Manfred F. R. Kets de Vries

Reflections on Character *and* Leadership

Winner of the International Leadership Lifetime Achievement Award 2008

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with
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Table of Contents

On the Couch with Manfred Kets de Vries

On the Couch with Manfred Kets de Vries offers an overview of the author's work spanning four decades, a period in which Manfred F. R. Kets de Vries has established himself as the leading figure in the clinical study of organizational leadership.

The three books in this series contain a representative selection of Kets de Vries' writings about leadership from a wide variety of published sources. They cover three major themes: character and leadership in a global context; career development; and leadership in organizations. The original essays were all written or published between 1976 and 2008. Updated where appropriate and revised by the author, they present a digest of the work of one of today's most influential management thinkers.

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REFLECTIONS ON CHARACTER AND LEADERSHIP

Manfred F. R. Kets de Vries

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To my brother Florian—
the intimacy of our many shared memories
has been a source of great solace.

ACKNOWLEDGMENTS

This book is the first in a three-part series, *On the Couch with Manfred Kets de Vries*. It grew out of an idea from my long -term editor, Sally Simmons, who suggested three years ago that it was time for me to think about putting together a sort of 'collected works.' The first incarnation of the book was dauntingly long but after many months and revisions, the material, following a logic of its own, has fallen more or less naturally into the collection of essays here. While most of the chapters in this book are based on previously published material (the original sources are given in each chapter), it has all been substantially revised and updated, although I have retained the period feel of some articles where appropriate.

Although it is ostensibly me on the couch, there are others clustered round waiting their turn—collaborators in some of the original articles—to whom I owe thanks. They are Elizabeth Florent-Treacy, Konstantin Korotov, Christine Mead, Stanislav Shekshnia, and Abraham Zaleznik.

As always, I am pleased to have the opportunity to acknowledge the invaluable help and support of Sheila Loxham, my assistant, whose cheerfulness, good humor and good sense never fail—despite being sorely tested in a year when serious injury and subsequent lengthy recovery have made me occasionally less than sunny to be around.

In the 20 years that I have known and worked with her, Sally Simmons has become more than herself and is now a company, Cambridge Editorial Partnership. I would like to thank the members of her team who have worked on this book: Carol Schaessens, whose efforts at confl ating a huge amount of material were so successful that not even I can

see the join, and Mary Conochie, who patiently retyped chapters that could be sourced only from hard copy. As for Sally herself, I have previously described her as ‘an editor’s editor,’ ‘an unusual editor,’ and on one occasion as ‘the last woman standing.’ She has supplied many of the drum rolls and fanfares in this book but perhaps her most valuable contribution has been to help me see material with which I had been over-familiar through fresh eyes.

PREFACE

PSYCHOANALYSIS AND ORGANIZATIONAL LIFE

I am often asked why I have done so much work on entrepreneurs, when the world of work has always been under-studied in psychoanalytic literature, and the answer is very simple. I come from a family of entrepreneurs: my father is an entrepreneur and my brothers are entrepreneurs, all in different businesses. But I was never drawn that way myself, largely because, for mysterious reasons, my father thought that I was unsuited to the business world, which of course turned somewhat into a self-fulfilling prophecy. I decided to go in another direction. I began by studying chemical and mechanical engineering, both of which lasted an exceptionally short time. Then, making a rather negative choice, I decided to study economics, as a way of keeping my options open. I always felt, to quote the great economist John Maynard Keynes, that it really was a dismal science. The concept of the *homo economicus* always bothered me, the reason being that the assumptions made by economists about people were so far from the reality embodied by the entrepreneurs in my family. The way they made decisions was anything but rational. They were very talented, however, at rationalizing their decisions after the fact.

When I was 16, my father had sent me to the Harvard Summer School, which was a fantastic experience—the diversity of people was very exciting, much more so than university life turned out to be in Holland. While studying, I told myself that I would go back to the States one day, and I did. I returned to the USA after I'd finished my doctoral

examination in economics in Holland, by which time I had realized that I had the potential to be some kind of an academic. I decided to take time out traveling and booked a place on a Norwegian freighter. It was a very cheap way to cross the Atlantic—my father was a good client of the freight company—but also an extremely boring crossing of which the only highlight was a storm. When the boat docked in Boston I couldn't get off it quickly enough. Out of pure nostalgia I visited Harvard again, this time including the Business School. I was curious about the programs and courses they were offering. I discovered the school was running a sort of ' missionary' program—the International Teachers Program—intended to spread the Harvard case - method all round the world. I was still thinking vaguely about joining the corporate world—banking would be an option—at this stage but I saw this program as a chance to spend a year at Harvard. During the interview process, the program director of the International Teachers Program mentioned an unusual course being given by Abraham Zaleznik, who had a chair in what was then called Social Psychology of Management, something of a misnomer, given the strong psychoanalytic focus of the course. The seminar he suggested I should take was ' Psychoanalytic psychology and organizational theory.' I decided to enroll—and it changed my life.

I still remember that our first assignment was to read Ernest Jones's biography of Sigmund Freud, which consisted of two pretty impressive tomes. In spite of my relatively poor English, I read all the material over one weekend and I was probably the only person on the seminar who bothered to do so. The course was quite exciting for a budding business economist as it included case studies such as 'The Wolfman, ' ' The Ratman,' and 'The Psychotic Dr Schreber,' quite different from the material you get in an economics course. With hindsight, I would now question the validity of

some of Freud's case interpretations, but at the time they brought me into a completely different world and stimulated my fantasy life. Suddenly I saw a lot of new connections in literature, film, and art: it was like having an additional lens, moving from a two-dimensional to a three-dimensional world. In addition, I was living in a foreign country, with all the mental turmoil that accompanies that sort of temporary life, which deepened the experience. Certainly, it affected my dream life. Because my life experiences were so different, I paid a lot of attention to my inner world. I did a lot of dream analysis to get a better understanding of myself.

It was during this time that I began to play with the idea of integrating the worlds of clinical psychology (i.e. psychoanalysis) and management. When Zaleznik offered me a position as his assistant, the direction I was heading in was confirmed. In addition, I was accepted into the doctoral program at the Harvard Business School, although I was also advised to do an MBA. The thinking was that if I didn't make it through the doctorate, I'd at least have the MBA to fall back on. It turned out that the International Teachers Program covered the second year of the MBA so, ironically, I did the first year's course of the MBA in my second year. Looking back, Harvard was an extremely important learning experience. Being in one class section with a hundred extremely competitive individuals helped me understand and learn to speak the language of executives.

My doctoral dissertation under Zaleznik was on entrepreneurship; I finished it extremely fast and almost immediately my writing career started. Roland Christensen, a delightful man, and one of my thesis advisers, asked me to write a short excerpt on entrepreneurship from my thesis as a student note to use in his classes, and various articles followed. In addition, I was involved with Zaleznik in a very large research project on individual and organizational

stress. At the same time, I became interested in starting some form of psychoanalytic training. As I became more familiar with psychoanalysis as a method of investigation, I experienced a need to deepen my clinical expertise. Without such exposure, I felt that the application of theoretical ideas to organizations would be a rather barren exercise. I decided I wanted to become a psychoanalyst. But with my background in economics and business administration I would be a very atypical candidate for a psychoanalytic training institute, particularly as the psychoanalytic world in the USA at the time was very medically oriented. And I had to deal with another problem: to be accepted at an institute was one thing, but I would also have to pay for the training. To do that, I needed a job. It wasn't so easy to get an interesting job in the Boston area. I knew that for a number of political reasons—Zaleznik not belonging to a specific area—there would be no offer forthcoming from the Harvard Business School. Joining Zaleznik was great as a learning experience but had not been a very smart political move.

I decided to go to France where the *Institut européen d'administration des affaires* (INSEAD) was getting off the ground. A dean had been hired to build a faculty. I also felt that France would give me the chance to pursue my wish to become a psychoanalyst, as they were more relaxed about accepting people with more unorthodox backgrounds. At the same time, I started psychoanalysis with Joyce McDougall, one of the most famous, and original, psychoanalysts in the world. My stay at INSEAD lasted for two years. To put it bluntly, I was fired. The reasons were never made very clear to me, but the school's financial problems were one of them. It probably didn't help that I was not very subtle presenting my ideas about how the functioning of the school could be improved, suggestions that were not wholly appreciated. When I worked out that I was being fired—the dean was quite evasive about it—I protested about the reasons given

for my dismissal and the way it was handled, which led to a protest by other faculty members (fearful who would be next in line, as there was no system of due process) and ultimately to the establishment of a faculty evaluation committee that ensured that hiring and firing would no longer be a flavor-of-the-week process. Ironically, INSEAD made me an offer a year after they sacked me, but I turned it down. Looking back, getting fired turned out to be a lucky experience for me, as it contributed to interesting learning opportunities.

I returned to the Harvard Business School as a research fellow for one year, joining the Production and Operations Management area. I worked for a man called Wickham Skinner who wanted my help writing case studies with a human touch. I hoped, now that I was back at HBS, that I would be offered a longer-term appointment. But for a number of reasons it was not to be. Having received the highest teaching rating at the school may have been a black mark against me. Obviously, I could not be a researcher. But the most telling lesson was that the Organizational Behavior area was blocking Zaleznik from making tenure track appointments. In addition, the opinion of one of the power holders in the Organizational Behavior department was that I would never write anything. That particular person must have had a very good understanding of human behavior. One of the small pleasures in life is doing something people say you'll never do. I believe this is my twenty -ninth book. I have always thought that academics are masters in character assassination.

Luckily, Henry Minzberg was more visionary than Jay Lorsch and had another view on the matter. At the time he was looking for faculty members who didn't fit the standard OB mold. I was certainly part of that group of misfits. He offered me a position at McGill in Canada. The Faculty of Management was relatively new and offered many growth

possibilities. What also attracted me to Montreal was that it had a very open -minded psychoanalytic training institute. I was particularly attracted to Maurice Dongier, at the time the head of psychiatry and the director of the Allen Memorial Institute, a psychiatric think tank. He was adventurous enough to accept me as a candidate for training despite my unorthodox background. He turned out to be the right person for me, at the right time. Not only did he give me many insights but he also became a very good friend.

Anyone who goes through this sort of training faces a real dilemma about what direction to go to afterwards. I thought clinical work was interesting—but there were an awful lot of psychoanalysts about. Very few psychoanalysts, however, really understood organizational life. That's where I thought I could make a real contribution with my clinical training.

FIRST CASE: AN ENTREPRENEUR

I started my psychoanalytical training in the 1970s and by the end of that decade I was ready to take on my first patients. Lo and behold, my first patient was an entrepreneur: this was an extremely rare opportunity as entrepreneurs rarely go on the couch; they are far too busy running around. But this man was in bad shape, in the grip of a real -life soap opera—his wife had deserted him, he felt his company was falling apart, and he was estranged from his children. In addition, he had a number of psychosomatic symptoms: teary eyes that blurred his vision and permanent mouth ulcers—classic stress symptoms. I don't think the psychiatrist who referred him to me meant to do me a favor. I' m fairly sure he thought the patient was too much of a challenge. But I interviewed him and saw him as an interesting patient (particularly given my interest in

entrepreneurs), so I thought why not? One of the things I noted when I first met him was that he seemed to be subject to an ‘anniversary reaction, ’ that is, the anxiety that some people feel when they reach the age at which one of their parents died. My patient was approaching the age his father had been when he died in a mental hospital. His father ’s illness had been kept very secret by the family. My patient thought that something similar would soon happen to him. This delusionary idea contributed to the process of unconscious self-destruction in which he appeared to be engaged.

The psychoanalytic process got off to a flying start. My patient improved by the week. He thought he had been given a miracle cure, because he felt so much better after only six weeks. In addition, the company was doing so much better. His relationship with his wife and children had also improved. And his psychosomatic symptoms had disappeared. Given the impatience of entrepreneurs, it came as no surprise that he wanted to quit. This is what is sometimes called a ‘ flight into health. ’ It was not easy to persuade him that more work needed to be done. But I managed to convince him to continue. In fact, I saw that patient five times a week for four years, admittedly quite a long time for an entrepreneurial type.

This story has a nice epilogue. My patient was always very grateful for the way I helped him. He kept in touch with me, writing to me to let me know how he was doing. A few years ago, he called me. He told me that his wife had died, and he had decided to write his autobiography. As he’d needed help with the writing, he had taken on a ghost writer. What began as a professional relationship turned into something more. He had married her, and they were living happily ever after in Florida. He was still working on his autobiography, and he wanted me to write a little part about him, which I did. As a matter of interest, he is still in contact with me.

Seeing someone five times a week for four years puts things in a very different perspective from having only one interview with someone, which is usually the situation when you are writing a case study. Listening to someone every day, you can follow closely the way certain decisions unfold. The interplay of this entrepreneur's fantasies, daydreams and dreams in the decision -making process was fascinating. Why he took certain actions, and how he rationalized those actions afterwards, was an intriguing process to follow. Although he was far from an easy case, I could not have been luckier with my first patient. I was also fortunate that my first supervisor was Clifford Scott, a leading figure in psychiatric and psychoanalytic history, and one of the editors of the *International Journal of Psychoanalysis*. He was one of the pioneering few who started to analyze schizophrenic and bipolar (manic -depressive) patients on a regular basis. My interactions with him convinced me of the difficulties and dangers of basing theories on simplistic survey research or sporadic interviews. It also taught me how far off the mark rational planners are when discussing the way people make decisions. Having had an entrepreneur on the couch helped me truly understand the relationship between the world of the mind and the world of work.

I've always been irritated by the fact that the world of work has been largely ignored by psychoanalysts, and still is, which is remarkable considering how much time we all spend at work. Psychoanalysts have studied artists and writers, the boundary between creativity and madness, and so on, but the world of organizations has been neglected. The first serious attempt by a psychoanalyst to study work was at the Tavistock Institute in London in the early part of the twentieth century; then in the 1960s the work of my old mentor Abraham Zaleznik at Harvard and Harry Levinson, who was working at the Menninger Clinic in Topeka, Kansas, began to emerge.

I was intrigued about the way they were working at the boundary of psychoanalysis and organizational life. It was a clarion call to me, given my own studies in the twilight zone of economics, management, and psychoanalysis. Now I view myself as belonging to a second generation of people with a clinical orientation to organizational analysis. Forty years on I have probably become one of the better-known practitioners in this field.

THE CLINICAL PARADIGM

I see my contribution as a very modest one. Hasn't it been said that we all stand on the shoulders of giants? I see myself as a bridge builder, closing the gap between various disciplines. When I was studying organizational behavior, I thought that too much attention was being given to structures and systems and not enough to the person—the Harvard Business School was certainly oriented toward that trend. I wanted to bring the person back into the organization. It's my experience that by using the clinical paradigm people have an extra level of magnification through which to look at organizational phenomena. It's not that other approaches are wrong; but I maintain that people who have a modicum of clinical understanding are generally more astute at interpreting what, at times, can be extremely puzzling phenomena. Out-of-awareness behavior plays an important role in human encounters. Thus using yourself as an instrument can be highly effective. In addition, understanding what drives people helps us understand personality problems better, realize what certain symptoms signify, make sense of interpersonal difficulties, and see through group phenomena and social defenses. A holistic approach to the study of people is needed if we really want to understand people phenomena better.

While stating the importance of the clinical paradigm in organizational work, I like to emphasize that, despite my psychoanalytic training, in my interventions I'm very far from being a classical psychoanalyst. I do whatever works. I want to help people—probably part of the influence of my maternal grandfather, who went out of his way to help people during World War II. And probably as a result of being born during that war, I have always been extremely wary of ideological movements in general, and in the social sciences in particular. In my work, I also draw on cognitive theory, family systems theory, group dynamics, motivational interviewing, neuropsychiatry, and developmental psychology.

An increasing number of people realize that a purely rational model of looking at organizations is unrealistic. While I am myself most comfortable using the clinical paradigm as a springboard, I don't argue for its pre-eminence compared with other forms of intervention. But I do recommend that all agents of change supplement behavioral or humanistic models of the mind with clinical conceptualizations about intrapsychic and interpersonal issues, like people's underlying motivational needs, their unconscious processes, defense mechanisms, social defenses, resistance, transferential processes, and the role of character.

ABOUT THIS BOOK

Refl ections on Character and Leadership examines some of the major issues about leadership. What makes a leader? What is good leadership? And what is bad? What happens to organizations if a leader derails? What are the impacts of successful and failed leadership on followers and organizations?

Part 1: Leaders, Fools, and Impostors presents some character types that are thrown into sharp focus against an organizational background. I look closely at the organizational impact—positive and negative—of entrepreneurs, hypomaniacs, alexithymics (those people who seem dead from the neck up), impostors and fools. I examine their behavioral symptoms and the effects of their behavior on other people and the places in which they work. I suggest ways in which various personality types can be managed—and how to cope if you are managed by them.

Part II: The Pathology of Leadership is a collection of observations about what happens when a leader derails and organizations are paralyzed by a culture of fear, mistrust and insecurity. Lessons about toxic organizational leadership are drawn from an extended study of the tyrannical reign of the African king, Shaka Zulu, in the nineteenth century.

Part III: Transforming Leadership turns back once more to the side of the angels. One of the biggest challenges to leaders is how to nurture and contain a climate of creativity within an organization. The chapters in Part III look at the ways in which truly inspirational leaders—from Alexander of Macedon to Branson of Virgin—construct organizations that are great places to work.

Part IV: Leadership in a Global Context addresses what qualities and leadership skills are needed to take organizations to success across cross - cultural boundaries. This part not only discusses salient issues faced by global organizations, but also specific attention is given to Russia. The opening up of Russia to Western business—and the growth of the West as a fruitful market for Russia—has brought a growing number of Russian entrepreneurs onto the global business stage. There is increased awareness of the culture of this fascinating country and the nature of the Russian ‘soul. ’

In the Conclusion, I end with some thoughts on how to create and sustain high-performance organizations.

Manfred Kets de Vries
Paris 2009

PART I

LEADERS, FOOLS, AND IMPOSTERS

INTRODUCTION

In using the characterological approach, the therapist, coach, consultant or other change agent tries to identify a set of interrelated themes—the focus is on patterns that tend to fall together. Certain themes—like certain organizational types—occur frequently in combination. Some people might consider this a negative form of labeling but you can also look at it as a way of being helpful, of defining the treatment of choice for a person. A less stereotypical way of simplifying a complex world is to engage in a thematic analysis, looking at the central themes that permeate a person's inner theater. Thematic analysis is less constricted—no attempt is made to identify a finite number of character types.

Of course, the identification of character is rarely a clear - cut task. When I enter an organization, I try to keep an open mind. I always have to fight against premature closure. In order to deal with the flow of information that floods me when I enter an organizational system, I have to create a certain amount of transitional space so that I can 'play' with the data I am given. I make a great effort to use myself as an instrument.

Many of the stories I heard from executives seemed to me, to borrow Churchill's famous phrase, like puzzles inside a riddle wrapped in an enigma. I found many confusing, and my confusion made me curious. I wanted to delve deeper to make some sense of the material being presented to me.

And it made me realize the extent of my ignorance and the difficulty of understanding certain situations. I had to learn to live with my ignorance, to tolerate ambiguity, and to turn a deaf ear to the sirens of premature closure. This is part and parcel of the clinical process: the client will, in various ways, contribute the kind of material that provides insight into the discontinuities that make for his or her specific behavior. My encounters with leaders brought home to me the infinite ways in which human beings deal with stressful situations, the unique nature of our adaptive capacities, and the danger of getting stuck in vicious circles. Mental health comes down to the ability to choose, to avoid being caught in a repetitive cycle. Mental health means helping the person having more choices.

Let’s face it, in the developed world we could describe about 20% of the population as perfectly all right—nice family, age-appropriate frustration while they were growing up, parents who are kind and supportive, etc.—fantastic. And there are 20% who are unlucky, growing up with violence, abuse, alcoholism, and worse. Some manage to get out of it, because they have a relative, teacher, neighbor, family member—someone who cares about the child, a lucky break that builds up resilience. And then there are the ‘ neurotic’ rest of us, somewhere in the middle.

I am fortunate, in that my observations are based on firsthand encounters I have had over the years with numerous individuals, as part of my psychoanalytic practice and clinical organizational interventions. For example, I met a number of executives whose behavior struck me as mechanical. I became intrigued by the robotic way they dealt with their environment and the inappropriateness of their reactions to stressful situations. When did this behavior begin? What led up to it? Do certain types of organizations contribute to it? My investigations were furthered by research into a clinical phenomenon sometimes called