

Hysteria and Obsession in Corporate Governance

Gérard Pavy, the sociologist and psychoanalyst behind Pavy Consulting, a management consulting and training group, explains in his most recent book, *Dirigeants salariés, les liaisons mensongères* (Paris: Editions d'organisation, 2004), a few tricks to corporate governance.

Everyday, managers set out to align people's energies to reach a level of performance superior to the competition. Why is this a never-ending task? Because just as organizations are made of people, people are made of Narcissus, who in Greek mythology was so in love with his own image that he drowned while admiring his reflection in a lake. Getting big narcissistic egos to cooperate towards a same objective is a difficult task. Narcissus considers himself the centre of the world and uses two methods to perpetuate this belief: obsession and hysteria. Both pervade all corporations.

With the obsessive approach, you are in control. Everything in your area is perfect. If a problem arises, you deny it, hide it, or remove it. You master every detail. Number crunching is your religion. Secretive behaviour is your best strategy: the less people participate in your decision-making process, the less they can influence you. This type of behaviour exists even in companies that promote transparency as a core value.

With the hysterical approach, you are an artist of surprise and opportunity. You change the rules as you see fit. You are charismatic. To escape the gloomy horizon of day-to-day business, people are looking for leaders like you. They will follow you

because you master their emotions. You are an illusionist who keeps the show running.

In corporations, such opposites must work together: order brings the efficiency and creativity is needed for innovation. Yet they can drive each other crazy: an obsessive nature cannot stand disorder, and a hysterical one rejects all form of routine.

From a macro point of view, this psychoanalytical theory sheds light on why it can be so difficult to conduct large-scale change. Executives tend to behave in an obsessive manner, while middle managers and employees tend to behave in a hysterical manner. Executives control things because they must deliver promised results to the financial market. Predictability is paramount. However, for middle managers and employees, predictability is like being a cog in a machine. Their individual need for recognition finds its expression in the system's failures. They tend to say: "Even when the machine breaks down, the customer has been satisfied, thanks to *my* specific contribution".

What can you do in such a context? If you are an executive, don't use words implying that the paths to success are already traced, but rather show that performance is the sum of everyone's individual contribution. If you are a middle manager or an employee, don't require total transparency from your boss to give him your trust. Strategic activities always require confidentiality. ■



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