

[Re]Thinking Leadership in a Global Economy

In E. B. Klein and I. L. Pritchard (Eds.),
Relatedness in a Global Economy, pp. 190-210.
London: Karnac Books.

©Amy L. Fraher, Ed. D. All rights reserved.

[Re]Thinking Leadership in a Global Economy

Introduction

For most of us living in the Western world, life has changed markedly over the past few decades. Some of these changes have been of a technical nature, such as the ubiquitous presence of electronics and computers found in all facets of our lives. Other perhaps less visible changes include advances in the bio-tech field such as DNA analysis, cloning, explorations of the human genome, and agricultural “pharming” techniques (Rifkin, 1997). Many of these phenomena were once, in the not-so-distant past, restricted to James Bond movies and the imagination of science fiction writers. Today, they have become commonplace.

In addition to these developments, changes in the global marketplace perhaps as ubiquitous as computers and as insidious as advances in the bio-tech field have occurred. Termed globalization, these changes have been influenced most directly by the spread of Western capitalism and the growth of organizations such as the International Monetary Fund (IMF), the World Trade Organization (WTO), and the World Bank.

Although many people applaud these advancements, not everyone considers the changes brought by globalization to be positive. For instance, on November 30, 1999 tens of thousands of people picketed the WTO’s Third Ministerial conference in Seattle Washington. They claimed to be part of a grassroots democracy movement whose goals are a global revolution that would

replace the money-values of the current system with the life-values of a truly democratic system (Danaher & Burbach, 2000).

The Paradox of Globalization

Whether one can balance money-values with life-values in a democratic system is a question that remains central to the globalization debate and will be the topic of this chapter. Most explorations of this question seem to choose one rigid side or the other: Either one chooses market-based systems of growth, prioritizing money-values over life-values, or one chooses growth limited by presumptively universal ethical principles, prioritizing life-values over money-values.

The notion that purely capitalistic enterprises such as the spread of MacDonald hamburgers and Disney theme parks throughout the world are “not only compatible with but actively advance democratic ideals” (Barber, 1995, p. 14) remains contrary to many people’s thinking. Yet, globalization contains within its processes a double paradox: only when we support life-values do we also support money-values; at the same time, the support of life-values has the potential to undermine money-values. As Karl Marx observed in 1852, “The limitation of *capital* [i.e. the system of market production] is that this whole development brings out contradictions” (McLellan, 1970, p. 121).

In other words, if Nike does not provide for workers’ needs in China, Nike cannot continue to sustain a profit in America. At the same time, providing for workers’ needs may be an ethical and production-enhancing imperative, but it

also limits Nike's profitability. As Marx so aptly pointed out, "Capital is itself contradiction in action...Productive forces and social relationships—the two different sides of the development of the social individual—appear to be, and are, only means for capital, to enable it to produce from its own cramped base. But in fact they are the material conditions that will shatter this foundation" (McLellan, 1970, p. 142-3).

An increased awareness of the contradictions of globalization is needed. The recognition that money-values and human-values, or productive forces and social relationships, are complementary and interdependent is required. While one is not reducible to the other, neither can one be chosen without impacting the other.

This chapter highlights the paradox about relatedness in a global economy in order to explore the implications of globalization for the field of group relations. Although group relations theories and methods are not a panacea for all the social problems identified by critics of globalization, such theories and methods do have application at the nexus of globalization, leadership, and organizational change. This chapter will explore this connection.

Given the pervasiveness of these global challenges, the questions that remain are: (a) Can our *adaptive* skills (Heifetz, 1994) as a global community—our ability to communicate, learn, invent, take risks, connect, and seek responsibility—keep pace with the technological advances that have emerged as

a result of globalization? And (b) how can the field of group relations contribute to the development of this leadership process?

The answers to these questions will not be discovered quickly or easily. As a start, this chapter describes some of the historical roots and present day influences of globalization, examines trends in the development of the field of group relations, and relates this history to the leadership challenges confronting contemporary organizations. This chapter concludes with three recommendations that may assist group relations theorists and practitioners in responding to the challenges of globalization.

Globalization

Globalization Defined

It is difficult to define globalization precisely. Yet, there are some commonly accepted applications for the word. Globalization broadly refers to modes of social, corporate, political, and cultural design that blur traditional lines of social and cultural demarcation and weaken national boundaries in ways that affect nearly every corner of the globe (Landau, 2001). Although globalization has been described as a contemporary phenomenon, the processes covered by the concept are not entirely new. The roots of today's transnational world economy can be traced back thousands of years to processes of market expansion—colonialization and imperialism—which required the movement of material goods and people, including slaves, around the world (Youngs, 2000).

Even in the more recent past, globalization was central to developments of industry and society. For instance, the Industrial Revolution which began in Great Britain in the late eighteenth century was the result of technological and social changes that reformed production and revamped culture: The development of steam engines powered by fossil fuels, furnaces used to make metal products, and machines designed to spin threads and manufacture cloth at a rapid pace. Mechanized production fundamentally changed the way work was organized and social and political systems were structured. These advances, among others, spread and were further refined by later innovations such as electricity in the 1880s, the telegraph, chemicals, packaged foods, pharmaceutical drugs, and expanded forms of transportation in the United States.

In these new capital-intensive industries, semi-skilled workers were presented with simple routines that required little training while skilled craftsmen were replaced by machines that could do their work cheaper and faster (Chandler, 1977; Mathias, 1983). The stage was set for workers' needs to be subordinated to production demands in order to increase productivity and enhance revenues. Early social critics, such as Marx and Max Weber, complained about the subordination of human needs to the exigencies of capital. Over one hundred years later, Seattle demonstrators voiced similar concerns as the debate about money-values versus human-values raged on.

As an example of this perspective's influence in current globalization debates, a cadre of young economists at Massachusetts Institute of Technology (MIT) in the United States is struggling to understand "why the poorest people [of the world] almost always stay poor" (Altman, 2002, p. C2). Putting aside the traditional approaches inaugurated by the IMF and the World Bank, this group emphasizes grass roots solutions innovated by abandoning "big-picture paradigms" based on exclusively empirical data in favor of conducting fieldwork in developing countries. In a "shift from promoting bulky, all-encompassing models to building simple truths from field work and the theory of incentives," (Altman, 2002, p. C2) this type of experimental solution illustrates the type of leadership process needed to hone our adaptive skills in order to explore the challenges of globalization.

The Field Of Group Relations

Social Priorities and Democratic Values

Questions about social priorities and democratic values, such as those raised during the Industrial Revolution or voiced in Seattle, are not new. Examples of these debates, along with experimental solutions, can be found in the history of the group relations field in both Great Britain and the United States.

Based, in part, on the notion of using democracy to improve the human condition and on lessons learned through experiments with groups necessitated

by manpower shortages during World War II and the post-war period, the field of group relations began to explore how to humanize organizational changes wrought by market developments. In debates similar to those argued today about globalization, post-war theorists struggled with the notion of how to facilitate democratic participation in a pluralistic society complicated by the rights of individuals to compete freely in a market. The challenge was whether, and how, market values could be balanced with ethical principles that reflected a sense of responsibility to the community and environment (Lakin, 1976). In response, the group relations field emerged as part of a larger social movement interested in using social science to rebuild a post-war social order that would be more democratic and less alienating (Krantz, 1993).

One example is the life and work of Kurt Lewin and his influence on the development of the National Training Laboratories Institute for Applied Behavioral Science (NTL). Lewin fled Nazi Germany for the United States in 1932, after observing first-hand the potential that humanity had for good and evil. Lewin's harrowing wartime experiences resulted in a life-long commitment to use science to integrate democratic values in society. He believed the application of social science to organizational life was the only viable means to prevent a recurrence of world war (Freedman, 1999).

As a result of this commitment Lewin, and others at the NTL, struggled more than sixty years ago with the very definition of a democratic society, and the boundaries of freedom within it, in ways remarkably similar to those

advocated by critics of globalization today. In a similar, yet distinct way, social scientists at the Tavistock Institute of Human Relations (Tavistock Institute) also sought methods of investigation and application that could be used to study and ameliorate society's social problems in the post-World War II period (Dicks, 1970).

Ample evidence exists to demonstrate the early cross-pollination between these two organizations and to describe how influential individuals on both sides of the Atlantic contributed to group relations thinking (Back, 1972; Fraher, 2002; Miller, 1993; Trist & Sofer, 1959). Working in concert, but from a distance, early group theorists searched for a conceptual framework in which relationships within groups and organizations could be examined. In the United States, Lewin's work with Ronald Lippitt, Kenneth Benne, and Leland Bradford, in the development of a human relations training laboratory at the historic 1946 conference in Connecticut, had significant impact. In the United Kingdom, Wilfred Bion's theories about people's behavior in groups, based in part on his wartime experiences at the Northfield Hospital, and Melanie Klein's theories about individuals, were also becoming foundational to group relations.

During this formative post-war period, the distinctions that now clearly separate the methods of working experientially with groups, as represented by the NTL in America and the Tavistock Institute in England, had not yet crystallized (Fraher, 2002). But by the 1960's, the early collaborative period between the NTL and the Tavistock Institute had waned. By that time, the NTL's

approach had solidified into a more individual-centered one that explored relatedness between individuals using sensitivity training and the Basic Skills Training Group or T-group (Benne, Bradford, Gibb, & Lippitt, 1975; Neumann, Holvino, & Braxton, 2000). The Tavistock Institute pursued a more group-related focus, exploring organizational applications through group relations conferences, and focused on the individual only insofar as he or she represented something on behalf of the group (Neumann et al., 2000). It is this perspective, focusing on organizational application and group representation, provided by the Tavistock Institute that will be most valuable in the further analysis of globalization and is the focus of the remainder of this section.

The Tavistock Institute

In what might be called an historical answer to the chants of Seattle protesters, studies done at the Tavistock Institute in the middle of the twentieth century explored the interrelatedness of human elements and technological imperatives within organizations. In these studies, researchers concluded that “human needs, satisfactions and interests could be met in the work situation without sacrificing economic goals, and that alienation in work need not necessarily be a direct consequence of attempts to increase economic efficiency” (Tavistock Institute of Human Relations, 1966, p. 6).

Based on these new theories about the inter-dependence of human and technical factors in the workplace, Tavistock researchers evolved a unique approach to understanding work in groups. Called a *socio-technical* approach, it

entailed “the recognition that the technological and human aspects of work systems are complementary and interdependent, and that one is not reducible to the other” (Tavistock Institute of Human Relations, 1966, p. 6). In the 1940’s, 1950’s, and 1960’s, studies conducted by Jaques, Rice, Miller, Trist, Bridger, and Menzies Lyth, among others, in major corporations, coal mines, textile mills, and hospitals proved influential in the refinement of the concept of the socio-technical system embraced by the Tavistock Institute. As a result, the socio-technical system provided a way to optimize both human relations and technological imperatives within organizations, without sacrificing one to the other.

However, the socio-technical systems approach focused at the level Bion termed the primary work group rather than the wider organization and its environment (Bion 1961). Further developments in *open system theory* by Eric J. Miller and A. Kenneth Rice (1967) made it possible to look simultaneously at the relationships between the worker and the group, the work group and the organization, and the organization and its environment. In other words, open systems theory built upon, and expanded, the premise of the socio-technical system in ways that permitted an understanding of the operation of the organization’s internal dynamics as well as interaction with its external environment (Miller, 1993).

Over time, the concepts of the socio-technical approach and open systems theory were amalgamated with those from the psychoanalytic tradition and an

interdisciplinary field began to emerge based largely on the pioneering work of the Tavistock Institute. This burgeoning field is referred to as *systems psychodynamics*, a construct explicated by Miller and Rice (1967) in their book *Systems of Organization*. Systems psychodynamics is an interdisciplinary field that attempts to integrate theories and methods from the field of “group relations, psychoanalysis, and open systems” (Gould, Stapley, & Stein, 2001, p. 2).

The thrust of the systems psychodynamics perspective is that people create institutions to satisfy many needs, some of which are overt and oriented towards task accomplishment while others are covert, primal and defensive. All of these needs are present potentially within any group of people and each must be considered when working with organizations. If we are to fully analyze the complexity and implications of relatedness in a global economy, systems psychodynamics offers the most promising approach.

Based on the above analysis, one might assume that the systems psychodynamic perspective should be understood as a set of theoretical ideas that provided the intellectual grounding for further application of group relations methods. Yet, one should remember that this intellectual foundation was not created prior to the application work conducted by the Tavistock Institute. Rather, the relationship between theory and practice in the field of group relations was symbiotic. Rice (1965) made this point clearly:

In recent years there has been increasing understanding of the behavior of individuals and of groups. But knowing about group processes and human behavior does not necessarily mean that use can be made of the knowledge and understanding. More over, knowledge, let alone its effective use, cannot generally be gained from reading, lectures, or seminars. Both the acquisition of knowledge and learning how to use it required direct experience.

(p. 6)

The challenge is how to create a strategic organizational approach that helps us to understand the global implications of our behaviors while also recognizing the need for organizations to be technically modern, competitive, and flexible in response to market demands. This is where the field of group relations in general—and systems psychodynamics in particular—can make its most valuable contributions.

This chapter does not present a strategic organizational model, per se. Instead, it will suggest *processes of sense making* (Stacey, Griffin & Shaw, 2000) through which the development of such a leadership process might occur. In order to begin the discussion of new ways of understanding relatedness in a global economy, one may start with an overview of organizations and leadership, and how these have changed over time.

Changing Organizational Strategies, Structures, and Models

Western Organizations in the Post-War Period

The history and impact of group relations models have been shaped not only by the political, economic, social, and cultural times in which the different approaches have emerged, but also by the organizational models extant during the development of group relations theory and practice (Fraher, 2002). For instance, when the Tavistock model of studying groups and organizations evolved during the 1950's and 1960's, organizations had more hierarchical and homogenous designs than today.

Within capitalist-styled organizations in the west, a typical work setting was one where tasks were specifically delineated; workers reported to one boss, and remained employed at the same organization their entire working lives. During this organizational era, effective leadership had more to do with managing financial bottom-lines than modifying corporate cultures. Most skilled employees were white males, many of whom worked for the same companies for their entire careers. Miller (1999) noted "Work has always provided a core identity for the vast majority of adult males. I work, therefore I am" (p. 98).

Women and minorities usually were relegated to less desirable, low-paying positions. The result was a homogenous population in each work setting that could be easily managed through traditional practices. Strong cultural norms in the workplace resulted in a cohesive and self-censoring labor group with roots deep in the workforce psyche.

Today's Organizations

Today's organizational models tend to be less hierarchical than in the post-World War II era and the composition of the workforce has become more ethnically and sexually diversified. Work tasks are more complex, often requiring teams to work together and to communicate via networks. In these organizational structures, it becomes more difficult to identify the boss because, depending on the task at hand, the leadership role may be shared among many. With these changes, people in authority roles quickly discover that many old assumptions and time-honored business models are inadequate to understand what is going on in their organizations, let alone how to respond (Lewin & Regine, 2000). As a result, one of the most daunting challenges for today's organizational leaders is learning to create a *container* that encourages productive work practices while managing anxiety within a goal appropriate organizational culture (Heifetz, 1994; Heifetz & Laurie, 1997).

The structure and culture of most large-scale companies remains a hindrance to the successful achievement of managed anxiety as senior executives remain distant from the workforce (Miller, 1999). This distance allows management to make guilt-free decisions, often with dire consequences for front-line workers. The remote manager may take the loyalty of followers for granted and remains immune to the implications of his or her actions and policies on company morale.

Some managers realized that this type of structure encouraged self-protectionist responses from workers and often resulted in their psychological withdrawal from the workplace—all counter-productive responses to organizational goals. As a result, the early 1990's saw a series of training programs aimed at re-indoctrinating workers based on the assumption that loyalty could be taught. The response to such programs was mixed at best. Miller's (1999) research showed that companies that tried most aggressively to eliminate negative attitudes may instead have created conditions of greater "resentment, mistrust and suspicion" (p. 107). In fact, Miller contended, "that it is counter-productive to try to make people do anything" (p. 107).

Managing Organizational Culture and Complexity

As one answer to the leadership challenges caused by the changing strategies, structures, and models of today's organizations, some authors identified the need for people in positions of authority within organizations to manage their company's *culture*. For instance, Schein (1985) contends, "that the only thing of real importance that leaders do is to create and manage culture and that the unique talent of leaders is their ability to work with culture" (p. 2). In another example, Senge's (1990) very popular book *The Fifth Discipline* emphasizes that, in order for organizations to maintain the competitive market edge, there is a need to create *learning organizations*. However, Lipshitz, Popper, and Friedman (2002) observe "organizational learning is not a single

process” and is, in fact, “probably more of a visionary rhetorical device than a realizable empirical entity” (p. 94).

In addition to Schein’s (1985) and Senge’s (1990) work, many other examples of new models of organizational design and decision-making have emerged to challenge top-down management approaches (Goleman, 1998; Goleman, Boyatzis, & McKee, 2002; Lewin and Regine, 2000; Lippitt, 1998; Quinn, 1996, 2000). These authors describe how valuing relationships and fostering an environment that strives for open communication and deep connections can establish a more productive and healthier work environment and perhaps help one to rethink how organizations can better fit into the global picture.

Although few people argue against creating a more open, productive work culture that strives for deeper human connections and develops a learning organization, major stumbling blocks to the achievement of these goals remain. First, leaders can be unwilling to acknowledge that they lack answers. Second, change can make many people uncomfortable. Third, many adults can be reluctant to learn (Bion, 1961). Nevertheless, most organizational and leadership theories ignore these factors. They downplay the psychological depths of people’s resistance to change and discount the ways that such resistance is compounded by today’s complex and demographically varied work environment. There is a need to explore how these psychological factors influence relatedness in today’s global economy.

Despite the proliferation of proposals for new organizational models and cultures, little attention has been paid to the *process* by which such changes might be inaugurated. The remainder of this chapter will sketch the broad outlines of how group relations theories and methods can contribute to the elaboration of such leadership processes.

Can Traditional Models Keep Pace?

Since organizational structures, cultures, and workplace demographics continue to change, there is a need for group relations approaches to adapt in order to keep pace. These adaptations may prove helpful in understanding the *process* of leadership in response to the needs of the global marketplace. Three claims are hypothesized to fill the gap between existing and needed strategic organizational thinking and group relations theory and practice. It is suggested that these changes can help to develop a strategic organizational approach appropriately responsive to the challenges of relatedness in a global economy.

These three claims are: first, continued refinement of definitions of leadership, authority, and their influence on organizations today; second, further development of alternative group relations approaches; and third, continued development of multi disciplinary applications. Each of these ideas will be discussed in detail in the following section.

I. Leadership

In order to move toward a new strategic organizational approach that might assist in understanding relatedness in a global economy, one must consider whether previous definitions of leadership remain relevant. One must also recognize that organizational demands and the needs and motivations of workers have changed.

Definitions of Leadership

Just as the roots of globalization date back hundreds of years, so does the debate over concepts of leadership. Among the earliest sources shaping the traditional definition of leadership was Machiavelli's (1514/1977) work *The Prince*. Although Machiavelli never used the word *leadership*, he endorsed the idea of *princely rule* as an orchestration of specific acts by a talented individual in a power position designed to solicit a specific intended result. This is the standard interpretation of Machiavelli (ten Bos, 2002).

However, Jaquette (2002), Pocock (1975), and ten Bos (2002) argue Machiavelli formulated his advice to Princes in the context of a dynamically changing social order and with the awareness that one could not control what would happen in the future, nor rely on godly intervention. In the face of such dynamism and ambiguity, Machiavelli urges Princes to be prudential and to not search for a universal standard to reconcile ambiguities. Such a reinterpretation suggests renewed relevance for Machiavelli's understanding of leadership in an age of uncertainty for both contemporary scholars as well as those concerned

with the ambiguities of globalization today. Jaquette notes, “Machiavelli teaches that political order does not emerge without human innovation, and he sees it as a prerequisite to all forms of sustained human cooperation” (p. 39).

Today, Machiavelli’s formulation is echoed in the pervasive love-hate relationship between managers and followers as best represented by McGregor’s (1960) “Theory X-Theory Y” philosophies about human nature. Highly influenced by Elton Mayo’s worker efficiency study at Western Electric’s Hawthorne plant in the 1920’s, McGregor’s Theory X assumes that most people prefer to be directed, are not ambitious, and must be closely monitored by management in order to achieve organizational goals. In contrast, Theory Y assumes people are not naturally lazy or unreliable and, conditions permitting, work is as natural as child’s play. In the proper environment, people can become self-directed, creative problem-solvers who can best accomplish organizational goals by directing their own efforts. It is “management’s” main task to unleash each worker’s potential by fostering a motivating environment (Hershey & Blanchard, 1993).

It was not until the mid-20th century that the term *leadership* actually came into vogue, and was then often used synonymously for *management*. Since then, many authors have wrestled with the complex task of defining leadership, often contributing quickly fading buzz-word theories based on certain observable personality traits or inherent characteristics of *greatness*—usually based on a male model. One commonality among most of the more recent definitions is that

leadership is a sort of *influence relationship* in which *leaders induce followers to act in mutually beneficial ways* (Burns, 1978; Rost, 1991). These types of influence-oriented definitions have become commonplace as dozens of different definitions of leadership have emerged in recent years (Hughes, Ginnett, & Curphy, 1996; Roach & Behling, 1984).

Yet, even if one were to agree with these definitions, most theorists remain silent about the *process* by which a leader might achieve this *influence-relationship*. It remains clear that the changing demographics, cultures, and structure of contemporary workplaces combine to challenge the applicability of these influence-oriented models of leadership with new ways of thinking about leadership that emphasize process skills over goal achievement. Further refinements of group relations approaches, and explorations into the development of new ones, can be the means to achieving a more process-oriented leadership approach called for by the organizational challenges of today's global marketplace.

II. Changing Group Relations Approaches

This call for continuing to evolve group relations approaches is not new. From the earliest days of group relations, scholars emphasized the need to continue to develop theories and new ways to work with groups in response to changing organizational demands (Klein & Astrachan, 1971; Klein, 1978). Consequently, a number of different group relations theories and models have emerged over the years. In this section, a few of these approaches will be

described briefly to highlight some examples of how people have adapted group relations approaches to the changing times.

Lengthy conversations with thirteen group relations experts provided insights in to the evolution of the field. The participants in this research were Wesley Carr, Laurence Gould, Evangelina Holvino, Edward Klein, Gordon Lawrence, Isabel Menzies Lyth, Eric Miller, Theresa Monroe, Anton Obholzer, Diane Porter, Edward Shapiro, Mannie Sher, and Kathleen White. These informants helped identify characteristics of the alternative group relations approaches discussed below as well as future applications and challenges of group relations work.

The Double-Task Model

One of the earliest examples of innovations in alternative group relations approaches was Harold Bridger's Double-Task Method. Bridger was one of the first to merge and expand early group relations approaches, developing his own *Double-Task Model* in the 1950's based on his experiences with socio-technical methods. A central figure at the historic Northfield Experiments during World War II, Bridger was one of the Tavistock Institute co-founders and directed a number of group relations conferences at the University of Leicester (Harrison, 2000; Neumann et al., 2000).

Comparing Bridger's "more democratic ethos" to other models of working with groups, informant Laurence Gould emphasized that Bridger "thought that the tone of the group relations conference was a little too stiff, a little too formal,

a little too hard edged, and a little too focused on transference to the consultant or the staff to the exclusion of other processes...especially with regard to the application of this kind of learning to organizational life" (L. Gould, personal communication, January 7, 2002). Opting instead to develop his own methods, Bridger, who is now in his nineties, continues to work collaboratively with the NTL bringing his version of Tavistock's socio-technical systems theory to their facility in Bethel, Maine (Freedman, 1999).

The Third Way to Group Consultancy

In the 1990's, a hybrid group relations approach called the *Third Way* emerged that incorporated and expanded on both the NTL and Tavistock theories and practices (Neumann et al., 2000). While innovative, the notion of combining these two experiential group approaches was not new. Harrow, Astrachan, Tucker, Klein, and Miller (1971), Klein and Astrachan (1971), and Klein (1985) all explored this idea decades ago.

Harrow et al. (1971) conducted one of the first empirical studies of group methods by examining how the two models differed and how the different methods were perceived by event participants. Klein and Astrachan (1971) focused on "a comparison of the two models, with special attention to the ways in which authority and peer relations are viewed" (p. 659). In 1972, both NTL and Tavistock theories were used once again in a series of leadership training interventions with community leaders from Belfast, Northern Ireland (Klein, 1985). This was, perhaps, the first documented example of an international

training program designed to incorporate both NTL and Tavistock approaches into one experiential event. In addition, Alderfer and Klein (1978) reported on the use of both models in exploring leadership dynamics and boundary management in an American Fortune 500 company.

In more recent efforts, Neumann et al. (2000) outline the foundational premise of their *Third Way* approach. They observe that today's changing organizational demands require a variety of processes in order to operate at peak efficiency. Therefore, the Third Way model incorporates the best of the NTL and Tavistock models, as warranted, when working experientially with groups and organizations.

Complexity Theory

Ralph Stacey, professor of management at the Business School of the University of Hertfordshire in the United Kingdom, provides another theory about organizational leadership. In his *complexity theories*, Stacey built upon the systems psychodynamic approach, yet questioned the Tavistock model's relevance to creativity, contending that its relative inflexibility hampered the harnessing of change. Stacey's approach encouraged creativity over conformity within organizations, emphasizing that it is possible to find order out of chaos by harnessing "the creative potential of disorder, so giving new insights into the process of change" (Stacey, 2001, p. 94).

The San Diego Model

The last approach to be discussed in this chapter builds upon, yet modifies, previous innovations. The *San Diego model* has been evolving for the past four years at the University of San Diego in California, under the direction of Theresa Monroe, professor of leadership studies.

Similar to the Third Way approach, the San Diego model incorporates both the overt—more individual behavioral elements of the NTL model—and the covert—unconscious elements from the Tavistock model. Yet, the San Diego model also contains elements of Stacey's (2001) complexity theories and the exploration of chaos reflected in conference titles such as: "Leadership for Change: Chaos, Complexity, Resistance, and Courage" and "Human Relations for Leaders: Chaos, Conflict, and Courage." Recognizing the modernity of this approach and its relevance to the changing organizational structures of today, Zachary Green noted Monroe's approach is helpful because it is "more akin to the networked organizations" that are now common in many organizational settings and "more about the space created in the relationship between consultants and members than authority per se" (Z. Green, personal communication, July 18, 2001).

Conclusion

Each of these innovations in group relations theories and methods, described above, reflect the recognition that societal and organizational developments require new leadership processes to initiate and adapt to change;

a one-size-fits-all approach is not appropriate. Yet, a critical factor in the successful adaptation of group relations theory to the study of organizational change is a renewed emphasis on the development of application-driven approaches oriented towards next level thinking—the topic of this next section.

III. The Future is in Application and Next Level Thinking

Fraher (2002) identified the importance of continued efforts to develop multidisciplinary applications for group relations theories and practices in order to sustain its relevancy to today's organizations. As one group relations scholar, Wesley Carr, suggested, the future of group relations work lies in its application: "What we need is people who can do the next level of thinking, which is how to apply this thinking in various institutions...bringing about some sort of change" (A. W. Carr, personal communication, January 14, 2002). Evangelina Holvino, another informant, agreed, emphasizing that using group relations methods to highlight relevant social, as well as organizational, issues in new forums is pivotal to its future success.

Other informants suggested that one "next level of thinking" about application for group relations theories and practices might be its application to educational programs—more specifically graduate degrees and leadership studies programs. Edward Shapiro observed "Understanding organizational dynamics, understanding systems theory, and the nature of irrationality in organization, I would think, would be a core requirement for leadership" (E. Shapiro, personal communication, February 12, 2002). Theresa Monroe agreed, adding that the

potential for application of group relations theories and practices in the field of leadership studies is unlimited and largely untapped. She contended that the experiential nature of group relations events are an invaluable teaching tool: "I just don't believe you can teach leadership without this experiential component. It's like the example I use all the time about trying to learn how to ride a bicycle by reading a manual about it. I think too many leadership programs are trying to read a manual and then thinking you can do it" (T. Monroe, personal communication, January 3, 2002).

Many informants discussed a need to find new ways, more in keeping with current fast-paced lifestyles, to expose people to group relations theories and practices. Carr, Holvino, Obholzer, Porter, Sher, and White all commented on the different effects of long or short conference formats on member learning. Many remained optimistic that each format provided a unique learning experience that could not be replicated in the other. Given these informants' comments, it seems clear that the future of group relations lies in exploring how to maintain its relevance to today's organizational models and social issues in ways that can be effective for long term learning without being overwhelmingly time consuming or costly.

Obstacles Inside and Outside the Field

With so many experts in agreement that this methodology can contribute to the leadership needs of today's organizations, one question remains largely unaddressed: What are the obstacles to the growth of this field and a wider

application base? Shapiro has some thoughts about why prospective clients and their organizations may not enthusiastically embrace this methodology:

Who wants to learn things that are painful? Who wants to learn ways in which you are not in control of your life, and who wants to know how you are used by others in ways that you can't do anything about? People don't really—nobody wants to know that. It doesn't sell in America. What sells is: This is how you get the right answer. (E. Shapiro, personal communication, February 12, 2002)

In addition to *clients* being resistant, Gould observes why some *consultants* also may not enthusiastically embrace the organizational application of the group relations methodology. He provides a hypothesis about why there continues to be such a struggle in the United States for group relations people to apply their work:

Psychoanalysis has done a terrific job of shooting itself in the foot in terms of the larger society. It has become a kind of priesthood and as if we have almost literally a pipeline to the human condition that nobody else can really share or have if they're not analysts. So I think there is a whole complicated issue about our own feelings, and again authority is not unimportant here, around counter-transferences to the commercial world...I think most people who come from mental health are really terrified to walk into a board room where there are really 'high powered' people who know business because mental health people don't know

much about business and institutions...most clinicians would feel incredibly deskilled, incompetent, out of their world. (L. Gould, personal communication, January 7, 2002)

Given these two hypotheses about the challenges of application, one solution might be to develop collaborative multidisciplinary teams, which could combine the psychological insights that a clinician provides with the organizational insights that a person with business experience could bring.

If the message is clear that the future of group relations work lies in its ability to find ways to apply its theories and methods to emerging social issues such as globalization, the use of collaborative teams may be a way to facilitate a more global application of group relations philosophies and a clearer understanding of the process of leadership.

Concluding Thoughts

This chapter suggested a process by which one might balance money with life values in a democratic system by embracing the apparently contradictory elements of globalization. It revealed that the paradox of globalization is that only when one actively supports life-values can one also support money-values. It also provided examples from group relations history, theories, and methods in order to illustrate possible ways to proceed in thinking about *the process of leadership* in a global economy. Although not a panacea for all the social problems identified by critics of globalization, this chapter suggested how group

relations theories and practices had, and continue to have, application in the complex, fast changing dynamics of today's competitive economic/political marketplace.

This is only a start. Given the pervasiveness and the seeming intractability of today's global changes, many concerns remain: Can leaders recognize that leadership is not only a *role* but also a *process*? Are leaders willing to accept the globalization challenge to hone further their adaptive skills so that social relationships and life-values can be balanced with productive forces and money-values? How can the field of group relations best find relevancy at the nexus of globalization, leadership, and organizational change?

References

- Alderfer, C., & Klein, E. B. (1978). Affect, leadership and organizational boundaries. *Journal of Personality and Social Systems*, 1(3), 19-33.
- Altman, D. (2002, August 20). Small-picture approach to a big picture problem: Poverty. *The New York Times*, p. C2.
- Back, K. W. (1972). *Beyond words: The story of sensitivity training and the encounter movement*. New York: Russell Sage Foundation.
- Barber, B. R. (1995). *Jihad vs. mcworld*. New York: Ballantine Books.
- Benne, K. D., Bradford, L. P., Gibb, J. R., & Lippitt, R. O. (1975). *The laboratory method of changing and learning theory and application*. Palo Alto, CA: Science and Behavior Books, Inc.
- Bion, W. R. (1961). *Experiences in groups*. London: Routledge.
- Burns, J. M. (1978). *Leadership*. New York: Harper & Row.
- Chandler, A. D., Jr. (1977). *The visible hand: the managerial revolution in American business*. Cambridge, MA: Belknap Press.
- Danaher, K. & Burbach, R. (Eds). (2000). *Globalize this! The battle against the World Trade Organization and corporate rule*. Monroe, Maine: Common Courage Press.
- Dicks, H. V. (1970). *Fifty years of the Tavistock clinic*. London: Routledge and Kegan Paul.
- Fraher, A. L. (2002). *The development of the Tavistock and Tavistock-inspired group relations movement in Great Britain and the United States: A*

- comparative and historical perspective*. Unpublished doctoral dissertation, University of San Diego, California.
- Freedman, A. (1999). The history of organization development and the NTL institute: what we have learned, forgotten, and rewritten. *The Psychological Manager Journal*, 3(2), 125-141.
- Goleman, D. (1998). *Working with emotional intelligence*. New York: Bantam Books.
- Goleman, D., Boyatzis, R., & McKee, A. (2002). *Primal leadership*. Boston: Harvard Business School Press.
- Gould, L., Stapley, L. F., & Stein, M. (Eds.). (2001). *The system psychodynamics of organizations*. New York: Karnac Books.
- Harrison, T. (2000). *Bion, Rickman, Foulkes and the northfield experiments: Advancing on a different front*. London: Jessica Kingsley Publishers.
- Harrow, M., Astrachan, B. M., Tucker, G. J., Klein, E. B., & Miller, J. C. (1971). The t-group and study group laboratory experiences. *The Journal of Social Psychology*, 85, 225-237.
- Heifetz, R. A. (1994). *Leadership without easy answers*. Cambridge, Mass: The Belknap Press of Harvard University Press.
- Heifetz, R. A., & Laurie, D. L. (1997, January-February). The work of leadership. *Harvard Business Review*, 124-134.
- Hershey, P., & Blanchard, K. H. (1993). *Management of organizational behavior*. Englewood Cliffs, NJ: Prentice Hall.

- Hughes, R. L., Ginnett, R. C., & Curphy, G. J. (1996). *Leadership: Enhancing the lessons of experience*. Chicago: Irwin.
- Jaquette, J. S. (2002). *Rethinking Machiavelli: Feminism and citizenship*. Unpublished manuscript, Occidental College, Los Angeles.
- Klein, E. B. (1978). An overview of recent Tavistock work in the United States. In C. L. Cooper, & C. P. Alderfer (Eds.), *Advances in experiential social processes, volume I*. New York: John Wiley & Sons.
- Klein, E. B. (1985). Belfast communities' intervention. In A. D. Coleman & M. H. Geller (Eds.), *Group relations reader 2*. Jupiter, FL: A. K. Rice Institute.
- Klein, E. B., & Astrachan, B. M. (1971). Learning in groups: a comparison of study group and t-groups. *The Journal of Applied Behavioral Science*, 7(6), 659-683.
- Krantz, J. (1993). On the future of group relations work. In T. W. Hugg, N. M. Carson, & R. M. Lipgar (Eds.), *Changing group relations: The next twenty-five years in America*. Jupiter, FL: The A. K. Rice Institute.
- Lakin, M. (1976). The human relations training laboratory: A special case of the experiential group. In M. Rosenbaum & A. Snadowsky (Eds.), *The intensive group experience*. New York: The Free Press.
- Landau, A. (2001). *Redrawing the global economy*. New York: Palgrave.
- Lewin, R., & Regine, B. (2000). *The soul at work*. New York: Simon & Schuster.
- Lippitt, L. L. (1998). *Preferred futuring*. San Francisco: Berrett-Koehler Publishers, Inc.

- Lipshitz, R., Popper, M., & Friedman, V. J. (2002). A multifacet model of organizational learning. *The Journal of Applied Behavioral Science*, 38(1), 78-98.
- Machiavelli, N. (1977). *The prince*. New York: W. W. Norton & Company, Inc.
- Mathias, P. (1983). *The first industrial nation: an economic history of Britain* (2nd ed.). New York: Methuen.
- McGregor, D. (1960). *The human side of enterprise*. New York: McGraw-Hill.
- McLellan, D. (Ed.). (1970). *The grundrisse Karl Marx*. New York: Harper & Row.
- Miller, E. (1993). *From dependency to autonomy: Studies in organization and change*. London: Free Association Books.
- Miller, E. (1999). Dependency, alienation, or partnership? The changing relatedness of the individual to the enterprise. In R. French & R. Vince (Eds.), *Group relations, management, and organization*. Oxford: Oxford University Press.
- Miller, E. J., & Rice, A. K. (1967). *Systems of organization*. London: Tavistock Publications Limited.
- Neumann, J. E., Holvino, E., & Braxton, E. T. (2000). *Evolving a third way to group consultancy: Bridging two models of theory and practice*. Manuscript submitted for publication.
- Pocock, J. G. A. (1975). *The Machiavellian moment*. Princeton: Princeton University Press.
- Quinn, R. E. (1996). *Deep change*. San Francisco: Jossey-Bass Publishers.

- Quinn, R. E. (2000). *Change the world*. San Francisco: Jossey-Bass Publishers.
- Rice, A. K. (1965). *Learning for leadership*. London: Tavistock Publications Limited.
- Rifkin, J. (1997). *The bio-tech century-a second opinion: The marriage of the genetic sciences and the technologies reshaping our world*. New York: Jeremy P. Tarcher/Putnam.
- Roach, C. F., & Behling, O. (1984). Functionalism: Basis for an alternate approach to the study of leadership. In J. G. Hunt, D. M. Hosking, C. A. Schriesheim, & R. Stewart (Eds.), *Leaders and managers: International perspectives on managerial behavior and leadership*. Elmsford, NY: Pergamon.
- Rost, J. C. (1991). *Leadership for the twenty-first century*. Westport, CT: Praeger.
- Schein, E. H. (1985). *Organizational culture and leadership*. San Francisco: Jossey-Bass Publishers.
- Senge, P. M. (1990). *The fifth discipline*. New York: Currency Doubleday.
- Stacey, R. (2001). Complexity at the "edge" of the basic assumption group. In L. Gould, L. F. Stapley, & M. Stein, (Ed.). *The system psychodynamics of organizations*. New York: Karnac Books.
- Stacey, R. D., Griffin, D., & Shaw, P. (2000). *Complexity and management*. New York: Routledge.
- ten Bos, R. (2002). Machiavelli's kitchen. *Organization*, 9(1), 51-70.

Tavistock Institute of Human Relations, (1966). *Report for the year October, 1965 to September, 1966*. London: Burrup, Mathieson & Co., LTD.

Trist, E. L. & Sofer, C. (1959). *Exploration in group relations*. Leicester: Leicester University Press.

Youngs, G. (2000). Globalization, technology and consumption. In G. Youngs, *Political economy, power and the body: Global perspectives*. London: Macmillan Press LTD.