

*"Unstable at the Top"*  
*Neurotic Style and Organizational*  
*Pathology*

*Kets de Vries and Danny Miller*

# *Unstable at the Top*

## *Five descriptions of organizations*

- *The Dramatic Organization (histrionic)*
- *The Suspicious Organization (paranoid)*
- *The Detached Organization (schizoid)*
- *The Depressive Organization*
- *The Compulsive Organization*



# *Dramatic (Histrionic) Organization*

- *Characteristics*

- Strong leader idealized by subordinates
- Leader is primary catalyst for subordinates' Morale, initiative
- Centralized policy making (impulsive, Hyperactive leader).

# *Dramatic Organization*

- *Characteristics*
  - *Self-Dramatization*
  - *Excessive Emotional Expression*
  - *Drawing Attention to Self*
  - *Craving Activity and Excitement*
  - *Incapacity for Concentration*
  - *Superficial.*



# *Dramatic Organization*

- *Strengths*

- Create momentum to achieve successful Start-up
- Rebound after set-backs and move forward
- Fresh ideas to revitalize the organization.

# *Dramatic Organization*

- *Weaknesses*

- Lacks consistent strategy
- May lack controls
- Avoids feedback from/consulting with subordinates.



# *The Organization with the Dramatic Leader becomes:*

- Impulsive
- Fashionable
- Creative
- Informal
- Bold, Risk Taking
- Poor M.I.S.
- Centralized
- Goal is Growth.

# *Dangers of the Dramatic*

- Superficiality; suggestibility
- The risk of operating in a non-factual world—action based on ‘hunches’
- Overreaction to minor events.



# *Dramatic Organization*

- *Needs*

- Distribute authority
- Codify strategy
- Establish clear hierarchy
- Controls, coordination
- Scan environment
- Scale down huge projects
- Review core business
- Eliminate worthless activities.

# *Dramatic Organization*

- *Fantasy of the Dramatic: "I want to get attention and impress the people who count in my life."*
- *Prescription:*

*Plant both feet firmly on the ground!!!!*



# *Suspicious (Paranoid) Organization*

- *Characteristics*

- Fight or flight culture  
(Enemies or friends)
- Lacks trust; uses intimidation, uniformity
- Reactive, conservative, overly analytical,  
Secretive.

# *Suspicious (Paranoid) Organization*

- *Characteristics*
  - *Non-trusting*
  - *Hypersensitive – Hyperalert*
  - *Overly concerned with Hidden Motives*
  - *Intense Attention Span*
  - *Cold – Rational – Unemotional*
  - *Distortion of Reality.*



# *Suspicious Organization*

- *Strengths*

- Knowledge of events inside and outside the organization
- Avoids dependence on single market/segment
- Provides positive opportunities for growth and diversification.

# *Suspicious Organization*

- *Weaknesses*

- Lacks concerted and consistent management strategy; Victim of “groupthink”
- Reactive, piecemeal, contradictory, distrustful atmosphere
- High staff turnover: insecurity, disenchantment.



## *With a Paranoid leader, the organization:*

- *Emphasizes controls*
- *Does not form outside relationships*
- *Interested in M.I.S.*
- *Centralized*
- *Change is incremental*
- *Fear leads to deliberation*
- *Reactive.*

# *Dangers of the Suspicious*

- Distortion of reality due to a preoccupation with confirmation of suspicions
- Loss of capacity for spontaneous action because of defensive attitudes.



# *Suspicious Organization*

- *Needs*

- Foster trust, break down communication barriers
- Establish participative culture
- Reduce “policing” systems
- Pursue strategic themes
- Create distinctive competencies.

# *Suspicious Organization*

- *Fantasy of the Suspicious: "I cannot really trust anybody. A menacing superior force exists which is out to get me. I had better be on my guard."*
- *Prescription:*

*Develop a unified strategy and sense of mission!!!!*



# *Detached Organization*

- *Characteristics*
  - Lacks warmth and emotion
  - Jockeying for power - conflict, insecurity
  - Strategic thinking dominated by indecisive, inconsistent, narrow perspectives.

# *Detached Organization*

- *Characteristics*
  - *Non-involvement*
  - *Withdrawn*
  - *Lack of excitement*
  - *Lack of interest in today or tomorrow*
  - *Cold – unemotional.*



# *Detached Organization*

- *Strengths*
  - Active middle managers
  - Shares differing viewpoints in developing strategy
  - Individual managers who take initiative.

# *Detached Organization*

- *Weaknesses*
  - Lacks leadership
  - Inconsistent or vacillating strategy
  - Issues decided by political negotiation rather than fact.



*With a leadership vacuum, the organization becomes:*

- *A political playground*
- *Shifting coalitions*
- *Strategy is based on individual goals*
- *Fragmented changes*
- *Independent fiefdoms*
- *Barriers to information.*

# *Dangers of the Detached*

- *Emotional isolation results in frustration of dependency needs of others*
- *Bewilderment and aggressiveness may be the consequences.*



# *Detached Organization*

- *Needs*

- Senior manager to give active leadership
- Establish active coordinating committees
- Discourage parochial interests
- Reward overall organizational performance
- Pursue strategic themes
- Create distinctive competencies.

# *Detached Organization*

- *Fantasy of the Schizoid: "The world of reality does not offer any satisfaction to me. All my interactions with others will eventually fail and cause harm so it is safer to remain distant."*
- *Prescription:*

*Consider the whole!!!!!!*



# *Depressive Organization*

- *Characteristics*
  - Lacks initiative - passive, negative
  - Lacks motivation - leadership vacuum
  - Drifts, no sense of direction - inward focus.

# *Depressive Organization*

- *Characteristics*
  - *Guilt*
  - *Worthlessness*
  - *Inadequacy*
  - *Helplessness*
  - *Loss of motivation and interest*
  - *At the mercy of events*
  - *Overly pessimistic.*



# *Depressive Organization*

- *Strengths*
  - Enjoys excellent reputation for past successes

# *Depressive Organization*

- *Weaknesses*

- Lives in the past when things were good
- Supplies dying markets/customers/services
- Apathetic, inactive senior management.



# *Organizations with a Depressive leader can show:*

- Inactivity
- Conservative
- Passive
- Bureaucratic
- Pessimistic
- A leadership vacuum
- Narrow market
- Aimless strategy
- Formal programs.

# *Dangers of the Depressive:*

- Overly pessimistic outlook
- Difficulties in concentration and performance
- Inhibition of action, indecisiveness.



# *Depressive Organization*

- *Needs*

- New leadership with focus on new markets/customers/products/services
- Prune unpromising or older ventures
- Obtain resources for organizational reorientation and renewal
- Find new opportunities in identified markets
- Scan the environment.

# *Depressive Organization*

- *Fantasy of the Depressive: "It is hopeless to change the course of events in my life. I am just not good enough."*
- *Prescription*

*Challenge the status quo!!!!*



# *Compulsive Organization*

- *Characteristics*

- Rigid, directed inward, insular
- Fosters submission, lack of creativity, insecurity in subordinates
- Focus on one aspect of strategy (quality, efficiency, cost-cutting), unable to switch focus quickly.

# *Compulsive Organization*

- *Characteristics*
  - *Perfectionistic*
  - *Preoccupation with details*
  - *Relationships of dominance and submission*
  - *Lack of spontaneity*
  - *Inability to relax*
  - *Dogmatic – obstinate – meticulous*
  - *Insist that others submit*
  - *Unable to deviate from plans.*



# *Compulsive Organization*

- *Strengths*
  - Fine internal controls
  - Tightly focused strategy
  - Efficient operations.

# *Compulsive Organization*

- *Weaknesses*

- Too attached to tradition
- Inflexible, inappropriate response to customer/market demands
- Stifles creativity and influence of middle managers.



## *With a Compulsive leader, the organization becomes:*

- Mired in rituals
- SOP and formal controls
- TQM
- Expect a stable external environment
- Hierarchical
- Careful plans
- Long-term plans—carefully integrated
- Decision making well-thought out.

# *Dangers of the Compulsive:*

- Inward orientation
- Indecisiveness and postponement: avoidance due to the fear of making mistakes
- Inability to deviate from planned activity
- Excessive reliance on rules and regulations
- Difficulties in seeing 'the big picture'.



# *Compulsive Organization*

- *Needs*

- Conduct creativity seminars
- Change selection practices
- Be open to ideas from lower levels
- Scan market for problems, opportunities
- Better response to customer needs
- Abandon bureaucratic structures.

# Compulsive Organization

- *Fantasy of the Compulsive: "I don't want to be at the mercy of events. I have to master and control all the things affecting me."*
- *Prescription*

*Wage a battle against control!!!!!!*