Psychoanalysis and management: the strange meeting of two concepts

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Introduction

Psychoanalysis and management are conceptual strangers. On the one hand, managers are concerned with the division and organization of work, in attempting to maximize productive efficiency. On the other hand, psychoanalysts deal with internally divided subjects who are attempting to move towards greater "efficiency" in their personal and professional lives.

In more sociological terms, a psychoanalyst is a consultant whose professional activity consists of receiving and listening to people who may talk about their childhood, anguish, or affective and sexual inhibitions. A manager has to obtain "real" results from an activity that consists of producing material goods or immaterial services and co-ordinating different kinds of human activities. Thus, radical differences separate managers and psychoanalysts.

However, both psychoanalysis and management appeared at the beginning of the twentieth century and developed rapidly after 1960. Managerial skills are commonly considered to be a basic attribute of the well-educated "citizen" — on the model, let us say, of the *honnête homme*[1]. Similarly, psychoanalysis is commonly considered as a basic element of a modern parent's know-how. Of course, parents might never work and executives might be too busy to become parents – but sometimes they do. The point I am trying to make here can be put in another, more serious, way. There are, for example, a number of good academic reasons to reconsider the influence of behaviourism in economics and management, which also means reconsidering the gap between conscious and unconscious elements of organizational behaviour. There is no "one best way" to improve collective or individual efficiency if the hidden part of behaviour is not strongly taken into account. This insight, which was formulated by Freud (see Freud, 1965; 1971; 1975; 1981; 1983), of course, but also by Schumpeter (1983), has not really been developed in the entrepreneurial and managerial field.

Our paper seeks to explain why, despite strong conceptual differences, psychoanalysis and management might meet in some relevant interactions[2].

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However, before examining the meeting of these two fields, it is first necessary to grasp the nature of the differences that exist between them.

Psychoanalysis and management: two concepts, "strangers" to one another

A good place to start is with what a psychoanalyst could call "the question of origins", for the "origins" of psychoanalysis and management are very different: on the one hand, we find mental illness, medicine, and biology, while on the other, economics, work organization and social sciences.

This difference of origins is immediately clear if we consider Freud's *Introductory Lectures on Psychoanalysis*, written between 1916 and 1917 (Freud, 1975). Freud talks here about dreams and parapraxes (a term covering bungled actions, slips of the tongue, etc.). Management, on the contrary, focuses on realities and success. Freud's objective is to construct a general theory of the unconscious, neurosis, sexual life, libido and anguish. He also sets up a frontier between what may be said in a social context and what may be said in the private context of a psychoanalytic consultation, even if such a frontier was deeply influenced by nineteenth century prudishness.

In considering management and psychoanalysis from an epistemological point of view, it is possible to obtain the following table comparing three paradigms: managerial, administrative and psychoanalytic (see Table I).

The comparison of thought processes must be completed by a look at the validation mechanisms used by managerial, administrative and psychoanalytic paradigms, as shown in Table II.

From these tables, it is evident that psychoanalysis and management are strangers to one another for reasons that stem from the difference of their paradigms and epistemological methodologies. However, if we turn back to the beginning of the twentieth century and examine the roots of psychoanalysis and contemporary economics, we are able to discover a number of elements that suggest ways in which a meeting of these conceptual fields might emerge.

The strange meeting of two concepts

History is important. At the beginning of the twentieth century, many authors tried to construct a link between psychology or psychoanalysis and economics or management. The theoretical works of Freud and Schumpeter are exemplary of the intellectual atmosphere existing in Vienna at the end of the nineteenth century[3]. Schumpeter (1983) wrote that "a Freudian political sociology (including economic policy) could assume more importance than any other application of the Freudian doctrine, even if little work has yet been done". In other words, the great Austrian economist had the intuition that Freudian sociological theory was to be developed and to have strong effects on both economics and sociology; such effects, consequently, would also apply to management.

Lewin (1996) defends an interesting hypothesis about economics and psychology in an article entitled "Lessons for our own day from the early

	The managerial paradigm	The administrative paradigm	The psychoanalytic paradigm[4]
Spiritual fathers	F. Taylor, H. Fayol, P. Drucker, I. Ansoff, R. Anthony, O. Gelinier	H. Spencer, W. Pareto, E. Durkheim, M. Weber	Freud, Winicott, Devereux, Lacan
Cultural brain-storming 1900-1960	Business schools (professional project)	Universities of Economics and Law: (vocational project = liberal education)	Medical schools (Psychiatry) Faculties of Psychology, *Paris Ecole Normale Supérieure* (vocational project = scientific education)
Dominant problematic	Identify decision situations. Archetypes of main entrepreneurial functions	Identify different levels of administration procedures	Identify personality structure through analysis of unconscious resistance
Focus	The manager (the actor)	The management rules (the system)	The subject
Main scientific goal	Empirically determining the best criteria and algorithms for decision (management models: production, commercial, stocks, personnel . . .)	Theoretically determining the best economic and organizational models	Discovering unconscious dynamics through clinical experience
Archetypal publication	*Harvard Business Review*	*Administrative Science Quarterly*	*Revue Française de Psychanalyse*[5]
	Management science	Administrative science	Science of the unconscious

Source: Martinet (1990) and the author

Table I. Managerial, administrative and psychoanalytic paradigms

twentieth century". She writes that "by declaring independence from psychology, economists evaded institutionalist criticisms and redefined their position so as to make it irrefutable and tautological". However, given the antiquated nature of behaviourist postulates used by mainstream economists, "an economics that is devoid of psychology is doomed to sterility". In this context, it is interesting to observe that much stimulating research has resulted, over the last two decades, from the intersection of management sciences with various neighbouring sciences. Such research is a consequence of the complex nature of management as a discipline in which constructive elements of understanding are clearly contributed by sociology, organizational behaviour or social psychology.

	The managerial paradigm	The administrative paradigm	The psychoanalytic paradigm
Field of study	Division and organisation of productive activity (industrial and managerial)	Division and organisation of social activity	Division and unconscious psychological organisation of the subject
Nature of demand	Customer	User	Patient
Validation	Pragmatism	Theory	Clinical observation
Domination methodology	Objectivization	Differentation	Elucidation
Focus on	Positive action	Rules regulating positive and negative action	The meaning of the unconscious dynamics of individual action
Main goal	Industrial and organizational efficiency	Social and collective efficiency	Individual and libidinal "economics"
Reference to time	Future	None	Past
Empirical field	Organization	Public organization	Consulting room
	Science of relational action	Science of principles	Science of intrapsychic relations

Table II.
Epistemology of the managerial, administrative and psychoanalytic paradigms

Similarly, an area of research has been formed at the intersection of organizational sciences and psychoanalysis. In the psychoanalytical field, Kets De Vries and his colleagues have shown the relationship between organizational pathologies and neurotic leadership styles (Kets De Vries, 1995; Kets De Vries and Miller, 1985; Kets De Vries *et al.,* 1991). Aubert (1991) has adapted a Freudian perspective to analyze the hidden costs of the pressure for excellence that can be observed in large organizations. Enriquez (1992) has applied Freudian theory to organizations, and distinguished seven levels of organization, from the most mythic and collective to the most individualistic and drive-related. In a recent dialogue with G. Amado, Eliott Jaques (1995), a precursor of this field, maintains that it is dysfunctional to use psychoanalysis for understanding organizations, while Amado (1995), on the contrary, upholds the necessity of exploring unconscious processes inside organizations. As has so often been the case in the history of psychoanalysis, it is the heuristic value of the concept of the unconscious that is the moot point.

Psychoanalysis is now relevant not only for research in management but also for teaching. Students from the highest level academic institutions and business schools (Harvard, INSEAD, *Hautes Etudes Commerciales*) are able to benefit from the intersection between management and psychoanalysis, often in the context of organizational behaviour or social psychology courses. Even

France's prestigious, university-level *grandes écoles* (such as *L'Ecole Polytechnique and L'Ecole des Mines*), which are undoubtedly high-tech oriented, have added programs concerning the limits of rationality or anthropology to their curricula; indeed, there are even courses dealing with the mental mechanisms of psychoses (see Dupuy and Grivois, 1995).

A psychoanalytical approach to organizations and management, and vice versa

An organization can be very simply considered, in a first approach, as a system of opposition between two forces. The first of these forces has a hierarchical nature that can be represented by a pyramid corresponding to a formal distribution of authority, while the second can be represented by an inverted pyramid showing the complex nature of social and psychological interactions inside organizations (see Figure 1). Both are elements of organizational behaviour. Such a representation is, of course, much too simplistic. However, it allows us to structurally grasp the relative position of research that simultaneously employs psychoanalytic and managerial concepts. This research may be located at the "limit" of the mainstream concepts, following the epistemological suggestion made by Bachelard (1983, p. 241) on the basis of an observation from physics: "it is not under full light, but on the shadow's limit where its diffraction occurs, that a ray divulges its secrets to us".

(1) The *Strategic management pole* is a site where decision processes are set up by top level managers. Under certain conditions, a psychoanalyst could contribute elements of understanding and interpretation to these processes. Kets De Vries (1995) has shown why it is necessary to analyze both the positive contribution of leaders to organizations and their negative influence – of which the archetype is the crazy leader. Similarly, the *Institut Psychanalyse et Management* (1996) has tried to conceptualize a psychoanalytical approach of coaching for managers.

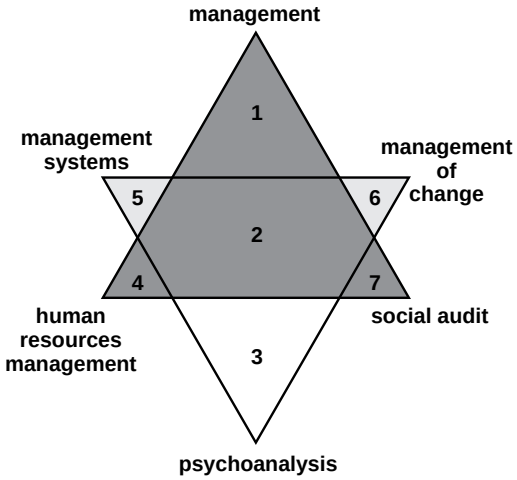

Figure 1.
An articulation between psychoanalysis and management

(2) Area no. 2 is concerned by *the firm's management and regulation,* that is, generally speaking, the main managerial functions : information systems, marketing, human resources management, finances, operation management and management control. These functions clearly fall within the province of management and it is difficult to localise any element that is presently dealt with by an approach using simultaneously psychoanalysis and management. Nevertheless, it seems to us fairly evident that such an approach does have possible applications to this area, even if we are unable to elaborate this point in the present article, for reasons of space.

(3) This area is concerned by the *classical psychoanalytic framework* where a therapist and a patient try to understand unconscious dynamics through transference and counter-transference. It deals mainly, therefore, with the psychoanalytical observation of unconscious representations of a firm and its management (Brunner, 1995). This approach focuses on utterances concerning management, as spoken by managers in consultation with a private psychoanalyst. Psychoanalytic coaching for managers is a possible clinical research field that, while displaying basic conditions and rules similar to the classical psychoanalytic framework, would nevertheless permit payment to be made by the companies; the fact of paying, however, would not give the companies any right of access to the information provided by the manager undergoing coaching (Brunner, 1996)[6]. If there is a benefit for the firm, it is "all for the better", as one might say from a neo-Freudian Lacanian perspective. The contractual nature of the relation between a psychoanalyst and a firm is fundamentally different from usual business contracts. It entails an economic risk for the firm, which could end up spending money with no result. A professional risk is taken by the psychoanalyst who innovates with orthodox clinical methodologies in a heterodox context. A personal risk is also accepted by the manager who might discover unpleasant personal realities while thinking only of professional realities.

(4) This area is located at the limits of management and psychoanalysis. The *relation between psychoanalysis and human resources management*[7] opens up a particularly stimulating field of exploration as concerns the application of a Lacanian approach, with its emphasis on the role of symbolic debt, to the study of collective action and the "imaginary" inside organizations[8]. In the field of international human resources management, Schneider and Kazuhiro (1995) have shown the limits of classical HRM tools for understanding failures of the expatriation process and have examined the viability of treating this question within a psychoanalytic framework.

(5) This area is also located at the limits of management and psychoanalysis, but is closer to strategic management topics than to human resources management. It specifically deals with *management systems* and has some links with cognitive psychology applied to information systems, especially in the use of metaphors. For as Getz (1994) remarks, in an article studying the contribution of cognitive psychology to this domain, "there is not a unitary psychological theory of metaphors". In so far, therefore, as psychoanalysis is

itself a scientific discipline in which specific metaphors play an important epistemological role, it is entirely conceivable to examine information systems and management control systems from a psychoanalytic perspective employing metaphors. Such a perspective can thus cooperate with the cognitive approach (see de Swarte, 1991, 1995).

(6) This area is concerned with the *management of change,* which often takes place within the technical domain. Pollet (1997) is interested in linking socio-technical intervention within organizations with a psychoanalytical observation attempting to divert the desire to dominate that exists within every human subject. Poumadère (1997) also works on technological changes and, in particular, on the planned closing of nuclear power sites. His study outlines the different types of "psychic environment" that can be observed in the context of the closing-down of a plant, with the resulting separation anguish that this event generates in the personnel.

(7) *Social audit:* while this area is concerned with the problem of a firm's regulation, it also has a certain autonomy. The researcher and consultant R. Guinchard (1995) has attempted to elaborate a psychoanalytic approach to the social audit in a firm and has, in this perspective, created the neologism of *Amagement,* which refers to "a sphere of psychoanalytic work dealing with professional energy management".

Concluding remarks

For both historical reasons and reasons related to the division of academic labour, there has been a profound separation of psychoanalysis and management; yet the Austrian cultural brainstorming is still alive. The limits inherent to a linear management science relying on rational and planned anticipation have been clearly shown by Mintzberg (1994). Even if cognitive psychology seems to be more often used than psychoanalysis in contemporary managerial research, the unconscious paradigm is sufficiently strong to warrant an application not only in the domains of the arts, psychology or social psychology but also in more operational sciences. One strong argument in favour of trying out this paradigm can be formulated as follows: namely, when irrationality is not admitted through the front door as a normal element of organizational behaviour, it will, in any case, enter through the back. In such a case, it becomes difficult to understand what has really happened in so far as, if the interpretative model is constructed on overt rationality, hidden rationality cannot be taken into account.

Our further research will focus on two topics. First, we intend to go on developing an epistemological and methodological framework that, in rigorously distinguishing psychoanalysis and management, can, on this basis, also define their points of intersection. Second, we will construct case studies where a psychoanalytical approach gives a better understanding of managerial practices, especially in the field of telecommunications and information technologies (telecommunicatons operators, Internet, intranet).

Notes

1. In eighteenth century France, an *"honnête homme"* (an "honest and decent man") was someone like a gentleman in nineteenth century Victorian England.
2. Our intention here is conform to the objective of the *Institut Psychanalyse et Management.* This objective is to produce academic research and consulting methodologies that are of relevance to the entrepreneurial and psychoanalytic scene and that, therefore, work with both managerial and psychoanalytic concepts. Its originality lies in the clinical perspective adopted, with its emphasis on transference and counter-transference.
3. Wittgenstein and Zweig were other main members of the "Austrian School" , as were, in the arts, Mahler, Musil and Schönberg.
4. In the context of the present article, we focus on psychoanalysts who have had a strong influence on the French psychoanalytic movement. Devereux is interesting because he has had an influence on both ethno-psychoanalytic thinking and management qualitative research (as has been remarked by Bouchikhi, H., "Structuration des organisations: concepts constructivistes et étude de cas", *Economica,* Paris, 1990, and by Wacheux, F., "Méthodes qualitatives et recherches en Gestion", *Economica,* Paris, 1996). See Devereux, G., *Essais d'Ethnopsychiatrie Générale,* Gallimard, Paris, 1970, and Devereux, G., *De l'Angoisse à la Méthode dans les Sciences du Comportement,* Aubier, Paris, 1994.
5. This is the oldest of the French journals.
6. An English version of this paper is included in the current issue of *Journal of Managerial Psychology.*
7. For a (Lacanian) psychoanalytical approach to HRM, see Arnaud, G., "The obscure object of demand in consultancy", in the current issue of *Journal of Managerial Psychology.* (The original version of this paper, "L'obscur objet de la demande de conseil", is published in *Gérer et Comprendre,* Annales des Mines, June 1995). See also Arnaud, G., "La gestion des ressources humaines et l'expérience des limites", *Actes des Cinquièmes Journées Nationales d'Etudes,* Institut Psychanalyse et Management, Ceram, Sophia Antipolis, pp. 159-94.
8. *Translator's note:* For readers unfamiliar with Lacan, it may be helpful to note here that the distinction between the symbolic, the imaginary and the real is absolutely central to Lacan's work. In drawing upon the excellent commentary given by Anthony Wilden (in his translation of Lacan, J., *The Language of the Self. The Function of Language in Psychoanalysis,* Delta, NY, 1968), we can very succinctly characterize the symbolic as the order of discursive and symbolic action, the imaginary as the order of perception, hallucination and their derivatives, while the real is the order, not of external reality as such, but rather of what is real for the subject. The symbolic is the primary order, since it represents and structures both of the others – whence the importance of language. However, since these three orders "co-exist and intersect in the subject (...) at the same time as they are functions linking the subject to others and to the world, any change in one order will have repercussions on the other" (p. 161). The reader should also consult the text by G. Arnaud in the current issue of *Journal of Managerial Psychology,* as indicated in Note 7.

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