

Are You Living in a Dysfunctional Organization?

In recent years, we have often heard and read about dysfunction in organizations, families and individuals. One of the many challenges in business today is to identify the behavior patterns that are present in organizations that create this dysfunction.

One of the leading experts in this field is Professor Manfred F. R. Kets de Vries. He is a professor at the prestigious French graduate business school, INSEAD and previously was a professor at McGill and Harvard Universities. Over the last 30 years Prof. Kets de Vries has written some of the most important and revealing books about leadership, organizational stress, career dynamics, entrepreneurship, cross-cultural management, and the process of organizational transformation and change. His books include "Unstable at the Top", "Power and the Corporate Mind", "Prisoners of Leadership", "Life and Death in the Corporate Fast Lane", and the inspiration for this article, "The Neurotic Organization", a book in which he teamed



BY RUSS JONES

with Danny Miller.

In "The Neurotic Organization", five neurotic organizational styles are profiled. They are; paranoid style, compulsive style, depressive style, dramatic style and schizoid style.

1) Dramatic Organizations combine some of the egotistical and theatrical elements of its senior executives. To oversimplify, these elements include an excessive need for attention, activity, excitement, stimulation and unconventional risks.

There is frequently a notable lack of discipline in the organization and the CEO and /or other senior executives have a sense of entitlement and a tendency for extremes. The culture of the Dramatic organization emphasizes the "strong leader" to the detriment of the other senior executive team members and middle managers.

The structure of the Dramatic organization usually includes controls that are inadequate for its many products and markets, an over centralization that obstructs the development of effective information systems

and the "top down" organization gives inadequate influence to middle and lower managers. Its strategy is typically highly venturesome, dangerously impulsive, and uninhibited lacking in objectivity, hyperactive and tends to grow in an inconsistent way.

2) Paranoid Organizations are based on a paranoid leadership disposition that can be summarized by the following traits: 1) a vigilant preparedness to counter any and all attacks and personal threats; 2) hypersensitivity to criticism; 3) coldness and lack of emotional expression; 4) deep suspicion; 5) distrust and insistence on loyalty; 6) over-involvement in rules and details to secure complete control; 7) vindictiveness and overreaction; 8) a craving for information. Typically there is a very elaborate system for capturing much data which will be analyzed from every aspect and there is an excessive centralization of power.

In a Paranoid Organization the culture is a "fight or flee" style based on elements of dependency, fear of attack, intimidation by authority figures, excessive uniformity and lack of trust. The strategy is more reactive than proactive, highly conservative and not bold, more diversified than focused and secretive as opposed to open.

3) Schizoid Organizations are based primarily on the detached, withdrawn dysfunctional disposition of its leader. This organization may be summarized by the following traits: 1) a withdrawal or lack of involvement (at least in the business although there may be heavy involvement in other activities); 2) a lack of interest in either the present or future of business; and 3) an indifference to either praise or criticism relating to the business.

A key trait of this structure is a self-imposed barrier to the free flow of information. The Schizoid executive manages one-on-one and in a weak dotted-line fashion rather than the solid line in a normal superior/subordinate relationship.

The culture lacks warmth and there will not be much passion or emotion demonstrated. There will be long lasting conflicts because they are not resolved by the leader. As a result, there is frequent jockeying for power, position, territory, etc. which causes insecurity on the part of key management. The frequent changes of direction, high degree of indecisiveness and inconsistency add to the dysfunction of this organization.

4) The Depressive Organization is the result of the senior executives manifesting

the following traits: 1) lack of self-esteem and initiative; 2) fear of success and a tolerance for mediocre or even failing performance; and 3) dependency on a Messiah to come and save them. The structure is frequently rather bureaucratic, hierarchical and inflexible. There is poor internal communication resulting in a high degree of interpersonal relationships and a strong resistance to change.

The resistance to change will be reflected in a culture that lacks initiative and is much more reactive than proactive. There will be a leadership vacuum and an inadequate interface with the marketplace. The organization will drift rather than have a sense of direction. This organization cannot survive in a dynamic marketplace and will be defined as "mature" if not "declining".

5) Compulsive Organizations are derived from having a highly controlling chief executive who exhibits: 1) a tendency to dominate the organization from top to bottom; 2) a dogmatic, obstinate personality and lack of spontaneity; 3) a high degree of perfectionism with an obsession for detail, routine, order, ritual, and efficiency; and 4) tunnel vision.

The culture includes elaborate organizational charts and information systems, ritualized evaluation procedures, a hierarchy that is based exclusively on the org chart and formal codes of behavior. The culture is rigid and inward-focused. Subordinates tend to be submissive, uncreative and insecure as they "follow the rules". This type of organization lends itself to exhaustive evaluation and commonly is obsessed with a single aspect of strategy such as cost cutting or quality.

In summary, Professor Kets de Vries provides a helpful approach to categorizing dysfunctional organizations. It is important to understand that evaluation of organizations is done on a unit by unit basis and realize that organizations are typically a combination of types rather than "pure" examples of a type. Most important, however, is that we identify characteristics in our own organizations that need to be remedied and define a strategy to resolve them.

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