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## The Pain of (Organisational) Change

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**The Pain(s) of Existence: Lacanian Investigations**

**The Pain of (Organisational) Change**

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# **Title: The Pain of (Organisational) Change**

## **Abstract**

*Ireland is the third most globalised nation in the world - Ernest and Young 2013 report*

This reflective paper addresses key drivers of organisational change (including globalisation as referred to in the quote above) and what this means at the level of the organisation and at the level of the Lacanian subject<sup>1</sup> (individual employee). It looks at strategies organisations are adopting to survive in a hyper competitive environment and how these strategies are interpreted / responded to by the subject. The paper utilises a Freudian / Lacanian lens to interrogate subjective responses to organisational change. For some subjects the changed organisational landscape will bring benefits and for others pain.

## **Key words**

Globalisation, Change, Subjective response, Lacanian subject

## **1 Introduction**

This paper will examine aspects of change in organisations and the impact of these on the subject within a psychoanalytic frame. Here I am using the term 'organisation' to refer to a business entity with a legal identity separate and distinct from its owners.

The paper commences by identifying some of the factors which are driving organisational change. For the purposes of this paper I am focusing on the following three drivers; Globalisation, Growth in technology and Product Obsolescence. This is followed by considering how organisations are responding to these changes. These responses are then examined in terms of their impact on the subject. Change necessarily forces organisational members from their routines.

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<sup>1</sup> Subject - The term Subject refers to a person in their uniqueness. The Subject comprises both the conscious and unconscious aspects of the person. For Lacan the true Subject is the Subject of the unconscious. Lacan struck through the symbol to produce the symbol \$, the barred Subject, to depict that the \$subject is essentially divided. We recognise the singularity (uniqueness) of the Subject.

The paper then looks at the issue of containment<sup>2</sup> from an organisational perspective. The paper concludes with an exposition on Freud's book *Civilization and its Discontents* (1930/2001), and its relevance to the subject and the organisation, both of whom are impacted by change.

## 2 Drivers of Organisational Change

Globalisation<sup>3</sup> is a key feature of modern business. Globalisation means that multinational companies are operating in a global market. These companies are owned by shareholders. Therefore there is a focus on the generation of dividends to keep the shareholders happy. In turn Chief Executives are concerned with meeting quarterly profit targets. The organisation, with the need to meet the profit imperative and keep the stock markets happy, has to reconfigure itself as opportunity arises or it will fall prey to its competitors.

Technology is another major driver. The digital economy<sup>4</sup> is currently growing at seven times the rate of the rest of the economy across the EU. The growth of digital technologies e.g., social media and cloud computing are creating revolutionary change – this has been compared to the changes wrought with the arrival of electricity and transportation networks a century ago.<sup>5</sup>

The changes in technology are inextricably linked with the next driver – product obsolescence. Essentially product obsolescence means that the life cycle of products is getting shorter. Some of you may remember 5 ½ inch floppy discs, replaced by 4 inch

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<sup>2</sup> Containment – this is a concept from D. W. Winnicott and refers to the idea of the individual feeling contained (as opposed to fragmented).

<sup>3</sup> Globalisation - Definition by the International Monetary Fund: The term 'globalization' began to be used more commonly in the 1980's, reflecting technological advances that made it easier and quicker to complete international transactions – both trade and financial flows. It refers to an extension beyond national borders of the same market forces that have operated for centuries at all levels of human economic activity – village markets, urban industries, or financial centres.  
<https://www.imf.org/external/np/exr/ib/2008/053008.htm>

<sup>4</sup> Digital economy – this refers to the economy which is based on digital technologies or the internet

<sup>5</sup> Digital Agenda For Europe: A Europe 2020 Initiative – Retrieved October 7 2014 from <http://ec.europa.eu/digital-agenda/digital-agenda-europe> (pg 1)

discs, then cd's / DVD's, then memory sticks – the latter to be soon obsolete as we all migrate to the cloud.

We next look at how organisations are responding to these changes.

### 3 How are organisations responding to these changes?

Organisations are using a variety of strategies to maintain their competitive position in a globalised marketplace. The strategies of cost leadership (being the cheapest) or differentiation (unique offering) are popular (Porter, 1980, p. 35). In a nutshell organisation can use one or more of the approaches listed below as a competitive strategy. However it is important to note that organisations are increasingly adopting all of these together to a greater or lesser extent i.e., high quality innovative product/ service at low cost with superior customer service.

- Lower cost
- Fastest service
- Friendly – Better customer service
- Improved product or service

Examples of how organisations might operationalise the above strategies are provided in fig. 1:

<b>Competitive Strategy</b>	<b>Example of how it might be operationalised</b>
Lower cost	Outsource production to lower cost economy or restructure to lower costs
Faster service	Improved technology allowing faster response times to customers
Friendlier – better customer service	Staff in customer facing roles to adopt 'friendly personae'
Improved product or service	Introduce newer version of product or service which might entail retraining of staff or recruitment of new staff

Fig. 1 Examples of operationalisation of competitive strategy, Source: developed by author

## **4 What is the impact of these strategies on the subject?**

This section will outline how some organisational strategies adopted to increase competitiveness impact at the level of the subject. The following organisational strategies will be considered (1) changed organisational structures / contracts to reduce costs and improve customer responsiveness; (2) changed roles for employees due to new product offerings or new technology; (3) friendlier customer relations to increase customer loyalty and retention.

### **4.1 Changed Organisation Structures / Contracts**

New types of organisational structures / contracts e.g., project type structures, zero hours contracts and limited duration contracts can be introduced to reduce costs and increase organisational flexibility. These can leave some employees feeling ‘detached’ from the organisation. The nature of the employee / organisational psychological contract has changed. The old psychological contract whereby the employee gave a high level of loyalty to the employer in return for security of tenure is redundant in many sectors. The role of fantasy in sustaining organisations is also worth referring to here. In the traditional organisation the fantasy held by employees was of career advancement, promotions and also security, (Glynos, 2010). Where the fantasy fails (e.g., unemployment) the individual may experience a crisis. Fotaki, Bohm & Hassard (2010, p. 644) argues that the outcome of the new organisational configuration is that the employee must continually reinvent themselves (become creators of their own lives), to maintain employment. With the destruction of the old fantasy the employee is now faced with challenges of professional identity.

Modern organisations can be viewed within the frame identified by sociologist, Zygmunt Bauman. He identifies the fluid nature of modern society and organisations. His books include *Globalization: The Human Consequences* (1998) and *Liquid times: Living in an Age of Uncertainty* (2006). It is also worth remembering that Freud in *Civilization and its Discontents* published in 1930 noted “civilized society is perpetually threatened with disintegration,” (1930/2001, p. 112).

Freud asserted that greater technological progress was something humankind should be rightly proud of. Nevertheless he pointed out advances by society “has not made them

(us) feel happier,” (1930, 2002, p. 88). Glynos (2010, p. 16) comments that the boundary of what constitutes work itself is becoming more permeable and fragile. Employees can feel that they are ‘in work mode’ for an extended period of the day. As noted by Armstrong (1997) this dissolution of the boundary around the individual subject due to constant demands of the organisation can generate feeling of impingement.<sup>6</sup>

For some modern subjects advances in technological communication have become something of a double edged sword. While people can now communicate with the office remotely from home or elsewhere this has led to a dissolution of the boundary between work and home life. This is due to the proliferation of technology, including Skype, computer tablets, ipads and smart phones. In France there are some attempts to control the hours worked by employees who mainly work remotely off site. An agreement between a federation of employers and two unions of workers limits the number of hours staff can be contacted per week. Staff can turn their phones off once the maximum hours have been reached.

The impact of technology is illustrated in the following examples. A survey (Fastnet Recruitment & Search, 2014) of 450 Irish employees reported that 68% of employees and 81% of employers surveyed think that technology has had a negative impact on work-life balance. 60% of employees access their work email account on their mobile phone. Marissa Mayer, CEO of Yahoo<sup>7</sup> banned working from home earlier this year. The rationale provided by Mayer was that employees were more creative when working together. There may also have been a realization of employees becoming ‘disconnected’ from Yahoo. It could be argued that by requiring employees now to be physically present in their offices the CEO is attempting to reunite the group. It is in the organisations interests to create the group mentality / herd that Freud talked about.

Rowan (2014, p. 162) asserts that we can go so far as to say that for some modern subjects their main existence is in cyber reality – they interact via technology and a “pseudo-self makes pseudo-relations with others.” Instead of entering the social bond we now mediate interactions via technology. From an organisational point of view this raises questions about the lack of libidinal bonds (Rowan, 2014, p. 167 footnote) and can lead to

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<sup>6</sup> Impingement - A term developed by D.W. Winnicott (1965, p. 52) to describe feelings of intrusion or attack. Impingements can be either psychical or physical.

<sup>7</sup> Yahoo Chief bans working from home . Retrived October 3 2014.  
<http://www.theguardian.com/technology/2013/feb/25/yahoo-chief-bans-working-home>

issues of belonging. The psychological contract is in danger of moving to a transactional model.

#### **4.2 Changed Roles due to New Product Offerings / Technology**

If we think back to say thirty years ago individuals, upon entering a particular career, had an expectation that they would remain in it for life – the ‘good job’ in the bank, Civil Service, teaching, nursing was a desired commodity. The same remained true for certain companies – for example in the Guinness company it was common to see generation after generation of the same family gain employment there. This led to a (relatively) fixed identity for the individual and who they were and their place in the social order. By comparison with the modern age we could argue that as certain questions were fixed, (one’s role, place in society), this gave a sense of stability from a societal point of view. For the modern subject the evolving nature of society, societal structures and organisational structures can raise questions about identity. We now need to ask ‘Who am I and what is my place in this new configuration?’ This creates particular anxiety for subjects with an obsessional structure who look for predictability and routine.

The subject is confronted more and more with lack. The great promise of science and capitalism to offer a brighter future for all has been found severely limiting. Religion, which for many people, operated to cover this lack, has left many people feeling very disillusioned. The global crash which saw banks failing, businesses going bankrupt and individual’s life savings being wiped out, has had a disorienting impact on many people. All this is contributing to what Zygmunt Bauman (2009, p. 6) terms ‘Disembeddness.’ By this Bauman means that individuals must continually look to how they will ‘embed’ themselves regarding careers.

This creating and recreating of one’s professional identity is very time consuming. The complaint by the Irish President that we have become a very ‘individualised’ society – as opposed to being more community orientated could be seen as not unrelated to the need ‘to look after one’s self,’ (Irish Independent, 23<sup>rd</sup> June 2013). It is a bit of a chicken and egg situation. The changing nature of the psychological contract is driving individualism which in turn is leading to the breakdown of community and driving an even greater need for individualism. At the same time as traditional communities are breaking down we have the



creation of on-line virtual communities. These on-line communities are semblants,<sup>8</sup> pseudo-communities, and can leave people feeling alienated. From an organisational perspective this can mean that employees seek solutions to this alienation outside the social bond of the organisation (as the transient and fluid nature of some modern organisation can make it difficult to establish long term collegial relationships).

### 4.3 'Friendlier' Customer Relations

Employees in 'customer-facing roles' are often required to undertake various types of training to ensure that a professional image of the organisation is presented to the customer / client. The subject can inhabit their 'organisational persona' (Owens, 2010) whereby their ego ideal corresponds to the organisations aims and objectives (the so called company man). Zizek (2002, p. 14) talks of the 'staged fake' whereby the subject generates their organisational self – the 'happy employee' at work.

The term 'emotional labour' was coined by Arlie Russell Hochschild (1993) in her book *The Managed Heart: The Commercialisation of Human Feelings*. She talks about how the employee is required to produce an 'authentic' self for the customer – friendly and helpful in the case of the air hostess or entertaining and funny in the case of the Disney employee. Hochschild asserts that for many services, the emotional style of the service offering is part of what the customer expects e.g., 'service with a smile.' One Japanese railway, Keihin Electric Railways<sup>9</sup> has taken matters further as staff are now required to check their smile by looking into a camera which measures their smile before work. Staff are told to "smile like you are happy". The concept of 'the workplace within' is used by Hirschhorn (1990) to refer to how each subject experiences the organisation in his / her inner psychic space. Organisations are arenas of emotional experience and subjects are influenced by the emotional experience of others in the organisation.

While Jacques Lacan did not directly address the topic of organisations and their effectiveness he rejected any attempts to 'improve' the subject. He referred to such attempts as 'human engineering,' (in Cederstom & Hoedemaekers, 2010, p. xvi). Owens talks of the

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<sup>8</sup> Semblant / Semblance – Appearances can be deceptive (*emperor with no clothes*). The imaginary is the realm of observable phenomena which act as lures, while the symbolic is the realm of underlying structures which cannot be observed but which must be deduced.

<sup>9</sup> Smile measuring software video Retrieved July 12 2014. <http://www.youtube.com/watch?v=ReC86fy1pJQ>

“fundamentally alienating symbolic order” and how it impacts the subject in the organisation leading to various difficulties e.g., stress, depression, (in Cederstom & Hoedemaekers, 2010, p. xviii). Requirements for the employee to produce an organisational persona may be experienced as alienating. Conway (2014, p. 5) writing in *Lacunae* under the theme *Forms of Modern Slavery* argues that if the conception of the modern subject is one who is required to fit into a normative mould the impact is to “efface(s) all traces of singularity”.

## **5 Some Implications**

As organisations grapple with responding to competitive challenges the impact on those who work in them needs to be considered from a broad perspective. The level of change demanded can lead to deep psychic pressures for some subjects. Even when organisational life is relatively stable the subject is characterised by lack. Rivalry and competition between staff for promotions, access to scarce resources etc., increases during times of organisational change. In turn the subject can suffer greater levels of unsettledness and fragmentation, (Fotaki et al., 2010).

In an interview with Isabel Menzies Lyth in 2009 she spoke explicitly about the importance of containment from an organisational perspective (Lawlor and Webb, 2009). Containment is provided through appropriate “roles, structures, boundaries and even the built environment,” (p. 94). Containment is derived from the child’s early need to be contained by the Mother. This provides a sense of security. The child is willing to venture into the ‘unknown’ as long as it feels a secure attachment to the primary carer. The emergence of organisational relationships (short term contracts etc.) whereby the employee does not feel ‘contained’ by the organisation can lead to anxiety. The emphasis by Menzies Lyth on the physical aspects of containment are worth reflecting on. Such developments as ‘working from home’ (where the employee is connected to the organisation only via the computer); short term contracts; and other fluid contractual employment arrangements can leave the employees without a ‘place’ in the organisation at a psychical level. The primordial desire for a name and place are fundamental needs of the subject.

This disconnection of the employee from the organisation (whether by physical or psychical means or a combination) can lead to feelings of alienation which ultimately is not to the benefit of either party.

## 6 Civilization – Still Discontented

We saw in this paper that there are tensions between the needs of the organisation and the needs of the subject. These tensions can be viewed as a fundamental aspect of civilization as depicted by Freud when he said “much of the blame for our misery lies with what we call our civilization,” (1930, p. 24). At this time when the promised utopia of global capitalism is being seen as a semblance how do organisations and their members cope with these issues? As pointed out by Fotaki et al (2010, p. 639) and others the “totalizing fantasy of universal happiness,” which capitalism was expected to deliver has been found wanting. The stock markets are a major driver of activity and the often opposing requirements of markets and the subject within the organisation creates tensions. Freud (1930/2001, p. 86) reminds us that one of our sources of suffering is “the inadequacy of the regulations which adjust the mutual relations of human beings on the family, the state and society” Despite making huge efforts to develop structures and organisations to regulate our relationships with others, problems continue to exist.

Responses to organisational change are contingent on the particularity of the subject. During times of change the subject can suffer greater levels of unsettledness and fragmentation, (Fotaki et al., 2010, p. 640). Some employees perceive change as an opportunity while for other it is felt as a threat. On the one hand change provides an opportunity for personal growth, development of new skills, excitement and new energy. On the other hand it can be daunting, demanding, threatening. While organisations are not perfect they provide the subject with an important avenue *qua* to manage the drives and anxiety. The organisation and subject are inextricably tied together – both need each other to exist.

To conclude I think it is fair to say that globalisation and technology in particular have changed the way organisations operate. We do not yet know the long term impact of this on either the organisation or the subject. Nevertheless both must now adapt to this new world. As with all change for some subjects it will bring benefits and others pain.

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# Glossary

## Drives

Drives are differentiated from instincts. Drives can never be satisfied and do not aim at an object but perpetually circle about it. Freud said that love and work help to satisfy the drives.

## Ego Ideal

This is the image we have of our ideal selves. It is that, within the subject, which carries out the function of the Other (i.e., norms and standards of ideal behaviour).

## Fantasy

The fantasy is the subject's system of signification that they have constituted to make sense of the world.

## Libidinal

This is a Freudian term. It can be described as the ties between subjects. Freud saw libido as the driving force for all behaviour.

## Obsessional neurosis

This was first identified as a specific diagnostic category by Freud in 1894. Symptoms include obsessional thoughts, impulses to perform certain actions which seem silly to the individual, and rituals (e.g., compulsive actions like hand washing or checking and rechecking things). Obsessional people like a high level of routine.

## Other

*small other* – the other who is not really other, but a reflection and projection of the ego (someone like ourselves).

*Big Other* – designates radical alterity, an otherness which transcends the illusory otherness of the imaginary because it cannot be assimilated through identification.

*Useful source for further information*

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