

Competition: some reflections on its archetypal roots and its effects on today's organizations

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Abstract

This paper reflects on how the required sense of reality, i.e. undistorted thinking, for organizations to set their strategic course vis-à-vis the competition may be impaired by the constellation of archetypal forces in the unconscious of the organization. Analytical Psychology's central notions of archetype and complex are briefly (re-)introduced. Thereafter, a concise description of the text-book strategy development process for organizations is presented. Two archetypes and their associated complexes are described: Heracles and Ares. It is speculated how these complexes may cloud healthy decision making. Parallels between the possible workings of these processes and recent troubles in a number of companies such as Shell, Swissair, Enron and Ahold are explored. The paper concludes with some thoughts on how the risk of such complexes constellating may be reduced.

1 Introduction

Surviving in today's competitive markets requires organizations to continuously define their strategic course. In defining this course, management constantly has to set the right direction, to define organizational priorities and to take decisions on resource allocation. When consulting to corporate clients, I have often felt that in the minds of management, irrational unconscious processes are going on which adversely influence the objectivity and general quality of the strategy-development process.

The theme of this years' symposium: the *dark* side of competition, is therefore a good opportunity to reflect on the nature of these irrational processes. The idea of the dark side of competition brings to my mind images of nervousness in the workplace connected to fear of competition. At the same time, I see that competition may also lead to positive and inspirational energies connected to "beating" the competitor. Inherently in the notion of competition, there seems to be a polarizing quality. It is this polarizing quality which has prompted me to propose that archetypal forces may be at work.

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² Initially this paper was going to be co-authored by my colleague Dr Claudia Nagel. However, after drafting the outline of this paper together, due to other priorities, she decided that she had no time not contribute to the actual writing of the paper. The paper is partly based on her valuable ideas which hereby are gratefully acknowledged.

In Analytical Psychology³, psychic polarization is often associated with the unconscious workings of archetypes. If indeed archetypes are constellated in organizations dealing with competition, this would not be without serious implications. Archetypes operate at the deepest layers of the unconscious and can constellate feeling-toned-complexes, which may drastically impair management's sense of reality. This paper will start by briefly (re-)introducing the notions "archetype" and "feeling-toned-complex" which are central in Analytical Psychology but which may be not so familiar to an audience of analysts and consultants trained mainly in the Freudian tradition.

As an aside, (I want it to more than a footnote,) I believe that there is a lot more in Analytical Psychology which is of potential interest to the psychoanalytical studies of organizations, particularly in the area of collective unconscious phenomena. Ken Eisold (2002) has already pointed to this potential. In his view, the Freudian community, under pressure to maintain solidarity and conformity in psychoanalysis, has curtailed Jung's work. In particular, Eisold has explored how this has negatively effected the advancement of mainstream psychoanalytic thinking in the areas of symbolism, lifelong development, and paranormal experiences. In this paper, Eisold quotes Symington (1986) as: "We of the Freudian school who have rejected Jung have been impoverished thereby".

2. Archetypes

"Nothing is worse than glib archetype talk". Thus wrote psychiatrist and Jungian analyst H.A. Wilmer (1987). I am quoting Wilmer to acknowledge that there has been a lot of glib archetype talk, particularly in the New Age movement. I believe that the notion of archetype and its working in organizations deserves serious attention.

Archetype is the name which the Swiss psychiatrist Carl Jung gave to unconscious psychic structures which generate intense meaning when it meets its corresponding motive or image. Contrary to popular belief, the archetype itself is not an image or an innate idea. The archetype is to the idea or image what the lock is to the key. The archetype is the readiness to give meaning to a universal motive, for example, in fairy tales when the farmer's daughter turns into a princess and marries the prince. This theme sparks meaning, whether it is told in Europe, China or Africa. The archetype itself cannot be seen, but in dreams and fantasies archetypes can symbolize themselves in their corresponding images. Archetypes may cause danger as they can exert autonomous power over the ego, impairing the reality function of the individual. According to Jung, this impairment operates through the constellation of feeling-toned-complexes (CW8, 861-2) or complexes for short.

Archetypes are believed to work as universals, i.e. independent of personal development. They are not introjects but believed to be innate. Contrary to what is commonly assumed, Freud accepted Jung's notion of innate symbol formation; see e.g. Eisold⁴(2002; p.).

The collective and universal motives from world mythology, fairy tales, literature and movies resonate because they activate the archetypes. The archetype is not James Bond, but rather the part in the psyche which gives his idea meaning. Archetypes contain both light and dark

³ Analytical Psychology is the name which Jung gave to his psychology after his break with Freud.

⁴ Eisold quotes Freud elaborating in *Interpretation of Dreams* (1900/1966) -- but in a passage added in 1911, during the period of this competition with Jung -- for the first time the point that dream-symbolism pre-existed individual experience: "how irresistibly one is driven to accept it in many cases." (p. 359)".

aspects (Jung, 1940, 1963; Neumann, 1954) and hold these opposites together: positive and negative, light and dark, yin and yang, (CW9i: 271). In the psyche, it is this paradoxical unity of opposites which gives archetypes their fascinating power.

The number of publications on archetypes and complexes operating in groups –as opposed to individuals- is limited. In terms of archetypes in organizations, I am only aware of the work of Moxnes (1999) who has proposed a number of organizational archetypes and elaborated for each archetype a correspondence to Bion's basic assumption groups: dependency, fight-flight, and pairing. However, Moxnes studied the archetype primarily in the individual and not so much as a collective unconscious pattern of a group.

3 Complexes

In individuals, complexes are feeling-toned networks of associations, ideas, images, memories that over the years accumulate around an archetype. When complexes are constellated, they are invariably accompanied by affect. "Trumpets, enter the King! Thunder and lightning!" illustrates Wilmer (1987, p57). Complexes operate relatively autonomously and interfere with the intentions of the will. Complexes eclipse the ego and disturb the conscious performance. They produce disturbances of perception, memory, thinking and action such that the parts of the reality which do not fit in the complex are not "seen".

When an outsider points the person "who is in a complex" to facts which are incompatible with the complex, i.e. what the person does not want to see (for example that there is in reality no market for a certain new product which management has a strong urge to launch) the person often honestly does not see it. These phenomena are similar to Freud's (1894: 49) "second psychological group": ideas based on "strangled affects".

In the extreme, complexes are pathological. Jung, who worked a lot with schizophrenic patients, also called the complex a splinter-psyche (CW 8, 203). Kernberg et al. (1989: 122) describe certain borderline patients as: "caricatured, distorted, un-modulated". Jung emphasized the possessive powers of the archetype as a prime factor of the distortion. For Kernberg, and object-relations-theory in general, the prime factor is the inability to tolerate the anxiety of holding contradictory (e.g. good and bad) object images. They are similar phenomena described in different ways. In both schools of thought, the way to healing is by enhancing the tolerance for ambiguity.

"Being in a complex" seems like being in the psychoid/schizoid position. However, what makes the concept of complex and its archetypal root different, is that it allows us to *characterize* the position. Beyond observing that an individual or a group is in a schizoid-psychoid position (black & white), or a basic assumption-group (dependency, pairing, fight-flight) the complex model allows us to characterize the position in terms of "a personality", "character", "theme" or "myth" (full color). This is important because through mythological - or more generally metaphorical - amplification, the unconscious complexes can be brought closer to consciousness. Hereafter, I will illustrate this by using the myths of Heracles and Ares to characterize organizational complexes that may constellate around competition.

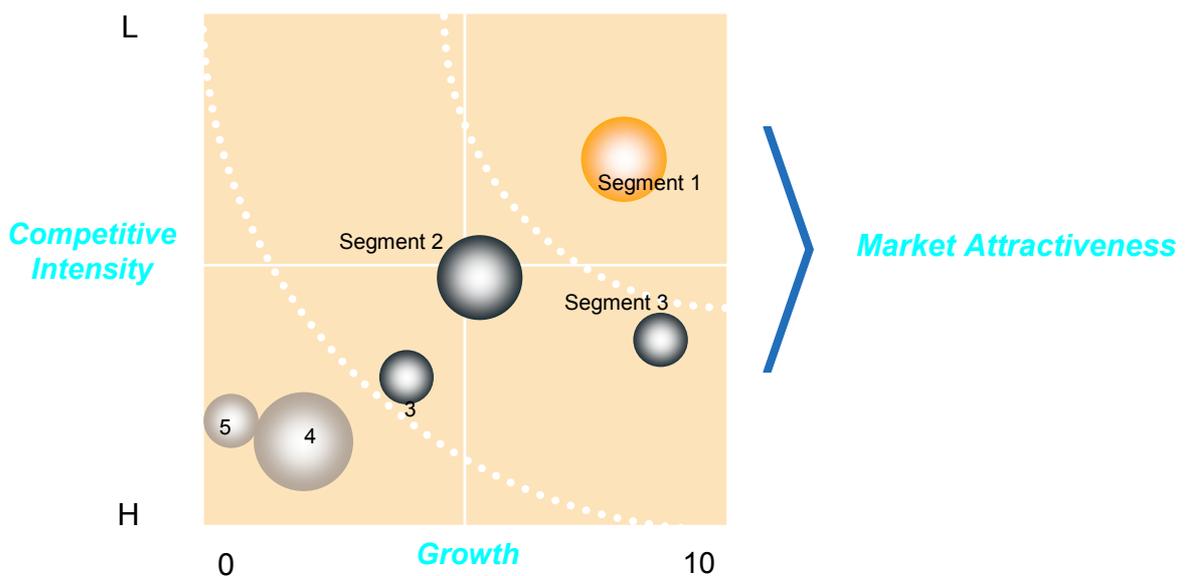
Outside complex theory, the area of a collectively distorted reality function in groups has of course been widely studied. Bion's basic assumptions theory (e.g. Bion, 1961) and the notion

of *Groupthink* (Janis, 1972) are well-established. Not many authors have elaborated further on the theory of complexes in groups. However, it is of interest to note a recent upsurge in the interest in this area: witness a set of publications in Singer and Kimbles (2004). These authors -also building on Jung's concept of the complex- introduced the concept of *cultural complex* to study conflicts between groups and cultures in society. I hope that the introduction of these notions from Analytical Psychology to the psychoanalytical study of organizations will offer one or two meaningful new perspectives.

4 Business schools' approach to competitor analysis

Before embarking on elaborating how complexes can distort the objectivity of strategy development in organizations, I will briefly recall the classical text-book methodology for strategy development, which represents the "healthier" way of dealing with competition. Commercial companies, every four or so years, perform a strategy development project. This should be a structured process with a lot of fact-finding to define organizational priorities and to take decisions (inter alia) on resource allocation.

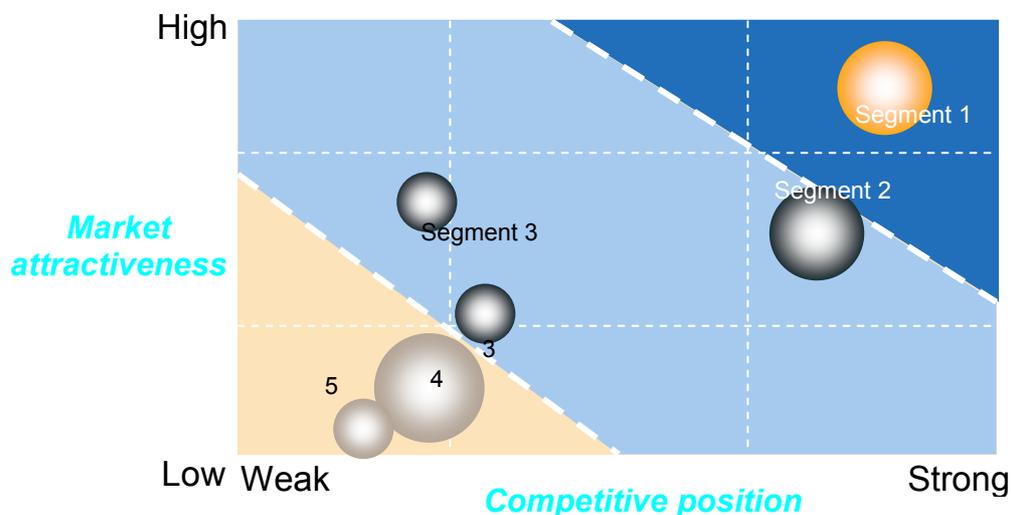
In the ideal case, the first step is to segment the product or services portfolio of the organization in different product-market combinations. This important first step is needed because the power of the competition, often referred to as competitive intensity, is different for different product-market combinations. Also, the quality of the company's product or service with respect to the competition, referred to as competitive position, is different for products-market combinations. By taking this first dissecting step, the organization implicitly acknowledges the complexity of the question of competition and in a way already breaks the spell of the archetypal complex. It has been often during this first step that group members reported an epiphany that they had not realized how the competition works out differently for different parts of their operations.



The second step is to map the market dynamics for each product-market segment. In this step we do not look at the competitive position of the company, but rather we analyze the attractiveness of the market for each segment. How large is it? How fast will it grow? How

much competitive intensity is there? What are the drivers in the market? What is the power of the suppliers and is the power of the customers? What are the trends? Et cetera, et cetera. The result of this step should be a ranking of the different market segments in terms of market attractiveness.

The third step is to analyze for each product-market combination the competitive position of the company. This means establishing for each segment as objectively as possible how much of a leader (cost-wise, service-wise, technologically etc.) the company is, vis-à-vis the competition. This requires the collection of data on: efficiency of operations, patent position, innovation capability, brand value and so on. A particular challenge here is often attributing (overhead) costs to particular products. Typically, this research is quantitative and includes significant competitor analysis. Together this is a lot of hard work. The result of this step should be a ranking of the different market segments in terms of competitive position.



The results of this process are plotted on the graph which has market attractiveness along one axis and competitive position on the other axis, showing the different product-market segments. The right upper corner of the graph (attractive market, strong position) shows the segments for investment. The lower left corner shows the segments for divestment. (unattractive market, weak company position). Obviously, there will be market-segments in the middle of the plot. Entrepreneurial gut-feel and "taste" come into play when deciding on the priorities in this middle category.

This concludes very briefly the "text-book" strategy development process. Essentially, the answer to the question of how to deal with competition is through differentiation and fact-based analysis, followed by structured synthesis which combines common sense with entrepreneurial gut-feel.

In my practice, I have many times helped my clients to conduct such a structured strategy development process. During the contract phase of the project and during the execution of the project –in workshops and during interviews- my colleagues and I have often observed that client-members have preferences and biases in what they want to "see" and which data they want to "collect". The client may also underestimate or overestimate their competitive position and/or the market attractiveness. In an undefined sort of way, the client often thinks

that the strategy development is not needed at all because they "already know". This is often an early warning that -parts of- the client may be in a complex.

5 The Heracles Archetype and Complex

One way of looking at the notion of competition and how it might work differently in different organizations, is to polarize it in terms of extrovert and introvert. In introvert organizations, management orients itself first towards the inside: improving the strengths of its own company. The fact that the competition becomes relatively weaker as a result of their own improvements means less to such a company than the fact that they themselves have become stronger. The organization's corporate strategy and operations have the own operations on its sight. The Marketing and Sales departments typically get less attention than the Research and Development laboratories. Excitement comes when clever new products are developed or advanced HR systems are implemented. To be the strongest and the best *in everything* is what counts. A dominant fear is to become pedestrian and me-too. In the extreme case, this may develop into a "gold-plating" culture in the company. In introverted organizations, the risk exists that a complex which I call the Heracles complex, will develop.

This complex is more likely to develop in well-established large western Fortune 500 companies than in start-up companies. The degree to which the complex "clouds" management's sense of reality varies of course from company to company and also from person to person within a company, varying from a small bias in the cognitive functioning to deeply distorting reality. Yet, some patterns seem to emerge.

Through the 4000 year-old Homeric Hymn on Heracles (see e.g. the translation by Michael Crudden, 2001) we get a feel for the character of this archetype:



*I will sing of Heracles,
the son of Zeus and much the mightiest of men on earth.
Alcmena bare him in Thebes, the city of lovely dances,
when the dark-clouded Son of Cronos had lain with her.*

*Once he used to wander over unmeasured tracts of land and sea
at the bidding of King Eurystheus, and
himself did many deeds of violence and endured many;
but now he lives happily in the glorious home of snowy Olympus,
and has neat-ankled Hebe for his wife.*

Heracles is the son the mightiest of the gods. This bestows invincible powers on him. After seducing his mother Alcmena, a mortal woman, Zeus never again slept with a mortal woman. Therefore, there is no mortal who in strength is equal to Heracles. Only gods may be stronger.

Once he used to wander over unmeasured tracts of land and sea at the bidding of King Eurystheus. A key-word here is *unmeasured*. No one has been there before. Market managers who emphatically claim that they know all their market so well come to mind. Heracles knows these markets in which we work much better than anybody else. He was the first. *Eurystheus* was Hercules' cowardly brother, he represents the other, perhaps he represents the dark side of competition.

He did many deeds of violence and endured many. Over the years we have built factories and marketing and sales organizations all over the world. Therefore, we are strong and can now live afford to live on the Olympus (our head offices in New York and London) with beautiful Hebe.

Perhaps, until two or so years ago, oil company Shell was in a Heracles complex. There is no way to tell scientifically, and I am not saying that they were, but there are some interesting parallels. Two years ago, this company rapidly lost investor confidence because they had, contrary to their competition, neglected to invest sufficiently in exploration and production projects and were accused of wrong-doing in accounting for their proven oil and gas reserves. Like Hercules, this company was a hundred years ago literally *wandering over unmeasured tracts of land and sea*, namely to find oil and gas. In their hundred years of existence, Shell did many heroic deeds: developing all their operations in many countries which made them until recently number 2 in the world market. They were living in their headquarters in London and The Hague (Olympus), priding themselves on what they had achieved in the past. The controversy over the overstatement of the oil and gas reserves of Shell eradicated more than 6 billion dollars of shareholders value and resulted in the resignation of the then chairman Sir Philip Watts, and the departure of the CFO and other top executives who were responsible for exploration and production. Since, Shell's new CEO Jeroen van der Veer has made significant increases in investments in exploration and production and has also dramatically changed the organization structure.

I have used Shell as an example because its situation has been published in the public domain and it seems to illustrate the Heracles complex quite well. About ten years ago, IBM almost went belly up because of its Herculean mainframe policy. The Swissair case (growth through acquisitions and gold-plating) was perhaps an example of Herculean possession as well. In any case, it lead to bankruptcy. I have observed similar phenomena in other Western multi-nationals in the process and manufacturing industries with which I have worked. Often, I have found, the Heracles complex is recognized as a danger at the very top of the organization but not at business unit level and below. The biggest dangers are growing fat, complacent and underestimating the competition, particularly, competition from the far-east.

Not all introverted companies develop a complex. Google, Microsoft and Apple, for example, have been extremely successful. However, they are still relatively young and successful and therefore not (yet) in the grip of Heracles.

6 The Ares Archetype and Complex

The Ares archetype and complex are more likely to constellate in extrovert organizations. In these organizations, the consciousness of management, when it comes to questions of competition, will in the first place orient itself towards the competitive field *outside*. Meaning is created primarily when it comes to things that happen, or can be undertaken in the market *out there*. The organization's corporate strategy and operations have the competitor on it's sight . The Marketing and Sales operations get a lot of management attention, whereas the Research and Development activities may stay a bit in the shade. Excitement comes when market share increases. In the extreme case, a battle-like culture may build-up in the company. The dominant management issue is how to attack and defend in the battle-field otherwise known as the market. When this extrovert pole of the archetype dominates, a complex which I call the Ares complex , after the Greek god of war, may come to expression.

Let's first look at the hymn to Ares (the roman Mars) from the Homeric Hymns (Crudden, M. 2001).



*Ares surpassing in might, who weigh the chariot down,
Who wear a helmet of gold and possess a spirit of strength
Shield-bearing saviour of cities, clothed in armour of bronze,
Whose mighty hand unwearied wields a spear that is strong,
Olympos' bulwark, father of Victory, skilful in war,
You who bring help to Themis, you who are tyrant to foes,
You who are leader of humans who cherish justice most,
Sceptred king of valour who whirl a fire-bright orb
Amongst the portents of heaven that wander along seven paths,
Where blazing colts keep you forever beyond the third rim of the sky!
Pay heed, you ally of mortals, giver of flourishing youth,
And martial strength to give me power to drive from my head
The bitter taint of cowardice, power to thwart with my mind
The soul's deceitful impulse, and power besides to hold back*

*The fierce might of spirit that pricks me to enter chill strife, but grant
Blessed One, courage to stay in the painless laws of peace,
Evading the enemies' broil and the violent spirits of death.*

The first line tells us that Ares is not bound by gravity: *Ares surpassing in might, who weigh the chariot down*. Thus, he is not necessary grounded, not in touch with reality. Yet, even without getting tired he will bring Victory. What is interesting is that Ares is the *leader of humans who cherish justice most*. He is morally superior to the competitor. Ares gives *flourishing youth*. So he would give comfort to those (companies) who fear losing their youth. This is probably an important shadow element. In the next line, another aspect of the dark side of competition is described clearly: Ares helps to chase away: *the bitter taint of cowardice, power to thwart with my mind and the spirit that pricks me to enter chill strife* (=conflict).

Might it be that the extravagant large investments in flashy –youthful- marketing and sales campaigns or very aggressive pricing policies that we sometimes see, are connected to the assumption that through them we stay young and unconscious cowardice is driven from the mind? Might it be that aggressive growth strategies are chosen as the preferred way to stay ahead of the competition to avoid the hard work and difficult decision making "*the spirit that pricks me to enter chill strife*" which come with a reality based, grounded strategy development project?

Over the last few years, many multi-national companies have performed a flip-flop from Heracles to Ares. Many organizations which used to be partly public, such as utility companies and (in Europe) railway companies, telecommunication companies, hospitals, universities and sometimes even airlines could be placed in this category. These organizations, who never had to face competition before, love Ares. Could it be because he chases *the bitter taint of cowardice*?

Enron was growing enormously and the market value skyrocketed (in the chariot) not weighed down by the pedestrian needs of healthy financing and sound accounting. A similar process in private industry took place with a global retail company. Ahold grew through acquisitions all over the world at the expense of –again- healthy financing and accounting. This company's former CEO, Cees van der Hoeven has now been sentenced for this by a penal court. In a recent television interview he said that he was not aware of any financial wrong doing because he was "totally focused" on growing the company, i.e. taking market share from the competition. This seems a clear demonstration of the far reaching damaging effects of "being in a complex".

8 Summary and conclusion

Surviving in today's competitive markets requires organizations to continuously define their strategic course. In defining this course, management constantly has to set the right direction, to define organizational priorities and to take decisions on resource allocation.

This paper has argued that the idea of dealing with competition may sometimes constellate unconscious organizational complexes around archetypal forces, which can impair or bias the objectivity of management's decision making.

How can a company prevent falling victim to their own complexes? Can external consultants like ourselves help these companies? Clearly, the organization's management does not "see" the problem and is therefore not inclined to hire outsiders for evaluating their strategy processes. This poses a key obstruction to meaningful consulting intervention. In a way, this is not very different from the defensive behaviour of individual clients who have narcissistic traits. The best that we as psychoanalytically informed consultants can do, is to alert the corporate world to the existence of these collective unconscious mechanisms and to recommend as a standard corporate operating procedure that corporate strategies are scanned for archetypal complexes by specialized consultants.

The consulting approach which my company follows includes a series of structured workshops where client members as a group, distribute fact-finding tasks, evaluate the findings and develop conclusions. The whole process is organized such that "a safe place" is created, where through constructive testing of assumptions and interpretations, organizational complexes might be brought to the more conscious level. This requires "a good nose" for where the complexes might be hidden, and once found, a phase-appropriate intervention strategy. This makes this work as much an art as a science.

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References in the text to Jung are mainly taken from *The Collected Works of C.G. Jung*, edited by H. Read, M. Fordam, and G. Adler and published by Routledge & Kegan Paul, London, 1953-78 (CW). Quotations are indicated by the volume number followed by the number of the paragraph from which it is taken (e.g. .CW 10 para, 109).

