilities and although I became well-known by guards and reception alike, I still had to sign the book.

Many floors had 'Staff only' on the doors as you came out of the lifts yet it was easy to stroll into any of the open plan offices.

Another example was that the minutes of the COG management meetings were printed in the canteen, yet people still used the rumours to get their information, or even asked me, about the COG. Moreover, even though I asked for copies of the minutes, these were never given.

Thus, there was a mixed message around openness and boundaries which may also be a reflection of the organisation as a system and the ambivalence and difficulty it had in managing boundaries.

In the lifts, canteen and in various staff meetings, staff openly discussed their contempt for the COG, their concerns about job security and constantly speculated about the sanity of the CEO. Yet they were all loyal workers and would do most things to make it work. Thus, the commitment to public service was also a feature that struck me about this local authority and its energy and desire to deliver, compared to my experience in the other local authority case in chapter 14.

While I only met elected Members in passing, their political agendas did not seem to be a concern to staff. The latter were more interested in the CEO and the COG. The tensions around the elected Members seemed to be mainly experienced in the COG: individually and collectively. Thus, as I experienced staff, through many informal conversation and observations, they would say that it was the COG that was making the context 'unstable. Whereas, for the COG they would say it was the elected Members.

Thus, I would summarise my experience of the environment and context as:

- The conditions of the external context had less impact than expected.

- There were clear differences of experience between the COG and the staff generally and where they saw the source of the problem regarding the 'stability' of the authority.

- The COG were absorbed by the tensions of the forthcoming elections and I would suggest that as a group they held these tensions on behalf of the system more broadly where examples of splitting have been illustrated in several of the accounts above.

6.2 The leadership within the system

While the CEO was not the original contact, I grew to like him and respect him. He was energetic, full of ideas and determined to work counter-culturally to the norms of the organisation. This I admired, and felt a great deal of empathy for his ideas, vision and energy. These feeling I noted during the course of the study. It helped me to understand why people would find his style both attractive and maybe arrogant. His self belief was what seemed to draw the links through projective identification and as I felt it, I understood those who were his 'favourites' or on his side.

If you were more data rational and traditional, I could also see how he could upset you or turn you off. The interaction between Colin Maccini and Francis Craig, where the two nearly came to blows in the account of the management meeting above, I feel really makes the point about these differences.

The various feelings that members of the COG spoke of regarding Colin Maccini, were also part of my experience and understanding of him. Thus, I could see how his role may be more defined by the 'group matrix' over his ability to take up his authority and act a container for learning.

6.3 The team of directors

My first meeting with the team was recounted in section 1.2. As a group I experienced them as relatively open to my presence with some exceptions from Toni Johns, while I was in the meetings. For example in the first meeting of group observations people actually shook my hand, others acknowledge me with a smile and direct 'hello' and I was formally introduced. Only Toni Johns ignored me. Meetings usually started with a lot of informal conversation, which was jovial and light-hearted. It would usually inform me of the latest events with the elected Members from the committee meetings the evening before.

They rarely started on time and people would turn up two three minutes late. This did not seem to be any one individual: it would vary. Trudy Lukes often would send substitutes as would Geoff Browns and Toni Johns but both to a much lesser extent.

My feelings about the group was there was a core in my mind of Colin Maccini (CEO), Anne Marks (Admin), Francis Craig (Finance), Harold Matthews (DH and SS) and Judi Patch (Policy unit). The others either sent substitutes so did not have the same impact or were there but not make their mark.

Overall, my feelings were positive to the group and especially once the first, one to one interviews took place. I found all the members of the group interesting people who just wanted to get on with life in their own way.

While I did not feel that there was a great deal of goodwill in the team neither did it feel that the group was a based on malicious intent to each other.

6.4 Individuals in the system

My experience of some of the individual team members among the directors concurred with that of their colleagues and their areas of interests in the second one to one, in-depth interviews (see sections 4.1.1 and 4.2 respectively). The CEO, Colin Maccini, I have already made some comments about him as a key player. However, four other people stood out for me. These were mainly members of the 'core group': Anne Marks (Admin), Francis Craig (Finance), Toni Johns (Technical Services - not a 'core group' member) and Judi Patch (Policy unit).

Anne Marks was the person who had been my link into the authority. Thus, I had some feelings of obligation towards her and a sense that I had to make sure it went well. Throughout the study I felt she reciprocated this mutual obligation and was supportive and thoughtful. While others described her as cool and remote this was not my experience. I found her fair, trust-worthy and co-operative. However, I also need to note our sense of interdependence on this study.

Francis Craig was one of the early skeptics of the research. Yet he turned out to be one of the most active participants. For example, he had three bites of the (first) one to one interviews and just simply talked and talked. He was honest about his views and intentions and shared many personal aspects of his life much to my surprise. He didn't seem to hold back from voicing his concerns while I was in the meetings and that made the study all the more interesting. Thus, I admired his street-boy, fighting spirit which reflected some of my own patterns around authority objects and thus could identify with him. This was a surprising insight and may explain the level of empathy I may have signalled that made him feel so at ease in talking.

Toni Johns made an impression with me because he said what he wanted, he was unorthodox, and challenged authority. In the one to one meeting I had with him he was charming, eloquent and even gave me a book to read on 'The Art of Judgement'[12]. His abrasive nature was refreshing. He certainly stood out and would not be easily forgotten. He could be rude and very direct; both were witnessed in COG's management meetings. He appealed to the rebel within me and this may lead me to have a more generous view of him than others. To balance this view, he also displayed a wish to attract negative reactions from his colleagues, so seemed to play a game within a collusive dynamic of him being the group's scapegoat.

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[12] By Sir Geoffrey Vickers (1965) University Paperback. I still have this book but have never read it.

Judi Patch became my organisational 'minder'. She would constantly brief me over the telephone, in the corridor, just before meetings and make sure that the detail of the project went smoothly. She was a constant source of data well into mid 1996 and almost seemed to enjoy being useful and being the 'insider' or 'deep throat' of this sub-urban district council. It seemed to me that what she lacked in formal authority she made up for in her informal authority and the range of secrets she held for people in the system. It was 'as if' she was the organisational confidant and that, I suspect, was a role she enjoyed.

6.5 The research process

The research process is described in detail in chapters 10 and 11. The area that is touched upon here reflects what was different about this study and what were some of the outcomes.

This case study was the first case study thus it was where the research approach was operationalised. (See Appendix 8.4 on the lessons learned). Thus, I had more information and did more non-participatory and organisational observations than later studies. I also spent more time in 'public areas' listening and watching how the organisation worked and talking informally to staff and people along my travels in the council. This provided the scope for learning and applying the methodology but the process was more driven by the experience of the system, until it became more codified as the research progressed. My main reaction is a sense of loss: there was something about the first case that was more vibrant and open to exploration than was experienced in the others. This may be because it was the first case, the energy and people in the other organisations were different or that by adding more structure to the research process some of the complexity may have been lost. It is likely that all are true but it is not easy to give any of these more weight over the others with any confidence.

Finally, the group used the feedback from the dialogue session in September 1994 to support another strategy away day where they used an external consultant. Unfortunately, I could not be present due to other commitments. However, I did have a sense of pride that the feedback was valued and used to support their strategic thinking. It was important to me that the research met its academic purposes but also that the participants in the research found it useful so that the work was not totally irrelevant to its application to the 'real world'. It also gave me the spark and confidence to revise and take the methodology to other cases.

6.6 Personal insights and learning

The process of engagement with Ellismoore District Council has been rich with learning and insights. Thus, I am choosing to be selective on the top key themes that emerge from my reflections.

- My identification with the notion of strong, dynamic and process thinking leader was high. This seemed to fit part of my ego-ideal, the way I would like to see myself, in a leadership role.

- At the same time I was also surprised by my identification with the rebel and outspoken nature of Francis Craig and Toni Johns, both whom I admired for different reasons and in some ways they provided a balance within the 'top team' to the CEO. They also may highlight my own ambivalence about authority and how one manages that in the researcher's role where it is important not to idealise or denigrate characters in the 'drama'. I felt able to do that by understanding those parts of myself in others.

- I was also struck by the need for the work to be seen as useful and valuable to the participants and not just 'academic'.

- I was also struck by the level of connectivity I had made with the team members

collectively and individually and kept a track of their progress after the research was formally complete in February 1995 - until July 1996.

- Finally, the importance of recognising these dynamics between the researcher's role and the system and using these feelings and thoughts as data to gain further understanding about the organisation continued to be a source of learning.

7. Conclusion

The case material suggests that there were a number of dynamics that impacted on organisational learning. In particular this thesis suggests that history, inner processes and context at the various levels of a social system are all important and has put forward five propositions.

The first question concerned the impact of the environment on the 'top team' and it explored the relationship between the turbulence of the environment and the organisation's ability to learn (at the strategic level)

7.1 Was the environment turbulent?

In the case of Ellismore, we found that the organisation was in fact operating in changing environment but at the time of the study it was not 'turbulent'.

Theory suggested that the environment would have a significant impact on the organisation's strategic system and its capacity to learn. In this case we saw that the early high rate of change in the external environment led to the organisation's initial incremental change strategy to be tested and eventually it collapsed in the face of more change. This led to changes in structure and style - see summary table 12.1 above.

However, the impact of the changes were not only a feature of the external environment, but also a feature of the way in which the strategic system - elected Members and the COG - responded to the changes.

It was posited that the (internal) context of the organisation would also impact on learning and it was observed that the historic attachment to the past political consensus, the political infighting and the resultant lack of leadership, strategy and direction, aggravated the impact of the environment and reinforced the strategic system's incapacity to learn. These twofold dynamics of the external and internal environment provided some initial support for the argument that the environment alone is **not** responsible for the capacity of systems to learn from change, but it is also the history and internal conflicts and political dynamics of the system that can hinder or facilitate strategic organisational learning. It is thus reasonable to conclude that a failure in the internal system to manage the boundaries with the environment will lead to negative impact on strategic organisational learning and reduce the impact of such processes.

7.2 Was the 'top team' able to manage its task and boundaries?

How well does the 'top team' manage itself? The inferences from the discussion is that the 'top team' does not manage its task and boundaries well. The group was well aware of its deficiencies in having a common task, understanding how to work well together and managing the boundaries with the elected Members more authoritatively. The 'top team' did not manage these key aspects of their process and this led to low task attainment and lost the opportunity for containing the learning.

The CEO attempted to guide the organisation more proactively but was perceived by some as arrogant and many of his strategies ended up being counter- productive: alienating staff and elected Members. The net impact of the COG was its inability to contain the conditions for strategic organisational learning.

7.3 Do the dynamics of the group impact on organisational learning?

Data from the accounts and the group observations on the dynamics of the group, suggests that its capacity to 'work' and learn was impaired.

In exploring the nature and dynamics of the group, theoretical propositions suggest that we can understand these in terms of 'basic assumption' behaviour. These can be understood as a function of three dynamics:

- The dynamics of the group
- The personal valencies of COG members
- The organisational systemic dynamics

The group's dynamic was described as conflictual: both by the group and through the researcher's observations. There were fights between pairs, splits in the group, groups within the group, projections onto the leader and flight behaviours. There was also scape-goating and the formation of the group matrix seemed to reinforce self-limiting authority roles for individuals as well as perpetuate the difficult dynamics in the group. The prevalence of basic assumption activity and low levels of 'work' suggested that the group dynamics did impact negatively on learning as the group took flight from reality, adopted defensive routines and operated in various stages of denial. Bion (1961) suggests that the underpinning nature of these features of the group is existential anxiety: a fear of annihilation. These group phantasies become 'as if' real and impede, even resist, task attainment, robust exchange, reality testing and learning. Two elements of this thesis help to throw light on the group phantasy. These are the personal valencies that people brought to the group and the systemic dynamics of the organisation.

The impact of personal valencies appeared to be significant. In this case study, COG members took on unconscious and rigid roles that fed their preconscious phantasies and early messages from childhood that formed part of their current inner dialogue. These thoughts provided individual's with a sense of themselves and in this case showed how they took up their role authority in the group. It was observed that firstly directors seemed take up less than their full authority in role and in the group. Secondly that directors appeared to 'act out' on the basis of this 'inner dialogue' thus reinforcing their limited selves and feeding the difficult dynamics in the group through the group matrix. These personal valencies provide a focus for the group through projective identification and it is the combination of the group and the personal through projective identification that makes the collusive nature of the dynamic difficult to break. Thus the group can become a self sealing or closed system and cease to learn at a high level (i.e. level 3 or 4).

The systemic dynamics in this case study were also influential. The group was in a poorly maintained 'holding environment' where their elected Members were fighting both among themselves and with the COG. Thus, the COG did not have an environment for learning, some of the dynamics of the elected Members were imported into the COG and the additional anxiety of the impending local elections proved absorbing and difficult for the COG to manage. The result was poor boundary management (both by the COG and the elected Members) and a poor holding environment. Therefore the COG was unable to totally attend to its strategic task nor did it have the conditions or capacity necessary - scanning, sharing, reflecting etc. - to engage in strategic, double-loop learning.

7.4 Is there strategic organisational learning at a high level?

In the case of Ellismore District Council, it is concluded that the conditions for strategic learning at a high level were not present and that learning was constrained.

7.5 Additional insights

In the final analysis here was a group that was operating in a conflictual system, with its own internal conflicts and personal valencies. The poor boundary management and external demands caused its initial defense to break down and the system to become eventually fragmented.

Five of the original COG members left during the research. A new political party was voted in and the environment continued to change albeit at a more manageable level. The team fragmented. The three 'independent' group members 'survived', all in many ways representing the traditional side of the council and from accounts by Judi Patch as does the new CEO. The youngest member of the group - Harold Matthews was retained and some of the new COG members were described as ineffectual. (Judi Patch and Colin Maccini)

The coalition around traditional local government may provide a stable point or secure base for the strategic system as the changes continue. The newly elected Members continued to manage their anxiety and were said to have hope in the new CEO. (Judy Patch, Harold Matthews and Colin Maccini). However, following the analysis of this case, it is suggested here that unless a secure base is found and the boundaries are managed better the process will start again and the CEO will be exported in due course.

In reviewing the initial propositions, a number of them seem to hold in this case study. These include: that the internal dynamics of the 'top team', its relationship with the elected Members and its organisational context are important to understanding strategic organisational learning. However, it also challenges the idea that the environment is all explanatory and that the management of the external boundary may be more significant rather than the environment per se. In addition, there are some further insights that are noted. These are:

- The prevalence of organisational and systemic defensive routines carry considerable weight: more than expected and these may help to explain why the system was unable to attain strategic organisational learning through its 'top team'.

- The systemic dynamics of the wider systems appear to more powerful in understanding the impaired learning of this system than the internal dynamics of just the 'top team'.

- If the quality of the 'holding environment' of the group - its context - is poor, is unable to act as a container or has its own conflicts and strife, then this will have a significant and negative impact on the group's ability to learn.

- Operating from a secure base outside of the work and role setting may provide a counter-balance to organisational transition and change. Three of the four remaining COG members - Anne Marks (Admin), Francis Craig (Finance) and Judi Patch (Policy unit) all said how important the family was to them and they were content to stay with the authority. This seems to carry a theme not only about their own continuity but also how they might represent it for the authority more broadly as noted in the postscript about the group's life after the elections. It opens the question as to whether there is a link between stable islands of emotional life and personal capacity to cope with personal change. However, there is no assumption here that such a link would also apply to learning.

These emerging themes provide additional insights for this study.

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The Psychodynamics of Top Teams and the Impact on Strategic Organisational Learning: Three Case Studies in the Public Sector

School of Management

Thesis submitted for the degree of Doctor of Philosophy

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Michael G. Jarrett

The Psychodynamics of Top Teams and the Impact on Strategic Organisational Learning: Three Case Studies in the Public Sector

Supervisor: Dr. Kim James

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This thesis is submitted in partial fulfilment of the requirements for the Degree of Doctor of Philosophy

Abstract

The growing literature on organisational change, organisational learning and the role of the top team prompted the question: what is the relationship between top teams and organisational learning? It seemed that role of the top team was important to attain successful change and ultimately learning. Yet how this was achieved seemed to be poorly understood in the literature.

Thus, the thesis focused attention on the dynamics of the top team, its organisational context and the state of the external environment to gain a clearer understanding of these relationships. In order to deepen that understanding, the thesis took a systemic and psychoanalytical approach and a clinical research methodology, which provided a different perspective and seemed to be more suited to this type of inquiry on organisational dynamics.

The 'findings' from the three, in-depth, public sector case studies suggested that while the dynamics of the top team could impact negatively on the group task, its impact on strategic organisational learning was less significant.

The main conclusion drawn from the study was that strategic organisational learning was impaired not so much by the top team's dynamics, but by organisational and systemic defensive routines.

The source of these recursive patterns was threefold:

- psychodynamic ego and social defenses among top team members, within the top team's group and within the dynamics of the Board

- A poor 'holding environment' so that these organisational dynamics were not sufficiently contained and thus each strategic subsystem was less 'task' focused

- an underbounded strategic apex that reinforced the dysfunctional dynamics already in play

The implication from these public sector, case studies was that while the external environment and the dynamics of the top team were not insignificant, it was the poor quality and instability of the internal organisational context that inhibited learning. The role of the Board or elected officials was particularly significant in contributing to this outcome.

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In completing this work there are a number of people, groups and institutions that I would like to acknowledge and thank for their support, encouragement and contribution to the work. First and foremost I thank the three case study organisations who helped in making this thesis possible as well as increasing my own personal and professional learning.

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Table of contents

Abstract iii

Acknowledgments iv

Table of contents v

Figures and tables xx

Appendices xxiv

Contents

Part one - Setting the scene

Chapter 1: Introduction *1-12*

1. Introduction - The aims and purposes of the work 1

2. The scope of the work 3

3. Perceived gaps in current thinking 3

Shifting the focus of inquiry on the management of change 3

Exploring the role of leadership 4

Putting learning at the centre of change 5

A lack of integration 6

4. The focus of inquiry: the research questions 8

5. The organisational context 9

6. The research approach 9

7. An overview of the rest of this thesis 10

Part two - The theoretical domain 13

1. Introductory remarks (to part two) 13

2. Theoretical areas of inquiry 14

Organisational change 14

The nature of organisations 14

The role of the top team 14

Organisational learning 15

3. A psychoanalytical approach 15

Chapter 2: Understanding organisations and change ***17-24***

1. Introduction: Organisational change and learning 17

2. Concepts of organisational development and change 17

3. Organisational development 18

4. Kurt Lewin and beyond 20

Kurt Lewin's contribution 20

Lewin on change 20

Generalising Lewian models 22

Some tensions in the model 22

Chapter 3: The tensions between rational and subjective analysis ***25-45***

1. Introduction 25

2. Strategies for managing change 26

Empirical rational strategies 27

Normative re-educative strategies of change 29

Power-coercive approaches to effecting change 32

3. Further developments 35

The strategic choice and entrepreneurial framework 36

The systemic conflict framework 36

A processual approach 38

4. The application of a psychoanalytic perspective 41

What does psychoanalysis add to our understanding of Managing change? 42

5. Summary and conclusion 43

Chapter 4: Theories of organisation ***45- 68***

1. Introduction 45

2. An overview of the main schools of organisation theory 46

The thematic approach 46

The historical approach 48

3. Systems theory 52

The environment 55

Task and boundaries 56

Technology 58

Psycho-social elements 58

4. Difficulties in system theories 61

5. A conflict systemic paradigm 63

6. A psychoanalytic perspective 65

7. Summary 67

Chapter 5: Organisational learning and the role of 'top teams' ***69-87***

1. Introduction 69

2. What is organisational learning and why is it important? 69

3. The context of organisational learning 71

4. The role of the 'top team': a strategic subsystem 72

5. What does organisational learning mean in this thesis 73

Orientation 73

Organisational learning: the components 74

6. Levels of learning 78

Scanning 82

Sharing 84

Taking action 84

Review and reflection 84

Defensive routines 85

Systemic problem solving 85

7. A psychoanalytic perspective 86

8. Summary and focus on strategic learning 87

Chapter 6: Psychoanalytic perspectives: the role of the subjective in understanding the dynamics of social systems 88-104

1. Introduction 88

2. The case for a psychoanalytic approach 89

3. A psychoanalytical approach to social systems 90

4. The individual level 91

5. Freud: the father of psychoanalysis 92

Neo-Freudians 93

6. Melanie Klein and early object relations 93

Critique of Klein 98

7. Post Klein 99

Attachment and separation 99

The work of Donald Winnicott 100

8. Summary (of chapter 6) 104

Chapter 7: The application of psychoanalysis to organisational systems 105-125

1. Introduction 105

2. The application of psychoanalysis 105

3. Taking up a role in organisations 107

4. The implications for role 108

5. The organisational group 109

Psychoanalytic theories of groups 110

Developments in psychoanalytic thinking on groups 111

Beyond Bion 113

The application of Group Analytic thinking to 'top teams' in organisational systems 115

6. Implications for groups in context of organisation 118

Inter-group dynamics 119

Large group dynamics 120

7. Organisational level 121

The symbolic nature of the organisation 121

The holding environment 122

Defensive routines 123

8. Conclusion 125

Chapter 8: An emerging model of organisational dynamics - summary for part two ***126-138***

1. Introduction 126

2. The key gaps 126

3. The research question (revisited) 128

4. The emerging model 130

5. The psychodynamics of 'top teams' and their impact on strategic organisational learning 131

6. Working hypotheses 134

Working proposition 1 - Organisation and the impact of the external environment 135

Working proposition 2 - Boundary management 135

Working proposition 3 - The dynamics of the group 136

Working proposition 4 - The individual and role in the group 136

7. Conclusion 137

Part Three - Undertaking the research 139

Chapter 9: The research philosophy and approach ***139-163***

1. Introduction 139

2. Research orientation: reality and frames of reference 141

The role of the subjective 141

The choice of research orientations 142

A constructivist orientation 147

3. Research approach and strategy 148

Introduction 148

Research strategy 149

A qualitative approach 155

4. Summary and conclusions 162

Chapter 10: The research design and methodology ***164-184***

1. Introduction 164

2. The key elements of the design 164

3. Research methods 168

4. Research methods and questions 170

5. Research instruments 174

6. A deeper look at the research instruments 176

The Group Analysis Grid (GAG) 176

Interview schedule 177

Personal inventory 178

The development of the organisational questionnaire 179

The self as instrument 180

Interpretation and dialogue 181

7. Data analysis 182

Task and 'top team' 182

The dynamics of the team 183

Organisational learning 183

Organisational context 183

8. Summary 184

Chapter 11: The case material ***185-198***

1. Introduction 185

2. Case selection 185

Groups in public sector organisations 185

Organisational scope - 'local' 186

Organisational types 186

The selection process 186

3. The overall research process 188

Introduction 188

Key stages in the research 190

4. Methodology and instruments: practice and issues
192

The Group Analysis Grid 192

The interview schedule 193

Personal interviews 194

The organisational questionnaire 195

Clinical methodologies 196

5. Conclusions 197

Part four - Cases in organisational 'learning' 199

Introductory remarks 199

Chapter 12: The 'top team' that fragmented - coping with uncertainty

211- 327

1. Introduction 211

1.1 Background information 211

1.2 Initial contact 213

1.3 The key players 215

2. The organisation and its environment 216

2.1 Is the environment turbulent? 216

2.2 Does the context of the organisation provide a 'holding environment' for organisational learning 223

2.3 Analysis of the organisational environment and context 243

3. The group and task 247

3.1 Does the team hold a common view about its task effectiveness? Is it effective? 251

3.2 Is the leaders role facilitative to task attainment? 252

3.3 Are the boundaries of the 'top team' sub-system optimally managed? 256

3.4 Analysis 262

4. The group and its internal dynamics 264

4.1 Does the team display examples of 'basic assumption' motifs over 'work' 264

4.2 Do individual 'valencies' reinforce difficult group dynamics? 280

4.3 Do individual valencies reinforce difficult group dynamics? An analysis of the individuals 301

Postscript: After the elections and the implications for the group and individuals 304

5. Organisational learning 306

5.1 Is there strategic learning? It nature and scope 306

5.2 Is there double loop learning? The role of defensive routines 311

5.3 Does the strategic leadership provide facilitative structures? Implications 312

6. Personal insights 313

7. Conclusion 322

Chapter 13: The 'top team' that changed - a case study of organisational transition ***328-415***

1. Introduction 328

1.1 Background information 328

1.2 Initial contact 330

1.3 The key players 332

2. The organisation and its environment 333

2.1 Is the environment turbulent? 333

2.2 Does the context of the organisation provide a 'holding environment' for organisational learning 338

2.3 Analysis of the organisational environment and context 348

3. The group and task 352

3.1 Does the team hold a common view about its task effectiveness? Is it effective? 354

3.2 Is the leaders role facilitative to task attainment? 356

3.3 Are the boundaries of the 'top team' sub-system optimally managed? 359

3.4 Analysis 361

4. The group and its internal dynamics 362

4.1 Does the team display examples of 'basic assumption' motifs over 'work' 362

4.2 Do individual 'valencies' reinforce difficult group dynamics? 379

4.3 Do individual valencies reinforce difficult group dynamics? An analysis of the individuals 395

5. Organisational learning 399

5.1 Is there strategic learning? It nature and scope 399

5.2 Is there double loop learning? The role of defensive routines 402

5.3 Does the strategic leadership provide facilitative structures? Implications 405

6. Personal insights 405

7. Conclusion 411

Chapter 14: The 'top team' that stayed the same - a case study of organisational routines 416- 520

1. Introduction 416

1.1 Background information 416

1.2 Initial contact 419

1.3 The key players 420

2. The organisation and its environment 421

2.1 Is the environment turbulent? 421

2.2 Does the context of the organisation provide a 'holding environment' for organisational learning 426

2.3 Does the context support organisational learning? Analysis 442

3. The group and task 449

3.1 Does the team hold a common view about its task effectiveness? Is it effective? 452

3.2 Is the leaders role facilitative to task attainment? 454

3.3 Are the boundaries of the 'top team' sub-system optimally managed? 456

3.4 Analysis 459

4. The group and its internal dynamics 461

4.1 Does the team display examples of 'basic assumption' motifs over 'work' 461

4.2 Do individual 'valencies' reinforce difficult group dynamics? 476

4.3 Do individual valencies reinforce difficult group dynamics? An analysis of the individuals 495

5. Organisational learning 498

5.1 Is there strategic learning? It nature and scope 499

5.2 Is there double loop learning? The role of defensive routines 505

5.3 Does the strategic leadership provide facilitative structures? Implications 507

6. Personal insights 509

7. Conclusion 516

Chapter 15: What impairs strategic organisational learning: lessons and conclusions ***521-542***

1. Introduction 521

2. What are the conclusions form the case studies 525

Revisiting opening propositions 525

Developing ideas and further research 531

3. What were some of the key lessons from the research process 535

4. What are the implications 537

Comparisons with other studies 537

The contribution of this thesis 538

5. Final statement 542

References ***543 - 575***

Figures and tables

Figures

Figure 1.1: The dynamics of top teams, change and organisational learning 2

Figure 1.2: An outline of the chapters of this thesis 12

Figure 2.1: A Schema of the Key Theoretical Areas of this thesis 16

Figure 2.2: Change and Organisational Learning 17

Figure 3.1: The Transition Curve - the emotional journey of change
31

Figure 3.2: A Systemic and contextual model
- The Nadler-Tushman model for diagnosing organisational behaviour 39

Figure 4.1: An Open System: A Simple Model 57

Figure 4.2: A Systems Model for Examining Organisational Change 67

Figure 10.1: The Embedded Relationship of the Group 166

Figure 12.1: An overview of the structure - Ellismoore District Council 213

Figure 13.1: An overview of the structure of Gladding NHS Trust Hospital 330

Figure 14.1: An overview of the structure of Tutherington Council 418

Tables

Table 3.1: A Summary of the Analytical Perspectives 44

Table 4.1: Models of Conflict 63

Table 5.1: Common Problems in Unsuccessful Systems 80

Table 5.2: Features of Successful Implementation 80

Table 5.3: Success and Failure in CAPM Implementation 81

Table 5.4: Properties of Overbounded and Underbounded Systems 83

Table 6.1: Two Contrasting Roles for Personal Responsibility 103

Table 7.1: A Group Analytic Perspective: the 'group matrix' 116

Table 9.1: The Underlying Assumptions Characterising the Subjective - Objective 143

Table 9.2: Choices Between Methodological Issues 145

Table 9.3: Wertz's cannons of a phenomenological approach 151

Table 10.1: The Relationship between the Key Questions and the Methods 171

Table 11.1: An Overview of the Key Relationships between Research Interests, Methods and Propositions 189

Part four: A table of the case study template 204

Table 12.1: The key eras in Ellismoore's history 228

Table 12.2 : A list of items that describe the negative aspects of the organisation from the COG's strategy day in February 1994 233

Table 12.3: The Dynamics of the group based on the Group Analysis Grid (Ellismoore District Council) 274

Table 12.4: The key decisions made by the COG over a six month period 310

Table 13.1: The Key eras in the Trust's history 340

Table 13.2: The Dynamics of the group based on the Group Analysis Grid (Gladding Hospital) 371

Table: 13.3 The comparison of Firo-B score and self assessment for Geoffrey Hands 380

Table 13.4: The comparison of Firo-B score and self assessment for Dr James Miller-Winthrope 383

Table 13.5: The comparison of Firo-B score and self assessment for David Larson 385

Table 13.6: The comparison of Firo-B score and self assessment for Harriet Quinn 387

Table 13.7: The comparison of Firo-B score and self assessment for Ginny DeVoil 389

Table 13.8 The comparison of Firo-B score and self assessment for Jean Peat 392

Table 14.1: The key eras in the Tuthering Council's history 430

Table 14.2. The key dynamics in the group (Tuthering Council) 471

Table 14.3: Firo -B scores for Chris Hinds 477

Table 14.4: Firo-B scores for Paul Harris 480

Table 14.5: Firo-B scores for Fred Jones 482

Table 14.6: Firo-B scores for Ben Chandra 485

Table 14.7: Firo-B scores for Peter Atkins 487

Table 14.8: Firo-B scores for Janet Taylor 490

Table 14.9: Firo-B scores for Charles Tews 492

Table 14.10: The views of the top senior management population on Tuthering's strategic organisational learning 504

Table 15.1 A summary of the key points from the cases presented 522

Appendices

Appendix 1: Coding Verbal Interaction In Groups 576

The Unit Of Interaction For Coding 576

Scoring Of Verbal Statement 578

Appendix 2 - Group Analysis Measures 586

Appendix 3 The Interview Questions 587

Appendix 4 Reliability And Construct Validity For Firo-B 592

The Dimensions Of Firo-B 592

Reliability 593

Validity 594

Appendix 5 The Item Analysis For The Strategic Organisational Learning Inventory (Soli) 596

Appendix 5.1 The Original Strategic Organisational Learning Inventory 598

Appendix 5.2 The Revised Strategic Organisational Learning Inventory 599

Appendix 6 The Clinical Researcher - Job Skills, Knowledge And Attributes 600

Appendix 6.1 Firo-B for Michael Jarrett 601

Appendix 7 Key Issues In Local Government 602

Local Authorities And The Management Of Change 602

Key Changes Facing Local Authorities Since 1985. 602

The Role Of Local Government 613

Organisation And Management Issues In Local Authorities 618

Conclusion 622

Appendix 8.1 Examples Of Field Notes To Case Study One - Ellismoore District Council 623

Appendix 8.2 Results Of Group Observations Based On The Group Analysis Grid 625

Total Group Scores 625

Analysis Of Group Scores By Session 625

Appendix 8.3 Overview Of Personal Inventories 629

Appendix 8.4 Lessons And Conclusions From The Research Process 630

Appendix 9.1 Examples Of Field Notes To Case Study Two - Gladding (Nhs) Hospital Trust 641

Appendix 9.2 Results Of Group Observations Based On The Group Analysis Grid 644

Total Group Scores 644

Analysis Of Group Scores By Session 645

Appendix 9.3 Extracts From A Gladding Trust Executive Meeting 647

Appendix 9.5 Firo-B Scores For Gladding Hospital Trust Directors 649

Appendix 10.1 Examples Of Field Notes To Case Study Three - Tuthering Council 651

Appendix 10.2 Results Of Group Observations Based On The Group Analysis Grid 654

Total Group Scores 654

Analysis Of Group Scores By Session 654

Appendix 10.3 Extracts From The Director's Group Meeting 657

Appendix 10.4 Firo-B Scores For Tuthering Local Council 659

Cases in organisational dynamics

Chapter 13 - The 'top team' that changed - a case study of organisational transition

1. Introduction

This case study is about a 'top team' in an NHS hospital that experiences considerable change in its environment and context and the difficulties it faces to adjust during its phase of transition.

Information about the setting of the case, the initial contact and entry and the key players is provided in this section. The organisational and group dynamics form the bulk of the rest of this chapter with analysis of the presenting data.

1.1 Background information

Gladding Hospital Trust was established in 1991 as a second and local hospital in the area. It is on an expansive, site about four miles south of the city centre. There are four other much smaller sites attached to the Trust. The main site is very green with a combination of pre-war buildings and some newer buildings, including the new Maternity Wing. The hospital has good service roads and parking facilities, which are essential to get from one part of the site to the other.

Gladding Hospital gained Trust status in 1991. As a Trust it offers a wide range of clinical services to the local population of Gladdingshire and much more to a wider population in a number of specialities including Plastic Surgery and Burns, Oncology, Thoracic Surgery, End Stage Renal Failure, Medical Genetics, Clinical Haematology, Cystic Fibrosis and Neonatology.

The Trust is also an undergraduate teaching hospital with a number of links with local universities in the Regional Health Authority and surrounding area on particular issues such as radiology, physiotherapy and nursing and midwifery.

The hospital had 1500 beds and employed about 5000 staff of whom 30% were part time at the time of the data collection. 2150 nurses were employed and 400 doctors worked at the hospital. There were a number of professors in the fields of Surgical Science, Medical Genetics, Oncology, Microbial Diseases, Obstetrics and Gynaecology and Respiratory Medicine (1994/95)[1].

The Trust has always been seen as 'the local' generalist hospital in the area. Being seen as second to the other local hospital, The Prince Harry Hospital Trust, whose reputation spanned cardiology, research and teaching.

The formal organisational structure was a traditional hierarchy. The Trust was governed by a Board of Non-Executive and named Executive Directors who were formally charged with policy, and were responsible and accountable for the Trust's performance and financial control. The CEO and the Executive Directors role was to formulate the policy imperatives into strategic options and choices and implement them. To assist the process of strategic implementation the Executive Directors had a layer of managers, who were also budget holders, below them. This group was called the Strategic Implementation Committee (SIC), and was made up of the Executive Directors, the heads of the major clinical departments and some second tier managers from other directorates - but the overwhelming majority were clinicians. SIC was a forum for consultation and a place to secure agreement and commitment through action to strategic direction.

The layer of management below SIC included ward level managers, nurses and support staff.

---

[1] Annual report of Gladding Hospital Trust, 1994/95

Figure 13.1 - An overview of the structure

The Board

CEO

The Executive Director

SIC

Clinical Departments

Speciality Managers

Ward Level Structures

1.2 Initial contact

The process of gaining entry into this organisation followed from the selection criteria and methods outlined in chapter 11. An introduction from a third party, professional association led to a meeting with the CEO and Deputy CEO.

The building where the CEO and Deputy were located was a small tower-like building in the middle of the hospital site. It had a large clock and weather vane on the tallest part of the tower but was only three floors high. All of the Directors were located in the main part of this building with the exception of the HR Director who had offices close by in an annex, which was linked to one of the main blocks of the hospital. The building had the quality of the officers HQ in the middle of the 'operations' on the rest of the site.

While the building was pre-war the interior was well decorated with pastel and light shades in the hallways and a large community mural in the stair-well of the top floor offices leading to a number of Directors including the CEO. There were no obvious signs of cracked and peeling paint and each of the offices were high-ceilinged, well lit and painted in pastel shades. The HR Director was the only exception, whose offices were small, cramped, poorly lit and there was an odd wash-basin in the corner .

The Board room on the lower floor was decorated to a very high standard with patterned curtains, wall paper and was more like a four star hotel than a hospital meeting room. While capable of holding 30 to 40 people, most of the space was dominated by a large, highly polished, oak stained, wood table. There were chairs all around the table and pictures of patrons on the wall. There was also a brass-plated, plaque of honour of those who had headed the Medical Committee over the last two decades.

The initial meeting with the CEO and Deputy Director was an open discussion over lunch in the managers' corner in the restaurant. The two were very open about the strengths and weaknesses of the organisation and were both very candid about their own style and approach.

A formal presentation of the research's general aims and process was given to the Directors in the Board room and an open discussion took place where after some objections and resolution the group agreed that afternoon to go ahead with their involvement with the research.

1.3 The key players

The research was undertaken with the 'top team'. The key players were as follows:

Geoffrey Hands: The Chief Executive

Dr. James Miller-Winthrope: The Deputy Chief Director and Clinical Director

Gary Fidder: Finance Director

David Larson: Director of Human Resources

Harriet Quinn: Director of Operations

Ginny DeVoil: Director of Marketing

Jean Peat: Director of Nursing

Fred Jury: Director of Quality

Graham Nett: Head of Information Systems

Further information will be provided about the personalities and role dynamics of the key players as the case study unfolds.

These main characteristics provide the setting for the case study. The rest of the chapter looks at the organisational context, the dynamics of the team and the nature of strategic organisational learning.

2. The organisation and its environment

This section addresses the research question:

Question one: Are the dynamics of the 'top team' influenced by the conditions of the environment?

Theory suggests that the answer should be yes, but we are concerned with two specific sub-questions:

- Is the environment turbulent? I.e. with large scale and unpredictable change
- Does the context of the organisation provide a 'holding environment' for organisational learning?

2.1 Is the environment turbulent?

An analysis of secondary data including articles, background papers and minutes suggested that there was a general context of change and uncertainty. This was characterised by a number of trends.

- The political drive for developing trust status hospitals was to increase competition in the health service, reduce waste, and provide choice for patients and purchasers of health services.

- The aim was to make the health service into a health 'market'. However, the 'market' was not a truly developed one due to unequal power relationships between the players, imperfect information, the inability to raise or increase the supply of finance capital, and custom and practice which makes the changes difficult to sustain. Thus, there has been considerable restructuring in the health service both at the national, regional and district level (Flynn, 1993).

- Many hospitals have been merged or closed down, particularly in London. There have been cuts and challenges, especially against staff costs and investment. A survey commissioned by the NHS revealed that over a third of the 129 health authorities in England, Wales and Scotland were stopping or reducing buying care under a number of treatment headings. For example, services have been rationalised in a number of areas such as fertility treatments, screening for osteoporosis, fertility treatment, varicose vein surgery and ear grommets to name a few examples.[2]

- Within the area of Gladdingshire, the local District Health Authority was re-examining all of its contracts and putting services out to bid on a least-cost basis (CEO's personal papers).

- The Trust's relationship with the DHA was not very good as the DHA felt that Gladding was always trying to 'pull a fast one', said the CEO. From the Trust's point of view, they felt that the nearby Prince Harry Trust was often seen as the favourites by the DHA. These differences of views made it hard to develop collaborative relationships.

- The Regional Health Authority 'Strategy for Health' and the Department of Health's 'Health of the Nation' also formed part of the Trust's planning and programming. These documents informed the strategic parameters and targets that each hospital trust was supposed to contribute to the regions and nation's health gain.

- Finally, the fifth wave of GP Fund holders in Gladdingshire had increased the percentage of population covered to 22%. This meant that more purchasing power was in the hands of the local GPs and that made the 'market' more fragmented. These events put greater pressure on the Trust in two ways regarding its strategic decisions. Firstly, how could it meet its current revenue requirements and increasing losses given its income vulnerability (Board minutes). Secondly, there was a strategic dilemma on positioning. How should it position itself more longer term as a health provider: generalist or specialist provider attracting contracts from a national 'market'?

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[2] The Guardian, November 1996

These main features of the national, regional and local environment suggested the environment was changing in a way that was both large in scale and unpredictable in nature. This seemed to generate short term strategies and responses and this was most evident in the Trust continuing financial difficulties.

2.1.1 The financial situation

* Quotes on managing money -based on the first interviews.

"We are tight for money." Ginny DeVoil (Marketing)

"Developing a strategic direction through the eyes of largely clinicians does not reflect the real world of commercial reality." Ginny DeVoil (Marketing)

"Finance is the main problem." David Larson (HR)

"Do we have a financial strategy? We don't have a strategic view and not just a paper strategy but a clear understanding of what business we want to be in and how we therefore want to use resources." David Larson (HR)

"Is there a rationing debate or a disinvestment debate?" Geoffrey Hands (CEO)

"Do we really have the sound financial background that we need?" David Larson (HR)

"The key issue is how do we manage within a financially constrained environment... where we have a situation of financial overspend." Gary Fidder (Finance)

"The key issue is financial management. The relationship between financial management and general management at the strategic level; (and) within clinical directorates they structure in 'overriding' requirements to achieve their financial targets." Dr Miller-Winthrope (Deputy and Clinical Director)

"When things are not going well it's usually a problem over money; we don't cope well. It brings out the stresses and strains, protectionist attitudes, entrenched positions, old antipathies and morale falls." Dr Miller-Winthrope (Deputy and Clinical Director)

"Funding and performance have radically changed... we require a more structured process for measuring money in and performance out." Ginny DeVoil (Marketing)

"The problem is finances and getting it in order - everything else is subsidiary. If you don't balance the books... all the rest will be irrelevant." Fred Jury (Quality)

"If we are not careful we could easily go £4m in the red." Fred Jury (Quality)

"The key issue is the critical funding crisis in the organisation." Harriet Quinn (Operations)

"The impact is not enough nurses on the ward..." Harriet Quinn (Operations)

"Cohesiveness (is) not there. There was 'team spirit' in the past but it's weakened by the financial position and the difficulties of how we might manage that." David Larson (HR)

The financial plight

The financial situation was the most pressing imperative for the organisation and its internal context. For the last three years Gary, the Finance Director, has in his own words, 'been pulling money out the bag' and saving the Trust. But for the year 1994/95, the trust looked as though it might be £0.5m overspent at the time of data gathering and the forecast for the year end looked like an overspend of £1m. The most pessimistic talked of the trust being £4m overspent. While informal information about other Trusts in the Region suggested overspend there as well, they were said not to be of the same order as Gladding's. The Board, the Executive Directors and DHA were all very concerned.

The situation had arisen because of a number of reasons. These included:

- Poor information and financial reporting systems so that monthly reports to the Board were 'best guestimates' as the information from the budget holders were not given or were themselves inaccurate (Board committee papers consistently report nature of the problem to the Board with no action followed).

- Too many budget holders made it difficult to track, control and collate people's expenditure.

- Not all good medics make good accountants. Thus, innovative ideas, clinical practice and research were seen as more important than the budget process and commitments to medical practice was at the expense of business acumen.

- Historically, money was not a constraint and the recent success of the Finance Director sent an unintended signal that 'money can always be found somewhere'.

- A number of minor mistakes on accounting procedures led to significant consequences through various large pots of money not being claimed. This reduced the credibility of and confidence in the Finance Directorate.

- Opportunistic strategy either on behalf of clinicians or the CEO led to large investment commitments being made without critically appraising the risk or thinking through all the sources of income to match the investment. This occurred on a number of occasions.

Another key area of strategic concern was the Trust's relationship with it key stakeholders. However, this was only seen as important by two people: the CEO and the Director of Marketing. No other topic shared a common concern for the Directors.

2.1.2 Managing relationships

Some of the quotes on managing relationships:

"We do not recognise the purchaser - we blame them and say that they are at fault." Ginny DeVoil (Marketing)

"The external relationship is the number one priority. Relationships with the main purchaser, local and national; relationships with the fund-holders; relationships within the current political environment; the increasing of public expectations on us and the role and involvement of consumers and the CHC (Community Health Council). There are also the external relationships with the local authority." CEO

"We need to manage external boundaries for different stakeholders." CEO

Thus the trust was working in an uncertain and changing environment, with money being the key difficulty. The changes and poor relationships with the District Health Authority (DHA) and the Regional Health Authority (RHA) made the environment unsupportive. Thus, the external environment presented many challenges to the trust. It was unstable and 'turbulent' and seen by the CEO as hostile.

The combination of a difficult environment and a focus on cost efficiency suggest that these have a negative impact on strategic organisational learning and such benefits will be severely hampered.

2.2 Does the context of the organisation support organisational learning?

The context of the organisation or its 'holding environment' as described in chapter 8, includes the values, culture, leaderships and facilitative structures.

This section will briefly examine:

- The history of the organisation
- The values and culture of the organisation
- The strategic task
- The strategic leadership role

Most of the data for this section came from the first interviews plus other materials supplied by the CEO.

2.2.1 The history of the organisation

The Trust wanted to change strategically the way they worked: from an administrative and machine bureaucracy that was driven by the 'product' and the medical profession, to a customer and market-based approach with consistent and cost effective processes against an agreed strategic framework. Departmental silos would have to be broken down and greater financial accountability would need to be exercised in the new environment of quasi-competition. On this matter the CEO proclaimed:

"We need to foster the right internal environment and this will vary from time to time. You know the bereavement curve (transition curve), I see my role as trying to smooth it."

Most of the Directors wanted to see more corporate work but through devolved business units. To maintain co-ordination and integration they aimed to develop business processes into the system whereby each unit would set out it plans and strategy, how it was going to raise money (research, teaching, contracts, grants) and match that to its programme objectives and resources. This process was still bedding down as reflected in the comments on finances and the strategic task below.

The key changes of the hospital over a ten year period has been summarised from the interviews and secondary data in table 13.1 below. It identifies the changes in leadership type from clinician to Chief Executive, the change in values, strategic goals, skill based, structure, staff at the top and systems.

Table 13.1 The Key eras in the Trust's history

	Period 1 Early 1980s	Period 2 1991	Period 3 1994
Driving force	Meet Health guidelines	Make the change to Trust status	Manage the new era
Leadership	Dr Farrel (all Doctors before)	Geoffrey Hands CEO (Not doctor)	Geoffrey Hands CEO (Not doctor)
Environment	Stable	Rapidly changing	Turbulent
Values	'The work matters'	'Patients matter'	'Customers matter'
Strategy	Reap scale economies	Trust status - regional competitor	'Niche' specialist vs generalist?
Skills	Teaching and research	Application - general medicine	Increasing specialism
Structure	Medically-led - departmental	formally Corporate	Mix of corp and dept and business units
Staff at the top	Medical	Mix of Admin and medics	Managers
Style	Focus on research	Focus on patients	Focus on business
Systems	Medical/loose	Budget focused	Business process tied to strategy

The internal changes over the last decade match those externally. From the 1980s to gaining Trust status in 1991, the changes were incremental, planned and intentional. The hospital's environment and strategic management cadre provided a degree of predictability and the organisation demonstrated a capacity to change. However, since gaining Trust status both the environment and organisational demands have increased and the capacity to change and learn is more dependent upon the role of the strategic leadership group, who set the tone for the organisation's culture and its strategic task.

2.2.2 The organisational culture

The data about the organisational culture came from the interviews with the Directors and the material addresses question 1.2- specifically: does the culture support organisational learning?

There were a number of typical quotes from the interviews about the organisational culture:
"Friendly, open place to work"
"Medically-led and deeply rooted in the culture"
"Polite, introspective and talented perfectionist"
"Recruit in own mirror image' at all levels"
"It will be all right on the night attitude"
"Tribal directorates"
"We're second to the Prince's"

More specific comments included:
"Mindset arrogant. We're impregnable. We've got all the services here for the purchasers." Harriet Quinn (Operations)

"The reputation of management were that they were less than mortals. At best tolerated at worse something else." (Compared to doctors) Harriet Quinn

"We are in transition. We have commitment and doctors in management but not medically -led. But still some tensions about management structure for medics..." Harriet Quinn

"Introspective perfectionists. Recruit in one's own ilk. The two previous CEOs were both doctors and here that runs deep." Geoffrey Hands, CEO

"Consultants need T.L.C" Geoffrey Hands

"Committed, comfortable, careful friendly but protective and defensive. Do not like to be criticised by outside or like change." David Larson (HR)

"History and tradition says 'what we do has worked so far, so we want to maintain it'. The real sharp edge is the Prince's." David Larson

"Happy, smiling friendly individuals, adaptable staff who just stop and help you all of the time." Gary Fidder (Finance)

"The medical view point carries enormous sway." Dr James Miller-Winthrope (Deputy & Clinical Director)

"Sixty hours a week acceptable."

"It is an NHS cuddly, friendly, healing people... (the) danger is if local action is not taken then events will overtake them." Graham Nett (Information Systems)

These quotes seem to suggest four key aspects of the culture at Gladding Hospital Trust

- The working climate is one of openness and friendliness. But this belies a deeper cultural, underlying assumption about what is valued and taken for granted.

- The deeper culture appears to be still medically led. The data from the financial difficulties caused by non-financial medics, specialist provision investments made without proper risk assessment and the comments above suggest a deeper level assumption about the primacy of a covert medically-led culture. The need to be perfect was also explicit in the comments.

- There is an insular nature to the hospital - evidenced in the sense that they recruit in their own image, have a closed mindset, can be arrogant and are uncomfortable with change.
- The hospital appears to see the environment as competitive - particularly with the other larger, local hospital, Princes.

These features suggest a drive for medical excellence which is constrained by the interests or purchasing power of the customer. The latter may not necessarily be the patient. In an excellence driven culture, which is generally inward looking, competitive and medically-led at the deeper level, the pursuit of excellence may be at the expense of strategic organisational learning. Thus, while the culture per se may provide opportunities for learning, this may tend to be in the product or service rather than in the organisation's strategic domain.

Thus, the capacity to draw from experience and learning within the strategic domain would tend to rest with the leadership group. The management of the strategic task and how they take up their role would be the key factors that may support or undermine strategic organisational learning in this context. These are covered in the following two sections.

2.2.3 The strategic task

The task of the organisation is important for its rationale and strategic approach. In chapter 4 of this thesis Miller and Rice,1967, are quoted as stating that: 'the primary task is to survive'. Thus, both what the organisation does and how it does it is important as part of providing what Hirschhorn (1988) and Stapley (1996) describe as the 'holding environment', or conditions for the strategic apex to work well.

Directors comments on the task:

"We are unsure of our mission; or the balance between high risk versus bread and butter work." David Larson, HR

Gary Fidder, Finance Director, said: "We have been seen as a district general hospital but becoming specialist, low activity, high cost specialist. We do have the specialist staff but it's the Princes' that's seen as the main one."

"There is a tension - practitioners want to go for territory. Yet GPs want a district general hospital." Ginny, DeVoil, Director of Marketing

"Our declared objective is to be a generalist hospital to serve the people of Gladdingshire but we are increasingly recognised as a tertiary specialist. So our strategy is not yet sorted out." Dr Miller-Winthrope, Deputy and Clinical Director

"It sounds negative but we are still on a learning curve; still at vision and the softer end." Harriet Quinn, Operations

"...Creating the right internal to the right external (environment). What fits will vary from year to year." Geoffrey Hands, CEO

Other generally shared comments on task:

"To provide good quality health care"

"In theory developed by the Board"

"Who owns the strategy?"

"Business Strategy unclear"

"Big picture not shared"

"Hard to get a robust strategy"

"Unsure of organisational mission or task"

Thus, there is a clear inference that the boundary of the hospital's strategic task is not clearly defined or generally agreed. This is within a context of local demographic trends following the national pattern of an increasing elderly population and an increase in the needs of Childbirth. These also influenced service delivery and planning at this hospital.[3] Given the changing context and an unclear strategic task, the capacity for strategic organisational learning is low.

These elements of a developing strategy, a clear culture, a traditional structure in transition and financial difficulties, made for a difficult internal context that matched the external changing and turbulent external context.

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[3] Internal Magazine of Gladding Hospital Trust 1994/95

Managing the boundaries across these internal and external pressures put considerable tension on the Board and the 'top team'. How well are they managing these important dynamics? That is the subject of the next section.

2.2.4 The strategic leadership

The data about the strategic leadership comes from the interviews with the Executive Directors. By 'strategic leadership we are looking at the role of the Non-Executive group and its relationship with the Executive Directors. Do they provide the conditions for learning?

The central question is how do they manage their boundaries:

- Externally with other agencies but particularly with the health authorities and central government
- Internally with the Executive Directors

External relations

The politics and strategic leadership of the organisation was driven first and foremost by the external agenda. Central government laid the broad context for the financial and political agenda. This was felt by the group to be reinforced by the Regional and District Health Authorities who did not appear to be particularly helpful to Gladding Trust and were seen to 'take the party line', without room for flexibility or manoeuvre for any innovation or change.

CEO states: "No. The control is very carefully termed central political control. It has to be enacted through various routes: either the region (the regional health authority) or through the person (official). But it's still central control which has purported to be over the 'what'. But from where I sit it is increasingly over the 'how'"

Thus, based on this inference and the earlier comments about the Trust's image with the health authorities, it appears that the management of external relations and impressions is poor. If that were the case then it would negatively impact on learning.

Internal dynamics

The second order of political influence and control was the relationship between the Board (of Non-Executives) and the Executive Directors. Formally, the Board was jointly and severally accountable for the trust's performance. However, the reality was that they were part-time members who meet once a month and who were not part of the day to day running of the hospital. The Chair of the Board met more regularly with the CEO but the Non-Executives were not really in a position to act upon their authority. They were reliant upon the recommendations of the Executive Directors.

What people said:

"The Board are too polite. You expect if you go into £4million over-spend to get scalped... but it's yet to happen." Harriet Quinn (Ops)

"They (the Board) could do more and be more productive… At the moment they are challenging us (Executive Directors) but we should be helping them to ask the right questions." David Larson, HR.

"The Board is not as clear as it should be and that is a bedevilling problem." Geoffrey Hands, CEO

"The Board works reasonably well. But is sometimes so relaxed it is untrue... Deadlines are missed, resources given away and (they) have backed off on some of the clinical issues." Gary Fidder, Finance

"The Chair is in a difficult position. While he tries to understand the organisation he is reliant on what comes from the ground (the Directors)." Dr Miller-Winthrope. He adds: "Not clear about what's decided or decisions seem to get shuffled away especially on finance but it applies to other things. For example at last August (1995) Trust Board meeting, I expected a big noise, a big bang at the Board especially over the finances. But nothing happened. It was a big let down. Things then drifted too long."

"They feel to me as if they put patients first but don't know. They do not feel like a profits Board." Ginny DeVoil, Marketing

"I don't have much contact. The Chair's a nice bloke but seems a bit nervous when stuff hits the fan." Graham Nett

The inference is that there is little confidence or role authority invested in the Chair specifically and the Board more generally. However, the strategic agenda is managed and this seems to be by the CEO.

"These pre-meetings of the CEO and the Chair are increasingly becoming a hindrance; by the time the item comes to the Board it has lost its energy and richness." Harriet Quinn, Operations

"A lot of power is exercised outside the group (the Board) and the influence of the CEO and the Chair with the backing of the medical fraternity." David Larson (HR)

"There are ways in which you can see decisions in the meetings coming out of the blue." David Larson (HR)

"CEO making more decisions than before." Gary Fidder, Finance

"CEO can and does lead them [the Board]." Ginny DeVoil, Marketing

"The leadership reinforces everything about the culture of this organisation. It's in the background of mix and nice etc. etc. The style mirrors this organisation. But if you had to be task driven, there would be a problem of a major dislocation." Fred Jury, Quality

"The team [of Directors] straddles the tension of the devolution and command control." Fred Jury, Quality

"The CEO can make agreements on capital expenditure in the corridor with a clinician. That's a problem... for example the cardiac strategy came out of the blue." Graham Nett, IS

The key messages suggest that:

- The Board is still finding its feet and is thus unable to provide the environment for support and organisational learning at a strategic level.

- The Board is being managed by the CEO through 'off-line' meetings.

- The locus of power in the strategic apex is limited to the Chair, the CEO and Deputy/Clinical Director.

2.3 Analysis of the organisational environment and context

This first part of the case study addressed the question: Are the dynamics of the 'top team' influenced by the conditions of the environment?

In looking at both the nature of the environment and the organisational context the narratives seem to suggest that these factors will impact on the 'top team' operating as a subsystem for strategic organisational learning. The impact in this case study on strategic learning appears to be negative.

The factors most apparent were:

- The organisation was moving through rapid transition

  Gladding hospital Trust was an organisation that was in transition, seeking to move from a bureaucratic hierarchy to a devolved, business and market led approach meeting the needs of its customers. The move from 1991 through to 1994/5 was greater in the scale of change than had been for the previous decade or more. The rapid acceleration required for this 'paradigm shift' in culture was greater than the organisation's capacity to manage that transition. This meant a focus aimed on short term and financial goals over longer term developmental and learning goals.

  In addition, the culture still seemed to be deeply informed by a 'basic assumption' regarding the primacy of a medical paradigm over that of a managerial one. It is not to argue that one is better than the other but that they were never negotiated in relationship to what the organisation now required.

- The organisation was facing a turbulent environment

  Theory suggests that the pressures of the external environment do impact on the organisation. In this case the change from a stable regional environment within a district health authority to a quasi-market within a potentially national market would expect to have an impact on the trust. In this case it impacted negatively in two main ways at the strategic level of this organisation.

  First, the organisation had a significant resource and financial difficulty. This was due to external factors such as the financial constraints of the health service, the poor relations with the RHA and DHA, the need to be more market led and the ambivalence of competing within the market and unsure about its strategic positioning.

  The second impact that the external change exerted on the organisational system was the strategic pull between being a generalist district hospital, which it had historically been, and the other pull to be a tertiary specialist, which was being driven both by practitioners on the inside but potential market opportunities on the outside. The organisational system's boundaries were being threatened by these tensions and there was a danger of the organisation becoming underbounded and its learning fragmented. This was driven further by the conflicting demands made by the RHA, the GP market and the DHA and the group's ambivalence and uncertainty about the nature of its strategic 'primary' task.

Finally, there were also internal factors. While the external impact on the organisational system was problematic the internal configuration and practices of this Trust did not help. The system was poorly managed financially and was unable to strike the balance between devolution and control with its medically led units. These were among the issues quoted by the Directors. The medical Directors continued to be budget holders and they had a number of strategies to both retain their budget and in many instances over-spend. This may reflect the history and culture of the health service more generally of being medically driven with the consultant posts being the key influencers and holders of power. In the case of Gladding hospital trust, the culture was one of being informally medically driven, formally through the Strategic Implementation Committee and both symbolically and in reality through the Deputy CEO, who was also a doctor and the Clinical Director.

- The strategic task was unclear

  The primary task was unclear and this reduces both task attainment and learning. The role of the leadership body at the strategic apex provides an important part of ensuring task congruency and that also appeared to be lacking.

- The Board was unable to provide the strategic support that is required

  The Board had still not established its role or authority. Thus, it was unable to provide the required 'holding environment' and thus the capacity for strategic organisational learning was impaired.

- The CEO, the Chair and the Deputy/Clinical Director operated in a way that both helped and hindered the development of the strategic apex as a whole sub-system.

The danger appeared to be insufficient containment of the changes. While boundary and learning fragmentation was still possible, the trio of the CEO, the Chair of the Board and the Deputy CEO appeared to have provided the holding boundary and space for the organisation to potentially weather the transition of change and recover opportunities for learning. There was no evidence of such a role being performed else where in the organisational system and even in the case of the trio, it was being held mainly by the CEO and the Deputy CEO. This was helpful in that in the short term it provided a transitional space as discussed in chapter 6. The area to recoup, 'play', rehearse and gain mastery over complexity.

> If the temporary 'holding system' of the trio were to continue then it could reduce the authority of the strategic apex of the Board and the Directors as they may operate from a 'dependency' mode relying upon the strong leadership of the CEO at the longer term expense of strategic organisational learning.

The conclusion drawn from this analysis is that a turbulent environment reduces the capacity of the 'top team' and its ability to facilitate strategic organisational learning. This appears to be valid in this case. However, this needs to be qualified in three main respects:

- It is not the turbulent environment per se that reduces learning but it is the quality of the internal 'holding environment' and how the external environment is managed that has a greater impact. This reflects the capacity of the strategic apex to manage its external boundaries
- It is essential that the strategic task is clear, agreed and managed so that accountabilities, roles and differences can be faced, challenged and resolved rather than 'shuffled away'
- A temporary group or 'transitional space' may provide the role of a short term 'holding environment' to support the transition of change. Theory suggests that such an arrangement is not sustainable in the longer term where strategic organisational, double-loop learning is sought because the temporary space becomes a social defence rather than a facilitator of learning

Thus, it suggests that the internal dynamics of a complex, adaptive social system can respond to the demands of a turbulent environment. However, that response can support or hinder strategic organisational learning depending upon the long term ability of the strategic apex to manage its strategic task and boundaries.

3. The Group and task

Question two: Is the 'top team' able to manage its boundaries and task?

This section addresses the above question. Here the focus moves from the boundary between the team and its context and environment to the 'top team' of Executive Directors themselves. After looking at the main features of the group it will look more deeply at three related sub-questions:

- Does the team hold a common view of its task effectiveness? Is it effective?
- Is the leader's role facilitative to task attainment (and therefore learning)?
- Are the boundaries of this 'top team' optimally bounded?

The key feature of the group

There were nine Directors. Seven of these were serving members on the Board. These were the Directors of Operations, Human Resources, Finance, Clinical Services, Marketing, Nursing Services and the CEO. The Directors of Information Technology and of Quality were not Board members.

The group described itself as a relatively new group, being together for three years when the hospital gained Trust status. Three members had been with the hospital for over ten years with one of these being for 21 years. The rest of the Directors had been with the organisation in their roles for three or four years and were specifically recruited as part of the new trust management. Thus, the group was born out of the birth of transition into being a trust status organisation. It was also created out of the needs to meet external demands and the internal wish to change, as the choice about when to take up trust status had been made internally.

Thus, while the task of the group was to provide a strategic hub for the development of the trust, the meaning of the strategic task was not commonly shared as evidenced by the different perspectives on it (see quotes on strategic task above).

The group members

Each member of the group contributed a variety of experiences and skills in their roles.

Geoffrey Hands, Chief Executive Previously had some health service experience early in his career and later was a senior partner in a health based organisational consultancy firm. He has been in post and the organisation four years. An entrepreneurial style and liked to work with new ideas and a bottom up approach.

Dr. James Miller-Winthrope, Deputy Chief Director and Clinical Director He had been in the organisation for about 12 years and was Chair of the Medical Committee during 1991-92. He was seen as the elder statesman of the group and had considerable authority in his role, with the hospital and with the clinical fraternity.

Gary Fidder, Finance Director Brought in to help to control and manage the resources. In post for about three years. Previously worked in local government and would argue that there should be only a limited number of key budget holders to gain financial control.

David Larson, Director of Human Resources Known nationally as a technical expert on HR issues. He came when the hospital gained trust status. He tends to question every thing and likes to shape events and processes. Often seen as confrontational but is often misunderstood.

Harriet Quinn: Director of Operations She was responsible for all the hospitals services and estate management. She has been in the hospital for ten years but in post for three. Regarded as full of ideas and often manages difference in the group.

Ginny DeVoil, Director of Marketing She was responsible for income generating schemes, contracts and introducing business processes within the hospital. She's been a staff member in the hospital for 22 years (mainly in pharmacology) but in post for four. Well known and liked throughout the Trust.

Jean Peat, Director of Nursing Expert in her field and responsible for nursing issues. She does not manage nursing staff, who are managed through the clinical specialists and ward sisters. Thus, her role is sometimes compromised.

Fred Jury, Director of Quality His role was to engender quality systems across all of the hospital. He has been in post for about two years. Presently seconded part-time to the Regional Health Authority. Very strong on process logic.

Graham Nett, Head of Information Systems Responsible for managing an integrated, computerised, information and reporting system for the whole of the hospital site.

3.1 Does the team hold a common view about its task effectiveness? Is it effective?

The group task

The group's normative task was to provide a corporate and strategic focus for the Trust and particularly make it financially viable. The strategic focus varied among members of the Director's group. Some felt a sense of alienation from the process and questioned the source and wisdom of the changes. There were also areas of disagreement among the group about its strategic task as shown in 1.3 above.

They shared the common ground that health care was their mission, but the actual strategy and means was not agreed. This lack of distinctive task clarity and boundary may well explain why the group did not see itself as effective in its role.

Quotes on effectiveness

"How can we be effective when we have no shared vision or understanding of the strategic goal." Harriet Quinn (Ops)

"We do not understand the financial implications of the strategy." Harriet Quinn (Ops)

"We have a potential to get into the non-strategic and short term view."' David Larson, HR

"We're no good at taking action." David Larson, HR

"Never fail to deliver. The Directors are good value." Geoffrey Hands, CEO

"Not as effective as we could be or should be. But we have no benchmarks." Dr Miller-Winthrope, Deputy and Clinical Director. A similar sentiment was expressed by Ginny DeVoil, Marketing.

"Not enough finishing - so don't make the decisions on time and fail to deliver." Ginny DeVoil, Marketing. She also adds: "The members of the group on the whole are very intelligent, brainy, strong, good at consequence appraisal, looking at options, strategic thinking but we still fail to deliver decisions made in the time set. This then impacts on others, me personally and down the line."

"Great on thought but poor on implementation - a general NHS trait." Fred Jury, Quality

"Not any good at policy making. OK if its just sharing information but feel alienation from the decision making e.g. looked what happened on the cardiac strategy." Graham Nett (IS)

"We have demanding and conflicting priorities." Ginny DeVoil, Marketing

The group appears to be less effective than it would like to be and explains it by the lack of strategic clarity, unresolved conflicts over priorities, a lack of a policy framework and a general sense that the group is not consistent in its delivery. Thus, one infers that the group does not seem to be effective in its strategic task.

3.2 Is the leader's role facilitative to task attainment (and therefore learning)?

The role of the leader features as high in the theoretical approach to understanding groups in this thesis, especially how they provide the conditions for task attainment and learning. Information from the first interviews was obtained from each of the Directors about Geoffrey Hands. The following is a statement of what they said.

The role of the CEO

The CEO had a range of comments about his steer, clarity and sense of direction.

"He should give a sense of clarity of purpose and role... but something is lacking." David Larson (HR)

"It's more a developmental approach," says the CEO about his own style.

"There is a clear leadership approach and it is respected as such." Dr James Miller-Winthrope

Comments about his strategic thinking, ability to confront difficult issues and decision-making were mixed.

"...I have the ability to confront difficult issues even maybe where things are put at risk." CEO

"Good on issues." David Larson (HR)

"Too much spur of the moment with major strategic developments often starting in the corridor. During his walk about he can make promises to fix things without recognising the financial implications." Dr James Miller-Winthrope (Deputy & Clinical)

"Finds it hard to handle difficult issues and be firm in the Chair [person's role of the Exec]." Harriet Quinn (Ops)

"I may not be tough enough." Geoffrey Hands, CEO

"He's a charismatic entrepreneur - leading from the front." Ginny DeVoil (Marketing)

"Don't think there is a leadership." Graham Nett (IS)

"Issues are often driven by him but he usually has more information - not in a manipulative way - and others follow the same way." Fred Jury (Quality)

"There is an incongruence between what he says and what he does. This can be unsettling and reduces trust." Dr James Miller-Winthrope (Deputy & Clinical)

He had generally good relationships with the other Directors with the exception of the HR Director. But his management of the group was seen as less effective.

"A bit of a perfectionist so can make unrealistic demands both on himself and others." Gary Fidder, Finance

"He's aware of the personalities in the group and all the gossip. That always surprises me - first that there is gossip and secondly he knows about it." Dr James Miller-Winthrope (Deputy & Clinical)

"He has difficulty in handling the group - a difficult and strong group, with functional experts: Hmm, it may leave him exposed." Harriet Quinn (Ops)

"Devolves to those who he feels he can and pulls the reins for those whose boundaries need to be controlled." Graham Nett (IS)

"He's a bit of a workaholic." Gary Fidder, Finance

The CEO seemed to have high standards and worked well with those on the same wave-length. He appeared to be clear on direction if not on detail as suggested by his strategic interests and desire to change things but which lacked an analysis of the operational implications. There is a mixed view as to whether he is tough enough and his ability to manage the group. It appears that the CEO means different things for each member of the group. Some of these differences may be projections. Nonetheless how they perceive the CEO does influence both their relationships with him and the authority and confidence they may invest in him.

He is seen as an unpredictable, entrepreneur, driven by the big picture if not on detail. While most of his relationships are good, even his closest aide, Dr Miller-Winthrope, suggested that his seemingly erratic behaviour can reduce trust. The CEO also appears to have those he feels are with him and those he has to rein in.

The issue of control seems to be emerging out of the all data so far and the drive to fulfil the more immediate demands may be at the expense of the longer term objectives and it may be a trade-off that Geoffrey Hands is aware of but which currently does not suit all his colleagues. [Further data from the second interview (see below) seems to throw further light on this, suggesting some mixture of a dynamic of control that currently suits both the organisation and the CEO.]

3.3 Are the boundaries of the 'top team' sub-system optimally managed?

The management of the group's boundaries is important in that it provides containment and supports task attainment and learning. This is looked in this case as the relationship with the Board. Data from the interviews with the Directors suggest that the group had a mixture of feelings about and confidence in the Board. The focus here differs from the earlier inquiry about the Board which was concerned with its 'holding' capacity and external boundary management. The theme in this subsection is more about the intergroup dynamics and the role played within that of the 'top team': in this case the Executive Directors.

They thought that the leadership from the Board was weak, that they were simply a rubber stamp for the subgroup of the CEO, the Deputy CEO and the Chairman, and that the Board did not really make Directors accountable or ask seeking questions.

Quotes about the Board

"People are very articulate and so put up a barrier rather than gloves off." Harriet Quinn (Ops)

"They do not give us as difficult times as they could - what a relief. It's because they are not involved." Gary Fidder, Finance

"In theory the Board is responsible for strategy and the Directors do it. But it's more complicated than that; Geoffrey (CEO) leads them as they have poor information. .. "Nobody asks hard questions; softly, softly... weak stuff." Ginny DeVoil (Marketing)

"Jerry is a good Chairman in the role. He has a nice way of fooling people and comes over as a bumbling man; but it belies shrewdness and a sharp brain. Otherwise you are a fool to believe it." Harriet Quinn (Ops)

"I don't think the Chair has great chairing abilities. Brings people together, smoothes things down, sometimes asks awkward questions but doesn't appear to like to let others ask awkward questions especially if it may impact on him." David Larson (HR)

"I would have said the relationship between the Board and the group is cosy, but no it's not cosy. It's not positive and it could be more productive. People don't always play an open card and we don't use each other as we should be used." David Larson (HR)

"The Board is not as clear as it should be. The Chair acts as a counterpart to me, calm compared to my style. But some of the Non-Execs are a problem. They are able people but (they) are not available. They have a wealth of experience but such a busy life we do not see them and at the Board it tends to be adversarial. Some not so good but it's a struggle to replace them. Some are in between." Geoffrey Hands, CEO

"There are tensions between the line, between the Exec (the Directors) and the Non-Executives (Board members). I can't see the positive evidence for it so I only assume that something is happening." Gary Fidder, Finance

"He's (the Chair) appreciative of the pressures on Execs (Directors). They recognise it and that we will not hit all deadlines." Gary Fidder, Finance

"Frank, constructive, mutually beneficial but the Non-Execs are not the top selection of the lot." David Larson, HR

3.4 Analysis

The Directors group's immediate context of the Board lacked clear leadership. The relationship between the group and the Board was by no means poor but the Board was unable to provide the support and challenge the group needed because of a lack of information, ambivalence about collectively taking up its authority and the dependency upon the CEO for his lead and direction. The Board was 'underbounded' as it was unable to establish either its identity or authority independently from the CEO, the Deputy CEO and the 'top team' as a whole. Thus, in not holding its role boundaries it ceased to provide a 'good enough holding environment' from its own position of dependency and its own embryonic state.

While the Board was not hostile or antagonistic - compared with cases one and three in chapters 12 and 14 respectively - there was not a sufficient boundary between the two groups to enable each to take up their different but interdependent roles providing support that was challenging and constructively critical, allowing the group to think as opposed to the 'dependency' dynamic that had been established early on in the relationship between the Board and the 'top team'.

Thus, the Directors group was unable to optimally manage its boundaries with the Board and this undermined the strategic organisational learning as there was insufficient boundedness and containment, with the Director's group using the CEO 'as if' he was both CEO and Board. The Board seemingly colluding with this dynamic.

Can the team manage its boundaries?

The inference from this case study is that the Director's group or 'top team' is unable to manage its boundaries due to:

- Poor task alignment and effectiveness
- Poorly managed boundaries
- Insufficient object constancy in the leader who provides some containment but not for all the team as a subsystem

Thus, it suggests that there is insufficient management of the 'top team's' task and boundaries and this will have implications for strategic organisational learning. These implications are discussed in sections 4 and 5 of this chapter on organisational learning.

4. The Group and its internal dynamics

Question three: Do the internal dynamics of the 'top team' impact on organisational learning?

This section addresses the above question by exploring the key internal dynamics of the team in order to answer two further sub-questions. These are:

- Does the team display examples of 'basic assumption' motifs over 'work'?
- Do individual valencies reinforce difficult group dynamics?

4.1 Does the team display examples of 'basic assumption' motifs over 'work'

There are three areas that help us understand the dynamics of the group in considering 'basic assumptions'.

These are:

- The roles and relationship of each Director as seen by other members of the group - the source of this data is from the first interviews using the interview schedule

- The dynamics within the group as understood by members within the group - the data also comes from those same first interviews

- The dynamics of the group based on scoring statements against basic assumption theory (see Appendix 1) using the Group Analysis Grid and content analysis of text of latent themes

4.1.1 Roles and relationships[4]

In understanding the dynamics of the group a first level analysis suggests that group roles are formed and that these may be significant in understanding the impact on organisational learning.

The following provides an account of how each member is seen by their colleagues. The CEO's role was discussed in 2.2 above and thus he is not included here. The group members each had perceived roles. Themes that were said to have resonance from the interviews with their colleagues were as followed.

Dr. James Miller-Winthrope: Deputy Chief Director and Clinical Director
He was seen as the boundary spanner between different interests, the honest broker, reality checker and the one who had his finger on the pulse. This comes from his colleagues comments of him:

"He provides mature reflection." Harriet Quinn (Ops)

"He's the honest broker. He can be money, task and delivery focused and be a representative of the medical side. James has got high medical credibility." Fred Jury, Quality

"He is calm, rational yet caring." Geoffrey Hands, CEO

"He's influential on the medical side and has his finger on the pulse of the hospital." Gary Fidder, Finance

"Good at action and testing reality." David Larson (HR)

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[4] Members of the group describe some of the 'roles' of their colleagues in 'Belbin terms'. For example, 'shaper' for one that takes control and shapes events, 'plant' for ideas person and 'monitor evaluator' for the person that constantly checks reality. A fuller discussion of Belbin can be found in Belbin et al, 1976.
The other point is that their concept of 'roles' is not the same as used by this thesis which refers to group dynamic roles such as 'scape-goat', 'rescuer' and those that are based in a psycho-dynamic understanding of groups. A full discussion of these was in chapter 7

"As the medical Director on most things I can get my own way but it can attract envy," says Dr Miller-Winthorpe of himself in role

Gary Fidder: Finance Director.
Gary was seen as autocratic, a 'centralist' and was one for detail. On Gary, people said:

"He likes counting beans." Fred Jury, Quality

"He is one for nagging detail." David Larson (HR)

"Gary and David are always together on issues." Harriet Quinn (Ops). Fred Jury, Quality, also had a similar view

"He's an autocratic centralist." Harriet Quinn (Ops)

"He's a bit of a blocker." Dr James Miller-Winthrope

"I acknowledge that I am seen as a centralist but feel misunderstood. I just want others to make the strategic links (between task and finance)."

David Larson: Director of Human Resources.
David appears to take up the opposition role in the group. He questions most things and tends to come over as aggressive. He was also seen as a centralist and autocratic.

"He's another autocratic centralist." Harriet Quinn (Ops). A similar view was held by Geoffrey Hands, CEO

"He is always in conflict with the me." Geoffrey Hands, CEO

"He is a shaper. He has an aggressive style." Fred Jury, Quality. A similar view was held by Geoffrey Hands, CEO

"I like the testing of ideas and roles and to shape things... I also ask irritating questions," David Larson (HR) says of himself. He goes on, "It's the principle that matters."

Harriet Quinn: Director of Operations.
Harriet was seen as the ideas and creative member of the group. She tended to support the CEO.

"She is the ideas person. Turns things upside down and is the 'plant'." David Larson (HR)

"She is often in conflict with me." David Larson (HR)

"She takes the group dynamics onto the next stage." Dr James Miller-Winthrope

"Creative and innovative; understands self and others." Geoffrey Hands, CEO

"She takes the creative role - the ideas person; the one who unfreezes attitudes." Fred Jury, Quality

"I do tend to agree with James but I could do more to lead ideas and actions," Harriet Quinn (Ops) says of herself.

Ginny DeVoil: Director of Marketing.
She was seen as a barometer of the temperature of the organisation. This status had arisen partly because of her long standing time with the hospital (over 20 years), her regular contact with a wide range of staff through the role and her naturally helpful disposition.

"She's the monitor evaluator." David Larson, HR

"She facilitates and helps the group's resolution." Dr James Miller-Winthrope

"She is able to keep an eye on strategy and detail." Fred Jury, Quality

"Carries influence - good business grasp; been here for 20 years; has traditional allegiances; and knows everybody." Dr James Miller-Winthrope

"Ginny and Gary make a powerful lobby." Fred Jury, Quality

"I make the business process work by interpreting both for the Exec and the Board the implications of changes in the environment in a simple way." Ginny DeVoil says of her own role

Jean Peat: Director of Nursing.
Jean has a professional role in the hospital as Director of nursing, but tends to underplay it. She finds it hard to exercise her presence and authority.

"She allows people to talk over her." Harriet Quinn (Ops)

"Pretty ineffective." Fred Jury, Quality

"Has a nursing expertise but it carries less weight and credibility in the workplace." Geoffrey Hands, CEO

"She does not have real day to day managerial responsibility for the nursing staff.(as they report through the Clinical Directors' management groups)." Harriet Quinn (Ops)

Fred Jury: Director of Quality
Fred was seen as the 'process man'. He was the one to guide the group through difficult issues. However, due to other duties outside of the hospital and the fact that he did not have a management line to fulfil, he was rarely at the Directors or Trust Board meetings.

"He's very good: stands back and challenges. He doesn't have a management role so he also has more freedom." David Larson (HR)

"He's the process logic man." David Larson (HR)

"He's not really part of the team. He's probably uncomfortable with it." Dr James Miller-Winthrope

"A powerful person logically and can argue any point. Great on process." Geoffrey Hands, CEO

"I have a facilitator's role; retains balance." Fred Jury, Quality says of his own group role.

Graham Nett: Head of Information Systems
Graham was the technical man. Hands-on with installing new technology into the hospital and was attending Board meetings to report on the project, which was seen as strategically important. He was also at the point of leaving for a better paid job nearer his family as he had been commuting since being in post.

"Sorry he's leaving. He has focused mainly on the project but felt that he has not really used his commercial nous while he's been with us." Harriet Quinn (Ops)

"Graham does not feel or seen as part of the team." Dr James Miller-Winthrope

"Ambiguous role as it is a technical project yet the impact and link will be with operations and HR and not felt that has happened to the point we wanted." Graham Nett (IS)

This account of roles provides some clear and consistent messages about how each person is perceived in the Directors' group. They do take different roles in the group: some are helpful - 'the honest broker', 'the process man' - while others tend not to provide the group with additional challenges - 'the blocker'. The implications are that the roles do provide some balance to the group but if they become too rigid they may serve a deeper dynamic that reduces the effectiveness and learning of this strategic sub-system. This is explored further below in the discussion on the group's dynamics.

4.1.2 The dynamics of the group as understood by its members

How did the group understand its own dynamics. Data from 1.2 and 2.1 suggests that the group does not see itself as an effective team and a number of reasons were given. However, the internal dynamics are given less attention by the group. Roles are clearly seen as described in 4.1.1 above. It was also identified earlier the main subgroup among the Executive Directors' group was the pair of the CEO and the Clinical Director. Like their role on the Board, this was the pair that often made decisions. Power was said to shift according to the issue and the level of expertise required to tackle the problem but in most cases it was acknowledged that Dr. Miller-Winthrope and Geoffrey Hands, the CEO were the principal power holders.

"The roles we all take can change over time, but a lot of power is exercised outside the group by the Chair (of the Board), the CEO and the medics via the Clinical Director." David Larson (HR). A similar view was held by Geoffrey Hands, CEO.

"Dr Miller-Winthrope looks after the hospital. If a high risk situation occurred he would be the one to ask the difficult questions - especially where there is a financial risk." Gary Fidder, Finance

"The most powerful member of the group is Geoffrey the CEO. No one else in the group has that power with the exception of James Miller-Winthrope who has recently played more of a role given Geoffrey's overload." Gary Fidder (Finance)

"The power is shared by a logical and powerful link between James Miller-Winthrope and Geoffrey (CEO)." Ginny DeVoil (Marketing)

"With Dr Miller-Winthrope, he (the CEO) is very powerful and takes decisions outside of the group. I admire him." Harriet Quinn (Ops)

"I really rate James and Geoffrey (CEO)." Fred Jury, Quality

The only other sub-group that was acknowledged as evidenced in the accounts of the roles was a counter-group to the pair of the CEO, and to a lesser extent to the Clinical Director, and that was by the 'centralist' and 'autocrats' group: David Larson and Gary Fidder, the HR and Finance Directors respectively.

Thus, the dynamics of the group revolve around the 'pair' of the CEO and the Deputy/Clinical Director.

There were also some acknowledged conflicts in the group

4.1.3 The dynamics of the group based on the Group psychodynamics

The dynamics of the group were rarely openly hostile - compared to examples in case studies one and three in chapters 12 and 14 respectively - but there were examples of differences. We see that there are differences between the HR Director and the CEO and to a lesser extent between the Finance Director and the CEO.

"All the members were very articulate, pulled their weight and enjoyed working for the hospital." They tended to chew through issues thoroughly. As one member described them: "There is a more than a degree of sibling rivalry." Harriet Quinn (Ops)

This comment is supported by the view of a number of the Directors

"The relationship between the HR Director and the CEO is moderately frosty... He always seems to take the contrary view to the CEO." Dr. Miller-Winthorpe

"The Operations Director and the Director of Finance, there is no love lost between these two. There's not a meeting of minds." Dr. Miller-Winthorpe

"The CEO pushes or leads the decentralised business units, and I agree we could do more with it. While the Directors of HR and Finance they are more into autocratic centralist behaviour." Harriet Quinn (Ops)

"Sometimes there is no lead in the group. We sometimes need a proposal instead of every one having an input. Then we could get our teeth into something. I'd prefer this but instead we tend to go for a compromise on our decision, which are not linked to the strategic direction at all." David Larson (HR)

"The Director of HR is a shaper like me and I think this is where we have our conflict." Geoffrey Hands, CEO

"There is a spectrum of people from centralist to more open styles." CEO

"The team struggles the tension of devolution and command and control. Could probably trace all events back to this (tension)."

"There is rivalry and a history between the status of being on the Board and not being on the Board." Graham Nett (IS)

While these tensions are acknowledge in one to one interviews and among sub-groups within the group, the tensions have almost become an open secret with the group as a whole unable or unwilling at this stage to work on these issues. This was certainly a view held by the CEO.

Otherwise the group attempted to work together.

An analysis of the group's interactions based on the Group Analysis Grid suggest that the group operated as a 'work group' for the majority of the time (see table 13.2). However, less than 17% of the group's 'work' mode was of the higher levels three and four, with less than 2% at level four. The majority of 'work' interventions were at level 2 (32.8%) where people were progressing the task in hand, rather than seeking to understand the nature of the problem at hand or the processes of the group (see table 13.2)

Table 13.2

The Dynamics of the group based on the Group Analysis Grid

Total	w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
982	102	317	148	19	68	112	101	80	10	5	20
100%	10%	32%	15%	2%	7%	11%	10%	8%	1%	1%	2%

A breakdown of input by each member of the team by relevant sessions is provided in Appendix 9.2

The pattern of the group's dynamics did not seem to engage in the underlying conflicts of power, authority and expertise. Thus, the acknowledged but not publicly stated power dynamic of the CEO and the Clinical Director were at some level accepted and the roles that people took around that pair were also implicitly accepted.

The HR Director may be said to stand out from the rest of the group on this one and may possibly take the role of 'scape-goat' or with Gary Fidder, Finance, the counter-pair or shadow to the CEO and the Deputy/Clinical Director.

The following except reflects a conversation about the pay awards in April 1995. This particular except is chosen as it touches on differences in the group, it is strategic - in terms of public relations, finance, the relationships with the Health authorities, the Department of Health, staff and the public - and it impacts on staff at operational and strategic HR levels.

It also shows how the group tackles difficult dilemmas - one of the sources of organisational learning. The difficulty was not concluded in this Directors' meeting before the Board meeting. However, it was eventually resolved as noted in the minutes of the Board meeting. Thus, the resolution seems to have taken place off-line. In Appendix (9.3) another example is given of the group not able to conclude its meeting with a decision.

It was a Directors' meeting on staff pay awards. It was the early period when the Trust was given the 'opportunity' to settle awards locally, nurses were threatening strike action and central government was saying that the decision was to be taken by each Trust. The notes were taken on 21 April 1995.

Geoffrey: "Item six is on pay awards. I saw in the local paper that one of our 'departmental' friends (Department of Health) is suggesting that all hospitals should be awarding 3% pay settlements. It makes you wonder who is running the hospital. We need to get papers to the Board for next week so the outcome of our deliberations this afternoon will form the papers, which I'll complete tomorrow, for sending out."

Gary: "I just want to clarify a point. If we can get up to 3% from the DHA why have the aggro on going for 2.5%?"

Dr. James: "We don't really want pay problems in Gladding do we?"

Harriet: "We certainly do not want to go into battle especially with the local media.
Ginny: "We need further clarification as there seems to have been a change in view from the DHA."

Dr. James: "That's right. Our initial offer of 2.5% was in order to receive an overall budget premium from our paymasters. But now with the mood being 3% there seems to be a change in."
David: "But we still need to think about what's best for staff and consult them. While the Doctors seemed to have fallen outside of this process and the Nurses are making rash commitments we need to keep the helm and provide stability and fairness for all our staff, irrespective of rank."

Geoffrey: "Whilst I agree, we need to work within the reality of our current situation. We need an ideal position, a target position and a fallback position; but the ultimate decision has to come from the Board. The fallback is probably 3% with no strings attached and our ideal is 2.5% with strings on contracts and working conditions."

David: "I'm still unhappy about the implications about the ideal from staff side and we will get, and informally have had, representations from the unions."

Gary: "But we do need to keep our mind on the bottom line. That 0.5% would make up for our current overspend and in terms on working conditions it would stop some of the current time sheet abuses that are going on and which are costing us a bomb. So I'm for the ideal!"

Ginny: "I think it's a hard one. Information regarding contracts is already public knowledge as it came around in one of the health authority circulars. So while many people haven't picked it up yet, our so-called fallback is already in the public arena."

Dr. James: "But if we go for 3% we will lose £0.5m...."

There is a long pause. The group then moves on to the next item.

Seven days later the Board minutes report that: 'various options open to the Board were discussed and the following recommendation supported.' In general terms these included the settlement of a range of 2.5% to 3% to all staff, with the total cost not exceeding 3%. In the event, while Directors were given the explicit authority to engage in pay awards along the stated lines nothing happened until the Autumn due to national negotiating positions

This extract serves to demonstrate a number of points:

- The text highlights the extent to which the group does 'work' (in the Bion sense) but it is more on problem clarification and progressing the task: 'work' level two. The group does not come to any conclusion in the meeting or subsequently as depicted in the extracts from the Board's minutes.

- The text also shows how the roles that members take discussed in 3.1.1 above. Dr. Miller-Winthrope takes a balanced approach to the problem; David Larson (HR) takes a 'oppositional stance' based on the principled interests of the staff; Ginny seeks to test reality and gain clarifications.

- The extract also highlights the poor task effectiveness of the group dealing with the issue only a week before the Board meeting with still no strategic position.

Finally, less to do with the dynamics but nonetheless a contingent factor, the text shows the continued unresolved financial difficulty.

The group changes

During the summer months of 1995, right through to October and into 1996, the financial position continued to be one of the hospital's most pressing strategic agenda items. Monthly Finance Reports continually stated an overspend against across the hospital as a whole and against budget heads by activity - e.g. surgery, oncology, diagnostic services and other operational services (taken from Finance reports and the monthly Minutes of the Board meeting during that period). Throughout the period of study, every financial report ended within the spirit of the following recommendation: 'Note the adverse financial position of the trust' and 'note the present adverse cash position of the trust.' Variations included: 'Note the continued adverse position of the trust'; 'consider options for action necessary to curtail the gross expenditure.'

The financial situation went on unabated and it led to the 'resignation' of Gary Fidder, the Director of Finance in December 1995.

The outcomes of the Information Technology project was less than expected and this was a cause of considerable concern among the Directors and the central government sponsors as it had not yielded the net efficiency gains they had hoped.

Graham Nett (IS), left the organisation at the end of October 1995, due to a combination of, "Weariness from having taken over a poorly specified project to start... a better pay offer and the end of commuting so I can be nearer my family." Graham Nett.

Fred Jury, the Director of Quality, continued to be on the boundary of the group. He did not have an executive role among the Directors and he was not involved in the day to day running of the hospital due to external commitments and demands. Thus, he took on an advisory role to the group and ceased to be a member of the group as originally planned.

Thus, for various reasons the group saw the departure of three of its members during the period of study.

During the new year of 1996 through to the Spring, the group was smaller and was able to reconstitute its own role and self esteem. The Chair of the Board resigned and was replaced and a number of Board members were also changed to give the group what it was seeking from a super authority. No new appointments were made to the Directors until the summer and the group shared the responsibility of 'running the business' with the CEO attending the external boundaries more and the Clinical Director and the remaining three Directors attending the internal operations of the hospital. The Finance Director's deputy provided the Executive and the Board with their needs and an appointment was confirmed in the summer of 1996.

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4.1.4 Does the team display examples of 'basic assumption' motifs over 'work'?

The data suggest that the group does not display predominant 'basic assumption' motifs over work. There will be some meetings where the balance may be different and a look at Appendix 9.2 shows how far that is the case. On the contrary, 'work', in general, seems to feature greater than basic assumption motifs.

However, the 'level' of work, as defined in Appendix 1, is low - over 75% of 'work' is at level two or less and only 1% at level 4. Thus, the group dynamics seems to reflect an inability to learn which is present in its task and boundary management and its 'holding environment'. The deeper 'unconscious' and projective dynamics are explored further in the next section.

Secondly, the notion of 'pairing' between the CEO and Deputy/Clinical Director seems to be less evident in the meetings. Pairing reflects a low level of interaction. This difference may be explained by the way in which these two key players work mainly 'off-line' outside the meetings. The latter point was widely recognised by the Directors.

Thirdly, the most vocal opposition to the CEO's style and approach was David Larson, the Director of HR, who took up the oppositional role. He seemed to represent the 'fight' in the group. Some of this may have been on behalf of the other members of the group who expressed both admiration and suspicion of the CEO. This ambivalence and the lack of an adequate holding environment may have also led to greater investment in the CEO than may have usually been expected. The 'split' between the CEO and the HR Director may also have reflected other tensions in the group between clinicians and managers, as the CEO also had some clinical experience in the early phase of his career. It may have reflected envy that the CEO and the Clinical Director had such a close working relationship. The tensions may have also been a symbolism of the differences between the 'new' entrepreneurial ways of the hospital (and the NHS more generally) and the older order of relationships.

Finally, given the difficult environment and the lack of group effectiveness, there is a case to suggest that the group is not used as a strategic vehicle for learning and that some of the dynamics of analysis operate outside it.

A systemic analysis of the group

The exportation of the Finance Director may have represented the group's act of scape-goating. The monthly Finance reports and the monthly notes of the Board meetings showed that he did indeed warn Executive and Non-Executive Directors of the 'adverse financial position' over a prolonged period of over a year. However, his exportation may be explained in part by the fragility of the holding environment (the CEO and the Clinical Director) and the inability of it to tolerate both the risk and anxiety that the Financial Director represented. These risks and anxieties were both existential and real.

The Finance Director may have represented the organisational and Director's group 'bad object' in a number of ways. He was always pointing out the bad news (so shoot the messenger), he was a self-declared centralist (oppositionalist), and he was also the policeman of the accounts/books and wanted to control a medically led hospital culture (counter-cultural). He represented the antithesis of the medical Directors and the CEO. He had less external allies and 'expertise' than the other 'centralist', David Larson (HR) and maybe therefore was an easier target.

In addition, as he 'pulled rabbits out of the bag' every year, his message was that the hospital was in financial difficulty was not believed as the system expected him to do it again. He did not, was unable to, and thus he became a target to be scape-goated.

These dynamics were further aggravated and conflated with the difficulty of the financial systems that were not run properly so monies went unclaimed, figures did not represent the whole picture and generally managers did not have confidence in the financial Director or his work. It is possible that he interjected the feelings of hopelessness and incompetence of the rest of the group and thus completed the projective identification to take up the role of scapegoat.

Finally, at a broader systemic level , there was the continual and external pressure on the organisation and the group, which rather than ceased, increased. In that total systemic dynamic the finance Director 'resigned' and was exported out of the system. He was given the role of scapegoat. It is suggested that it was the piece of the system that the temporary holding environment was unable to contain and still hold it self together.

Thus, it is difficult to conclude whether the predominance of basic assumptions per se inhibits learning. There is evidence of fight, splitting, a dependency leadership motif but these are not constrained solely within the group. These motifs form part of a wider systemic dynamic that does appear to be reinforcing of the group's context and the co-determination of these interactions appear to limit strategic organisational learning.

4.2 Do individual 'valencies' reinforce difficult group dynamics?

This section explores how the manager's context, history and inner conflicts and drives help throw light upon how they took up their roles in the strategic forum of the management team. As noted above, three of the team members left during the time of study, so this part reports on six of the remaining Directors. These include: Geoffrey Hands (the CEO), Dr. James Miller-Winthrope (Clinical Director), David Larson (HR Director), Harriet Quinn (Operations and Estates Director), Ginny DeVoil (Contracts Director) and Jean Peat (Nursing Director). Each of the Directors filled in a personal profile inventory and this was used as a tool for personal and existential exploration through an in-depth interview held in autumn 1996. The details of this process are in chapters 10 and 11 of the research methodology.

The following accounts are taken from the second. In-depth one to one interviews with each of the Directors, the outcome from their Firo-B data[5], the comments from their colleagues (used as feedback and dialogue) and a written note including key points from each of the sessions.

The outcome from looking at the individual accounts to answer the question, what impact do individual 'unresolved' memories or conflict have on the group's dynamics.

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[5] Firo-B score for each element ranged from 0-9. In identifying self scores directors were asked to score themselves as high, medium or low. These were used as a comparative to the scored marks where 0-2 was low, 3-6 was medium, and 7-9 was high. High, medium, low is the format that will be used to report the scores, which also made sense to the respondents. Explorations followed the participants' interests and tended to explore differences in expectations or extremes in high or low (9 or zero). Raw data for each of the Firo-B scores are in appendix 9.4

The individuals' history, role context and inner drives - the internal dialogue

Geoffrey Hands

Geoffrey was in his mid forties and had established himself in the role of CEO with more and more work relating to the hospital's relationship with the outside world. Thus, he was increasingly gaining a reputation as a local spokesperson on health and public sector issues more broadly. This newly won recognition of becoming the 'elder statesman' he both enjoyed and wished to develop.

His Firo-B data and much of the conversation focused on his expressed control (raw score of 9 see Appendix 9.4) and its origins.

Table 13.3 The comparison of Firo-B score and self assessment for Geoffrey Hands

1	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	Low-Med	High	High	Low	Med-Low
Wanted	Low	Medium	Medium	Low-Med	Medium	Medium

He was aware of his high needs to shape events and processes and that often he was seen as judgmental or a hard task master. "I think I come over stronger than I mean too," he admitted.

He thought that his career aspirations may be frustrated by the need 'to follow the company line' - referring to a senior Health Authority post - over his more natural entrepreneurial and outspoken approach on issues. He identified that personal values on equality and freedom were strong drivers and this was evident in his days at school, university, in his early work career and even now in his current post. He thought that it may even explain the poor relationships that he first had with the Health Authority.

The deep personal conviction of equality was traced back to his father's personal convictions, his father's outspokenness and the dynamics of the family more generally, where he was expected to live up to his father's expectations. "He is always sitting on my shoulders."

In the work context Geoffrey Hands related to a wide range of colleagues, but he recognised that he could not be 'one of the boys' and in many ways retained a private 'self' that was kept separate from the life of work.

While successful in the post, his personal and career future offered a number of equally important yet contrasting alternatives and these were to be further pursued during the course of the year.

Analysis

Geoffrey presented himself as a conviction based leader driven by deeply held beliefs on equality, management and power. His drive for managerial devolution, 'open government' and being outspoken on the hospital's behalf seemed to contradict some of his behaviours: where decisions were made outside of the decision-making authority; where there was a small inner group of the CEO, the Chair of the Board and the Clinical Director; and where his behaviour was sometimes perceived as being judgmental.

As a 'visionary leader' with a passion for process, these strongly held beliefs were experienced by others as controlling.

He seemed to take up the role as the hospital's 'saviour'. This was fuelled by Geoffrey's belief in the value of the work of the hospital and psychoanalytically the 'introjected', outspoken father figure of his past. This was further suggested by recent events in Geoffrey's family life that led to his father's uncharacteristic and open approval. The impact on Geoffrey of this acknowledgement was significant - giving visible joy as he spoke of it in the conversation. This recognition by his father seemed to mirror the newly acquired status of elder-statesman and approval by a community that had hither-to not given much time or status to Gladding Hospital Trust - including the neighbouring Prince Harry Hospital , the health authorities, the D of H and other health managers and practitioners. One explanation of these events is that Geoffrey could give up the role of the counter-dependent, 'rebellious youth' and acknowledge the interdependent nature of the hospital to external agencies as his father's recognition had done for him and their relationship.

Nonetheless, the main inner driver for Geoffrey appeared to be the strong super-ego and ego ideal reportedly based on his father. Thus his drive to do the right thing was a strong belief system and thus he took on the role of saviour and the mouth-piece of the hospital.

Dr James Miller Winthrope

Dr James Miller-Winthrope was seen as the 'elder statesman' within the hospital and was a man of gravitas. In his role and as a chief clinician he did make life and death decisions and this gave him a 'god-like' persona where people - colleagues, staff and patients - did project onto him these qualities. Thus, he was used to being in charge and in control.

His Firo B scores are given below.

Table 13.4

The comparison of Firo-B score and self assessment for Dr James Miller-Winthrope

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	Low	Medium	High	Medium	Medium
Wanted	Low	Medium	Medium	Low	Medium	Medium

James focused on the issue of control. His reactions to control 'depends on the situation', he said: “I hate it when it is not clear and so there is jockeying for position.” It was not so much an issue of control per se but whether the person in control had the 'right qualifications' or 'earned the respect' to take the lead. This was the critical part and in some ways may be also an expression of trust in his relationships.

Further exploration of these feelings were traced to certain rights which he felt were established and expected as the first born and the right to be in charge. The second revealed a cautiousness in relationship to others. On the one hand, James enjoyed being ‘a member of the gang, one of the boys, a part of the process’ but this was matched with an ambivalence around investing in others or being introspective and withdrawn.

These feelings and personal dynamics were present as a child and they resonated with school reports and the experience of going through university.

He had acknowledged that he had developed a confident and ‘aloof’ public self; whereas the inner self was much more private and withdrawn than presented in the public domain. In psychoanalytic terms he hid behind his ‘false self’ and raising his awareness of this was uncomfortable for both of us.

Analysis

Dr James Miller-Winthrope presents himself as calm, stable and in charge. He is seen as the elder statesman within the hospital and a figure of authority. The authority comes from his role, his personal presence and the projected investment in his 'life or death' judgements and 'god-like' qualities that are associated with him. The existential authority that is given to Dr James is also enjoyed by him. In some cases he is aware that this process takes place and reminds his junior colleagues that the consultant is not infallible. In other instances his is not aware of what is taking place and can be can seen by his own admission as being judgmental or arrogant.

This 'god-like' role is hard to shake as his other internal dynamic - that is to withdraw - prevents him acting in other ways that do not reinforce his image of being above or removed from the fray. His natural tendency to withdraw means that he is less expressive and related to others than he may wish (see his raw scores compared to others in Appendix 9.4).

His ambivalence to close relationships focus on areas of trust, being let down and unfulfilled expectations in others. Thus, he manages this internal tension by avoiding close emotional ties and retains that slightly removed stance which has worked in the past, provides some comfort and based on previous experiences there are no perceived 'benefits' from being any different. Thus, the doctor, by his own admission, is tied into a way of being that fulfils a role for the group and supports his own unresolved, internal ambivalence and tension. Thus, remains both aloof and existentially unfulfilled.

David Larson

As the HR Director, David was the youngest members of the Directors group, 40, but was probably within the average age group for the sector more generally at that level of seniority.

His Firo-B scores are below.

Table 13.5

The comparison of Firo-B score and self assessment for David Larson

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	High	Medium	Medium	Low	Med-High
Wanted	Medium	High	Low	Medium	Medium	High-Med

Most of the time spent in the session focused upon inclusion.

David was in many ways the outsider of the group. He had to continually push himself forward to be 'in' the group and he found this bruising at times and tiring. These comments were based on his own observations, feedback from the first interview with colleagues and observation. Sometimes he would just give up. His strategy of 'fighting from the outside' was perceived by others as a personality conflict with the CEO. Yet for David these 'battles' were on points of principle not personality.

He commented that he was not normally part of the 'in crowd', the 'key group' and his experience in many ways was no different at the hospital.

"Even now my formal role makes me part of the group... but not the informal."

David liked to be given clear goals and performance targets. This provided a basis for feedback. His experience of general feedback in the hospital was negative but he felt that he was not getting any direct feedback at all. He felt that there were low role and performance expectation of him and these were well below his own high standards. Further exploration of the role of his boss in this and the need for direct and regular feedback revealed a memory of family history where David experienced little or no feedback - of any kind. 'It was simply the not knowing' that was the hardest thing to tolerate and this was what he grew up with as a child and it continued to resonate in his current role.

On being asked whether David had set up regular review meetings with the CEO, he replied he had not and contracted to do as an outcome of the session.

Analysis

It appears that David has co-created the role of 'outsider'. It was a role he appeared to be used to and it was not unfamiliar. A key factor for David from the interview was the total lack of feedback he had received as a child. Thus, from a psychoanalytical view, his 'not knowing' may well have impacted on his sense of self and thus his actions may been seen as a desire to define himself in one of three ways. Firstly, to assert his self and identity from a basis of beliefs and worked out principles. Examples from his own text and others suggested that he had a willingness to engage in conflict where others do not and he suggested that this was based on principles. The second element regarding these 'battles' may reflect a wish to receive attention and feedback , rather than nothing. In a perverse way it provides some feedback and may fill the void of not knowing. However, a third element may rest with his relationship with his boss. Here it is 'as if' he is expecting the feedback he never had from his parents. He does nothing to take the initiative to simply set up regular sessions. In his role as HR Director and a national expert in the field he would be telling others to do so all the time yet such a simple task he does not do for himself. It is suggested that there is some form of transference relationship between the boss and David based on a desire to received feedback and a fantasy that his role and performance outputs are low. The CEO several times in his one to one interview says that David, "...is one of the experts in his field."

One tentatively concludes that the combined isolation plus the lack of direct feedback for David, resonates with childhood experiences and that he seeks to compensate for this at an unconscious level by being combative in his relationships with others - but especially the CEO. This may provide the unconscious pay off of being noticed and acknowledged. However, the way he unconsciously 'chooses' to get his needs met continually casts him as the outsider and reinforces the role.

Harriet Quinn

Harriet presented herself as generally out-going, creative and supportive: safe. She says that she is one of the members of the group that provides a bridge between differences - be they people, ideas, values or level of work between strategic and operations.

Her Firo-B scores are below.

Table 13.6

The comparison of Firo-B score and self assessment for Harriet Quinn

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	Medium	Medium	Medium	Medium	Med-High
Wanted	Low	High	Medium	Low	Low	High

Harriet has a 'high level of self awareness' but was still surprised by an exploration that led to her realisation that being included into groups/processes was more important for her than expected. It was this area that she choose to explore in the session along with 'wanted' affection.

She acknowledged the need for 'affection' and she experienced the memory of holding back in a family, where she was the eldest of three younger, sisters. This had two or three links. Firstly, the affection and approval she sought from her father was not there in the way she wanted. She was bought up to 'hold back' and not get emotionally involved. Secondly, this holding back was more general in that Harriet would set self imposed limits on for example career aspiration. Further discussion revealed that this came from a fear of failure - "Not pleasing mum and dad... especially as the first and eldest child." Thirdly, of the most trusted member in the Director's group was the person who was not unlike her father and represented a symbolic authority figure.

Analysis

Harriet is not unfamiliar with managing complex and competing relationships and demands as reflected in her experience as the eldest sister of four: managing the bridge between parents and probably between parents and children. She was encouraged to hold back and yet she has developed a series of strategies that make social engagement with her uncomplicated, which reinforce a sense of security.

Some of the security is held in the trust she places in senior members of the group, Dr. James Miller-Winthrope and Geoffrey Hands, the CEO, who she acknowledge may symbolise the parents of the past. Another part of the 'security' was held in the self limitation on aspiration as well as the fear of failure.

Harriet seems to be characterised by a need to have security. Thus, it is suggested that her behaviours and actions are driven by this inner dialogue and this provides a safe environment for herself and others but may prevent her taking more authority over her roles and responsibilities. It is a point she comments upon when discussing her own role in the group in section 4.1.1 above.

Ginny DeVoil

Ginny is 47 and has been working in the Gladding hospital for over 20 years and thus has been there the longest. She is seen as friendly and approachable and works hard on making the hospital's income targets meet. While she is good at relationships and making things happen it is not something that she feels comes naturally:

Her Firo-B scores are below.

Table 13.7: The comparison of Firo-B score and self assessment for Ginny DeVoil

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	Medium	Medium	Medium	Medium	Med-High
Wanted	Low	Med-High	Medium	Low	Medium	High

Wanted affection and inclusion seemed to be key areas for discussion.

"My natural style is to hold back because there is an internal critic," which can generate the fear of getting it wrong. On further exploration these associations, were traced back to the days being at a traditional single-sex school. Memories were of the school culture of criticism and fear, where expectations were for high performance and where there was no room for mistakes. Her school and university experience were thus less than enjoyable and led to 'my own space being preferred' over the demands of the organisation's. A parallel was drawn between the school, a large institution of the past and some of the negative association therein, and the institutional nature of the hospital and she could see how the two could be unconsciously conflated.

Ginny preferred to be seen as a 'good person' and thus did not like engaging in conflict. She has for example made people redundant but found it a very difficult task. This part of her nature was traced to her family dynamic.

These factors still seemed to play out in Ginny's role in the hospital. She had high standards and expectations from her work. When staff did not 'perform as expected', she did not like to give them negative feedback on delegated work so ended up doing it herself because: "I do not want confrontation to spoil the relationship... and I feel I should do it myself. I'd do it better."

This inner dialogue had an additional dimension in that Ginny held ideals about the perfect leader - her unconscious ego ideal. "A leader was to lead from the front, be a perfectionist, carry the load and be able to do things better than others." Moreover they were not to be a "task master or Victorian mill-owner type."

Thus, because Ginny basically ended up doing every thing herself she was constantly overworked and meeting deadlines at the last minute - often tabling papers at the Director's meeting.

Finally, she recognised that she often 'stood on the fence' regarding difficult issues and did not give a view. She would move to a 'position of grey' (i.e. not black or white) and she could see 'everybody's point of view' and would rarely take a position based on her own analysis.

These added up in Ginny's mind to reducing her realm of authority and to her setting self-imposed limits.

Analysis

Ginny presents herself as a popular member of the Director's group and the hospital more generally. She worked very hard but this seems to be driven by an inner critic that has its history in her school experience where the need to perform was instilled from an early age. The fear of failure and ideals about the nature of leaders makes it hard for her to give up the repetitious nature of this ego and defensive routine that seems to be related to an unobtainable ego-ideal or 'false self'.

There is also her stated fear of conflict and confrontation, which reinforces this 'primary process' and may hold another fear and that maybe of rejection. The outward appearance of sociability and the fragile nature of self-worth at a pre-conscious level presented some discomfort for her.

The degree of adaptation and desire to meet other's demands, the 'helpful' role perceived by others in the group, not being able to take a stand up for herself and the fear of being harshly judged may suggest an adapted nature and the possibility of a complex false self.

In any event, Ginny does take up her authority in her role and there are clear links to her past. This serves the group well but reinforces the internal dynamics and tensions that Ginny faces.

Jean Peat

Jean had the responsibility for Nursing services but was not directly responsible for the staff, who ultimately report to their Clinical Directors. This made her job difficult and thus the results of her efforts have been slow to come to fruition.

On meeting her, she had just come from a review meeting with the CEO that morning who had reported very positive feedback to her.

"I am on a high. By four years I've started to achieve the vision - my style takes time but it comes together in the end... The recent reports [from the external auditor and the Nursing Report] were very positive about the services, including the savings made over the last two and half years!"

Her Firo-B scores are below.

Table 13.8

The comparison of Firo-B score and self assessment for Jean Peat

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	High	Medium	Med-High	Medium	High
Wanted	High	High	Medium	Med-Low	Medium	High

Much of the focus for the session was on inclusion

She felt that in understanding her own needs for affiliation, it highlighted the exclusion of Nursing Services from the policy agenda of the hospital. This was frustrating and she wanted to be more central and systematically included in policy debates for herself, for herself in role and for the service.

Her natural management style was consultative and this matched the balance she saw between the Directors having autonomy and there being a corporate framework to provide a common base.

She was often picking up 'outstanding items' that were left incomplete both at the hospital and also at home. Thus, she was often demand led and there were a variety of calls on her time, attention and skills. "I find it hard to say no." She was always having to juggle work not just between competing demands but also it sounds between operational and strategic. She felt that her drive for work and activity was not to be perfect but to be seen as contributing something valuable.

The other area that seemed to be important for Jean were her feelings on not being 'publicly acknowledged' or 'appreciated'.

"It's difficult to get people to appreciate the work in such a large hospital... I've felt frustrated as my previous knowledge and experience was ignored and continues to be."

"We should use Directors background, knowledge and skills to the full."

"The Board expect me to have a nursing view. To advise, comment." But Jean reported that she was unable to do so and on initial exploration she felt that: "I'm not always looking for the opportunity as well as I might. What I might want to say I may not for political reasons - you know there are some no go areas. The CEO may not be interested in what I may say. Feel like I am banging my head against a brick wall and I know others feel like that."

The theme of not being appreciated continued and it led to it being identified that it was hard for Jean to 'speak up' for herself or have a voice.

She identifies that: "It's all to do with my father. He was very authoritarian. So we did not speak up." Further information revealed that the family dynamic reinforced this way of being and Jean was able to see how it translated into her work as an adult.

Analysis

Jean worked very hard but it took considerable time for her efforts to be noticed and appreciated. This she felt upset about. It seemed that her hard work was driven by her inability to say no, the need to be noticed and approved of, and to desire to retain the good will of people around her. This was something she did as a child in her family, in her family as an adult and at work picking up other people's unfinished business. Her difficulty in saying no, may be due to a fear of hurting others. It may also be a fear of self injury and a sense of internal, object-loss if others reject her as a consequence. This fear may have been sublimated into work. She may have placed this energy into strategic and policy agendas rather than operational matters thus increasing her effectiveness.

Jean was unable to really speak up and we see this both from her own text and some of the comments of her colleague: "She lets people talk over her"; "She is ineffectual." While, the roots of this behaviour can be possibly traced to childhood, it persists in her current work situation and has impacted on her authority to take up her role. The existential, as if, role she seems to have taken is the 'silent worker', who works hard but is not totally effective or acclaimed for her efforts.. She has done good work as demonstrated by the external references. However, in the minds of the group and within her, she is unable to speak up and her perceived role authority is low. She may carry the phantasized 'incompetence' of the group that Bion (1961) talks of in his study of groups and the role of projective identification. The group's pay off is a protection against criticism and against the fragility of the temporary holding environment, which if exposed may fragment and leave everyone 'naked'. That would make them all open to criticism from the Board, the CEO and their own inner critics.

4.3 Do individual 'valencies' reinforce difficult group dynamics? An analysis of the individuals

Each individual's personal dynamic were presented from the in-depth interviews that explored their personal history, inner dialogue and context and meaning for each Directors. While each member had there own unique history, inner tensions and conflicts, they all fitted a role within the group that served some of the needs of the group. Be it the entrepreneur and saviour, the attention-seeker who never had feedback or the bridge builder, each of these seemed to meet the complex dynamic of the group and reinforce a number of the individual's personal valencies. Thus, a complex interaction of personal, role and group dynamics provides a 'group matrix', which is made of multiple, unconscious projective identifications.

Psychoanalytic theory suggested (see chapter 6) that the unresolved memories and the compulsion to repeat these difficult times in our childhood help explain some of our actions. In these individual cases there is evidence that past memories of an unresolved nature do continue to be unconsciously acted out and that in an organisational setting they do impact on how people take up their roles and manage their authority.

Unconscious roles of conflict avoider, perfect leader, 'fence sitter', 'pleaser' seemed to be part of individual valencies within this group. These enactments may arise from a number of reasons such as the fear of object loss, the internalisation of demanding ego-ideal (objects), the over adaptation of self or a 'false self' as discussed in the analysis of each account. This study was not able to substantiate the cause but it was able to suggest tentative conclusions. However, it is fairly well established in the literature that there is an associative relationship between personal history and the inner world that creates and the way in which people take up their authority in role.

Secondly, the contending proposition suggests that while there are still positive and valuable activities and work that can, and do, arise from our past childhood memories and experiences, where these remain un-addressed then individuals will be constrained in their ability to fully take up their authority roles. In the cases described above, the roles taken and given (note what each says about the other) seem to sustain a collusive dynamic that serves avoidance, the reduction of pain and a denial of reality for the group and provide a familiar but perverse need for the individual. The latter meaning it reinforces their unconscious compulsion to act out or to operate in such a way that they get the opposite of what they want or it comes in a perverse way. For example the HR Director really wanting feedback but getting it in a way that was attention seeking and seen as confrontational rather than just asking for a regular meeting. Similarly, the Director of Nursing Services wanting appreciation and recognition yet not being noticed by her colleagues and not speaking up.

Thus, it appears that the personal accounts support the proposition that where Directors are driven by their pre-conscious anxieties, these do impact on how they take up their role in two ways. It appears that it reinforces the role that each member takes up which both serves the group and the self-limiting aspects of the individual. In addition, it reduces the impact of their role authority through them not speaking up (Jean Peat), speaking too much (Geoffrey Hands), driven by the need to be included (Harriet Quinn), or simply needing feedback (David Larson). This 'role differentiation' is a product of projective identification between the individual valencies and the needs of the group as a whole.

At a wider systemic level, the impact of the context also seems to be important in a number of ways.

Theory suggests that the context provides the mirror to the internal objects that are represented in the externalisation of those objects. Thus, the group, the institution (as objects) and members of the group represented a number of things. For example, we see transference relationships existing between the David Larson, HR Director and CEO, between Harriet Quinn (Ops) and the CEO and Deputy and Clinical Director. The Clinical Director refers to his own experience of being the first born and its relationship to fellow clinicians. The Director of Marketing draws upon the parallels between the existential and inner demands of her public school institution (the object in the inner world) and the institutional demands and of the hospital in the external world and how these were conflated. The CEO saw the authority figure in the external objects of the health authorities and it was equated to the rebellious child within, to the internal father. Thus, it is noted that during the same period that the CEO's father actually approved on him, he was also being approved by the health community at large.

A cynic may say his father was cashing in on the CEO's newly found local fame. A psychoanalytic view would argue that once the father had provided the sought after approval, the rebellious enactment no longer served a purpose. Thus, the health authorities were no longer construed or treated as the authority figure or external bad object. The latter would have to be tempered with changes within the minds and context of the CEO's team and Board and some changes in health authority personnel. But the cynical view carries less weight.

Finally, the group itself changed. One member was exported and the difficult feelings that were associated with him were successfully launched as well. There was no evidence eight months after the Finance Director left that the same feelings were still around. This contradicts theory about scape-goating which suggests the system always needs a scapegoat. Some of this may be explained by three factors:

- The context of the group changed in several ways

  - The health authority shifted its position and the level of intensity while not stopping, it did not increase and the system could operate at that level.

  - The Board changed in the spring of 1996 and this provided more of a holding environment to contain and support the Directors group and the individuals involved.

  - The temporary holding environment was replaced and thus the fragility of the system as a whole was not so vulnerable

- The group itself changed

  The group initially 're-grouped' and began to work as a team and have more recently made appointments. There was an opportunity to change roles and end the collusive nature of the dynamics that were identified. The study does not cover further follow-up

- Geoffrey Hands, CEO, seemed to have been more conciliatory both to the outside world and the inner world of the hospital. This may mirror more significant changes in his own personal inner and external worlds.

Thus, while there have been system changes there was no evidence of scape-goating during the last visit in December 1996.

In summary, the systemic dynamic of groups do appear to be a complex interaction between the history and inner world of its members and the dynamics and context of the group itself.

5. Organisational learning

Question four: Is the organisation able to attain strategic organisational learning at a high level?

The purpose of this section is to address three sub-questions about the nature and level of strategic organisational learning in the system and the impact of systemic defensive routines. The sources of data for the inquiry are varied: the responses to the first interview (Q17 onwards), the dialogue and feedback sessions held at the interim stage of the research, and an additional review meeting with the CEO and the Deputy/Clinical Director in August 1996.

The three areas of inquiry are:

- Is there strategic organisational learning?
- Is such learning double loop?
- Does the strategic leadership provide facilitative structures for learning?

5.1 Is there strategic organisational learning? Its nature and scope

Organisational learning here refers to the manner in which the strategic apex systemically understands how it interprets its environments, acts on its decision and systematically reviews and institutionalises its findings. It is based on the elements argued in chapter 5: scanning, detection and interpretation, taking action, reviewing and learning and countering organisational defences.

5.1.1 Scanning and detection:

The Directors group was the body responsible for this. It used both formal and informal methods to scan its environment and make sense of what was going on. More often than not the way the 'top team' knew about what was going on was that they were: "Tipped off informally by other hospitals"; "By informal query started by the CEO and the Deputy CEO"; "No signal at all - we just did not have the information... insufficient risk assessment"; "Just sensed it and felt uncomfortable about our moves."

More formal mechanisms included: "The Board is given a report every month of income and expenditure projections - but it is perceived as the Director of finance giving us bad news"; "The expenditure plans - monitoring them and seeing no new contracts." Early signs were present - slipped dates, renegotiating projects, delays but the signs were ignored. In addition, during the period of study a proposal for benchmarking was being considered but not followed through. Finally, data from the Kings Fund review and the district auditor was also available but in the case of the former seemed to be used selectively at the Board meetings.

The formal scanning processes seem to be slow to detect micro changes in the system as it related to strategic initiatives. Often the information yielded was wrongly interpreted, mis-read or ignored. The informal processes seemed to be given more weight and these were often the basis of executive action over formal data.

5.1.2 Taking action

We have already had information regarding the 'top team's' effectiveness and its slowness to follow through or complete actions (see 2.1 above). These behaviours also extend to strategic organisational learning. In terms of taking corrective action on difficult strategic dilemmas the group's response was no better.

"Initially the situation was not dealt with"; "Corridor conversation is usually the way things are dealt with here"; "We all retreat"; "We work on the basis of the last minute behind the scene discussion"; "We decided to pull things out at the last minute and manage it through special projects, which did not actually produce the results"; "We rang round (at the last minute) to drum up business contracts. It was all by the seat of our pants."

The group was poor at carrying through its decisions and those with a strategic imperative were more usually dealt with through informal processes or at the last minute.

5.1.3 Reviewing and sharing of learning

The group showed little evidence of effective sharing of their lessons.

"No debate about the issues"; "Insufficient time to critically evaluate"; "When we got the report we rubbished the external auditors"; "Some things are just too politically sensitive to share"; "There were no lessons drawn; we should have had a post mortum"; "Personally I felt we could have handled the situation better"; "Feedback is weak - I'd not seen the project status (on a large piece of investment) for over three to four months"; "We tend not to share learning"; "We never even shared it at the Board, let alone the rest of the organisation"; "There is a new sharing and task force lead by the CEO but that's only just developed"; "Not shared; no action"; "No - just denial. As to review it would mean accepting the loss and lessons are resisted for political reasons."

The group was poor at reviewing and sharing its lesson. It seemed that the fear of exposure, retribution from the health authority or from colleagues stopped the strategic group from systematically reviewing and sharing its learning on strategic initiatives. The informal process again seemed to provide some information but this did not compensate for the lack of reviewing and sharing at the strategic level.

Thus, the learning that did take place seemed to be informal. There was little, if any, strategic or systematic forum or debate on organisational learning. This was not even had on a large IT project which was piloted in the hospital in order to 'learn' from it and apply to other trusts in the NHS. The fear of exposure by the project group, the hospital and the NHS prevented valuable lessons being discussed openly or shared. Thus, there was little evidence of strategic organisational learning. The conclusion was also apparent in the dialogue session

5.2 Is there double loop learning? The role of defensive routines

There was no evidence of double-loop learning in this case study. It is suggested that learning in general and double-loop learning in particular was impaired by what Argyris calls 'defensive routines'.

The organisation engaged in a number of defensive routines. These operated for the individual, the Board, the Directors' group and the strategic apex of the organisation as a whole. At each level the defensive and collusive routine served some other 'existential' need and was a flight from the task, boundary, critical thinking or opportunity for learning.

From the discussion about each of the individuals we see the ego-defensive routines that have a historical and systemic nature to them. The historical aspect is rooted in their personal history and the degree to which they are able to make sense of that experience. The systemic aspect is the conjoining of the individual's valency (object relations both in the inner and external world) and the group's matrix (projections and tranferences at different levels of meaning) which provides the 'roles' that are enacted and which continue to serve the individual's compulsion to repeat unresolved experiences (see 3.2 above). It also provides the group with a 'structure' that is 'familiar' and 'familial' to individuals and meets the group's need to ward off collective anxiety in a period of change. The organisational change evoked shifts in the external objects invested in the institution as it was then and generated varying degrees of anxiety as people readjusted to the new environment and context after 1991. The collective group phantasy about the depth and meaning of these shifts were most likely to have been unconsciously negotiated.

For the group as a whole, its development and internal experience was marked by the absence of a robust 'holding environment' due to the collapse of the Board's authority and boundaries. The collusive routine supported the CEO, the Chair and the Deputy CEO to 'act as if' it were the Board. This provided the temporary and needed space for the Director's group to work and it gave the sense of protection. The CEO's 'role' as 'saviour' and the basic assumption pairing of the CEO and his deputy provided temporary relief against the anxious feelings of failure, uncertainty about the strategic task, 'bankruptcy' and punishment from the health authorities.

This collusive and defensive routine appears to have provided the space for the group to 'work', albeit at a low level.

The group also 'exported' the finance Director. The evidence does suggest that he provided the strategic apex with the correct signals and this was often seen as his problem, not taken seriously or actively defied by the medical Directors. His reporting and administrative systems were lacking in some respects and this did aggravate an already difficult situation. It is suggested that the systemic defence against failure was invested in scape-goating the finance Director and that was the reason why he 'resigned'. It was the same staff and system that serviced the group after the Director left so it was not as if the administrative difficulties were beyond repair.

Finally, the strategic apex as a whole acted as 'as if' nothing was going wrong. It is suggested that it was in 'manic denial' (see Jaques, 1953). The Board meetings continued to be notified of the financial problems and its poor image with the health authorities but it did not take any executive actions. Instead, the decisions and authority was taken outside its formal boundaries. It colluded with the myth that the Board was in charge and this may have served a wider defence for the organisation as a whole which seemed to be totally unaware of the difficulties the strategic apex was experiencing. Even the medical Directors continued to spend as they had in the past and medical decisions continued to lead the expenditure lines over the 'strategic plan'. It was 'as if' the organisation as a whole wished to deny the severity of the problem. More fundamentally, it was 'as if' the medical fraternity wanted to assert its rights or at least challenge the shift in culture to a more business model of working.

5.3 Does the strategic leadership provide facilitative structures? Implications

The implications of this final commentary on organisational learning is that the system reinforces its defensive routines at multiple levels. Where there is any space for learning this was lost, constrained or corrupted. Scanning and detection was weak or absent, with interpretations based on informal processes. Corrective action was slow or ineffective and sharing and learning was kept in people's head at best. In fact the environment did not support systemic and institutionalised learning. Neither the Board nor Executive Directors were able to provide facilitative structures through providing clarity of the strategic task and the management of boundaries - both external and internal. The unconscious role differentiation within the Director's team did not help either. Thus, in the case of Gladding hospital trust, its capacity to learn during the period of study seemed to be constrained to level zero - systemic habitual routines with occasional personal learning.

6. Personal insights

In the spirit of self reflective inquiry and a 'clinical' approach, this section records some of the key experiences and dynamics, I experienced in the role of researcher. It describes some of the feelings and thoughts about various aspects of both the organisation and the process and concludes with additional personal insights.

Experiences and reflections will cover:

- The environment and context
- The leadership within the system
- The team of Directors
- Individuals in the system
- The research process
- Personal insights and learning

6.1 The environment and context

My initial experience of the environment and context is described in the entry process in section 1.1 above. It was friendly open and a frank exchange. It concurred with the 'friendly' side of the culture that was mentioned in section 1.2.2 above and my feelings were very positive towards the hospital. It was a place I felt glad to go to and there was a sense of security.

I also had very positive associations to it as two years early it was the place where our first child was born and the standard of care in a difficult situation was good. I did mention this to some members of the group but it was not a conscious thought as I worked with them. But it was no doubt in the background. Thus, I wanted them to succeed.

I did not experience the 'turbulence' of the environment. It was quite the opposite. The large expanse of the green hospital grounds had the feel of a campus than say some of the inner city, Accident & Emergency wards I visited during the early stages of the research. Thus, with the exception of the CEO, I did not feel any urgency to manage the strategic crisis. Graham Nett was the only other exception but that was more to do with managing a chaotic project than a strategic agenda.

Finally, on the theme of a 'medically-led' culture, there was little evidence of that in the manner in which Board meeting or the Executive meetings were conducted. It was also true to say the Dr James Miller-Winthrope was invested with all of that authority (I certainly felt it) but it was not so evident in the artefacts or surface level of the culture. However, it did seem to be present at a deeper level, in that it felt that budgets could not be controlled (run by the medics); I was surprised by Professorial appointments being made without due course to the Directors group; and the Strategic Implementation Committee, which was medically led, seemed to have a persuasive lobby that was referred most often at the beginning of meetings in the chit chat period. Additional secondary data in the form of notes and minutes of that group's meeting support those feelings.

6.2 The leadership within the system

I felt a positive regard for the CEO and admired the way he tackled what seemed to be an enormous problem of change. He was positive, dynamic, process driven and thoughtful. I felt a positive transference relationship with him and could understand how his colleagues could love him or be envious of him. Thus, I felt I needed to work harder on also acknowledging that he could be 'flighty' i.e. make strategic decisions in the corridor, be less clear in his thinking and controlling. Thus, I had to struggle with the notion of some ego ideal.

He certainly filled the leadership vacuum for me compared with the Chair who was friendly, good at asking questions but not as ruthless as the situation required.

The only other member on the Board that stood out for me was a partner in one of the larger consulting groups. His attendance at Board meetings was sporadic. But he was razor sharp on getting to the issues and then holding onto to it until the issue was resolved or actions and time scales agreed.

Dr Miller-Winthorpe also played a leadership role. It was 'as if' he played the loyal Lieutenant. He did have gravitas and was a seasoned clinical manager. I felt very positive towards him and could see how he could be held as a 'father' figure or 'very safe pair of hands'. He was a counter point to the CEO, whose acceptance to risk exposure was balanced by the doctor's more clinical and objective assessment of risk.

6.3 The team of Directors

My first meeting with the team is recounted in section 1.1 above. It was enjoyable, intellectually challenging and a robust exchange. It felt good too that they decided to go ahead and made the decision while I was still in the room. So no anxious waiting.

Again, I felt positive towards them as a group and became a surrogate, fly-on-the-wall member, as I sat through several summer afternoons listening to their discussions. Occasional they would make comments like: "I wonder what he thinks of this..." or, "I bet you think we're mad" or, "I'd love to see what you're writing." Only on two occasions was I asked directly: "What do you think?" I never answered their questions, never felt drawn to become a member of the team or even imagined that I was a member of the team. Thus, I felt comfortable in the research role and was determined not to be drawn into the role of consultant (see discussion on research process below)

The split between David Larson and Geoffrey Hands was evident: more in the exchanges they had and some of the private conversations that I had with them rather than open hostility.

Generally, I felt that there was a great deal of goodwill in the team, they were committed to providing the best health care within their region and they were a good group of people. No political undertones at least.

6.4 Individuals in the system

My experience of most of the individual team members among the Directors concurred with that of their colleagues and their areas of interests in the second one to one, in-depth interviews (see sections 3.1.1 and 3.2 respectively). The CEO, the Chair and the Deputy I have already made some comments about as key players. However, three other people stood out for me. These were: Harriet Quinn (Ops), David Larson (HR) and Jean Peat (Nursing Services).

Harriet Quinn always struck me as realistic yet positive. In the face of adversity she could see both the realism of the situation and keep upbeat. This I admired and was drawn to. I thought this may be just a facade but in a variety of settings this seemed constant through out the year and a half I worked with the hospital. She was also the one that included me a lot in the Directors meetings and was always positively disposed to the research. There may have been some counter-transference on my part which linked with her own needs to include and be included. My own Firo-B score for wanted inclusion is extremely low (see Appendix 6) and belies a much higher desire to be included or more specifically to be recognised.

David Larson. I was struck with sadness when David reported that all he ever wanted was feedback and how empty that was for him. While it touched the recognition needs I have, it also gave me a completely different side to David, that was never observed in the public arena or noted by his colleagues.

Jean Peat comes to mind because of her absence. She constantly and repeatedly cancelled meetings but when the whole process was very advanced wanted to be involved.

The issue of absence did strike a chord for me as it was how others had described her. Yet in the one to one, in-depth meeting she was a different and confident person. There was a sense of 'but a bit too late' for me and some irritation at this late desire to be included. For my part, it may be some disappointment in her not taking up her authority and being more dynamic. However, there was also a constructed 'reality' that she was seen as less than effective and my experience of her understands why that may be so.

6.5 The research process

The research process is described in detail in chapters 10 and 11. The area that is touched upon here is managing the role. In declaring clear boundaries between the research and consultancy role it may be that these could be too rigid for this work. In Kahn (1993), he discusses the dangers of blurring these role relations and it is from that reference that the research was informed.

The events started with the first feedback session after the group observations and the first interviews. After points of clarification and discussion most of the points were found as having validity (a tape of the session is available).

However, the key question was: what are we going to do with it. I resisted overtures to have an organisational development programme, to provide a regular review outside of the research programme or do anything outside the role. Re-listening to the taped material I could see why I might come over as bloody-minded and unhelpful.

The outcome was that the group did not engage with the research process for another six or seven months and when they did they kept it to a limited agenda of the personal one to ones.

I believed and it was confirmed that the 'feedback' came without additional support and it was taken as a critical case (see my file notes in Appendix 9.1). This had broken the working alliance that had been established and at the subsequent meeting with the Geoffrey Hands and Dr Miller-Winthrope in August 1996, they both said that more support was needed during that difficult time and a 'shower of cold water' was unwelcomed.

The point here is in overly adhering to a rigid interpretation of the role, I damaged the research relationship. Schein (1987b and 1991) and Kakabadse (1996) would argue that you need to follow the 'client's interests'. Kakadabse (1996) further argues that such role distinctions are less valuable.

6.6 Personal insights and learning

The process of engagement with Gladding hospital has been rich with learning and insights. Thus, I am choosing to be selective on the top key themes that emerge from my reflections.

- The initial contact with a system is important in terms of developing relationship both for me as an individual and in the role. The past positive association with the hospital and the two most key players being my initial source of contact was an important facilitative process for my crossing the boundary. The two also met some of my ego-ideal expectations of 'dynamic leaders' and the environment was both pleasant and as a system open at the first boundary of contact. The benefits of this is that real dialogue starts early. The dangers are that it can be seductive and the 'shadow' side of both the key players and the system can be less prominent.

- My identification with the notion of strong, dynamic and process thinking leaders is high. This forms part of my ego-ideal, the way I would like to see myself. This awareness is good in that it has prevented 'interference' in the research process of how I'd like others to be and have been able to hear what people have said. Thus, the other side of people has been present and it stresses the importance of our own transferental material in taking such a reflective or clinical approach and the need to hold our own role boundaries.

- Managing the role boundary with more flexibility but keeping the task in mind is valuable. My learning from this case was I was 'over-bounded' and therefore closed to the needs of the group. Thus, my application of the learning was to be much closer to the team in case study three and ensure that a sense of support was present without compromising the role. I further reflect that my 'over-boundedness' may have been an unconscious over-reaction (reaction formation in psychoanalytic terms) to an under-bounded system.

- Finally, this process re-confirms the view that a reflecting and enquiring approach supports a deeper level of understanding when exploring the constructed reality of social systems.

7. Conclusion

The case material suggests that there are a number of dynamics that impact on organisational learning. In particular this thesis suggests that history, inner processes and context at the various levels are all important and has put forward five propositions.

The first question concerned the impact of the environment on the 'top team' and it explored the relationship between the turbulence of the environment and the organisation's ability to learn (at the strategic level)

7.1 Was the environment turbulent?

In the case of Gladding hospital trust, we found that the organisation was in fact operating in an environment of immense change and the relationships with the external environment - GPs, health authorities, other hospitals, the DoH, the public and patients - had fundamentally and structurally changed. The uncertainty of income, resources, working relationship and expectations had changed and it was almost like starting again. Thus, the environment was turbulent.

For the strategic apex, managing that change was immensely difficult and the focus on managerial survival and the protection of the organisation from the reality of the situation left little time for structured scanning, reviewing or learning. Few seemed to be up to speed with the demands of the change and the organisation still had a tranquillity that belied the order of the change. This slowness of response and lack of ability to read, interpret and make sense of reality meant that the key subsystem was unable to perform its function of strategic learning on behalf of the organisation.

The situation was further exacerbated by the quality of the 'holding environment' provided by the Board. The Board was dependent upon the CEO and unable to manage its own task and boundaries. The Board became dependent in its relationship with the CEO and while not hostile to the Director's group, neither was it able to provide critical support and challenge. Thus, the 'top team' were further exposed to the environment and the consequent impact on learning was impaired.

Regressive dynamics did unfold in the system of the Board and the Executive Directors in the form of pairing, the CEO taking on the saviour role, scape-goating and manic denial being enacted. Any strategic learning was negated. However, the outcome was not conclusive in that a temporary 'holding environment' of the CEO, Deputy CEO and the Chair of the Board provided a container and channel for the strategic apex as a whole to have the space to adjust to the transition. It is suggested that this 'holding space' was functional as part of both group's transition and one concludes that defensive dynamics per se need not negate learning - providing they are temporary and are in service of a transitional space. Klein, 1975, makes a similar point that realising the transitional object is a symbol or is temporary makes it acceptable. It is when the transitional object is substituted 'as if' it were real that it becomes dysfunctional.

7.2 Was the 'top team' able to manage its task and boundaries?

How well does the 'top team' manage itself? The inferences from the discussion is that it does not share a clear view of the task, its task effectiveness is poor, and the way external and internal relationships are managed do not provide the intended results. They are not a well managed team based on those criteria.

The leader does attempt to compensate and in so doing takes on a role that has been construed as controlling. These dynamics undermine strategic task attainment. Thus, learning is hard to achieve as there is no containment for it and the drive on immediate short term goals means that there is insufficient capacity in the group to manage learning as well.

7.3 Do the dynamics of the group impact on organisational learning?

The dynamics of the group shows that it has the capacity to 'work' but much of this is at a low level. It does not address the higher order level of 'work', where learning is harnessed. Basic assumption behaviours are present in the group - 'fight', flight from reality, dependency, scape-goating and some pairing.

In addition, we do see a clear link between personal valencies, 'role differentiation' of members in the group and the internal dynamics of the group. These suggest 'role' rigidity is present and these dynamics serve self-limiting role and personal authority relations for group members and they sustain the difficult group dynamics construed in the 'group matrix.'

Thus, the group's dynamics do impact on learning in that it reinforces low levels of work, ego defences and social defences as a subsystem.

These were also supported by wider systemic dynamics as evidenced in the wider role of the CEO outside of the group, acting as the 'knight in white armour' for the hospital. The 'pairing' role of the CEO and the Deputy Director, the inadequate 'holding environment' of the Board and the systemic scape-goating of the finance Director suggests that these dynamics were not constrained to the group alone. This further suggest that the 'pair' plus the Chair of the Board was insufficient to provide a space for learning because of excessive defensive routines against the fear of annihilation: life or death of the hospital.

7.4 Is there strategic organisational learning at a high level?

In the case of Gladding, we see that the organisation does not support systemic learning.

There does not appear to be evidence to support the notion of strategic learning. Neither is there data to support double loop learning. It appears that where learning may occur at the individual, group and subsystem level of the strategic apex that they are undermined by defensive routines. Such routines take the form of ego-defences, group myths and social and systemic defences which impair learning.

7.5 Additional insights

Not all of the propositions are shown to hold. Turbulence does seem to impact on the organisation's ability to learn as does the quality of the 'top team's' 'holding environment' and its ability to manage itself. However, there are some further insights that are noted. These are:

- The prevalence of organisational defensive routines also carries considerable weight. Much more than expected and these may help to explain more why the system was unable to attain strategic organisational learning through its 'top team'.

- The response to the turbulence in the environment may be as important as the environment itself. The capacity for strategic management teams to manage their own task and boundaries will impact how they scan, interpret, act and review and learn from their interactions with the environment.

- Temporary systems arising from defensive routines, can provide the much needed space for task attainment in the short term. Thus, an authoritarian or dependency leadership may paradoxically provide some temporary value to the organisation.

- The level of awareness required to understand one's personal history and dynamic is not within the expected bounds of most managers and as such it suggests that the re-enactment of compulsive routines are likely to be played out in organisational settings - especially those in crisis.

- The systemic dynamics of the wider systems appear to be more powerful in understanding the impaired learning of this system than the internal dynamics of just the 'top team'.

These emerging themes provide additional insights for this study.

Cases in organisational dynamics

Chapter 14 - The 'top team' that stayed the same - a case study of organisational routines

1. Introduction

This case study is about a 'top team' in a local authority, operating within an environment of macro changes and complete turnaround in culture to a position of trying to seek stability and continuity. They were working with the tensions of trying to control costs, performance, outputs, gain consistency of practice and standards, yet at the same time retain the buzz, excitement and sense of achievement that came from the recent past of managing crisis, change and cultural realignment.

Information about the setting of the case, the initial contact and entry and the key players is provided in this section. The organisational and group dynamics form the bulk of the rest of this chapter with analysis of the presenting data.

1.1 Background information

Tuthering Local Council operated within a metropolitan area. It had a variety of nationalities in its area and a wide band of social groupings. This was reflected also by an immense mix in environment from high rise, municipal flats and estates to large expansive green lands and Grade II listed buildings. There were also high levels of social deprivation in the east part of the area compared with a very affluent community on the west. It was an area of contrast and a multiplicity of cultures and different social values and mores all co-existing.

Some of this mix can be understood in terms of the authorities formation. It was the product of the Local Authority Act and reorganisation in 1974, which corporatised local government. It brought together smaller boroughs together under larger scale local councils. The argument at the time was that bigger authorities provided greater scale economies and as the provider of public services this was efficient and a good use of public funds.

One of the consequences of this was that Tuthering Local Council had two 'old' town halls that were used as head offices for two of the departments with a 'civic centre' in the middle of the area being the main town hall. The latter was the place where the CEO and the Director of Policy and Strategy both had their offices.

The formal organisational structure was a based on traditional local authority lines with the fifty-seven, elected officials (or Members) running the council through sub-committees[1]. These in turn reported to a main Resource and Development committee. The latter was run by the Chair or 'Leader' of the council and supported by the CEO and the Director of Finance. The other sub-committees were run by their respective departmental Chairs and supported by their service Directors. There were five main committees: Finance, Welfare Services, Planning, Contracts and Education Services. Other ad hoc and special projects committees were set up on the basis of need.

[1] The council had a large Labour majority with less than 10% representing other political parties - Tuthering Council magazine, April 1996

Figure 14.1 - An overview of the structure

Elected party - Labour

Leader of the Council

Committee Chairs

CEO

Departmental Directors[2]

Service-led Departments

Units and teams supporting/providing public service(s)

[2] Departmental Directors were accountable to the CEO through the line and excutive management structures as well as to their committee Chair through the political management of the authority.

The authority had approximately 11,000 staff at the time of study, with about 120 senior managers running it. The senior management figure reflected a lower number than most authorities. Based on the preliminary studies by the researcher the figure was typically 200.

1.2 Initial contact

The process of gaining entry into this organisation followed from the selection criteria and methods outlined in chapter 10. As a local authority with a previous high, public profile a direct letter to the CEO was something they were used to and that was the initial contact. An interest to take the matter forward was followed by a telephone conversation and then a meeting with the CEO, in his office.

The office was wood panelled, with only enough space for the CEO's desk and a wooden meeting table. If there were more than ten people in the room it was crowded. We met around the table with morning tea.

The office was in the Town Hall, which was off the main high street. The entrance to Town Hall building was a large, automatic glass door which led to a very large, high-ceiling but secured reception area. You could not physically proceed into the rest of the building unless the security locks were released to let you in. There was a large clock on one side. This had stopped and was reading ten past ten. It stayed that way for over a year.

Below the clock was a huge brass-plated plaque of all of the council leaders that had taken office since the 1940s. On the other sides of the reception there were no other solid walls, just glass walls looking out to the side of the building and the staff car park at the back. The receptionist and security guard would greet all visitors with 'Yes, can I help you' in a way that could be a little off-putting and they were often on the telephone having conversations with another colleague in the building.

The meeting with the rest of the Directors was scheduled several months after the initial meeting with the CEO and this took place in the CEO's office. There was some dissent by two members of the group of seven, but the CEO made a strong case for the research to go ahead and wanted to know what was the source of their objections. The counter arguments did not hold water with the CEO and the rest of the members of the group were positive or at least curious. Thus, the research went ahead.

Letters of confirmation were exchanged and a final briefing meeting was held with the CEO and a policy aid who was to be the point of contact and liaison. After the initial part of the research, the group observations, the contact point was changed to the Director of Policy and Strategy (DPS).

1.3 The key players

The research was undertaken with the 'top team'. The key players were as follows:

- Chris Hinds, CEO
- Paul Harris, Director of Finance
- Fred Jones, Director of Welfare Services - including housing and social services
- Ben Chandra, Director of Planning - the physical environment
- Peter Atkins, Director of Contracts
- Janet Taylor, Director of Education Services
- Charles Tews, Director of Policy and Strategy

2. The organisation and its environment

This section addresses the research question:

Question one: Are the dynamics of the 'top team' influenced by the conditions of the environment?

Theory suggests that the answer should be yes. But we are concerned with two specific sub-questions:

- Is the environment turbulent?
- Does the context of the organisation provide a 'holding environment' for organisational learning?

2.1 Is the environment turbulent?

An analysis of secondary data including articles, background papers and minutes suggested that there was a general context of change and uncertainty. This was characterised by a number of trends.

- There was the political drive for increasing the competitiveness of local authorities through Compulsive Competitive Tending (CCT) Act 1986.

- There was a move to take public services out of the realms of public provision and change the role of local authorities. Authorities were no longer there to provide but were to be 'Enablers', according to Nicholas Ridley, MP, (Gyford, 1991, Clarke and Stewart, 1998). This meant a change in roles, structures and relationships with 'customers' and 'partner' agencies. It also provided a different paradigm for working where 'commissioning bodies' took over the role of service managers and different parts of the department could be both client and provider.

- The Conservative government was committed to reducing public expenditure. Thus it introduced a series of efficiency drives starting in 1981, along with rate capping and local government restraints through the mid 1980s and actual cuts in expenditure during the years that followed. The main cuts were between financial years 1981-82 and 1989-90 and they were in the order of 6-7% in real terms, with some growth for a year of two per cent for 1990-1991. This was followed by a further 1.5 per cent cut in real terms between financial year 1991-1992 and 1993-4 and an estimated relaxation of cuts for 1994-1995. Since then the government has found it difficult to keep its expenditure commitments without its active privatisation programme (Flynn (1993) HM Treasury - Public Expenditure Analysis to 1994-95, Cmnd 1920)

- Several legislative acts have impacted on the provision of services in housing, the Children Act 1986 and in the case of this authority changes in funding arrangements for both special urban projects and monies from Europe. This required new internal structures, processes and procedures to meet the criteria of central government (or its agent) and the expectations of local people.

- There have been greater operational pressures put on the council to meet new, tight time tables if they were to take advantage of the new and varied distribution channels for funding. Examples quoted at management meetings were CCT, the need to develop a housing strategy, HIP allocation (Housing Improvement Programme), the authority's Community Care Plan and its bid and management of 'Regeneration' funds.

- Finally, there were political pressures to have an image of being 'Squeaky clean' both as an authority and as part of the Labour party's leadership aspirations in national politics. These were sentiments most voiced by the Chris Hinds, CEO, and Fred Jones (Welfare Services)

These main features of the national, regional and local environment suggest that most of the 'turbulence' was during the mid 1980's between 1983 and 1990. It was during this phase that most of the legislation was introduced, most of the cuts were experienced and the political polarities were most apparent between central and local government and especially between the Conservative and Labour local authorities (Widdicombe Report, 1986).

In addition to these external trends the Directors identified three other key issues that concerned them.

- Budgetary and financial resources
- Agreeing priorities in relationship to the changing environment
- Managing public expectations

2.2.1 Budgetary and financial resources

* Quotes on these based on the first interviews

"Budget and financial resources are an issue as is the future of local government." Fred Jones (Welfare Services)

"In the past we used certain government grants like the Urban Programme but now we have to use mainstream grants and prioritise." Charles Tew (Policy and Strategy)

"The introduction of CCT also concerns me. Where do you go if you have a reduction in funds?" Paul Harris (Finance)

"...We have to make cuts but Members are not willing to do it on a long term basis. They only want to do it for one year." Paul Harris (Finance)

"I am concerned about not getting value for what we do. I am not against CCT per se but the regime concerns me. For example, the competition on Legal Services. We should have beat them on price or give it up - rather than scare off the competition with bureaucracy." Ben Chandra (Planning)

2.1.2 Managing priorities

With the changes in the environment it seemed hard to manage a clear set of priorities.

"There's an inability to collectively agree key priorities and what the politicians want." Charles Tew (Policy and Strategy)

"We have a scatter-gun approach with people beavering at 13 separate priorities." Janet Taylor (Educ. Services)

"The organisation lacks clarity... There is a lack of a forum to discuss strategic issues." Peter Atkins (Contracts)

2.1.3 Managing public expectations

Central government initiatives to 'privatise' public services and make them more 'customer' focus represented a challenge for the Tuthering Council.

"Innovation is frustrated by a fear of public reprisals and a drop in credibility. So they (the Members) don't want it (innovation) publicised or visible." Fred Jones (Welfare Services)

"It's the final leap to get the council to be focused on customer focus delivery, especially in the context of continuous declining resources. It is the management of cultural change." Chris Hinds, CEO

He emphasised the issue: "The Members thought more about the internal needs of the workforce than our public and customers."

"I am very concerned about the increase in public demands on services." Paul Harris (Finance)

Peter Atkins makes a comparison with the health service. "Generally people see doctors and nurses as positive - maybe not management. I'd like us to be seen as the health service of local government by the public and worth protecting."

2.1.4 Was the environment turbulent?

The external environment continued to change for the organisation. However, the most 'turbulent' times would have been between 1983 and 1989: when the deepest cuts were made; when the greatest number of significant Acts were introduced that had an impact on local government; and it was the period when the leading Conservative party was still in its zenith and it held the political ideology of the time: anti-left wing and anti-local government on the basis that they were inefficient (Gyford (1991), Flynn (1993), Isaac-Henry and Painter (1991) and Isaac-Henry et al (1993)).

Therefore, during the period of study - 1995 and 1996 - funding was not as unpredictable, many of the rate capping regimes had been relaxed or jettisoned, the authority knew the processes to obtain the re-routed central government funds, and the funding crisis of the mid 1980s were largely under control bar some exceptional items. The environment was not a place of large scale and unpredictable change at the strategic level. Nonetheless the organisation did continue to respond to more immediate environmental demands such as meeting the various funding strictures, time scales and procedures as well as managing customer expectations and demands.

Thus one concludes that the strategic and macro-political environment was no longer 'turbulent'. However, the operational and 'market' environment was reported as demanding (customers and funders) and this was expressed in the difficulties of managing competing priorities. Therefore one infers that the operational and managerial agenda was more pressing than the strategic one and that the environment per se would not be an inhibitor to strategic organisational learning.

2.2 Does the context of the organisation provide a 'holding environment' for organisational learning?

The context of the organisation or its 'holding environment' as described in chapter 8, includes the values, culture, leaderships and facilitative structures.
This section will briefly examine:

* The history of the organisation
* The values and culture of the organisation
* The strategic task
* The strategic leadership role

2.2.1 The history of the organisation

The organisation's history and its context is best understood in terms of its political journey and the impact that has on the 'holding environment'. It begins with a brief overview of the main epochs in the organisation's history from the mid-1980's until the period of study. See table 14.1 (below) which gives the story at a glance.

The organisation had experienced a number of changes since the mid 1980's, as they had moved from being a council that was oriented towards the employees and the nature of the service, through to be being more public service oriented and finally being more customer oriented. This shift had been accompanied by changes in the culture and politics of the council from a traditional left-wing Labour council, which was dominated by public service unions and where the notion of management was ignored, to a more progressive 'New Left' authority.

Chris Hinds, CEO, reported: "...Management systems did not exist or were abused. Anything went - discipline was not there. People challenged everything and refused to do things. We had a demoralised management group. They were not given the authority to manage by the politicians and the then CEO was not willing to impose discipline."

During that early period a number of property investment decisions had also been taken by the politicians and the then CEO and his management team. These decisions were to have a long term and negative impact on the revenue streams of the authority. In fact, it left a large and rising debt that was a constant point of debate between the succeeding CEO, Members and senior staff.

The authority then went through a period of being a 'hard' left council in the mid-eighties.

"The housing department was a hot bed of trots," said Charles Tews (Director of Policy).

The change in tide of the thinking and the realisation of the changes in the environment saw the appointment of the current CEO in the late 1980's. Chris Hinds, the then new CEO, was committed to managing change and making the authority more effective but this was against a backdrop of no formal support or ownership from the political leaders.

After Chris's appointment, the years leading up to the mid-1990s were marked by considerable pressures on the council from central government. During that time the council experienced a change in funding relationships with central government including real reductions and cuts. This happened over a period of seven years reports the CEO and the Director of Finance.

"There was a shift in funding initiatives from a set 'allocation' in the Urban Programme to 'competitive' central government funding schemes such as the City Challenge and the introduction of various types of competitive tendering processes that made gaining funds as much as a feature of the 'market' as it was about need." Chris Hinds, CEO.

These pressures were mainly a result of central government initiatives to control public sector costs (see above section). However, it meant a complete rethink and orientation for the authority.

Thus, the organisation experienced a number of internal changes that mirrored the changes in the external environment. One of these was a change in the management structure. Although there was a squeeze on staffing there were few redundancies mainly due to freezing of vacancies, some early retirements and a transfer 'pool' for staff who were under-employed. During that period the CEO reported that the local authority had lost its 'middle management'. "Good people are the backbone of the infrastructure but we replaced them with junior and inexperienced staff through this middle management programme at the local university."

The change in management structure occurred in two phases. Initially, it was a large management team of 23 first and second tier senior officers. In 1992/3, the team was reduced by more than half to be a team of 10 major directorates, then finally to seven in 1994. These later changes were supported by the politicians who seemed to accept the reality and force of central government's political agenda. They supported the CEO and the management team that were charged with implementation.

The Members' response to the changes were also a sign of a political shift in thinking from the traditional Labour Left. The nature of the organisational and political culture changed again and was said to be a Blairite-led Labour council by the mid 1990s, Paul Harris (Director of Finance).

But all of the Directors agreed that there seemed to be, "A fundamental shift in the psyche of the organisation."

In summary, the process of transition for this authority was both hard and long, which started with a loss in confidence in the previous CEO in the mid-eighties and the 1989 local elections, through to the mid 1990's. It seemed to have three clear epochs with some sub-phases. The clearly marked ones were: a period of traditional, employee focused Labour policies aimed at the working man and woman (early 1980's); a period of public service orientation and a recognition of the value of public service in economic and political terms (mid 1980's to late 1980's); and a period of public sector managerialism and customer service (early 1990's) (see table 14.1 for a summary).

The organisation appeared to have made a major shift in management structure and organisational culture. It also began to lose the press image of an irresponsible authority to one that 'was doing great things' (an independent panel member on local government).

However, the internal political context proved to be a challenge for the authority and that is discussed in the next section.

Table 14.1 - The key eras in the Council's history

	Period 1 Early 1980s	Period 2 1989/90	Period 3 1995
Driving force	Keep the workers happy	Manage for survival - in crisis	Managerial realism plus political agenda
Leadership	Leader of the Council	Chris Hinds CEO	Chris Hinds and Leader of the council
Environment	Relatively stable	Turbulent	Quasi-market forces
Values	'The workers matter'	'The service matters'	'The "Customers" matter'
Strategy	Single provider - monopoly supplier	Turnaround strategy - including cuts	'Mixed economy' of partnerships and provision
Skills	Political	Managerial and influence	Turn policies into reality
Structure	Large departments	In transition - special project and ad hoc groups	Large directorates but more focused units
Staff at the top	Large management team and senior officers	Reductions made	Slim-lined
Style	Focus on political relationship	Focus on crisis here and now	Mixture of corporate management and political
Systems	Bureaucratic and ineffective	Budget focused - devolved to front-line managers	Focus on management systems and politics

2.2.2 The organisational culture

The data about the organisational culture came from the interviews with the directors and it addresses question 1.2- specifically: Does the culture support organisational learning?

There were a number of typical quotes about the culture from the interviews.

While there was acknowledgement of improvements over the years there was still an overriding sense that people operated in a blame culture, where if things went wrong the usual reaction was to find someone to blame.

"It still operates as a blame culture... It's a cock up and blame culture rather than what did we learn, so every one keeps their head down," said Tews (Director of Welfare Services).

He also observed: "We have not made the cultural change from administrative to management to strategic management. The centre (Finance and CEO's office) has made the changes but not the (service) directorates."

"It is an environment of (political) conflict," says the CEO. In addition, he adds: "There is too much departmentalism and a culture of blame. It is 'others': deflecting responsibility. There is also too much us and them but there are signs of it improving."

Janet Taylor, Director of Education Services, says: "It's a blame culture. Appraisal reward tends to be a kick in the shins. Its effect is to reduce risk - there is non around - and job and work are a very ritualised arrangement."

She goes on to acknowledge that risk does take place and people 'work close to the wind'. However, "There is a fear of being caught... It's a function of a local government culture."

"It's a knee-jerk culture here," says Paul Harris, Finance Director. This he puts down to the style of the political leadership, which he sees as over consensual and ineffective.

"Thus, critical decisions do not get made when they need to be and then its a rush or reactive response all at the end." Harris argued that this then impacted negatively on the management team.

That said he acknowledged that: "I was going to say that it (the culture) was chaotic but it is moving from a culture of inertia with powerful extreme blue collar union power... to now a performance culture but not yet shed the baggage. So there are certain things that hang on."

"Four years ago the organisational focus was internal. Now it is half open (uses open gesture with his hands). What it means to be open and outward looking? (Opens his hands) Is to ask and involve the service users in the process and measure and tell the people where we are failing. Open up the organisation." CEO. He went on to add: "The culture change is towards the customer. The customer is first."

"There is a schizophrenia in the organisation," comments Ben Chandra, the Planning Director. "There is fear," he continues, "not stalking the corridors but there's tension and mistrust. Openness. How?"

Janet Taylor talked of how the political leadership managed the culture and the impact on the organisation.

"The leader manages things on a territorial basis... It's 'spider-web' management - feels like a fly vibrating on a web - constraining, controlling and no power. This is how it's organised politically, despite a (Labour) majority and it's mirrored in the organisation."

There were also some Directors who their colleagues thought would not change.

"...People like Paul (Finance) are happy with the old way of doing business,' said Charles Tews (Policy and Strategy). He went further and suggested that: "In the top management team there is a mirror image of the Directors internal customer approach to the rest of the organisation. For example, Paul only employs 'East Tuthering boys', the 'toughies', a mirror image of himself."

The Director of Contracts, Peter Atkins, saw things slightly differently from the rest of his colleagues.

"Now [we're] a delivering culture of delivery and achievement on the good side and this is being welcomed. Most colleagues and staff want to be known as competent and do the job well. There's a desire to achieve."

There are four main inferences that are drawn from the accounts about the organisational culture:

- The organisational culture was changing but there was considerable evidence that while it had changed in its values and espoused aspiration, it had not entirely changed in some of its behaviours.

- There were still a number of attitudes and practices that were invested in the old ways of working due to political alliances, power bases or resistance to innovation.

- It was generally agreed to be a culture of blame, low levels of acknowledging of good work and one where it was better to keep one's head down.

- The political agendas of the leadership still provided an important backdrop to a system seeking to adopt performance management approaches and quality based customer service standards. It created a tension that was seemingly unreconcilable at the time of the study.

2.2.3 The strategic task

The task of the organisation is important for its rationale and strategic approach. In chapter 4 of this thesis Miller and Rice (1967) are quoted as stating that: "The primary task is to survive." Thus, both what the organisation does and how it does it is important as part of providing what Hirschorn (1988) and Stapley (1996) describe as the 'holding environment', or conditions for the strategic apex to work well.

* Quotes on the task

"On the strategic task, some want to be told what to do so that they can have a strategic approach." Fred Jones (Welfare Services). He added: "The leadership do not talk about the strategic, external stuff."

"There's no strategic thinking here and people just get stuck into opposing the government." Charles Tew (Policy and Strategy)

"Political and managerial interfaces are not based on consensus as the Leader does not want it. No priorities are defined. Woolly objectives are set so most of the management of change is driven by the Policy and Strategy unit." Charles Tews.

The CEO argued: 'At times there is a perceived vacuum in that leadership and there is no collective leadership... there is a void that is filled by people like myself."

Janet Taylor (Education) felt that there was a lack of leadership on task. "They feel that there is no vision or leadership from the top or the team (management) and thus there is a sense of demoralisation and people cannot get excited."

Ben Chandra (Planning) was more direct: "There is a lack of strategic direction. Even when there is agreement to take things forward the Strategy Group (Members-officers group) does not work"

Peter Atkins (Contracts) commented: "Sadly, they don't give us clear direction... No criticism of the leadership - they are doing their level best to carry the Group (Labour Group) but there are no real clear policies that can be turned readily into strategic targets or programmes. It's hard to find them."

Thus, there is a clear inference that the strategic task is not clear and the political leadership does not provide the vision or direction that the Directors would like for themselves and the organisation.

2.2.4 The strategic leadership

The data about the strategic leadership comes from the interviews with the Executive Directors and the discussion in the management group meetings. By 'strategic leadership' we are looking at the role of the elected Members group and its relationship with the Executive Directors, or management group. Do they provide the conditions for learning?

The central question is how do they manage their own boundaries and themselves?

Internal dynamics

The political and internal organisational conflicts of Tuthering Council were central to understanding its internal rationale and dynamics at the strategic apex of the organisation and its implications for organisational learning. Thus the accounts look at:

- Political journey of the organisation
- Leadership and political style
- Internal conflicts
- Changing nature of national politics

The political journey of the organisation

Tews (Policy and Strategy) put it as: "The organisation is characterised by political complexity."

The first signs of the most marked political changes were in the May 1990 elections which produced different politicians.

The CEO's view was: "The Left [of the Labour majority] was ousted and the New Left wanted to sort the problem out and they [the Members] began a programme of real recovery for this council. With the foundations laid they started with financial resources. They [the Members] took a radical approach and devolved budgets to 100 people and set systems to monitor and control money and set in some early warning signs and routines to rectify and resurrect difficulties - e.g. planning processes."

"They also established relations with the trade unions. They also considered how to communicate internally and externally." CEO reported.

The 'Labour Group', the internal party political think-tank, was analogous to the leadership of the local authority. Given the party's overwhelming majority it might be expected to operate from one voice. Yet this was not the case. The political majority seemed to create a problem and this was mainly felt to be a lack of leadership, a question of political style, internal fighting between different sections of the same political ideology and the changing nature of politics nationally with the Labour party's new brand of politics as expressed by Tony Blair and the new National Executive Council (NEC).

Leadership and political style

The political leadership was carried by Tom Dicks (Leader of the Council). He had been in leaderships since 1988 and led on a consensual basis. During the late 1980's and early 1990's, this style was felt to be appropriate both by Members and Directors. But now it was seen as ineffectual and inappropriate for the leader, the leadership group of Members, the 'top team' and the organisation as a whole.

Jones of Welfare Services said: "The direction (for the organisation) is not clear and sometimes I keep them (political leaders) clear of my stuff. We also need a clearer political lead and direction - say through a sub-committee. No actually I'm wrong. It should have been in R and D."[3]

"The leader gives his Chairs (of committees) too much of a free reign." Tews (Director of Policy and Strategy)

The CEO's analysis was: "At times I perceive a vacuum in that leadership as there is not collective leadership... There is a very bright, intellectually supreme individual, incise brain and a very good political operator (referring to the leader of the council). Performs brilliantly on the political stage but does not perform up-front leadership or pull in his colleagues - he's fearful of being an up-front leader. If I had those attributes, I'd have no hesitation to provide such an approach. He does it on occasions. But he leads through manoeuvring. But there is no one in the group (of Members) providing vision and direction. Of the fifty-seven of them there is no leadership and the vacuum is filled by officers."

[3] Resource and Development Committee - usually the main spending, powerful and therefore a high prestige committee in local authorities

Charles Tews (Director of Policy and Strategy) said: "We have among the most shrewdest Members. The leader is the cleverest politician in local government. He manages in a regal presidential style and gets through 30 reports in 15 minutes. The last session on policy resources he did in 12 minutes... He has an incredible mind and memory and uses these as power."

Tews continued: "The leader, he knows what to do and when not to play. He loves to win and the competition... There are thirty new Members... and they all have a great deal of affection for him."

Paul Harris (Director of Finance) felt that the leadership was: "...Trying to be consensus but it was not really. It's partly a style of the leader and partly how he got in. Tom the leader got in 1987/88; a change from Norma Gravesend (the ex-leader of the council and a Labour traditionalist) and there was a divide between the left-right split in the (Labour) majority - partly down the middle. To get a 'majority' in the Labour group you needed to operate consensually. The changes in 1990 and reinforced in 1994, reinforced his position and he could have gone forward but retained that style and that was inappropriate. It was made worse in 1994 they had a 50 odd majority to 57. So had a paranoia about it."

Harris continued his analysis: "He (the leader) believed, if so many un-working hands - as there was no opposition and scope for back benchers was limited - he thought better create jobs for them or else they would plot against him. So he generated loads of committees - and chaos - and a range of power bases leaving a boiling marass below him."

"Three years ago (1992/3) there was a leadership challenge - previously a contest of ideology. Not now - as most are Blairish - it would all be about style and lead to personality based politics. Its the worse (Members) leadership battle we've been through and people are split. The legacy is still there... He did not need to fight all he needed to do was change his style. Chris and Charles would agree wholeheartedly with that analysis." (Paul Harris, Finance)

Ben Chandra (Director of Planning) described the political leadership as: "Two separate minds in different directions. It leads to a botched job." Chandra argued that the political leadership was: "Implied - not agreed - not strategic nor long term."

Peter Atkins (Director of Contracts) comments on political leadership were:
"Traditionally - over twenty years - there was more blue in certain areas (refers to a map on his wall with Tory wards coloured blue and Labour ones coloured red). Now there was such a large Labour majority that all the Members want a job. There are lots of splits and subgroups and not on political issues. There is no real direction."

Atkins reflected that :"Maybe its not a lack of policies - there are no end of policies. But there are mechanisms for decisions, to consider decisions, to reconsider the decisions, and reconsider the reconsidered decisions... yet they will do something else when it gets to a (real) decision."

Thus there is a lack of clear policy direction, the leader of the council is unable to gain full support from his colleagues and there are a number of splits in the Labour majority that impact negatively on the strategic direction of the authority.

Internal conflicts

We also see from the discussion above that there are a number of internal conflicts among the Members. These are not the usual ones between political parties and their opposition, but are conflicts and tensions that are apparent within the political majority - within the Labour party. These seem to be a broad variety. They include:

- Differences in political and ideological orientation

  There appeared to be at least three sub-groups of Labour politicians: the traditionalist Labour and union-based party politicians; the new managerialist, New Left politicians a la Greater London Council and these were embodied in other Labour left councils such as Sheffield, the West Midlands and the Inner London Education Authority (before abolition). The third set is the Blairite politicians who would aim to take people to the 'New Jerusalem' and operate from a policy agenda of partnership with the private sector and accept the role of capitalism.

  These differences showed themselves in political allegiances on issues such as education services or policies on housing and how to handle budget cuts.

- Differences in political alliances

  These differences and conflicts did not necessary follow strict political ideology and we saw this in relationship to those for Tom Dicks (the Labour leader and leader of the council) and those for the Labour opposition leadership challenge. Even those from a different political persuasions (within the Labour party) still supported Tom as an individual even though not necessarily supporting his politics. As the CEO reported the new Members (over half of the council) supported the leader even though they were more likely to be Blair supporters at the national level. The outcome from these complex alliances was to make decisions unpredictable. Harris described the leadership as: 'political chaos'.

"The brightest articulate Members are alienated from the leadership because they are not happy with the leadership style. This underpins a lot of the problem," stated Harris (Finance).

- Differences in political contribution to the council

  The council moved through changes in political persuasion from 1979, through the period of 1989/90 and again in 1994. Each epoch brought with it a dominant political orientation and contribution to the change of the organisation. Those before 1988 were seen as not managing the authority but letting it be led by the unions and political dogma. Those up to 1990 were seen as passive supporters of change but much of the responsibility being left to the CEO.

  In 1990, Members were seen as clearly taking on the challenge of change and the latest Members were seen as part of the 'New Jerusalem' of Labour policies associated with Blair. These 'groups' all co-existed.

- Mistrust among Members

  There appears from the above accounts that there were concerns within the political leadership body about their colleagues. The leadership challenge was seen as one of the hardest battles in the council's political history and it may reflect some of this mistrust and hesitancy in the political leadership.

These conflicts were dynamic and changing. They help to explain the unstable dynamics of the strategic apex and the critical part that politics plays in this system, even though there was such a large majority.

- The changing nature of national politics

  Finally, the overall changing nature of the political landscape and its impact on the Labour party suggests that the national executive was aiming to meet a broader range of voters than traditionally sought. This has meant the authority consciously holding the national party lines in order not to be a press target or scapegoat as the Labour party prepared its strategy and communications as it planned for a general election then predicted to be at the end of 1996 or by May, 1997. It was also known by two of the Directors that Tom Dicks, leader of the council, was preparing to stand down for the next local elections.

2.3 Does the context support organisational learning?

The history of the organisation demonstrated that at some level the organisation does learn as it has adapted its style and structures to meet the demands of the environment and thus the organisation certainly changed from 1989 to where it was in 1995 (see table 14.1 above)

The espoused intentions have certainly changed and everyone of the Directors agreed that there had been a change in the organisation's psyche. However, there also appeared to be a deeply held assumption within the organisation that a political model of organising was superior to a managerial one alone. These seemed to be mostly held among Members and key players in the management team.

The strategic task of the organisation was unclear and the internal political infighting ran paradoxical to the relatively known environmental requirements and the huge political majority. Thus, the internal context made for an unstable and uncertain 'holding environment' which was determined by personality politics, complex political dynamics and unpredictable power-based alliances.

Thus one concludes that the 'holding environment' was unable to sustain its function and the accounts suggest that this has a negative impact on task attainment, potential learning, motivation and morale. A culture of fear, innovation being 'played down', dysfunctional political dynamics which distorts and undermines legitimate role authority may also reduce the capacity for strategic organisational learning. The task is submerged to defensive routines.

Analysis of the organisational environment and context

This first part of the case study addressed the question: Are the dynamics of the 'top team' influenced by the conditions of the environment? This analysis considers the joint impact of the external and internal dynamics on strategic organisational learning.

In looking at both the nature of the environment and the organisational context the narratives seems to suggest that there are contradictory forces at play and these both impact positively and negatively on strategic organisational learning. The forces are highlighted and analysed in more detail in this section.

During the period of 1985 - 1990, the organisation operated in a turbulent and ever changing environment. In the case of this local authority there was evidence of an organisation that was constantly renewing itself and responding to the changes most markedly in 1988/89, 1990, 1994 and again in 1996. There was evidence that the strategic apex was continually in a state of flux and dynamic change in response to the environment. Thus, while the environment has been rapidly changing, it does not seemed to have impacted so negatively as to undermine the organisation's boundaries, adaptability and its relationship with the outside world.

The system seems to demonstrate appropriately managed boundaries as evidenced by: its recognition that change was required for continual survival; changes in its political and executive culture and structure, which have changed in response to these external demands; and how it has provided some stability in the leadership and strategic apex as shown in the joint longevity of tenure of both the Leader of the council and the CEO.

Thus, the management of the council's boundaries with the external environment and its relatedness to that by the strategic apex of the system has prevented the difficulties of a turbulent environment impacting negatively on the survival of the organisation or its apparent learning. This has been shown in its improvement in performance, changes in cultural aspirations and structure and a mind-shift from inward looking to an external orientation. It was also demonstrated by the acknowledgement by the expert panel that the authority had changed the way it worked and presented itself and by the fact that the authority was no longer treated as a 'loony left' authority by central government. There was a case to suggest that organisational learning did take place in this system.

However, the management of the external boundaries were not equally matched with the same quality and consistency of management of the internal boundaries and task. The political majority, rather that creating stability and ease of management, proved to be just as unpredictable as might be seen between different political parties.

The political direction, strategy and leadership of the organisation was not as clear as desired by some Members and the Directors. Some of this may be explained by the differences and factions that existed in the body politick on the basis of ideology, alliances, role in the history of the organisation and political positioning vis a vis the new politics of the left. There were several comments made on these points by the accounts discussed above. However, these differences make for an internal systemic context which lacked task focus and direction; which was unpredictable; which operated on 'knee-jerk' reactions; and which seemed to undermine its management of the external boundaries.

Thus, there was a paradox or contradiction in the system which evidence suggests that while it was able to manage the external boundaries and undergo transformational, whole system change, it was more difficult to complete the changes internally.

Thus, the internal context of the elected Members collectively did not appear to provide a 'holding environment' for the 'top team'.

Several comments about the 'blame culture' and 'things left over' support the contention that the deeper level cultural changes were not complete and that internal dynamics prevented the system from fully capitalising its strategic organisational learning.

An analysis of these seemingly contradictory outcomes from a processual perspective provides us with an understanding of the environmental context and it provides a clear analysis of the historical landmarks in the journey of the organisation's change. It would explain the internal context of apparent strife as a feature of the political differences - identified above - and suggest that these would continue to be played out in order to establish the new power dynamics and base of the organisation. This would be expected from a complex adaptive social system.

A psychoanalytical perspective adds to the analysis the possible latent reasons for understanding this contradiction. Based on the exposition of organisational dynamics in chapters 7 and 8 above, it would suggest, within an object relations framework, that the following propositions may hold.

i) That the conflict and residual strife is a function of unconscious object loss through the different transitional states of change and the system's attempt to establish a new identity through object constancy. (The contradiction may be a form of 'work')

ii) that the elected Members as a group may represent the fractured and 'schizoid' nature of the strategic apex which was symbolised by a number of unresolved conflicts.

iii) That these conflicts are contained by the leader of the council, Tom Dicks, who provides some consistency, stability and containment along with the CEO.

iv) That the conflicts are also bounded and therefore contained by the demands of the external environment and the management of that interface by the leader, supported by his colleagues and senior officers namely the CEO and the Finance Director.

In examining these propositions, it is argued - from an object relations framework discussed in chapters 6 and 7 - that organisational members invest and identify with the organisation as an internalised structure, a series of relationships and 'culture' in their minds. These are formed through projective identification and introjection and are the basis of organisational commitment, challenges to authority, identification and the like with the organisation. These are the object relations.

During periods of transition, individuals and groups have to change these relationships and will tend to re-experience primary object loss which is argued to be rooted in childhood memories and experiences of separation (see chapter 6). In periods of object loss there is bereavement, rage, anger, feelings of emptiness and panic. Thus, the internal strife of the organisation may be a result of this phenomena as these feelings are acted out. These we see in conflicts between groups and the attempts of these groups to find affiliations to political sub-groups and objects of constancy. It is 'as if' the group seeks to 'forge' itself through the process of disintegration and then re-formation and thus establish a new identity, sense of self or new object. Once it was a traditional Labour council, then a hard left one, then a new left and so on. Thus, these 'changes in the psyche' of the organisation have been positively acknowledged by the responses of the outside world but they have also left internal relationships as unhealed rifts, open and unresolved. In practical terms how does a hard left member contribute to the New Jerusalem agenda when they do not believe in it. It is not just about politics and power bases. It is also about object relations and managing separation, loss and new forms of interdependent relationships.

The outcome of these unresolved internal transitions (four over a period of a decade) may help explain the 'schizoid' (Ben Chandra's description), 'knee-jerk' nature of the organisation. The system was said to make intelligent elected Members unable to work collectively. It lacked clear direction and the leadership was only partly authorised as there may have been some continual ambivalence which remained after each successive transition and change. It suggests latent issues have been continually buried and unaddressed. This recursive pattern made for an unstable internal organisational context and it may be a feature of a systemic and repetitive routine due to its hidden nature. Thus, anxiety and panic were acted out and projected onto others in the system - 'a culture of blame', 'put on to someone else', which comes from the Members - rather than understood, owned and managed.

It is further suggested that there were two elements that appeared to stop this internal process from totally undermining the strategic apex. The first of these was the role of the leader of the council. He appeared to hold the role of object constancy. This was evidenced partly from his longevity in the role despite the clear changes in political character of the organisation over the ten years. Secondly, even the (Labour) 'opposition' had an 'affection' for him and this was directly an emotional response to the individual not a political or ideological one. Thus, it is argued here that the leader carried some of the object constancy. (Note the glowing admiration that is given him by the Directors, especially the CEO).

The glowing descriptions of the leader by the Directors may suggest some admiration or idealisation. This may imply that the leader was taking up the role of 'basic assumption' leader of dependency and where the leader is perceived to be omnipotent. On theoretical grounds, it was argued above that basic assumption motifs would tend to be micro-states of the group, and this implies that it would be less stable as a role at the macro level especially enduring the eight year period of the leadership. However, the question that may apply is: Is the leader a 'transitional object' rather than one of object constancy?

A transitional object provides the 'space' to play and test out new relationships and environments. It is the temporary object that is used to provide a bridge during periods of transition. The typical example is the rag doll or comfort blanket for the child (see chapters 6 and 7). The council had three transitions during the period of the leader's tenure and each time he provided the base, space and 'holding environment' for the strategic apex to manage the boundary of the external environment. Thus, it is suggested that the leader may have been acting as a 'transitional object' during a period of several transitions and that the elected Members as a group never quite reached the new state as it was frequently changing. Moreover, as the quality of the changes in the external environment became more manageable, then we saw the leader as object being challenged, in 1994, with the view of replacement and the system moving on. Yet this did not take place. Thus, there appears to be some ambivalence to the leader and it appears that he may well take on a number of systemic and unconscious roles on behalf of the strategic apex. There is a case to suggest that in fact during each transition he was a transitional object. His longevity may be explained by the frequency of changes and the secure base that he provided in role.

Secondly, it also suggests that an additional role that the leader of council seemed to hold is the one of 'container': limiting the impact of all the anxieties and being a temporary holding environment. In his consensual style there was an opportunity for all to contribute in the broader debate and running of the council. Yet at the same time there was evidence to suggest that he is direct, is good at managing processes, has a quick mind and will exercise power. Thus, retention of Tom Dicks as the leader in the 1994 leadership challenge may reflect a number of things: dependency, fear of loosing the 'good' object of the leader, fear of retribution and guilt if the leader were to be replaced, a transitional object or the appropriate use of the facilities of the leader as a holding environment. Further data may help deepen our understanding of these processes in the rest of the case.

Finally, the external management of the boundaries may have also provided a functional distraction or sublimation of the inner conflicts within the strategic apex. Both Members and senior officers put their energies into creatively managing crisis and change and have become rather good at it. It is suggested that the attention to the external boundary and reality prevented the possible implosion of the inner conflicts and rather than be a difficulty it was a source of sublimation and creativity.

3. The Group and task

Question two: Is the 'top team' able to manage its boundaries and task?

This section addresses the above question. Here the focus moves from the boundary between the team and its context and environment but to the 'top team' of executive Directors themselves. After looking at the main features of the group it will look more deeply at three related sub-questions:

2.1 Does the team hold a common view of its task effectiveness? Is it effective?

2.2 Is the leader's role facilitative to task attainment (and therefore learning)?

2.3 Are the boundaries of this 'top team' optimally bounded?

The key feature of the group

The 'top team' of this local authority was born out of transition and change. There were 23 people in the original group and this was cut down to seven in the early 1990s. This was experienced as traumatic by some and it meant a considerable increase in the size of directorates and more complex reporting relations.

The group members were in a narrow age band of 42 - 50 years old. Most of the group members have been in the authority for over a decade and some longer. There are a wide range of experiences and personal agendas within the group.

The Group Members

The group under study had seven members. These are as follows:

Chris Hinds, CEO Started work in the equalities field before joining the authority over ten years ago as a senior housing officer. Chris Hinds then moved on to be Head of Housing Services and was appointed to the CEO post in 1989. Chris is 'charismatic', driven by vision and values and can be very 'up-front': not afraid to voice a view.

Paul Harris, Director of Finance Joined the authority in 1976 and worked his way up to Director of Finance. He purports to support organisational change and is a powerful member of the group due to his aggressive personal style, his formal role in the group and his political acumen and relationships.

Fred Jones, Director of Welfare Services - including housing and social services Worked with the CEO as deputy when Chris Hinds was Head of Housing. He is dedicated to the services he runs but is increasingly becoming disillusioned with local government, as it appears to loose its public service values, and with the authority as its journey to acceptability seems to compromise Fred's core values of openness and democracy.

Ben Chandra, Director of Planning - the physical environment Manages environmental services with a dedicated team of staff. His offices are a couple of miles from the town hall but more than match it in terms of quality and aesthetics. He is seen as slightly aloof, ambitious and an aspiring CEO.

Peter Atkins, Director of Contracts Has worked in construction and related industries for most of his working career. His directorate is not phased by CCT, contracting and value for money imperatives as these are industry norms. His offices are the far eastern side of the borough, furthest of all the Directors from the Town Hall. This distance also seems to symbolise some of his isolation from the rest of the group.

Janet Taylor, Director of Education Services Previously a senior teacher and then moved into the management side several years ago. She has been in the authority for a year and is the newest member in the group. Thus, much of her energy is geared towards establishing her role and order in the group.

Charles Tews, Director of Policy and Strategy Reminisces about the good old days. Charles Tews has been in the authority since the early 1980s. He has other local government experience to draw upon and generally sees the authority as not being very strategic. He is an affable individual but is often the butt of mild hostility from other group members.

"It's a small management team compared to others. So we carry dual responsibilities compared to others. It prevents sectional groupings compared to my own team... It makes it more open," remarked Jones (Welfare Services).

3.1 Does the team hold a common view about its task effectiveness? Is it effect?

The group task

The group's normative task was to provide a corporate and strategic focus for the Tuthering Council and to turn policies into programmes of strategic implementation.

Thus, the group's task was to provide a corporate and strategic agenda to the council's policy goals. This was not an easy task as there were many strategic tasks (at least 13 priorities) and some of these were not at all clear. The articulation and implementation of the strategic task of the organisation by the Members has already been stated as unclear and lacking direction. But the strategic process task of turning the organisation round did seem to have clarity. It was initially taken up by the CEO in 1989, and then Members bought into it later when the changes became generally acceptable as the way forward for the authority. Thus there were dual tasks: one on content and the other on process. The lack of clarity on content seemed to be compensated by the drive and clarity on process. The first one was managed by the leader of the council and politicians, the second by the CEO and the management group.

Yet there was agreement about the efficacy of the management group in its strategic task. It was poor.

Fred Jones (Welfare Services) said: "Most things we agree seem invisible. There is no collective ownership of decisions. Our management meeting agendas are too long and tedious and not focused. Not much, too little on critical issues. Papers are tabled or circulated so late that we cannot consult and the decision making is on the hoof. An agreed set of operating rules and processes are required for team effectiveness."

Janet Taylor (Education Services) stated: "... It doesn't mean we work together as a group. Matters are brought to the management group, we agree, but do not discuss to the point of recognising all of the implications of what is nodded through."

She added that the management group was: "Virtually irrelevant... the management group is not a force to be reckoned with."

Paul Harris (Finance) said: "We are not particularly effective at providing an efficient service to the public. That's what we should be here to do."

He added: "We do not deal with issues as a group and so we are dysfunctional and we do not have a debate about the issues. Thus, I have great difficulty in that context."

Yet there were periods when the group excelled.

"Colleagues are very flexible at dealing with chaos and crisis and pulled together and in fact put themselves in the firing line to help reduce the damage. It reflects the professionalism and qualities as people do not want to let colleagues look stupid - that is the council generally, the Chair (of the committee under discussion) and the chief officers generally....There is a sense of pulling together in cases like this." Janet Taylor, (Education Services).

"In the culture of this authority, it is a reasonably effective group - enormous willingness to engage in complex issues openly. Prefers lots of energy - especially by the CEO and people get into a slip stream." Charles Tews (Policy & Strategy).

Thus, while the group was unable to effect the content task, things did change. But it appeared not because of the group working corporately. It is suggested that the changes were a result of the CEO driving through his agenda and him working closely through one to one relationships. These were especially with Paul Harris (Finance) a power base within the group, Fred Jones (Welfare) a close colleague from working together in the past and Director of the largest allocations in the council, and Charles Tews (Policy) supporter, with strategy ideas and possibly the person who took some of the flack on behalf of the CEO - note the comments about the policy unit in the earlier accounts.

The CEO felt that: "We are focused on service delivery and can take the cuts compared to our neighbouring authorities," which he names - one Conservative, one hard left Labour and one effectively hung council - i.e. it had a slim majority.

The group appears to be less effective than it would like to be and explains it by the lack of strategic clarity, unresolved issues in the organisational context and its own internal group effectiveness capability. It seems to work best in a crisis.

3.2 Is the leader's role facilitative to task attainment (and therefore learning)?

The role of the leader features as high in the theoretical approach to understanding groups in this thesis, especially how they provide the conditions for task attainment and learning. Information was obtained from each of the Directors about Chris Hinds.

The role of the CEO

Chris Hinds tried to operate in a spirit of corporateness, while at the same time generate enthusiasm and commitment to the changes.

"Chris is very open... as CEO has charisma and style and better than when was Director of Housing," says Fred Jones (Welfare). He continued: "Chris is a good leader. He is quite an interesting character. Needs reassurance and is dependent upon Paul Harris and this is a weakness. They think they run the organisation."

He reflected: "I previously worked as Chris's deputy and so have a good relationship. But now things have changed since Chris had moved and is more distant. The CEO has trust and confidence in me but not give sufficient attention. Perhaps there needs to be a deputy CEO? It's not good for a CEO to stay longer than two years but Chris stayed longer than most thought. Here, five or six years."

Charles Tews agreed with the Fred Jones about the relationship between the CEO and Director of Finance. "The CEO is dependent on Director of Finance so there is a fear to open up."

Tews (Policy and Strategy) continued: "The CEO spends the next two days trying to get round things - time on issues and detail - even when they are not strategic... He gets more loyalty than judgement and more than he deserves. Lots of energy. Charismatic and likeable. Momentum is better than not addressing the issue. CEO is very direct. Sometimes reactive. But often relies on a small number of people to pick up the pieces."

"Not feel that he feels comfortable for the management group to take things through. The agenda is very long. Cabinet responsibility is not taken seriously enough. People go off to do things - but not (the things) discussed." Janet Taylor (Educ. Services)

She continues that the CEO was, "A bit of a Tigger [from Winnie the Pooh]. I have lots of time for the CEO compared with one I once trusted. Chris is a breath of fresh air. Gets excited both when shouting at people and when enthusiastic."

Paul Harris (Finance) said: "The CEO is a centralist... to Chris's credit Chris will stand up to the Members. The CEO wants to be and is to a large extent a leader - wants to be friendly; wants to be involved even if the ethos of the organisation - officers and Members is not in tune so it creates conflict that need not be there. The CEO talks devolution and empowerment yet the CEO is the biggest centralist and so is the leader."

"Chris does his best to help to work corporately - making good effect. Sets good example but unsure why the CEO tolerates the Director of Finance as it gets in the way. The general direction is right. But I might be too optimistic about corporate working. They protect and keep everything they have at committee level."

The CEO is seen as a charismatic leader with centralist tendencies. He is dependent upon others to get the work done: as power brokers, admirers or those to pick things up after he has created the big picture.

Is his role facilitative? He was the lead internal change agent for the changes from 1989/90 to the time of study. He has a clear vision about where he wanted the authority to go and has helped to shift the culture. He has taken up his role authority in managing hard cuts and reducing the senior management cadre. Moreover, there is evidence that he manages the political relationships well and that supports containment against some of the Members internal conflicts. The strategic systems that he is driving through along with an espoused style of corporate working seeks to provide some of the facilitative structures for task attainment and learning. However, this is reduced by his own personal style which can seen as uneven handed between each of the Directors, bullying or remote. Thus, in conclusion it appears that the leader of the management group both provides and undermines facilitative structures for learning.

3.3 Are the boundaries of the 'top team' sub-system optimally managed?

The management of group's boundaries is important in that it provides containment and supports task attainment and learning. Here we look at the intergroup relationships with the elected Members. In section 1.2 above it suggests that the elected Members did not provide the task clarity or boundary management for organisational learning. The focus is to see how that relationship is managed by the Directors. Accounts are taken mainly from the interviews with the Directors.

3.3.1 Formal relationships

The formal relationships between elected Members and the management team was through the directorates with Directors reporting to their political Chairs of committees on policy agendas as described in the 'Background' section above. Officers prepared, presented and recommended papers to these committees based on a process of talks with their Chair of committee, work in the directorate, discussions with management group and day to day feedback from staff and customers. All of the Directors reported good relationships with their Chair of committee with the exception of Janet Taylor of Education Services.

The formal reporting mechanism was through the main committees: Resources and Development (general resource and strategic committee) and the service committees - for example Contracts, Environment. This was supported by working parties, serviced by senior officers; a regular 'Core Group' meeting of the Leader of the council, the Chair of Finance, the CEO and the Director of Finance; the Members' conference (run two or three times a year to cross fertilise ideas); and a loose relationship between the strategic task groups and Members' interests.

There was still a perceived lack of communication between the management group and Members.

However, when interviewing Ben Chandra, we were briefly interrupted by his Chair of committee, who entered the room and agreed some papers for completion with Ben that arose out of a meeting the night before. In resuming the interview Ben said: "Here is an example of co-operation arising from a meeting last night and Chairs put forward a motion to be completed by 12 noon today."

Thus, it appears that relationships can vary.

3.3.2 Informal relationships

On the informal relationships, feeling and views about the relationships Members and Directors covered a range of opinions.

The CEO reported: "At a collective level the management group see Members as unreasonable and unacceptable. They are dreadful, bullying and not strategic. Unpleasant human beings! But when you get underneath it, when compared to politicians in other authorities, these Members are very favourable. Some in neighbouring authorities are terrible (these are then named), where they (officers) are deferential to Members. Here we try to treat Members with mutual respect."

Ben Chandra (Planning) felt: "The management group have been criticised for not working corporately by Members but they probably fear it at some unconscious level."

Peter Atkins also agreed: "The management group meetings are quite useful in terms of information exchange. In terms of decision making at corporate level - very little impact. (He reflects) The level of change has been great but we don't make corporate decisions."

Paul Harris (Finance) comments were: "A large number of Members do not have any respect for chief officers (the Directors) and have an expectation to work us and run us down due to envy, jealousy and poor communication."

Peter Atkins (Contracts) said that the problem between Members and senior officers was partly to do with false assumptions about roles and personal dynamics.

"There is an element of jealousy. Officers are born with a silver spoon in their mouths - at least I'm told so by my mum and dad (laughs). Members see officers as frustrating their desires - as Members do not have a full understanding of the requirements of implementation. They do not have a clear enough understanding of the roles between Members and officers." (Peter Atkins)

3.4 Analysis

The management group's immediate context was its relationship with the elected Members. The relationship between individual Members and their senior officers were generally good with the one exception of Education services. As an inter-group relationship it appeared to be unstable due to: differences in role expectations; unclear management of role boundaries; unconscious dynamics of envy, mistrust and resentfulness when Members felt dependent or frustrated by officers; and conflicts and differences among the Members spilling over on to Directors, who became targets as a way at getting at their committee Chair-person. It is also suggested that this happened consciously as part of the political nature of the organisation and unconsciously as part of unresolved conflicts that were discussed above.

Finally, Members unconsciously may be using the management group as a scapegoat as they collectively collude in a social defence against the required changes and operate 'as if' there can be a split between the functions of leadership and management. The desire to keep the organisation run purely on political lines against the need to be also managed may be: a form of object loss; a social defence; or a reaction against a reduction in authority and power to the CEO, managerialism or the management group. The management group was also a possible body to blame (in line with the culture) for confronting the elected Members with all the changes and upheaval. In the psychoanalytic framework used in this thesis, these may be seen as manifestations of a deeper defence against anxiety due to separation, loss and the fear of survival itself.

Can the team manage its boundaries?

A tentative conclusion to the question of the 'top team's management boundaries is that while there are attempts to manage one to one relationships with Members, the group is unable to successfully manage it boundaries with elected Members as a whole. The implication for strategic organisational learning is that it will be impaired because:

- The intergroup relationships at the strategic apex are not well managed
  - it is power-based, where power is asymmetric between officers and Members (in favour of Members) and among each group.
  - it is politically driven, and therefore deeper level motives are the drivers for change over task. These motives are unpredictable and their complex consequences serve to distract systems from learning.
- It lacks facilititive structures
- Sharing that does take place is in isolation or is localised and is often distorted due to personal or political agenda
- The culture of blame discourages a climate of inquiry.

Thus, it infers from the discussion that the 'top team' is unable to manage its task and boundaries and this has negative implications for strategic organisational learning.

4. The Group and its internal dynamics

Question three: Do the internal dynamics of the 'top team' impact on organisational learning?

This section addresses the above question by exploring the key internal dynamics of the team in order to answer two further sub-questions. These are:

- Does the team display examples of 'basic assumption' motifs over 'work'?
- Do individual valencies reinforce difficult group dynamics?

4.1 Does the team display examples of 'basic assumption' motifs over 'work'

There are three areas that help us understand the dynamics of the group in considering 'basic assumptions'.

These are:

- The roles and relationship of each Director as seen by other members of the group - the source of this data is from the first interviews using the interview schedule.

- The dynamics within the group as understood by members within the group - the data also comes from those same first interviews.

- The dynamics of the group based on scoring statements against basic assumption theory (see Appendix 1) using the Group Analysis Grid and content analysis of text of latent themes.

4.1.1 Roles and relationships

In understanding the dynamics of the group a first level analysis suggests that group roles are formed and that these may be significant in understanding the impact on organisational learning.

The following provides an account of how each member is seen by their colleagues. The CEO's role was discussed in 2.2 above and thus he is not included here. Ben Chandra's input is not included as he said that he did not trust the group and was not prepared to comment on any one. This is discussed further in sub-section 5 (below) in my personal reflections.

Each group member received some common themes about their perceived roles from their colleagues.

Paul Harris

"Paul is in the slips - a safe pair of hands. Conservative, an anchor, bright and plays the role of destroyer: "This is all crap". Thus, he is the crap detector but needs to be able to understand what it means as it can represent a wide range of feelings." Charles Tews (Policy and Strategy)

"Paul is a centralist - into control," said Fred Jones (Welfare services). He continued: "Paul is seen as a powerful player in the council. He is an obvious (power) point. He retains it in the financial role and also because he keeps himself remote and keeps a distance. He retains a rude and unpleasant style at times. If you get close to him it is harder for him to do that."

"Of the people mentioned so far, Paul, is perceived as the powerful one. Money and because I do not stand up to him as much or as frequently as others." Chris Hinds, CEO.

"He's a bit of a bully boy - with a pecking order. Its a bit like in the nursery." Janet Taylor (Educ. Services)

"The Director of Finance mystifies Finance and says it is hard to give a clear picture. No strategic financial options are given. Paul is a very shrewd financial manager and would fix it. The District Auditor now sees the authority as being managed well but what about the financial strategy?" Charles Tews (Policy & Strategy)

"The CEO and the Director of Finance tend to have the power at the moment." Peter Atkins (Contracts)

Thus, Paul Harris, the Finance Director, is seen as a powerful bully, who operates to his own rules and who is closely connected to power bases within the council.

Fred Jones

"Fred, if committed, has a lot of energy but tends to stand on the outside and we get the critical side of him." Charles Tews (Policy and Strategy)

"I have a lot of time and respect him. I feel sorry for him as he always looks beaten but I also want to drop him off a tall building." Janet Taylor (Educ Services) expressing her frustration with his lapses in energy.

"People see Jones as committed to service improvements, developing a variety of management performance standard e.g. ISO9002 on estates management and managing his directorate well. He is also seen as patient," said the CEO. He continued: "...As he worked with me (before) so he will ignore my anger and will work through it."

He was also seen as one of the power brokers in the management group due to fact that he had the biggest department and therefore was a big spender of resources and because of his links with the CEO suggested Paul Harris (Finance).

Fred Jones of Welfare Services was seen as the committed idealist and up-holder of public sector values. He can be the critic but this is shared with Ben Chandra. Powerful in his way but maybe understated due to his personal presentation.

Ben Chandra

"He is remote from the others - he withdraws - more recently opening up as working closely on a development brief and trying to attract money from the private sector." CEO

"Ben will put up an issue that tends to support his personal plan to be the next chief executive - for example he was one of the last three (short-listed) for another authority." Charles Tews (Policy and Strategy)

"Ben is not trusted - the Director of Finance and Chris (CEO) do not trust him. He does not have their patronage." Fred Jones (Welfare Services)

"Ben tends to take risks that land him in a better position." Janet Taylor (Educ. Services). She added: "He was once censored by the Management Group for lobbying but I was not there when they said it."

It was felt that Ben Chandra's management style needed to have a tighter 'grip' on the situation especially if considering large capital projects said Chris Hinds, CEO

"Fewer people rate him than they should as he is an intellectual." (CEO)

"He has an aura of efficiency so he can become a chief executive somewhere. I have concerns about standards and compare his quality of decision-making. But he has an iron fist of beautiful planning process... He gets things done and has saved other officers in times of difficulties." Paul Harris (Finance)

Ben Chandra, Planning, is perceived as aspiring, 'self-centred' and ambitious. He is clever but his style yields resentment and mistrust. People see him as grooming himself for a CEO post. He tends to stand outside of the group and therefore is seen as aloof.

Peter Atkins

Peter was seen as another outsider. Of him people said:

"Peter had become the whipping boy - he's the person who gets picked on - I try not to do it but he becomes the management group victim... Paul Harris does it too." CEO

"Peter never knows what is going on." Fred Jones (Welfare Services). The same view was shared by the CEO.

"Peter seems a dull boy - managing blue collar: he tries to bluff then does not deliver and this has a cry wolf syndrome." Charles Tews (Policy and Strategy)

"He uses words to hide weaknesses," said the CEO and "He's a doer... rather than a thinker."

"I have lots of time for him. But Members set too high an income target for him." Janet Taylor (Educ. Services)

Peter Atkins, Contracts, has been labelled the 'dull' member of the group. He is not taken seriously and is used as an easy scapegoat within the group.

Janet Taylor

Janet is the newest member of the group and is often in battles with people to retain her authority in the group. She has been in conflict with Paul Harris (Finance).

Charles Tews also noted: "...The conflicts between Janet and Fred... and the Members keep on beating up on Janet on the under 5s provision - a spill-over from the Members. It's a reactive and emotional response over a corporate one."

"Janet is more open minded. If it helps - good and engaged. If it doesn't fit she will say so. She speaks plain language." Charles Tews

"She is new and brings a freshness... It's good to have a woman on the management team." CEO

"She is establishing herself and position and pecking order in the team." CEO

The CEO and the Director of Policy and Strategy were the only two colleagues to comment.

Janet Taylor, Education, is the new person on the group and is treated and seen as such.

Charles Tews

"I've known him for years. But he is totally ineffectual. Don't believe he ever had the capability to do the job. But what was the job? He did a deal with the CEO about roles. He is very process orientated. Nice plan irrespective of the fact that it is a load of bloody rubbish. It's a problem." Paul Harris (Finance)

"Charles is an irritant... Fond of him, but he 'switches people off. I have told him that but unsure where to go next." CEO

"People get fed-up with him and are turned off." Fred Jones (Welfare Services)

"I resent the job-work creation schemes that Charles Tews makes - so he get a bit of stick as a consequence. I must say I mistrust the (Policy and Strategy) unit... and if I had to pay, I would not use it." Janet Taylor (Educ. Services)

Charles Tews, Policy, is seen as an 'extra' to the group and whose value is seen as small.

Thus, there seems to be clear roles and perceptions of each of the management group members.

Each group member had fairly consistent messages from each of their colleagues, who had worked together for over five years and some had known each other longer. Thus, some validity can be given to the way they were each perceived and experienced.

4.1.2 The dynamics of the group as understood by its members

How did the group understand its own dynamics. Data from 1.2 and 2.1 suggests that the group does not see itself as an effective team and a number of reasons were given. However, the internal dynamics are given less attention by the group. These are explored further in the following descriptions.

The dynamics of the group were complicated by the political environment in which it worked. However, there were some shared views about how they worked together as a group based on the interviews with each Director.

The two areas discussed are:

- The key subgroups and 'splits' within the management group
- The conflicts and intra-group dynamics

Groups within the group

The mixture of roles and relationships seemed to have generated sub-groups among the Directors. There were four main subgroups.

- The main core group was in fact a pair: the CEO and the Director of Finance. They often led formally and informally the process and decision-making of the management group and the relationship and agenda for the leader of the council and the Chair of Finance in the 'Core group' and in informal conversation. The CEO was seen as being 'dependent' upon the Finance Director and this seemed to hold a number of connotations, which were mainly negative.

- The second group was that of the CEO, Harris (Finance), Jones (Welfare) and Tews (Policy). These covered most of the strategic resource issues and the relationship was based on one to ones with the CEO and among themselves, but rarely as an operating group of four face to face.

- The third group was an extension of the second and included Janet Taylor and Peter Atkins. They were not in the decision-making process but were part of the implementation. They also were supportive of the CEO.

- There was also an 'outsiders' group. Ben Chandra was a clear outsider. This was where he put himself and also how he was positioned by the others in the management group. Peter Atkins was another outsider but for different reasons. However, with the announcement of Tom Dicks preparing to stand down, an unexpected and recent alliance had emerged between Chandra and Jones, whose Chairs were in alliance to influence the election of a new leader.

Conflicts and dynamics

The CEO felt the management group was unhealthy.

"How can you make decisions in an environment of conflict. This is an underlying problem in the team - plus our own behaviour, which is negative."

Hinds (CEO) added: "There is too much personalisation of issues in the management group. For example in service standards I can tend to pull out service failures: it could be said in a depersonalised way."

Janet Taylor (Education) describes conflict between herself and Paul Harris (Finance) over the role of education: "I found the management group unhelpful. Paul said he couldn't see a role for education and I had to put him down and fought those bully boy tactics to establish a pecking order."

Paul Harris views were similar about the management team. "Shallow and hostile" were his first remarks about the team. He continued: "We undermine each other and there is point scoring to build empires... We don't operate as a core. But also we don't have any support of the group, perhaps I am part of the group?"

Ben Chandra said of the management group: "Not draw upon experiences in their past. There was low trust, game playing and service by service responses," as opposed to a corporate response.

Resentments were also caused by different members of the group being treated in different but discriminatory ways. Peter Atkins was always being shouted down and picked on, Charles Tews was a source of frustration and ridicule and Paul Harris was the one who always did what he liked. The CEO admitted that Paul Harris did get less of a steer than other management group officers. It was characterised by Charles Tews (Policy): "Paul is above the rules - as seen by the group - and this leads to resentment."

"The three [Fred, Paul and Charles] have the closest relationship with Chris [CEO]. Whereas Ben Chandra is on the outside and Peter Atkins is not seen as a champion - more a technocrat. There is an unevenness of treatment." (Janet Taylor)

The dynamics of the group in the observed meeting seem to have some structural dynamics that were observed to repeat themselves constantly and these are discussed in the next sub-section.

4.1.3 The dynamics of the group based on the Group psychodynamics

The data for this section is based on the Group Analysis Grid and the content analysis of the group's discussions.

Tracing the micro-dynamics of the groups suggests that the group spent just over half of its processes on task related dynamics and the rest of the time in a dysfunctional manner (see table 14.2).

Table 14.2. The key dynamics in the group

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Total	w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
853	62	286	78	14	28	252	69	25	7	4	28
100%	7%	34%	9%	2%	3%	30%	8%	3%	1%	0%	3%

The group spent half of its time in the process of 'work' and a third of its time in the state of 'fight'.

A further analysis of the breakdown of work between level work one, where the contribution is more a personal reflection, to level work four where the group is thinking outside its existing framework, 79% of the 'work' activity in the group was level 2 (65%) or level 1 (14%). Thus 21% was geared to active problem solving (18%) or contributions out of the existing framework (3%) (see Appendix 10.2 for further breakdowns by session).

A further examination of the group's dynamics suggested dominant modes of activity in the group for each member. For example, the CEO often operated in a questioning and 'fight' mode, usually to push the agenda and raise the nature of debate, quality of thinking and confront Directors on their thinking and actions.

Charles Tews, Policy, was often in an oppositional role in relationship to the CEO, asking awkward questions and making suggestion that were counter to the CEO's flow of thinking and direction. This frequently, led to the CEO berating Tews and in cases swearing at him. Yet both the CEO and Tews had the highest proportionate contribution of level 3 and 4 'work'.

Paul Harris, Director of Finance, tended to be more circumspect in his contribution and tended to push his own agenda. Ben Chandra tended to be the quietest member of the group. And there were examples of the new member, Janet Taylor, Education, being pushed to demonstrate her value and membership to the management group.

Peter Atkins, Construction, often had deputies in meetings and tended not to be associated with strategic inputs.

Three modes of working often operated in the group from the pattern of dialogue. These were:

- A dominant pattern of 'fight' over ideas, territory, positioning or defensiveness.
- Periods of 'work', mainly at level two where business was being progressed and the meetings were going well. There were one or two exceptional meetings where the group was on a roll of strategic and creative ideas building on each other and supporting each others contributions.
- A collective and seemingly defensive response to the considerations of the Members and this seemed to tap into two underlying issues. The first was the critical and sometimes fearfulness of the Members. The second was reflected in a debate about authority and allegiances to the CEO or to the Members.

Short extracts of some of the issues are below and are also presented in Appendix 10.3.

The group appeared to work on an emotional swing between 'fight' and low levels of 'work' and these seem to be reinforced by the dynamics and roles that members had both taken and were given in the group.

It was acknowledged that some of the tensions and conflicts were imported from the Members. But there was also a feeling that the power base within the group was on the axis between the CEO and the Director of Finance. The earlier quote by Peter Atkins (Contracts) seemed to capture the sentiments of the group.

"The CEO and Finance tend to be the overriding power base at the moment... That's where the power and politics lies."

4.1.4 Does the team display examples of 'basic assumption' motifs over 'work'?

Group members seemed to have adopted specific roles in the group and these were generally agreed by their colleagues. There was a socially agreed perception that Charles Tews was a 'pain in the arse'. Janet Taylor was lightweight. Paul Harris and the CEO were the heavyweights or power brokers. Peter Atkins was the group's fool and Ben Chandra was driven by self-serving ambition.

The dynamics of the group was represented by 'splitting' in the form of various sub-groups, conflicts that were not openly managed, uneven handedness - favourites and fools - bullying and a macho culture was also dominant. There was mistrust in the group, particularly expressed by Ben Chandra, and publicly unexpressed resentments. Many of these conflicts and differences had become undiscussable, despite the group using a team facilitator for two sessions during the course of the study. This hidden nature, with conflict unresolved and tensions not addressed was more characteristic of a group in the earlier stages of development, than a group that had been together for 6 years. Thus it is suggested that these dynamics were structural and systemic.

The group did have a balance of 'work' and basic assumption motifs of 50:50. However, the quality of the work was of a personal and low level (79%) and the level of 'fight' interactions were about a third.

Thus, taken together, the data seems to infer that basic assumption motifs were influential in the group.

Fear, conflict, 'fight' behaviours and narrowly defined group roles reduced both the quality of work in the group and the opportunities for learning.

A systemic analysis of the Group

The group's dynamics were a pendulum of level two work and 'fight' and hostility. The energy that the CEO held could be used constructively for creative thinking and a buzz in the management group or it could be turned on people by shouting at them. There were structural and collusive roles and relationships that seemed to be present with Charles Tews and Peter Atkins being used as scapegoats and whipping posts and Ben Chandra's intellect being under-utilised - with him being kept as the outsider and him retaining that role.

The CEO was often operating in fight mode, however this was often in service of progressing the meeting, asking questions to get his Directors to think through items or taking the occasional paradigm shift. In some ways, the CEO provided the group with an energy and 'elan' that many commented upon and that was apparently lacking in the group.

The group also showed some signs of dependency but this was not a significant preoccupation. In managing these internal dynamics, and being internally focused, it can undermine the management of boundaries and let the external context impact and take over the inner world of the group. At one level there was some evidence of this in that the Members in-fighting and loose policy agenda did impact negatively on the management group. This further led to their under-boundedness. Moreover, the tensions and multiple agendas of management group members did appear to undermine corporate working and directorate-led agendas seemed to be more important.

Thus, the role of 'crisis management', 'constructed chaos' and 'knee-jerk' reactions begins to have more significance. Thus, it is suggested that as the management group was effectively excluded from the strategic decision-making and policy agenda, then there were few structures to unite them - until the recently introduced strategic, corporate processes. Thus, it was usually a crisis which brought them together and raised some of that 'Dunkirk spirit'. It was the crisis that made them feel better because they usually pulled it off against all odds and it made the council and colleagues ' look good'. It was acknowledged by most Directors that their actions were not strategic and most crises were avoidable because 'you could see the signs'. But there seemed to be a pay off with the crisis approach.

The implication of this process, in this case study, is that strategic learning can be undermined. The systemic and dysfunctional dynamic was that the group missed strategic opportunities for learning because of its own dynamics and that of its political leaders. These crisis at the strategic apex provided the opportunity to 'rally together' as a group and 'save the day'. This provided a 'buzz' and became a substitute for the strategic task. There was no shared strategic learning from the crisis as those in power - the CEO, Finance Director, the Leader and the Chair of R and D - did not see it as important. The rest of the management group and committee Chairs were excluded from the discussion.

The other payoff about the crisis was that it provided a distraction from the difficulties in the management group. Thus, the process continued and there was a systemic loop of a habitual and collusive routine of anti-task behaviour and it impact was most likely to be anti-learning.

In summary, the group operated in a difficult organisational environment and was not privy to the strategic agenda: partly because there was a lack of explicit leadership and partly because those in power restricted access to that agenda. Moreover, the group's internal dynamics were characterised by tensions, conflicts and a group acted 'as if' it was in its early stages of development. The combined effect of these external and internal dynamics established a complex set of defensive and collusive routines that served to undermine the group's strategic learning.

4.2 Do individual 'valencies' reinforce difficult group dynamics?

This section explores how the manager's context, history and inner conflicts and drives help throw light upon how they took up their roles in the strategic forum of the management team.

Each of the Director filled in a personal profile inventory and this was used as a tool for personal and existential exploration through an in-depth interview held in August, 1996. The details of this process are in chapters 10 and 11 of the research methodology.

The following accounts are taken from the second, in-depth one to one interviews with each of the Directors, the outcome from their Firo-B data[4], the comments from their colleagues (used as feedback and dialogue) and a written note including key points from each of the sessions.

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[4] Firo-B score for each element ranged from 0-9. In identifying self scores Directors were asked to score themselves as high, medium or low. These were used as a comparative to the scored marks where 0-2 was low, 3-6 was medium, and 7-9 was high. High, medium, low is the format that will be used to report the scores, which also made sense to the respondents. Explorations followed the participants' interests and tended to explore differences in expectations or extremes in high or low (9 or zero). Raw data for each of the Firo-B scores are in appendix 10.4

The outcome from looking at the individual accounts is to answer the question, what impact do individual 'unresolved' memories or conflict have on the group's dynamics

The individuals - history, role context and inner drives - the internal dialogue

Chris Hinds (CEO)

Chris Hinds was 45 and one of the youngest members of the group. There had been a rapid rise in role from senior welfare officer to CEO in the space of three to four years and this was a source of both admiration and envy (see accounts about CEO by colleagues above).

Chris experienced a degree of isolation due to this rapid rise and as part of being in the role. The isolation was disguised by keeping people out and a personal management style of occasionally shouting at people and asking - especially fellow Directors - awkward questions.

In a different environment Chris wondered whether his personal style may have been different: in the role of Housing Director Chris reported a style that was warmer with colleagues.

"It was a much more lonelier job now."

His Firo-B scores are shown below.

Table 14.3 Firo-B Scores for Chris Hinds

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	Low	High	High	V. low	Medium
Wanted	Low	Low-Med	Low	Med-low	Low	Med-low

The conversation centred on the issues of control and affection (in the form of recognition). The current role required the CEO to 'have more control.' While usually a trusting person the organisation was not one where that could be a safe assumption. "One tends to get scars.... leaving one less trusting." He added that it was no longer appropriate to go for lunch with the lads and that the role of CEO was: "Isolated, exposed and lonely."

Control was important as, "You can't rely on people. The history of Tuthering is the data for that (see section 1 above). Therefore you need to have control." Chris reported that power, status, money and being the CEO of a large organisation was more about recognition and the drive to be a 'substantial achiever at the personal level'. "I want to be the best."

Further exploration of this drive revealed the importance of recognition and how these achievements were aimed to push out self doubt, anxieties about confidence and critical self judgement.

Chris was able to trace these feelings and doubts back to when he was aged 16 and leaving school, when there were many self doubts about competence, academic ability and intellectual prowess. Thus, the need to be recognised and reassured was significant.

Analysis

Chris's personal presentation was one of a charismatic and generally confident individual. In the CEO role, the management group was led from the front and Chris also attempted to manage the boundary between the management group and the elected Members. Chris was however, caught by personal doubts and anxieties despite the external successes that have been achieved both in the role and for the authority.

The need for recognition may be expressed in Chris's cultivated admirers - both in the management group and from elected Members - the dependency needs on Paul Harris (Finance) and to a lesser extent, Charles Tews (Policy & Strategy), and the internal drive to think big and sometimes not pick up the points of detail. Thus, change, innovation, managing crisis and being part of the inner group of the authority's decision-making all served this internal need and countered some of the doubts that continued to exist.

It is thus suggested that the CEO's 'Tigger' type qualities and outward confidence hid an internal need to be recognised, appreciated and loved. The CEO's role was one of isolation and the context of the role did not promote trust, reaching out or openness. Thus, the internal drive expressed itself in ways that made contact with the people through disagreement, 'fight' behaviour, managing messiness and crisis. Chris operated with an inner group and felt it important to paint the big picture, relying on others to implement - e.g. Charles Tews. This personal dynamic appeared to be a combination of the needs of the group context, Chris's personal history and inner dialogue. It suggests a mutuality of needs being met between the group and the CEO in role.

Paul Harris (Finance)

Paul Harris was 49 and was the longest serving officer of the authority (twenty years) and one of the most powerful members of the group. He was very attuned to the political sensitivities and complexity of the authority and managed his boundaries well with his Chair of committee.

His Firo-B score is below.

Table 14.4 Firo-B Scores for Paul Harris

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Low	Low	High	High	V. Low	Low
Wanted	Low	Medium	Medium	Low	Medium	Med-High

The key issue in the conversation was 'control'. Paul Harris was very much a person in control and was not diffident in owning that part of his character. He was aware of his interpersonal impact on others and would use this as a way of maintaining power over others, a psychological edge. He said that: "Control was very high. Yes. It's the flip side of a lack of trust."

While acknowledging control as a part of his basic character Paul said that the environment had made that more prominent -especially over the last five years.

"I need control. I don't like surprises and don't want chaos." He said that the drive for control was to keep the authority on financial track and was not to fill the power gap, as he knew his colleagues had felt to be the case. Compared to other authorities he had worked in, the political instability at Tuthering was greater than most and this made him even more controlling. He saw himself as the stability in the organisation in a political context of informality and unpredictability. Harris felt that the CEO did not always acknowledge this role in him and, "If I were not around Chris would panic."

Further exploration revealed that Paul's inner dialogue ran: "If there is no control then things will fall apart and there is chaos," and that was uncomfortable, led to uncertainty, tested trust and was something that had to be defended against and protected.

Analysis

Paul Harris saw himself as someone who lacked trust in those around him and acknowledged that he was controlling. This was confirmed by his colleagues assessment of him and his direct nature was sometimes experienced as bullying, rude or off. Paul was aware of this style and used it as part of his defence.

His core concern was to prevent chaos and to provide a stable basis for the organisation and for himself. He was unable to trust the role authority placed in the CEO or the leader and thus worked on the basis that he had to do it himself. He was instrumental in most of the strategic initiatives and the significant resource decisions in the authority. The controversial budget process - to be discussed later - also had Paul's involvement and that basically ran contrary to the agreed consultative procedure to be controlled and decided by the Leader of the council, the Chair of Finance, the CEO and Paul Harris. But it was said by many of his colleagues that:

"...The numbers were done on the back of an envelop by Paul H."

Thus, his need for control was said to come from a fear of chaos and a lack of trust. This impacted negatively on the management team as the others were often left out of the loop, were not trusted with information and the group as a whole lost the input and opportunity for learning. In summary, his bullying persona was a defence against chaos which reinforced the role that Paul Harris took and removed the onus of the others to take responsibility for their roles in the group's task, risk and its learning.

Fred Jones (Welfare Services)

Fred Jones was one of the oldest members of the group at aged 50. He had worked his way up the organisational ladder, like the CEO, and he had the largest directorate in the council. He felt that things were still led by the centre and was not happy with the style and culture of the organisation.

Table 14.5 Firo-B Scores for Fred Jones

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	High	Medium	Medium	High	Medium
Wanted	Low	Medium	Medium	Medium	High	Med-Low

Fred did not have an issue about control, like some of his colleagues, but it did seem that he like to be liked and approved of. In his personal, school and family history he grew up in a culture where emotions and feelings were not expressed and so that became his normal way of relating. This softened a little at university but that dominant approach still persisted. He was aware that in many ways the management group symbolised, "That more distant way of relating to each other."

"People are nervous about expressing and emotionally supporting others. It is the same here. It is not a warm group... Chris (CEO) is the most expressive and that is healthy."

"One's past culture catches up on you and you fall back on those models and stereotypes of how senior management should operate - hard nosed, unfeeling, hard bastards that people tell us about in industry - the IBMs. But I don't see myself in that role. But we do repress emotions in this environment."

Fred believed in the value of teams and was often helping others. He felt he had reached his ambitions given his age and he did not want to be a CEO. He was aware that some of his colleagues saw him as empire building but he did not relate to that: "I don't feel I'm guilty of that... each directorate is seen as a thiefdom anyway." Neither did he feel threatened by the prospects of being thrown out if something went wrong, unlike in the earlier days of his career as he believed in the value of his work to the authority and the lessons he'd learned along the way.

"Mind you I won't give up… in the things I believe in. I was stroppy as a child and even though was beaten over the head I still came back."

Stability was important to him and this was born out in his longevity in the job, some of friends had been with him for decades, he lived in the same area for as long and he had a great attachment to the job. "The job is all consuming." Some of this attachment came from a reaction to always being on the move as a child due his parent's work. However, Fred also noted his disappointment in the group that was not very close despite its stability.

Fred Jones saw himself as a 'worker' as opposed to an innovator and felt that: if you stick with it, it will payoff. "You have to have a long term perspective, eventually you'll get there but because it takes a long time you also need some quick successes but keep the focus on the strategic, on the long term. It takes time to change any organisational culture."

"We have an unstable political environment.. but we have a culture where we're good at fire-fighting but not so good in a planned environment. Its not so exciting or buzzy. Extremely tiring. But hard to work in a planned environment."

Analysis

Fred Jones was very committed to his work and the authority. He presented himself as a 'values' led manager, who was determined and persistent. He found the 'hard-nosed' leader a difficult role to take on. He accepted the uncertain nature of the organisational and group context and seemed to act in two ways: on one hand he enjoyed the buzz and excitement of managing critical and crisis situations; at the same time he worked methodically and painstakingly to create stability and a large monolith in his part of the organisation - a possible locus of stability. In fact he says it was difficult to operate in a planned environment.

These seemingly contradictory actions may be seen as a political strategy to gain a greater share of resources. This may have been plausible in the past but we see here an established member of the management group and of the authority who no longer needs to fear loss, competition or the need to be acquisitive. By his own account he has reached his own aspirations in career terms.

A further explanation to these contrary actions may be a form of personal coping and defence mechanism - described as 'reaction formation' - where the fear of continual change (from the childhood past) is warded against by working in a way that creates stability and a structure. The latter then provides the space and order to allow the creativity and fire-fighting that may be valuable but may also be the repetitive pattern of the past that is compulsively enacted at an unconscious level.

It is suggested that this unconscious personal management system provides the group with a mechanism of support. It provides some of the much needed stability and certainty in the group's context of uncertainty and unpredictability and it provides creativity and a solid base to give strategic input. Fred is also able to hold a number of working and relationship boundaries with all the other directorates and Directors. Thus, while sometimes cynical and critical, he provides an important lynch pin in the management group that supports some of the intentions of the CEO.

Ben Chandra (Planning - Physical Environment)

Ben Chandra started the personal interview by noticing how the isolation of his offices (from the main Town Hall) and his desire to stay clear of the political battles were reflected in his isolation with regards to the management group. He wished to stay outside of the group and this was very intensely expressed by his personal desire for an arms length relationship with the rest of the group. "I find people, they are hard to work with." He also observed that he was not as 'bound in' as should be and that, "The council had also ascribed me the role... I sit as an outsider."

He thought of the relationship with the management group as a metaphor of his physical work. He remarked that in his work he had: "To build a wall as well as protect it. It was also better being outside the building." Several references were made to the fact that you could not make a team work unless there was trust. "This work with the consultant is not going to solve things... it (the management team away day) was like a dreadful weekend."

He found the context of the team did not provide the encouragement to break the boundaries and make contact. People did not socialise outside of the management group, there was the culture of blame, performance was still judged by directorate rather than corporate work and the lack of communal 'watering holes' all meant it was difficult for Ben to integrate into the management group or the organisation beyond his own directorate, where his team worked well.

Table 14.6 Firo-B Scores for Ben Chandra

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Low	Medium	V.High	High	Low	Medium
Wanted	Low	High	V. Low	Low	V. Low	Medium

The areas of concern were control and the 'isolation'. His self assessment of the desire to be included and to express and receive affection was greater than the scores from the Firo-B questionnaire. He suggested that some of the differences could be explained by his work role being different from his more outwardly going social life.

Ben was the youngest member of the group (aged 42). He was ambitious and by his own acknowledgement highly motivated. Accounts from his colleagues suggested that this put some of his colleagues off him. Moreover, when things got slowed down or frustrated then he would withdraw and this routine also reinforced his isolation in the group. He was ambivalent about gaining more authority because in his view as you went up the corporate ladder, you had less control rather than more. Yet at the same time he had applied for a CEO post.

He too used control as a defense. "If people respect you then perhaps control falls and similarly maybe you're prepared to accept some control?" What he wanted from the centre was support, clarity of role, decisions when required and direction when necessary. He continued to see the role of his directorate as more enjoyable and rewarding work than the corporate working.

Analysis

Ben presented himself as the outsider and from the beginning of the interview his analogy with his office and the picture of the brick wall marks this as an interesting symbol of 'the outsider'. His desire to remain 'outside' was reinforced by the management group, the culture and context of the organisation, how he was perceived and his own personal frustrations and occupations which caused him to purposively withdraw and appear aloof. Ben expressed that he found it hard to relate to others in the team and that working on his own directorate, in what the CEO called an "airy fairy" service, was more comforting: a sort of retreat from reality. He said that he found it difficult to trust members in the team and that this fear of being hurt by team members suggested a possible defence against making contact or intimacy. This personal occupation was reinforced by and supported the group matrix.

Peter Atkins (Contracts)

Peter Atkins was aged 48. He was affable and articulate about his service and the political workings of the authority. Peter liked to have clear boundaries and working relationship but was not focused on controlling behaviour. He felt that to work in a transparent way was good and that stopped others trying to second guess whether there was another agenda or not.

Table 14.7 Firo-B Scores for Peter Atkins

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	High	Medium	High	High	Medium	Medium
Wanted	V. Low	Low	Medium	Medium	Medium	Medium

Peter's self assessment and the scores were very close.

From our conversation it seemed that Peter felt it important to be liked and to receive recognition. He did not expect people at work to love him, but certainly wanted their respect. His working assumption was: 'work on the basis of being open'. "What you see is what you get - no games," he said. He went on to say about his style that: "You'll know its coming - you'll get the knife in the chest."

Peter also declared that he had high working standards. Some of that may be a product of the industry where high specifications were the norm. Peter felt that: "I always wanted things to be done right. If decorating - not overly fussy but workman like. Not Rolls Royce but a good professional job." Thus, some of these standards were a part of his internal dialogue and another part a product of his training and professional experience as a mechanical engineer. He also felt a high sense of responsibility to get things right. He said: "If there is flack, I'll take it; if its success, I'll put the others up front."

Finally he made repeated remarks about being recognised - for his competence, for his style, for his openness and fairness, for his standards. Yet on exploring these issues further he admits that it was hard to accept praise and he was probably a little shy.

Yet the management group members saw him as dull, boring and the 'idiot' of the group. Last in the pecking order.

(It was also interesting to note that the researcher forgot he had a meeting with Peter Atkins, and spent the time gathering informal information from the CEO and Charles Tews because he thought he had some extra time unallocated - see personal insights below in section 5)

Analysis

Peter Atkins presented himself as open and transparent. He liked to be liked and wanted to be openly recognised for the work he did and the way he did it. He found praise difficult, and in the management group meetings and individual meetings notions of conflict were avoided.

However, the management group did not provide Peter with any of these things. Instead he was the source of ridicule and humiliation. Note the remarks made by his colleagues and how he was used by the group as a scapegoat. Far from getting what he wanted from the group he got the opposite.

In turn, it appeared that Atkins may have internalised some of this 'bad object' role and in his deference to the group perpetuated the situation by his continued openness, transparency and his seemingly naiveté. His desire to be approved of and recognised seemed to open him up to more abuse by the group. It is suggested that he had a poor sense of himself. Moreover, at a deeper level, this self doubt provided the mechanism for successful projective identification and the internalisation of the scapegoat role so that he became the object of disdain.

The combined personal and group dynamic added to the structure of the group matrix.

Janet Taylor (Education Services)

Janet was 48 years old. Her general management style was to be open and generally inclusive. "You do not empower people by keeping them in the dark. By and large people around me are good with the exception of a few shits."

She felt that the organisation gave mixed messages: both the CEO and the Members said they wanted corporate working. First, she felt that there was little evidence of them doing that but secondly people where still judged on the performance of their directorate work and not on the work done corporately. Furthermore, these tendencies were aggravated by political and financial pressures and were seen as 'negative'. "It sets us against one another. A cave man approach - go out and get the sabre-toothed tiger. But this militates against corporate working. It varies from year to year but it tended to yield competition rather than collaboration. Trust is transient."

"They did not know me," said Janet, referring to the management group. As the new member of the group she felt that people did not know her and in the management group away day she had felt that some of the feedback she received was misinformed. "This (process) was hurtful. I felt anger and hurt. I am unsure how to cope with this." In addition, she felt that despite some excellent work with the Department of Education on the council's education strategy she only received appreciation from one colleague of the management group. It was not the CEO and non of the elected Members congratulated her and this was a source of resentment and disappointment.

Table 14.8 Firo-B Scores for Janet Taylor

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	High	Medium	High	Medium	High
Wanted	V.Low	Med-High	Low	Low	Medium	Low

The self-assessed scores were generally higher than the reported scores with the exception of 'affection wanted'.

The inclusion and affection needs may be reflected in the point that Janet made that she liked to be a team player

Janet Taylor felt that it was important to be fair. This was repeated with small, elaborate and detailed examples twelve times. Her personal and work experience was a litany of not being treated fairly. In each of the cases cited when people were unfair to her, circumstances would avenge her (one person actually died of natural causes in the bath) or restore her good name. Or she would learn several years later how well she was thought of or that people did not think it was her fault. In addition, not receiving accurate and immediate (or timely) feedback in her personal and work history left her always trying to figure things out and an internal message of 'not being good enough'.

A year long sabbatical provided the temporary and necessary space required to make sense of her past and to understand herself as being much more than her job. Balance and perspective was more central in her life and while the doubts were still sometimes present they were not as gripping as before.

Analysis

Janet Taylor presented herself as a new member of the group who was going to establish herself and not take any nonsense from her fellow male Directors. Accounts show that Paul Harris and Ben Chandra have both been in conflict with her and others see her as bringing a newness to the group as one not to be easily put off.

However, her most difficult experience in the management group so far was the feedback she received from her male colleagues in one of the early away days. The importance of this event was the level of resonance it had with a past of being unfairly treated and not being given 'nurturing', fair treatment nor supportive feedback. This triggered those internal doubts and for some time was uncomfortable.

At a political level, the group members may be trying to keep her in her place as the new member of the group and as a woman. She had demonstrated her capacity to engage and manage conflict and her earlier accounts showed that her political understanding of the group was good. Yet, irrespective of the content and intention of the feedback, it linked with a personal history that made the feedback near devastating, hitting older memories and repetitive routines.

The group's pull to cement that particular projective identification and collusive routine was checked only by Janet Taylor's more centred sense of self, the quality of her reflective capacities after the sabbatical and a change in the balance of her personal significance from work to the true self. It was these, by her own account, that prevented her being sucked into a group matrix that would have a negative impact on her personal well-being and the group.

Her other symbol of stability was her belief in honesty, integrity and equality. These values were said: 'to go way, way back.'

Charles Tews (Policy and Strategy)

Charles Tews was 48 years old and understood the dynamics of a politically driven local authority. He had ambivalent feelings about the CEO and disliked Paul Harris, Finance, although they did work together on things behind the scenes.

Table 14.9 Firo-B Scores for Charles Tews

	Inclusion		Control		Affection	
	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment	Firo-B score	Self assess-ment
Express-ed	Medium	High	High	Medium	Medium	High
Wanted	Low	Medium	Low	Medium	Medium	Medium

His stated need to control was said to be out of a desire to get things right. If the project or initiative was his own then the anxiety and stress was greater than if it was someone else's project or if it was a corporate or group project. In an environment that had few things stable this was difficult. Charles complained of feeling very tired and felt: "I am always required to generate my own enthusiasm… having to make my own judgements about success or failure and going through lots of self assessment." He referred to an article on burnout that he was carrying at the time (Harry Levinson, 1981, "When Executives Burn Out": Harvard Business Review Classic), and suggested this was what he was experiencing.

"The council has broad objectives which tends to yield low standards, which gives lower quality work and lower quality of work-life, this leads to mental exhaustion and executive burn out."

"Thus, you need to have control to compensate and set one's own standards for success or failure as the organisation doesn't give feedback. The political agenda does not equal managerial success. Management here tends to focus on failures not success... one is set up to fail. It becomes a self-fulfilling prophesy."

Charles felt that he was so enmeshed in this mechanism that it was difficult to get out of the cycle of running like mad to stay ahead, getting into conflict as a result of different people's priorities and then taking the blame for not delivering.

"It's like a chess game. You need to let them steal things they don't want so that you can manage your own stress."

Charles Tews hated failure. He set high internal standards and judged himself harshly on them. This was partly a result of his manual career and work in quality and assurance but some of it was also traced back to family ties. He expressed a fear of rejection if he failed and deep feelings of guilt. This was a strong internal message. Charles Tews also felt that he did not make the best use of his 'brain' and early academic opportunities. These were another source of his self critical nature and his desire to get things right. These thoughts were matched with high levels of personal integrity and a disdain for some of the political games that were played by the elected Members and some of his colleagues, namely Paul Harris.

Tews was aware of the role he was taking up in the group and the dynamics between him and the CEO and the group as a whole. But he felt it was important for the team and saw himself as the 'intermediary' and 'bridge spanner' between the CEO and the management group, despite the personal cost to him of taking up this role and his feeling of exhaustion and depletion.

However, as these feelings of deflation were acknowledged by Tews, he found himself being more and more resentful and withdrawn, letting people take responsibility to be direct with and to take on the CEO regarding their own issues. He was tired of getting the 'beatings from the group'.

"The council can either get it together and be corporate and powerful or it can fragment with the whole being less than the sum of the parts."

Analysis

Charles Tews' dedication to the council was great. He took on a variety of roles to make things happen at a corporate level but he had reached a point where he was tired and fed up of taking the responsibility for others - especially as it was at such personal cost and left him feeling exhausted. This shift was a recent one and it uncovered feelings of resentment and disbelief at the level of 'beatings' he had taken - especially from the CEO and that was emotionally hurtful. (See too earlier accounts about Tews' role in the group in section 2 above, where he was not appreciated nor valued for his work.)

His high personal standards and a desire to see things done right was a key driver. However, this was held with feelings of anxiety, fears of rejection and internal stress. The possibility of failure was intolerable. These inner drivers appeared to keep him going against a context of a group that possibly used him to take on the CEO and a broader political context of conflict, low standards, uncertainty and insufficient feedback. Thus, a group matrix of an individual's need to be perfect and his fear of rejection provided the group as a whole with a conduit to take on the group's own imperfections and that of the CEO. The role was emotionally tiring and draining and it was this realisation that began to dawn upon Tews. "I feel bruised, knackered and bad. My health has really suffered."

The impending 'burn out' was stopped short when Tews realised the impossibility of his task and stepped out of the structural role and began to operate and think differently in order to survive. Thus, a near personal crisis was needed to break the projective motifs that occurred in the group and realign the nature of the group's matrix.

4.3 Do individual 'valencies' reinforce difficult group dynamics? An analysis of the individuals

Each individual's personal dynamic were presented from the in-depth interviews that explored their personal history, inner dialogue and context and meaning for each Directors. While each member had their own unique history, inner tensions and conflicts, they all fitted a role within the group that served some of the needs of the group.

Firstly, the evidence does seem to support the notion that personal history will affect how people take up their roles. The several references to hurtful experiences provides an initial clue to the link between personal valencies and the ability to hold the role. The 'devastating' feedback, the need to control because of a lack of trust, the wish to be perfect or approved of were all factors that led to Directors over-playing some aspect of their characterology or accepting behaviours from others that were abusive or at least not developmental.

Examples include: the role of whipping boy given to Peter Atkins (Contracts), the 'outsider role co-created with Ben Chandra (Contracts), Janet Taylor (Educ Services) reliving wounds from the past when receiving that 'devastating feedback' and the 'burn out' experienced by Charles Tews (Policy) as he tried to manage the attrition and conflict with the CEO on behalf of the group. The links to past experiences were often made or enacted unconsciously and were fuelled or diminished depending upon a number of factors.

These factors seemed to be the context, role expectations, the impact of projective identification and how this served the unconscious motifs of the group (the group matrix) and the degree of personal awareness.

Context

In most of the cases they talked of the context of uncertainty, elected Members being unpredictable, the culture of blame and the group being a cold or unfriendly bunch.

Role expectations

The combined effect of these was to reduce any element of trust, cause people to withdraw into themselves and their internal patterns of defence and self doubts to be more prominent. This process led to 'role differentiation' and a diminution of role authority.

Projective identification

This is where the individual's 'valency' or 'primary process thinking' conjoins with unconscious needs of the group. Thus the inner world dialogue increases and dominates in such situations. In this case study, the are several examples where it was difficult for Directors to step outside of dysfunctional patterns. For example the CEO felt that he had to be perfect and these dyadic relationships would therefore be reinforcing.

The group matrix

The impact of these unconscious dynamics seem to occur much more in the group. Through the process of projective identification, these dynamics appeared to operate in all of the cases of the Directors. Each were given or had taken roles that matched the needs of the group while at the same time feeding their own unconscious pattern to get feedback, be perfect , be approved and in so doing they tended to undermine their own authority in role and skew their role contribution.

Second, while these dynamics were compelling they were not self sealing nor deterministic in this case. The key seemed to be in sufficient members of the group having self awareness and an ability to act differently in order to move out collusive group roles and retain their task related roles. For example, Fred Jones's personal pattern seemed to work for the group and in some way for him as it had the co-existence of the stability and the buzz and not just one or the other. While he did talk of high levels of personal development awareness (and even compared the interviews to having therapy), it is not known whether his internal management system was a natural process of 'maturing' in the role or whether it was assisted by more active interventions such as personal therapy. However, he was not caught up by the need to prove anything. He had already reach his career ambitions, did not fear being thrown out and thus was less susceptible to some of these dynamics. From the accounts, he was seen as co-operative by his colleagues although a little idealistic. Co-operation means taking up a task related role in a complex system.

Janet Taylor's and Charles Tews' personal awareness had stopped them from being completely sucked into the unconscious needs of the group. In the case of Janet Taylor she was able to draw upon her personal learning and reflection while on sabbatical and she was able to understand what was happening even thought the feedback was still experienced as difficult. In Charles Tews' case the near 'crisis' event of burn out brought the issues into clear profile and he stopped operating in that mode out of fatigue and depletion. These two cases worked contrary to the pull to act out their personal self doubts (inner dialogues) and were able to relate to the group in a different way. Their behaviour in the group changed. Janet refused to be bullied and Charles stopped taking the flack for other people and was more focused on task. These actions in turn were healthy for the group and individuals concerned.

Finally, as part of the research process the CEO got feedback about his behaviour and patterns in the group (as did the whole group). As a consequence, Chris changed the way meetings were conducted , making more timely, appropriate and supportive interventions. These changes were noticed by the group (and the researcher in a review meeting). These actions and behaviours were reported to have continued after the core of the research but there were no systematic observations made of changes after the feedback to the group or duration of the impact.

In conclusion, it is suggested that personal valencies will impact on the difficult dynamics of the group and that they will impair people taking up their roles. It is likely that such dynamics may be difficult to eliminate all together and in this case we see examples of the group 'shifting' and individuals taking up different but facilitative roles for themselves and the group. The issues for individuals and groups is not so much that they can stop such dynamics occurring but that they can understand, recover and change the dynamics of the group as reported in this case study.

5. Organisational learning

Question four: Is the organisation able to attain strategic organisational learning at a high level?

The purpose of this section is to address three sub-questions about the nature and level of strategic organisational learning in the system and the impact of systemic defensive routines. The sources of data for the inquiry are varied: the responses to the first interview (Q17 onwards), the dialogue and feedback sessions held during key stages of the research, the organisational questionnaire and a final review meeting with the CEO and the team together in October 1996.

The three areas of inquiry are:

- Is there strategic organisational learning?
- Is such learning double loop?
- Does the strategic leadership provide facilitative structures for learning?

5.1 Is there strategic organisational learning? Its nature and scope

Organisational learning here refers to manner in which the strategic apex of the organisation - the management group and the elected leaders of the council - systemically understands how it interprets its environments, acts on its decision and systematically reviews and institutionalises its findings. It is based on the elements argued in chapter 5: scanning, detection and interpretation, taking action, reviewing and learning and countering organisational defences.

5.1.1 Scanning and detection:

The organisation moved from an internal focus in the mid to late 1980's to a focus that was much more external and customer oriented. The strategic apex provided evidence of scanning through benchmarking, seeking external validation processes and people made reference to what was happening in other authorities with considerable accuracy. (The accuracy can be confirmed as the researcher was undertaking similar work in two of the neighbouring councils.) The authority was beginning to set in place processes to systematically and externally compare with other's standards, establish self auditing and increase its strategic scanning and detection of error.

However, it appears that once into the system, these processes were either not followed through or in some way they fell off the strategic agenda because they had a lower strategic priority or became more operational.

On detecting errors on strategic initiatives it appeared that the management group was less adept. The accounts below illustrate the point.

"Only when we had lots of meetings and things started to focus on 6% cut and we had not information that we began to detect that things were going wrong." Charles Tews on budget cuts.

"About half way through I detected that things were going wrong. The signs were a lack of commitment and what they (the management group meetings) were saying," CEO on a new strategic initiative.

"When the screws were turned on everyone fractured... we did not draw upon experience in the past, there was low trust, games playing and a service by service response (as opposed to a corporate one)." Ben Chandra on the same budget cuts.

"I didn't notice anything. The first I knew was when I was called to an 8.30 am meeting by the Planning Director (Ben Chandra) and asked to salvage it (a strategic Members conference) by getting people to come to the meeting and persuading the CEO to cancel our management team meeting..." Janet Taylor on a strategy conference that nearly went wrong. The call to attend the meeting was at 4.30pm on the afternoon before.

"Our investment programme was going off the rails (this was inherited property investments from the 1988 administration)... but we didn't notice it was a management team problem until the government announcement last week." Paul Harris on managing part of their property investment portfolio.

These examples of strategic initiatives going off their planned course suggest that the detection of error on large strategic initiatives was not easily captured. It seemed that the existing systems provided for lower level, routine scanning and one-off validation processes but the formal systems (and informal ones) were not matched to the requirements of the current environment and this reduced the first opportunity in the process of strategic organisational learning.

5.1.2 Taking action

Once error has been detected taking action is necessary for learning to be encoded. In this case study the environment did not promote risk and gave little praise when things were done well. The accounts also suggest that only a small number of people were given the systemic authority to make things happen and that was the CEO and leader of the council, the Chair of Finance and the Director of Finance. Fred Jones, also had resource power and the patronage of the CEO. Overall taking action was not embedded in the psyche of the organisation and if they had poor scanning and strategic detection capability, then they may not able to act until it was too late. Finally, stifled innovation, the fear of getting it wrong or of being judged were also stated as reasons that may stop some of the Directors taking up their authority.

In addition, it can be inferred that the crisis driven nature of the decision-making on strategic issues reinforced processes that reduced systemic and strategic organisational learning.

For example, when the budget cuts process had gone wrong, it was the CEO, the Chair of Finance, the leader of the council and the Finance Director that took the decision and did so against the agreed (collectively among the management group and Chairs of committee), planned consultative process.

"When we realised we were going to miss budget no steps were taken to deal with it. As it was specifically said, the management group was not to be involved not even in the priorities process. The CEO fed that into the management group directly from the leader." (Peter Atkins)

"When the budget process was changed there was a row between Paul and Charles, the row never went to the management group and the CEO resolved it." (Peter Atkins)

Other examples suggested that initiatives were saved by the 'last minute', by 'key personalities thinking on their feet' and there were two examples of things simply coming 'unstuck' and no action being taken (just consequences).

5.1.3 Reviewing and sharing of learning

Those in the strategic apex seemed to avoid reviewing and learning.

"... Keen to have a review and we have a review of the Strategic Projects and Investment process, but no one does very much. We don't go back and review them very much at all. Thus, we tend to make the same mistakes again," stated Paul Harris.

"The review of the projects is more critical. We tend to look at them and say that one went well or not rather than look at the process," Tews said.

"We tend to do things - go down a route and don't review where we have got to." (Janet Taylor)

"No evaluation!" (Ben Chandra)

"A review has been raised - but don't know if a review will take place or not," said Charles Tews. He added: "A whole host of things learned about project management, the consequences of putting things off until the last day. There is a propensity to put off decisions."

"At the moment the general lessons are still to be shared - still awaiting for it to be tackled." (CEO)

The strategic management does not engage in systematic and regular reviews. It understands the value of them but does not do them. All reported gaining personal lessons but these were not actioned collectively nor personally.

5.1.4 Is there strategic organisational learning

Based on these accounts from the management group members, the chances of strategic organisational learning in this system is low. It had poor strategic detection capability for its context, its system members were unable to take authority, act nor systematically review their decisions. At best learning was left to individual reflection.

In this case study, a deeper review of organisational learning was undertaken using the Strategic Organisational Learning Instrument (SOLI). The latter was developed as an output of the research but was not the purpose of this thesis. Thus, the details of the instrument are documented in Appendix 5. However, the key elements of the learning in the system based on 64 questions of all of the top senior managers is summarised in the table below. It is followed by a short commentary on how the results compared with the views of the 'top team'.

Table 14.10

The view of the top senior management population on Tuthering's strategic organisational learning

Scanning	2.880645
Interpret	3.138710
Take Action	3.154839
Eval/review	2.658065
Share	2.645161
Org defensive	3.054839
Systematic	2.951613

These were the average scores from 64 senior managers from a total group of 100 who were invited from the CEO to take part in this part of the research.

The scale marks were 1 - 5 and the use of the Likert scaling was described in the chapters on research methods. Oppenheim (1966) suggests that the scale mark of over three (half way along the scale) would be necessary to consider the results as indicating a strong opinion of the whether in this case there was learning or not.

On all of the scales of strategic organisational learning used in this thesis, there does not seem to be any taking place.

Each of the scales do not report any notable differences from the views held by the Directors. However, it is hard to comment further without additional validation of the research instrument, which is not reliable based on an item analysis test. (See appendix 5 for further comment)

5.2 Is there double loop learning? The role of defensive routines

A defensive routine is a pattern of collusive behaviours and actions that serve to avoid difficult tasks, decisions and pain, and support the system of individuals and groups from confronting reality and the demands of the outside world. In this case study, these 'routines' operated at the individual, group and strategic apex of this system.

At the individual level

The ego defensive routines were supported by Directors inner dialogue and personal histories. These took the form of excessive personal expectations and critical self judgement representing the bad self object or critical inner parent. These inner feelings resonated with the demands of the external environment and this served to undermine - in varying degrees - personal authority. For example the CEO showed signs of dependency on Harris; Taylor was pained by feedback and temporarily knocked back; Tews verged on complete burn out; and Atkins' need to be liked overwhelmed his role authority. The impact of these however, was not the same for all of the members and as can be seen in the accounts of the individuals. The opportunity to take time out, reflect and gain self insight seemed to stop these processes being totally undermining.

In the group

The 'group matrix' provided a projective object to support old fantasies of self and sucked some into continuing to enact these unconscious roles in the group. The group had the 'scapegoat', 'the bully', the 'omnipotent' and 'envied leader', 'the outsider', 'the fool', the political 'fox' and the 'new kid on the block' - a woman - who needed to be taught a lesson or at least kept in her place. This made the group a place where 'there's no trust, sharing of information, mutual trust, shared purpose or no team and corporate purpose shared.' (Ben Chandra). The group was also described as a cold bunch and generally it was not a supportive environment. It acted 'as if' it was a group still in its early stages of development and the role of the crisis was to momentarily bring its members together to tackle a problem but without the scope for strategic high level learning.

Systemic dynamics

Within the strategic apex, the defensive routine seemed to be a defence against stability.[5] The leader and Chair of Finance, and the elected Members operated in a way to maintain an unstable and unpredictable internal context. This may be a function of political differences but it was also tied up with unacknowledged and unresolved difficulties, object loss, and a search for a new identity or sense of organisational identity. In addition, it is argued that these routines stopped any one group gaining authority - no one could be authorised, and even the Leader of the council was an acceptable compromise. Moreover, the elected Members did not want the officers to be authorised whom they did not trust as a group and resented being dependent upon them and their skills. It was described by some as an envious attack.

Thus, the system would always be in a state of unhealthy and anxiety provoking not-knowing, not being and not acting. This impaired double-loop strategic organisational because both external and internal learning capability had been undermined.

Implications

The general implication of these defensive routines, which operated at multiple levels, was that they reinforced each other.

At the individual and group level

The group matrix of unconscious and projective motifs appeared to be present and these were evident in the self defeating enactment's by individuals and the group as a whole - e.g. scape-goating, blaming - and their own accounts of self limiting dialogue. These motifs were 'broken' in three individual cases due to the capacity to reflect and gain higher levels of self awareness, insight, learning and thus act differently from the collusive pulls. These interventions suggested important and fairly quick shifts for the individuals but the impact on the group seemed to be less immediate.

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[5] This seemed to be a form of 'reaction formation' - acting opposite to what you really want

The group's context

Was also unstable and this may suggest why the group as a whole was more entrenched in its behaviour due to the context. This environment also promoted a defensive routine of blame, crisis management, knee-jerk reactions and 'constructed chaos'. The data for this modus operandi is great and it suggests that these processes were endemic and systemic, and served some other unconscious motif. In this case it seemed to be a culture of counter-dependency and a fear from explicitly authorising any one to 'lead' - be it the leader of the council or the CEO. Both operated with their allies 'behind the scenes' and their role authority was rarely managed explicitly. Yes the CEO did have frantic shouting bouts, but this was hardly an example of managing role.

Systemic dynamics

These underlying themes worked in a way which prevented the strategic apex from gathering data and correctly detecting and interpreting its meaning. Even if detected the group demonstrated little active strategic management of the issue preferring to operate in a crisis mode, where the apparent pay off was to bring together a loose and underdeveloped group and create a buzz that was missing elsewhere in the system. Finally, while individuals gained learning they rarely acted upon it and the system as a whole was poor at systematically reviewing, sharing and institutionalising its learning.

5.3 Does the strategic leadership provide facilitative structures?

Given these dynamics, is the strategic leadership (or strategic apex of the organisation) of the management group and the Chairs of committees able to provide structures and conditions for strategic organisational learning?

The impact of these dynamics was that learning in this system was of a low order - level one at best; it was habitual; and the learning was fragmented by defensive and collusive routines. Yet some strategic learning did take place as the group and organisation had undergone a cultural mind-shift.

In this case, learning took place in response to the changes in the external environment between 1990 and 1994/95 and it did appear to be double loop learning - level two. The organisation had a mindset change, there were structural changes and there had been a system change from one equilibrium point to another. This change was mainly led by the CEO. However, the current internal mechanisms have been slower to adapt to the more subtle environmental changes and the learning appeared to be lost or fractured: not bedded down.

Thus, based on the accounts of the Directors, strategic organisational learning does not appear to have continued and does not meet the criteria of 'level two' learning discussed in chapter 5 above. The strategic apex of the management group and the committee Chairs do not seem to have provided the facilitating structures for continual strategic organisational learning.

There appears to be a splitting in the process of learning - a kind of "schizoid learning" where the external demands have been so compelling that the rate of response has been greater than the internal change at a deeper level, where issues remain unresolved. Thus, 'learning' is 'adaptive' rather than deeply held. This may explain the continuation of a process of 'not learning', which has become recursive and so there is a cycle of undermining strategic learning within the organisation.

6. Personal insights

In the spirit of self reflective inquiry and a 'clinical' approach, this section records some of the key experiences and dynamics, I experienced in the role of researcher. It describes some of the feelings and thoughts about various aspects of both the organisation and the process and concludes with additional personal insights.

Experiences and reflections will cover:

- The environment and context
- The leadership within the system
- The team of Directors
- Individuals in the system
- The research process
- Personal insights and learning

6.1 The environment and context

My initial experience of the environment and context is described in the entry process in section 1.1 above. It was not the most friendliest of places but it had the feel of a once great place which had now become a little faded.
I experienced three main feelings about the system. These were:

- The organisation felt fragmented with several sub-cultures in each of the directorates which were located in and around four or five main sites in the district. This geographical dispersion gave a sense of autonomous units with each Director trying to meet their own targets and act 'as if' kings in their own castles.

- The organisation had a fairly relaxed atmosphere in all of the buildings on the different sites. There was a quiet efficiency. As people did not always know who I was I got the standard reception in all of the buildings. These tended to be effective and courteous but curt - not too friendly but neither unfriendly. Non of the 'have a nice day' ethos, which I found in other local authorities. It seemed to be bureaucracy at its best: a well run, humming machine rather than a turbo-charged one.

- Elected Members were ever present in the minds of the Directors. This was in the one to ones, the management group meetings, their physical interruptions in meetings or when people had to take calls from Members. They were visible also through pictures and information pamphlets and material about 'your ward councillor's' on the walls of some of the offices.

Thus, my experience of the organisation in relationship to its environment was one of calm and operational effectiveness. It did not seem to be under threat from the environment, which did not appear as turbulent. The 'dynamic' element in the system was more the role of the elected Members and their ever presence in the system. It did not feel chaotic more like quiet co-operation at best or plotting in some instances between the Director and Chair. I did not experience the system as chaotic.
There was one exception when towards the end of the research (November 1996) I was asked to change role and act as a process consultant. The request came out of a crisis of mis-management and poor communication so it was to happen 'next week'. I declined, pointing out what seemed to be another defensive routine. Charles Tews accepted the point and the session was replanned and they used their usual consultant. However, in those series of many telephone calls I could see and feel how easy it was to get caught up with a minor crisis that arose out of poor planning, agendas not yet fully negotiated or opportunism. Thus, I concluded that the environment was not chaotic as a system nor turbulent. However, operational issues could easily spiral into strategic or political issues where priorities and differences had not been resolved. It was this element that made the organisation more like a mine field: its unpredictable internal nature.

6.2 The leadership within the system

Most of my contact with the leadership of the organisation was with Chris Hinds, the CEO. He was very taken by the research process and we would have several unscheduled or long chats in his room about him, his role, the team and organisation. I experienced him as a likeable and a very energetic CEO who wanted to see things go well. On reflecting on my relationship with him, it seems that there was mutual respect and I had taken on a confidante role without either of us realising. On my part I admired what he had done to turn the organisation around as it did have a terrible reputation both in the national press and with DoE (who I worked with extensively) during the mid 1980's. Thus, he was some idealised change agent for me.
On his part I listened without judgement, was an outsider and was from a business school. He no doubt ascribed many projections onto me based on his own accounts of academia.

My earlier experiences of idealising the CEOs in the other case studies raised my awareness to seeing the other side of the CEO, where he could be a bully and insensitive.

6.3 The team of Directors

My first meeting with the team was touched upon in section 1.1 above. It was a curious start. The meeting was held in the CEO's office and the management group was huddled around the table. Some members made a point of turning their backs to me and the same spoke in a way that I simply could not hear despite being less than four feet away. The two people who were not in favour of the research but never actually said were Ben Chandra (Planning) and Paul Harris (Finance). Any comments of objection were confronted head-on by the CEO and before long the decision had been made. Thus, there was not the level of trust made with the whole group from the beginning. However, after two management group meetings, I was just seen as another person in the room (like the secretary to the group) and most of the time people spoke audibly.

The real break through of my relationship with the group started with the one to one interviews, after the non-participatory observations had ended . They all enjoyed the interviews and were very open, with the exception of Ben Chandra. Three people had 'extra sessions' and the relationship was cemented when I worked with their process consultant to give the group the feedback during the first feedback and dialogue session. They found the data and interpretations valuable and whole heartedly signed up for the rest of the research process. Ben Chandra also took part in the second in-depth interview even though it was voluntary.

I had learned a lot from the NHS Trust study (see chapter 13, section 6, on personal insights and learning)and applied it to working more actively with building relationships with the group.

In the end, the relationship with the group was very good and it was satisfying to see large and small changes in people's behaviours and the way the team worked arising out of the research.

6.4 Individuals in the system

My experience of most of the individual team members among the Directors concurred with that of their colleagues reports (from the first interviews) and their areas of interests in the second one to one, in-depth interviews (see sections 3.1.1 and 3.2 respectively). The CEO, Chris Hinds, I have already made some comments about him as a key player. However, three other people stood out for me. These were: Paul Harris (Finance), Ben Chandra(Planning) and Peter Atkins (Contracts).

They stood out because in some ways they were 'outsiders' and it did not seem to bother them. Paul Harris was reported as the most disagreeable member of the group. He was politically astute, a bit of a bully and wanted the CEOs job. He was the most openly hostile to the research process - the non verbals were clear. Yet in the one to one meeting he was engaged, open, clear about how he was seen by others and had strongly held views about how the council was to be run and was led by his own personal, professional and political (small p) convictions. He was delighted with the work we did on the Firo-B and was a full contributor in all the review meetings. I was struck by him for several reasons. Firstly, he knew how he was perceived but did not care and continued to work on what he saw was an important agenda for the council. Secondly, he was much more open and engaging in the process in private than he was in public, and this grew over the time of the research. Thirdly, he was also leaving the council to retire and it was fitting that the third and last review was days before he left (October, 1996). This had a sense of commitment and completion for all concerned.

Paul Harris also provided an additional challenge as he was physically a big chap and clearly could have stopped the research if he wanted. The challenge for me was to stay with it: not return like with like in the early days nor run away. This, I believe, was achieved on my part. I do not know what changed for him - talking to the neighbouring authorities about me, the fact that he'd made the decision to retire during the life of the research or some other personal change. The change was remarkable and rewarding to experience - whatever the reason.

Ben Chandra had boxed himself out the group and the group had at the same time rejected him. It was the degree to which both he and the group had co-constructed this situation and the difficulty of moving forward. Having run twenty four interviews with Directors in this research project and several more times with others, Ben Chandra was the only person to be so closed.

On my part there may be the sense of rejection by Ben and that is why he is on this list. Putting that aside, there was a sense of mistrust, which he spoke of frequently, and hurt. These were the feelings that he projected and this was an additional reminder to respect the boundaries and sensitivities of co-respondents.

Peter Atkins was seen as another outsider. He was referred to as the whipping boy, dull, the fool. He seemed so oblivious to the way his colleagues saw him and lived in a different world of operational reality. His offices were the furthest from the Town Hall and on the periphery of the district.

I also experienced these feelings of Peter being on the periphery. I forgot I had a scheduled meeting with him to do his Firo-B. I had not had another meeting. In fact, I'd finished the earlier meeting 20minutes before hand. Instead I wandered off around the building to see Charles Tews or catch the CEO. Peter had made a special trip from his offices to the Town Hall for the meeting so it was doubly difficult. I returned to find him waiting in the room. It was embarrassing and painful as he just said 'Lets start in the 20 odd minutes we have left and rearrange for the rest.' I felt terrible.
However, I also thought that I had internalised the system's value of him over the importance of the CEO and Charles Tews and colluded with an unhealthy dynamic within the organisation. That was a powerful lesson for me.

6.5 The research process

The research process is described in detail in chapters 10 and 11. The area that is touched upon here is retaining the integrity of the research process. In this case study, I was able to carry out all the aspects of the research process. Thus, a full and shared understanding was developed with the management group. We had three review/dialogue sessions and two of those were supported by their external process consultant. The level of contact was frequent and thus the continuity and relationship was sustained. This case study benefited from the lessons of the other studies so the integrity of the research process was maintained by keeping to the task and delivering things as promised. But I would give significant weight to managing the relationships with the individuals, the group as a whole, and other parts of the system. I would argue that without these the task would not have been completed.

In practical terms it meant regular calls to the CEO to keep him up-to-date with the schedule, knowing the dates of all the meetings, the names of all relevant secretarial staff, doing walk about when in the area, thank you letters and cards - all the things you would expect from good client service. This part of the process I feel needs to be emphasised for researchers taking this approach in organisational research at a strategic level as it may seem as too "consultancy". Yet in my experience it was vital to actively manage the relationship in order to fulfil the research task -especially given my lesson in the NHS case study in chapter 13.

My additional thought was a little disappointment with the poor reliability of the organisational questionnaire having reworked the data over and over again. Another set of results in a new organisation or deeper within the same one would have been helpful along with a test retest procedure.

Personal insights and learning

The process of engagement with Tuthering council has been rich with learning and insights. Thus, I am choosing to be selective on the top key themes that emerge from my reflections.

- My identification with the notion of a strong, clear thinking and courageous change agent (the CEO) was high. I enjoyed our cosy chats and liked the role of confidante. This relates to my inner preferences to be in the circle of influence but not necessarily front things. I feel that influence is more important to me than power; and recognition and achievement more important than fame or glory. This helps in the research or consultant role but may provide personal challenges in a more proactive leadership role.

- My relationship with the group was a steady process of gaining trust and meeting commitments - delivering on promises. My natural tendency and the way I had construed the role suggested I should stay on the boundary and be emotionally 'distant' as the researcher. However, both the research process and earlier learning in the NHS Trust case study (chapter 13) helped me realise that active engagement, initiated by me, was required to build the relationship and therefore gain greater insights into the reality of the people I worked with on this exercise.

- The role of the external agent provides an important catalyst to start personal, group and systemic learning. It allowed people to reflect, process their experience, share their personal and collective experience in the group and understand the wider systemic processes. Thus, the one-to-one's and the review processes/dialogue sessions were critical in furthering understanding but also creating the forums for articulating where learning was not happening, why it was not and what people wanted and could do about it. Thus, the research process itself was a model of learning.

- I am reminded about the ethical nature of this research approach and the importance of respecting personal sensitivities.

- Finally, managing the relationship with such management teams is critical for building trust and increasing levels of access.

7. Conclusion

The case material suggests that there were a number of dynamics that impact on organisational learning. In particular this thesis suggests that history, inner processes and context at the various levels are all important and has put a number of propositions and questions for exploration.

The first question concerned the impact of the environment on the 'top team' and it explored the relationship between the turbulence of the environment and the organisation's ability to learn (at the strategic level)

7.1 Was the environment turbulent?

In the case of Tuthering local council, it was found that the organisation operated in a turbulent environment between 1988/89 and 1995. Strategic organisational learning was seen to take place as the environment demanded it for survival. Thus, the outcome was opposed to expected as a paradigm shift did take place alongside functional task-related learning. It is suggested that such a change was compelling for the organisation to survive and that may be the most significant factor. The CEO was authorised to change the council against the natural inclinations of senior management and elected Members.

However, during the period of study, the organisation was not operating in a turbulent environment. Thus, while the external environment continued to make operational demands on the council it was not large scale, unpredictable change. Thus, during the period of study, any reduction in strategy organisational learning would not have been attributed to the external environment.

7.2 Was the 'top team' able to manage its task and boundaries?

How well does the 'top team' manage itself? The inference from the discussion is that the team was unable to manage its task and boundaries. Accounts suggest that this was due to a lack of clarity and collective ownership, low levels of trust and difficult group dynamics among the management group. This impacted negatively on the group's learning and its capacity to facilitate organisational learning as the strategic subsystem. Information from scanning was not properly used, action was prevented because organisational agents did not feel authorised, reviews were seldom held and learning was kept localised or in people's heads rather than shared.

The leader did attempt to create the conditions for learning but his style and the broader systemic dynamics of the elected Members prevented his interventions from having any lasting impact on strategic learning.

7.3 Do the dynamics of the group impact on organisational learning?

The dynamics of the group displayed shows that it finds it difficult to 'work'. Over a third of its interactions were 'fight', there was splitting and scape-goating in the group and a number of its members were seen as 'outsiders': all characterising the support of these difficult dynamics.

In addition, we do see a clear link between personal valencies, 'role differentiation' of members in the group and the internal dynamics of the group. These dynamics suggest group members do enact roles on behalf of the group that serve personal unresolved tensions and the group's 'basic assumptions'. This case showed, however, that task related roles could be taken up with some form of intervention- planned or otherwise - that raised managers awareness and provided them options to take on authorised roles rather than 'act out' their familiar scripts.

These recursive processes were also carried out in the group's holding environment by the elected Members. Here the accounts suggest a politically turbulent context, where the internal environment was demanding and the systemic dynamics in this local authority seemed to offset the benefits of the relatively changing but known environment. In contrast the Members were unpredictable and worked on the basis of personal power and alliances of interest rather than strategic task. They continued to generate an internal context of crisis, fear and difficulty. It is argued here that these were the most powerful and dysfunctional dynamics and were the dominant defensive routines to undermine strategic organisational learning. Thus, while the 'top team's' dynamics were not task focused, its broader context appeared to carry greater influence regarding the negation of strategic organisational learning.

7.4 Is there strategic organisational learning at a high level?

In the case of Tuthering, we see that the organisational context did not have a 'holding environment' for systemic learning, but some personal learning was apparent.

While there is evidence to suggest that strategic organisational learning is possible in this system and at level two, the internal systemic dynamics after the crisis seemed to have continually undermined it. It also highlights the contingent and elusive nature of organisational learning upon environment, context, time and defensive routines at different levels. 'Adaptive' learning seemed to characterise this case study over during the period of the research.

7.5 Additional insights

Not all of the propositions are shown to hold. Those that do suggest that the internal dynamics of the 'top team', its relationship with the elected Members and its organisational context are important to understanding strategic organisational learning. However, it also challenges the idea that the environment is all explanatory and that more may have to do with how the strategic apex responds to the environment and manages it rather than the environment per se. However, there are some further insights that are noted.

The net impact of these dynamics was that the organisation had learned adaptive and compliant behaviours to meet the needs of the external world but had not seemed to have internalised the further changes and to 'hard wire' the learning into the organisation. Thus, learning was probably in the realms of level zero or at best level one as evidenced by people's account about the culture of blame, the secrecy and centralist leadership modes of the leader of the council and the CEO. In addition, there were the poor intergroup dynamics and the multiple examples of defensive routines. These impaired optimising strategic organisational learning.

The emerging and additional insights from this case study are:

- Turbulent environments do appear to impact on the organisation's ability to learn. However, the direction can also be positive and not negative as originally proposed. This may be a special case when facing situations of survival and turn around strategies are the only answer. However, in this case, there was a positive relationship between the two.

- It appears that while learning can take place in response to demands from the organisation's environment, unless the learning is integrated and internalised as part of an internal shift in culture then such learning is 'adaptive' and can become another form of defensive routine.

- The prevalence of organisational defences appears to carry more weight than expected. They also help to explain the difficult systemic and group dynamics for the management group and the reductive and recursive patterns that undermined any strategic organisational learning.

- It seems that if the quality of the 'holding environment' of the group - its context - is poor and it has its own internal strife, then it is unable to act as a channel for strategic organisational learning for the system.

- If the conditions are difficult - a changing environment, not a good enough holding environment and an ineffective team - then a subgroup may effectively provide the temporary space to secure task attainment in the short term. Thus, temporary systems arising from defensive routines, can provide the space for task attainment in the short term.

- Managers who can make sense of their experience and their contribution to defensive routines can 'give up' collusive role behaviour and take up task related roles in and on behalf of the group.

These emerging themes provide additional insights for this study.

Chapter 15 - What are the conditions for strategic organisational learning: lessons and conclusions

1. Introduction

The purpose of this final chapter is to address the question: What is the impact of the dynamics of 'top teams' on strategic organisational learning? It is based on the review of literature in the relevant field, the results of the research process and the findings and conclusions from the three in-depth case studies presented in chapters 12-14.

There are three areas that this chapter will cover:

- What are the lessons and conclusions that arise from the content and analysis of the three in-depth case studies?
- What are the lessons and conclusions that arise from the research process?
- What are the implications and areas for further development in continuing the understanding of organisational learning and the role of 'top teams'?

What were the findings from the case studies?

These three in-depth case studies looked at the common areas of:

- The environment and context
- The nature and character of each management group, directors or 'top team'
- Individuals in the system
- The nature of defensive routines
- The degree of strategic organisational learning

A summary of the key points from each of the cases is presented table 15.1

Table 15.

	Case study 1 Ellismoore District Council	**Case study 2** Gladding NHS Hospital Trust	**Case study 3** Tuthering Council
Context			
External	Environment manageable	'Turbulent' and competitive NHS environment Poor relations with DHA, RHA, DSS	Environment driven by operational demands
Internal	Changing political landscape lead to unstable and uncertain context	Lacking Board input	Political and cultural change. Leadership lacking and unstable
History	Stable political leadership until 1992, Cosy and compliant culture then change	Competes with other local Hospital Medically-led hidden by open and friendly culture	Significant restructuring and change of image from loony left to a 'smart' council
Conflicts/politics	'Middle' political group leading to conflict and leadership vacuum	Little internal strife CEO main player	Political conflicts among the Labour majority
Group			
Context	Poor political leadership and intergroup relations	Weak Board and lacks leadership	Poor political leadership and intergroup relations CEO attempts to manage boundary

	Case study 1 Ellismoore District Council	**Case study 2** Gladding NHS Hospital Trust	**Case study 3** Tuthering Council
History	Several changes in CEO and group membership, smaller	Set up to meet Trust status demands. Relatively new	Much change but anchored by longevity of Leader's, CEO and Fin. Director's tenure
Dynamics	Conflict, Ba FF, low 'work, scapegoating	'Work' with less 'basic assumptions' CEO strong figure, Finance Dir exported	Dominated by 'fight' but some leads to high levels of 'work' Scapegoating and 'outsiders' also evident
Roles	Carried out on behalf of the group	Roles taken up on behalf of the group	Collusive roles broken in three cases - increasing role authority
Individual			
Context	Themes of projective identification so match co-create 'group matrix'	Projective 'group matrix' conjoins with individual valencies	Group focus of projective identification but not deterministic
History	Family history significant	Childhood and school experiences featured as early memories	Histories varied but authority figure (a parent) a common feature
Personal Conflicts	Feelings of isolation and inadequacy	Feelings of isolation, not 'good enough', not loved	Inner doubts, self punishing and not good enough act as drivers

	Case study 1 Ellismoore District Council	**Case study 2** Gladding NHS Hospital Trust	**Case study 3** Tuthering Council
Organisational learning			
Defensive routines	-avoid strategic task -defense against uncertainty -CEO acts as projective object	CEO & deputy act as 'transitional object' and reduce impact of defensive routines	Defense against ordinariness Preference for crisis
Strategic Organisational Learning	Underbounded system Learning for individuals but fragmented for system	Little learning, no reviews. Strategic decisions made ad hoc	Strategic organisational learning in 1991 but not sustained Double-loop strategic organisational learning not take place during study

2. What were the conclusions from the case studies

Based on the case material, the original opening propositions are re-examined, reformulated or enhanced.

Revisiting opening propositions

The first proposition: organisation and the impact of the external environment

If the environment is turbulent, then organisations' ability to learn will be reduced to single loop learning.

Theory suggests that a turbulent environment impacts negatively on the organisation's ability to learn where the context is rapidly changing because it impinges on the boundaries of task and territory and creates uncertainty and ambiguity, which in turn creates anxiety. The impact is to undermine task attainment and learning at the strategic level - the boundary between the organisation and its environment is diminished. Where organisations are 'over-bounded' they become closed to effective scanning and therefore learning. Where organisations are 'under-bounded' learning may be lost or fragmented.

From the three case studies, all of the organisations were operating in a changing environment. The extent of the changes and the predictability of the changes seemed to be the most important factors. In the case of the first organisation, the change in the external environment was low and predictability was medium to high. The difficulty was that the council had moved from a Conservative authority, stable for over a decade, to a new, left wing authority literally, over night. This generated considerable uncertainty both for the leaders of the 'new' political administration and for the 'top team' and it took them away from the strategic agenda (this is discussed later, see section on revising propositions below). Thus it was not the environment per se that impacted on strategic organisational learning.

In the case of the second organisation, the changes were led by the organisation, as opposed to being imposed, compared with cases one and three. Here the directors of the hospital trust knew they were in a competitive environment and, while the scale of the change was large, the expected period of transition was long. The predictability of the change was manageable in the minds of the strategic leaders, yet, on looking at the data, the directors group/ 'top team' seemed to cut off from the reality of the financial information, cut off from the requests/'demands' of the regional and health authority and demonstrated a degree of 'over-boundedness' in relationship to the environment. There was little evidence of learning. What learning there was tended to be localised and did not take place at the strategic level.

In the situation of the third case study, the environment was changing but, at the time of the study, it appeared that the scale of change was less compared to seven years ago. Then the organisation did experience the trauma of change in redundancies, several restructuring events and a mind-shift in culture and politics. While the changes during that period were experienced as difficult, it appeared that they had learned something from it and were about to be much more adept and adaptable to current changes in the environment. This also led to reframing of how they saw the changes, which during the study were seen as fairly predictable and manageable.

This organisation did not seem to be over-bounded but more under-bounded at the strategic apex of the elected members and the 'top team'. The way they saw and experienced the scale and predictability of change was that these were not problematic. The potential for learning was great and the authority now saw change as an exciting and desirable state. The ordinariness of a relatively predictable environment later became more of a problem. Thus, the organisation and its relationship to its environment provided the potential for learning and some did take place in the form of a strategic and integrated process including corporate planning, performance appraisal, partnership projects with a wide range of agencies, and considerably better relations and credibility with the government, the public and the press.

However, in this case, it seemed that the internal dynamics were more of a problem than the external environment and this is discussed below (see revising propositions section below).

In drawing any conclusions it appears from looking at these cases that it is the scale and predictability of the changes that impacts on learning. If the scale is too great and the predictability too low this suggests an impact that is negative on the organisation and reduces learning.

In the first case study, the scale of change was low and the external environment was known. However, these elements of stability were offset by the difficult dynamics of elected members' politics.

In the second case, the environment was 'turbulent'. The organisation became over-bounded and stopped relating appropriately to the external environment. In the third case, scale and predictability seemed manageable and systemic organisational learning had taken place as evidenced in the institutionalisation of strategic processes. However, this was restricted to 'single loop' learning as indicated by the development of efficacious management systems.

Thus, one concludes that both the scale and predictability of change do have an impact on strategic organisational learning but that the external environment had less impact than expected due to other contextual and organisational dynamics.

Proposition two: if the 'top team's' boundaries are poorly managed then its ability to achieve task and learning will be limited

The ability of the group to manage its own boundaries would impact on its capacity to learn. Where boundaries were poorly managed - i.e. it was either too closed or too open - then the system had less chances of learning. Underbounded systems are characterised by loose goals, multiple agendas/ 'occupation', rivalry and difficulties with authority. Groups that are overbounded are characterised by very specific goals, authoritarian authority relations and object identification and dependency basic assumption motifs. Such groups are likely to constrain their learning to single-loop if efficient, or working in a stable holding environment; or defensive or dysfunctional learning in a turbulent holding environment.

In all of the cases the ability for the group as a whole to manage its boundaries seemed difficult. The demands of the internal context, the lack of holding environment, internal disagreements about the task effectiveness, values and trust levels in all of the groups meant that they were unable to hold their boundaries.

In the first and second cases the group was split between 'followers' and 'desenters' and the additional anxiety, driven by the importation of issues and anxiety from the Elected members, led to divisions within the group. The latter was also true for the third case study.

These contextual dynamics did impact negatively on the 'top team' in all cases.

In drawing any conclusions the impact of the context on the ability of the group to manage its boundaries and its task were evidently negative. However, this can be qualified.

The system's ability to create new internal configurations appeared to be present in each of the cases and the reason that it is difficult to draw any stronger conclusion is that the limits of that variety are unknown and is itself a learning process. The only point that can be made is that the greater are the conditions for learning - the 'space', the 'holding environment', the 'container' - the more likely that the system will be able to respond dynamically and be self-designing.

Proposition three: if there is a predominance of basic assumption motifs then learning will be impaired

In the situation of case studies one and two the group had similar group characteristics. They were led by leaders with similar styles, both groups showed 60% of group modes that were in 'work', with 10-20% in basic assumption fight. Of the 'work' that the groups did in those two systems, it was of a low level. Both groups also had examples of strong sub-groups within them, some clear scapegoats that were actually exported - three in the first case and one in the second. There were also strong positive and negative projections onto the leader.

In the third case there was more engagement within the group through a high degree of basic assumption fight (30 %), and 'work' at 54%. The quantity of 'work' was lower than in the other two cases and the quality of 'work' (level 3 and 4) was not high.

There does not appear to be an unequivocal relationship between 'work', 'basic assumption' and strategic organisational learning. It could be due to many things. For example:

- There is no relationship between them
- Each of the cases are of a special nature
- The relationship between them is complex
- The relationship is affected by other factors

Further exploration of these propositions may help clarify the relationship.

Proposition four: if role holders are unable to contain their anxieties then they will undermine their own role authority

If role holders are unable to contain their anxieties and primal memories then these are likely to contaminate their role and boundaries. In environments which do not provide sufficient holding, these form a 'group matrix' that hook individuals' inner worlds and make for rigid role definitions of members within the group. This occurs through a process of projective identification, transference and repetitive defensive routines.

There was considerable evidence from the 20 in-depth personal interviews that directors' personal history, inner dialogue and conflicts impacted on the group. The accounts were of childhood memories, family relationships, old messages in their heads about how they should be, or would like to be, experiences at school or university. These personal accounts provided a rich and deep understanding of the people involved who took up a strategic role in a 'top team'.

The most striking and common theme that appeared to be relevant for each of the group members was the relationship between their individual fear, anxiety or valency and how this was enacted in the group to create a group matrix that led to structural role rigidity in that 'top team'.

This is not to say that directors were not effective in their role or even when they worked in other groups within the same organisational setting. However, in the 'top team', unconscious and recursive dynamics appeared to provide members with structural and rigid roles and it reduced their role authority.

Three of the directors were able to understand these recursive and dysfunctional dynamics thanks to periods of reflection, crisis and emotional 'maturity' through considerable self development and a programme of self awareness. These three were in the same organisation - case number three. Another three in case study one also seemed to find a 'secure base' of understanding and insight, through having strong ties outside of work with the family and sharing a contentedness to continue to work in the same authority and in the same role; no longer ambitious to move to the next job. The only common factor is that all six were in their early 50's and there may something here that is common relating to the age and stage of life.

More generally, in drawing any conclusion, the in-depth personal interviews suggest that unconscious personal dynamics and conflict do play a part in the way that group members take (or are given) a role in the 'top team'. These roles seem to mirror the valencies of the individual and, in the case of the three scapegoats in case one, they all shared the theme of grandiosity and flamboyancy.

These collusive and unconscious dynamics are difficult to identify and change in the management or leadership role and often the group matrix and dynamic will reinforce them rather than provide an opportunity for learning.

Thus, it is suggested that this proposition has some face validity in the context of these 20 in-depth interviews.

Proposition five: double-loop, strategic organisational learning is difficult to attain because of organisational defensive routines

These are in the form of ego defenses, basic assumption activities in group and disruptive systemic dynamics in the strategic apex, including the role of the Board/elected members. These defensive routines help to explain the difficulty of organisational and strategic learning.

The core of this understanding lies with the dynamics that the individual brings to play and the anxieties that are enacted, relived or phantasized by the organisational actors in the social system. It is argued in this thesis that the process that creates such activities and relationship is 'projective identification' and other forms of ego defenses. These were argued in full in chapters 6 and 7.

Thus, the data from each of the three cases provides some initial validity to the proposition as stated.

Developing ideas and further research

The above propositions were discussed in terms of their original formulations. This section revisits those propositions that provide additional input into developing our understanding of organisational dynamics and the link between top teams and strategic organisational learning.

Proposition one

In all three cases, the external environment seemed to have less impact than the internal context. This was particularly the case in the two local authorities. In the situation of the health care trust, Gladding, the external environment was psychologically 'fended off'. However, the striking feature of all three was that the internal organisational context and especially the role of the management committee/Board/elected members had more impact on the 'top team' than the external environment. The impact seemed be on three counts:

- The extent to which the Board/elected members provided strategic leadership with clarity of the strategic task
- The extent to which the Board/elected members provided a good enough 'holding environment' to allow the conditions for task attainment and learning for the 'top team'
- The extent to which the intergroup dynamic between the 'top team' and its Board/elected members was functional or poor

Thus, a revision of the original proposition suggests that there should be a second part to understanding the impact of the environment on organisational learning. It suggests that the role of the Board is a significant aspect on whether strategic organisational learning is attainable.

If the Board can provide a proper 'holding environment', then it is likely that strategic organisational learning would follow.

In all the cases this remains a valid question. However, in these cases the lack of a proper 'holding environment' did fuel recursive defensive routines which impaired strategic organisational learning.

The case study material suggests a number of developments on the original propositions and two are the focus of this section.

Proposition six (following two)

The role of the 'holding environment' has taken on a greater significance in the development of the model proposed in chapter 8. First, it has been identified as a key 'provider' for learning within systems but, secondly, it suggests an additional proposition that has arisen from the case material - especially the case study two and three (Gladding NHS hospital trust and Tuthering local council).

The additional proposition suggests that where the policy leadership does not provide a 'container' role, for whatever reason, then a sub-system will take up that role in service of the wider needs of the organisation. In the case of the first organisation it was the CEO who attempted to take up the 'container' role, in the second case study it was the CEO, the Deputy CEO and the Chair of the Board, and in the third case it was the quad of the CEO, the Director of Finance, the Leader of the Council and the Chair of Finance.

Thus, from these three case studies the following conclusions are drawn. There is some evidence to suggest that the containing role of the Board on behalf of the 'top team' can arise from other sources and that an alternative holding structure may emerge. This is consistent with systems theory that organisations can adapt to the demands of the environment - denoted as "autopoiesis".

It is suggested that such a structure may be temporary and functional as long as it remains temporary. Psychoanalytic theory would suggest that a 'transitional object' provides the 'space' for managing the transition of loss and change. Once it becomes equated with reality, or becomes the object of primary relatedness or 'object constancy', then it can become part of an institutionalised defense.

Thus, the additional proposition implies that: **if there is a lack of a holding environment by the Board, then this may be substituted by an alternative temporary structure, which provides containment and acts as the environment or 'space' for learning. However, if this structure becomes permanent then learning will be impaired.**

In practical terms such a temporary 'holding environment' needs to be within the strategic management group and organisationally may be in the form of a strategic task group, a flagship project or a high level, task focused committee.

Proposition seven (following four)

The notion that personal history impacts on role performance seem to carry some validity. However, the data from the cases also suggests that rigid roles and the spell of the dysfunctional dynamics can be broken. These break-throughs are seen especially in cases one and three and to a lesser extent in the reaction of David Larson (HR Director in Gladding) to the idea that he could simply ask for feedback, which developed further insight for him in his in-depth interview. Thus, an additional proposition, based on the experience of seven people out of twenty, is that the roles are not fixed. Personal transformation, reflection and a secure base seem to be the three elements that help.

Thus, if role holders are exposed to personal reflection they are more likely to learn and gain self insight and thus contradict their rigid group role and the self limits they put on their authority. This would be consistent with theory on individual learning (see Schon (1983), Kolb (1976) and Kim (1993)).

Those that only had a secure base seem to able to cope with change but there was no evidence that there was also self learning or insight - a precondition for changes in the group matrix.

3. What were some of the key lessons from the research process

In drawing on the wider learning from the research process a number of conclusions are drawn. It suggests that while the research process and methodology were congruent with the theoretical underpinning and the research strategy, there were still a number of limitations that existed. These are discussed in detail in appendix 8.4. However, the key elements are summarised in this sub-section.

It is helpful to consider these research issues under four sub-headings: the entry process, the data collection, the research process itself and the role of the researcher.

The entry process

In taking an in-depth case study approach, the entry process has to be managed with great care in order to gain access to quality data and working relationships with the key players within the organisation. Thus, attention has to be paid:

* to the organisations that are selected so as to avoid bias or other unusual circumstances

* gaining support from the CEO or relevant senior sponsor who will open doors and make it happen

* provide something for the organisation so they get value out of the process and a clinical research perspective enables that to take place

Data collection

The research strategy and approach for this thesis were qualitative. Thus multiple sources of systematic data collection increased the quality and verifiability of the information as well as allowed for triangulation. The methodology was further helped by methods and instruments that had:

* relevance and meaning to the participant in the research - e.g. the personal interviews and the group system dialogue sessions provided additional feedback and data for the researcher

* a high degree of reliability - including consensual and face validity through to high correlation statistics for inter-rater reliability on the group observations, the scales on Firo-B, the pilot results of the strategic organisational learning questionnaire

* allowed scope for interpretative inferences to be made from self as an instrument, thick description (in the entry phase of each case), and themes that arose from the content analysis of the group observations

Learning from the process itself

The research process provided a comprehensive approach that could be used for other intensive research studies or a more focused form of clinical research intervention (See Edmondson (1996) and Beer & Eisenstat (1996)). The key learning points were:

* relationship management in this type of research is as important as the research itself as it is the basis of the research

* the duration of the research could have been longer so as to understand the longer term dynamics of the system

The research role

The research role is demanding and requires a greater degree of personal involvement with the organisational actors participating than 'traditional' approaches. Thus the use of the cannons put forward by Wertz (1986), supervision, working in a team and using other audio-technical aids will all help in taking up the role.

Areas that could be developed

There are three areas that lend themselves to further development from this research approach

* The research could be based on a single organisation with embedded cases within it. Thus, gaining a richer picture of the organisation and some of the different perceptions as well as other intergroup dynamics beyond the top team and the Board

* A longitudinal study could be carried out so as to understand the long term dynamics of such organisations and increase confidence in the outcomes of the research

* Working with a group of researchers trained in the methodologies would further increase the consistency of the research and broaden the number of cases or increase the depth of the data

These are the key lessons from the research process.

4. What are the implications?

This section looks at the implications of these findings and conclusions. It addresses the following questions:

- How do they compare with other studies?
- What is the contribution of the thesis?

Comparisons with other studies

The three cases provided detailed information about organisations in the public sector that have been experienced rapid environmental change and inadequate task and boundary management at the strategic apex.

The general themes relate to defensive routines and applying these reformulated propositions and conclusions may have some validity as reflected in other similar studies in organisations - for example Obholzer and Roberts (1994), Miller (1993), Diamond (1994 and 1986), Hirschhorn (1988), Menzies (1960), Miller and Rice (1967).

The importance of the external environmental factors has been seen to exist in the literature and has been applied to both public sector and commercial organisations. However, the elements that are particularly interesting from these case studies are the role of the 'holding environment', the importance of a 'transitional space', the application of the 'group's matrix' and the conjoined dynamic between the individual and the group.

One of the main topics of inquiry in the psychoanalytic literature is the role of the individual. The ground covered in this thesis would concur with an object relations perspective. It shares a common understanding of the intrapersonal dynamics of the individual and extends its domain of understanding of the individual in an organisational setting. The concept of role, (Miller and Rice (1967), Miller (1989), Czander (1993), Hirschhorn (1988), Colman and Bexton (1985)) is not a new concept and that approach to understanding people in organisations supports the view of this thesis. Other work on leaders' role and the projective object that they represent also supports the findings of this research (Kets De Vries and Miller (1984), Kets De Vries and Miller (1986), Zalaznik and Kets De Vries (1984), Bion (1961)).

Thus, the work and some of the propositions are supported and validated by similar studies and writings in the field. However there are a number of developments and insights that this thesis offers to contributing to our understanding of organisations.

The contribution of this thesis.

The contribution of this thesis is mainly theoretical as it provides a psychoanalytical framework to understand and uncover relationships that are not always explicitly apparent.

The thesis does so in the following ways.

1. **The thesis argues that strategic organisational learning is undermined by systemic defensive routines.** Most theories understanding of these defensive routines have been cognitive or behavioural. This thesis suggests that unconscious psychodynamics provides a way of understanding these organisational processes.

   This level of in-depth analysis provides a different and integrated analysis of understanding the difficult and repetitive nature of recursive and collusive routines.

   In summary, the thesis provides an analysis as to why organisational systems, in the strategic apex, find it difficult to achieve high levels of organisational learning

2. The most common element of the three case studies was the impact of the systemic and organisational dynamics of defensive routines. These were the political and psychological enactments that took place within the context of the groups under study. In all cases these difficult and defensive routines were endemic. **Thus, the thesis provides an analysis of deeper level dynamics that help explain the source of systemic defensive routines.**

3. The thesis provides a framework of understanding organisational systems and group dynamics from a psychodynamic perspective. It takes an object relations approach and integrates it with concepts from group analysis. This allowed an expanded understanding of the concept of 'valencies' as described by Bion (1961) and suggested that the 'social glue' between people in a group occurs at the social, group, interpersonal level and intrapersonal level.

   Group analysis coined the term the 'group matrix', which recognises that social, conscious and political as well as unconscious and processes of projective identification take place in groups. Thus, groups are not only understood from a Bion perspective, which focuses on the mental life of the group, but they are also seen as complex systems that operate at both the boundary of social reality (e.g. when everyone describes Peter Atkins in Tuthering council as weak) and unconscious life. The accounts from each of the original 25 directors showed that people held social roles as well as unconscious roles in the group. **Thus, the thesis offers an expanded notion of understanding groups from a psychodynamic perspective.**

4. The application of the concept of the 'group matrix' helps to explain the 'role rigidity' that was identified in this study and why it was difficult to step outside this collusive web without a 'space' for reflection - a key element for learning, which allows one to step outside the web and see the reality of the situation. **The concept of the group matrix provided an enhanced understanding of the dysfunctional and repetitive dynamics of groups and the undermining of individual role authority.**

5. Furthermore in considering the nature of the group matrix in organisations, it suggests that the familial dynamics and constructs may be enacted in organisational settings at the unconscious level and that this phenomenon has not always been accepted in the domain of organisational behaviour. This is an area for further exploration.

6. The thesis provides an in-depth and systematic analysis of groups in context. The majority of work in this field is based on consultancy interventions, therapeutic groups, psychodynamic learning groups - like the Leicester conference - or systemic (group) family dynamic. There is very little systematic, in-depth clinical research of work of teams in organisations. Exceptions include: Menzies (1960), Guerin (1995) and Hirschhorn (1989). **Thus, the thesis is contributing further detailed data and to the discussion of a psychoanalytic approach and its application to organisations.** It concludes that such an approach does have a role in understanding organisational dynamics.

7. The third implication of the 'group matrix' is that these deeply held and unconscious projections may need to be understood at both the individual and group level and that group intervention therefore needs to be at both levels. In taking a clinical approach, research collaborators learned ('on-line') through the research process how endemic and underlying were their personal valencies and how these were reinforced in the group. Only by their personal learning and insight and that of the systemic nature of the issues in the group could the group matrix then move to something more related to the reality of the external world. This certainly was evidenced in the third case study.

8. The case studies also throw further light on the limits of the organisational model presented in chapter 8.

   The implications for organisational analysis suggest that the 'modernist' and systems based theories of organisations are an insufficient account of how organisations may operate. It was argued in chapter 8 that a model of organisations may be seen as 'a complex system'. However, the features displayed in each of the case studies suggest that a further development to understanding organisations is to see them as **complex adaptive systems.** This does not negate the view that organisations are seen within a systemic conflict framework. It does help distinguish the nature of the organisation's dynamic from a psychoanalytic and systemic perspective and further our understanding of its possible causes.

Complex adaptive systems are dynamic, emergent, unpredictable and have distributive authority. The three main features of such systems are:

- They are **open dynamic systems**
- They are made up of **interacting multiple agents,** where the outcome of their interactions are unpredictable
- They exhibit **emergence and self organisation,** where authority is distributed

(See Stacey (1993), Waldrop (1992))

In all three cases there were examples of these features taking place and this may provide a further deepening of our understanding of organisations. Complex adaptive systems are not necessarily chaotic. More often they have recursive and regular patterns that can be discerned. However, it is the actual outcome of these that are less predictable.

The implication is that such organisations often operate in a state of 'unknowing' but act 'as if' they know. This false sense of reality is the main aspect of organisational delusion and, it is argued in this thesis, is the source of anxiety and organisational defensive routines.

However, this does not imply that learning does not ever take place. As argued in chapter 5 and seen in the case studies, organisations do 'learn' habitual routines and defenses against task and learning. However, those organisations that are able to operate on the boundary of chaos and routine are the ones that face reality and are most apt to learn at higher levels. Organsations able to operate in this state of 'dynamic equilibrium' are also able to reach a state where the internal configuration is an optimal response to the external demand. This would concur with the notion of optimal boundedness in organisations and this seems to be a critical element in attaining organisational learning at the strategic level. Confusion and chaos take place when the external demands become excessive and the organisation's system is no longer able to respond adequately and functionally. There was little evidence of such a state operating in these three cases.

Thus, the notion of equilibrium in this model is seen as changing and temporary, requiring organisational flexibility and agility (Pascale (1990)) over a sense of permanency, which seems to run contrary to attaining double loop strategic organisational learning.

9. Finally, in the cases presented, the application of the 'holding environment' or space provides an introduction as to how systems begin to learn.

   Thus, the thesis supports more recent contributions on the role of the 'holding environment' in organisational life (see Stapley, 1996).

5. Final statement

Finally, a clinical approach in many ways was as demanding, if not more so, as more 'traditional' research approaches. The psychological engagement, the continual reflection and self questioning and the importance of the research relationship and process of involvement draws upon a range and depth of experiences and skills that are not called upon in other designs. It is a valuable and worthwhile approach for this type of doctoral enquiry. The process has provided an opportunity for personal and professional growth.

For others considering similar research approaches, it is highly recommended that mutual support is provided and some form of clinical supervision is also used as another base point for checking throughout the research process.

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Appendix 1: Coding verbal interaction in groups

The framework for coding the verbal statement is based predominantly on Thelen et al 1954. Additional material has been included from Wheelan et al, 1994, Guerin, 1995 and Bales 1970.

This note covers two areas:

- The unit of interaction for coding
- The scoring process

The unit of interaction for coding

Thelen et al (1954) is used as the framework for this thesis as it has informed similar and later studies based on a Bion psychoanalytical understanding of groups - Karterud (1989), Karterud & Foss (1989), Wheelen et al (1994), Geurin (1996).

In Thelen's original methodology each verbal statement was rated according to the behaviors expressed in Bion's analysis: namely fight, flight, pairing, dependency and work. These were rated by the Behavioural Rating System about the group's emotionality and that was the most basic information about the group.

This process has been refined in two ways. Firstly, based on Bales (1970), the basic unit of analysis is the 'act' or simple sentence. The sentence may be declarative, inquisitive, exclamatory or imperative. Each sentence would contain a verb and its subject can be explicit or implicit. Statement such as 'What', 'For sure' and similar communications can be treated as a unit as it conveys meaning.

Secondly, Guerin (1995) provides some useful distinctions about the nature of the basic unit of analysis, especially in the case of complex sentences and ambiguous statements.

A complex sentence is one that combines fragments of a communication by 'and', 'or', 'but', or a pause and the speaker moves to another point within the governing thought. In the case of complex sentences, these are broken down into simple sentences

Geurin (1995) proposed twelve basic guidelines to maintain consistency in unitizing and scoring statements. It can be said that eight of these were used with confidence in this thesis and are listed below: Furthermore, the categories were reduced because the distinctions used by Geurin at the micro-unit of sentences are not in keeping with Bion's original intent in understanding emotionality. According to Karterud & Foss (1989): "The phenomenal units that Bion called basic assumptions are definitely not isolated statements". This thesis follows that approach.

Elliptical sentences These are treated as sentences without an expressed subject and predicate

Examples may include:

"Smile"/ (Imperative) (One unit)
"Great!"/ (Exclamatory) (One unit)
"How?"/ (Interrogative) (One unit)

False starts This is when a statement is started but not completed. If the essential meaning is conveyed then it can be scored. Otherwise it can not be scored. ('Unclassified' in the scoring system of this thesis.)

Examples include:

Charles: "These things.....I hate when Chris does that"
(One unit: "I hate when Chris does that")

Charles: "These things undermine me especially.../.. I hate when Chris does that"
(Two units: "These things undermine me.../ and "I hate when Chris does that"

Interruptions These are scored again providing the meaning of the statement is clear. Otherwise it is "Unclassified"

Charles: "I feel it will not work because..." (One unit)
Chris: (Interrupting Charles) "You have no basis for that at all" (One unit)

Affirmations and Negations These are treated as separate units

"Yes/ I agree" (Two units)
"No/ I totally disagree" (Two units)

Phrases Common phrases such as "O.K.", "I suppose so", "You know" are treated as separate units.

Compound sentences Compound sentences made up of two independent clauses are treated as two units.

Examples may include:

"The review was critical about the cleanliness of the borough/ but there was also some good news" (Two units)
"Please could you speak up/ I did not hear what you said" (Two units)

Interjections and exclamatory sentences Interjections and exclamatory sentences are treated as one unit.

Examples may include:

"Bloody hell"
"Gee"
"Whoa!"

These would each be one unit

Assertions Assertions followed by a question is treated as a separate unit

Examples include:

"You seem anxious about the numbers/... are you saying we are going to make a loss this year?" (Two units)

"This will happen in the next two weeks/ won't it?" (two units)

Where Guerin guidelines have not been applied it was due to their subtleties and the context of discussion.

Scoring of verbal statement

The scoring method is based on Thelen et al Behavioural rating scale and captures the emotional and behavioural expressions of: 'work', 'fight', 'flight', 'dependency' and 'pairing'. It also includes 'counter-dependency' and 'counter-pairing'. Items that could not be scored were denoted 'Unclassified'.

Fight Fight statement express hostility, aggression and often challenge. It may include attacking, rebuking, punishing, blocking, dividing (the group) warning, threatening, expressing hostile resistance, self aggrandizing (at the expense of others), scapegoating, ridiculing. Examples of some of the more common exchanges are as follows.

Attacking, depreciating the group

"We seem to be stuck in a rut again. It happens over and over again."

"Aren't we ready to go on? We have wasted enough time already"

Attacking specific members

"I think he'll do anything to further his career"

"What the ******* do you think you're doing?

"You've completely got it wrong"

"I hate to point it out but you are in a majority of one"

Blocking the group

"I can't understand why we are doing any of this"

"I cannot go forward as I do not feel there is trust within the group"

"I do not think its worth doing, but go ahead"

Self aggrandizement at the expense of others

"I feel a responsibility for the group. I just can't sit back and let the group flounder"

"My sensitivities told me 12 minutes ago that we didn't need to do this"

Projected hostility

"I know I am the scapegoat. I rather enjoy it" = I will volunteer to be the scapegoat

Pairing

Pairing statements express warmth, intimacy and supportiveness. The pairing constellation may include expressions of intimacy towards individuals, friendliness, unusual responsiveness, side remarks to another, expressions of commendation, enthusiasm and warmth directed to the group as a whole. Here are some common examples suggested by Thelen et al (1954) using research material from the cases in this thesis.

Expressions of warmth, intimacy and supportiveness

"Harriet, she is really a good un"

"I do admire Chris's style. He's a rainmaker'

Support of another person's ideas

"I think, Ginny, you are right"

"I'm with Chris on this one"

Expression of commitment and warmth directed at the whole group

"It was good how we dealt with meeting today"

"We are really making progress"

"I really got a lot out of our session yesterday"

Dependency

Dependency statements express some reliance on some person or thing external to the membership. The dependency constellation may include appeals for support or direction from the leader, looking for the leader approval, undue attention to the leader, expressing reliance on some outside authority, structure, procedure or tradition. It may also include expressing group weakness, fear of trying things. The following are examples:

Appeals for support or direction

"I don't know what is the correct way"

"I'd feel better if you (the leader or basic assumption leader) tell us what to do"

"We need some input here"

Reliance on structure, procedure, tradition

"It's no different from public complaints (procedure)

"How do we usually take these matter forward"

"why don't we appoint a chairman"

Reliance on outside authority

"Are you objecting to the principle that the leader says you are not the visible face of your service?" (also BaFi)

Expression of weakness or inadequacy

"I'm confused. Where do we go next"

"We're in a mess again. How did we get here?"

"We never seem to make a decision"

Flight

Flight statements express avoidance of the problem or withdrawal from participation. The flight constellation may include: light-hearted humour, tension releasing laughter, trivia dominating a conversation, phantasy, off the point comments, over-intellectualisation, and comments out of context emotionally.

Examples of flight include:

Withdrawal or lessened involvement

This is usually expressed by silence and in this form it cannot easily be rated. However it can also take the form of expressed boredom

Humour, phantasy, tension releasing laughter

The group may engage in an off the point discussion about what the Elected Members will do after the elections

The group may take make light hearted puns at the leader's expense in their absence

The group spends undue time on irrelevancies not germane to the agenda

Statement which ask for clarification

"What was that?"

"Can you repeat that statement?"

Counterdependency

Counterdependency are those statements that assert independence from the leader, authority from members of the group. The key characteristic of this category is the communication diverts the communication and direction from the formal authority. The intent of the speaker is take some form of control within the group.

The purpose of this behaviour is to demonstrate (in varying degrees) a rejection with authority, compared with 'fight' statements, which are designed to challenge or confront.

Examples may include:

Asserting independence from the leader

"I'd like to suggest a different process" (after a suggestion by the leader)

"The CEO is being unreasonable expecting us to do that"

Assuming a directive role

"I have a view, just listen to what I have to say"

"I think we should use the other office, instead of the CEO's room all of the time" (two statements here)

Seeking support from other group members

"Are you with my proposal (rather than the leaders)

"Are we directors are we mice?"

Counterpairing

Counterpairing statements intend to keep the group distant, dis-organised and off task. The group climate is cool, lacks stimulation, and comments within the group drop dead. There's is little or no spark.

Detachment or withdrawal from the group

"I cannot contribute as I do not trust the group"

"I feel a bit out of it today"

Smug or pompous

"The authority I just worked for did everything really well"

"I use to teach this stuff so no need to explain"

"Well, I am different"

Work

Work describes task directed behaviour. It is intentional, direct, relates to reality and seeks to solve problems, progress the decision-making and process of the group, provide or receive information. When groups are at their best work can also take the form of individual and group insight and learning.

Thelen, Stock et al identified four levels of work. The highest being level four. Each of these are briefly described.

Level one level work

This level of work is personally orientated and is an expression of what might be happening for the individual rather than the group as a whole. An observer watching one-level work feels that it is an expression of the individual need and that it interrupts the flow if the group.

Examples include:

"I sort a feel to free associate - so nobody stop me"

"I feel very anxious about what might happen"

"I am still thinking about the exchange we had half an hour ago"

Level two work

This level of work involves maintaining or following through on the task the group is working on. It may be that the group is taking time to define the task, take care of 'house-keeping', provide information. An observer would feel that the activities were group related but routine.

Examples might include:

Setting up processes

Assigning responsibilities

Building on each others contribution in a matter of fact way compared with pairing which is more emotionally connected.

Level three work

Three-level work is group focused work which usually has new ingredient. It is characterised often by problem-solving activity, a new method to attack a problem, the visualisation of goals, the reality checking of an idea. The content is task focused and tends to move the group on from one group task to another. An observer would feel a group that is energetic, group orientated and has purpose and direction.

Examples may include:

"What principles are we applying in coming to this conclusion?"

"Have we got to the point where we do not express our feelings in this group?"

"So we have agreed the first three steps, what are going to do with the last part of the process?"

Level four work

Four level work is creative and insightful. It usually involves insightful interpretations by group members on behalf of the group and infuses meaning and relevance to present problems. The series of events leading up to this activity may occur during a single meeting or be the results of a series of meetings. An observer would feel group that is insightful, creative and exciting.

Examples may include:

> "The processes in this group are often a mirror of what is happening among the elected members. What can we do to change it?"
>
> "We are functioning too smoothly and this keeps us from getting into things we need to get into. We don't want to disturb the smoothness yet we have a feeling of void."

Unclassified

These are statements that cannot be heard, are unintelligible, incomplete or the content of the underlying message is not clear.

Appendix 2 - Group Analysis measures

The test of reliability for the group observations is based on the measures used Schutz (1952) and more recently by Karterud and Foss (1989).

Karterud and Foss use four measures:

Persons coefficient of correlation, r. This index tells how close rater A and rater B have come in terms of rating the total amount of say 'fight' activity in a group. The main drawback with this index is that the two raters may obtain a high 'r' but score different statements as 'fight'.

Overall Agreement This is agreement as a percentage of total number of units. This is the approach that was used in Schutz (1952). The measure is an index of the total number of statements that the raters agree upon over the total amount of statements. For example if 401 statements were agreed on fight out of 485 fight statements then the index would be 0.85. A refinement and more accurate index is one based on specific act by act agreement.

Specific agreement This is the agreement as a percentage of the mean of the different number of rated units in that specific category. For example rater A classifies 189 statements as emotionally charged while rater B classifies 149 statement as emotionally charged. The mean is 169 and the total number of agreements is 123. Thus, the specific agreement is the estimation of the total emotionality 123:169 = .73

Kappa. (Po - Pc) / (100- Pc) Po = calculated agreement. Pc = chance agreement. This index corrects the bias of chance agreement

The use of *overall agreement* was used in the reliability testing of the Group Analysis Grid discussed in chapter 10

Appendix 3 The interview questions

Research Interview Schedule Date:

Confidential

1. Name: 2. Title:

3. Dept.:

4. What the key issues currently affecting organisation both external and internal factors?

5. What impact do these have on the organisation?

6. What do you see as the organisations /team's task and strategy? Examples of policy papers, discussions or other evidence would be helpful

7. How would you describe the political leadership of the organisation? (Who leads it, what is the nature of the leadership and where is there opposition)

8. Describe the relationships between the Board/members and the chief officers. Please give specific examples (Majority and opposition party if appropriate)

9. Describe the relationship among people in the management team

10. How effective would say are the management team meetings? Why?

11. How would you describe the leadership of the management team

12 What roles do you see played in the management group and by whom?

13. Where do you see the power in the group? (who has what form, how is it exercised what are the coalitions)

14. Describe the relationships between the departments by level of management. (Please give specific examples)

15. How would you describe the organisational culture: what is it? how dominant is it? How does it come about?

16. How is change managed in the organisation: politically, corporately, by departments and by individuals

17. Can you think of critical incidents over the last six months where events have gone far from planned?

Describe it? What was it and how did it come about?

18. How did the organisation detect things went wrong?

19. How was it dealt with? Why?

Was it dealt with be existing procedures or were new procedures developed to meet the demands

20. Were any lessons drawn from the event? What were they?

Were these shared or institutionalised in any way. Give examples

21. Who else was involved in this process?

What was their role

22. Any other comments.....thank you

Appendix 4 Reliability and construct validity for Firo-B[1]

This appendix looks at three areas of the Firo-B

- The dimensions and definitions of the Firo-B personal questionnaire
- The reliability of the instrument
- The validity of the instrument

The dimensions of Firo-B

The fundamental interpersonal dimensions of the FIRO theory are Inclusion (I), Control (C) and Affection (A). These are behaviourally defined as:

Inclusion This reflects the interpersonal need to establish and maintain satisfactory relationships with people with respect to interaction and association. Positive connotations include "mingle, communicate, belong, companion, comrade, interested'. Those not so associative may be described as 'isolate, outsider, outcast, lonely, detached , withdrawn.'

Control This is the need to establish a satisfactory relationship with people with respect to control and power. Control behaviours refer to decision-making process between people. Its positive connotation is 'power, authority, influence, leader, ruler'. Aspects of negative control in this schema include 'rebellious, resistance, follower, submissive, henpecked'.

Affection This is the need to establish and maintain satisfactory relationships with others with respect to love and affection. Some terms that connote positive affection are 'love, like, personal, intimate, friend, close'. Aspects of negative affection are connoted by the terms 'cool, dislike, hate, emotionally distant, rejecting'.

The other aspect of this scale is the direction of the behaviour between people: what the individual *expresses* to others and what the individual *wants* from others. The *expressed* behaviour is that which is directed towards others. While the *wanted* behaviour is what you would like from others.

[1] Taken from Shcutz (1978)

Reliability

Coefficient of Internal Consistency

The coefficient of internal consistency is the measure based on the internal analysis of the data obtained on a single trail. It is the measure the indicates the degree to which the items are homogeneous or measuring the same thing. The usual test for internal consistency is the split-half method, where the measure is the correlations between the two halves of the test. However, since the Firo-B scales are all Guttman scales, which are essentially ordinal, reproducibility is the appropriate measure of internal consistency. According to Oppenheim a coefficient of 0.9 or more is acceptable.

Reproducibility of Firo-B scales

Scale	Reproducibility	Number of subjects
Inclusion expressed (Ic)	0.94	1615
Inclusion wanted (Iw)	0.94	1582
Control expressed (Ce)	0.93	1554
Control wanted (Cw)	0.94	1574
Affection expressed (Ae)	0.94	1467
Affection wanted (Aw)	0.94	1467
Mean	0.94	1543

The reproducibility is very high and consistent over all samples. These scores are the coefficients for internal consistency for Firo-B

Coefficient of Stability

Coefficient of stability refers to the correlation between test scores and the scores after a lapse of time. This is an important measure as interpersonal orientations are presumed to be stable. Based on the sample study of Harvard students over a one month period (except for Ae and Aw which were taken after a week), the mean coefficient for the six scales is 0.76.

The test-retest results of Firo-B scales

Scale	Stability	No of subjects	Mean Test	Mean re-test	Standard error Test	Standard error re-Test
Ie	0.82	126	5.21	5.00	1.90	2.19
Iw	0.75	126	3.88	3.42	3.20	3.30
Ce	0.74	183	3.14	2.94	2.22	2.19
Cw	0.71	125	4.44	4.58	1.91	2.13
Ae	0.73	57	3.42	3.19	2.43	2.71
Aw	0.80	57	3.95	3.54	2.74	2.88

Validity

The validity of the Firo-B has been examined in three ways: content validity, concurrent validity and internal inter-correlation of scales

Content Validity

This is determined by showing how well the content of the test items samples the class of situations or the subject matter about which conclusions are drawn. If the theory underling the use of Guttman scales is accepted, then the content validity is a property of all legitimate cumulative scales, and therefore of all Firo-B scales, Schutz (1978)

Concurrent Validity

Concurrent validity is evaluated by the extent to which test scores correspond with existing validated measures or instruments. The validity area refers to the studies which attempt to demonstrate differences, on the basis of the new measuring instrument , between already existent groups, or between individual with already known attitudes. Since 1958, when the test was originally published, research on Firo-B has taken place in a wide variety if fields - e.g. Human relations workshops, exploration of clinical work with individuals, interpersonal development and experimentation with group composition. The studies show differences among occupational groups are striking and, for the most part, consistent with occupational stereotypes. These differences help to clarify the meaning of the concepts behind the measures. A fuller explanation is in part II of Schutz (1978)

Intercorrelation of scales

The intercorrelation between the Firo-B of scales obtained from a sample of 1,320 subjects is shown in the table below. There is a significant correlation between e and w for Inclusion and Affection and a smaller but statistically significant correlations between the scales of I and A. Thus, Firo-B does have some non-independent scales and this reduces its construct validity.

Intercorrelations among the Firo-B scales

	Ie	Iw	Ce	Cw	Ae	Aw
Ie	.	0.49	0.12	0.08	0.47	0.27
Iw		.	0.06	0.06	0.24	0.24
Ce			.	0.07	0.19	0.31
Cw				.	0.22	0.22
Ae					.	0.42

Appendix 5 The item analysis for the strategic organisational learning inventory (SOLI)

The dimensions of the strategic organisational learning inventory are discussed in chapter 5. They include the following scales: scanning, interpreting, reviewing, sharing the learning, taking action, countering defensive routines and systematic problem solving.

The initial pilot questionnaire was undertaken with a group of mature, part-time, public sector, MSc students. Thus, the group was representative of the group used in the case study.

The SOLI questionnaire took the form of a Likert scale, with each of the named scales having six items. Thus, there was a total of 42 items. (The original form is reproduced in appendix 5.1.) An item analysis was undertaken for internal consistency/ reliability. It is a procedure to measure the extent to which the items within the instrument "hang together" and are all measuring the same thing. The procedure measures the correlation between each item (question) and the sum of each respondent's total. If the correlation is high then it means that the item is measuring the same as the whole. (See Oppenheim (1966)

This procedure was carried out with the pilot study of 10 respondents.
The results are reproduced below for each item

The results of the item analysis

(Q = question number: r = the correlation)

Scan		Interpret		Act		Review		Share		Defend		Solve	
Q	r	Q	r	Q	r	Q	r	Q	r	Q	r	Q	r
1	.55	2	.74	3	.28	4	.85	5	.75	6	.74	7	.32
8	.70	9	.77	10	.74	11	.20	12	.67	13	.84	14	.70
15	.66	16	.50	17	.46	18	.05	19	.90	20	.5	21	.71
22	.54	23	.43	24	.70	25	.71	26	.92	27	.64	28	.42
29	.04	30	.60	31	.57	32	.67	33	.90	34	.77	35	.70
36	.06	37	.89	38	.47	39	.49	40	.46	41	.78	42	.78

The correlations for each question/item provided information about questionnaire's reliability. A number of the questions were dropped so that the questionnaire was reduced and each scale only had five items (leading to a new total of 35 questions/items).

The choice of items to delete was based on three criteria.

- All those with a correlation of 0.75 were accepted without qualification. This figure seemed acceptable given the low level of sophistication of the instrument and the scores of other and more rigourously tested instruments

- There was a need to retain five items in each scale so a judgment had to be made. So where items were in the region of 0.5 they were accepted provided the others items were acceptable in a scale.

- There were a number that had a low correlation and these were rejected or the question was reworded, simplified, changed within the scale under measurement. Items (questions) rejected outright were 3, 7, 11, 18, 29 and 36. Others rejected due to the high correlations in the scale were 20, 23 and 40.

The outcome was a revised questionnaire and this is reproduced in appendix 5.2.

The face validity of the revised questionnaire appeared high in that the indications from the text comments of the questionnaire and the low means across all of the scales suggested an organisation not open to learning. However, on the basis of 64 returned questionnaires from a population of 100 (64% response rate) a further item analysis indicated that the SOLI questionnaire was 'reliable'.

The size of the group in the final case study was greater than the pilot this may explain some of the great differences in results. To take account of this an analysis was undertaken by sub-groups: the level the respondent was in the senior management hierarchy. However, this did not yield any clear patterns of explanation. The other explanation is that the pilot group was unrepresentative and biased as learners and open to learning. Furthermore, they were all from different organisations whereas the people in the case study were all from the same organisation and the divergence of experience may be also a possible explanatory factor.

The lesson is that in undertaking a similar exercise more time would be planned in to use a test retest or a split half test as a measure of reliability. These are more commonly use and would be adopted along with an item analysis in any subsequent study.

Appendix 5.1 The original strategic organisational learning inventory

Organisational Questionnaire

This is an action research instrument used for the purposes of learning only.

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Workshop Questionnaire

The aim of this questionnaire is to increase our collective understanding of organisational learning. There are no right answers. Thank you

Section 1 Primary data

Name: SHEILA

Degree of strategic role: H/M/L

Organisation: HEALTHCARE NHS TRUST

Type of Organisation: HEALTH CARE TRUST

Size (FTE) 4,000 (approx)

Primary task of the organisation:

DELIVERY OF HEALTHCARE.

Section II

Please indicate the three most important strategic issues currently facing your organisation and say why they are important.

1. DIVISION OF ORGANISATION TO CREATE NEW MENTAL HEALTH TRUST — MAJOR CHANGE TO ↑FLEXIBILITY OF SERVICE.
2. MAINTAINING FINANCIAL BALANCE — IMPLICATIONS INCLUDE SERVICE CUTS/REDUNDANCIES ER.
3. EXPANSION OF OUR USE OF I.T. — TO REDUCE "MAN HOURS" & ↑ACCURACY ER

Section III - Please indicate on the attached form the extent to which you

Strongly Agree (SA)
Agree (A)
Are Undecided (U)
Disagree (D)
Strongly Disagree (SD)

with the statements in the following section

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1. We have an effective Management Information System that consistently provides timely, complete, relevant, speedy and accurate information.

2. Informal sources of information are the most reliable

3. Taking risks is actively avoided

4. We are slow to identify when a strategic plan is 'drifting'

5. Teamwork is central to the way we work

6.The organisation is marked by frequent bouts of ritual humiliation of staff

7. Using statistics to make a case is seen as hostile in this organisation

8. Strategic analysis using techniques like SWOT, the Boston Matrix and the like is actively carried out by all the management board

9. We have a history of realising the intentions of our strategy

10. Our senior management group demonstrate a high level of commitment to managing change

11. Our criteria for assessing services are clearly understood and consistently applied by all those involved.

12. We cannot seem to learn from our mistakes

13. We work in a 'blame culture' of recrimination and 'put downs'

14. All our data for decision-making is based on facts - not rumours

15. Bench marking is an important tool to support organisational development and change

16. We are too quick to draw conclusions in this organisation

17. Things take a long time to be implemented, if at all

18. Strategic reviews are regularly held involving the senior management team and the board

19. Examples of good practice take are widely disseminated

20. The organisation is bureaucratic

21. The history of the organisation is documented and celebrated

22. We use a wide range of sources to gather our information

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23. A thorough risk assessment exercise is rarely undertaken on strategic issues

24.Toó many people get involved in the implementation processes

25. Our professional staff are best placed to judge the quality of service to our beneficiaries

26. Learning is shared between departments across the organisation

27.What we say is what we do

28. We have a fixed set of criteria to evaluate solutions to solving problems

29.We operate in a turbulent environment

30. Diversity is valued.

31. This organisation enjoys experimentation

32. Consultation and participation take up too much time, money and hassle for the same results. This view is widely held in the organisation.

33. The organisational culture is friendly, open and supportive

34 There is no explicit conflict in the organisation

35. There is a readiness to re-examine and reassess existing procedures

36. We see ourselves as a system that is able to manage complex, chaotic and messy organisational dynamics that arise from managing change

37. The organisation is sensitive to the changes and trends in its environment

38. People act before they think

39. Program objectives for evaluation are set well in advance

40. Our local area network/e-mail facility is under-utilised

41. People seem to keep all the important facts and details about their department in their heads

42. Mind-mapping, fish-bone and other techniques are a complete waste of time and will shortly be replaced by another management fad

Appendix 5.2 The revised strategic organisational learning inventory

Organisational Questionnaire

Cranfield UNIVERSITY
School of Management

Once scored, please return this booklet to:

M. Jarrett
School of Management
Cranfield University
Cranfield
MK43 0AL

in the envelope provided

This is an action research instrument used for the purpose of learning only.

© ***Michael Jarrett, April 1996. Revised 1996 SOLI***

Confidential

Questionnaire

The aim of this questionnaire is to increase our collective understanding of how organisations manage change. It is based on preliminary research with a number of public sector organisations. There are no right answers. Please fill in ALL the questions.

Thank you

Section I

Name:

Degree of strategic role: H / M / L
(High/Medium/Low)

Organisation:

Type of Organisation:

Size (FTE)

Primary task of organisation

Section II

Please indicate the three most important strategic issues currently facing your organisation and say why they are important.

Section III

Please indicate on the answer sheet (p4) the extent to which you:

Strongly Agree	**(SA)**	Disagree	**(D)**
Agree	**(A)**	Strongly Disagree	**(SD)**
Are Undecided	**(U)**		

with the statements in the following section

1. We have an effective Management Information System that consistently provides timely, complete, relevant, speedy and accurate information
2. Informal sources of information are the most reliable
3. We are slow to identify when a strategic plan is "drifting"
4. Teamwork is central to the way we work
5. The organisation is marked by frequent bouts of ritual humiliation of staff
6. Strategic analysis using techniques like SWOT, the Boston Matrix and the like is actively carried out by all management board
7. We have a history of realising the intentions of our strategy
8. Our senior management group demonstrate a high level of commitment to managing change
9. We cannot seem to learn from our mistakes
10. We work in a "blame culture" of recrimination and "put-downs"
11. All our data for decision-making is based on facts - not rumours
12. Bench marking is an important tool to support organisational development and change
13. We are too quick to draw conclusions in this organisation
14. Plans usually take longer to implement than expected
15. Strategic reviews are regularly held involving the senior management team and the board

16. Examples of good practice are widely disseminated
17. The history of the organisation is documented and celebrated
18. We use a wide range of sources to gather our information
19. Too many people get involved in the implementation processes
20. Our professional staff are best placed to judge the quality of service to our beneficiaries
21. Learning is shared between departments across the organisation
22. What we say is what we do
23. Our criteria to evaluate solutions to solving problems is well known
24. Diversity is valued
25. This organisation enjoys experimentation
26. Consultation and participation take up too much time, money and hassle for the same results. This view is widely held in the organisation
27. The organisational culture is friendly, open and supportive
28. There is no explicit conflict in the organisation
29. There is a readiness to re-examine and reassess existing procedures
30. We see ourselves as an organisation that is able to manage the internal dynamics of complex organisational change
31. The organisation is sensitive to the changes and trends in its environment
32. In this organisation, people act before they think
33. Programme objectives for evaluation are set well in advance
34. People seem to keep all the important facts and details about their department in their heads
35. Mind-mapping, fish-bone and other techniques are a complete waste of time and will shortly be replaced by another management fad

The Answer Sheet (Please score here)

Name:
Organisation:
Position:

Strongly Agree	(SA)	Disagree	(D)
Agree	(A)	Strongly Disagree	(SD)
Are Undecided	(U)		

Please indicate your choice clearly with a circle around one of the five options for each question. Please complete ALL the questions.

1.	SA A U D SD	2.	SA A U D SD	3.	SA A U D SD	4.	SA A U D SD	5.	SA A U D SD	6.	SA A U D SD	7.	SA A U D SD
8.	SA A U D SD	9.	SA A U D SD	10.	SA A U D SD	11.	SA A U D SD	12.	SA A U D SD	13.	SA A U D SD	14.	SA A U D SD
15.	SA A U D SD	16.	SA A U D SD	17.	SA A U D SD	18.	SA A U D SD	19.	SA A U D SD	20.	SA A U D SD	21.	SA A U D SD
22.	SA A U D SD	23.	SA A U D SD	24.	SA A U D SD	25.	SA A U D SD	26.	SA A U D SD	27.	SA A U D SD	28.	SA A U D SD
29.	SA A U D SD	30.	SA A U D SD	31.	SA A U D SD	32.	SA A U D SD	33.	SA A U D SD	34.	SA A U D SD	35.	SA A U D SD

Organisational Questionnaire

Cranfield UNIVERSITY
School of Management

Once scored, please return this booklet to:

M. Jarrett
School of Management
Cranfield University
Cranfield
MK43 0AL

in the envelope provided

This is an action research instrument used for the purpose of learning only.

© ***Michael Jarrett, April 1996.*** *Revised 1996 SOLI*

Confidential

Questionnaire

The aim of this questionnaire is to increase our collective understanding of how organisations manage change. It is based on preliminary research with a number of public sector organisations. There are no right answers. Please fill in ALL the questions.

Thank you

Section I

Name: R.

Degree of strategic role: (H) / M / L
(High/Medium/Low)

Organisation: COUNCIL

Type of Organisation: LOCAL AUTHORITY

Size (FTE)

Primary task of organisation SERVICE TO THE COMMUNITY.

Section II

Please indicate the three most important strategic issues currently facing your organisation and say why they are important

1. "Best Value" – increasing need to demonstrate value for money and maintain service standards within financial constraints.
2. Customer focus – more emphasis on what the "customer" wants from the Council – rather than what services we will provide.
3. Organisational Devt. – developing the organisation (structure & staff) to be more flexible and better equipped to respond to increasing pressures to improve/change.

64

The Answer Sheet (Please score here)

Name:
Organisation: COUNCIL
Position: PROJECT CO-ORDINATOR

Strongly Agree	(SA)	Disagree	(D)
Agree	(A)	Strongly Disagree	(SD)
Are Undecided	(U) *		

Please indicate your choice clearly with a circle around one of the five options for each question. Please complete ALL the questions.

1.	(SD)	2.	(D)	3.	(A)	4.	(U)	5.	(D)	6.	(D)	7.	(U)
8.	(A)	9.	(U)	10.	(D)	11.	(D)	12.	(SA)	13.	(A)	14.	(A)
15.	(U)	16.	(U)	17.	(D)	18.	(A)	19.	(A)	20.	(D)	21.	(U)
22.	(D)	23.	(D)	24.	(D)	25.	(A)	26.	(D)	27.	(U)	28.	(U)
29.	(U)	30.	(U)	31.	(A)	32.	(A)	33.	(A)	34.	(A)	35.	(D)

* "Undecided" will usually mean "Occasionally" rather than not being sure whether we do or not.

Appendix 6 The clinical researcher - job skills, knowledge and attributes

The relevant attributes of the clinical researcher are discussed fully in Loman (1988). The key characteristics are noted below and they are under three headings: job skills, job knowledge and personal attributes

- Job Skills

a) Ability to establish relationships of trust, acceptance, warmth and concern
b) Ability to diagnose a clients condition, to gather and interpret evidence from a variety of sources, to use oneself as a diagnostic instrument
c) Ability to communicate at the level of the recipient, to give and receive feedback in minimally threatening ways, to help others acknowledge ownership of their own ideas and feelings
d) Ability to execute a well-developed sense of timing, especially when working under stress
e) Ability to be pragmatic, empathizing the applied and practical nature of the behaviour
f) Ability to work under conditions of high stress, high uncertainty and ambiguity, high frustration, loneliness and professional isolation

- Job Knowledge

a) Organisational and interpersonal dynamics
b) Principles of change and changing
c) Individual personality dynamics
d) Ethics
e) Standards of professional practice

- Personal Attributes

a) Cognitive complexity
b) Interpersonal competence including
   - Openness and honesty
   - Awareness of and control over one's own personal psychological defenses
   - Self awareness and self acceptance

a) Moderate needs for affiliation, achievement and power
b) "Helping" orientation
c) High need for personal competence
d) Comfort with intuitive methods
e) . Imagination and cognitive flexibility

Appendix 6.1

Firo-B raw scores for Michael Jarrett

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	3	3	5	11
Wanted (W)	0	2	5	7
Sum (E+W)	3	5	10	Total sum 18
Diff (+ or -)(E-W)	3	1	0	Total difference 4

Appendix 7 Key issues in local government

The purpose of this overview is to provide an additional context for the case studies. It provides a back drop for understanding local government in particular and the public sector more generally. It is based on the early exploratory study undertaken by the researcher with local authorities in 1992 (See Jarrett (1992b and 1992c) and a review of the relevant literature.

Local Authorities and the Management of Change

An understanding of the organisation and management issues facing local government can be understood by first looking at the various pressures and influences that are currently impinging upon it. Thus, the first section of this appendix looks at the nature and magnitude of the changes leading up to and during the period of study. It is followed by a syntheses of the key developments that seem to be emerging in terms of the organisational and management development needs. It then briefly concludes with the challenges facing local government in particular and by extension the public sector

Key changes facing local authorities since 1985.

Since the beginning of Thatcher's political and economic model, there has been a considerable change in the political, cultural and economic terrain. We have seen the breakdown of the consensus politics of the 1960s and a drive towards individualism and the power of the market.

Flynn (1990) states:

"..the argument goes, the consensus crumbled because of the failure of economic policy to produce full employment and because the public services themselves lost the confidence of the public." p7

Flynn also quotes Nicholas Deakin (1987) who argues:

"..that in the course of the 1970s the consensus on both economic and social policy was shattered by the introduction of Milton Friedman's ideas about economic policy and by the ideas of such bodies as the Institute of Economic Affairs on the role of the welfare state." p7

The key economic goals were to reduce inflation through the reduction of public expenditure, overmaning and waste. The political and cultural imperatives were to change the nation from dependency to being independent, from collective to individual action, from public to private provision, and not least from labour to capital.

Those sixteen years saw a change in the role of local government from corporate planning bodies (during the re-organisation of local authorities in 1974) to competitive bodies in social markets driven by Thatcherite economics.

The fundamental belief held by the Conservative government since 1979 was that local authorities wasted resources and caused inflationary pressures upon the economy. Therefore the expenditure of authorities needed to be controlled and that authorities should be more exposed and responsive to market factors.

Thus, authorities experienced less grant allocation from central government; were subjected to more financial controls; had to respond to a range of legislative changes challenging their traditional roles; and have had to 'contract out' specified services so as to become more 'competitive'. Authorities were undoubtedly facing a turbulent environment and having to face new challenges (Flynn (1990), Association of Metropolitan Authorities (1990), Bell (1990), Gutch et al (1990), Issac-Henry & Painter (1991), Cochrane (1991) and Stoker (1989)

The First Phase

The first part of the Thatcher administration (1979 -86) lay the foundations of the new economics in the form of:

a) monetarism, which focused on controlling the supply of money as a ward against inflation

b) privatisation to increase competition and reduce waste in the public sector. This took three main forms: the literal privatisation of nationalised agencies e.g. British Telecom, British Airways, National Freight; the increase in competition for public services - for example in the national health; and the use of contracts as a way of 'contracting out' public services.

c) employment legislation to reduce the power of the union and their role in what was described as cost push inflation due to unreasonable wage demands.

It is fair to say that in the public sector, central government had a direct impact on labour strength by cuts to public sector organisations and more direct action as shown in the miners' strike. In the private sector, things were somewhat influenced by economic recession and thus unions were more compliant. (MacInnes (1987)

d) a political message and style that was dubbed by Hall (1985) as 'authoritarian populism'. It worked on the basis of popular appeal to the majority with strong leadership and control from the centre. It was the leadership and direction that appeared to address the needs of the populous as it was a time of uncertainty, poor economic performance and an unfilled political gap.

These foundation stones created the environment for what was to be experienced by local authorities as a different renaissance.

The Impact on Local Government

The full implications on local government did not really start to have an impact until the second half of the 1980s, with the first range of changes in the re-structuring of local government. There were widespread legislative changes, which are mentioned throughout the discussion below.

However, the first to have a major impact was the Local Government Act (1985), which saw the abolition of five Metropolitan County Councils and the Greater London Council in 1986. The abolition of the Inner London Education Authority was delayed until April 1990.

These changes took away the first tier of local government. It meant less infrastructural support for economic and social initiatives beyond the district level as well as more functions for metropolitan districts and London boroughs. In addition, it also led to the development and use of non-elected bodies to take over some of the roles and functions of local government - for example joint committees and boards like the Docklands Development Corporation and other quasi-autonomous non-governmental agencies (qangoes) like the Training and Enterprise Council (TEC).

Secondly, in line with legislative changes the was the increased centralisation of central government power: through changing the law, using non-elected bodies which were directly accountable to central government and undermining local authority power.

"Central government has far more direct control over local government in 1990 than it did in 1980." (Gutch et al (1990))

Thirdly, there was the introduction of a new philosophy: a new public sector economics, which was based on efficiency, effectiveness and economy. The key arm of the government here was the Audit Commission.

The Audit Commission undertook a number of audits of local government's and central government department's efficiency, effectiveness and economy during the late 1980s and it found most of them wanting.

Remarks from one of the Commission's reports summaries some of the key issues:

" Local authorities are no longer regarded as necessarily the only, or best, providers of their traditional services. An implicit belief in the ability of large-scale public bureaucracies to solve social problems has been replaced by skepticism, doubt and willingness to experiment with other methods. There were louder calls for more responsive structures and more local flexibility. And as the consensus has broken down, so national and local politics have become more polarised, creating new tensions within local authorities themselves.

"In any period of uncertainty and change, the well-managed organisation survives more successfully than the rest. That will be true of local authorities in the next decade." (Audit Commission 1988).

Finally, Local authorities have not been passive or unresponsive to some of these pressures. They responded with varying degrees depending upon resources, management capability and working practices, local political control and decision-making and organisational capacity and processes. Among the areas they have taken up generally is the need to understand the customer, management development and the need to consider contracts and be more flexible. These areas are explored section 2 below.

Local Government Funding

Local government was also affected by the restructuring of public sector finance. The level of support from central government declined from over 61% in the 1978/79 to an estimated 48.4% in 1985/6 (Upton (1989) p49). Moreover, local councils' ability to raise local revenue had also be undermined. Firstly, through rate capping and 'penalties' in 1984 to 'charge capping' with the introduction of the Community Charge, under the Local Government Act, 1988.

Initially, some authorities engaged in creative accounting to maintain the level of revenue expenditure. They would capitalised revenue expenditure on housing repairs (from the Housing capital grant) and thus reduce the call on revenue.

In addition, authorities would supplement their main programme expenditure via other earmarked programmes. For example, areas designated as 'special' under the Inner Areas Act (1976), could use Department of Environment Urban Programme funds for economic, social and environment/housing projects. The seven areas of most social and economic deprivation were chosen. These were Birmingham, Liverpool, Newcastle & Gateshead, Manchester, and the London Boroughs of Islington, Lambeth and Hackney. These were designated as 'Inner City Partnership' areas and they received substantial sums ranging from 10 million to 20 million per year under the scheme.

Others, designated as 'Inner Area Programme' authorities received smaller sums of 2 - 4 million pounds per year and included Nottingham, Tower Hamlets, Leicester and Hull. They now total about 40 in total.

These authorities were able to use the programme to support some of their strategic work and projects that may have been undertaken by main programme expenditure. While the sums of funds were not large in comparison to each authorities' main expenditure there were more discretionary power about how the money was spent. For example, renovation of streets in the inner areas of Leiecester and Birmingham were first funded under the Urban Programme. Later such 'enveloping' schemes were taken on by other parts of the Department of Environment (DOE).

Another earmarked fund that was used to replace main expenditure was in the field of education. Authorities would used funds under section 11 of the Local Authority Act (1966), which provided funds from central government to provide services and education for 'Commonwealth Immigrants'.

The fund was reviewed by a Home Office Scrutiny team in 1990 and it demonstrated that the fund was being abused and used to support mainstream expenditure. Thus, the scheme has now been substantially revised and some of the 80 million-pound fund will be channeled through the TEC, thus reducing the level of that specific fund through local authorities.

There was a case for the funds to be more targeted for its purpose and abuse was taking place. However, it demonstrates the methods that authorities have undertaken to secure other funds in the face of a declining revenue base.

Finally, some authorities used other approaches to fend off the pressures of cuts by engaging in private investment schemes. Hammersmith and Fulham were a case in point where they lost money on the investment market but were not liable because the courts judged that they had acted illegally. In addition, a number of authorities were caught in the closure of the Bank of Commercial Credit and Investment, losing nearly 100 million pounds. Are these examples of local authorities taking more risks under increasing pressure? Is it simply poor financial judgment and advice or are there other factors at play? These are questions that go beyond the scope of this study. However, they indicate some of the range of pressures that authorities were experiencing which during the 1990s implied reductions in staffing and services.

The community charge then formed the main local revenue source and with the introduction of the uniform business rate it meant a reduction in authorities income base. In addition, it was argued that the replacement of the General Related Expenditure (GRE) grant with the Standard Spending Assessment (SSA) will not compensate (Gutch et al (1990).

The SSA figure is determined by the Government and not the local authority, thus the authority has little or no control over its final budget. The inadequacy of the government's ability to get the figures correct were shown by the revision of SSA-based expenditure figures for 1990/91, leading to extra cash being given to every authority in the form of a rebate of 140 pounds per head in community charge payer.

As Flynn (1990) notes:

"Only the community charge and fees and charges for services are now set by local authorities. Their other income is all controlled by central government which may also limit community charge levels." p46

The Use of Contracts

Graham Mather of The Institute of Economic Affairs argued at the AMED conference on the public sector (1992) that the only way forward for local government was based on a contractually model of exchange and provision. The model was also extended to the NHS.

The government carried through its philosophy of 'markets' to public services by the introduction of contracts. There were four main ways by which contracts became part of local authority speak:-

a) Under the Local Government Act 1988, the government introduced Competitive Compulsory Tendering (CCT), where local authorities were legally obliged to tender out work in 'defined activities'. These were: refuge collection, cleaning of buildings, other cleaning, catering for schools or welfare services, other catering, maintenance of grounds, and the repair and maintenance of vehicles. The management of sports and leisure was also included later. (Fielding & Gutch (1989)

Thus, contracts were legally imposed.

The overall impact or success of the legislation has been mixed, depending upon the service, the political persuasion of the authority and its relationship with central government. Some authorities in some departments did well, while others floundered. For example, Direct Labour Organisations (DLOs) were better equipped as they came from a culture of contracts and work specification. Cleaning and catering also had similar traditions. But there are fewer examples of outcomes in the parks and vehicles maintenance.

For example, while Lambeth were publicly suffering organisational difficulties during 1990/1, their DLO was organising seminars, restructuring the work force and jobs, and providing training so that the DLO could successfully compete.

Similar initiatives had taken place in Camden, where the first contract for refuge collection was won by Camden staff. The contract was put out for re-tendered under the legal direction of the Environment Minister as the contract was said to been won in a way that was "uncompetitive". The contract was subsequently won by a French company 1991.

b) The Community Care legislation and the Griffiths report encouraged and allowed the use of contracts. Again the purpose here was to reduce the role of local government as 'monopoly' providers.

Under this initiative the were no legal obligations but a potential opportunity or threat depending how it was viewed by the authority. The Association of Metropolitan Authorities surveyed its member and five key members of the Association of County Councils to seek their response to Community Care. Firstly, they had grave reservations about the use of tendering and felt that such methods were only appropriate in the private care market e.g. residential homes for the elderly.

Secondly, they explored and found acceptable uses of other forms of contractual arrangements in the form of grants and service level agreements (SLAs).

Finally, they felt that specification and monitoring was key in maintaining quality and equality in service delivery.

Their conclusions on contracts were:

"..that this does not, of necessity, mean a diminution in the role and influence of local government. Rather, it offers a fresh opportunity for achieving a three-way partnership between service users, providing organisations and local authorities."

The study went on to add:

" The challenge now is to ensure that the various alternatives and additions to publicly provided services are of a nature, quality and reliability that make them appropriate to the needs of those using them. The move towards contractually defined services provides both an impetus and means of meeting that challenge." AMA (1990)p48

Thus, while qualified, the Association urged its members to see the opportunities that contracts offered and to see it as a positive challenge. In addition, there was an acceptance of a different role for the local authority which moved away from 'monopoly' provider to 'enabler'.

c) The other general influence and key theme to the contracts school of thinking was the need to increase competition and markets. Thus, the idea that contracts could be applied to any service (maybe bar the MOD) was no longer sacrosanct.

d) With the increasing devolution and decentralisation in authorities along with steps towards greater management accountability and the use of cost centres, the notion of 'internal' markets and customers had also gained currency. Thus, departments across authorities could have contracts in the form of budget transfers or service level agreements (SLAs). For example, a central training unit which had previously run courses on behalf of departments from a central budget allocation, would now have to be led by the department by their willingness to pay for courses or advice.

This reflected a fundamental change in power and new relationships both structurally and in the (small p) political processes of organisations.

Decentralisation Vs Fragmentation

Authorities under pressure to respond were under-going a number of their own changes in values, strategy, structure and service delivery. They are having to work out the conflicts and tensions within their organisations.

The direct pressures that they faced at the delivery end were different from those they faced from central government but were no less important.

Some of the following pressures are useful examples:

- The values of 'excellence' have become part of the local authority language. Imported from the private sector model of Peters & Waterman's (1982) 'In Search of Excellence', there was a new managerialism that permeated certain authorities or departments. Organisations were 'values' led. The approach was much in line with the 'market' perspective.

In Gloucestershire County Council, a classic and much quoted case, they call it the 'Gloucestershire Style'. There it involves:

"Serving our customers, Partnership, Involving people and Service Review" (Webster, 1990)p14

These compared very closely with the beliefs outlined by Peters and Waterman that the best-run or 'excellent' companies are value-driven and that shared vales, leadership, strategy, staff support and training are among the keys to success.

Many other authorities took on this approach in varying degrees. But such an approach needed to be critically assessed. What values are being used? How does the 'excellence' model of the private sector compare with those of public service and how does it capture its distinctiveness? Moreover, many of the companies in the original study have performed rather badly in the late 1980s.

What does it say for the generality of the 'excellence' model and how applicable is it to local authorities in England. These are some of the questions that need to be addressed.

- 'Quality' has gone hand in hand with excellence, albeit from different origins. It is part of what Terry Hanafin, Chief Executive of the London Borough of Lewisham, calls:

"Converting a 'Closed Council' into and 'Open Authority'.. Breaking the organisation out of 'old think' into 'new think'" (Harafin (1992).

It means the authority has had to change it views and cease to see issues merely from a 'providers' view and see it from the 'market' or 'customers' view.

Quality is about:

" a service that does as intended and is responsive to the needs of the user" (Stewart & Walsh (1989)

It forms what has been described as the whole 'service package', which includes four inter-locking parts. These are:-- The core service characteristics e.g. the provision of meals for the elderly. Already there are service specifications in the nutritional value.- The physical environment - Is it delivered or do you need to go to the nearest community centre? Is the centre near? What is access like there? How welcoming is the physical space?- The personal relationship - Is the service provider helpful, courteous, communicative?- The power relationships? Are the rights of the user/beneficiary being infringed? What are the steps for redress? For example do 'clients' have access to their own records? Is there a complaints procedure? (Jarrett et al (1991).

In developing quality in the 'town hall' there has been a need to develop a strategic approach. In addition, it has had to form part of the culture, with support, supervision and training.

- Customer and user involvement has also been another trend. Some see it as part of the local authorities role to promote community development as the local agent (AMA (1989)

While others are more pragmatic. Calls for 'Getting Closer' to the public and finding out their views and needs is seen as crucial for the effective use of resources and good service delivery.

" As local authorities face mounting pressure, both internal and external, councillors and officers may find it useful to take a fresh look at the reasons for getting closer to the public. The provision of 'service for the public' is certainly a challenge; however, it also offers a potential solution to some of the major problems currently being experienced in local government." (LGTB (1987))p4

The political imperative is clear.

"As local government moves into the 1990s and adjusts to a series of major changes in its role and operation, learning is given added importance. At one level learning about what the public thinks and wants can play a key part in helping the authority manage change rather than defensively responding to it. More significantly, many of the changes which are happening are going to demand a more sophisticated appreciation of the public's view." (LGTB (1988))p11

However, it is also important to acknowledge that some moves towards decentralisation may be driven by the use of new technology and micro-computers in authorities or managerial imperatives. (Hambleton & Hoggett (1984)p2)

There is considerable scope for the development of user involvement. A national survey of social services departments suggest that user involvement is a 'practical, achievable policy'. Twenty-nine percent of all respondents (49 % response) had written policies to involve service users. (Beresford & Croft (1990)).

The main methods of involving users goes beyond the market-type survey of 'Getting Closer to the Public' but involve: advisory groups, committees and forums; user/self advocacy groups and committees; management steering groups/committees; consultation meetings and planning, project or service development groups.

These suggest new types of relationship that will have to developed with the public and provide new management challenges. However, of these, consultation meetings were still the main form of involvement (70%) with only 12% of those involved in a direct say.

Some of the changes have come from the community. Both voluntary organisations and community groups have been campaigning and lobbying for improved service delivery or involvement in the decision-making or service provision.

Examples of good practice can be found in Gloucestershire County Council (Webster (1990), Richmond (LGTB, (1988), and some of the Urban Programme area like Nottingham and Newcastle where they have set up consultative mechanism as part of the urban Programme.

But the country-wide the situation was far from perfect; even when consultation had been suggested it has been facile rhetoric; inadequately organised with unclear objectives and outcomes. (Berry (1988), Prashar & Nicholas (1984).

In some cases consultation and involvement has even been a negative experience for local groups, with the notion of community development being little more than a misguided fantasy. (Croft & Beresford (1988)).

Consultation was part of a then recent trend with positive and negative connotations:

"..decentralisation per se has no necessarily association with user control and there is widespread evidence that proximity does not necessarily lead to integration." (Barnes et al (1990))p138

Thus, there is still more work to be done in this field and forms part of the range of new skills and attitudes that the authority will have to acquire to provide good public service.

- Greater Accountability of managers' actions, functions and budgets have also generated yet another force in the gestalt of local government structures. Metcalf (1991) argues that the drive for greater accountability has taken shape in the form of closer line management supervision, delegation, divisionalisation, budget tools of management and a greater use of privitization methods e.g. contracts.

He rightly raises the concern that with the increasing divisionalisation, comes specialism, which might lead to a 'blinkered' approach. This could lead to what Ashford and Lee (1990) call 'bureaucratic rationality', which is the 'old think'-type of organisation that the authority is struggling to change. In addition, in periods of uncertainty and change organisations can move into defensive behaviour or habitual routines and may, contrary to requirement, become more centralised or even 'stuck' (Ashford & Lee (1990), Argyris (1985).

Conversely, there are trends towards decentralisation in local authorities. Some of these initiatives form part of the new public sector ethos of knowing the customer; others are simply the wishes of Elected Members; while others come from a more community development perspective. These were popularised under the slogan of 'Going Local' e.g. Walsall Borough Council, which was one of the first authorities to experiment with the introduction of 32 neighborhood offices between 1980 and 1982.

The motivation for decentralisation varied from council to council and was a complex function of history, political ideology, community expression and culture, the organisational culture, practice and relationship with the community. In most cases it was by Labour councils e.g. London Boroughs of Camden, Greenwich, Hackney, Hargingey, Islington, Lambeth, Lewisham and Richmond-upon-Thames, and the Metropolitan Districts of Sheffield, Manchester and Birmingham. (Widdicombe (1986))

There were a variety of types of 'decentralisation' and these seemed to revolve around the decentralisation of decision-making and the decentralisation of services. Further discussion of this area can be found in Gaster (1991) and Hambleton & Hoggett (1984).

In addition, it has been noted that Conservative local councils do not tend to go for decentralisation. (Widdicombe (1986)). However, it would be misleading to conclude that decentralisation means a socialist ideology. It has been shown throughout this discussion that radical right views could also subscribe to decentralisation as a means of giving consumers/users choice in the social market.

The question of the future development and structure of local authorities must also lie in its identity and role, which forms the final point in this section on local authorities and the management of change.

The role of local government

The role of local government had been fundamentally challenged. We saw it earlier in the Audit Commission report (Audit Commission (1989) and a number of reviews of local government have driven the point home. The most significant was the government's enquiry into the conduct of local authority business, the Widdicombe Committee.

The report recognised the value of local government - particularly its three attributes of:

" a) pluralism, through which it contributes to the national political system;

b) participation, through which it contributes to local democracy;

c) responsiveness, through which it contributes to the provision of local needs through the delivery of services." (Widdicombe (1986)p47

On the continued viability of local government, the report stated:

" There will always be a need for the local delivery of services. There are, however, means other than local government through which local services may be provided,. and it needs to be considered what distinguishes local government from other public sector local institutions - such as health authorities, water authorities, electricity boards, or indeed local offices of Government Departments." p52

The report while recognising the political value of local government challenged it role as provider and implicitly its democratic function in comparing it to other 'public sector local institutions'.

The implied suggestions was to take the situation back to the years when services were carried out by local corporations (both public and private). It was 1835, under the Municipal Corporations Act, that procedures were consolidated so that decisions could be taken by, or on behalf of, the whole council. Are we to go back to the nineteenth century?

While it was not the explicit intention of the committee that England should go back to those inefficient days of public service, in ideological terms the answer may be yes.

This was characterised by Nicholas Ridley's view that local authorities should become 'enabling' councils. He argued that authorities should cease to be universal providers and that they should help other agencies to provide services. This challenges the traditional assumptions of authorities being 'self-sufficient', providing standardised services and being monopolies.

He states:

" Authorities will need to operate in a more pluralist way than in the past, alongside a wide variety of public, private and voluntary agencies. It will be their task to stimulate and assist these other agencies to play their part instead of, or as well as, making provision themselves.' (Ridley(1988) quoted by Cochrane (1991) p283 among others)

This residual view of local authorities as 'enabler' is also held by the government.

"In the Government's view local authorities' role in the provision of services should be to assess the needs of their area, plan the provision of services and ensure the delivery of those services. There are also fields in which local authorities will continue to have important regulatory functions and providing roles. But councils should be looking to contract out work to whoever can deliver services most efficiently and effectively, thus enabling the authority to be more responsive to the wished of their electorate." (Department of Environment (1991)p2).

Thus, authorities would 'enable', regulate and provide minimal services. A very libertarian approach.

Many authorities have accepted the argument as demonstrated by the 'Getting Closer to the Public' ethos and the AMA response to Community Care.

But are there any alternatives?

Clarke & Stewart (1988) argue that there is an alternative. They put forward a much 'broader view'. They argue that it is right for traditional values to be challenged and it is appropriate for authorities to respond to changes in the economic, political and social environment.

They state:

"Freed of the assumption of self-sufficiency and the need to produce all it does directly, the enabling council can define its role not by the services it provides but by a broader agenda of concerns." p5

They go on to say:

"Enabling does not rule out direct provision, if that provision is the most appropriate means of delivery a particular service...It will use a variety of methods." p6

Such methods include: contracts, partnership arrangements with other agencies, giving grants to voluntary organisations to provide, using regulatory powers, provide advice and guidance and creating forums for discussion.

They call for authorities to take on "new thinking" which needs them to "break away from the constraining organisational assumptions that limit a council's role to the direct delivery of services." It is acknowledged that it will be more difficult than it sounds due to organisational thought, structure and processes.

Their approach is based upon meeting the needs of the community and working broadly on a liberal interpretation of the government's view.

Gyford (1991) goes further in interpreting the meaning of the 'enabling' council. He argues that it should be much more transformatory and radical in its approach and in practice. However, he is short on practical examples of how things may actual make a difference in practice from the Clarke & Stewart model.

Cochrane' review article provides a socio-economic and political analysis using a quasi-Marxist framework. He argues that authorities are part of the wider restructuring of the economy - part of post-Fordist western economic development. Thus, the move from standardised, producer-led output (Fordist) to a more flexible and specialised production method (post-Fordist), where production units are smaller (decentralisation?), output is customer/market-led and managerialism is in its ascendancy, is a natural part of the present restructuring.
He sees a number of competing roles/models for local government of the future. These are:

A redefinition's of Enabling Authority

This moves away from Ridley's view to an agency that is service orientated, strategic and coordinated to work against fragmentation and which has a managerialist approach. The author is critical of Clarke's and Stewart as the aspirations of their contribution are far from reality. In addition, such an approach was met with some justified cynicism as it does not fundamentally challenge the former's argument.

Authorities could become the 'residual politics of welfare' where concerns of equity, collective provision of core services and community development could be relegated to 'urban regeneration' to attract private sector providers or the business sector more generally.

Post Fordists approaches

Such approaches of high-tech managerialism and specialisation are seen as too deterministic, which is a general criticism of Marxist-type analysis. Secondly, the analogy with the private sector was not seen as sustainable beyond the superficial because they are operating with different 'modes of production', the political process and social values are explicit and more significant variables in the public sector.

"The concept of the citizen-consumer suggest additional values such as equity, equal opportunities and, of course, representation and participation themselves." Editorial RIPA (1988) p122.

Cochrane does not elaborate on these points. However, to treat welfare as a 'commodity' is analytically inconsistent. In Marxist terms, both a 'price' or consistent exchange values and equality of rights and power in the exchange process are required (Catephore (1989)). These two principles are rarely applied: due to imperfections in the so-called social welfare 'market' and the lack of attention to user control (in all its forms) even in areas of best practice i.e. in social services, let alone authorities more generally. (Barnes et al (1990), Berrisford & Croft (1990))

Post-fordism with a human face is explored through 'regulation theories', which considers the institutional and social norms along with the strategic conduct of agencies of influence e.g. central government, local government, businesses unions etc. - that operate to address the inherent conflicts within society.

How far has local government been able to 'regulate' post-Fordist Britain by using voluntary groups, awarding contracts to their previous employees is uncertain. In addition, he notes from the literature (Stewart (1983) and Stoker and Wilson (1986) that there are internal conflicts within authorities, with 'competing professional ideologies' and 'a rather more complicated picture of organisational politics within local authorities.' (Cochrane (1991)p288

Thus, regulation theories may not provide us with any more insights but they do raise further points of inquiry regarding the internal conflict and change discussed earlier.

He concludes: "Regulation theory is such a protean beast and the trouble with concepts like it, Fordism and post-Fordism ..is that they overly flexible and insufficiently specialised." (Crochrane quoting from Sayer (1989p 666))

Business and Enterprise models

He argues here that trends are moving to a broader change in polity where we will have an enterprise state. In addition, there is a marked increased in the involvement of business in 'partnership' initiatives but also how authorities (of all political hues) have embraced such initiatives including non-elected Urban Corporation, TECs, the new DoE City Challenge money, and other local economic development initiatives previously scorned when undertaken by the GLC's Greater London Enterprise Board.

Local authorities have also taken on the language or 'excellence' and the business sector and talk about business plans and mission statements.

He looks back mischievously and states:

"It is tempting, perhaps unfairly, to look back at some of the managerial and academic enthusiasm which greeted the first wave of corporate planning in the late 1960s and early 1970s, as attempts were made to transfer ideas from the private sector directly into the local government system, and to remember how modest the changes actually turned out to be." (Cochrane (1991)p285)

Local Corporation

The above model leads the author to consider the corporate role of the public sector; being an active interventionists in the stimulation and development of the local economy, through campaigns, advertising and marketing and high-light the authorities specialty attractions to attract income and investment.

He concludes:

"Local politics in the 1990s will increasingly need to be analysed in terms which acknowledge a new set of power relations, reflected in an increased emphasis on public/private partnerships; which partner is dominant in particular cases may still be an open question, but that will be the question which matters." p299

Finally, Young (1991) offers a similar range of models based work in the social services departments. While his approach is different, in that he is considering the alternatives to traditional administrative models of 'post-war bureaucracy', the commonality with the other contributors is that it addresses the role and behaviour of local government. It also provides a useful framework for developing the role and models of local authorities.

Four approaches are suggested: the residual model, the defensive model, the business model and the responsive model.

Organisation and Management Issues in Local authorities

The extent and impact of the external environment lead to internal conflicts, tensions and change within authorities.

Some of these relate to the organisation. Others to the process and conduct of management.

This section looks at some of the organisational and management issues that arise from the changes currently experienced by local authorities.

Organisational Issues

Organisational issues include role, structure, strategy, and control mechanisms. These are, in many ways, variables that are concerned with the organisation and its environment.

The role of organisations was discussed above. Similarly the main current determinant of structure in organisation has also be covered, by the extent to which they are centralised, localised or decentralised. Here we are interested in looking at how these factors link with strategy.

Strategy

The search for strategy within local authorities seems to be poorly developed. The state of the art among practitioners is reflected in a rather basic introduction to strategy by Clarke & Stewart (1991). Here they provide an ABC to strategy and encourage local authorities to consider undertaking a strategic approach. The extent to which a strategic approach is undertaken at all appears to be low LGTB (1990). Such approaches have been refined within local government but do not seem to have increased in complexity (Flynn & Talbot, 1996)

Most of the notions of strategy come from the traditional models e.g. Johnson & Scholes (1989), Porter (1986 in Asch & Bowman (1989)). Thus, there is not much that is public sector specific (See Bryson (1988 as an exception). Moreover, discussions on strategy still seemed to be linked to purpose (Clarke & Stewart (1988), Issac-Henry & Painter (1991) and structure (Mintzberg (1989), Hoggett (1991).

It is argued here that one of the qualities of public sector strategy is the explicit inclusion of the elected members and the political process: particularly the relationships and roles of chief officers and members. How far these have an impact on each other and the strategy of the organisation will be one of the questions this research will address.

Organisational Structure

Mintzberg (1989) argues that where the environment is dynamic and rapidly changing that the structural response is to centralised or move into 'ad hocracy'. The former is appropriate where the environment is simple, but where it is complex then the latter is urged.

He also specifies that the nature of specialisation in the task and the formalisation of behaviour in the organisation of the activity are also important. When the environment is dynamic he suggests that formalisation is inappropriate and that an 'organic' form of behaviour and structure are more appropriate.

However, he cautions that when there is an external threat - i.e. where the environment is hostile - then the organisation's decision-making should be centralised. Thus, where the organisation is faced with a rapidly changing but hostile environment there is a tension between centralisation and decentralisation.

Lawrence and Lorsch (1967), from a contingency approach, also support the basic view that internal mechanisms need to be consistent with the demands of the external environment. The tension of specialisation ('differentiation') and co-ordination ('integration') are resolved by the nature of the formality in the co-ordination mechanism. In fact, their study suggests that the 'high performers' operating in more diverse environments used a wider range of co-ordinating functions and that they did not solely rely upon formal methods.

Flynn (1990) adds three further elements to the analysis: the need for detailed scrutiny of the work, risks associated with failure, and the need to gather appropriate information and consensus in decision-making.

a) the need for detailed scrutiny of the work - where the work is complex it is more difficult to have centralised control mechanisms. It would have to focus more on outcomes rather than process. Thus, accountability and evaluation would emphasize effectiveness.

b) risks associated with failure - some activities have enormous consequences if process undertaken to carry them out breaks down. The fire service is used as an example. Here a hierarchical centralised structure is required so that each fire-fighter knows there pre-defined role and will respond to the chief fire officer. They will not have a discussion about the best approach but will follow orders.

c) the need to gather appropriate information and consensus in decision-making - How far is there agreement about the way services should be provided? Flynn suggests where there is uncertainty between outcome and process then centralisation is needed. He provides one example of this but does not convincingly establish the argument.

While the additions are useful, in the last two cases, there appears to be some conflation in the examples used by Flynn between process (how things get done) and who decides.

Flynn (1990) summaries the determinants of centralisation: complexity of environment, external threats, level of non-routine work, task complexity, risks associated with failure and consensus of approach

The analysis is refined in the form of four areas that can be subjected to decentralisation. They are based on the basic economic questions of what to produce? For whom? How much? In addition, the is a question as to how far individual managers and units should have discretion over their spending budgets.

Thus, Flynn looks at the degree of de/centralisation on the basis of: service design, distribution, volume and budget discretion. From this we could develop profiles for organisations e.g. schools have a centralised national curriculum, with volume also being defined centrally. However, they have discretion over their budgets and theoretical freedom about who the service is for, within the age group. However, the individual school's 'market' is heavily influenced by locational factors and thus remains imperfect.

The analysis concludes with developing the concept of the learning organisation. Organisations are sensing and learning organisations and are not just about resources allocation.

Argyris (1977), Argyris and Schon (1978), Garrett (1990) and Pedler (1990) are among the several contributors that talk about the learning organisation. Argyris was one of the first to introduce the concept when he put forward the view that organisations first needed to be able to do things better. (See chapter five for a fuller discussion on learning organisations)

Control Mechanisms

As authorities are faced with a variety of structural and strategic choices they will need to be able to monitor and evaluate the extent to which they are meeting the objectives or resource targets.

Control and accountability are important features of the new public sector economics (Flynn (1990), Metcalf (1991) and Hoggett (1991) all raise it as a significant variable. Hoggett explores the range of strategies of control: starting with pre-capitalist and moving through increasing complexity to technical, bureaucratic, professional and finally post-bureaucratic control. (see fig 6).

He argues that other forms of control are no longer appropriate and that post-bureaucratic methods are feature of the future. Thus, the control mechanisms in public sector organisations will be characterised by decentralised controls within specified strategic boundaries. This means new organisational forms in practice and need new for new management skills.

Management Issues

The complexity of managing new organisational forms, processes and change requires that local authority managers have a range of different skills. Managers will have to change. In the past they were: means driven, based on narrow concepts of professionalism, administrative, ad hoc, opportunistic, patchy, no clear targets, no accountability and operated as if in a monopoly. (Department of Health (1990)).

Management for the 1990s will need to be: ends directed, consumer sensitive, targeted services, devolved, involve quality, work with cash limited budgets, entrepreneurial, accountable, work with business plans and purchasing/provider split. (Department of Health (1990)).

In addition, managers will need to work with a range of internal markets (Hoggett's internal decentralisation) and external partners and agencies (Hoggett's external decentralisation).

A study of senior social services managers (LGTB (1989)), identified the need to develop social services managers, as well as local authority managers more generally. The key areas of work were concerned with:

a) the task - the purpose of service, size of the task and its organising and resourcing

b) structure - how far would management be devolved and what level of support and accountability would exist

c) process - working within a political framework and developing partnerships and alliances through multi-agency work.

Stewart (1986) emphasizes and argues that managers will not just need skills to do: but also skills to influence and change as they become the managers of processes and uncertainty.

Walker (1991) takes the idea a stage further and explores the explicit link between the political process, chief officers and the leader of the council. There is the need to manage the interface between the explicit political process, the management function, albeit loosely defined at this stage, and the organisation and delivery of the service. By nature it is a political process.

Thus, the nature of the management agenda is not just to do with managing resources. It must also concern itself with issues of accountability, managing processes and groups, working with uncertainty, political and influencing skills and strategy.

The political dimension

The political dimension needs particular highlighting as a management issue. Not least as forms a crucial character of local authorities but also because it forms part of the current debate on the role of members (Department of Environment (1991).

There are eight elements of the political map that have been identified so far. These will need further exploration. However, at this stage it is important to record them. They form two dimensions: formality and organisational locus.

Formality is concerned with how formal or informal are the political processes within the authority. Organisational locus concerns the extent to which politics is within the organisation (among officers), among officers and members, among members or between the authority and central government.

Conclusion

The challenges facing the public sector are great and requires a change in the way agencies like local authorities see their role, position themselves strategically and develop new configurations to meet the demands of the environment. In addition, it suggests that leaders and managers of local authorities and public sector agencies will have to increase their repertoire of management skills, political sensitivities, personal resilience and capacity for learning.

Appendix 8.1 Examples of field notes to case study one - Ellismoore District council

Here are some extracts from the file notes kept in a journal during the research

Entry

11.15 7 February 1993

I was briefed by Judi but was supposed to have been briefed by Colin. The papers that I was to get beforehand were just being given to me so not been able to read them and feeling a little anxious.

As I joined the meeting of the others I note there is much hilarity (is this nervous anxiety?) and possibly some task avoidance.

Reflections on the initial meeting

Starting with Judi. Feeling the need to secure her agreement and approval.
Generally she is welcoming and helpful. When we first met in the foyer I was aware of feelings of familiarity (counter-transference) of being met by the local minister who leads me through this large building (like a church) and walks through as if he is the guardian.

I'm aware of the tension of wanting to gain closeness and still maintain the 'outsider' role so not commenting too much or trying to influence what was going on or on what people said.

(I will need to work out an acceptable relationship with Judi as she'll be the main contact)

I recognise I will have an impact by being here and decide I will need to work with it to fully take up the role (of clinical researcher)

I am seeking to become the 'silent insider' so no one gets unsettled. I need to cross the boundary to make the link but at this stage no feedback.

The leader

15 February, 1993

CM's (Chris Maccini) authority is accepted and CM takes up the role. I note my positive counter-transference towards Chris and must be aware and careful (as it may be seductive idealisation). Look for the negative aspects and behaviours too.

Comments about the group

29 March, 1993

Is Francis playing to the crowd? His behaviour is slightly challenging of Chris

A presentation to the Board is experienced by me as the individual seeking approval somewhat grovelling.

Chris invokes strong feeling in me and wonder whether this also happens for the group? Both strong positive and negative feelings

I notice some sort of pattern of clothes wear and colour. Is there some sort of psychology of shirts/blouses? Harold Mattews (DHSS) usually wear blues. Francis (Finance) usually wears a white shirt. Anne Marks (Admin) always wears a stripy business-type blouse - like a legal executive would. Trudy (Education) tends to wear blue. Judi white or blue/greys and Leon varied according to the situation, mood, day of the week by his own admission.

There seems to be a gender thing in the air. Note that women may be asked to repeat things; are ignore or challenged more.

Appendix 8.2 Results of Group observations based on the Group Analysis Grid

Total Group scores

Grand Total	791	47	302	76	8	62	161	65	46	0	0	24
		6%	38%	10%	1%	8%	20%	8%	6%	0%	0%	3%

Totals	%		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Toni	9%	71	9	19	1	1	6	27	4	3	0	0	1
Colin	29%	233	8	111	31	3	16	33	15	8	0	0	8
Anne	10%	80	2	36	7	1	3	22	7	0	0	0	2
Judi	6%	45	3	22	5	0	3	6	2	1	0	0	3
Trudy	2%	15	0	8	3	0	0	0	1	3	0	0	0
Francis	22%	171	12	51	15	2	11	48	18	9	0	0	5
Geoff	6%	48	3	11	1	0	7	8	9	8	0	0	1
Harold	5%	39	3	8	8	0	2	7	5	6	0	0	0
Leon	2%	19	1	11	1	0	2	1	0	2	0	0	1
Other	9%	70	6	25	4	1	12	9	4	6	0	0	3

Analysis of Group scores by session

Ellismoore District
Council
Date: 8 Feb 1994
Session 1 Time 9.30 -11.00

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Toni (Tech Serv)			2	5	1		3	11				
Colin (CEO)			1	8	2	1	6	4	3			1
Anne (Admin)				4	3	1		2	1			1
Judi (Policy)			1	3	1		2	2				
Trudy (Educ)												
Francis (Fin)			2	3	5	1	5	4	1			
Geoff (Environ)				4	1		3	1	3	1		
Harold (DHSS)				1	1							
Leon (Leisure)					4	1		2				
Other				1	3	1		2	4		1		
	Total	124	8	35	15	3	23	28	8	2	0	0	2
	%		6%	28%	12%	2%	19%	23%	6%	2%	0%	0%	2%

Session 2
Date: 8 Feb 1994 Time 11.22 - 13.00

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Toni (Tech Serv)			3	4			1	6	1			
Colin (CEO)			2	26	5		3	12	1			1
Anne (Admin)				10	1			10				1
Judi (Policy)			2	4			1	3				2
Trudy (Educ)												
Francis (Fin)			3	9	2		4	15	3	2		
Geoff (Environ)										3		1
Harold (DHSS)				2				1		1		
Leon (Leisure)										1		
Other			5	5	1		4	2	1			
	Total	164	15	60	9	0	13	49	4	9	0	0	5
	%		9%	37%	5%	0%	8%	30%	2%	5%	0%	0%	3%

Session 3
Date: 8 Feb 1994 Time 14.15 - 15.07

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Toni (Tech Serv)				2		1	1	6	1	1		1
Colin (CEO)			1	9	6		1	8	1	1		2
Anne (Admin)				7			1	4	2			
Judi (Policy)				8	1			1	2	1		
Trudy (Educ)												
Francis (Fin)			1	5	5	1		5	7	2		
Geoff (Environ)							1					
Harold (DHSS)					4		1	2	1			
Leon (Leisure)				3				1				
Other				4	2		1	1	1	3		
	Total	120	2	38	18	2	6	28	15	8	0	0	3
	%		2%	32%	15%	2%	5%	23%	13%	7%	0%	0%	3%

Session 4
Date: 15 Feb 1994 Time 9.30 -10.50

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Toni (Tech Serv)												
Colin (CEO)				28	15		4	5	7	3		2
Anne (Admin)				9	3			3	2			
Judi (Policy)												
Trudy (Educ)												
Francis (Fin)			1	22	3		1	18	4	2		1
Geoff (Environ)			3	7			3	7	6	4		
Harold (DHSS)			1	2	4		1	3	3			
Leon (Leisure)			1	2					1			1
Other				4			2	1	1			3
	Total	193	6	74	25	0	11	37	22	11	0	0	7
	%		3%	38%	13%	0%	6%	19%	11%	6%	0%	0%	4%

Session 5
Date: 15 March 1994 Time 9.32 -11.03

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Toni (Tech Serv)			4	8			1	4	3	1		
Colin (CEO)			4	21	2		2	3	2			1
Anne (Admin)												
Judi (Policy)				2								
Trudy (Educ)				2					1			
Francis (Fin)			4	8				4	1	1		4
Geoff (Environ)												
Harold (DHSS)			1					1	1	4		
Leon (Leisure)												
Other				3			1	1	1			
	Total	96	13	44	2	0	4	13	8	7	0	0	5
	%		14%	46%	2%	0%	4%	14%	8%	7%	0%	0%	5%

Session 6
Date: 29 March 1994 Time 9.40 -10.53

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Toni (Tech Serv)												
Colin (CEO)				19	1	2		1	2	3		1
Anne (Admin)			2	6			2	3	2			
Judi (Policy)				5	3							1
Trudy (Educ)				6	3				1	2		
Francis (Fin)			1	4			1	2	2	2		
Geoff (Environ)												
Harold (DHSS)				3						1		
Leon (Leisure)				2								
Other				6		1	2		1	1		
	Total	94	3	51	7	3	5	6	8	9	0	0	2
	%		3%	54%	7%	3%	5%	6%	9%	10	0%	0%	2%

Appendix 8.3 Overview of personal inventories

All of the directors were invited to fill in Firo-B form, a 16PF questionnaire and an MBTI. The discussion about the advantages and disadvantages of each are presented in the research chapter above (Chapter 10).

The first table shows the responses to each of the questionnaires by all the directors. The subsequent tables show the scores for each of the six remaining directors for each inventory.

Table 1. The rate of response

	Firo-B	MBTI	Catell 16PF
Colin Maccini	✗	✓	✓
Anne Marks	✓	✓	✗
Judi Patch	✗	✓	✓
Francis Craig	✗	✓	✓
Harold Matthews	✓	✓	✗
Leon Davids	✗	✓	✗
Toni Johns	✓	✓	✗
Trudy Lukes	✓	✓	✗
Geoff Brown	✓	✓	✗

Appendix 8.4 Lessons and conclusions from the research process

This appendix reviews the research process and highlights the key lessons. The research design was appropriately suited to the theoretical, philosophical and methodical aims of the work and supported its inquiry.

The final design fell within a qualitative research approach in terms of its orientation, methods and the instruments used. The research included the participants in the process of the research and was undertaken over a year but fell short of a truly longitudinal study. It drew upon the work of other researchers and thus was not without a tradition of practice and guidelines that promoted good research practice from a qualitative perspective and these were used through out the research. The instruments used in the research were generally reliable with construct validity falling short compared to face or content validity which appeared to be good..

The research process described in chapter 10 was consistent with the research aims and paradigm.

This note covers two areas:

- Research Issues
- What could be modified

Research Issues

In drawing on the wider learning from the research process a number of conclusions are drawn. It suggests that while the research process and methodology was congruent with the theoretical underpinning and the research strategy, there are still a number of limitations that existed. These are discussed in what follows, with comments on how these were dealt with and an assessment as to the degree of reliability one can place on the research.

It is helpful to consider these research issues and limitations under four sub-headings: the entry process, the data collection, the research process itself and the role of the researcher.

The entry process

The entry process looked at the actual selection of case material, the problems of access, and co-operation and the contracting process.

i)Selection of the cases

The process of selection as outline in chapter 11, left a small group to choose from in the final pool. Thus, there is an issue of selection bias in the organisations that were finally included. Do they have a greater interest and openness to learning and inquiry than do the three that started the process and then terminated the process. It is likely that the three eventually included do have a greater predilection for internal inquiry and thus there is some bias. However, as recorded in the cases there were still subjected to internal group dynamics and provided a source of learning. Another three or different cases may have generated a different set of learning but it is not possible to say.

In all the three cases the CEO and another director were sponsors of the research from the outset; in the three organisations that pulled out, the initial interviews or discussions did not include the CEO and that may be indicative about how one may have to approach such research in the future. It may be necessary to go straight to the CEO and develop a research sponsor who supports and champions the notion and independence of organisational research.

ii) Access

Generally access is a difficulty in such studies that aim to capture real systems as reflected in the discussion on case selection in the previous sub-section.(See too Yin, 1993, Sommer & Sommer, 1991, Wheelan et al, 1994, Guerin, 1995, and Bell, 1987). It is difficult to persuade organisations of the benefits that accrue from such research against the costs of time, possibly money, inconvenience, uncertain outcomes and the possibility that the team or organisation may come out looking less than perfect. The issue of confidentiality, being personally identified or saying things against the organisation or boss make such a process one to be avoided from the organisation's point of view. The researcher may also be seen as an agent who the CEO can get information about other team members. All these issues were addressed and had to be overcome before each study started.

Thus, once in the organisation, that was only the beginning. Getting open access to records, conversations, meetings and people's stories was just as important. It is a well recognised problem in research of this nature that full and 'open access' is not always attainable. In this research a considerable amount of open access was given by all three cases - including notes, minutes, background papers, attendance of board meetings, meeting board members (not for the pilot) and 'off the record' conversation. The only major constraint was that top team meetings were not tape-recorded.

iii) Co-operation and contracting

In general terms all three case teams (and the individuals within each team) were co-operative. They did not object to the researcher being in the room, they made time for meetings and even some of the cynical members in the end provided informative interviews. The general lessons for gaining co-operations were:

- Gaining support from the CEO and another top team member
- Providing a presentation of the issues and needs facing public sector organisations, demonstrating an initial understanding of their experience and views about their current predicament and showing that the research may help to address some of their issues. This is also consistent with a clinical perspective.
- Demonstrating possible benefits to the top team, the individual and the organisation through feedback at key stages in the research
- Making the contract with the whole group and not just the CEO
- Retaining confidentiality of the organisation and individual but making it clear that the material would be a source of academic and research publication
- Involving the team in key decision points about research timing, who might respond to receiving the organisational questionnaire, how might the feedback support existing top team activities and strategy away days.
- Developing a relationship with the group and individuals in the 'clinical' researcher role

These actions are worth noting for other similar studies.
The cases provided enough interest for the research to take place and again echo some of the broader principles of a clinical approach (Schein, 1996).

Data collection

i) Verbal veracity

An assumption that was taken for granted in this research was that what interviewees said had validity - i.e. it was truthful as they understood it. As the research took a constructivist perspective, this assumption was both reasonable and appropriate. Thus, it does not take differences in narratives as an intentional ploy to deceive the researcher, it is more a signifier of differences in experiences and personal orientations. In the interview material, cross verification, exploration of meaning and consensual validation provided a rich source of reliable data. However, in the organisational questionnaire such differences in meaning and understanding are not subjected to further or additional scrutiny and thus it may have less reliability.

ii)Access to unconscious material

The theoretical framework of this thesis is based on understanding the role of conscious and unconscious dynamics in groups. The notion of defensive routines and dysfunctional unconscious dynamics in groups has been crafted in a tradition based on the "Tavistock approach" and the research instruments have good validity at the group level. However, the data from the individual personal (second) interviews were not necessarily taping the unconscious- neither was there an explicit contract to do so. The material in the individual interviews attempted to uncover pre-conscious thought which was out of every-day awareness but was easily accessible with simple questioning and recollection of past memories. It tapped the 'inner dialogue'. Trying to understand the internal dialogue and the messages and drives in the mind are accessible but deep meaning and exploration of neurosis, for example, was neither sought nor given. Thus, when interviewees said, for example, that they do not remember, that was noted but not probed. Thus, while less of the material in the personal interviews was 'unconscious' it was often of preconscious content and that was sufficient within the research inquiry and ethical principles in social science and qualitative research acceptable for this type of research and within the code of conduct of the British Psychological Society, (1988) and the Academy of Management Code of ethical conduct,(1992).

iii) Contamination by suggestibility

Wertz (1986) argues that in taking a clinical approach, like psychoanalysis, there is a danger that in 'the interpretative' process that it leads to suggestibility of reality. In psychoanalysis this has always been a difficulty, but there are checks and balances to counter such contamination and some of these were adopted in this research.

Firstly, the use of clinical supervision, personal development work and group psychoanalytic psychotherapy were all served to counter intrapersonal, researcher bias. The subjectivity of the researcher could be scrutinised and examined and this helped to avoid the clinical researcher from leading or suggesting 'reality' to the client or research participants. Note some of the personal reflections in the file notes of the researcher.

Secondly, in the individual sessions, the feedback was a summary of what was said plus an exploration and identification of the internal message, dialogue or pattern of behaviours. These were surfaced by the interviewee with the clinical researcher acting as the projective screen, mirror and reflector of what had been said. The process did not involve deep interpretations or a substitute for psychoanalysis. It was in the form of a role analysis , which aimed to explore: how does what you bring from your experience impact on how you take up your role as a leader, as a director in this organisation?

Thirdly, the group feedback and 'interpretations' were open to all to examine and reinterpret and offer alternative interpretations. If it did not 'ring true' then the discussions that emerged provided greater clarity and opportunity to understand. Such feedback was given as working hypotheses and understanding to date with the view of developing further insight rather than it being delivered as a truth, or the only truth - far from it. Thus, the research process became one of an iterative exploration of 'reality'.

These additional processes and the manner in which the research process was conducted reduced the possibility of suggestibility.

iv) Method of recording group data

Comment has already been made on the data collection method of the groups in chapter 11. In undertaking such research again the use of a tape recorder would be considered. However, that is the ideal and in reality the research itself often puts people off from being involved, even more so when they are being recorded. In the original studies using this methodology a tape recorder was not used (Thelen et al, 1954, and Thelen & Stock, 1957). The same was also true of later studies (Karterud, 1988 & 1989, Karturud & Foss, 1989).

Thus, another alternative maybe the use of two trained' observers 'scoring' directly and comparing notes after wards as they did in the above studies. Direct scoring by two observers would increase the statement by statement inter-rater reliability but the loss of narrative may loose the thematic and emergent issues that were not always so apparent in situ. (Again see the file notes on the musings of the group). Such trade-offs can be necessary but methods to overcome weaknesses should also be developed to increase the validity and reliability of the research process.

Learning from the research process

i) Working in context

Much of the earlier work on groups was undertaken in controlled laboratories and the context and reality of organisational groups were ignored or poorly researched. It has been suggested that natural groups, where members will meet again, behave differently from those pulled together for research purposes only (Shaw, 1981, Katz, 1978, Shapiro, 1975, Worchel et al, 1975 as quoted in Wheelan et al p30) In taking a case study approach and working in context this generates a range of difficulties that need to be incorporated into the research process. It is neither possible nor desirable to control all of the variables in this research design. Case organisations, facing similar issues with working top teams are among the issues that have been taken into account. The reality of each team and its organisational context and culture will be different and that can be a rich source of difference for understanding what elements of the cases may be from the same and what may be different. Long, 1992, ,makes the same point in her analysis of small groups.

ii) The difficulties of intensive research approaches

Wheelan et al (1995) argue that research designs like the one undertaken in this thesis are more likely to reflect the reality of the group. However, the research is both extensive and intensive and requires considerable input both from the participants in the research and the researcher. In working on this type of project the use of several researchers or a research team would have reduced some of the logistic difficulties of data management, managing the different stages of the research with different case organisations and working through the case organisations more rapidly. Such an approach is evident in the groups studies above: for example Thelen et al, 1954, Wheelen at al, 1994, Karterud & Foss, 1989.

iii) Timing

The research was over a twelve month period in all of the cases. During the research period the groups had changes in context and group membership. As a case study approach, these changes have been used as a means of categorising the cases particularly the membership of the group: one group several members left and the group fragmented; in another group two or three left (including a long term secondment) but the core of the group remained; and the third group remained constant throughout the study period. These differences were among the main topological differences and were used as a means of comparison.

The final point is that natural groups are not often at their inception. Thus, it is hard to track the stage of development constantly over time. In this thesis the period over which group observations were taken was typically three to four months depending on the regularity of top team meetings. It not was possible to discern states of group development progression. (See Long, 1992)

The role of the researcher

The role of the researcher is one of collaborative inquirer. The clinical approach requires a different set of guidelines and protocols from 'traditional' or 'quantitative' approaches but the former are no less exacting. Through out, comments have been made on how the clinical methodologies are supported by supervision, insights by the researcher, training and negotiation with the research participants about the process, and the reality of the experiences that all parties bring to increasing understanding of group dynamics and its impact on strategic organisational learning.

Wertz (1986) suggests that the researcher has to have an attitude and ability to be close without loosing boundary - free floating attention, non-judgmental, unprejudiced openness (See also p121 of Menzies (1969) on interpretation of what one discovers in this process)

These are among the requirements of the clinical researcher in role.

What areas would be modified?

Two area are discussed in this sub-section to improve the research process.

- The processes that could have been improved within the current design
- Area for development in the research design

Research elements that could be improved

The research design proved a consistent and reliable method to collect the data across different organisations and settings.

It is easier to learn from hindsight and from the discussion in this appendix there are a number of improvements that would be made to this work if undertaking the work again. These include the following:

i) - Use of audio equipment

In this type of research which relies heavily on the spoken word of meetings, the use of a tape recorder would have been helpful. The use of a tape recorder for the management/top team meeting would have made the task more manageable, less tiring and more reliable. In the original studies by Stock et al (1954) and later by Karterud (1988, 1989 and Karterud & Foss, 1989) tape recorders were not used. However, a well developed research team and developing methodology meant that they could use two researchers in the room. In Guerin, 1995, and Long, 1992, they both used tape recorders. The former tracking three short meetings of technical groups and the latter following a psychoanalytic group, which Long was also a member. The former is more in tune with this study but the level of seniority of the group, and therefore the nature of the strategic content, and the number of observations were lower than this study.

It may be that the use of a tape recorder cannot be compromised if working alone and that in itself generates another difficulty which is it may reduce access. Taped material would then be transcribed and would be more transparent for all to see and analyse. There are a series of trade-offs to made here and the consequences of each need carefully considered. However, the use of three independent group specialist to score the notes of a meeting against Thelen et al methodology and where they did so with a high level of overall agreement with the researcher did add some assurance of the methods consistency and reliability.

ii) Use of NUD.IST,

After the pilot and half way through the analysis of the second case, the researcher was introduced to 'NUD.IST' a computer aided qualitative research tool that could help quantify the number of types of statements or key words from word processed text. NUD.IST stands for the handling of Nonnumerical Unstructured Data using Indexing, Searching and Theorising to determine structures and relationships between qualitative data sets. Some of the second and all of the third case material was analysed using NUD.IST.. Where NUD.IST was used on notations of scripts, it was very helpful and did add to the quality of the analysis because you could search for 'what if' questions and explore areas not 'obvious' from the responses in the interviews. However, it is further cautioned that searches need to be led by the research questions as it could be easy to over whelmed with data and meaningless associations between text variables. Many additional searches were explored using this computer aided tool with little extra value. In conclusion its value is more in speed and ability to manage a complex volume of text. It is certainly no substitute for thinking.

Areas that could be developed further

i) Single case study of vertical groups

In undertaking the design again there is a strong argument for the single case study with embedded cases of other groups within the same organisation. Thus, analysing groups at the board/elected member level, the top team level, cross function strategic implementation task groups may have provided further depth and a better picture of the organisational context and it would be another source of comparison between groups, so that the context was the constant variable. Furthermore, it may have allowed more of a longitudinal study staying within the same organisation for longer. It would not have been any less deep in terms of the level of analysis.

ii)A longitudinal study

There was scope for the study to be more longitudinal. Under the original research design it may have needed more resources, just because of the longevity of the research process. Under the single case with embedded cases it may have been possible with the existing resources as there would have been less inter-faces to manage and each embedded case would contribute to understanding the whole.

iii) Use a small group of 'clinical' researchers

Much of the research that has taken this approach has used more than one researcher. During the case of the National Health service another researcher was involved and this added to understanding the common themes of the organisation at the strategic level. As the researchers did not both observe all of the groups the comparison could only be general and an opportunity was missed, mainly due to availability and the times of meetings than by design.

The use of three or four trained clinical researchers, as in many of the group studies, would have contributed to the efficiency and quality to the research process.

Overall the thesis broadly met its research goals and provided a complex answer to the question: what is the impact on organisational learning of the dynamics of the top team.

What could be usefully transferred to similar studies?

There are a number of lessons that could lend themselves to similar studies and these are briefly recaptured.

- The key lessons from the entry, negotiation, contracting and study process provide guidelines for developing good long term research relationships and cooperation from people in the organisation

- A case study approach provides depth and allows the study of social systems in context

- A variety of methods of data collection should be used to gain increasing face validity and triangulation of the data

- Intensive methods support the qualitative and case study approach. These need to be managed otherwise one can risk the difficulty of information over-load.

- Three tools can assist in the data collection and processing.

    * The use of more than one researcher using and sharing an agreed set of protocols
    * The use of taped material so that it can be transcribed
    * The use of NUD.IST as a way of organising and analysing text data

- A clinical methodology can help gain assess to the more subjective experience of the participants. However, this should be supported with clinical supervision, training in the use of psychoanalytical approaches to organisational analysis, personal growth activities and self reflection

It is concluded that organisational researchers seeking to explore and understand their phenomena of interest within the context of 'real time' organisational dynamics would find such a research approach a consistent and reliable process to use as a start. The approach has external and internal integrity and validity and is flexible enough to meet the needs of the particular topic of enquiry.

Appendix 9.1 Examples of field notes to case study two - Gladding (NHS) Hospital Trust

Here are some extracts from the file notes kept in a journal during the research

A misunderstanding

24 January, 1996

(I had pulled together a learning case study for British Association of Medical Managers based on some of my work at Gladding and let them have a copy having piloted it with MSc public sector students at Bristol University's SAUS)

I have just received a note from Dr James on the research process at the trust. My initial feeling on first glance is worry... (it feels critical). But looking at it again I realised that the concept of 'case study' meant different things and thought I'd ring James this week rather than write a letter which may appear defensive.

I was also concerned that the case could be identified (a point raised in his letter). But after my initial reactions I did not think about it too seriously.

26 January, 1996

On my answer machine today I received a message from James. He says:

"Want to follow up letter of last week and the Firo-B things... one or two things uncertain about, where's the whole study going? Not clear about it myself. Maybe come and talk to the CEO again and maybe give me a ring some time. Thank you."

My anxiety goes up and feeling that the whole project is at risk and its not going to happen.

I return James' call immediately and talk through each stage of the process - the purpose of different case studies etc. I offered to go to the Trust on 8 February, but he says that's too soon (but he does say any other dates).

He also states that he doesn't need (further) feedback, as they agreed to be guinea pigs but some of his colleagues are more involved. I ask him if he would send a note to his colleagues to help the process. No he says. 'Send a note putting the main points of our discussion. I could put it on the internal e-mail but it would be better coming form you so you can say what you want/'

We agree the main points (James summarises our discussion) and I say: 'I'll do it.' Call ends. The letter went out today.

My reflections

My interpretation of these events is that there is some anxiety in the system and Dr James is carrying it for the CEO (and maybe HR too?). He's both written and followed up with a call within a week. While distancing himself from the comments he probably holds some of them as well. So note how he suggests I write up the stuff. Thus, there are probably feelings of exposure and vulnerability.

This further implied feelings of confusion (about the research process) and abandonment after the last feedback session was actually described. (Recall the conversation at the end when we went through that loop of them trying to get me back and me resisting.)

I feel they are seeking a 'holding environment'/'secure base' and reassurance. Feel that's fine for the system - as they are going through lots of changes - for Geoffrey, for Dr James in his liaison role with the others who I feel very positive about them all. Also from my own point of view I would like to see the work completed.

Loosing touch

11 March, 1996

I've noticed that the NHS project has fallen off - both in my mind and the minds of the people involved in the research. They have not returned the Firo-Bs that they made so much of (last when we met on 16 November, 1995). Only two of the possible seven people have responded.

I recall the anxiety expressed by Dr James (see previous file note) and have only just connected with the fact that I was seen as a container and friend in the role.

The feedback was valuable (when we last met) but I recall it was experienced as exposing. I did follow up on the Firo-B's and the initial case material but not the transcription of the taped conversation. I haven't had time to check it (or some unconscious motivation).

Thus, I may be perceived as taking something away and abandoning them. Furthermore, changes in the management team may also be making them shaky and my withdrawal may be unhelpful right now.

Letters and requests (that followed this reflection) to contact Dr James or Geoffrey Hands (CEO) should have perhaps come earlier and not just rely on the unanswered phone messages I'd left. It may be useful to visit the organisation this month to regain contact?

This does not feel like a knee-jerk collusion or enactment - more a recognition of stopping further learning by the system withdrawing (I have to test this)

Reflection

In an attempt not to be consultant to the group or 'reassurer', I have perhaps gone the other way and in so doing put the research relationship at risk.

Further, the projection of 'saviour' or 'holding environment' (they are not the same) is to be handled sensitively so as not to collude with the former but to hold the latter.

My sudden sense of 'bereavement' must be experienced by them and reflects some projective identification

Appendix 9.2 Results of Group observations based on the Group Analysis Grid

Total Group scores

Grand Total		982	102	317	148	19	68	112	101	80	10	5	20
			10%	32%	15%	2%	7%	11%	10%	8%	1%	1%	2%
Totals	%		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Geoffrey (CEO)	36%	282	31	111	39	5	15	30	31	13	1	1	5
Dr James	17%	131	19	29	18	1	9	20	13	13	4	0	5
David (HR)	11%	87	10	18	22	0	4	18	4	8	0	2	1
Harriet (Ops)	17%	133	13	41	25	6	6	11	10	15	2	1	3
Ginny (Contracts)	15%	118	17	46	17	0	8	8	9	11	0	1	1
Gary (Fin)	9%	72	5	29	9	0	3	8	11	6	0	0	1
Jean (Nurs)	7%	58	4	16	2	2	2	7	15	6	1	0	3
Fred (Qual)	4%	34	1	4	15	5	1	4	2	2	0	0	0
Graham (IS)	1%	8	0	4	1	0	0	0	0	2	1	0	0
Other	7%	59	2	19	0	0	20	6	6	4	1	0	1

Analysis of Group scores by session

Gladding (NHS) Hospital Trust
Date: 18 May 1995
Session 1 Time 13.50 - 15.30

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Geoffrey (CEO)			9	28	12	2	5	8	9	6	1	
Dr James			7	7	6		3	5	5	4		1
David (HR)			6	4	8			5	1	1		
Harriet (Ops)			5	7	8	3	2	2	3	3	1	1
Ginny (Contracts)			6	14	6		3	3	2	2		1
Gary (Fin)			1	4	1			1	4	1		
Jean (Nurs)			1				1		5	1		
Fred (Qual)			1	2	10							
Graham (IS)												
Other				11			4	1	2			
Total	266		36	77	51	5	18	25	31	18	2	0	3
%			14%	29%	19%	2%	7%	9%	12%	7%	1%	0%	1%

Session 2
Date: 18 May 1995 Time 15.45 - 17.10

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Geoffrey (CEO)			12	30	17	1	4	12	12	6		2
Dr James			5	4	2	1	1	7	2	4		1
David (HR)			3	8	12		4	12	2	4	1	
Harriet (Ops)			5	9	5		2	2	4	5		
Ginny (Contracts)			5	17	5		4	2	3	6	1	
Gary (Fin)			4	9	5			3	4	3		
Jean (Nurs)			1		1	1		2	3	1		
Fred (Qual)				2	5	5	1	4	2	2		
Graham (IS)												
Other							3	2		1	1		
Total	309		35	79	52	8	19	46	32	28	5	2	3
%			11%	26%	17%	3%	6%	15%	10%	9%	2%	1%	1%

Session 3
Date: 13 July 1995 Time 14.10 - 4.00

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Geoffrey (CEO)												
Dr James			5	10	3		1	6	3	2		1
David (HR)												
Harriet (Ops)			3	10	6	1	2	3	1	4	1	1
Ginny (Contracts)												
Gary (Fin)				7	1		3	2	2	1		
Jean (Nurs)			1	12	1		1	4	6	1	1	3
Fred (Qual)												
Graham (IS)				3	1					2	1	
Other			1	3			5	3	2			1
	Total	131	10	45	12	1	12	18	14	10	3	0 6
	%		8%	34%	9%	1%	9%	14%	11%	8%	2%	0% 5%

Session 4
Date: 20 July 1995 Time 14.05 - 15.50

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Geoffrey (CEO)			10	53	10	2	6	10	10	1	1	3
Dr James			2	8	7		4	2	3	7		2
David (HR)			1	6	2			1	1	3	1	1
Harriet (Ops)				15	6	2		4	2	3	1	1
Ginny (Contracts)			6	15	6		1	3	4	3		
Gary (Fin)				9	2			2	1	1		1
Jean (Nurs)			1	4		1		1	1	3		
Fred (Qual)												
Graham (IS)				1								
Other			1	5			8		2	3		
	Total	276	21	116	33	5	19	23	24	24	0	3 8
	%		8%	42%	12%	2%	7%	8%	9%	9%	0%	1% 3%

APPENDIX 9.3 Another Gladding Trust Executive meeting

It was a hot Tuesday afternoon and the directors were having one of their regular fortnightly meetings. The room was stuffy and the agenda long but spirits were high as reflected in the level of humour expressed in the group from time to time. The group had spent much of the early part of the meeting exchanging information about their areas of responsibilities and were about to discuss the need to benchmark with other hospital trusts. Ellen, who worked in Ginny's Directorate had just completed an impressive presentation on the benefits of bench marking: why it was timely now, the process, who might be involved and she gave reassurances about the credibility of the company they could use and how confidentiality was to be maintained.

Geoffrey: Any questions?

Dr. You said we've been involved with this company on a pilot basis with nine other trusts. How long has this been going on for?

Ellen: About six months...

Jean: Yes, what sort of people get involved? Is it business development people, quality, contracts staff or what? We have some things we would be interested to have examined: prices, waiting times, bed occupancy, bed throughput, % of day cases...

Ellen: We can do that. What the company does is to provide information so that one can compare against the best and worse performer in the bench marking group. While there are sensitivities about confidentiality a lot of the information is actually public if you dig around. I mean the group (Exec Directors) could simply fund a research person to collate the data instead.

On confidentiality, I know that some of our speciality managers are sensitive to sharing data with other local trusts but there are usually only about 12 'members' in a (bench marking) group.

David: It's important to note that such company's do not tend to do trust-wide comparisons it tends to be on specific elements of performance. Also a lot of noise is made about the results. I heard on the grapevine that The King James' Hospital trust halved their outpatient through-puts but according to my colleague there, its just how they manage the appointments. So its hard to read to much into these things.

Jean: I'd be interested to see how we compare with other local practices and am interested in collaboration.

Ellen nods in acknowledgment and makes a note of it.

Graham: We already have a lot of information on our computer systems that could be used for bench marking but it is not being used.

Ellen: The problem with our system is that the data does not come in easily comparable chunks with other trusts. What this company has done is to use a methodology which draws on the work of the Kings Foundation; so its unlike the private sector bench marking methods.

Gary: OK so how much is it going to cost? (the group laughs)

James (Dr.): Yes that's my question too (three or four others nod in agreement)

Ellen: £7,500 joining fee plus a subscription fee of £15,000 per year for the data and other facilities. Thus for year one the cost would be £22,500 and the minimum contract is three years.

The group is silent for a moment

Gary: If it can yield £1m in income (or savings), then could see it as an investment.

James (Dr.): This is the same having one person in post for a year.

Harriet: I can go with the principle and in theory it could be a valuable exercise, but I do have some concerns about it just giving us spurious results.

Ellen: They can not solve all our problems and can only give us answers to the questions we ask - so we have to ask the right questions. I'm not sold on this company doing it but I prefer a company to it than it being done internally.

David: I know some other people we can contact and see if we could get a good deal.

Ginny: Yes, that would be good. We can get those addresses from you after the meeting.

The meeting loses focus for several minutes with a number of smaller conversations operating

Geoffrey: Please can we have one meeting and come back to the point under discussion

Gary: Bench marking assumes that the present state is OK. Rather than looking at what we do, why we do it and how we should be doing it next time!

David: Yes, might we not be better looking at Business Process Re-engineering as they have done in other hospitals. If Fred was here I'm sure he would agree.

Harriet: I'd like to get more information about what my colleagues experience is of the company in other trusts. I think for us to engage in this exercise at all it may mean a change of culture. It will certainly highlight our weaknesses and maybe say how we could do things better.

There is some final discussion on the detail of the company's consultancy process and the CEO begins to bring the topic to a close.

James (Dr.): Originally, I was quite enthusiastic but now I'm less convinced that it will yield the results we need. Shouldn't this be the job of the quality manager....

Appendix 9.5 Firo-B scores for Gladding Hospital Trust directors

Firo-B raw scores for Geoffrey Hands

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	4	9	2	15
Wanted (W)	0	3	4	7
Sum (E+W)	4	12	6	Total sum 22
Diff (+ or -)(E-W)	4	6	-2	Total difference 8

Firo-B raw scores for Dr James Miller-Winthrope

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	4	5	3	12
Wanted (W)	0	3	4	7
Sum (E+W)	4	8	7	Total sum 19
Diff (+ or -)(E-W)	4	2	-1	Total difference 5

Firo-B raw scores for David Larson

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	4	4	2	10
Wanted (W)	3	0	5	8
Sum (E+W)	7	4	7	Total sum 18
Diff (+ or -)(E-W)	1	4	-3	Total difference 2

Firo-B raw scores for Harriet Quinn

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	5	4	3	12
Wanted (W)	1	5	0	6
Sum (E+W)	6	9	3	Total sum 18
Diff (+ or -)(E-W)	4	-1	3	Total difference 6

Firo-B raw scores for Ginny DeVoil

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	4	3	3	10
Wanted (W)	1	3	4	8
Sum (E+W)	5	6	7	Total sum 18
Diff (+ or -)(E-W)	3	0	-1	Total difference 2

Firo-B raw scores for Jean Peat

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	6	3	4	13
Wanted (W)	7	4	5	16
Sum (E+W)	13	7	9	Total sum 29
Diff (+ or -)(E-W)	-1	-1	-1	Total difference -3

Appendix 10.1 Examples of field notes to case study three - Tuthering council

Here are some extracts from the file notes kept in a journal during the research

Entry

28 February 1995

These are my initial thoughts after attending the first meeting of the directors group plus briefings and all the run up to gaining entry.

My thoughts are:

- The environment is driven by a financial imperative and within the broader context of change in local government
- The strategic task is poorly defined
- The political leadership is fragmented. No coherence
- The top team does not appear to be effective as a group and have unresolved issues
- the leadership is in the right direction (the CEO) but is forceful
- The organisation is in transition with a culture of 'blame and fear' dominating and change weary
- Organisational learning is undermined.

Interpretation

The changing nature of the context and task leads to task anxiety at the strategic level . There are several responses but they do not seem to be contained. The strategic boundary is underbounded: authority is split, fragmented and there are personality dynamics. This is mirrored to some degree in the top team from its dynamics.

In order to stop complete chaos, the CEO is mobilised to take a centralist position to stop it falling apart (The leader of the council does so also. These two form the anchor for the organisation).

Others experience this as disempowering and tend to hold own boundaries as a defensive response and thus a vicious cycle begins - a fall in trust, decreases communication, power experienced as centralist, openness falls etc.

Thus organisation probably needs tight core, with 'variations in the regions'.
Organisational learning is impeded as the system becomes bounded tight and the learning is undermined through defensive routines - there are no review, they do not see the signal nor do they respond (collectively) when they do.

Organisational collusion? The 'nearly missed' meeting

25 June 1996

I had a meeting planned with Peter Atkins at 10am today. It was confirmed and it was in the diary. Yet I failed to turn up. I was already in the building (from 9-10am in another meeting) and finished on time.

I went and asked to see Chris (CEO) (who was busy but happy to see me later) and spent time talking with Charles Tew about the organisational context and update and some personal stuff he raised with me. We finished at 10.30. I then went back to the interview room to be met with surprise as Peter was waiting in the room. Why had I not been there?!

I felt really awful and apologised. Yet wondered why this happened?

I felt that it could reflect the system. Peter is the furthest away from the Town Hall and is perceived as the 'outsider' of the group. I felt that I had internalised this and 'forgot' him - outside of my sight view. (I also had an minor eye operation yesterday)

I treated him as less important and was mobilised perhaps to be at the centre with Chris and Charles. To be the confidante? To talk informally to them instead.

I suggest this reflects the power dynamics within the system of the organisation.

Group observation/interpretation

26 July, 1995

The level of voice input is especially low today. It is 'as if' they want to hide what they are discussing. I also noticed their level of interaction with me.

Chris and Charles are fine. There were two substitutes - people I had not met before. But Paul and Ben were not connecting with me at all. My phantasy was that they were angry with me for not maintaining the relationship and coming in only once a month. I thought they wish to keep me out. There was no chair put out (one usually is) and the hushed tones were significant.

Interpretation

I think it is something to do with not being close to them and it reminds me of the rejection of a child when parents go away.

More group dynamics

The Chris and Charles dynamic is a constant feature of the group. It is seen mainly in Chris who makes sarcastic comments to Charles and gives him verbal lashings. Charles returns with challenging language or comments on the process (which seems to annoy Chris). This goes on regularly. I interpret as a challenge to Chris's authority and a power struggle on behalf of the group and a direct attack at Chris's. Its Ba fight.

Organisational note

26 July, 1995

I noticed at the reception, she calls up to the CEO's office and says: 'Michael Jarrett here to see Chris'. I wondered what this meant about authority, using the CEO first name in front of a visitor. It also reminded me of waiting to go to the headmasters office.

Appendix 10.2 Results of Group observations based on the Group Analysis Grid

Total Group scores

Grand Total	853	62	286	78	14	28	252	69	25	7	4	28
	100%	7%	34%	9%	2%	3%	30%	8%	3%	1%	0%	3%

Totals	%		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Chris (CEO)	48%	380	9	152	40	9	5	127	16	11	2	0	9
Fred (Welf)	7%	59	4	13	1	2	3	19	9	2	2	1	3
Paul (Fin)	9%	68	8	24	6	0	0	21	3	2	1	1	2
Charles (Strat)	18%	144	15	41	14	2	3	41	15	5	1	1	6
Ben (Plan)	8%	63	3	18	6	0	3	17	12	1	0	1	2
Janet (Educ)	7%	53	9	11	3	1	2	12	10	2	1	0	2
Peter (Contr)	2%	13	3	2	3	0	1	3	0	0	0	0	1
Other	9%	73	11	25	5	0	11	12	4	2	0	0	3

Analysis of Group scores by session

Tuthering Council
Date: 31 May 1995
Session 1 Time 10.35 - 11.37

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Chris (CEO)		2	26	2				15	5			3
Fred (Welf)			1	1				5	2		1	1
Paul (Fin)			1					2				1
Charles (Strat)		6	12					16	5			2
Ben (Plan)			3	1				2	3			1
Janet (Educ)		7	5				2	5	2	1	1	
Peter (Contr)		2	1									
Other			2	1				1				
	Total	17	51	5	0	2	46	12	6	1	2	7
	%	11%	34%	3%	0%	1%	31%	8%	4%	1%	1%	5%

Session 2
Date: 31 May 1995 Time 12.07 - 1.04

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Chris (CEO)			2	26	15	4	1	22	4	3	1	1
Fred (Welf)			3	4				1	1	1		2
Paul (Fin)			1	4	1			4	1			1
Charles (Strat)			7	11	1	2	1	8	1	2	1	1
Ben (Plan)												
Janet (Educ)				3	1			4	4			1
Peter (Contr)												
Other			2	8	2		1	6		1		1
	Total	172	15	56	20	6	3	45	11	7	1	1	7
	%		9%	33%	12%	3%	2%	26%	6%	4%	1%	1%	4%

Session 3
Date: 28 June 1995 Time 11.45 - 13.10

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Chris (CEO)			1	31	15		1	32	6	1		
Fred (Welf)				3				4	4			
Paul (Fin)			4	11	3			10	1	1	1	
Charles (Strat)			1	7	4			9	4	3		
Ben (Plan)			2	9	1		3	9	5			
Janet (Educ)			2	3	2	1		3	4	1		1
Peter (Contr)			1	1	1			2				
Other			2	6			6	1	2			2
	Total	227	13	71	26	1	10	70	26	6	0	1	3
	%		6%	31%	11%	0%	4%	31%	11%	3%	0%	0%	1%

Session 4
Date: 26 July 1995 Time 10.00 - 11.15

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Chris (CEO)			3	50	2	3		26	3	2		3
Fred (Welf)				1		2						
Paul (Fin)			2	3	2				1	1		
Charles (Strat)				6				7	5			
Ben (Plan)			1	5	4			5	4	1		2
Janet (Educ)												
Peter (Contr)					2		1	1				1
Other			2	1	1			1	1			
	Total	155	8	66	11	5	1	40	14	4	0	0	6
	%		5%	43%	7%	3%	1%	26%	9%	3%	0%	0%	4%

Session 5
Date: 26 July 1995 Time 11.30 - 13.27

		w1	w2	w3	w4	FL	Fi	D	P	CP	CD	Uncl
Chris (CEO)			1	19	6	2	3	32	3	1		2
Fred (Welf)			1	4			3	9	2	1	2	
Paul (Fin)			1	5				5			1	
Charles (Strat)			1	5	9		2	1			1	3
Ben (Plan)				1				1				
Janet (Educ)												
Peter (Contr)												
Other			5	8	1		4	3	1	1		
	Total	150	9	42	16	2	12	51	6	2	5	0	5
	%		6%	28%	11%	1%	8%	34%	4%	1%	3%	0%	3%

Appendix 10.3 Extracts from the Director's group meeting

Here is an except from the group's conversation on service sampling

26 July, 1995 (from session 4 above)

Chris: Let's discuss the principle and the procedure. Let's consider the principle first.

Fred: Is this what members intended as they felt that senior managers and directors were out of touch. I thought they just want to see us out more.

Chris: Yes. It is about those things but it is also about a critical and objective way. I go out to visits and say things there and then but it has limited value. This seeks a systematic approach.

Keith (sub) I have some sympathy with Fred's comments. We have been pushing down responsibility and authority and now will have other things coming down possibly undermining the managers. It's not empowering

Chris: But this is a way of monitoring performance systematically against criteria!

Keith: We could service sample any number of customer interfaces

Chris: But as we can see from these notes we can't (notes presented at the beginning of the meeting)...

Charles (interrupts with raised hand): Can I make a comment? I'll claim some responsibility as there a number of models it is based on. There a snapshot, there's scoring..

Fred: Let's not go on about education

Charles: if we have some stats..

Chris (to Charles): Aren't you staggered by the defensiveness by the group. We have clear standards on for example telephones, correspondence. Are you happy about these things working? (A question to the group). No. You are not. So let's pilot!

Fred: We've been invited to discuss this. If so lets do so or otherwise...

Chris (interrupts) Are you objecting to the principle that the leader says you are not the visible face of your service? You lot. He wants me to manage an objective source within two months. Forget the leader! What's wrong with the proposal!! (Chris is shouting now)
Paul: This is a duplicate of other things we're doing and we're not focused on the customer part

Chris: You sit here all honky dory and do **** all and think we do something!!

Fred: Not having a discussion here

Chris; We'll run this pilot. I'll run it and show you!

Fred: Lets go on to next business

Charles: Lets be honest and get down to mechanics. Yes there is the commitment to quality. But we got a pick and mix. Here we have less than BS5750. It would be helpful if two or three field tested it and if it doesn't help we will tear it up. I'd prefer to have some field testing

Chris: I want to see it moving. Avoid nonsense you made about anecdotal garbage. Let them take this framework.

Charles: I don't believe members should be doing this. It's a management function

Chris: It's no different from public complaints (procedure)

Paul: Hang on Chris. We're trying to impose a pilot onto something that is not working. What we need to do is review the system

Chris. Non of these arguments undermine the proposal on the table.

Paul: It does as they have

Chris: All of you said within this room that you have systems in this respect and it meets the requirements of the District Auditor

Paul: No way can make it in 7 days like correspondence..

Chris (interrupts): OK change to ten days. It does not conflict with the proposal

The meeting goes on in the same vein for another 15 minutes with all parties resolved to pilot testing the scheme in one of the local areas.

Appendix 10.4 Firo-B scores for Tuthering Local Council

Firo-B raw scores for Chris Hinds

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	4	7	0	11
Wanted (W)	1	2	1	4
Sum (E+W)	5	9	1	Total sum 15
Diff (+ or -)(E-W)	3	5	-1	Total difference 7

Firo-B raw scores for Paul Harris

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	2	9	0	11
Wanted (W)	1	3	5	9
Sum (E+W)	3	12	5	Total sum 20
Diff (+ or -)(E-W)	1	6	-5	Total difference 2

Firo-B raw scores for Fred Jones

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	4	5	8	17
Wanted (W)	1	4	8	13
Sum (E+W)	5	9	16	Total sum 30
Diff (+ or -)(E-W)	3	1	0	Total difference 4

Firo-B raw scores for Ben Chandra

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	2	9	2	13
Wanted (W)	2	0	0	2
Sum (E+W)	4	9	2	Total sum 15
Diff (+ or -)(E-W)	0	9	2	Total difference 11

Firo-B raw scores for Peter Atkins

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	5	7	3	15
Wanted (W)	0	4	5	9
Sum (E+W)	5	11	8	Total sum 24
Diff (+ or -)(E-W)	5	3	-2	Total difference 6

Firo-B raw scores for Janet Taylor

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	5	5	3	13
Wanted (W)	0	2	4	6
Sum (E+W)	5	7	7	Total sum 19
Diff (+ or -)(E-W)	5	3	-1	Total difference 7

Firo-B raw scores for Charles Tews

	Inclusion (I)	Control (C)	Affection (A)	Sum (I+C+A)
Expressed (E)	5	8	4	17
Wanted (W)	2	1	5	8
Sum (E+W)	7	9	9	Total sum 25
Diff (+ or -)(E-W)	3	7	-1	Total difference 9