

KETS DE VRIES INSTITUTE

Achieving Sustainable Change—An introduction to KDVI's
psychodynamic approach to team and leadership development

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EXECUTIVE SUMMARY

The Ouroboros (Greek for tail-devouring snake) is an ancient symbol depicting a snake swallowing its own tail. It represents self-reflection, and growth cycles that build upon earlier experiences.

In an organisational context, this metaphor illustrates the ability of a group of people to continuously reflect back and experiment forward—key indicators of sustainable growth.

How to develop high-performng leaders and teams?

One of the greatest challenges in organisations today is aligning people to get things done. Much is said about strategic planning, decision-making, intent, and strategic agility. But when it comes to implementation and change, the hard truth is that there is likely to be only mitigated success or even failure, rather than results that match the original strategic objectives. And as the saying goes, vision without action is a hallucination.

As experienced executives will acknowledge, organisations are complex systems made up of people with diverse life experiences, strengths, desires, and challenges. Indeed, the single most difficult challenge that an executive faces is developing his or her own soft skills: the ability to draw on self-awareness and a sense of how to get the best out of others.

Consequently, organisational processes—such as strategy implementation, onboarding, innovation, diversity, retention, leadership succession, crisis management and the like—cannot be fully understood or managed without an exploration of individual motivation and group dynamics. Effective organisational interventions, whether focused on individuals or groups, need to address the ways in which people interact with one another, as well as explore the organisational system in which they work.

KDVI's psychodynamic-systemic approach

KDVI's founding partners were among the first in the world to combine management science with a deeper understanding of human behaviour in organisations. This came to be known as the *psychodynamic-systemic approach* to leadership and organisational development.

This approach identify challenges and issues at the business level, and in addition, draws attention to the deeper sources of energy and motivational forces that give impetus to, or create inertia against, human actions in organisations. It imparts to the people in organisations an interest in and understanding of their own behaviour, and how it affects their teams and their organisation. Our research shows this is directly related to the ability of a group—for example, senior executive teams—to transform intent into action, with a lasting impact on

organisational culture and performance. In other words, the psychodynamic-systemic approach allows us to work with people in a holistic way, within their specific business context.

Transforming impactful organisational development interventions

KDVI's organisational development interventions are *based on decades of experience and research* that indicate the critical importance of linking programme design to real organisational challenges. Without an initial assessment of objectives and resistances, no programme can be lastingly effective. Therefore, all interventions begin with an exploration of the current business situation and the people involved, including less visible success and derailment factors.

KDVI's work is also *evidence-based*—we draw on and contribute to academic research in our field; we consider our clients to be our research partners in an exploration of their unique questions and challenges; and we assess the results of our interventions.

Lastly, the KDVI approach is *pragmatic*, transparent, inclusive, and forms a solid foundation for evidence-based team and organisation interventions. In partnership with each client, we seek to uncover and resolve sources of conflict, and to unlock resources for renewed organisational energy.

Achieving sustainable actionable results

KDVI takes an *integrated and sustained focus* by working with clients to address the challenges and pressures related to their organisation's strategic objectives. This approach to team and group coaching provides a context and a process for an exchange of information that takes individuals and groups beyond a focus on their own personal agenda, and helps to align them in a common purpose.

KDVI also adopts a *long-term view*, with interventions designed to foster continual organisational learning and sustainable results. For both individuals and groups, regular follow up sessions have proven to be the most important factor in anchoring change. Peer coaching is also a powerful means to embed a culture of energetic engagement and courageous conversations that will become self-perpetuating.

Objectives of the White Paper

The purpose of this white paper is to capture a description of the KDVI approach and theoretical foundations, in order to provide KDVI associates, coaches, and clients a common understanding of KDVI's philosophy and objectives.

First, we describe the underlying human dilemmas inherent to leadership and performance in organisations. We then propose that, by addressing these fundamental human factors, KDVI's organisation development interventions go beyond the simplistic quick fix.

Next, we provide an overview of theoretical foundations of KDVI's *psychodynamic-systemic approach*: KDVI interventions situate individuals, groups and organisation within a holistic context of environment and history.

In the final section, we illustrate our approach in action by describing KDVI's *programme design*: KDVI interventions are pragmatic and measurable. They focus on real issues and underlying motivational factors. They address conflict and unlock organisational energy. KDVI also takes a long-term view, with interventions that foster continual learning for individuals, teams, and the organisation as a whole.

HOW TO DEVELOP HIGH-PERFORMING LEADERS AND TEAMS—AN OVERVIEW

What is meant by “high-performing”? This is a fundamental question, but one that is very difficult to answer. Studying financial results over time is the most obvious and widely accepted metric, but is it the most accurate? What other factors affect performance, and how should they be addressed?

Most people will admit that success and failure in the business context seem to be linked to human behaviour—in other words, what people do, how they do it, and why they do it. However, leaders tend to focus on the consequences of organisational actions—financial successes and failures—without fully considering the multiple underlying human factors that lead to these outcomes.

Unfortunately, this narrow focus often hampers leaders’ ability to predict or influence the results of their strategic and operational plans and actions. In addition, it inhibits a deeper understanding of how to motivate and energise individuals and groups.

Organisational processes—such as on-boarding, strategy building, innovation, diversity, retention, leadership succession, crisis management and the like—cannot be fully understood without an exploration of individual motivation and group dynamics.

Case in Point: An action plan for change

In 2015, the petroleum industry was in crisis, both short-term and for the foreseeable future, as oil prices plummeted and President Obama threw his weight behind the development of alternative energy resources. The executive team of a global company that provided oil drilling, pumping and transport engineering services knew they had to transform their solid but complacent organisation in a way that would strengthen their core competencies in a shifting market. And they had to do it now—their company's share price had already dropped by an astonishing 30% in the previous six months. The executives were living in planes as they hustled among clients on all continents.

In what seemed to be an obvious injection of needed talent, James, a brilliant professor of engineering, was hired as the new Chief Knowledge Officer; and Joachim, an experienced petroleum industry executive, was seconded by one of the major clients to head a large offshore drilling project. The plan was that the new hires would work with the client to develop more environmentally sustainable approaches to oil extraction.

However, the company's performance continued to decline, and internally, things were getting even worse. Within several months of their arrival, tension among the senior executives grew, and soon overt conflict broke out between the two outsiders and other members of the executive team. Although now all of the team members were visibly working around the clock, their plan stalled because of something no one wanted to admit: a complete breakdown in their ability as a team to implement any other strategy other than short-term firefighting. As one of the executives made quite clear, they were a team in name only. They resembled more a group of independent ships passing in the night.

The company was heavily committed to a major energy project; deadlines were looming and pressures were mounting. A new strategic initiative from outside consultants was commissioned by the CEO, but with the individual members of the executive team protecting their own territory—all reading from a different page—the plan was discussed without real meaning or engagement. It was agreed upon but nothing materialised.

Although no one seemed to realise it, the two newcomers were treated as scapegoats for the team's mediocre performance. James was perceived as being rude and disorganised, and Joachim as a know-it-all, spying for the major shareholder. They were blamed for distracting the others from dealing with the emergencies at hand. Within the team, each person had their own idea of who was right or wrong, but no one wanted to be the first to speak honestly and openly about the team's responsibility as a group.

As the situation deteriorated, the CEO decided to bring the senior executive team together for what he called a high performance team intervention. Under the guidance of an experienced external group facilitator, the three-day intervention would give them the time and space to reflect on their interpersonal relationships, work practices, leadership styles, and organisational culture. The aim would be to create alignment within the team, and then build on this alignment to anchor a more effective interaction with the client on the new project.

The group coach-facilitator they would work with had a solid business background and training in the psychodynamic approach to executive coaching. This meant that not only was she interested in how individuals experienced the team's interactions, but she was also prepared to explore the less visible elements: *the underlying behaviour patterns and group dynamics that motivate interactions between individuals and within teams.*

Prior to the intervention, she conducted a Leadership Audit—interviewing each team member and some of their colleagues—to get a sense of perspective on the context. She gave each member of the group 360-degree leadership and team surveys to be filled out by colleagues, family and friends.

At the opening of the intervention, the coach gave a short lecture about high performance organisations and effective leadership. She put the team's challenge in context, showing how many of the problems that they were currently facing could be understood as human dilemmas. She proposed that this perspective could bring new insights, and have a direct impact on their ability to work together. She shared some of the themes that had come up during her Leadership Audit interviews. Without revealing names, she noted observations from outsiders that the executive committee was not a cohesive team but a group of ships passing in the night, each with a different destination. She closed by saying that in order to accomplish anything in their day together, they would have to engage in courageous conversations—and she promised that this type of conversation would not only be helpful in their current situation, but could become a new model for the way in which people in their organisation could work together more effectively.

The team then got down to work. The coach first asked each team member to draw a self-portrait. There was some good-natured grumbling about this childish task, but after a few moments, all were engaged in sketching. Next, to link each self-portrait to the primary task of exploring team dynamics, each person took his or her turn in the 'hot-seat' and discussed their own leadership challenges. One by one, the group focused on each person's 360° survey feedback, and the others offered challenging but supportive comments. By the session's end, all executives had a better idea of understanding of their own and one another's behaviour.

James realised that, although his technical insights seen as were brilliant and very relevant, he had put the others off with his preference for working things out on his own. To the others, his behaviour seemed obstructive. When the group learned that James had always been a bit of a loner, they agreed that with gentle effort and good humour, they could coax him out of his shell. To Joachim, the group expressed their confusion and mistrust about his presence among them. After Joachim clarified his motives, it became clear to all that he was in fact strongly aligned with the team's objectives, and could be a real asset.

By the end of the group coaching days, the team had broken through a real source of conflict—James' "rudeness" and Joachim's "spying"—and realised that once they had talked about these misperceptions, they felt much more able to speak openly to one another in the future. Each team member wrote a personal follow up action plan based on their individual feedback reports and comments from the group. After sharing their plans, they promised to coach each other whenever one of them was straying from his or her specific action points. In addition, the team had their first honest debate to obtain clarity as to where the company had to go in order to be successful, and committed to a number of actions to improve execution. Each team member left at the end of the intervention feeling refreshed, listened to, and reasonably optimistic. More importantly, each one felt that they were no longer trying to go it alone.

Three months later, the team met with the facilitator for a follow up session. The executives agreed that the team was more effective. There was a greater openness among them, marked by real dialogue and welcome exchange of ideas. They marvelled at the extent to which they had bonded as a team after the three-day intervention. Several people mentioned that they felt more comfortable discussing their doubts and concerns with the others. Rather than worrying about being vulnerable, they had developed a greater trust and respect for one another. They made it a point to start each meeting with an agenda point called "courageous conversations"; this fostered constructive conflict resolution, and a greater sense of commitment and ownership. The much-needed talents of James and Joachim were fully integrated, and the team agreed that they were now aligned in working together on the sustainable oil extraction project.

The challenge of leadership

As the case illustrates, getting people to work together effectively is not easy, even in situations of crisis when alignment on strategy implementation is critical to survival. Senior executives know that in order to carry out strategic initiatives, people at all levels of the organisation need to do their part. Leaders often say: “Why won’t people just do what they’re told!” But in reality, a more nuanced approach is often more effective—and so leaders face a more complex set of challenges. As a strategic implementation process unfolds, how does a CEO calm followers’ anxieties and encourage engagement? How do peers’ implicit biases about “ideal leadership” or misconceptions about a person’s motives hinder a team leader’s scope of possible action? How do intangible factors, such as history and legacy, influence an organisation’s culture and values, and how can people effectively lead culture change? These issues lie at the heart of the struggle to get things done in organisations.

In addition, leadership is no longer narrowly defined as a single—often male—leader at the head of an organisation. We now understand leadership to be a matter of the right person—the right skills, approach, and experience—at the right time. Leaders are found at every level of the organisation, from CEO to team leader. For better or worse, leadership sits at the centre of a highly complex interplay among individuals in organisational systems, all of which take place within diverse situational contexts. Thus, the best leaders are those who have the ability to gauge the environment and understand the motivational forces that engage their peers or followers to face the organisational challenges at hand.

Finally, leadership involves a strong sense of group alignment to the organisation’s goals. As the case illustrates, when executives do things their own way, this often results in uncoordinated, even conflicting, decisions and actions. Learning to function as a group—identifying and working through individual misconceptions; understanding the source of individual behaviours; supporting developmental actions; and holding courageous conversations—will have far-reaching benefits. No man or woman is an island, and certainly, no leader should be an island. The stronger the teams within an organisation, the more effective the leadership will be.

A psychodynamic-systemic approach to organisational development

In short, life in organisations must be explored at the confluence of three streams: the individual, the group, and the context—for example, in the case described above, the intervention addressed the “scapegoats” James and Joachim, the exhausted and anxious senior team, and the unpredictable situation in the petroleum industry. It is impossible to create viable or sustainable outcomes without an awareness of what is happening in each of these three areas.

Leadership is a matter of the *right person* at the right moment, with the ability to gauge *the environment* and understand the motivational forces that engage *followers* to face the organisational challenges at hand.

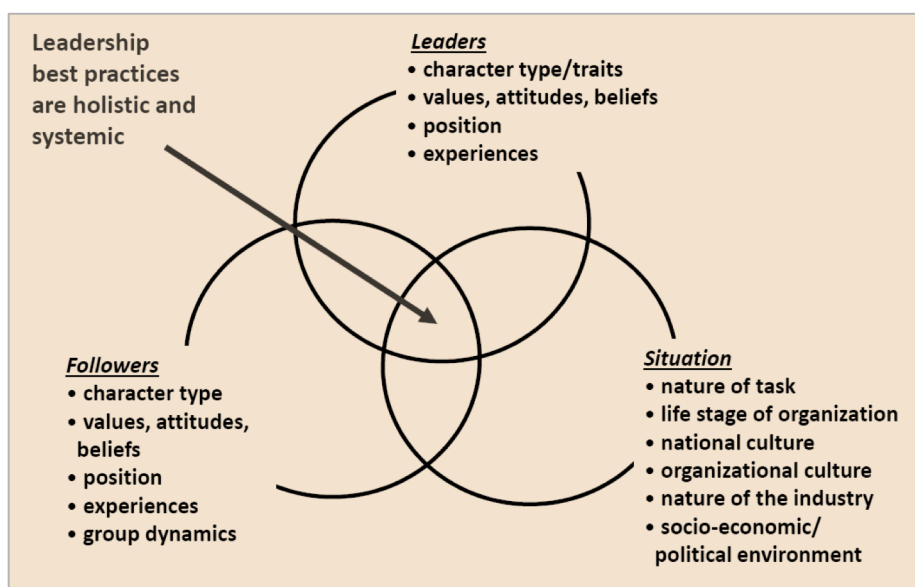
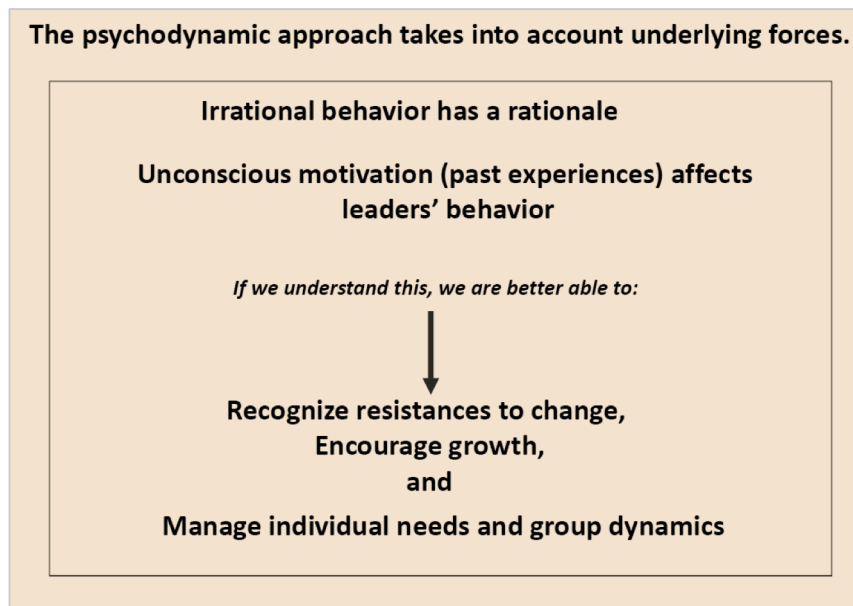


Figure 1. Three streams of systemic organisational analysis and intervention

The best way to study and intervene in organisational processes, therefore, is *psychodynamic* (taking into account the human factor) and *systemic* (looking at the ways different areas of an organisation interact and are interdependent).



This approach considers what is “within”: the inner world of individuals, including their emotions; relationships between individuals; and in the “reality” that is created by the dynamics of groups¹. Thus armed with new sources of data, people can make more informed decisions about how to lead, and how to act.

The psychodynamic-systemic approach to organisational intervention draws attention to the sources of energy and motivational forces that give impetus to, or create inertia against, human actions.

The term “psychodynamic-systemic” simply means that in order to gain new insights and sustainable outcomes, the intervention should begin with a thorough diagnosis of the current situation, the context, and the people involved. The design of any intervention—be it individual coaching of senior executives or a company-wide program—must be based on real needs and objectives, and not on a pre-packaged, one size-fits-all approach. The intervention should be evaluated for effectiveness at regular intervals, and revised if necessary.

KDVI's experiential and evidence-based approach to organisational development

KDVI has decades of experience working with individuals, teams and organisations in many different countries, cultures, and industries. First at Harvard and McGill in Canada in the 1970s, then later at INSEAD in France in the 1980s, KDVI founders Professor Manfred Kets de Vries and Professor Elisabet Engellau pioneered the use of individual and group coaching in organisations. This approach has proven to be complementary, or even essential, to carrying out organisational processes as diverse as, for example: strategy implementation, mergers and acquisitions, diversity initiatives, innovation, career development, and improving board-level decisions.

KDVI's founders were among the first in the world to combine the rational side of management science with a deeper understanding of human behaviour in organisations, and to apply this psychodynamic-systemic approach to leadership and organisational development.

Over the past forty years, KDVI partners and associates have published seminal academic articles in top journals, and have been present in international academic and practitioner research conferences. In our practice, KDVI partners and associates draw on our own fundamental research as well as the latest research findings in our field.

Our work is evidence-based—we consider our clients to be our research partners in an exploration of their unique questions and challenges.

We seek and make use of a deep and broad range of data: the tangible, such as numbers, figures and action plans, as well as the less visible, such as the motivational influences that can help or hinder desired outcomes.

KDVI works with people in organisations to help them develop self-awareness and to understand their personal drivers: their feelings, fears and hopes about their professional goals. We help executives to explore anxieties and group processes in their teams. We challenge and test assumptions through direct and open discussions. We also provide practical solutions to the daily challenges that executives often find draining or stressful, such as delegation or time management.

In our experience, it is the ability to develop people that is the single most difficult challenge that senior executives face. If they are given the time and support necessary to explore underlying causes as well as practical solutions to human dilemmas, the payoff for the organisation can be significant.

In short, our approaches are both experiential and evidence-based. This means that we take our clients' needs as a starting point, and we design interventions that allow for individual and group learning through action research and

experimentation. This also means that we build on evidence in partnership with our clients: from academic and practitioner findings and best practices, to feedback loops during and after each intervention.

KDVI in Brief

We are pioneers in the psychodynamic-systemic approach to executive coaching and organisation development interventions.

We specialize in the development of leadership soft skills, so that global and virtual teams can implement strategic objectives in highly complex organisational environments. We focus on execution—on getting things done.

Our work is evidence-based: We link academic research and organisational expertise. Our action-learning focus explores clients' specific organisational processes, and evaluates impact and results.

We partner with clients to explore individual and organisational causes and consequences of actions and decisions.

We design pragmatic, measurable interventions to address real issues and underlying motivational factors.

Our scope is systemic: It situates individuals, groups and organisation within a holistic context of environment and history.

Results are sustainable: We take a long-term view, with interventions designed to foster continual organisational learning.

EXPLORING THE CHALLENGES OF EFFECTIVE LEADERSHIP AND TEAMWORK— THEORETICAL FOUNDATIONS

At its heart, leadership and organisational development is about human behaviour—understanding it and enhancing it. It is about creating and strengthening relationships, handling conflict, building commitment, establishing a group identity, and adapting behaviour to increase effectiveness².

Leadership involves the highly complex interplay among individuals in systems, all within diverse situational contexts.

Effective leaders are aware of their own strengths and limitations. As a result, they are not afraid to be receptive to the needs of followers; they are aware of the sensitive nature of the leader-follower relationship; they pay careful attention to group processes. Such leaders are courageous enough to acknowledge anxieties and arouse hopes and aspirations; they know how to liberate human energy and inspire people to positive action. They are able to transcend narrow, personal concerns—their own and their followers. They generate organisational energy, and are able to align individual followers' aspirations with organisational goals.

Our research shows that many top executives can be characterised by a combination of a drive for action and a thoughtful and reflective approach to dealing with people.

This type of effective leader is not necessarily a charismatic person with an extensive network of powerful peers. On the contrary, the leaders who are effective over the long term are patient, resilient, and able to contain the anxieties of their followers. They foster a sense of meaning in the work that is to be done. This may be as exciting as finding a new drug for cancer patients, or as simple as designing a new type of garbage container that is functional as well as stylish. The point is, followers need to take pride in their work, and effective leaders make it possible for them to do so.

The snake under the carpet

Unfortunately, this type of leadership is still rare. Rather simplistic assumptions made about human behaviour underlie most definitions of leadership, methodologies for studying leadership, and recommendations for leadership development. In addition, many people in organisations are unwilling or unable to have courageous conversations; the appropriate dose of honest challenge and genuine support is hard to come by, particularly at the top. People tend to rely on processes and structures; however, a purely rational-structural way of looking at organisations has never been a sufficient framework for understanding leadership. It leaves too many organisational phenomena unresolved and unexplained.

We call this the “snake under the carpet” syndrome. Not only are there constantly shifting and hidden forces in organisations but, in addition, the mismatch between “reality” and out-of-awareness reactions to these forces may lead to bewilderment, anxiety, depression or even aggression for all concerned.

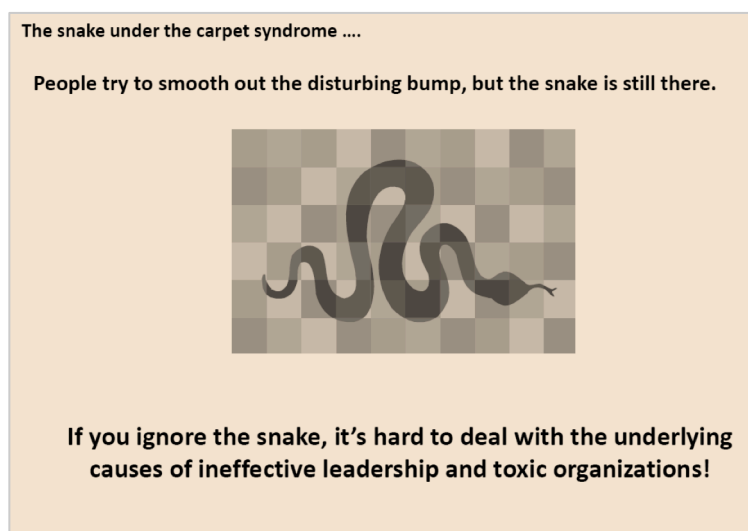


Figure 3. The “snake under the carpet” syndrome

Dealing with the “snakes” is not easy. For example, we often encounter executives who are challenged by a promotion to a top leadership position. They find it difficult to grow beyond the technical expertise that made them successful in the first place. They may be aware of their own limitations, but don’t know how to address them. Other people start to question their leadership ability; internal politics are stirred up. To deal with these “snakes,” these executives need to learn how to complement their technical expertise with a better grasp of soft skills such as team building, managing interpersonal relationships, and influencing organisational culture.

The organisational iceberg

Like icebergs adrift in the North Atlantic, our everyday actions are driven by constantly shifting and irrational currents that underlie seemingly “rational” behaviours and choices. Life in organisations is no exception. “What was he thinking?” is a very common question when a senior executive suddenly makes an apparently strange or risky decision. More often than not, the person behaving “strangely” is unaware of the effects of his or her own action, or may be at a loss to explain the reasons underlying it.



Figure 4. The organisational iceberg (source: M. F. R. Kets de Vries – The Leadership Mystique³)

However, many organisational practitioners and researchers have tended to avoid treading in the emotional and psychological realm of organisational life; fearing the messy but real-life complexities and the relationships within⁴. The result is that too many organisational phenomena remain unresolved and unexplained. Unfortunately, like the iceberg, these phenomena can pose unforeseen difficulties.

The leadership onion

The psychodynamic-systemic approach to leadership study acknowledges that people are complex, unique and paradoxical beings with different motivational drivers, and multiple decision-making and interaction patterns.

Indeed much of what we do, whether we want to admit it or not, is guided by deep-seated experiences and patterns which are first mapped out in early childhood, through our experiences with early caregivers.

Each person's unique relationship patterns may colour later interactions with peers, leaders, and employees in surprising and unexpected ways.

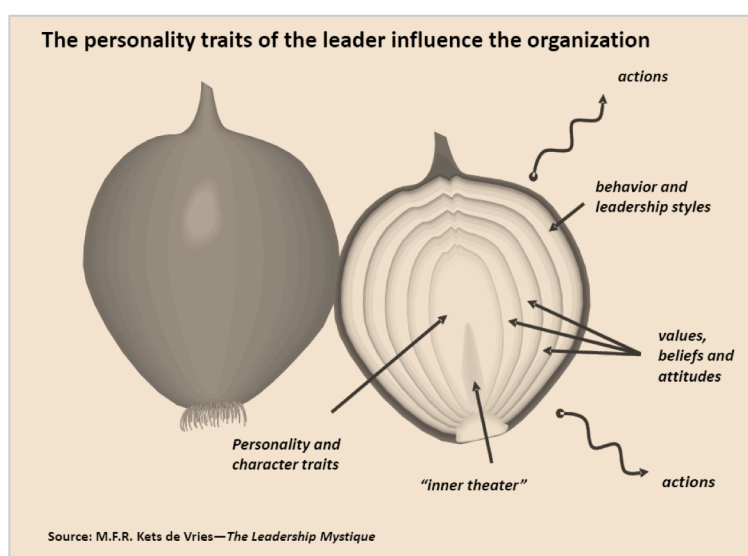


Figure 5. The leadership onion (source: M. F. R. Kets de Vries – The Leadership Mystique⁵)

A simple schematic way of understanding the influence of these patterns on individual behaviour is to picture what we call “the leadership onion.” An onion has a tough outer skin. It has a strong smell that is not unpleasant, unless the centre is beginning to rot. In the right conditions, it will send up green shoots. If we cut an onion in half, we see multiple layers, right down to an inner core from which the shoots and leaves emerge.

Applying this analogy to human beings, people only see the outer skin of each individual. We tend to evaluate a person's actions without considering the complex layers under the surface. But studying patterns of behaviour over time, to those who are curious, may provide clues to potential areas for growth and change.

The inner theatre

The centre of the human “onion” has been described as the “inner theatre” (McDougall, 1985).

We all have an inner theatre filled with people who have influenced,
for better or worse, our experiences in life.

These early experiences contribute to the creation of response patterns that in turn result in a tendency to repeat certain behaviour patterns in other contexts, with different people. Early childhood experiences, in particular related to these key figures, have a strong influence on the development of character traits, and personal values and beliefs. These in turn, later in life, have a powerful—albeit often unacknowledged—affect on the way people behave as leaders.

Though we are generally unaware of experiencing “transference”—the term given by psychologists to this confusion in time and place—we may sometimes relate to others as we once did to early caretakers or other important figures⁶. Take the case of a marketing director who finds the company CFO very irritating. Has she considered that the CFO might remind her of someone else in her life? People in our daily lives are sometimes no more than innocent bystanders who become inadvertently ensnared in our own internal confusion.

The internal life-script

Another way of working with the different layers of the human onion is to think of a person’s life experiences as a kind of “script.” The basic script of a person’s inner theatre is determined by the way the inner theatre evolves through developmental processes⁷. Within the inner theatre, certain themes develop over time—themes that reflect the pre-eminence of certain inner wishes that contribute to an individual’s unique personality traits.

These themes, which have been labelled “core conflictual relationship themes” or CCRT⁸, can be thought of as consistent patterns in the way we relate to others. Put another way, our early experiences and basic wishes colour our life-scripts, which in turn shape our relationships with others, determining the way we believe others will react to us and the way we react to others.

Whether we realise it or not, all of us project our wishes on others and, based on those wishes, rightly or wrongly anticipate how others will react to our behaviour in specific contexts. To give some common examples: Behind a person’s reluctance to exercise authority there may be a desire to be liked. Within someone who comes across as an aggressive or authoritarian leader there may be an unconscious need for revenge related to earlier life challenges.

Although the world of work has long been considered as a completely separate realm from the personal realm, these fundamental relationship themes affect the

way people act in the context of workplace relationships. If we revisit the example of the marketing director who is constantly irritated by the company CFO, we might expect to find that the marketing director avoids the CFO or mocks him behind his back, for no apparent reason. The CFO, as a result, might come to believe the marketing director is hard to work with. Unfortunately, these two people are caught in an unconscious relationship pattern that could become detrimental in their present context. As this example shows, the life-scripts drawn up in other contexts may underlie ineffective behaviour in similar, but completely unrelated, situations.

Another example—one that we encounter frequently in executive coaching—is the case of an entrepreneurial-founder who is well past retirement age, but will not allow a successor to take over. Many of the people in this person's company will criticise his (and it is often a man) inability to “modernise” or let anyone else take the reins. Looking into his life story with him, we might find that his father died at a young age leaving the boy as a key breadwinner for the family. The people who work with him later in life will complain that he has a strong controlling streak. But they do not see or understand his deep-seated sense of responsibility and fear that if he relaxes for even a moment, disaster may occur.

Interestingly, our experience shows that when people identify and revisit these experiences and patterns, they are able to identify and change related behaviours.

Motivational need systems

To understand human nature in all its complexity, we must also consider motivational need systems, because they are the operational code that underlies human action⁹. Each of these motivational need systems is operational from infancy throughout life, modified by age, learning, and maturation.

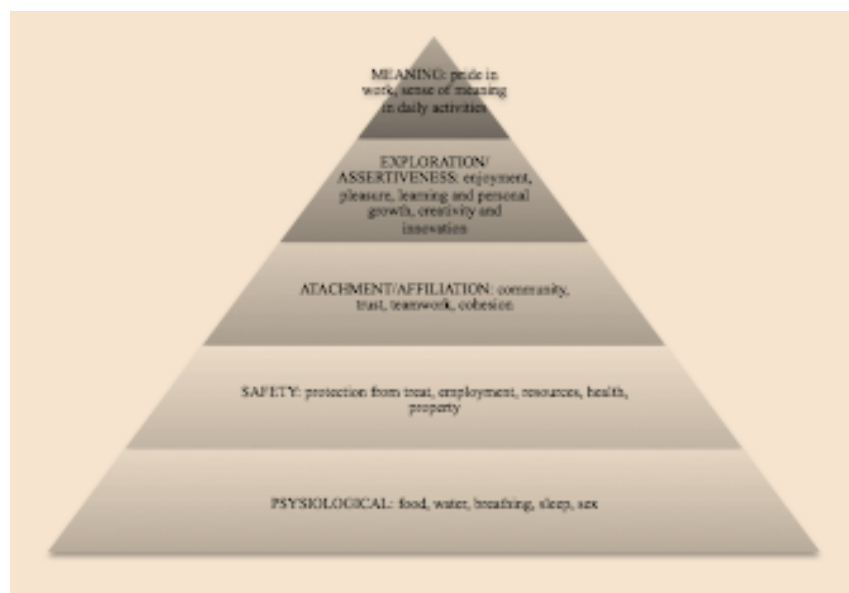


Figure 6. Motivational need systems

Some of these motivational need systems are more basic than others. Most fundamental is the system regulating a person's physiological needs—i.e., for food, water, elimination, sleep, and breathing. Another system handles the need for sensual enjoyment and (later) sexual excitement, while still another deals with the need to respond to dangerous situations with antagonism and withdrawal. Although we would like to think that these need systems operate only outside the organisation, in the realm of the personal life, they often affect the way people act in their professional life.

Two others are of particular interest for life in organisations: the *attachment/affiliation*¹⁰ and the *exploration/assertion* need systems¹¹. The attachment/affiliation needs system influences, for example, whether a person works best with close guidance or prefers loose autonomy. The exploration/assertion need system affects a person's desire for creativity and opportunities for learning.

For example, some people prefer to be given a challenge, and then take charge of finding a solution. They do not need or want to be managed, and they are energised by ambiguity and exploration of options. Other people are more comfortable working in a group, using structured processes, and knowing in advance what the objectives or results of their work will be.

Depending on the way an organisation meets these needs, connectivity and innovation can be enhanced, or on the contrary, stifled.

A powerful derivative of these two need systems is the desire to find *meaning* in life—to be useful, to transcend one's own personal needs. The desire for meaning constitutes an additional powerful motivational force for many people. Within an organisational context, this sense of meaning motivates people towards higher commitment and exceptional effort. It is obvious that working for a company that makes life-saving drugs is meaningful—but people can also find meaning in more mundane goals, like providing genuine customer service, or giving best value for money whatever the product may be.

The premises of the psychodynamic-systemic paradigm

The concepts outlined above can be organised in a framework that describes the premises of the psychodynamic-systemic paradigm¹². By making sense out of executives' deeper wishes and fantasies, and showing how these fantasies influence behaviour in the world of work, this paradigm offers a practical way of uncovering the forces that are helping or hindering team and organisation processes¹³.

The first premise is: *there is a rationale behind every human act*—a logical explanation—even for actions that seem irrational. Because that explanation is often elusive—inextricably interwoven with unconscious needs and desires—one has to “peel the onion” to tease out hints and clues regarding perplexing behaviour.

The second premise is that a great deal of mental life—feelings, fears, motives—lies outside of conscious awareness, but still affects conscious reality and even physical well-being. Though hidden from rational thought, the human unconscious affects (and in some cases even dictates) conscious reality. *Even the most “rational” people have blind spots, and even the “best” people have a shadow side*—a side that they don't know, and don't want to know.

The third premise states that *nothing is more central to who a person is than the way he or she regulates and expresses emotions*. Emotions colour experiences with positive and negative connotations, creating preference in the choices we make, and the way we deal with the world. Emotions also form the basis for the internalisation of mental representations of the self and others that guide relationships throughout one's life. The way a person perceives and expresses emotions may change as the years go by, as influenced by life experiences¹⁴.

The fourth premise underlying the psychodynamic-systemic paradigm is that human development is an inter- and intrapersonal process; *we are all products of*

our past experiences, and those experiences, including the developmental experiences given by our caretakers, continue to influence us throughout life¹⁵.

The psychodynamic-systemic approach is pragmatic, transparent, inclusive, and forms a solid foundation for evidence-based organisational interventions.

The psychodynamic-systemic approach is not a form of clinical psychology or psychotherapy. On the contrary, it is a method for gathering valuable, actionable data with the objective of identifying sources of leaders' and organisations' strengths, as well as areas for development.

By considering the way subconscious forces and need systems interact, it is possible to gain an understanding of an individual's mental schemas—the “templates” in their unconscious—that create symbolic “scripts” in his or her “inner theatre” and affect behaviour. A greater awareness of problematic relationship patterns (transference and counter-transference reactions) can provide an opening to explore and work through difficult issues in the here-and-now. Exploring the relationships between past and present enables us to be liberated—if we so choose—from ingrained, automatic behaviour that may keep us locked in situations in a way that we don't always understand.

Psychodynamic-systemic approach in a glance

- There is a rationale behind every human action—a logical explanation—even for actions that seem irrational.
- We all have an “inner theatre” in our mind, filled with people who have influenced, for better or worse, our experiences in life.
- Each person's unique relationship patterns may colour interactions with peers, leaders, and employees in surprising and unexpected ways.
- Even the most “rational” people have blind spots, and even the “best” people have a shadow side.
- The way a person regulates his or her emotions has a powerful effect on others.
- Peer group interaction—challenge and support—can be a powerful force for leadership development. Action planning and follow up are the essential success factors for individual growth and improved team performance.
- Without an understanding of the influence of the organisation system on people, it is difficult to instil lasting change.

THE KDVI APPROACH IN ACTION

Organisational diagnosis and interventions to foster individual and system-wide change is part and parcel of life in organisations. In reality, change is continually happening in organisations and to organisations—whether people are aware of it or not.

Unfortunately, many people who specialise in change processes—internal change agents, or external consultants and coaches, for example—are inclined to focus on the symptoms and not on the underlying causes that influence engagement or resistance. Following a philosophy that what cannot be directly seen, doesn't really exist, they resort to oversimplified quick fixes when trying to institute change¹⁶. A behavioural modification program may have a positive effect, to be sure—but that effect will not last long because the underlying causes for the problem are not addressed.

The expertise provided by traditional management consultants and coaches can often be valuable in the right context, but could end up being costly or even harmful if the organisational problems arise from interpersonal communication, group processes, social defences, uneven leadership, and organisation-wide neurosis.

In a word, although off-the-shelf interventions can be entertaining and may bring some insights, often they turn out to be an expensive but ultimately ineffective attempt at creating change. Many of these interventions are driven by a desire to please the client or participants, rather than a courageous process through which real challenges and issues are surfaced and addressed as a team.

KDVI evidence-based interventions are carried out through a collaborative, emergent process of inquiry and delivery in partnership with clients. We believe that it is essential to clarify and evaluate objectives with each client, in order to design interventions that are relevant, challenging, and ultimately sustainable.

The business world is littered with the corpses of failed organisational interventions. Serious organisational challenges—mergers and acquisitions, diversity initiatives, strategic planning—are still, more often than not, failures.

Seven key elements of programme design

KDVI executive coaches and consultants look for hidden organisational undercurrents in order to help people understand resistances, encourage people to express emotions in a situation-appropriate manner, and help people see and accept reality about themselves and others¹⁷.

We strive to instil in an organisation's leaders an interest in and understanding of their own behaviour. Ideally, those leaders will eventually be able address future issues without the help of a consultant. Hence, an organisational culture of energetic engagement and courageous conversations becomes self-perpetuating.

KDVI interventions are based on decades of experience with executives all over the world, and research that indicates the critical importance of program design in organisational interventions. Without an assessment of real objectives and resistance, no program can be lastingly effective.



Figure 7. Why use a psychodynamic orientation in organizational interventions?

Our psychodynamic-systemic approach to executive coaching and organisational interventions begins with an in-depth and systemic exploration of the needs of the individual leader, a team, or the organisation. Based on this initial assessment, a desired outcome can be identified. The design of KDVI coaching or organisational programs follows guidelines laid out in research on best practices for leadership and organisational development interventions.

There are seven key elements:

1. *Clarification of focus and challenges*: Discussion with the client of the main dimensions and expected outcome of the intervention:

- What is the real challenge or issue?
- Are there unspoken or hidden factors?
- What resistance exists in the system that might make reaching this objective difficult? What strengths in the system could be drawn on to support the objective?

2. *Data gathering from multiple sources*: Link to academic research; clients' organisational expertise; multiple perspectives of people in the organisation

- What are the different perspectives related to objectives for the intervention?
- How open and willing are people to explore issues?
- What are the key resistances and blocking mechanisms?

3. *Identification of approach*: Based on initial discussions and data gathering, should the intervention be:

- Empirical or interpretive?
- Assessment or developmental?
- Transitional or transformational?
- How should the results of the intervention be assessed?

4. *Time and scope*: Research and experience show that in order to integrate learning or change, people need to go through several developmental phases. In addition, regular follow up is very important.

- Should the intervention(s) be simultaneous or sequential? In other words, should multiple people or groups be the target of interactions all at the same time, or would it be better to work with people or groups one after the other?
- How should follow up interactions be organised? At what frequency and for whom?

5. *Social support and peer coaching*: Support through peer and group coaching is known to play an important role in anchoring change and new behaviour. At what level should the intervention be addressed?

- Limited: individual or team coaching
- Focused: workshops or interventions
- Holistic: broad scope or longer-term organisational process

6. *Appropriate pedagogical methods*: These may include individual reflection and experimentation; individual and group coaching; group activities and discussion; selected academic content

- What theoretical concepts provide the strongest design framework?

- What is the best mix of individual and group learning experiences for this particular situation?

7. *Integrated assessment*: Evaluation should occur in a continuous loop, with contributions and insights from participants as well as their observers and colleagues. Assessment may lead to a better clarification of needs and objectives, and an adjustment of program focus or scope.

- Are participants or coachees being challenged appropriately?
- Has new information emerged that might affect the stated objectives of the intervention?

KDVI programme flow: An overview of process

Our research shows that although individuals learn in different ways, there is a best-practice process that helps groups to effectively come together; lay a groundwork for trust and open communication during an organisational intervention; work together over time to follow up on action commitments; and anchor desired outcomes so that they become sustainable and part of the organisation's culture.

Our process is as follows:

Pre-programme: Mapping a common agreement about objectives. Assessment interviews (if company specific) or Leadership Audit to capture perceptions and an understanding of context and culture.

Phase I: Creating a sense of group. Building peer support and trust for the intervention, to set the stage for courageous conversations.

Phase II: Establishing credibility. Presenting the theoretical foundations on which the programme is constructed. Presenting the organisational reality, derived from preliminary Leadership Audits.

Phase III: Encounter with personal and team dynamics. 360° feedback day and coaching. Establishing action plans for change.

Phase IV. Follow up. Supporting and challenging implementation of action plans

Phase V. Evaluation of programme. Assessing sustainability of results

KDVI Services: Leadership and organisation development programs

One of the most powerful and effective experiences in leadership programs is creating tipping points through which participants make an “ah-ha” connection between their current choices in life, and their organisational and professional goals. These moments of insight often help people see where they need to change or develop current behaviour in a way that better supports personal and organisational goals.

Tipping points—moments of clarity or insight—can arise in any realm of an individual's life, personal or professional. The challenge is to identify options and paths for change related to tipping points, particularly in the world of work.

KDVI partners were at the forefront of developing a systemic focus and clinical approach that is now used by major consulting firms around the world in the leadership development domain. KDVI also has decades of experience working with people at all levels of the organisation, in all parts of the world. Our coaches and consultants pay attention to behavioural patterns that may originate in earlier life phases.

We help people determine the individual and organisational roots and consequences of actions and decisions. When the link between present behaviour and past experience is explored, people are more likely to arrive at tipping points that fuel change.

KDVI Services: Team and group coaching

Our experience shows that a peer group coaching methodology plays a vital role whereby group dynamic effects such as social reciprocity (sharing experiences and emotions), positive peer pressure, and network contagion (a growing enthusiasm to reach agreed goals) may generate moments of insight. In coaching groups of no more than six people, participants work together—with the guidance of an experienced coach—to uncover blind spots, challenge one another, identify behaviour for change, and experiment with new behaviour in their workplace that will help them advance in their career trajectory and future goals^{xviii}. Even groups of very senior executives are able to reflect together about their interpersonal relationships, work practices, their leadership styles, decision-making practices, and their own influence on organisational culture. Another overarching goal of this type of group work is to create alignment, trust, and open communication among team members, so they may become more effective in implementing organisational strategy.

In group coaching, individuals become mutually invested in encouraging the new behaviours that each one has identified and committed to working together to achieve their goals.

Group members get the opportunity to know each other much better—even though some of them may have worked together for many years. Furthermore, it encourages them to really have courageous conversations—and to be more open with one another. This kind of “group contagion” is a powerful way to bring about tipping points for change.

The primary objective of a KDVI group coaching session is to foster courageous conversations that get to the heart of the organisation’s challenges.

The group helps each individual explore their own blind spots, and identify options for growth and development in line with the organisation’s objectives. In addition to pragmatic action-planning, the group coaching session instils a culture of constructive feedback and supportive follow up. Group coaching also provides opportunity to practice peer coaching in a supervised setting.

When continued beyond the intervention and into the workplace, a peer coaching relationship can be a powerful way to continuously support desired change.

When a majority of people in the organisation have experienced group coaching, the benefits to the organisation include greater creativity and innovation; renewed energy and motivation; and more effective interactions. The benefits—corporate culture change as well as tangible strategic results—accrue and become sustainable.

The outcomes of group coaching can be summed up as follows:

- The group setting provides a context for *cathartic experiences*. It allows executives to get things off their chest, and helps them better understand why they do what they do.
- While listening to the other executives’ life stories and challenges, the members of the group come to realise that they are not alone in their confusion. *Mutual identification* with specific problems brings the team together and offers opportunities to jointly discuss more effective ways of dealing with knotty issues at work.
- Bringing a *psychodynamic lens* into the discussion can set into motion a whole process of associations of why an executive has been doing things in a particular way. Understanding these old patterns of interaction can help people explore dysfunctional behaviour, improving the chances for change.
- Such reflections can lead to a *willingness to experiment* in doing things differently—and by doing so, create new scenarios for the future.
- The group setting offers the opportunity for *vicarious learning*. Executives come to realise that learning does not only occur through direct participation in dialogue but through observing and listening to other people’s stories.

- Executives going through the group coaching process become a *real community*. This feeling of social belonging also becomes a very powerful catalyst for change.
- A group setting is also an opportunity for *collective learning*. Explanation, clarification, and even direct advice about how to do things better can reduce anxiety and establish control when there is a troublesome issue. Executives can draw from their own rich experiences to share information about work issues and recommend different approaches.
- Finally, a further positive force for change can be the *altruistic motive*. The desire to help others by offering support, reassurance and insights can have a therapeutic effect, contributing to each executive's level of self-respect and well-being.

Organisation development should have an integrated and sustained focus. For both individuals and groups, regular follow up sessions help to support participants as they experiment with new behaviours, and have proven to be the most important factor in anchoring long-term results.

KDVI Services: 360° feedback and assessment surveys

In order to jumpstart a leader or team's introspective journey and set into motion honest self-evaluation and changes in behaviour, KDVI designs and administers a number of psychometrically validated leadership development tools, including individual and multi-party feedback.

Thinking about feedback from different stakeholders allows leaders to compare their own self-perceptions with the observations of colleagues or others who work with them. Discussing the feedback in one-to-one or group coaching sessions helps executives link feedback to their own personal experiences, thus creating “ah-ha” moments that motivate them to reassess their own behaviour.

These sessions can provide the necessary support that encourages people to step out of a comfort zone, whether this means developing a hidden or undervalued strength—such as sharing great ideas more visibly—or reducing a pattern of behaviour—for example, micromanagement—that is draining energy or causing conflict.

KDVI's feedback surveys are designed for interventions at three levels:

- **Individual:** To provide insights for a focused dialogue about each individual in their role, and select behaviours that need further reflection and development.
- **Team:** To provide structure for team development initiatives, by outlining the qualities, skills and competencies that each person must have to be effective in teams, the roles they play and the way various roles complement or work against each other.

- **Organisational:** To provide guidance for strategic discussions that centre around corporate culture, to align values and behaviours to business strategy, and to assess culture fit with the current and future external environment.

In sum, the instruments give people new data about themselves and their organisation. New insights help them to identify and choose areas of their leadership style that they wish to develop or change; show the way to strengthen team processes; or lead to initiatives for evolving corporate culture. Used together at the three levels described above, these instruments complement KDVI's psychodynamic-systemic programme design.

CONCLUSION

The psychodynamic-systemic approach not only provides people with better self-knowledge, but also helps them to shape, influence, and leverage organisational dynamics in a way that is fair and inclusive.

This approach also acknowledges that leaders and followers are not one-dimensional robots, but complex and paradoxical beings—who may radiate soaring idealism or gloomy pessimism; stubborn short-sightedness or courageous vision; narrow-minded suspicion or open-handed trust; irrational envy and greed or unbelievable unselfishness.

Applying these concepts to the ebb and flow of life in organisations contributes to our understanding of the vicissitudes of life and leadership. Only through accepting and exploring the hidden undercurrents that affect human behaviour can we begin to understand organisational life in all its complexities.

The outcome of a psychodynamic-systemic intervention is pragmatic and measureable, as this approach directly addresses organisational needs. For individuals, there is a payoff such areas as talent development and succession, retention, and employee engagement. For groups, this approach leads to more effective team performance, both within teams, and among teams. At the organisational level, this approach underpins initiatives such as strategy implementation, mergers or acquisitions, and crisis management. It spans geographical and functional distances, and unites virtual teams. At all levels, it is a way to create organisations that are flexible, sustainable, and great places to work. It is a powerful method for moving beyond the vision stage, to get things done.

ABOUT THE AUTHORS

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Elizabeth is a part of the faculty team in INSEAD's Executive Master in Coaching and Consulting for Change degree program. She supervises thesis projects in this programme, working with participants to design and carry out projects that combine academic rigor with real-world application. Her own research takes a psychodynamic approach to the exploration of leadership in organizations, executive group coaching, and experiential learning in leadership development executive education programs. She has worked in close collaboration for twenty years with Professor Manfred Kets de Vries, also at INSEAD. Experienced in individual and group coaching with senior executives, Elizabeth also works as an Executive Coach and program facilitator in the areas of leadership development and family business.

As part of the KDVI research group, Elizabeth is involved in the development of new interventions and of action research projects with clients which are aimed at addressing complex issues related to organizational change and culture that go below the surface to uncover patterns and dynamics that would otherwise be hidden.

CAROLINE ROOK

Caroline is a Senior Lecturer in HRM and Leadership. Her research relates to creating healthy and productive workplaces through exploring the links between leadership and well being in organisations. She investigates in particular how to manage executive stress, how to maintain authentic functioning at work and the role of coaching for creating resilience for positive leadership. She has been involved in research and practice related to the topics of leadership, well being, authenticity and coaching for some years at INSEAD (France) and University of Exeter Business School, Centre for Leadership Studies (UK).

As part of the KDVI research group, Caroline uses a range of research methods to provide a rigorous evidence-based background to the development of new interventions at KDVI. She is involved in conceptual and empirical research on how personal growth and resilience are supported in work environments as part of leadership and team development.

ALICIA CHEAK

Alicia is a research associate at INSEAD in France, working on a number of leadership development instruments. She has also worked in European Commission projects as project coordinator. Back in the United States, Alicia served as a researcher at the Centre for the Study of Evaluation at UCLA's National Centre for Research on Evaluation, Standards and Student Testing, in Los Angeles, California. Principal research activities included the development of a number of

technology-based software to support learning and problem solving, as well as the development of evaluation tools to measure different learning outcomes.

As part of the KDVI research group, Alicia is involved in the development and support of KDVI's 360 degree instruments. She is involved in research on the psychodynamic approach to leadership and team development.

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