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**“SWOTing the Organization’s Psyche:
Commitment, Consciousness and Psychopathology”**

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Abstract

Henri Fayol described it as the “esprit de corps,” or the spirit of the organization. All organizations are peopled with humans; thus, there is life and a discerning consciousness. Because organizational consciousness exists, it can sometimes be psychopathological. This article proposes psychoanalyzing the organization’s psyche and using the information as inputs in the strategic management tool SWOT analysis. The paper cites three states of organizational psychosis: schizophrenic, manic-depressive and obsessive-compulsive. SWOT analysis is explained and a matrix used to demonstrate its benefits. The strategic perspective requires understanding the organization’s psyche through both internal insight and awareness and acceptance of the impact of the economic marketplace and society’s realities. Conceptually, the organization is viewed as a conscious living system that exists in a dynamic state with internal and external psychological requirements and interactions. Organizations may be psychologically fit, or unhealthy. The SWOT matrix approach puts emphasis on reality therapy and the organization’s psyche as it relates to future strategic requirements and decision-making.

SWOTing the Organization's Psyche:

Commitment, Consciousness and Psychopathology

Yesterday, management took commitment and loyalty of employees for granted. Today, human resources are just another organizational input and fewer workers have permanent jobs with significant traditional benefits. Grasping reality, the emotions of commitment and loyalty to an organization are difficult to feel by employees experiencing insecurity about their futures. Workers reflect and understand there is but one loyalty, and that is to oneself. Given the awareness of present organizational commitment, employees perceive three real types of loyalty.

An employee's commitment includes three dimensions that require a decision: loyalty to a person, loyalty to an organization and loyalty to an idea, or ideal. Experience suggests: First, give loyalty to a person but only after it is earned and never give it blindly to anyone. Next, be careful when committing to an organization and recognize organizations change as new people emerge to direct efforts. Thus, an organization's memory may be short and management statements or slogans illusionary public relations. Finally, give your loyalty to an idea or ideal that motivates you. It may be an idea, as a mission, cause or profession, or an ideal, such as the truth or ethics. Consider that loyalty to an idea or ideal is integrity based, loyalty to an individual is based on experience and loyalty to an organization is based on faith. Moreover, employees now know that one's primary loyalty must be to oneself and proceed with common sense based on that bedrock. Employees understand it is their responsibility to keep their knowledge, skills and abilities up-to-date to ensure marketability. Currently, organizational life is becoming more

stressful psychologically as organizations experience cultures and states of consciousness that are often dysfunctional to both the employee and organization.

An organization is a living discerning being since human individuals people it. Due to the individual awareness and focus of each person, organizations certainly have a collective consciousness and, if Jung's theory (1912) is correct, a "collective unconscious," as well.¹ This article delves into the organization's psyche, consciousness and psychopathological behavior using familiar terminology from psychiatry, psychology and strategic management.

To begin, it may be helpful to review the following definitions from *Merriam-Webster's Collegiate Dictionary: Tenth Edition* (1993).² For reference, please recall:

Consciousness – noun "1 a: the quality or state of being aware esp. of something within oneself b: the state or fact of being conscious of an external object, state, or fact c: AWARENESS; esp: concern for some social or political cause 2: the state of being characterized by sensation, emotion, volition, and thought: MIND 3: the totality of conscious states of an individual 4: the normal state of conscious life (regained ~) 5: the upper level of mental life of which the person is aware as contrasted with unconscious processes."³

Organism – noun "1: a complex structure of interdependent and subordinate elements whose relations and properties are largely determined by their function in the whole 2: an individual constituted to carry on the activities of life by means of organs separate in function but mutually dependent: a living being."⁴

Organize – verb "1: to cause to develop an organic structure 2: to form into a coherent unity or functioning whole: INTEGRATE."⁵

Organization – noun "1 a: the act or process of organizing or being organized b: the condition or manner of being organized 2 a: ASSOCIATION, SOCIETY (charitable ~s) b: an administrative and functional structure (as a business or a political party); also: the personnel of such a structure."⁶

Psyche – noun "a: SOUL, SELF b: MIND."⁷

Psychopathology – noun "the study of psychological and behavioral dysfunction occurring in mental disorder or in social disorganization: also such dysfunction."⁸

Psychosis – noun “fundamental mental derangement (as schizophrenia) characterized by defective or lost contact with reality.”⁹

Keeping these seven concepts in mind, allows one to view metaphorically, at least, an organization as a living holistic entity that strives to be an effective, efficient, integrated synergistic whole. As a result, psychoanalysis of an organization is possible and the information used as input data in the strategic management tool SWOT analysis.

A successful SWOT matrix and psychoanalysis both require fundamental truth and honesty to psychologically comprehend, integrate, and benefit from the therapy that is reality. Such integrity can better prepare an organization to attain goals and fulfill its mission. Furthermore, an organization increases its understanding of the most important elements in the internal environment, its employees, and in the external environment, the customers. We next examine organizational psyche, psychopathology and psychoanalysis, followed by an explanation of SWOT analysis. Then, a hypothetical organization’s psychopathological behavior is displayed as an example of the SWOT matrix approach to demonstrate how the analytical strategic management tool works.

By the late 19th century, French management theorist Henri Fayol (1916) already recognized “*esprit de corps*” [*spirit of the body*] as the organization’s psyche [*soul, self, mind*] and as one of the fourteen crucial points critical to organizational soundness and success. Fayol believed strong genuine morale was a cardinal indication of an organization in touch with itself and its surroundings, competent and confident of purpose, informed and psychologically fit.¹⁰ Today, a psychologically healthy organization is still competent, confident of its mission and

thrives by understanding changing realities with timely and accurate external and internal information, which facilitates effective strategic decision-making.

To understand the organism, or organization, is to know its strengths and weaknesses. An individual's psychological weaknesses can include psychosis, where one loses touch with reality; organizations also suffer comparable psychoses. The two major types are schizophrenia and manic-depressive (bi-polar disorder). Some clinical practitioners include obsessive-compulsive disorder, which we include, too. Psychoanalysis of the psyche of an unhealthy organization may determine if the psychopathology fits one of three organizational profiles: the schizophrenic, manic-depressive, or obsessive-compulsive organization.

The schizophrenic organization based on the definition of schizophrenia is: *Schizophrenia* – noun “1: a psychotic disorder characterized by loss of contact with the [external] environment, by noticeable deterioration in the level of functioning in everyday life, and by disintegration of personality expressed as [internal] disorder of feeling, thought (as in hallucinations and delusions), and conduct – called also *dementia praecox* 2: contradictory or antagonistic qualities or attitudes.”¹¹ [Authors' added emphasis italicized and bracketed]. Thus, schizophrenic organizations lose touch with external environmental realities and internally exhibit decreased productivity, feelings of apathy, confused employees with convoluted thought patterns, and behavior incongruent with solving problems. Schizophrenic organizations produce such contradictory and antagonistic qualities and attitudes that it paralyzes employees in a double-bind; do they follow the words or the

organization's action? Fear freezes confused employees from initiative. Employees are afraid to be wrong; as a result, they do nothing significant.

The manic-depressive (bi-polar) organization based on the definition is:

Manic-depressive – noun or adjective “characterized by mania or by psychotic depression or by alternating mania and depression.”¹² Manic-depressive organizations lose touch with reality and may fluctuate wildly between feelings and behaviors of ecstatic elation to absolute grief and clinical depression, often described as the riding of an emotional roller coaster. Further, manic-depressive episodes may not fluctuate! Onsets of depression, which may be long lasting or onsets of similar mania can slowly shatter the organization's future internally and externally as employees and customers seek consistency and stability elsewhere.

The obsessive-compulsive organization based on its definition is:

Obsessive-compulsive – noun or adjective “relating to or characterized by recurring obsessions and compulsions esp. as symptoms of a neurotic state.”¹³ Obsessive-compulsive organizations although concentrated and willful, many times emphasize factors unimportant to the organization's strategic goals. Unlike negative schizoid or bi-polar behavior, obsessive-compulsive behavior can be positive if goal appropriate and used correctly. Thus, an organization's obsessive-compulsiveness may be a weakness or strength depending on its focus.

Psychologically healthy organizations have strong positive character traits: truth, honesty, self-awareness, trust, integrity, competency, cooperation, loyalty, energy, enthusiasm, initiative, synergy, effectiveness, efficiency, innovation and growth. They are organizations with a realistic sense of their mission, vision, goals,

marketplace and profit potential. An organization's psychological profile determines whether its psyche is a strength or a weakness, or both. The knowledge becomes inputs for a SWOT analysis.

Strategic management models include analyses known as internal and external strategic audits. Strategists analyze organizations for internal strengths (S) and weaknesses (W) and the environment for opportunities (O) and threats (T). Internal functional areas analyzed for strengths and weaknesses are management, operations, marketing, human resources, finance/accounting, information systems/technology, and research and development. External environmental categories analyzed for opportunities and threats are competition, economic factors, social-cultural-demographic influences, political-legal-governmental forces, the natural environment, and technology (David, 2001).¹⁴

This stratagem proposes to apply SWOT analysis to the organization's psyche and matrix the organization's psychological behavior. It should provide as useful an insight as traditional SWOT analysis. The more organizations understand themselves, the better able they are to deal with future realities. Below is an example of SWOT analysis that matrixes the organization's internal strengths and weaknesses and the external environment's opportunities and threats. The four key cells of interest are the SO, WO, ST and WT.

SWOT MATRIX

	OPPORTUNITIES [EXTERNAL]		THREATS [EXTERNAL]	
STRENGTHS [INTERNAL]	S	STRENGTH/ OPPORTUNITY	S	STRENGTH/ THREAT
WEAKNESSES [INTERNAL]	W	WEAKNESS/ OPPORTUNITY	W	WEAKNESS/ THREAT

Next, we analyze a hypothetical organization as schizophrenic, manic-depressive or obsessive-compulsive and use SWOT analysis to demonstrate the benefits of highlighting strategic internal organizational insights and external environmental knowledge.

SWOT MATRIX OF A HYPOTHETICAL ORGANIZATION

	OPPORTUNITIES [EXTERNAL] <i><u>EXPANDING MARKET</u></i>	THREATS [EXTERNAL] <i><u>COMPETITION</u></i>
STRENGTHS [INTERNAL] <i><u>LOYAL EMPLOYEES</u></i>	S O STRENGTH/ O OPPORTUNITY <i>Able to use employees' initiative solving problems to remain competitive</i>	S T STRENGTH/ T THREAT <i>Able to retain most employees but competition hires some of best workers</i>
WEAKNESSES [INTERNAL] <i><u>SCHIZOPHRENIC PSYCHE</u></i>	W O WEAKNESS/ O OPPORTUNITY <i>Paranoid, thus adverse to risk</i>	W T WEAKNESS/ T THREAT <i>Paranoid, thus adverse to risk. Dissociation from external environment's realities, expect regretful surprises</i>

The efficacy of SWOTing the hypothetical organization's psyche is apparent in the SO and WT cells. SO is an organization's best posture, WT is its worst. Hence, this example of a hypothetical schizophrenic organization's prime focus is also purposely in the SO and WT cells. Notice, however, the WO and ST cells; any added insight?

This example is a direct application of using SWOT analysis that includes the organization's psyche. SWOTing the organization's psyche using a SWOT matrix helps draw attention to psychological areas that probably need addressing. The SWOT approach allows organizations to focus strategically on external forces that

influence their organization's psychology. The aim is to psycho-graphically represent the organization's psyche to improve strategic understanding. For SWOT analysis, an organization with a psyche that is both a strength and weakness should matrix both the functional and dysfunctional behavior. Similarly, external forces may be both opportunities and threats, if so input both. This strategic matrix approach applied to an organization's psyche provides an enhanced realization of the organization's true self and the types of psychological challenges it faces internally and externally.

The conclusion is simple: In an era where the micro-dynamics of employees' commitment is significant, the macro-dynamics of the organization's psyche is also of major importance. Thus, wise proactive human resource managers add SWOT analysis of the organization's psyche, or behavior to expand strategic organizational awareness and improve their competitive advantage.

Endnotes

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- ¹ Jung, Carl G. (1912) *The Psychology of the Unconscious*. Leipzig: Franz Deuticke.
- ² Webster's Editors. (1993) *Merriam-Webster's Collegiate Dictionary*. Tenth Edition.
Springfield, MA: Merriam-Webster, Incorporated.
- ³ Ibid, page 245.
- ⁴ Ibid, page 819.
- ⁵ Ibid, page 819.
- ⁶ Ibid, page 819.
- ⁷ Ibid, page 942.
- ⁸ Ibid, page 943.
- ⁹ Ibid, page 943.
- ¹⁰ Fayol, Henri. (1916) *Industrial and General Administration*. Originally in French,
translated into English in 1940.
- ¹¹ Webster's Editors. (1993) *Merriam-Webster's Collegiate Dictionary*. Tenth Edition.
Springfield, MA: Merriam-Webster, Incorporated, page 1044.
- ¹² Ibid, page 707.
- ¹³ Ibid, page 803.
- ¹⁴ David, Fred R. (2001) *Strategic Management: Concepts and Cases*. Eighth Edition.
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