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## Bad Company: Behind the corporate mask

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Officially, the Security Service (MI5) and the Secret Intelligence Service (MI6) don't do press or public relations. In reality, both organisations have in the past enjoyed the kind of PR image that would make most organisations green with envy. From the second world war up to the 1980s, both organisations were synonymous with British cunning, courage, foresight and ingenuity. This real-life image gave rise to perhaps the most successful fictional character of all time, British secret agent 007, James Bond. Partly this rosy picture grew out of the harmless fictions woven around the necessary secrecy of the intelligence world. Partly it was a legend leaked by serving and former officers of the services to their old chums in Fleet Street over lunch, in order to score a few PR points. And, partly, it was thanks to the pens of former intelligence officers, such as Graham Greene, Dennis Wheatley, Ian Fleming and their creations, like the resourceful and redoubtable 007. Looked at in one way, perhaps with a rather jaundiced eye, the intelligence services enjoyed for four decades the kind of conditions that the very worst commercial corporations would give their right arms for; the freedom to pull any dirty trick they pleased in complete secrecy and with the press and TV unable to report anything they found out about it. As if this wasn't advantage enough, the intelligence services were also able to manipulate the way their image filtered out to the press and public: if the press got hold of a story that made the services look good, then it would be confirmed by the simple expedient of not denying it - whether it was true or false. If the press got hold of a story that reflected badly on the services, then the story could have a 'D' notice slapped on it. Given these competitive advantages - in effect, a kind of PR monopoly - even the world's worst organisations ought to enjoy the best corporate image possible. No one can doubt that the secret, unpublished volumes of history of the two services must be filled with many, many records of individual heroism, self-sacrifice and brilliant planning, and both organisations must be congratulated for those successes. The sad thing is that while many successes remain secret, the blemishes in those secret histories should have been made public in the most dramatic way possible, because of an almost comically inept mishandling of one of the commonplace corporate situations - a disgruntled ex-employee. Peter Wright was employed by the intelligence services from 1955 to 1976, rising to become Assistant Director of MI5. Because he was an expert in electronic communications and bugging (a kind of real-life Q) he was also intimately involved in many MI6 operations over two decades.[40]

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There is today a considerable body of academic work on this and many other aspects of the subject. The classic psychology text is Cartright and Zander's Introduction to Group Dynamics published in 1968. From the outset, its authors address the central issue: are groups and hence group psychology real entities or simply useful metaphors? 'There was never much doubt [in psychology] about the 'existence' of individual organisms,' say the authors, 'but when attention turned to groups of people and to social institutions, a great confusion arose. Discussions of these matters invoked terms like "group mind", "collective representations", "collective unconscious" and "culture". And people argued heatedly as to whether such terms refer to any real phenomena or whether they are merely "abstractions" or "analogies". On the whole, the disciplines concerned with institutions (anthropology, economics, political science and sociology) have freely attributed concrete reality to supra-individual entities, whereas psychology with its interest in the physiological basis of behaviour, has been reluctant to admit existence to anything other than the behaviour of organisms.'[45] Some researchers were thinking about organisations not merely in psychological terms, but in psychiatric terms, from the earliest days. Sigmund Freud published his 1921 book, Group Psychology and the Analysis of the Ego, in which he applied his whole theory of psychoanalysis to groups as distinct from individuals. Moreover, Freud's publication came immediately after two other similar and influential books on the same subject: Le Bon's The Crowd: A Study of the Group Mind and McDougall's The Group Mind, both published in Britain in 1920.[46],[47] But the subject really took off in the years immediately before and after the Second World War. The rise of fascist dictatorships in Europe had stimulated much academic interest in group behaviour and in 1945, Kurt Lewin, who had coined the phrase 'group dynamics', established the Research Center for Group Dynamics at Massachusetts Institute of Technology. Lewin was a German Jew who left Germany for the United States when the

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Nazis came to power in 1933. He spent two years at Cornell University and the next nine at the Iowa Child Research Station before moving to MIT. The list of students Lewin attracted during these years is a roll-call of some of the most distinguished names in experimental psychology in the post-war years, including Cartright and Zander, Festinger, Bavelas, Lippitt and anthropologist Margaret Mead. One illuminating sidelight of the research conducted into group behaviour at this time is that it seems usually to be centred on the workers, rather than on those who direct the corporation. Turning, for instance, to the section of Cartright and Zander on 'Leadership and Performance of Group Functions', you find references to studies of schoolboys doing carpentry, of women working sewing machines in a pyjama factory (later improbably immortalised in song as the hit Broadway musical The Pyjama Game) of basketball teams, of bomber crews, of boy cadets in the Belgian Navy. But you will search in vain for studies of the group behaviour of factory owners, corporate executives, of military brass, or even senior faculty members. Of course, like everything else in life,

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Freud accepted the idea of the collective unconscious but not the idea of hypnotic suggestion; for who, he asked, was the hypnotist? Freud believed that the group's behaviour was voluntary, not the result of suggestion. He introduced the concept of libido to explain group behaviour: 'Libido is the energy of those instincts to do with all that may be comprised under the word "love".' Thus, according to Freud, the binding force of the group was the emotional ties of the members. This is highly significant because, if true, it means that the fundamental dynamic of the corporation is not a rational purpose, as we usually like to think, but an emotional, non-rational one. In his 1978 book, *The Psychoanalysis of Organisations*, Robert de Board of the Tavistock Institute summarised Freud's view thus:-

- \* The major force operating in a group is the libido: the sexual instinct operating within every individual, which is basic to his behaviour and is not capable of further dissection. This does not mean or imply that group behaviour is sexual, in the usual meaning of the word. In the normal nature of things, the libido finds its most obvious expression in the sexual union of a man and woman. However, Freud said, 'in other circumstances, [the sexual instincts] are diverted from this aim or are prevented from reaching it, though always preserving enough of their original nature to keep their identity recognisable (as in the longing for proximity and self-sacrifice)'.
- \* The group is bound together through libidinal ties to the leader and to the other members of the group.
- \* The emotional bonds in the group derive essentially from 'identification', which Freud described as the earliest expression of an emotional tie with another person.
- \* The process of identification involves the 'introjection' of the admired or loved object into the ego ideal. In the group, this object is the leader with whom each member identifies, and having the object in their ego ideals, they can identify with each other.
- \* The leader of the group . . . is able to exercise his authority in the group because he is now the group ideal, each member having replaced his own ego with him.

[49] Even if Freud's theory were proved correct, however, one key issue remains unresolved. Surely many people, especially those experienced as senior executives within commercial organisations, would answer Freud's earlier question - who is the hypnotist that makes suggestions to the group? - as simply the group's leader. Isn't it the charismatic chief executive who takes all the tough decisions? Isn't it he or she who both directs the organisation through force of personality and gives it its essential character? Like Henry Ford; or Thomas Watson, legendary founder of IBM; or Winston Churchill? Bill Clinton or Tony Blair? In fact, more recent studies suggest that Freud was quite correct: that there is no 'hypnotist' who directs the group, and that even charismatic leaders are prisoners of their own organisations. In *The Psychoanalysis of Organisations*, Robert de Board writes about the third major influence on the theory of group and organisational behaviour alongside Freud and Lewin - British psychiatrist Wilfred Bion. Bion worked at London's Tavistock Institute of Human Relations and conducted a long series of group studies in the 1950s and 1960s (his papers were published in 1968). From his early experiments, Bion reached several basic conclusions which include:

- \* Individual psychology is fundamentally group psychology. Behaviour by one member of the group influences, and is influenced by, all the other members.
- \* The rational working of a group is profoundly affected by the emotions and irrational feelings of its members. The full potential of the group is only realised when this fact is recognised and dealt with.
- \* Administrative and managerial problems are simultaneously personal and interpersonal problems expressed in organisational terms.

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From his experiments, Bion concluded that an organisation or group works at two different levels, just as Freud had said the individual works. There is, said Bion, an emotional level of the group which results in certain basic assumptions of its members, and then there is the 'real' or working aim of the group; that which it consciously focuses on. Le Board explains that, 'According to Bion, there are three distinct emotional states of groups from which three basic assumptions can be deduced. Only one basic assumption will be evidenced at any one time, although it can change three or four times in an hour or persist for three months.' The three basic assumptions, or underlying forms of group emotion, are: Dependency, where the group has formed around a leader for protection and direction; Pairing, where the group has formed in order to create a new, as yet unborn leader; and Fight-Flight, where the group has met to fight a threat or run away from it. If, for instance, the underlying emotional assumption of a group is Fight-Flight, then it will ignore all other activities or try to suppress or avoid them. In this kind of group the leader must be prepared to lead the group against a common 'enemy'.

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American psychoanalyst Martin Rioch has updated the question for today's corporate culture: 'If the Sphinx were to ask "What is it that on Monday is wrangling, cruel and greedy; on Tuesday is indifferent and lazy; on Wednesday is effectively and intelligently collaborative?" one could easily answer, "That is man and it is also man in the group".' This conclusion suggests, too, that like individuals, companies can behave in an aberrant way because of motivating forces of which they are not even aware; that, like individuals, companies can become neurotic, and even psychotic under certain circumstances.

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