Manfred F.R. Kets de Vries

THE HEDGEHOG EFFECT

THE SECRETS OF BUILDING
HIGH PERFORMANCE TEAMS

Table of Contents

PART TWO: A PSYCHODYNAMIC PERSPECTIVE ON INDIVIDUALS AND GROUPS

PART THREE: CREATING AUTHENTIZOTIC ORGANIZATIONS

THE HEDGEHOG

EFFECT

Executive Coaching and The Secrets of Building High Performance Teams

Manfred F. R. Kets de Vries

To Sudhir Kakar
Life is made by the friends we choose. As my fellow traveler in the wilderness of this world, he helped to create a new world for me. During the years, we may have grown separately, but we have not grown apart.

PREFACE

The well-run group is not a battlefield of egos.

—Lao Tzu

United we stand, divided we fall.

—Aesop

When spider webs unite, they can tie up a lion.

—Ethiopian proverb

A community is like a ship; everyone ought to be prepared to take the helm.

—Henrik Ibsen

The organizations we admire, and the places where most people would like to work, are known for having a special environment or corporate culture in which people feel, and perform, at their best. I call these authentizotic[1] organizations [1]. These companies have meta-values that give organizational participants a sense of purpose and self-determination. In addition, people feel competent, experience a sense of belonging, have voice and impact on the organization, and they derive meaning and enjoyment from their work. Employees are pleased and proud to work in such exceptionally creative, dynamic, and productive environments. They like working together, having understood that well-functioning teams can be highly efficient, not to mention more fun than working alone. Organizations with authentizotic cultures are not only benchmarks for health and psychological well-being in the workplace, but they are very often profitable, sustainable enterprises as well.

> **A great place to work is one where people:**
> - **find meaning in their work**
> - **trust the people they work for/with**
> - **have pride in what they do**
> - **enjoy the people they work for/with.**

> **The meta-values of authentizotic organizations are fun, love (implying working with a close community of people) and meaning (profit with purpose).**
>
> **Are you working in one of these organizations?**

I believe that one competitive advantage that comes from this type of organizational culture is the ability to create effective work teams. Competitive advantage now lies with organizations that bring together their specialists in research, manufacturing, logistics, talent management, marketing, customer service, and sales with speed and efficiency to get their products and services to market. Organizations in social services, education, health care, and government also operate in complex environments that face similar issues and require a high degree of collaborative action. Across a wide range of organizations, teamwork can provide the competitive edge that translates opportunities into successes.

So why is it that, although authentizotic organizations seem so desirable when seen from the exterior, and so pleasant when experienced as an employee, ultimately so few organizations can claim to have this culture? Why is it that teams are so often dysfunctional? Some answers may lie in our own human nature: our ability to trust one another just so far, and perhaps not far enough; and our inability to see past our own needs to understand that richer benefits, both psychological and material, may be easier to obtain through the collective efforts of a group rather than as individuals. But that is not so easy for us to accept, let alone change.

SCHOPENHAUER'S HEDGEHOGS

Arthur Schopenhauer, in his series of essays, *Parerga und Paralipomena* [2], included a tale about the dilemmas faced by hedgehogs during winter. The animals tried to get close

to one another when it grew cold, to share their body heat. However, once they did so, they hurt each other with their spines. So they moved away from each other to be more comfortable. The cold, however, drove them together again, and the same thing happened. At last, after a great deal of uncomfortable huddling and chilly dispersing, the hedgehogs discovered they were best off remaining at a little distance from one another.

Schopenhauer's parable was quoted by Sigmund Freud in one of the footnotes to his 1921 essay *Group Psychology and the Analysis of the Ego* [3]. He related the hedgehogs' dilemma to the "sediment of feelings of aversion and hostility" in long-term relationships. In his essay, Freud asks a number of rhetorical questions about intimacy, the need for which is one of our most common, natural, human needs. How much intimacy can we really endure? And how much intimacy do we need to survive in this world? The hedgehogs' quandary is also our own.

Almost every long-term emotional relationship between two people or more contains this "sediment" of negative feelings, which escapes perception because of the mechanism of repression. As the hedgehogs' dilemma suggests, human relationships have a substantial degree of ambivalence, requiring us to contain contradictory feelings for the other person. We can see Schopenhauer's parable as a metaphor for the challenges of human intimacy. Are we destined to behave like these fabled hedgehogs—forever jostling for a balance between painful entanglement and loveless isolation? Will we always struggle with the fear of engulfment and the fear of loneliness?

Societal needs drive human hedgehogs together, but we are often mutually repelled by the many prickly and disagreeable qualities of others. We all have a simultaneous need for and fear of intimacy, creating a dilemma for commonsense living. The distance that Schopenhauer's

hedgehogs at last discovered to be the only tolerable condition of mutual interface represents our common code of conduct. A certain amount of distance is part of the human condition. Although our mutual need for warmth is only moderately satisfied by this arrangement, we re less likely to get hurt. We will not prick others—and others will not prick us.

> "How much closeness is too much? How much can we open up to others?"

We also see the hedgehogs' dilemma in group settings. How much closeness is too much? How much can we open up to others? What can we disclose about ourselves? What degree of intimacy is enough? And when is it necessary to set boundaries? Opening up too much can lead to an exposure of our weaknesses and make us vulnerable to shame and guilt reactions. This conundrum—our simultaneous need for closeness and distance—is a fundamental reason why people often find it so difficult to work successfully in groups and teams.

> **Where do you rate yourself on the intimacy-avoidance axis? What kind of "hedgehog" are you?**
>
> | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 |
>
> I like to be very close to people   I prefer to be very distant from people
>
> **How does your position on this axis affect your relationships with others?**
>
> **Reflect on your various relationships. Where would you place each of them on this axis?**

THE PARADOX OF TEAMWORK

> "Teamwork is a crucial element of the effectiveness of organizations."

If we look closely at the organizational context, we can see how this dilemma plays out subtly, yet forcefully, in daily interactions. Teamwork is a crucial element of the effectiveness of organizations, not the least because well-aligned team thinking and goal orientation facilitates dealing with current crises and designing long-term strategies. The ability to work well in teams—to accept a certain degree of closeness—is undeniably essential in present-day organizations. Yet we too easily overlook the reality that for most teams, it can be very difficult to find the right balance between loose, inefficient connections at one extreme, and stifling interconnections at the other.

In addition, it is equally clear that many organizational leaders are ambivalent about teams. Too many of them have no idea how to put together well functioning teams. Their fear of delegating—losing control—reinforces the stereotype of the heroic leader who will do it all. For many, teams represent a hassle, a burden, or a necessary evil. This often becomes, not surprisingly, a self-fulfiling prophecy. Although many teams do generate remarkable synergy and excellent outcomes, some become mired in endlessly unproductive sessions, and are rife with conflict. As many of us have discovered to our despair, the price tag of dysfunctional teams can be staggering.

Team success

Think about effective and ineffective teams you have been a member of. What has made one type of team a success and the other a failure? Write a description of both teams.

Working in an effective team was like:

Working in an ineffective team was like:

Compare the two descriptions and figure out the differences between these two teams.

Paradoxically, the use of teams in the workplace is both a response to complexity and a further element of complexity. Ineffective teamwork can mean very high coordination costs and little gain in productivity. In some corporations and governments, the formation of teams, task forces, and committees is a defensive act that gives the illusion of real work while disguising unproductive attempts to preserve the status quo. At best, this does little harm because fundamentally it does nothing; at worst, team building becomes a ritualistic technique blocking important actions that might enhance constructive change. Dismantling a dysfunctional team might even require a kind of Gordian knot solution, which could lead to damaging outcomes both in economic and human terms.

MORE THAN MEETS THE EYE

Why do so many teams fail to live up to their promise? The answer lies in the obstinate belief that human beings are rational entities. Many team designers forget to take into account the subtle, out-of-awareness behavior patterns that are part and parcel of the human condition. Although teams are created as a forum for achieving specific goals, the personality quirks and emotional life of the various team members can cause deviations from the specified task. Indeed, there is often a degree of naivety among an organization's leadership, who fail to realize that a group dynamic can derail a scheduled direction, so that the team's real goals can deviate widely from its stated goals. Many people in positions of leadership fail to appreciate the real complexity of teamwork. They don't pay heed to the hedgehogs' dilemma.

Organizational designers need to accept that below the surface of human rationality lie many subtle psychological forces that can sabotage the way teams operate. But

irrational as these behavioral patterns may be, there is a rationale to them, if we know how to disentangle the patterns. Meaningful teamwork entails numerous real risks for individuals, because of fear, anxiety, and uncertainty about the exercise of influence and power. If these concerns are not addressed, the anxiety generated by the risks involved in team working becomes too great and cannot be contained through leadership actions or facilitating structures: individuals will mobilize social defenses to protect themselves. These defenses, expressed through rituals, processes, or basic assumptions, displace, mitigate, or even neutralize anxiety but also prevent real work from being done. The result is preoccupation with dysfunctional processes and inhibiting structures that reinforce vicious circles preserving the status quo.

> "Executives need to realize that, when they create teams, there is more going on than meets the eye."

Executives need to realize that, when they create teams, there is more going on than meets the eye. Teams are forums in which sensitive organizational and interpersonal issues are dealt with discretely (and often indiscreetly). If people are to function non-defensively in the face of performance pressures in the workplace, they need leadership and supporting conditions that convert risk and anxiety into productive work. Unfortunately, team designers are largely unaware of concepts from psychodynamic psychology and systems theory, and the rational-structural point of view usually dominates.

I argue that a purely cognitive, rational-structural perspective on teamwork will be incomplete if it fails to acknowledge the unconscious dynamics that affect human behavior. In too many instances, organizations are treated as rational, rule-governed systems, perpetuating the illusion of the economic man as an optimizing machine of pleasures

and pains, and ignoring the multifarious peculiarities that come with being human. Like it or not, there is no such thing as a Holy Grail of rational management. The rational-structural view of organizations has not delivered the promised goods. It has only created economic chaos and grief. Organizational designers need to pay attention to the conscious and unconscious dynamics that are inherent in organizational life. They need to become familiar with the language of psychodynamics—although I realize that this could be uncomfortable and disturbing for those who come from a background in management or economics.

Creating and maintaining effective team-based work environments necessitates a dedicated focus on both the structural and the human aspects of organizational life. Innovative work arrangements provide a structure and platform for team organizations, but these are not enough. The leaders of the organization must also instill, through their own example and through well-communicated codes of conduct, an internal, interactive coaching culture in which participants can engage in candid, respectful conversations, unrestricted by reporting relationships, or fear of retribution. It means establishing, and perhaps even enforcing, core values of trust, commitment, enthusiasm, and enjoyment. This can be a daunting challenge. It takes openness throughout an organization, and a willingness to change from a mindset of "me first" to "what's best for the team?" But given the complexity of the new world of organizations, where those that master the multiplicity of lateral relationships will lead the pack, there is not much of a choice.

LEADERSHIP GROUP COACHING AND THE CREATION OF

AUTHENTIZOTIC ORGANIZATIONS

The question is, how can organizations and their leaders initiate and perpetuate the kind of change in thinking and environment that supports an authentizotic culture based on thinking about the common good? One answer may be leadership coaching. This type of intervention, which most commonly takes the form of one-on-one interactions between an executive and a coach, has changed the way many progressive organizations view professional and personal growth and development. One-on-one leadership coaching is an investment in future service potential, through building the talent pool in the organization, and helping people adapt to change [4].

One-on-one coaching certainly has its benefits, but personal experience has taught me that leadership group (or team) coaching—in essence, an experiential training ground for learning to function as a high performing team—is a great antidote to organizational silo formation and thinking, and a very effective way to help leaders become more adept at sensing the hidden psychodynamic undercurrents that influence team behavior. In leadership group coaching sessions, people from already existing working groups, or participating in mixed-function groups, can test degrees of closeness, metaphorically speaking, under the guidance of a trained facilitator. They experience openness and trust in a safe setting, and see the advantages of better understanding the strengths and weaknesses of each individual. Knowledge transfer among group members becomes a natural activity, rather than something to be controlled. Essentially, people come to see the importance of effective group cohesion by experiencing it in the group coaching session.

Group coaching interventions are more likely to induce alignment between the goals of individual group members and those of the organization, creating greater commitment, accountability, and higher rates of constructive conflict resolution. Effective group coaching not only helps develop the coaching skills of each group member (through the process of peer coaching); it also accelerates an organization's progress by providing a greater appreciation of organizational strengths and weaknesses, which will lead to better decision making. It fosters teamwork based on trust; in turn, the culture itself is nurtured as people become used to creating teams in which people feel comfortable and productive. When they work well, team-oriented coaching cultures are like networked webs in the organization, connecting people laterally in the same departments, across departments, between teams, and up and down the hierarchy.

ABOUT THIS BOOK

In this book, I examine both the conscious and unconscious aspects of behavior in group situations. I include systemic factors and highlight what organizational designers or change agents must do to make teams effective. I look at organizational and individual phenomena above and below the surface.

Many of the concepts I introduce are not easy to grasp, let alone put into practice. To help the reader, I have divided this book into three parts. In Part One, I move from the surface to a more in-depth analysis to obtain a better understanding of what teams and groups are all about. I also discuss how a group becomes a team and give an elaborate example of a team intervention. In addition, I discuss the intricacies of leadership coaching. In Part Two, I take a psychodynamic lens to better understand the

dynamics of teams and groups, presenting the clinical paradigm. I also take a closer look at relationship patterns and discuss how groups evolve, exploring the phenomenon of the group-as-a-whole. In Part Three, I move to a more systemic view, addressing the fundamental challenges change processes pose for people in organizations. I deal with the question of how to create authentizotic organizations—best places to work. In the final chapter, I recount the story of an organizational change initiative that was accomplished through group coaching.

The real reward is to see participants who have been through a group coaching intervention process put into place coaching cultures that sustain not only development and performance, but also a more fundamental sense that the people in the organization are human, not machines. In the end, challenges are much easier to face when we combine our strengths through honest and open communication and create effective teams. Such interventions contribute to the creation of more humane, sustainable organizations.

ACKNOWLEDGMENTS

I am especially grateful to my two principal collaborators, Roger Lehman and Erik van der Loo, who have been instrumental in making this executive master's degree seminar such a success, year after year.

In addition, I am also very obliged to the many CEOs and other senior executives who had the courage to offer me the opportunity to work with their teams by engaging the KDVI consulting firm. Embarking on a group coaching intervention process is not for the fainthearted—whether you are a participant or a coach. I have learned a lot from their wisdom.

I should like to thank my team at INSEAD's Global Leadership Center (IGLC) who have always been supportive of my work. I am grateful not only to the administrative staff but also to my program directors and coaches, who had the vision to recognize the value of this form of intervention—and have taken it to new heights.

Finally, I would like to thank Elizabeth Florent-Treacy, Alicia Cheak-Baillargeon, and Murray Palevsky for their willingness to have a serious look at this manuscript in its early form. Elizabeth in particular has been a great help in restructuring the manuscript as it appears today. And, as always, I acknowledge my debt to Sally Simmons, my imperturbable editor, who keeps her good cheer while solving what often look to me like labyrinthine problems.

In my work with teams, I never learned much by just talking—most of my learning came about by asking questions, listening, and reflection. This book is an effort to help people to experience fully what happens in teams, in particular to better understand the out-of-awareness processes that are endemic to team dynamics, and to demystify what may appear mysterious. My hope is that this book will help the reader realize the full potential of teams, and contribute to the creation of better places to work.

I view the readers of this book first and foremost as people in the coaching profession who want to deepen their insights into the conundrum of group coaching. This book will also be very helpful to human resource professionals interested in the question of how to create an effective coaching culture in their organization. Last (but certainly not least), this book is aimed at the informed executive who realizes the importance of running effective teams, and wants to know how to go about it. Managing talent well has become the name of the game. As the famous American basketball player Michael Jordan once said, "Talent wins games, but teamwork and intelligence win championships."

Note

[1] From the Greek *authenteekos*, meaning authentic, and *zoteekos*, vital to life, and referring to best places to work.

REFERENCES

1. Kets de Vries, M. F. R. (2001a). "Creating Authentizotic Organizations: Well-functioning Individuals in Vibrant Companies." *Human Relations*, 54 (1), 101–111.

2. Schopenhauer, A. (1851). *Parerga und Paralipomena: kleine philosophische Schriften*, Vol. 1–2. Berlin: Julius Frauenstädt.

3. Freud, S. (1921). "Group Psychology and the Analysis of the Ego." In J. Strachey (Ed.) (1950), *Collected Papers of Sigmund Freud*, Vol. V. London: Hogarth Press and the Institute of Psychoanalysis.

4. Crane, T. J. and Patrick, L. N. (Eds) (2002). *The Heart of Coaching: Using Transformational Coaching to Create a High-Performance Coaching Culture*. San Diego, CA: FTA Press.

ABOUT THE AUTHOR

Manfred F. R. Kets de Vries brings a different view to the much-studied subjects of leadership and the dynamics of individual and organizational change. Bringing to bear his knowledge and experience of economics (Econ. Drs., University of Amsterdam), management (ITP, MBA, and DBA, Harvard Business School), and psychoanalysis (Canadian Psychoanalytic Society and the International Psychoanalytic Association), Kets de Vries scrutinizes the interface between international management, psychoanalysis, psychotherapy, and dynamic psychiatry. His specific areas of interest are leadership, career dynamics, team building, coaching, executive stress, entrepreneurship, family business, succession planning, cross-cultural management, and the dynamics of corporate transformation and change.

  A clinical professor of leadership development, he holds the Raoul de Vitry d'Avaucourt Chair of Leadership Development at INSEAD, France, Singapore & Abu Dhabi. He is the founder of INSEAD's Global Leadership Center. In addition, he is program director of INSEAD's top management program, "The Challenge of Leadership: Creating Reflective Leaders," and "Consulting and Coaching for Change" (and has five times received INSEAD's distinguished teacher award). He is also the Distinguished Visiting Professor of Leadership Development Research at the European School of Management and Technology (ESMT) in Berlin. He has held professorships at McGill University, the Ecole des Hautes Etudes Commerciales, Montreal, and the Harvard Business School, and he has lectured at management institutions around the world.

  The Financial Times, *Le Capital*, *Wirtschaftswoche*, and *The Economist* have rated Manfred Kets de Vries one of world's

leading leadership theoreticians. Kets de Vries is listed among the world's top 50 leading management thinkers and among the most influential contributors to human resource management. He has been the recipient the "Harry and Miriam Levinson Award" from the American Psychological Association and the "Freud Memorial Award" from the Dutch Psychoanalytic Institute. He has also been given the "Lifetime Achievement Award" (the Leadership Legacy Project of the International Leadership Association), being viewed as one of the world's founding professionals in the development of leadership as a field and discipline. Presently, Kets de Vries is seen as the leading figure in the clinical study of organizational leadership.

Kets de Vries is the author, co-author, or editor of more than 35 books, including *Unstable at the Top*; *The Neurotic Organization*; *Organizational Paradoxes*; *Leaders, Fools, and Impostors*; *Life and Death in the Executive Fast Lane*; *The Leadership Mystique*; *The Happiness Equation*; *Lessons on Leadership by Terror*; *The New Global Leaders*; *The Leader on the Couch*; *Coach and Couch*; *Family Business: Human Dilemmas in the Family Firm*; *Sex, Money, Happiness, and Death*; *Reflections on Character and Leadership*; *Reflections on Leadership and Career Development*; *Reflections on Groups and Organizations*; *The Coaching Kaleidoscope; Leadership Development;* and *Tricky Coaching*. Further titles are in preparation. His books and articles have been translated into over 31 languages.

In addition, Kets de Vries has published over 350 scientific papers as chapters in books and as articles. He has also written approximately a hundred case studies, including seven that received the Best Case of the Year award. He is a regular writer for a number of magazines. His work has been featured in such publications as *The New York Times*, *The Wall Street Journal*, *The Los Angeles Times*, *Fortune*, *Business Week*, *The Economist*, *The Financial Times*, and

The International Herald Tribune. He is a member of 17 editorial boards and has been elected a Fellow of the Academy of Management. He is a founding member of the International Society for the Psychoanalytic Study of Organizations of which he became a lifetime distinguished member.

Kets de Vries is a consultant on organizational design/transformation and strategic human resource management to leading US, Canadian, European, African, and Asian companies. He is the Chairman and principal owner of the Kets de Vries Institute (KDVI), a global leadership development consultancy firm. As an educator and consultant he has worked in more than 40 countries.

The Dutch government has made him an Officer in the Order of Oranje Nassau. He was the first fly fisherman in Outer Mongolia and is a member of New York's Explorers Club. In his spare time he can be found in the rainforests or savannas of Central Africa, the Siberian taiga, the Pamir and Altai Mountains, Arnhemland, or within the Arctic Circle.

www.ketsdevries.com

www.kdvi.com

PART ONE: AN INTRODUCTION TO THE LIFE OF GROUPS AND TEAMS
CHAPTER 1

HOW A GROUP BECOMES A TEAM

Individually, we are one drop. Together, we are an ocean.

—Ryunosuke Satoro

Sticks in a bundle are unbreakable.

—Kenyan Proverb

Never doubt that a small group of thoughtful, committed citizens can change the world; indeed, it's the only thing that ever has.

—Margaret Mead

"One for all, and all for one"—the famous oath from Alexandre Dumas's *The Three Musketeers*—symbolizes the quintessence of teamwork. It is through cooperation, rather than conflict, that we attain our greatest successes. If we are prepared to support each other, the greater part of our problems will already be solved. As d'Artagnan and the three musketeers understood, their fate as individuals was tied to their fate as a group.

As novels on camaraderie go, it would be hard to find one as famous, or that has so completely captured the popular