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CHAPTER ONE

SCIENTIFIC ORIENTATION TO THE RESEARCH

1.1 INTRODUCTION

In this chapter the scientific orientation to the research is discussed, including the background to and motivation for the research, the research questions, academic justification for the research problem, the aims and specific objectives of the research, the research paradigm, research design, research method, as well as the chapter lay-out.

1.2 BACKGROUND AND MOTIVATION

Asset management firms, according to Hedberg, Roberts and Tu (quoted in the McKinsey Quarterly (2001)), make investments on behalf of other people and institutions. The success of these firms depends on the quality of the talent which they employ to make investment decisions.

Fund managers, according to Friis and Smit (2004), are generally regarded as individuals with specialised knowledge of the market and fund managing is one of the occupations where being average is not good enough. Investors are looking for skilful fund managers and identify fund managers' skill on the basis of fund performance and their ability to outperform the market on a consistent basis. A skilful professional's duty involves gathering and analysing data and then making investment decisions.

Undoubtedly the stock market is among the most uncertain and anxiety-producing areas of endeavour (Dreman, 1977). Pring (1993) indicates that market prices are essentially a reflection of the hopes, fears and expectations of the various participants. Therefore the investment industry is demanding and requires stamina – placing fund managers under ever-increasing pressure to improve investment performance.

This study will focus on an understanding of the psychological forces driving investment decisions and the impact thereof on investment performance. According to Pring (1993) every great market operator, whether a trader or investor, knows that the analytical aspect of playing the market represents only a small segment compared with its psychological aspect, i.e. mastering your emotions.

1.3 PROBLEM STATEMENT

The problem underlying this research is the fact that fund managers often suffer from burnout or get ill and are then either unable to function optimally or simply give up and resign.

Very little research has been done from any psychological perspective, and nothing from an in-depth paradigm, to understand the dynamics of fund manager functioning. It was hoped that this study would shed light on the following research questions:

- Which psychological forces drive investment performance?
- Will the systems psychodynamic models and ACIBART model provide a theoretical container towards answering the main research question?
- Will the formulated research hypothesis provide insight into the research phenomenon of fund manager functioning?
- What meaningful recommendations can be formulated towards the transfer of the knowledge into the fund manager fraternity and the investments world?

The main research question was formulated as follows: What is the nature of the systems psychodynamic functioning of the fund manager?



1.4 OBJECTIVES

The main objective is to study the systems psychodynamic functioning of the fund manager.

The specific objectives have been formulated as follows:

- To identify and understand the psychological forces driving investment performance
- To conduct a theoretical investigation into systems psychodynamic functioning and the ACIBART Model
- To conduct an empirical investigation into the systems psychodynamic functioning of the fund manager and present working hypotheses integrated into the research hypothesis
- To formulate recommendations.

1.5 RESEARCH PARADIGMS

The theoretical paradigm was systems psychodynamics based on the work by Freud, Klein, Bion and others from the Tavistock Institute in London (Cilliers & Koortzen, 1996) – refer to the discussion in Section 3.2.

The empirical paradigm was hermeneutics (Clarke & Hoggett, 2009). Simple hermeneutics were used to understand the subjects' (participants') experiences of being a fund manager, and the meaning attached to these experiences. Double hermeneutics were used to interpret their experiences critically from the point of view of the theoretical paradigm of systems psychodynamics.

1.6 RESEARCH DESIGN

The research approach was qualitative and explorative by nature. Qualitative research is a generic term for investigative methodologies described as ethnographic, naturalistic (to keep realities in their contexts), anthropological,

and field or participant observer research (Key, 1997). According to Ehigie and Ehigie (2005) analysis of behaviour in qualitative studies involves discussions of how people experience and feel about events in their lives and can be a good means of generating hypotheses and theories with regard to what happens in organisational settings. Qualitative research, broadly defined, means any kind of research producing findings not arrived at by means of statistical procedures or other means of quantification, that is to say, the kind of research producing findings derived from real-world settings where the phenomenon of interest unfold naturally (Paton, 2001).

According to Bowen (2006) the main strength of qualitative research is that it yields data providing depth and detail to create an understanding of phenomena and lived experiences. A qualitative methodology was deemed appropriate for an analysis of concepts and themes derived from an exploration of a study into the systems psychodynamic world of the fund manager about which relatively little is known and about which in-depth understanding is desired.

1.7 RESEARCH METHOD

The research method will be discussed with reference to participants, data collection and data analysis, reliability and validity, ethics and chapter lay-out.

1.7.1 Participants

A total of sixteen investment professionals were invited, requesting their participation in a Listening Post (Hoggett, 2006) a deliberative technique. Fourteen accepted the invitation. Two group sessions were administered and during these sessions the participants were given opportunities to reflect upon their experiences in their roles. The participants were representative of investment professionals involved in various asset classes and consisted of thirteen males (two black, two Indian and nine white males) and one white female.

1.7.2 Data Collection

A Listening Post based on literature review was planned and presented following the guidelines provided by OPUS – Organisation for Promoting Understanding of Society – see www.opus.org.uk (Cilliers, 2006). OPUS developed the Listening Post, a deliberative technique which has specifically emerged from the therapeutic culture and which therefore foregrounds the role of unconscious affect in group communication (Hoggett, 2006). It has its origins in the systems psychodynamic methodology developed by the Tavistock Institute in the UK and more specifically the Group Relations Training Programme and Leicester Working Conferences (Cilliers, 2006).

1.7.3 Data Analysis

Qualitative analysis, or analysis of words, referred to as discourse analysis, was used (Babbie, 2007). It aims to understand, interpret and represent the meaning of what has been said. Most important to this process is the researcher's awareness of personal bias, ranging from those directing her toward a certain topic in the first place to those tending to hide in the back of her mind as analysis takes place (Steinberg, 2004).

Cilliers (2007) and Smit and Cilliers (2006) stated that systems psychodynamic organisational behaviour can be analysed effectively using discourse analysis. In this study, discourse analysis (De Vos, Strydom, Fouché & Delport, 2002; Henning, Van Rensburg & Smit, 2004; Terre Blanche, Durrheim & Painter, 2006; Van Manen, 1990) will be used to ascertain which discourses frame the language action, the way in which the participants make sense of their reality and how this discourse was produced and maintained in the social context. The discourse markers related to the consultants' conceptions, values and beliefs about their behaviours.

The interpretation of the data was done by applying the systems psychodynamic lens (Gould, Stapley & Stein, 2001). Thus, the researcher drew on her theoretical knowledge and subjective capacity to make sense of the systems psychodynamic world of the fund manager. This method is called systems psychodynamically informed discourse analysis (see Cilliers, 2007; Smit & Cilliers, 2006) and entails the interpretation of the manifesting basic assumptions and relevant behavioural constructs.

The interpretations will result in working hypotheses which Terre Blanche et al. (2002, 342) describes as “where the data is sorted in a variety of ways, resulting in a variety of interpretations” whereupon the researcher selects the hypotheses seeming to best represent the constructions presented by the data sources. In this research the above description was extended to include Schafer’s (2003) notion that the working hypothesis is a statement which is true for the time being and can be continuously reassessed in the light of further evidence. The underlying belief is that insight is an unending process.

1.7.4 Reliability and Validity

The traditional terms of reliability and validity are essential criteria for quality in quantitative paradigms. In qualitative paradigms the terms credibility, neutrality or confirmability, consistency or dependability and applicability or transferability are to be the essential criteria for quality (Lincoln & Guba, 1985). Qualitative researchers, i.e. those who frame their studies in an interpretive paradigm, think in terms of trustworthiness as opposed to the conventional, positivistic criteria of internal and external validity, reliability and objectivity (Denzin & Lincoln, 1994). Denzin and Lincoln (1994) suggest that four factors be considered in establishing trustworthiness of findings in the case of qualitative research, namely credibility, transferability, dependability and confirmability. Mouton and Marais (1992) indicated that the four variables determining reliability in a study are the researcher, the participants, the instruments used and the acknowledging of context. These aspects will be reported on in Chapter 4.

1.7.5 Ethics

The ethical use of data and information will be ensured as anonymity of participants will be guaranteed and the researcher will make sure that no harm comes to any person as a result of the research. This notion will be elaborated on in Chapter 4.

1.8 CHAPTER LAY-OUT

- Chapter Two – Asset Management
- Chapter Three – The systems psychodynamic approach
- Chapter Four – Research Design
- Chapter Five – Research Findings
- Chapter Six – Conclusions, limitations and recommendations

1.9 CHAPTER SUMMARY

Chapter one consisted of the scientific orientation of the research. This included the background to and motivation for the research, the problem statement, objectives of the research and a summary of the research design and method.

CHAPTER TWO

ASSET MANAGEMENT

2.1 INTRODUCTION

This chapter contains the fundamental aspects of the asset management industry as background and content to this research. It starts with challenges faced by the industry and behavioural finance. The various industry myths are explored to try and understand what lies at the heart of superior investment performance. The competence of a fund manager is discussed, starting with knowledge (training, qualifications) and skills and ending with the psychological profile. Finally this chapter also explores what makes an asset manager successful with specific reference to the investment philosophy, asset allocation and the risk of underestimating the importance of culture as competitive advantage.

This chapter explores what is found in asset management/investment literature broadly, setting the scene for a more specific exploration of the systems psychodynamic world of the fund manager discussed in Chapter 3.

2.2 THE ASSET MANAGEMENT INDUSTRY

The financial services industry is now the largest sector in the South African economy, causing a flood of young graduates to make it their preferred destination for their careers.

According to Bogle (2009, p 40-41) the number of Chartered Financial Analysts (CFA's) has reached a record high of 82 000 and Barrons's recently reported that "no fewer than 140 000 new applicants – also a record high – from every corner of the earth are queued up to take the exams that will confer this qualification on the lucky ones. The question begs to be asked whether their motivation is aligned with what they can get from society rather

than what they can give back to it – leading to the issue of the disconnect between cost and value in our financial system.”

The financial services industry will face its biggest challenges ever over the next few years or so in terms of the rapidly changing and ever-increasing regulatory environment and complexity. In this more competitive, more complex environment, asset management firms have to be smarter about investment choices, managing the firm’s costs, and keeping an increasing wary group of investors satisfied. Overall it requires much more business acumen than it used to (Marcus & Bacon, 2004).

Asset management companies manage assets (money) on behalf of their clients to achieve specific financial objectives within guidelines in terms of which the investment pool is organised. Fund managers can invest in any range of investment vehicles, including equities, fixed-income securities, and derivative products such as options and futures (www.wetfeet.com/careers-and-industries/careers/asset-management.aspx).

In view of the above, asset managers have a general duty to place the interests of their clients above their own interests and those of their personnel. An asset manager owes his/her clients a fiduciary duty to act on their behalf — in good faith, with honesty, with trust, with care, with candour and solely in the clients’ best interests—unlike a contractual duty allowing a party relatively broad discretion to pursue their own self-interest, subject to a loose good-faith constraint (Morgan, 2008). A fiduciary is an individual or institution charged with the duty of acting for the benefit of another party in matters falling within the scope of the relationship between them. The duty required in fiduciary relationships exceeds that which is acceptable in many other business relationships because the fiduciary is in a position of trust. Therefore fiduciaries owe undivided loyalty to their clients and must place client interest before their own (AIMR, 1999).

In addition, a firm with a fiduciary duty has the following obligations (Morgan, 2008):

- A duty of loyalty to clients
- A duty to treat all clients fairly
- A duty to have a reasonable and independent basis for investment advice
- A duty to disclose actual and potential conflicts of interest
- A duty to seek best execution
- A duty to prevent personal transactions inconsistent with a client's interest
- A duty to ensure that investment advice is appropriate to/suitable for the client's objectives

The Association for Investment Management and Research (AIMR) has also been instrumental in advancing high professional standards globally through their Code of Ethics and Standards of Professional Conduct for members (AIMR, 1999). All members earn the Chartered Financial Analysts (CFA) qualification.

Producing Alpha (the excess, residual return remaining after all returns from beta risk-premia have been accounted for) is certainly vital to the business of the asset manager or hedge fund manager (Rousseau, 2008).

However, Ware (2004) stated that the asset management industry has less to do with assets and much more with people. It is an industry which is human-resource intensive, where brainpower, creativity, vision, and quality of leadership matter. Consequently, it is also an industry where a lack of people skills, accentuated by huge egos and overshadowed by temporary investment success, can take its toll and destroy an otherwise great money management firm. No easy task if one links to that the fact that the stability of the investment management firm – and that of the professional staff in particular – is highly desirable.

2.3 CHALLENGES FACED BY THE ASSET MANAGEMENT INDUSTRY

The Asset Management industry in general is experiencing challenging times based on continued volatility and the economic slowdown (Ware, 2010). The rapidly changing and ever-increasing regulatory environment and complexity also adds to a more competitive, more complex environment in which asset management firms have to operate today. A combination of factors has resulted in the total income of asset managers around the world remaining in decline.

2.3.1 The global financial crisis (GFC)

The world has entered into a recession which now appears likely to be one of the most severe in modern economic history (Ware, 2010). The unprecedented and worldwide financial market turmoil has highlighted the complexity and inter-connectivity of the capital markets. Large-scale corporate failures, bank bail-outs and mega-mergers, coordinated interest rate announcements by a number of central banks, record-breaking volatility and huge declines in practically all equity indices, as well as most currencies around the world, have been the order of the day. Some of the most revered market participants (including e.g. the previous chairman of the US Federal Reserve, Allan Greenspan) have indeed commented on the unprecedented nature of events as they have been unfolding. Against this backdrop the business of asset management has probably never been more challenging (Gouws, 2009). Revenues geared to the market are in decline, clients are nervous about asset values and every investment professional can feel the pressure. It is unlikely that all this bad news which has been haunting markets will dissipate in the near-future either (Ware, 2010). The deleveraging of the banking system around the world has some way to go, and the impact of that on the global economy is likely to be negative for years to come. An economic recession is now likely to play out in most parts of the world. None of this is good for the fund management industry.

According to Barrett (2011) the current economic meltdown is not a market shakeout or a technological shift. It is the breakdown of an unsustainable economic paradigm (i.e. allowing the rich to become richer and the poor poorer) threatening the global sustainability of human society. The problems of existence have become global, while the systems and processes we have for dealing with them are national. There is clearly a need to move to a system of global governance.

Cabot-Alletzhauser (2011) explored what went wrong, not from the perspective of market mechanisms which have failed, but more from the perspective of the changes in human dynamics which unleashed a chain of unintended, but inevitable consequences. Two factors have been instrumental to making the sub-prime crises and subsequent financial meltdown distinctively different: the Internet and the changing social fabric vis-à-vis money and what these mean in our lives:

The First Disaster of the Internet Age

1. The speed and convenience of the Internet age is a double-edged sword: It has enveloped us in the consoling illusion that we all knew everything when we only knew a very small part of the whole. Unfortunately the information is disseminated in a million unconnected segments, leaving you, the unintended investor, with the task of connecting all the dots.
2. Investors were bludgeoned into indifference by the data smog of free information. The behavioural finance specialists point out that when human beings are inundated with information, their immediate response is to shut down, reaching a state of paralysis. When forced out of immobility, their next immediate response is to simply do what everyone else is doing – creating a herd-mentality mindset to the tipping point of consensus-thinking which disrupts delicate market equilibrium and precipitates a stampede of fools.
3. The Internet and other collateral instantaneous communication capabilities have ensured a total lack of accountability between the trading participants and the reality of their underlying clients. With instant-text messaging now the norm for conducting mega-million dollar transactions, it is little wonder

that traders have begun to think of global trading as little more than a large-scale video-game. Just press the reset button when there is a slip up on execution or follow-through.

In summary, while the Internet has in many ways revolutionised the way in which we invest, the speed at which we can invest and the wealth of information at everyone's fingertips with regard to investing, it also contains the seeds of our own potential financial Armageddon. Clearly the challenge is to ensure a more effective means of filtering and aggregating information

The Shift in our Social Fabric: Making money for money's sake

The behavioural economist Dan Ariely points out that the more removed an individual becomes from the reality of what those investment monies mean, who those assets really belong to, and what the gain or loss of those assets may really mean to the broader economy, the less likely the agent of investment is to properly derive insights into their true riskiness (Ariely, 2010). Thus, for the “professional” entrusted with this critical fiduciary responsibility, this level of disconnect has the potential for disastrous failures in oversight or prudence.

It is essential that the public demand that the financial sector function far more effectively in the public interest and in the interest of investors than it does at present (Bogle, 2011).

Yet the financial markets – as speculative as they are from time to time – provide the only liquid instruments which facilitate our ownership of business and enable us to invest our savings (Statman, 2011).

According to Schiffrin (2011) a balance needs to be struck between financial entrepreneurial innovation and more traditional values such as prudence, stability, safety, and soundness. Indeed, our failure to deal earlier with these very issues has set the stage for today's financial crises.

Bogle (2011) stated that by worshipping at the altar of numbers and by discounting the immeasurable, we have in effect created a numeric economy which can easily undermine the real one. This does not mean that numbers are not important measurement standards – *counting* – they are essential to the communication of financial goals and achievements. Aspects such as the sound implementation of investment philosophy, an enlightened sense of human values and ethical standards and the bond of trust between the organisation and its clients tend to be viewed as less important. According to Bogle (2011) it is time to strike a healthier balance between the role of counting and the role of trusting. Investors trust those who invest for them and if one does not have integrity, no one will trust one, nor should they.

2.3.2 The agent principle

Professionals across the broad spectrum of services – lawyers, doctors, consultants and, of course, fund managers – have been increasingly pressured over time to “commercialise” their services, and the stage is now set for all manner of conflicts of interest between “professional” service providers and their own clients (Kantarelis, 2010).

This can lead to a culture in which business, needing economies of scale in order to remain profitable, ignores the individual needs of its clients in favour of cookie-cutter solutions (Kantarelis, 2010). For example, the agency problem in the present investment system may result in a focus on business conduct rather than professional conduct. According to Bogle (2011) corporations, money managers, pension managers and fund managers have too often put their own financial interest ahead of the interests of the clients whom they are duty-bound to represent, these families who are the owners of our funds and beneficiaries of our pension plans. Bogle (2011) put it well when he said that our industry has ceased to be a profession and has become a business.

According to Montier (2008) the most useful question which a fund manager can ask is: Would I do this with my own money? All too often those charged

with the stewardship of other people's money seem to think that this gives them licence to behave in an odd fashion. Many of the best investors have chosen to deliberately limit the size of their funds, so as not to reduce their ability to deliver returns, instead of trying to maximise assets under management. Jean-Marie Eveillard said that she would rather lose half her clients than lose half her client's money (Schiffrin, 2011).

Therefore, trust is at the heart of the investment world. Investment professionals have a fiduciary responsibility to their clients. They are expected to put their own interests after those of the client.

2.3.3 Measurement of fund manager skill

Benchmarks are an indelible part of modern professional investment management. Most benchmarks in South Africa or market-cap weighted benchmarks provide poor yardsticks against which to manage the skill (Cabot-Alletzhauser, 2011). Simply looking at a manager's performance relative to a benchmark or even the performance of his peer group provides little insight – even if we could dig up a long enough track record to ensure some statistical significance. Manager out-performance – or Alpha – is a phenomenon which is still grossly misunderstood. Investors are quick to interpret all out-performance as indicative of manager skill. However, more careful analysis would suggest nothing of the sort (Cabot-Alletzhauser, 2011). Risk and skill are two sides of the same coin. Risk means uncertainty – the uncertainty of whether the expected outcome will materialise or not. Skill in investment terms is forecasting ability, the ability to narrow uncertainty (Stanyer, 2010).

The fund manager manages portfolios (unit trusts or retirement fund portfolios (Statman, 2011)). These portfolios are required to be highly diversified, with maximum holding restrictions to ensure that no portfolio becomes too risky at any point in time. But the markets and their benchmarks (the indices) do not operate under similar restrictions. Performance therefore may be more driven by the nature of the market structure than by manager skill. Therefore any assessment of manager performance has to be done within the context of

portfolio constraints, noting exactly how a changing market structure has influenced a manager's ability to outperform or not – above and beyond the manager's skill.

Research by academics Clarke, De Silva and Thorley (2010) argued that 91% of performance outcomes are a function of the mandate constraints imposed on long-only portfolios and only 9% are a function of the manager's stock selection skills. The typically large variation of performances can be explained by factors such as different strategic asset allocations, different investment styles, different appetites for risk and different timeframes for investing (http://www.edhec-risk.com/research_news/choice/RISKReview).

In aggregate, these factors explain between 95% and 100% of performance variability. Although “skill” has not even made the list, it does not mean that it is absent – it is just that one will probably never really know whether it has been a factor or not. By including both the manager's benchmark performance alongside his/her total performance, one can deduce how much added value the manager delivered as against his/her own mandated target. Even if one cannot determine whether out-performance was a function of skill, one then at least knows that the manager delivered what was promised (Cabot-Alletzhauser, 2004).

At a recent global round table for the Chartered Financial Analyst (CFA) Institute (the worldwide body which oversees asset management qualifications and training) it was stated that while simple measures of skill still elude one, one now understands more than ever what drives performance and how much “noise” exists in performance numbers (Cabot-Alletzhauser, 2011).

Making the distinction between skill, success and luck provides the final critical step (Stanyer, 2010). In the words of Robert Litterman of Goldman Sachs, the art of successful portfolio management is not only to be able to identify opportunities, but also to balance them against the risks which they create in the context of the overall portfolio (Van Coller, 2008, p 15).

Finally, of more concern is how performance surveys influence the manager selection and rejection process. Research in both the United States and the United Kingdom has highlighted the fact that one of the most expensive decisions which trustees can make is to replace a fund manager. Estimates range from 5% to 8% - a cost which a new manager would find exceedingly difficult to recoup. Considering that survey rankings provide no insight into skill, it is disturbing that manager replacement is invariably on account of failure to out-perform peers (Cabot- Alletzhauser, 2011).

2.4 BEHAVIOURAL FINANCE

According to Fisher (2007) Behavioural Finance is a recent field of study intersecting the fields of finance and human behavioural psychology. It focuses on understanding the effect of human behaviour and investor psychology on investment decisions and market prices (Streatfield, 2006). The work of Kahneman and Tversky (1979) on prospect theory, a theory with regard to how decisions are made (not necessarily in the most rational manner), is widely acknowledged as the beginnings of Behavioural Finance. Behavioural Finance gained more impact with studies looking at anomalies in stock market prices, whether overreaction to earnings announcements or persistence effects. This raised questions for those believing in the efficient market hypothesis. Behavioural Finance continues to grow as a discipline and in 2003 Daniel Kahneman was awarded a Nobel Prize in Economics for his work in developing Behavioural Finance.

Di Mascio (2006) stated in his article "Fund managers are also human" that even professional investors can succumb to behavioural biases which interfere with their abilities to translate their best ideas into performance. Despite the fact that most investment professionals have greater access to information, significantly more experience, far superior analytical tools, larger funds to manage (thus allowing for better diversification opportunities), this rarely translates into sustainable out-performance over other investors. Increasingly, Behavioural Finance is assisting us to understand how powerful

an individual's personality, cognitive biases and emotional predisposition can be in successfully translating experience and insight into performance. If one can understand one's brain better, one can understand how to better control the self so that one can begin avoiding many of the typical mistakes which investors make and begin lowering one's error rate.

Fisher (2007) highlighted the following types of common biases:

1. Loss aversion – People exert more effort to avoid pain than achieve gain. Tversky, the pioneering Behavioural Finance theorist, noted that people attach about twice as much significance to a loss than they do to a gain. At the root it links to pride and regret and may cause investors to buy high and sell low. Another consequence is that some investors hold on to significantly underperforming stocks.
2. Aversion to regret - Regret causes the pain accompanying the realisation that a decision has turned out, ex post, to be bad. One way to avoid regret is to avoid choices. The same dynamic occurs when investors make asset allocation decisions. Deviating from the norm, as defined by a benchmark or other comparable funds, is a choice which fiduciaries often have to make. This choice and the responsibility involved bring the pain of regret when it turns out badly. Aversion to regret often results in poor choices as it leads to a preference for holding similar equity selections in portfolios, staying with the benchmark portfolio or *status quo* (Da Silva, 2004).
3. Recency bias – The ability of the mind to focus on the most recent events and extrapolate these trends. Investors may place too much weight on recent events – as they are uppermost in the mind – instead of taking a few steps back and looking at how it stacks up across a longer timeframe (Streatfield, 2004).
4. Overconfidence – the average investor is markedly overconfident and this stems from accumulating pride and shunning regret over time, i.e. holding onto a stock, hoping that its value will improve to “breakeven”.
5. Confirmation bias – the instinct to seek out information confirming one's preset notions and rejecting or overlooking contradictory evidence.
6. Hindsight bias – Excess pride accumulation and regret shunning go hand-in-hand with hindsight bias. The simplest form of hindsight bias is to project the past into the future.
7. Order preference – causes one to focus on the individual parts and makes one lose sight of what is important.

Basically the mind relies on shortcuts based on past experiences, using lessons which one has learnt over time and has applied successfully as part of one's psychological make-up. Although these behaviours can get one through the day, it can impede one's investment judgement (Streatfield, 2004). The mind is conditioned to biases and most investing errors result from cognitive errors. By unravelling this code, one can increase one's level of self-awareness. By understanding how one's natural biases are affecting one's performance and one's portfolio construction practices, one can manage one's own decision making process better (Di Mascio, 2006).

2.5 INDUSTRY MYTHS

Ware (2004) discovered and shattered a few myths peculiar to the investment industry during his research with regard to successful firms:

Myth 1: Money is everything

Money is central to the investment professional's life. They watch screens showing prices and trading volumes all day long. They read quarterly reports of earnings per share and dividends. They deal with these matters every day and the industry is clearly one of the most results-driven. Many chose the profession because of a fascination with wealth and the accumulation of it. Furthermore, many investment professionals will tell you flat-out that they are in it only for the money. It is no use saying to people, "You're really not upset about the money, but rather what the money represents: self-esteem, success, fairness. (If one does say this to them, there is a danger that they will hurt themselves laughing.)

However, research has shown that the most successful firms do not focus on their own profit, but focus on clients and how to serve those clients. (In this regard, the best firms reflect Warren Buffett's view: "I love the process more than the proceeds, though I've learned to live with them, too" (Bogle, 2009).

Myth 2: Brains are everything

Many investment firms fail because they believe that sheer intelligence is more important than everything else. The best firms realise that brains are enormously important, but also recognise a second equally important factor, namely cultural fit. They hire for both skills and fit.

Myth 3: We can fix it ourselves

A general perception amongst people in the investment industry is that there is no shortage of ego amongst the professionals. Brains and arrogance combine to make it very difficult for investment leaders to ask for help. David Maister, Harvard professor and consultant, said that clients need trust and reassurance, and, to be successful, investment professionals must project an air of omnipotence and omniscience. Naturally enough, this manner carries over into other areas of the professional's life and breeds a sense of self-confidence, of mastery, which can handle anything (Maister, Green & Galford, 2000).

Myth 4: The investment industry has shifted from a star system to teams

Also at the heart of superior investment decisions lies vigorous and open-minded team debate amongst investment professionals. It seems as though the industry has shifted to *talking about* teamwork, but in many firms the star mentality is still alive and well. There is a great deal of evidence showing that firms announcing that they have a team approach, still compensate for individual performance and this undermines a team approach.

Myth 5: Focus on and manage the hard data and one will succeed

Investment professionals live in a world of numbers: stock prices, dividends, margins, turnover ratios, growth rates, formulae, statistics and earnings, and so on. No wonder that they are suspicious of anything which is not quantifiable – such as people who are by definition difficult to quantify. Top firms have mastered the combination of hard and soft measures.

2.6 COMPETENCE OF A FUND MANAGER

In perhaps no other industry is the attitude “this is a great job except for the people” more prevalent. Most investment professionals are “idea” people, not “people” people (Ware, 2004). Furthermore, many people are attracted to asset management because it is analytical and rational rather than interpersonal and emotional. Similar to other professional service firms, asset management firms seek to hire very smart people, and these people are often independent, self-motivated, opinionated, and self-assured. In the worst cases, they may also be arrogant, stubborn, and resistant to direction or coaching (Marcus & Bacon, 2004).

2.6.1 Knowledge (training, qualifications)

Aspiring investment professionals with their hearts set on a career in asset management should take as many statistics and accounting classes as possible to prove that they can handle all of the number crunching and financial modelling which the profession requires. Any relevant undergraduate professional qualification in Business Commerce or Economics will be a good starting point. They may be able to land jobs as junior research analysts, though competition is tough and they may be going up against candidates with CFAs and MBAs. Therefore many investment professionals improve their qualifications by enrolling for the Chartered Financial Analyst (CFA) post-graduate qualification.

2.6.2 Skills

In investment teams the roles of research analysts and portfolio managers are often separated, but can also be combined. The role of the research teams (analysts) is to provide detailed, thorough investment research and advice to the portfolio managers, while portfolio managers exercise their discretion in translating these views into the portfolios, i.e. making decisions regarding stock picking. When picking a portfolio of stocks, bonds, etc., the objective is to generate the highest return for investors with due consideration of the

specific investment goals of the fund. Fund managers have the chance to make their own calls and are at the pinnacle of the asset management world.

A high premium is placed on quantitative and analytical skills. Asset managers have to be able to read spreadsheets and earnings reports and they have to be able to take these numbers and crunch them into financial models and projections. Even if one is dealing with less volatile investments such as bonds or real estate, one has to do the math to stay ahead of conventional wisdom.

Another prerequisite is managerial and organisational skills. Whether one is a researcher or a fund manager, one will have to keep track of reams of facts from which to glean the really important information. Furthermore, one will have to be able to make decisions and execute them quickly and accurately. A delay could cost big money. Finally, one needs to be able to motivate and manage a talented staff of researchers and analysts if one works one's way up to fund manager. Without their coordinated efforts, one may not have the information one needs to make the best decision possible (www.wetfeet.com/careers-and-industries/careers/asset-management.aspx).

2.6.3 Psychological profile

Ware (2004) found that investment professionals share a unique set of personality traits and personal values. To generalize, professional investors tend to be:-

- Independent thinkers (non-conformists),
- Tough-minded (not sentimental),
- Anti-authoritarian (do not like to follow rules or sing company songs),
- Creative (question the *status quo*),
- Conceptual and task-oriented (rather than people-oriented),
- Naturally sceptical ("prove it" attitude).

One inherent difficulty is that it is required of an investment professional to be sceptical about all prior beliefs, something most humans dislike. As humans

we are rather hardwired to be overconfident. It is basic to human success in most fields and necessary for our survival as a species. Success in investing requires one to question everything one thinks one knows, particularly those things which one thinks that one really, really knows. The market is an ever-changing opponent requiring constant retesting of hypotheses (Fischer, 2007).

Furthermore, investment professionals are focused and very hard-working. They have a distinct and hard-earned pride in their talents and skills, and enjoy applying those skills to the challenges of the day (Ware 2004). Investment professionals are also highly competitive by nature. They are very interested in keeping score and winning. Compensation is an obvious metric for scoring and winning. Montier (2008) also noted that humility is central to the investment process. Once one has accepted that one cannot and does not know everything (or even in fact very much at all), then a number of insights into investments start to follow.

Psychologist Ted Bililies stated that if one has to brand fund managers with psycho-jargon, they would be STJ (Sensing – Thinking – Judging) on the widely used Myers-Briggs personality test (Ware 2004). Though he wrote the article more than a decade ago, Bililies argued (probably correctly) that most investment professionals have the practical, detail-oriented mindset. Those surveyed in the investment world (more than a thousand professionals, in what was a reasonably random sampling) nearly 80 percent preferred Thinking. The industry, with its competitive nature and emphasis on objective analysis, has not historically attracted many Feelers.

Finally, people in the investment business are probably more interested in money – and keeping score than the average person. Most investment professionals do not aspire to be media personalities; they aspire to money management (Fischer, 2007). When one adds these characteristics, one is faced by a tremendous management challenge! The television commercial showing the ranchers herding cats is not far from the truth.

2.7 WHAT MAKES AN ASSET MANAGER SUCCESSFUL

In order for asset management companies to weather the tough times and to sustain in the long term, the following aspects can form the foundation of success in investment management.

2.7.1 The investment philosophy

It is critical for all asset managers to have an investment philosophy and process to which they are committed because these gives a reliable “true north” which helps to prevent them from losing their way during the inevitable difficult times which confront all investment teams (Stewart, 2009). Since all investment professionals are human and therefore subject to the behavioural biases commonly inflecting all investors, a clearly defined investment philosophy and process are a prerequisite to investment success.

An investment philosophy is a stated approach to investing. The philosophy, together with the discipline and rigour of the process used to apply the philosophy and the skill of the people applying it, will determine the success of the outcome (Furry, 2005). A sound investment philosophy plays a critical role in creating a winning performance record, while also serving as an excellent marketing tool. Furry (2005) also noted that at the core there are three primary aspects of investing needed to be considered to understand a stated investment philosophy: active versus passive; absolute versus relative; and investment style. These can be described as follows (Furry, 2005):

2.7.1.1 An active versus a passive approach to investing

Active managers believe that markets are imperfect pricing mechanisms and that, if correctly identified, these imperfections create opportunities for investors to exploit. On the other hand, passive managers believe that markets make fewer or (at its most extreme) no errors – the so-called “efficient market hypothesis”

2.7.1.2 Type of returns

Although all managers focus on excellent returns, the distinction is how these returns are measured. Some managers focus on producing “absolute” returns, i.e. returns outperforming an inflation-linked or fixed target over time. This entails that they cannot be restricted to a single asset class or geography because at times these will deliver negative returns no matter how skilled the investor. Other managers focus on generating excellent “relative” returns or returns outperforming a peer or asset class index benchmark, i.e. an equity index such as the JSE/FTSE-ALSI.

2.7.1.3 Investment style

Investment style is the third major aspect which managers use to describe their investment philosophy. Basically, “style” defines a subset of securities to which a manager restricts him/herself before making the stock selection decision. The most common investment styles as applied to equities are “value” and “growth”. Traditionally, value investing is the search for stocks trading lower than average price to earnings and price to book value (P/NAV) multiples and higher than average dividend yields. Growth investing is defined as buying shares in companies expected to grow at a faster rate than the average company.

An investment philosophy on its own is not sufficient for success. A commitment is needed to marry behaviour to the declared philosophy, even when it appears that it is not currently working. The biggest mistakes which have been made – and for which investors paid the price – have been made when philosophies were adopted in good times and then discarded in the difficult times (Furry, 2005).

2.7.2 Asset allocation and the risk of underestimating its importance

Asset allocation is probably the most important decision-making process in the management of a pension fund. South African boards of trustees should

be careful to apply their minds appropriately to the complexity of issues regarding asset allocation, understanding the objectives of a fund and the characteristics of the asset classes being considered and ensuring that a well-defined investment process is in place (Rusconi, 2004). The goals of the asset allocation decision-making process are much broader than simply selecting the asset pots and deciding how much to put into each one.

According to Vernooy (2004), the all-important asset allocation decision demands a thorough understanding of the nature of the asset classes which the typical long-term South African investor has at his or her disposal. In short, one needs to have an intimate insight into such relevant properties as each asset's return, volatility, downside risk and diversification potential. The three dominant South African asset classes are equities, bonds and cash. Other asset classes such as hedge funds, private equity and property are also useful components of a portfolio, but understating the correlations and risks may result in an inflated allocation to these classes.

2.7.3 Culture as competitive advantage

Culture is described as the “values, beliefs and behaviours of the leaders of an organisation differentiating one firm from another”. Barrett (2011) noted that cultural capital is the new frontier of competitive advantage. It is widely recognised that the success of an organisation is intimately linked to the strength of the culture. Who one is and the values by which one lives, are becoming the most important criteria for success.

Ware (2006) stated that talent and culture are the key ingredients for winning the investment game. Firms which create a strong culture are able to create a formula for sustainable success through good and bad times. It has also proved to be a great strategy to attract, retain and motivate top talent. Successful asset managers must focus on both the hard issues of performance and risk assessment, as well as the soft issues of teamwork and culture. Leadership drives culture which in turn drives investment performance. Core values establish a group's identity and define the “how”

one does things and act as the glue which holds people together through the tough times (Ware, 2004).

2.8 CHAPTER SUMMARY

This chapter focussed on the nature and functioning of asset management and provided an understanding of the challenges faced by the asset management industry with specific reference to the Global Financial Crisis (GFC), the agent principle and the measurement of fund manager skill, as well as the work environment or context within which the fund manager operates. Behavioural Finance was discussed to understand the effect of human behaviour and investor psychology on investment decisions and market prices. Then some industry myths peculiar to the asset management industry were discussed, indicating how these myths affect success. Next the competence of a fund manager was discussed, followed by a discussion of the various aspects which make an asset manager successful, with specific reference to investment philosophy, investment style, asset allocation and culture as competitive edge.

CHAPTER THREE

THE SYSTEMS PSYCHODYNAMIC APPROACH

3.1 INTRODUCTION

This chapter starts with a clarification of the systems psychodynamic approach and relevant concepts used throughout the rest of the research, followed by a discussion of the ACIBART Model. The ACIBART Model (with specific reference to anxiety, conflict, identity, boundaries, authority, roles, task and the different defence mechanisms to which one can resort) is a diagnostic tool which Cilliers and Koortzen (2005) developed to assess and attend to the manifestation of conscious and unconscious conflicts.

3.2 WHAT IS SYSTEMS PSYCHODYNAMICS?

As an organisational paradigm, systems psychodynamics study organisations as emotional places because organisations are a human intervention, serving human purposes and dependent on human beings to function (Armstrong, 2005). Human beings are emotional beings, subject to anger, fear, surprise, disgust, happiness, joy, ease or dis-ease. Organisations are also, interpersonal places and therefore arouse the more complex emotions which shadow all interpersonal relations: love and hate, envy and gratitude, shame and guilt (consciously or unconsciously). Furthermore, organisations are also inter-group places with underlying dynamics of tensions and conflicts. Thus the aim of a psychodynamic perspective is to deepen an understanding of the powerful irrational processes which may infuse or derail even the most sensible relationships (Gould, Ebers & Clinchy, 1999).

According to Gould, Stapley and Stein (2006) the central tenet of the systems psychodynamic perspective is contained in the conjunction of the terms “systems” and “psychodynamic”. The term “systems” refers to the open systems concepts of an organisational system which include its design,

division of labour, levels of authority, reporting relationships, the nature of work tasks, processes, its mission, primary task and boundaries and the transactions across them. The term “psychodynamic” refers to individual experiences and mental processes (e.g., transference, resistance, object relations, fantasy), as well as the experiences of unconscious group and social processes. Thus it may be argued that a systems psychodynamic perspective implies working simultaneously from “the inside out” and “the outside in”. Working from this perspective, one’s primary task is to push the boundaries of awareness to better understand the deeper and covert meaning of organisational behaviour (Smit & Cilliers, 2006).

3.3 THE CONCEPTUAL ORIGINS OF THE SYSTEMS PSYCHODYNAMIC PERSPECTIVE

Although the field of systems psychodynamics had its birth with the publication of Miller and Rice’s seminal volume *Systems of Organisation* (1967), Miller and Rice never explicitly used the term in their book. It was only in 1993 that the first mention of the term “systems psychodynamics” appeared in print in the *1992/1993 Review* of the Tavistock Institute for Human Relations (Fraher, 2004). However, Wilfred Bion, a psychoanalyst from the Tavistock Institute, developed the most original theory of this paradigm and is considered the father of group relations (De Board, 1978).

During World War II, Bion served as a psychiatrist with the army and was put in charge of the training wing of Northfield Hospital where his experiments with groups began. The description of this experiment was first published in 1943 and contained the seeds of his theory of group functioning (De Board, 1978). It contains the following statements:

- Individual psychology is fundamentally group psychology. Behaviour by one member of the group influences, and is influenced by, all the other members.

- The rational functioning of the group is profoundly affected by the emotions and irrational feelings of its members. The full potential of the group is only released when this fact is recognised and dealt with.
- Administrative and managerial problems are simultaneously personal and interpersonal problems expressed in organisational terms.
- The group develops when it learns by experience in gaining greater contact with reality.

According to De Board (1978) Bion continued his work at the Tavistock Clinic by taking up the classic psychoanalyst role in treating the whole group as the patient. The unique and innovative difference was that he gave interpretations to the group and not individuals. As Bion gained more experience of group behaviour, he gradually perceived regularity and patterns in what initially had seemed random activity and this resulted in his theory of basic assumptions (De Board, 1978). See section 3.4 for a more detailed discussion of basic assumption group functioning.

According to Fraher (2004) systems psychodynamics is an interdisciplinary field integrating three disciplines – the practice of psychoanalysis, object relations and open systems theory.

3.3.1 Psychoanalysis

Freud's (1922) psychoanalytic theories about individuals and his influence on the work of Melanie Klein can be credited with laying the theoretical foundation of systems psychodynamics (Fraher, 2004). This theory was first extended to group life by Freud and then by others, especially Scheidlinger and Bion (De Board, 1978). Systems psychodynamics draws on psychoanalysis to analyse the social defence systems (splitting, projection, denial, etc.) which organisational members use to defend against primitive anxieties (Gould et al., 2006). The task of psychoanalysis is to reveal this emotional world as it emerges consciously and unconsciously in behaviour and phantasy in order to understand the deeper meaning in the client system

(Armstrong, 2005). De Board (1978) also mentioned identification, anxiety, defence mechanisms, and the unconscious as the main concepts with which this theory dealt. He furthermore explained that psychoanalysis explains group and organisational behaviour in terms of intrapersonal behaviour, that is, in terms of what is going on inside the psyche of each individual (Gould et al., 2001)

The psychoanalytic view rejects as overly definitive the rational and economic views on work and believes that statistical analysis gives very little information about organisational behaviour, teams, or the people working in the system (Gould, Stapley & Stein, 2001). According to Armstrong (2005) effective resolution can only come when the institution can address itself to the heart of the matter and not only to its ambience, and introduce relevant changes there. It also rejects the notion of a grand theory of organisations (Lawrence 1999).

3.3.2 Open Systems Theory

According to Koortzen and Cilliers (2005) open systems theory looks at the relationships with other systems and to the connections between systems, i.e. the relationships and relatedness of the team with other teams (Lowman, 2002). An individual may be seen as an open system which exists and can exist only through processes of exchange with his/her environment. In this case the system consists of the internal world of the individual, comprising his/her beliefs and expectations striving to maintain a balance between own internal needs and the demands of others (Huffington, et. al., 2004). The same approach can be used to analyse and describe the processes at work in an organisation. The field of systems psychodynamics views organisations as open systems with permeable and insulating boundaries which place the organisations in interaction with their environment (Gould et al., 2006). The organisation is an open system and must continually import energy, materials and people to produce goods or services to be exported back into the environment with an added value. The organisation maintains a steady state only as long as it adapts to change (Haslebo & Nielsen, 2000).

3.3.3 Object relations theory

Object relations theory provides a distinct interpersonal basis for understanding work in organisations. Object relations theorists believe that over time, the person acquires the psychological capacity to relate to objects (Czander, 1993). Special attention is placed on the importance of an individual's relations with actual (external) and fantasized (internal) objects, including an organisation, a group, an idea, a symbol or a person.

Following from her work with children, Melanie Klein (1959) extended Freud's theories about the child's psychological development backwards in time to speculate about the infant's mental life. She developed theories and concepts of behaviour which split the psychoanalytic society in England and led to the development of the object relations school (Czander, 1993). Klein's theory describes the mental processes taking place in the mind of the baby from the day of its birth. Klein argued that the first external object the new-born encounters in any sensible way is the mother's breast. It is this primal relationship which influences formation and development of all future relationships. The breast as the only object in the infant's world can be the source of utter and complete satisfaction or, if withheld complete, frustration and anger (Klein, 1988).

Thus, Klein (1952) presumed that the infant experiences the breast as providing two completely different feelings and consequently relates these to two completely different objects: Because of the satisfaction it provides, the breast is perceived as the good (the loved) breast. However, there are also times when the breast is not offered when required or is not able to satisfy the infant's needs. At these times it is perceived as the bad (the hated) breast. Klein hypothesised that the infant is not able to cope with the extreme anxiety caused by having the same object good and bad at the same time. Instead, as a defence against this anxiety, it splits its feelings of love and hate and projects them onto a good breast and bad breast respectively. In psychoanalytic terms this communicative process is called projective identification: the baby projects the feelings it cannot manage into the mother,

so that – by feeling them herself – she can process on the baby's behalf (Obholzer & Roberts, 1994). Simultaneously, the infant introjects or internalises its relationship to the good and bad breast, so that their influence remains. This process, which involves splitting, projection and introjection, are taking place in the infant's fantasy life and is important for ego development.

Klein (1988) believed that when adults experience situations of extreme anxiety, regression to infantile coping defences may occur:

- Splitting one thing into opposites – the good and the bad – as the basis for stereotypes later in life (Klein & Pritchard, 2006);
- Projective identification: unacceptable impulses/feelings being disowned and poured into the leader or the group just as the child pours unwanted feelings into the mother (Klein & Pritchard, 2006).

Klein (1959) called the combination of the two defences the *paranoid-schizoid* position where the term “paranoid” refers to the experience of persecutory anxiety and fear coming from outside and the term *schizoid* refers to a splitting of the ego. With the increasing integration of the ego and the establishment of a whole object relationship, the separated opposite feelings such as love and hate, hope and despair are eventually brought together into a more integrated whole during a stage called the *depressive position* (Klein, 1952).

The systems psychodynamic perspective is still an evolving interdisciplinary field of social science and the boundaries of this perspective are continually being refined and redefined (Gould et al., 2001).

3.4 THE THEORY OF BASIC ASSUMPTIONS

According to Klein and Pritchard (2006) Bion's major contribution was to describe two behavioural levels occurring in all groups: the sophisticated work group and the basic assumption group. The work group focuses on the primary task by having an agenda, timeframe and formal leadership. The

emotional aspects of groups, which Bion called basic assumption life, are stimulated by shared anxieties. Basic assumptions are collective stances which groups take to avoid dreaded relationships and/or in reaction to a leader's authority. Life in a basic assumption group is orientated towards inner phantasy, not external reality (Lawrence, 2000). According to Gould et al., (2006) a group's basic assumption life is its emotional existence, usually unconscious and unspoken. These assumptions form the cornerstone of the study of organisational dynamics.

The work group operates as an open system and is in touch with reality, realising that work has to be done to maintain the balance of forces between that which is within the group and that which is outside it. The basic assumption group acts as if it were a closed system, out of touch with external reality and defending itself from it. It is at the junction between the basic assumption group and the work group that conflict arises (Cytrynbaum & Noumair, 2004). According to Bion (1961) only one basic assumption will be evidenced at any one time, although it can change three or four times in an hour or persist for three months.

Bion identified three basic assumptions: the basic assumption dependency group (baD), the basic assumption fight-flight group (baF/F), and the basic assumption pairing group (baP) (Klein & Pritchard, 2006). None of these groups exists in a pure form, as does the work group (Lawrence, 2000). In the life of a group the participants will oscillate between the culture of the work group and among those of the basic assumption groups. Each individual has a valency for a particular basic assumption (Lawrence, 2000).

3.4.1 Basic assumption group dependency (baD)

This refers to the group's unconscious projection for attention and help onto an authority figure as parental object and aims to attain security (Smit & Cilliers, 2006). According to Klein and Pritchard (2006) participants act as if they are inadequate and immature, and the leader is all knowing, a kind of god. This leader is invested with qualities of omnipotence and omniscience

and is idealised. The assumption is that the worker, like the child, unconsciously experiences dependency on an imaginary parental figure or system. These needs for parenting, acceptance, and love are not always met and as a consequence the worker experiences frustration, helplessness, powerlessness, and disempowerment. In the basic assumption dependency group the mechanism at work is splitting, denial and idealisation which stifles any independent thought or co-operative work (Huffington & Armstrong, 2004). These experiences, according to Cilliers and Koortzen (2000) are projections of the worker's own anxiety and insecurity, and indicate work and emotional immaturity. On an organisational level it can manifest in the need for structure as a defence against anxiety.

According to Obholzer and Roberts (1994) anyone brave or foolish enough to attempt this role will, sooner or later, be rejected as a leader, because he or she will be perceived as having failed to fulfil the group's expectations. The group will continue to appoint another leader, one who is the sickest member of the group.

One phenomenon associated with this kind of group culture is that one person is made to be the really stupid one, the 'dummy', who has to be taught by the others. Similarly, a process is to set up one member as being the object of care which other members proceed to deliver. Another phenomenon is to create a 'casualty' – someone who is made to feel inadequate, even to the point of breakdown (Lawrence, 2000).

3.4.2 Basic assumption group fight/flight (baF/F)

According to Gould, Ebers and Clinchy (1999), Bion (1961) conceptualised the basic assumption *fight/flight* (baF), which he saw as two sides of the same coin. Members of the fight-flight group behave as if there is an enemy against whom they must defend themselves (Klein & Pritchard, 2006). The underlying fantasy in such groups or organisations is that they have to either fight or flee in order to survive. Furthermore, groups under the sway of *baF* experience persecutory anxieties, mutual negative projections, and defensive splitting.

The mood is one of paranoia and all such feelings have to be projected out of the group (Lawrence, 2000). The basic cognitive structure of a *baF* group is that of undifferentiated members who are either loyal or treacherous, followed by an idealization of the in-group, and a splitting off and projection of all aggression and hostility onto despised out-groups which are feared and hated (Gould et al., 1999). The leader in such a group is more important in this group than in the other basic assumption groups, for action is critical to preserve the group (Huffington, 2004). Of central importance is that the leader should be a leader for action, either into fight by attack or into flight. The ideal characteristic is that the leader be paranoid, without depressive qualities and be able to name sources of persecution even if they do not exist in reality (Lawrence, 2000). Once the danger has passed, the leader is ignored and any statement made by him/her which does not involve fight or flight is also ignored (Stapley, 2006).

The assumption is that the here-and-now of organisational life is filled with anxiety. The worker unconsciously uses fight or flight as a defence mechanism to get away from the anxiety. Fight reactions manifest in aggression against the self, colleagues (envy, jealousy, competition, elimination, boycotting, sibling rivalry, fighting for a position in the group, privileged relationships with authority figures) or authority itself. Flight reactions can manifest physically in avoidance of others, being ill, or resignation. According to Koortzen and Cilliers (2005) on a psychological level flight reactions can include defence mechanisms such as avoiding threatening situations or emotions in the here-and-now, rationalising and intellectualising (Lowman, 2002). Again, the group operating on this assumption cannot develop or perform useful work (Stapley, 2006).

3.4.3 Basic assumption group Pairing (baP)

According to De Board (1978) the pairing basic assumption is characterised by hope, the hope that a Messiah will be born to deliver them from their anxieties and fears. Yet, within this very hope lies the seeds of future disappointment, for the hope exists only as long as the leader, whether

Messiah or idea, remains unborn. This basic assumption is essentially a defence mechanism of the group and prevents the group from coming into contact with reality by keeping a closed system.

According to Koortzen and Cilliers (2005) the assumption is that in order to cope with anxiety, alienation, and loneliness, the individual or team tries to pair up with perceived powerful individuals or sub-groups (Lowman, 2002). The unconscious fantasy is to feel secure and that creation will take place in pairs and will produce Utopia (Bion, 1961; Lawrence, 1999). The mood is that of expectancy and hopefulness and so two members will be paired, irrespective of gender, and the fantasy is to bring forth a Saviour or Messiah (Lawrence, 2000).

3.4.4 Basic assumption group One-ness (We-ness) (baO)

Following from these basic assumption groups described by Bion, Turguet added a fourth basic assumption, One-ness (baO) (Lawrence, 2000). One-ness is depicted as the feeling that all people are alike, thereby denying differences (Klein & Pritchard, 2006). The assumption is that team members need to join in a powerful union with an omnipotent force, surrendering the self for passive participation, thus experiencing well-being, and wholeness. It is as if team members become lost within oceanic feelings of unity. This quest for unity can be seen in a team striving towards cohesion and synergy in which it is believed that problems will be solved by this strong united force (Koortzen & Cilliers, 2002).

3.4.5 Basic assumption group Me-ness (baM)

As the opposite of One-ness, another basic assumption group was proposed and this emphasizes separateness and hates the idea of 'we' (Lawrence, 2000). This refers to the individual's escape into his or her own fantasy and inner safe, comfortable and good world, whilst denying the presence of the group, seen as the disturbing bad part (Smit & Cilliers, 2006).

This assumption refers to the risk of living in a contemporary turbulent society and is the opposite of one-ness (Stapley, 2006). The existence of the individual is primary and the group is denied. The individual's reality exists in a culture of selfishness in which the individual is only aware of his or her personal boundaries which have to be protected from others (Koortzen & Cilliers, 2002). The basic assumption Me-ness is understood to be a temporary cultural phenomenon engendered by conscious and unconscious social anxieties and fears. According to Lawrence (2000) the idea that as living in contemporary, turbulent societies becomes more risky, so the individual is pressurised more and more into his or her own inner reality and withdraws socially (Lawrence, 2000). In the cultures of baD, baF/F, baP, the individual becomes lost in the group. In baM cultures the overriding anxiety is that the individual will be lost in the group if it ever emerges. In baM it is as if the individual is a self-contained group acting in its own right (Stapley, 2006).

3.4.6 Basic assumptions versus the work group

In a group taken over by basic assumption mentality, the formation and continuance of the group becomes an end in itself. Members become more absorbed with their relationship to the group than with their work task (Obholzer & Roberts 1994). Bion's (1961) hypotheses have enabled one to see connections between basic assumption behaviour and interpretation of what reality might be. The more one can identify through experience and come to know basic assumption behaviour, the greater one's chances of interpreting the realities in which one lives and transforming them so that human beings can become more mature through the quality of their contact with reality (Lawrence, 2000).

In summary Bion (1968: 77) wrote: "I think one of the striking things about a group is that despite the influence of the basic assumptions, it is the work group that triumphs in the long run" (Huffington, 2004).

3.5 THE ACIBART MODEL

Cytrynbaum and Noumair (2004) refer to an acronym BART, referring to boundary, authority, role and task, which stands for several key areas of learning or concepts which the Tavistock conference framework explores. Following from BART, the CIBART Model was developed by Cilliers and Koortzen (2005) as a consulting model and provides a group with a frame of reference or diagnostic tool to assess and attend to their manifestation of conscious and unconscious conflicts. According to Cilliers and Koortzen (2005) it is a common understanding that conflict manifests in all teams (and organisations) and results from uncertainty and anxiety (defined as fear of the future) in the system. Following from the CIBART Model a third construct, referring to a defence mechanism, was added resulting in the ACIBART Model (anxiety, conflict, identity, boundaries, authority, roles and task). The ACIBART Model can be used as a framework for an understanding of qualitative assessment and for resolving the causes of conflict. The seven constructs are the following:

3.5.1 Anxiety

Obholzer and Roberts (1994) identified three layers of anxiety which need to be understood before they are addressed: primitive anxieties, anxieties arising from the nature of work, and personal anxieties. By primitive anxiety, they refer to the ever-present, all pervasive anxiety besetting the whole of humankind. Primitive anxiety refers to anything threatening our survival such as a sense of belonging, feeling lost or alone. Anxieties arising from the nature of work may, for example, be redundancy, retirement, migration, institutional change, etc. Personal anxiety is experienced when something triggers off elements of past experience, both conscious and unconscious.

According to Stapley (2006), anxiety is central to all psychodynamic theory and is probably the most important unpleasant feeling which human beings experience. Anxiety can be experienced on account of an external source of danger or an internal perception of danger such as intense feelings or

memories arising from within the psyche. The anxiety arising from within the self is called 'neurotic' anxiety (Gould et al., 2001). Although internal anxiety and external anxiety have different sources, they are all experienced as the same painful emotional state. An external source of danger can be dealt with either by avoidance or by mastering and overcoming it (Gould, Stapley & Stein, 2001). Every individual develops techniques for dealing with neurotic anxiety and these are called ego defences. The ego develops ego defences to protect itself from these internal threats (Obholzer & Roberts, 1994).

3.5.1.1 Defence Mechanisms

According to Blackman (2004), defence mechanisms are mental operations which, as a rule, remove some components of non-pleasurable affects from conscious awareness – the thought, the sensation, or both. Defence mechanisms are used mostly unconsciously by the system to act against anxiety in order to stay emotionally uninvolved and in control, to avoid pain and discomfort, and to gain a sense of safety, security and acceptance (Cilliers & Koortzen, 2005).

Defence mechanisms can be divided into two categories – personal and institutional. These are interrelated, partly because staff members with individual defences 'fitting' those of the institution are more likely to remain, while those whose individual defences are out of line with those of the institution, leave (see Obholzer & Roberts 1994).

3.5.1.2 Individual ego defences

According to the theories of Sigmund Freud (1922) defence mechanisms are psychological strategies brought into play by individuals, groups and even nations to cope with reality and to maintain self-image. Defence mechanisms can occur when the id impulses conflict with super-ego values and beliefs, and when an external threat is posed to the ego (Meyer et al., 1977).

When the system experiences fear from the environment, it could possibly avoid the perceived threat by running away. However, this is not the case when it experiences fear from within – these are with one wherever one goes and are a part of one. Psychological pain may be as difficult to tolerate as physical pain, and in order to survive, one develops various unconscious defence mechanisms, ways of protecting one's sense of self when one feels under attack so that one can continue undisturbed and free of the threats, pain or anxiety (Blackman, 2004). Stress, worry, pressure are painful experiences and people will all tend to find ways to soften the impact of this pain, meaning that one develops ways of coping (Stapley, 2006).

According to Stapley (2006), all defences referred to are unconscious psychological processes of thinking and feeling having the purpose of reducing anxiety from stress and conflict among different needs. Defence mechanisms can be seen as psychological painkillers providing temporary relief from suffering and discomfort, but if the underlying cause is left untreated, the pain will return (Kets De Vries, 2007).

Defence mechanisms are not to be regarded as good or bad. These mechanisms serve a useful and necessary purpose of reducing anxiety.

The researcher linked with Kets De Vries (2007) that the following defence mechanisms can be potentially costly to the employee and the health of his or her organisation: denial, repression, rationalisation, intellectualisation and projection.

- **Denial**

Denial is defined as disavowal of a reality in spite of overwhelming evidence of its existence (Blackman, 2004). Denial is a way of pretending unconsciously that important and significant things have not happened, or that aspects of a situation which the person does not want to perceive, do not exist. Denial is the unconscious process of disowning some aspect(s) of a

conflict, with the result that the conflict no longer appears to exist. It is about ignoring reality (Cytrynbaum & Noumair, 2004).

- **Repression**

Repression, the total exclusion from consciousness of painful and unpleasant experiences, may be seen as the ultimate response (Blackman, 2004). One of the ways one learns to cope with really bad news is to shut it out of one's life completely by relegating it to one's unconscious. The unconscious mind consists mainly of repressed sentiments having their foundations in infancy (Stapley, 2006).

According to Kets de Vries (2007) repression is an extreme version of denial and entails making a particular issue psychologically non-existent. By repression is meant the exclusion of painful and unpleasant material from consciousness.

Being repressed into the unconscious does not mean that the original experiences and their associated emotions are gone for ever. They are still part of one's psyche and may trigger the same emotional/behavioural response when confronted with a similar experience (Stapley, 2006).

- **Rationalisation**

In the case of rationalisation, perhaps the most familiar type of defence mechanism, people come up with internally acceptable excuses and explanations for what has happened, twisting reality in the process (Blackman, 2004).

- **Intellectualisation**

Intellectualisation is another reality twisting mechanism by means of which people make the emotional side of an issue psychologically invisible, and concentrate their energy on the intellectual side of the topic (Blackman, 2004).

- **Projection**

Projection is a way of making peace with an internal desire which, paradoxically, the individual believes is unacceptable, by attributing that desire to others, for example, one 'projects' one's own undesirable thoughts, motivations, desires, feelings, onto someone else (Gould et al., 2001). Projection occurs when a person unconsciously attributes to another person a characteristic which is, in fact, his own. Therefore projection, like all defence mechanisms, is an unconscious process which is automatic and involuntary. It is a process developed during infancy and remaining in one's internalised pool of knowledge as a highly influential process ever after (Stapley, 2006).

An effectively functioning individual knows the boundary between the self and the outside world and perceives what is inside and what is outside. Projection blurs this boundary and distorts reality by making that which is inside appear to be outside. Processes of projection are the most frequent ways in which individuals and groups lose their effectiveness (Huffington & Armstrong, 2004). Energy is spent on work which is essentially a fantasy and a delusion. In order for the situation to be resolved, the root cause of the anxiety must be recognised as being located not outside, but within and this requires not only self-knowledge, but also a strong ego to deal with the real cause (Stapley, 2006).

- **Splitting, Projection, and Projective and Introjective Identification**

Klein's (1959) description of the earliest mental processes in infants actually describes how mental energy arises and how it is distributed. In her model of

behaviour, the infant's only reality is the mother's breast and therefore all its primitive feelings and emotions are related to what the breast provides or fails to provide. Klein (1959) identified two positions in the first year of life: the paranoid-schizoid and the depressive position with associated anxieties. According to Klein and Pritchard (2006) the paranoid-schizoid position evokes persecutory anxiety, i.e. the infant associates it with bad objects and experiences neglect or negative feelings. The depressive position evokes rewarding experiences such as nurturing and comfort and the infant associates it with good objects.

Infants use the defence mechanism of splitting to cope with powerful feelings which they experience. This is necessary for emotional survival since it enables the infant to separate good from bad. So by means of the process of splitting, the division of the breast into a good and a bad object, the infant's sense of security of the ego is enhanced (Klein, 1959).

The difference between projection and projective identification is that the latter also affects another person. Projective identification refers to efforts by persons to rid themselves of certain unbearable mental contents by projection, as well as a psychological interaction by means of which the person deposits unwanted feelings into another's feeling system (Huffington & Armstrong, 2004). The first person who wants to eliminate unwanted feelings treats the other person as if he or she has or embodies the feeling state. The projector is left with his or her original feelings when the recipient of the process does not respond by internalising the feelings and enacting the role he or she is assigned (Stapley, 2006).

In Bion's (1970) terminology, the mother acts as a 'container' for the anxieties of the infant and as such, the infant introjects the maternal object as a container capable of containing anxiety and conflict (Stapley, 1996). In the paranoid-schizoid position the infant continually engages and withdraws from reality, and uses its mental energy in the twin processes of introjective and projective identification as defences against persecutory anxiety (Huffington &

Armstrong, 2004). According to Stapley (2006) introjection is an unconscious process of taking in all sorts of objects.

In normal development, these paranoid and schizoid trends (the paranoid-schizoid position) are, to a large extent, overcome during the period which is characterised by the depressive position and integration develops successfully (Klein, 1959).

In a group functioning in the depressive position, every point of view will be valued and a full range of emotional responses will be available to it through its members.

However, the depressive position is never attained once and for all (Klein, 1988). Whenever survival or self-esteem is threatened, there is a tendency to return to a more paranoid-schizoid way of functioning (Obholzer and Roberts, 1994). These concepts are also described in section 3.3.3.

- **Sublimation**

Sublimation is one of the most constructive defence mechanisms and concerns the redirection of unacceptable aspects of the self into areas acceptable to others (Blackman, 2004). For example, failure to achieve the heights of success in one's original ambitions is sublimated into an even greater ambition to succeed with a new ambition (Stapley, 2006).

- **Regression**

Regression is a frequently used defence mechanism described as a reversion to a less mature level of behaviour (Blackman, 2004). The basis of regression is that the individual mentally returns to an earlier period of life which was more gratifying or less stressful than his/her present period, i.e. 'sulking' or 'having a tantrum' (Stapley, 2006).

Lower-level defence mechanisms also include passive-aggressive behaviour, reaction formation, conversion, regression, acting out, and displacement (Blackman, 2004). Higher-level defence mechanisms include positive identification, affiliation, constructive rituals, overcompensation, sublimation, humour and altruism (Kets De Vries, 2007).

- **Humour**

In Freud's book on humour, *Jokes and Their Relation to the Unconscious* (1905), he wrote that there is a fundamental conflict between the demands of social life and one's instinctual urges. Society demands that sexual and aggressive instincts be repressed or pushed from conscious awareness. He furthermore argues that that which is repressed returns to haunt one in disguise. Jokes, like dreams and slips of the tongue, bear the traces of repressed desires. Sexual and aggressive thoughts forbidden in polite society can be shared as if they are not serious. Humour then becomes a way of rebelling against the demands of social order (Freud, 1905).

3.5.2 Conflict

According to Gould, Stapley and Stein (2004) human history documents the fact that conflict is as central to human life as breathing, eating, sleeping and reproducing. Therefore conflict can be seen as a very natural and human condition, serving as the driving force for the team's performance, creativity, innovation, coping with change and transformation. Conflict and anxiety are always in the team dynamo (driver) – fear of the future in the sense of what will happen next.

Huffington, Armstrong, Halton, Hoyle and Pooley (2004) mentioned that the landscape of organisations has changed significantly from traditional hierarchical structures where it was clear who were in positions of authority to flatter structures and increased competition between organisations. There is more pressure for people to improve their individual performance, take responsibility for their own personal development and to manage themselves.

The relationship between managers and employees has also changed with managers having to be able to tolerate the tensions and conflict situations arising from difference, challenge and a questioning of the *status quo*. All of the above changes have resulted in an increased demand for conflict resolution and mediation interventions in organisations.

Conflict refers to the split between differences, for example, two or more parts of a system (Cilliers & Koortzen, 2005). Conflict can manifest intra-personally (in the individual between ideas and feelings), interpersonally (the experience of differences between two or more team members), intra-group (between factions or subgroups) and inter-group (between one team or department and others in the larger system).

At a beneath-the-surface level early introjections, which of necessity are of parents or parental figures, create the conscience technically referred to as the superego (Huffington, et al., 2004). Therefore when one experiences conflicting data, one may compare the data with one's internal pool of knowledge referred to as one's conscience. Conscience therefore provides one with a means of knowing what to do and not to do. So when one experiences conflict, it simply means two or more drives are opposed in a living situation resulting in anxiety. The resolution of conflict is much more likely to be a compromise than a solution (Stapley, 2006).

3.5.3 Identity

This is referred to as the fingerprint of the team or individual. For example, what one stands for, who one is and how one relates to the rest of the system (Cilliers & Koortzen, 2005). Identity refers to characteristics distinguishing the team, its members, their task, climate and culture, making the team different and unique from other teams.

Stapley (2006) described relatedness as the processes of mutual influence between individual and individual, between individual and group, group and group, and group and organisation. Furthermore, there is no escape from

relatedness – one is never alone in one's minds. One is always linked to many others, particularly the dominant primary group, the family, in a state of relatedness and this will have an affect on one's contemplation.

- **Narcissism**

Freud considered narcissism primarily from a developmental psychology perspective as 'a stage in the development of the libido' which it passes through on the way from auto-eroticism to object-love (Kets de Vries & Perzow, 1991). Kets de Vries (2007) distinguishes between two varieties of narcissism: constructive and reactive.

Constructive narcissists are those who were lucky enough to have caretakers who knew how to provide age-appropriate frustration – meaning enough frustration to challenge, but not so much as to overwhelm. Generally people exposed to this type of supportive environment tend to be relatively well-balanced, with a positive self-esteem, capacity for introspection and an empathetic outlook. On the other hand, reactive narcissists received over- or under-stimulation, or inconsistent stimulation, resulting in feelings of inadequacy or deprivation. In an attempt to master their feelings of inadequacy, such individuals often develop an exaggerated sense of self-importance and self-grandiosity and a high need for admiration (Gaitanidis, 2007). To master their sense of deprivation, they develop feelings of entitlement, believe that they deserve special treatment and that rules and regulations apply only to others. Furthermore, due to their lack of empathic experiences, these people lack empathy and are unable to experience how others feel. Typically they become fixated on issues of power, status, prestige and superiority and a need to get even for real or imagined hurts.

Vaknin (2001) defined narcissism as a pattern of traits and behaviours signifying infatuation and obsession with one self to the exclusion of all others and the egotistic and ruthless pursuit of one's gratification, dominance and ambition.

Narcissism is named after the ancient Greek myth of Narcissus who was a handsome Greek youth who rejected the desperate advances of the nymph Echo. As punishment for his cruelty, he was doomed to fall in love with his own reflection in a pool of water. Unable to consummate his love, he pined away and changed into the flower bearing his name to this very day (Vaknin, 2001).

Long (2008) noted that the baby boomer generation has been increasingly popularly described as narcissistic. The newly described fifth basic assumption group Me-ness also seems to dominate in networked or loosely coupled forms of organisation (Lawrence, Bain & Gould, 1996). These tend to encourage self-authorisation, where recourse to the group is deemed an unnecessary delay, and personal triumphs are the main way forward when climbing the career ladder.

According to Vaknin (2001), narcissism is fundamentally an advanced version of the splitting defence mechanism. The narcissist cannot regard humans, situations, entities as a mix of good and bad elements. He or she is an 'all or nothing' primitive 'machine'. He or she either idealises an object – or devalues it. The object is either all good or all bad. The bad attributes are always projected, displaced, or otherwise externalised. The good ones are internalised in order to support the inflated ('grandiose') self-concepts of the narcissist and his or her grandiose fantasies – and to avoid the pain of deflation and disillusionment (Gaitanidis, 2007).

Hirschhorn (1988) describes narcissists as mesmerised by the illusion of their own beauty and consequently see only their reflected images in the environment around them. Blind to the people who shape their world, they value only themselves and gain pleasure only by admiring themselves. The narcissistic organisation culture is one of which its members believe that the organisation is the rationale for its own existence. Rather than focussing on the value which it produces for others, managers and employees imagine that the company's presumed beauty justifies its existence and its claim on resources. They lose sight of its broader functions and purposes.

Long (2008) outlines five components of organisational narcissism: First, there is an exaggerated pride where the organisation is felt to be flawless. Second, there is an associated unconscious omnipotence 'unable to tolerate the autonomous existence of anything of value outside itself'. Third, a belief exists in its own omniscience, its capacity to know everything it needs to. Fourth, these delusions of omnipotence and omniscience are accompanied by 'dismissiveness and triumphal contempt' of others. Finally, these characteristics are permanently built into the structures and functions of the organisation in an institutional fashion.

- **Motivation and Drive**

According to Freud (1914) the unconscious is the source of one's motivations, whether they be simple desires for food or safety or neurotic compulsions. And they are often available to one only in disguised form or with hindsight.

To understand the conscious and unconscious forces guiding an individual's behaviour, Freud (1955) developed a personality model. He divided the personality into three elements: the id, the ego and the superego. These elements represent a general model of personality describing the interaction of various behaviours and drives motivating one.

The id refers to the raw, unorganized, inherited part of the personality. The id operates according to the pleasure principle and has as goal immediate gratification and reduction of tension. In the case of most people, reality prevents the id's instant demands from being fulfilled. One cannot always eat when one is hungry, and one can act on sexual drives only in the right place and at the right time. In transactional analysis (TA) terminology, this behaviour is referred to as the child egostate (Harris, 1967).

The ego is the buffer between the id and the world's realities. The ego operates on the reality principle. In terms of this principle, instinctual energy is restrained in order to maintain the safety of the individual and help integrate the person into society. The ego makes the decisions, controls actions and

allows for a higher capability of problem solving. The ego is responsible for the higher cognitive functions such as intelligence, thoughtfulness and learning. In TA terms, this behaviour is referred to as the adult egostate (Harris, 1967).

The superego is the final element of Freud's (1955) model of personality. It is similar to the id in that it is somewhat unrealistic. The superego represents the rights and wrongs of the society as handed down to an individual over his/her lifetime. The superego has two subparts: the conscience and the ego-ideal. The conscience prevents one from doing morally bad things. The ego-ideal motivates one to do what is morally proper. The superego helps to control the id's impulses, making them less selfish and more morally correct. Both the id and the superego are unrealistic in that they do not consider the actualities of society. The lack of reality within the superego, if left unchecked, would create perfectionists who would be unable to make compromises which life requires. Likewise, an unrestrained id would create a pleasure-seeking thoughtless individual, seeking to fulfil every desire without delay. It is the ego which compromises between the demands of the id and superego, permitting a person to obtain some of the gratification of the id, while maintaining the superego, which would prevent such gratification. In TA terms, this behaviour is referred to as the parent egostate (Harris, 1967).

3.5.4 Boundaries

According to Cilliers and Koortzen (2005), boundaries refer to the space around or between parts of the system, keeping it together, and can be seen as a safety blanket of the team or individual. Stapley (2006) stated that without some system to make sense of total chaos, the uniqueness of the here and now would be intolerable. Cytrynbaum and Noumair (2004) describe boundaries as critical for individuals and groups. A closed system, which refuses to transact with the environment, becomes frustrated and withdraws and eventually dies. An open system promises creativity, but raises the fear of overextension and loss of identity. Resolution of the paradox requires a balance between withdrawal and fusion.

A boundary defines that which is in or out of the unit/system (Klein & Pritchard 2006). According to Lawrence (2000) the concept of boundary in the functioning of the institution is important. Leadership is conceived in terms of managing a boundary between that which is inside and that which is outside – for example, boundaries between group and organisation, the individual's inner and outer worlds, person and role, individual and group, leader and followers (Lawrence, 2000). Authority is vested in and accepted by individuals and groups to manage transactions across these boundaries (Hirschhorn, 1997). Boundaries are necessary for human beings to relate not only to each other, but also through their institutions. If there are no boundaries, relatedness and relationships are impossible because the persons involved become one – lost in each other. At the same time boundaries can be used and experienced as impregnable barriers (Lawrence, 2000). According to Hirschhorn (1993), a boundary creates anxiety by signifying where the risk of working and decision is located and people will respond to this anxiety by retreating from the boundary which may psychologically injure their co-workers. By occupying task-appropriate roles and mastering task-appropriate skills, people may be able to stay at the boundary because the inherent value of the work they do contains their fear.

Stapley (1996) distinguished three types of boundaries: spatial, temporal and psychological. In group relations training, for example, the group will consider the room as their territory (spatial boundary) and is often willing to safeguard it against strangers. Spatial boundaries are those formed around territory. Some examples refer to physical working area, office layout, proximity to others (as in open plan offices), having privacy as well as the emotional space of acknowledgement, tolerance and respect (Cilliers & Koortzen, 2005). Temporal boundaries refer to time boundaries which the group will learn to appreciate. Other time boundaries are, for example, working hours, starting and ending time for meetings. The most important boundaries are the psychological boundaries of the group. These define who belongs to the group and who does not. These three types of boundaries, spatial, temporal and psychological, are social structures, created by the system.

Stapley (1996) furthermore stated that everyone needs to create boundaries, either individually or as groups and that everyone is in some difficulty when failing to do so. A reasonable amount of structure contains anxiety for and gives comfort and well-being to the team or individual, whereas unclear spatial, temporal and task boundaries create high levels of anxiety (Cilliers & Koortzen, 2005). The function of boundaries is to create separate entities and a well-functioning boundary permits logical thinking. Finally, boundaries which are created are to be seen as momentary points in a dynamic process and they all result in the way one does things.

According to Hirschhorn (1993) organisations can function only when leadership draws and maintains appropriate boundaries between the organisation and its environment and between its different units, as well as a division of labour. Over the past few years, there has been a shift to viewing boundaries more as regions than as strict lines between systems. The concept of region connotes a psychological space where people can negotiate as opposed to fighting to maintain territorial integrity (Cytrynbaum & Noumair, 2004).

- **Attachment and Detachment**

The formal origin of attachment theory can be traced to the publication of two 1958 papers: Bowlby's *The Nature of the Child's Tie to his Mother*, in which the precursory concepts of attachment were introduced, and Harry Harlow's *The Nature of Love*, based on the results of experiments which showed that infant rhesus monkeys spent more time with soft mother-like dummies offering no food than they did with dummies providing a food source, but less pleasant to touch.

According to Bowlby (1973) the most important tenet of attachment theory is that a young child needs to develop a relationship with at least one primary caregiver for social and emotional development to occur normally, and that without this care, the child will often face permanent psychological and social impairment. It follows that patterns of infant attachment affect future adult

emotional relationships. Close bodily contact with the mother and responsiveness when the baby signals for her are associated with the growth of a secure attachment. This leads to later self-reliance rather than a clinging dependence or detachment, as the baby grows older. Unresponsive mothers produce insecure, anxiously attached or even detached babies. Such an infant develops into an overly dependent or detached adult. Attachment reduces anxiety. Only when there is a secure attachment can the child later move away from the attachment figure and explore the environment. The roots of these problems are in very early childhood and mostly unconscious.

Kets de Vries (2006) acknowledges that rejection by parents and peers is the number one cause of detachment, but stated that a number of other family dynamics can contribute to this behaviour pattern. One is the fear of losing one's identity as a separate individual because of the intrusiveness or domination of primary caregivers. Children in this situation use distance as a defence against engulfment.

Attachment is an emotional bond to another person. Psychologist John Bowlby was the first attachment theorist, describing attachment as a lasting psychological connectedness between human beings (Bowlby, 1969). Bowlby believed that the earliest bonds formed by children with their caregivers have a tremendous impact which continues throughout life. The central theme of attachment theory is that mothers who are available and responsive to their infant's needs establish a sense of security. The infant knows that the caregiver is dependable and this creates a secure base for the child to explore the world. Research has shown that an inability to establish secure attachments early in life can have a negative impact on behaviour in later childhood and throughout life.

Attachment styles are formed initially during early interactions with primary caregivers. In order to study individual differences in attachment-system-functioning within romantic relationships, Hazan and Shaver (1987) created a simple categorical measure of what has come to be called 'attachment style'. The three relational styles assessed by means of that measure, namely

avoidant, anxious and secure, were modelled on the three major patterns of infant-mother attachment as described by Ainsworth, Blehar, Waters, & Wall, (1978).

Secure individuals are likely to seek support when under stress and use constructive means of coping. They have a sense of trust in others' responsiveness, and can experience, express, and verbally self-disclose emotions without being overwhelmed by them (Shaver & Hazan, 1993). The high-level functioning of secure individuals' attachment systems makes it less necessary for them to rely on defensive mechanisms (Shaver & Mikulincer, 2002). They feel comfortable exploring new stimuli and are less hostile to out-group members and more empathic toward people in need.

People who score high on the attachment-anxiety dimension tend to exhibit hyper-activating strategies, including projective identification which may result from an intense search for connectedness (Shaver & Hazan, 1993). They tend to focus on their own distress, ruminate on negative thoughts, and adopt emotion-focused coping strategies which increase distress. Anxious individuals often become lost in negative emotional memories and have an inability to regulate negative emotional memories.

On the other hand, people who score high on the avoidance dimension tend to distance themselves cognitively or behaviourally from the source of distress (Shaver & Mikulincer, 2002). Avoidant individuals exhibit 'dissociated anger', they tend to be unaware of their anger, burdened by paranoid suspicions and hostile attitudes, and are unable to reduce tension. Furthermore, avoidant individuals' perceptions of others are affected by defensive projection, i.e. exclusion of negative information about the self and attempts to maintain interpersonal distance. Findings for avoidant individuals reflect deactivating strategies and repression as a defence and this causes them to inhibit emotions and regard emotions as irrelevant to cognitive processing.

There is little debate that individuals bring with them to the organisation a load of psychological baggage which they have accumulated throughout the

course of their lives (St Clair, 2000). Psychological themes such as attachment, detachment, separation, anxiety and loss are typically linked to interpersonal relationships within the organisation, especially authority relationships (Bernstein, 1985). For many individuals their employment relationship is important, not only because of economic benefits for survival, but also for a sense of social identity (Tajfel & Turner, 1985).

Attachment theory provides a more nuanced understanding of why an individual's behaviour may not meet the organisation's expectations even if the organisation thinks it has gotten all the situational factors right. For example, to an employee with a secure attachment style a discretionary bonus may be interpreted as a tribute to the employment relationship itself, whereas it may simply be seen as mere pay by the avoidant employee (Rousseau, 1998). Thus attachment theory can help predict and explain the extent to which individuals identify with their respective organisations.

- **Stress and Burnout**

Stress in itself cannot be classified as bad. Two forms of stress can be differentiated, namely distress and eustress. Distress refers to stress of such a nature, intensity and duration that it is experienced as physiological discomfort. Eustress refers to stress of a certain intensity experienced over a certain period of time, and considered to be a level of aggravation causing the individual to be alert, to think clearly and to produce work or behaviour which is highly adaptive and functional. Eustress is therefore the good stress, while distress is the bad stress (Rodrigues, Wolff & Wolff, 1999).

Everyone can experience stress and stress does not necessarily cause burnout. People are able to flourish in stressful and demanding jobs if they feel that their work is significant. Burnout can only be experienced by people who entered their careers with high goals, expectations and motivation – people who expect a sense of significance from their work (Schaufeli, Maslach & Marek, 1993). Two main groups are at risk: first, career-oriented people who devote a great deal of their energy to work and readily take on

responsibility, but fail to recharge their batteries; second, perfectionists with a propensity to overachieve at work, at home, and in their hobbies, and cannot unwind (Burkhardt, 2005).

Burnout has been defined as a syndrome of emotional exhaustion and cynicism, depersonalisation, as well as a reduced sense of personal accomplishment. Emotional exhaustion, likely to be the first phase of burnout, refers to feelings of being emotionally overextended and drained. Once emotional exhaustion occurs, an individual may attempt to cope with it by detaching him- or herself from others and developing a depersonalised response to them. Once depersonalisation occurs, the individual should begin to experience reduced personal accomplishment referring to a tendency to evaluate oneself negatively and a decline in one's feelings of competence and successful achievement in one's work (Leiter & Maslach 1988).

Research proposed that burnout can be considered as prolonged job stress, i.e. demands at the workplace taxing or exceeding an individual's resources (Schaufeli et al., 1993). It is a product of both personal and environmental factors, but the bulk of research has indicated that environmental factors, particularly characteristics of the work setting, are more strongly related to burnout (Leiter & Maslach 1988).

Maslach and Leiter (1997) defined burnout as the index of the dislocation between what people are and what they have to do. It represents an erosion of values, dignity, spirit and will – an erosion of the human soul. It is a malady spreading gradually and continuously over time, putting people into a downward spiral from which it is hard to recover.

According to Cilliers (2003), burnout is usually described as a condition which only occurs to the individual employee. When an individual reports with burnout and cannot cope with work demands anymore, interventions are prescribed to either help the individual to become well again or manage the individual out of the organisation. Maslach and Jackson (1984) stated that burnout occurs within a specific job-related context and refers to a prolonged

job stress, the final step in a progression of unsuccessful attempts by the individual to cope with a variety of negative stress conditions. Burnout differs from depression, which refers to the individual's symptoms across all life situations (Basson & Rothmann, 2001).

The systems psychodynamic perspective argues that burnout involves the individual as a micro, as well as the group as a meso and the organisation as a macro system. Addressing burnout thus becomes a total system endeavour (Cilliers, 2003). Cilliers (2003) explains that the macro system splits off its bad or unwanted parts and projects these into an individual who has a need to perform well, struggles to set own boundaries and has a valence to attract projections of overload. He/she then identifies with the strong projections and acts as a container of the pain (on behalf of the system) while becoming emotionally and physically incapacitated. The system's fantasy is that if he/she leaves the group or the organisation, the badness will be exported successfully. The reality of the matter is that projections do not make problems disappear. The system should rather focus on becoming more aware in order to take ownership of the projections and to including their good and bad parts. Thus, working towards maintaining and managing the role and task boundaries more clearly will empower everyone in the organisation towards a more effective and competent work force."

3.5.5 Authority

According to Cilliers and Koortzen (2005), authority is referred to as the level of power to perform roles and tasks. Authority refers to the formal and official power which the team or individual experience to perform its or his/her tasks, as given or sanctioned – from above (by the organisation, manager, leader, colleagues), from below (by subordinates), and from within (by the team/individual) – to/by itself or him/herself. Obholzer and Roberts (1994) describe full authority as a myth. Good enough authority, at its best, is a state of mind arising from a continuous mix of authorisation from the sponsoring organisation or structure, sanctioning from within the organisation, and connection with inner world authority figures.

Obholzer and Roberts (1994) also refer to authority as the right to make an ultimate decision, and in organisations it refers to the right to make decisions which are binding on others. Authority can be informal (being liked, loved, appreciated by colleagues) or formal (a quality derived from one's role in a system and exercised on its behalf and/or being a subject expert, or being recognised as an achiever, or acting as a mentor/coach to others) (Cilliers & Koortzen, 2005). Authority is frequently invested in individuals because of age, gender, race, rank, education and other less tangible personal attributes (Cytrynbaum & Noumair, 2004).

Czander (1993) defined authority as a right given as a result of rank or office occupancy. It is a right to issue commands and to punish violations. He furthermore stated that while the person occupying a position of authority may have power, psychologically power must be differentiated from authority.

According to Stapley (2006), power structures evolve naturally and they are perpetuated by tradition. The human community could probably not proceed in its endeavours without an institutionalised power structure called authority. Obholzer and Roberts (1994) define power as the ability to act upon others or upon organisational structure. Stapley (2006) describes power as a capacity which one person has to influence the behaviour of another person/s so that the other person/s does/do something which he/she/they would not otherwise have done. Some sources of power are as follows: reward power; knowledge power; coercive power; position power; personal power; expert power and opportunity power. Aggression and power conjure up an imagined world where people persecute one another. In psychological terms one could say that such persons have too punishing or too harsh a superego, a conscience which is too strict and constantly reprimands them for the smallest misdeeds (Stapley, 2006).

Obholzer and Roberts (1994) explain that the terms authority and power are often used interchangeably, leading to confusion. Although related, they are different and in organisations both are necessary. Authority without power leads to a weakened, demoralised management and power without authority

leads to an authoritarian regime (Kahane, 2010). It is the balance of the two which makes for effective on-task management in a well-run organisation whereas a sense of responsibility without having adequate authority and power to achieve outcomes often leads to work-related stress and eventually burn-out (Hirschhorn, 1997).

On the other hand accepting personal or collective authority can be a very anxiety-provoking situation (Stapley, 2006). For example, making a wrong decision may result in very serious resource implications in human or financial terms. Faced with such anxiety, this would bring into play many defences (described in section 3.6).

3.5.6 Role

Role refers to that which needs to be done in order to perform and establishes the boundary around work. Taking up a role implies being authorised to do so and knowing the boundaries of that which will be rewarded and that which will not and it also refers to the conscious or unconscious boundary around the way to behave. Obholzer and Roberts (1994) refer to the following types of roles, namely the existential or normative role (the objective job description and content), the phenomenological role (the role which the individual fulfils as seen by the team or others) and the experiential role (the role as seen by the incumbent). Incongruence between these different roles creates anxiety and sub-standard performance (Newton, Long & Sievers, 2006).

From a systems psychodynamic stance organisational roles are influenced by a double reality: the biography or personal history of the individual holders and the actual organisation of which the role is a part (Campbell & Groenbaek 2006). The working hypothesis is that individuals perform their roles on the basis of experiences with relevant persons from previous relationships. Simultaneously, institutions and the specific roles they offer in their drama at work mobilise in role holders transferences which enact various childhood dramas (Cilliers & Koortzen, 2005). Therefore managing oneself effectively in

an organisational role requires a deep understanding of this systemic interrelatedness.

Another group relations concept related to role is valence. Valence is a person's predisposition to take up particular kinds of roles in groups, often in relation to a group's basic assumption functioning. Valence shifts over time and context and therefore to say that it is a perpetual aspect of one's identity would be to oversimplify (Cytrynbaum & Noumair, 2004).

Furthermore, Klein and Pritchard (2006) describe role as a social-psychological concept which consists of both task and social roles. Organisations function best when leaders draw appropriate boundaries between the institution and the larger environment. Such boundaries determine where responsibilities and authority begin and end.

The concept of Organisational Role Analysis (ORA) is a form of consultation for role holders in organisations and has been developed in the tradition of the Group Relations Conferences sponsored by the Tavistock Institute of Human Relations in London since the late 1950's (Newton et al., 2006). ORA underlines that the individual is connected to his/her group or organisation or system by means of role. ORA is an organised process for freeing the individual to understand his/her role within a system. Role connects the individual to the system and the system to the individual. ORA is designed to examine a role in terms of rules and relations, not to solve the problem, but to understand how one takes up one's roles in the system and to avoid as far as possible character or personality analysis (Brunner, Nutkevitch & Sher 2006).

According to Obholzer and Roberts (1994) role analysis focuses on the role which a member of an organisation has or assumes. People generally associate the term 'role' with the position held within an organisation or a description of duties and responsibilities, the task role. This tends to lead to a rather static understanding of role with little emphasis on the dynamic nature of role behaviour in organisations. It also offers only superficial, limited explanations of behaviour within organisations.

Triest has coined the terms 'formal' and 'informal' role (Triest, 1999, p. 210f.). The formal role is primarily defined by the organisation and the informal role designates those conscious and unconscious needs, aspirations and behaviours which are the personal aspects with which the person fills the role. Role consultation or role analysis focuses on how best to combine the primary tasks and targets set by the organisation with the conscious and unconscious aspirations of the person. This clearly implies tension, conflict and risks made conscious by role analysis (Cytrynbaum & Noumair, 2004).

In view of ever-increasing changes taking place in organisations, people in organisations increasingly need to have the ability to manage themselves in their roles, also amounting to a management of boundaries, acquiring the ability to perceive, define, and manage them flexibly. It requires an extremely high level of consciousness in respect of the internal and external forces and demands – the conscious and latent dynamics – exerted on one's role in order to act and decide as appropriately as possible (Newton et al., 2006).

3.5.7 Task

The task is the basic component of work. The primary task acts as the driving force in the here-and-now, keeping the team in business, and the secondary task supports the primary.

Confusion about the primary task boundary leads to anti-task behaviour and clarity about the primary task boundary results in task performance (Cilliers & Koortzen, 2005).

One of the earliest developments in the area of systems psychodynamic organisational theory was the pioneering work of Menzies on the relationship between tasks, process and structure (Gould et al., 1999).

- **Transference and counter-transference**



Freud pointed out: "Transference arises spontaneously in all human relationships just as it does between the patient and the physician" (Stapley, 1996, p. 180). Transference is the experiencing of feelings, drives, attitudes, fantasies, and defences toward a person in the present, all of which are inappropriate to that person and are a repetition, a displacement of reactions originating in relation to significant persons in early childhood. "I emphasise that for a reaction to be considered transference, it must have two characteristics: it must be a repetition of the past and it must be inappropriate to the present" (Lawrence, 1999, p. 87). A similar definition adds the dimensions of object and self-representation: "Whatever the composition of transference, it involves object representations preserved from the past and the unrealistic imposing of these on current objects" (Lawrence, 1999, p. 87).

Lawrence (1999) summarises the general characteristics of transference phenomena as follows: "They are inappropriate to the current situation; they are repetitions of past experiences and they are universal in interpersonal relationships".

Obholzer and Roberts (1994), define counter-transference as the state of mind in which other people's feelings are experienced as one's own.

3.6 SOCIAL SYSTEMS IN GROUPS AS A DEFENCE AGAINST ANXIETY

Group members will experience the group at a deep unconscious level as a maternal holding environment, the symbolic representation of a nurturing mother. The group situation creates such ambivalence and anxiety that it unconsciously returns the group members to earlier relationships with mother and evokes all of the psycho-social mechanisms involved, for example the libidinal impulses (life-giving) and the aggressive impulses (death-dealing)(Stapley, 2006).

Many of these beneath-the-surface processes will tend to encourage a positive task supporting culture. However, we also need to be concerned with the effects of a defensive function. This implies that one can expect to find in

group relations manifestations of unreality, splitting, hostility, suspicion and other forms of maladaptive behaviour. If feelings cannot be dealt with personally or institutionally, they are likely to be dealt with by the development of defences against them, and if they are institutional they will come to be built into the structure, culture and mode of functioning of the organisation and thereby impairing performance (Stapley, 2006).

Therefore a work group manages its anxiety by developing and deploying a set of social defences. By using these social defences, people retreat from role, task and organisational boundaries. Every social defence depersonalises relationships at work and distorts the group's capacity to accomplish its primary task (Hirschhorn, 1988).

A social defence system develops over time as the result of collusive interaction and agreement, often unconscious, between members of the organisation as to the form which it will take (Menzies, 1993). For example, projective identification occurs between two or more persons or groups whereby one person projects certain unwanted mental contents onto and into another person or group, with a resulting alteration in the behaviour of the targeted person. This is not just projection since it also affects the other person. It is primarily a two-phase process starting with the denial and ejection of unwanted feelings. In the second phase the recipient of the projection is inducted into the originator's scheme of things (Stapley, 2006).

When faced with anxiety, the group may also unconsciously regress to become a basic assumption group which will provide an easier way out (Klein & Pritchard, 2006). The group is no longer pursuing the achievement of task, but it is now in an emotional state having no connection with reality, but being influenced by magical thinking. The five types of basic assumptions are basic assumption dependence, basic assumption fight-flight, basic assumption pairing, basic assumption Me-ness and basic assumption One-ness (as described above in Section 3.4).

Group development takes place when group members stop scapegoating others, or cease using others or outsiders to manage their shared anxiety. Although this is a difficult and frequently limited process, it will help the group to restore psychological balance to their work lives and to confront their primary task (Hirschhorn, 1988).

3.7 SOCIAL DEFENCES AGAINST ORGANISATIONAL LEARNING

It is through the work of Jaques and Menzies (1993) that the origins of the concept of social defences can be traced. Jaques introduced the concept of social defences against anxiety in 1955 (Menzies (1959). Isabel Menzies (1959) carried out the pioneering and classic study of social defences against anxiety when she explored the nursing system of a teaching hospital in London. She sought to understand the high turnover amongst nurses and showed how the nursing system was structured and partly functioned as a way of evading the anxiety of caring for patients, many of them in pain and some of whom were dying (Alastair, 1998). The unconscious defences against the anxieties arising from the fear of death and destruction had the effect of leading nurses to treat the relations between people as if they were relations between things, e.g. anti-human behaviour such as the liver in bed ten, the pneumonia in bed fifteen; as well as depersonalisation and the denial of the significance of the individual (Young, 2003).

She also discovered the following defences: splitting up the nurse-patient relationship, detachment and denial of feelings, the attempt to eliminate decisions by ritual task-performance and the reduction of the impact of responsibility by delegation to superiors (Menzies, 1959). What was crucial about these social defences was that they were operating for the most part unconsciously and were deeply ingrained in the system and very difficult to change. It also was counterproductive for carrying out the primary task of the hospital in an effective way and prevented organisational learning (Alastair, 1998).

According to Hirschhorn (1988) all organisations create particular social defences which fit with their specific tasks, their particular history, and the personalities of their leaders. Obholzer and Roberts (1994) stated that some institutional defences are healthy in that they enable the staff to cope with stress. Other institutional defences, like some individual defences, can obstruct contact with reality and in this way damage the staff and hinder the organisation in fulfilling its task and in adapting to changing circumstances.

According to Alastair (1998) all organisations have socially constructed defences against the anxiety aroused by carrying out the primary task of the organisation. These social defences may be evident in the organisation's structure, in its procedures, information systems, roles, in its culture, and in the gap between that which the organisation says it is doing and that which it is actually doing. Social defences are "created" unconsciously by members of the organisation through their interactions in carrying out the primary task and prevent organisational learning. Alastair (1998) argued that for organisational learning to occur, maladaptive social defences within the organisation have to be altered. Unless the local system is extremely robust, it is likely that the organisational changes initiated within the local system will be eroded over time owing to the influence of the system domain fabric and the system domain defences.

Most literature on organisational learning is concerned with cognitive learning at the expense of emotional learning (Stapley, 2006). To learn, whether as an individual or as a group or as an organisation, is to do with growth of capacity and this growth is inseparable from the co-evolution of organisational container and contained. Bion's (1970) concept of container and contained provides a bridging link between individual learning and organisational learning. Changing the container for organisational experience and developing a container for organisational awareness, together with reflection on what is contained, brings these nodes of organisational awareness together with a potentiality for creating new thoughts and different actions (Alastair, 1998).

In summary, defences against anxiety are, at the same time, defences against reality. When the external or internal situations present a stress situation too painful to bear, individuals tend to regress to primitive psychic defence mechanisms. In organisations, this is revealed in social defence systems which help individuals avoid the feelings of anxiety, guilt and uncertainty (Menzies, 1993). Considering that the functioning of these defences requires energy, it follows that there must be less energy available for the primary task. At the individual level, the ego is weakened when mechanisms of splitting, projection and denial are employed. Bion has shown that at group level, the work group ceases to operate when anxiety and other emotions cause the group to work in one of the basic assumption modes (Klein and Pritchard (2006).

The concept of social defence systems helps one to understand why organisational change is so difficult to implement and so often resisted. Changing an organisation automatically leads to a restructuring of social defences resulting in an increase in anxiety. The resistance to change can be seen as the fear people have to relinquish established social systems which have helped them to defend against anxiety in the past. Unless people have an opportunity to participate in the changes, they will not be able to influence the formation of new social systems resulting in an increase in suspicion, hostility and aggression (Menzies, 1993).

Therefore organisations need reflection and learning spaces allowing for organisational awareness of their own behaviour. According to Colman and Bexton (1975) the success and viability of a social institution are intimately connected to the techniques used to contain anxiety. Furthermore, an understanding of this aspect of the functioning of a social institution is an important diagnostic and therapeutic tool in facilitating social change. Work and organisational design must therefore aim to create a working environment where mental energy can be used in the performance of the task and where danger can be recognised and mastered by legitimate and useful work. Otherwise groups and even the total organisation could resort to projection and waste their energy on aggression and hostility (Huffington, et.al. 2004).

3.8 SYSTEM DOMAIN DEFENCES

The system of defences can also operate in a much wider arena – an arena akin to what Eric Triest (1981) has called a “domain”. Organisations with a similar primary task are called a “system domain” and they are likely to have similar social defences against anxiety because of similarities in organisational design arising from shared policies, procedures, legislation, professional training (Hyde & Thomas, 2002). Therefore the concept of system domain and the related concepts of system domain fabric and system domain defences were proposed by Bain in order to account for the difficulties in sustaining organisational change in organisations sharing a similar primary task (Bain, 1998). By system domain fabric is meant that which is shared by all the institutions comprising the system domain and includes all organisations with a similar task.

He argued that they were likely to have similar social defences against anxiety and he described how defences are a function, not only of the shared primary task, but also of the transfer of staff as they take with them their knowledge of the system domain. System domain in the mind is a pattern of behaviours, experiences, expectations which a person internalises as a part of his/her past working experiences. A positive system domain in the mind is taken from setting to setting by a staff member fortunate enough to have experienced a system which supports and contains work anxieties and results in positive treatment of patients (Bain, 1998).

Furthermore, Hyde and Thomas (2002) stated that defences remain largely unchanged because similar institutions have comparable organisational structures, authority systems, professional training, technology and knowledge bases. He not only noticed that organisational defences described in Menzies’ study were still prevalent in Australian hospitals in the 1990s, but also concluded that local changes were not sustained because of a lack of concurrent changes in policy, procedures and authority systems.

Therefore where there are a number of institutions sharing a similar primary task (such as in the field of financial services), change is inhibited by wider processes and structures constituting the 'system domain'. Part of the difficulty in modifying social defences lies in the shared 'system domain fabric' which comprises attributes shared across institutions such as roles, organisational structure, authority systems, policies and procedures, and so on (Bain, 1998).

The system domain considered here is the asset management industry. This research will explore the asset management system and contexts further. An exploration of the various contexts for working within asset management may offer a platform of understanding for managers and employees when attempting change, while taking into consideration the constraints of the system domain. According to Hyde and Thomas (2002), when managers understand the psychological threats to the workers as well as the limitations of the system domain, they may be able to work collaboratively with workers to effect desirable changes.

3.9 CHAPTER SUMMARY

Knowledge of irrational processes may assist those in positions of authority and responsibility to develop increased capacities to lead and manage in situations where they may exert powerful negative and destructive influences (Gould, Ebers & Clinchy, 1999).

Systems psychodynamics is concerned with understanding the inner world with its dynamic processes of fragmentation and integration and offer a qualitative window on organisational learning, change, innovation, etc. Key concepts include denial of internal and external reality, splitting and projection. These concepts were explored to understand the unconscious institutional anxieties and the defences against them. At best, such understanding can create a space in the organisation in which staff members can reflect about the emotional processes in which they are involved in ways which will reduce

stress and conflict and be able to inform change and development (Obholzer & Roberts, 1994).

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CHAPTER FOUR

RESEARCH DESIGN

4.1 INTRODUCTION

This chapter reports on the qualitative empirical research conducted in respect of this study with specific reference to the research approach, strategy and method, data collection, data analyses and reporting thereof.

4.2 RESEARCH APPROACH

Mouton and Marais (1992) stated that the research paradigm describes the epistemological assumption of a study. They furthermore described it as a kind of containing device keeping the philosophical content of the research together. This study is grounded in constructivist (interpretive) epistemology as the study was constructed by people's perceptions, meanings and understandings of their experiences which are their realities (Henning, Van Rensburg & Smit, 2004). An interpretive approach does not only see people as a primary data source, but also seeks their perceptions or insider view rather than imposing an outsider view (Mason, 2002). The theoretical underpinning of this study is systems psychodynamics, an approach rooted in psychoanalysis and borrowed from both the object relations paradigm and the systems theory paradigm (Cilliers & Koortzen, 1996).

The research consisted of a literature study in phase one and a qualitative (exploratory) research study in phase two. Qualitative research is described as multi-method in focus, involving an interpretive and naturalistic approach to its subject matter. This means that qualitative researchers study things in their natural settings, attempting to make sense of or interpreting phenomena in terms of the meanings people bring to them (Denzin & Lincoln, 1994). According to Terre Blanche, Durrheim and Painter (2007) qualitative researchers collect data in the form of written or spoken language, or in the

form of observations recorded in language and analyse the data by identifying and categorising themes. Qualitative methods allow the researcher to study selected issues in depth, openness and detail as they identify and attempt to understand categories of information emerging from the data (Henning, Van Rensburg & Smit, 2004).

Mason (2002, p. 3) formulated a working definition stating that qualitative research is the following: 1) “Grounded in a philosophical position which is broadly “interpretivist” in the sense that it is concerned with how the social world is interpreted, understood, experienced, produced or constituted; 2) Based on methods of data generation which are both flexible and sensitive to the social context in which data are produced; 3) Based on methods of analysis, explanation and argument building involving understanding of complexity, detail and context.

Fisher (2006, p.2) writes that “qualitative research is a reflective, interpretive and descriptive effort to describe and understand actual instances of human action and experience from the perspective of the participants who are living through a particular situation”.

The research done in an attempt to answer the research questions is described accordingly:

- An exploratory literature review on systems psychodynamics served as a theoretical underpinning to facilitate an understanding of the problem and the research. It also led to the further development and expansion of a theoretical model capable of being used to explore the conscious and unconscious behaviours of fund managers in a South African asset management organisation.
- Two Listening Posts are conducted and transcribed and these formed the qualitative empirical study of the research. The purpose of the qualitative research phase was to gather data to test the theoretical model. Discourse analysis was used to analyse the transcribed data from a systems psychodynamic stance.

4.3 RESEARCH STRATEGY

Research needs a strategic framework (research design), a plan specifying exactly how the research will be carried out and guiding the research activity to ensure that valid conclusions are reached (Terre Blanche, Durrheim & Painter, 2007). When developing a research design, the researcher must make a series of decisions along four dimensions: 1) the purpose of the research, 2) the theoretical paradigm informing the research, 3) the context or situation within which the research will be carried out, and 4) the research techniques to be employed to collect and analyse data (Terre Blanche, Durrheim & Painter, 2007).

Crotty (cited in Jones, Torress & Arminio, 2006, p. 20) wrote that a theoretical perspective is “the philosophical stance informing the methodology and thus providing a context for the process and grounding its logic and criteria”. The researcher sought to describe the participants’ behaviour and to reflect this against existing literature and theory. This study was grounded in systems psychodynamic theories in order to understand the below the surface behaviour as explored in Chapter 3.

4.4 RESEARCH METHOD

In this section, the research setting, entrée and establishment of researcher roles, sampling, data collection method, recording of the data, data analyses, and strategies employed to ensure data quality and reporting are described.

4.4.1 Research setting

- **Organisation background**

The research was conducted in an asset management organisation. At this particular organisation the roles of research analysis and portfolio management are separated, in order to achieve role clarity and focused accountability. Performance in each role is formally and separately measured.

- The role of the research teams is to provide detailed, thorough investment research and advice to the portfolio managers.
- The portfolio managers then exercise their discretion in translating these views into the portfolios, and play a crucial role in prioritising the research agenda.

Company research is conducted along industry lines by the respective specialist equity teams. The research process focuses on a combination of industry analysis, competitor analysis, management interviews and company visits. In depth consideration is given to both the quantitative factors and the qualitative factors. This includes assessing the quality of the management of the company, levels of corporate governance, ascertaining whether the interests of the company are aligned with those of the shareholders, ensuring that the company has a history of delivery and assessing whether it is a sustainable business or not. Local companies are benchmarked against their international counterparts.

This research culminates in detailed financial models estimating the future sustainable earnings of and a fair rating for each of the companies monitored by the equity specialists. Instruments such as the equity guidance portfolios and a Ranking Table provide a clear and measurable picture of the research teams' views and advice, which in turn is used in the construction of client portfolios which effectively embody the best insights emanating from both the top-down and the bottom-up equity research processes.

A portfolio manager is appointed to each composite or group of portfolio mandates and is fully accountable for the management and performance of his or her composite. When it comes to portfolio implementation, there is thus no uncertainty as to decision rights, thereby eliminating the curse of consensus decision-making, and achieving efficient and consistent implementation. Importantly, portfolio managers have meaningful discretion within specified guidelines, and the returns to this discretion are continuously measured. The portfolio managers responsible for specific composites or groups of mandates work together with the portfolio construction team to build

and manage client portfolios which optimally reflect the research views of the House.

Stewart (2009) stated that portfolio managers exist to give clients peace of mind with regard to the achievement of their investment objectives. Their aim is to fulfil this purpose by committing to their investment philosophy wholeheartedly and ensuring a focused and accountable investment process having structural integrity. In so-doing, they will reliably and consistently generate the competitive, risk-adjusted returns which their clients require over a full market cycle. They are active investors who seek to effectively capitalise on market inefficiencies by means of high quality top-down, bottom-up and quantitative research processes which generate ideas applied to portfolios in a consistent, risk-cognizant fashion, utilising state-of-the-art portfolio risk budgeting capability (<http://www.investments-hello.co.za>).

4.4.2 Entrée and establishing researcher roles

As psychologist and OD Specialist the researcher consults to wellness of organisational life, objectively creating and implementing interventions to improve organisation performance (Lowman 2002). Responsibilities include facilitating people and team process to enable optimal business performance, with specific focus on leadership, organisational culture and core values, change, coaching, performance management, talent management, group process consultation and employee well-being. The role also involves the rendering of psychological services to employees to ensure optimum functioning of their potential in the workplace. This means involvement on a daily basis with the participants in the research study whether by means of individual counselling, coaching or facilitation of group processes.

Gaining access to participants is sometimes an easy process and sometimes fraught with difficulty (Jones, Torress & Arminio, 2006). Glesne and Peshkin (cited in Jones, Torress and Arminio, 2006, p. 74) writes: "Access is a process. It refers to your acquisition of consent to go where you want, observe what you want, talk to whomever you want, obtain and read whatever

documents you require, and do all of this for whatever period of time you need to satisfy your research purposes”. Gaining access to the particular field site and participants was a fairly easy process considering that the researcher is part of the research setting, i.e. the organisation. What also made a difference was the nature of the research project – in this case that the particular subject was never explored before, as well as the existing relationship (i.e. trust and rapport) which the researcher has with those who can provide access.

A primary strategy for gaining access is through negotiation with gatekeepers and key informants (Jones, Torress & Arminio, 2006). In this study the researcher approached the Chief Executive Officer (CEO) and the Chief Investment Officer (CIO) as formal authorities in the asset management organisation to grant consent to gain access to the participants. Assurance was given regarding the value-add to the organisation and the asset management industry as a whole. Furthermore, a key informant was also utilised as a source of information – an external investment professional who is particularly knowledgeable in the field of fund management. The Unisa library and its staff also provided access to documentary sources, i.e. articles, books, searches. Finally the incredible professional expertise and support of my promoter was key to enabling me to continuously learn and grow while completing the research.

4.4.3 Sampling

The conditions for sampling in qualitative research are less clear-cut or well-established than for statistical and quantitative research sampling (Mason, 2002). According to Terre Blanche, Durrheim and Painter (2007) there are no hard-and-fast rules for sample size in qualitative inquiry. Patton (2002, p 224) also stated that “there are no rules for qualitative inquiry”. He went on to write: “Sample size depends on what you want to know, the purpose of the inquiry, what’s at stake, what will be useful, what will have credibility, and what can be done with available time and resources”. Jones, Torress and Arminio (2006) stated that in qualitative research a sample is purposefully drawn with an

emphasis on information-rich cases having an in-depth understanding of a particular phenomenon from which one can learn.

Therefore participation selection in qualitative research is also guided by the purpose of the study, methodological approach and research questions. Convenience sampling was used for both Listening Posts to select the individuals to whom the research question applied and the right focus to enable the author to address the research questions set out in Chapter 1 (Henning, Van Rensburg & Smit, 2004). It also fitted the purpose and rationale of the study. All the participants have substantial experience in research and fund management. It was agreed that once the research was over, the research results would be made available to the study population in some appropriate format.

The 14 participating investment professionals consisted of 2 Black males, 2 Indian males, 1 White female and nine White males.

Table 4.1: Listening Post 1

Participant No	Race	Gender	Organisational Role
1	White	Male	Investment Professional
2	White	Male	Investment Professional
3	White	Male	Investment Professional
4	White	Male	Investment Professional
5	White	Male	Investment Professional
6	Black	Male	Investment Professional

Table 4.2: Listening Post 2

Participant No	Race	Gender	Organisational Role	
1	White	Male		Investment Professional
2	White	Male		Investment Professional
3	Black	Male		Investment Professional
4	Indian	Male		Investment Professional
5	White	Female		Investment Professional
6	Indian	Male		Investment Professional
7	White	Male		Investment Professional
8	White	Male		Investment Professional

4.4.4 Data Collection Methods

The method used for the data collection, was a Listening Post. The concept of a Listening Post, a psycho-social, reflective process, is a research approach implemented by OPUS — an Organisation for Promoting Understanding of Society (Stapley, 2006). According to Stapley (2006a) the Listening Post is a research approach for societal research. The Listening Post has developed as a way of engaging with the experience of the reflective citizen in order to understand society (Dartington, 2000).

Hoggett (2006) writes that in some respects the Listening Post uses methods not typical of the Group Relations tradition. For example, there is a de-emphasis upon interpreting what is going on in the here-and-now of the event, there is a clear structure and boundaries between staff and participants are also less sharp.

Listening Posts can be described as an opportunity where a relatively small group of people (8 to 15) meet to study specific behaviour and the unconscious expression of characteristics. It is a social psychological process enabling participants to reflect on their own relatedness to society and to try to develop an understanding of what is happening at that moment in an unstructured discussion. It provides a snapshot of a society at a particular moment in time (OPUS, 2009).

- **Listening Post Methodology**

The Listening Post process seeks to encourage participants to share their preoccupations and experiences of the society of which they are part in a totally free flowing, unprompted and non-judgmental environment. The Listening Post process is not limited to social evidence gathering only (OPUS, 2009a).

Collectively participants are invited to try and analyse the themes which have emerged from the discussion to form hypotheses regarding the underlying conscious and unconscious dynamics and what these hypotheses reflect about society (Nahum, 2005). Themes which emerge are the work of participants taking up their organisational roles.

The dynamics of the group may be such that even a small group may act as if it is a microcosm of the large group which is society (OPUS, 2009a). The themes which emerge through dialogue may be analysed legitimately for their societal content. Listening Posts also employ a much more rigorous methodology providing analyses and hypotheses with regard to what is happening at the psychological level of the organisation (OPUS, 2009a). This particular method is still in its infancy, but the most important assumption characterising all such events is that there are underlying affective and emotional dynamics at work in any given organisation: The Listening Post is an instrument designed to divine such undercurrents (Hoggett, 2006).

- **Listening Post Process**

The Listening Post process is divided into three distinct parts (OPUS, 2009b):

Part 1. The sharing of preoccupations and experiences

Here participants are invited to identify, contribute, and explore their experience in their various social roles in the organisation. In this part the group discussion is unstructured – no agenda is set or issue identified before hand. The aim is to obtain an authentic representation of the organisation at the given time. The process enables participants to speak of their pre-

occupations and experiences from their various roles in a free flowing and unhindered manner.

Part 2. Identification of major themes.

In this part participants collectively try to identify the major themes emerging from Part 1.

This part acts as a sort of transitional space; and enables the members to put a boundary around the material from Part 1 which will be the subject of analysis in Part 3.

Part 3. Analysis and hypothesis formation.

In this part, working with the information resulting from Parts 1 and 2, participants collectively try to identify the underlying dynamics, both conscious and unconscious, which may be predominant at the given time; and, to develop hypotheses as to why they may be occurring at this moment.

In this part members are working more with what may be called their 'psycho' or 'internal' worlds: The collective ideas and ways of thinking which both determine how they perceive the external realities and shape their actions towards them.

The role of the members is to analyse the material from Part 1 and to work at providing psychological explanations capable of being developed into hypotheses which are theories assumed to account for something not understood.

According to Miller (1993) the validity of the Listening Post is dependant on the convenor's ability to provide opportunities for participants to share their experiences in a contained space without judgement, memory or desire.

4.4.5 Recording of data

The Listening Post as a qualitative method of inquiry was planned and 16 participants were invited. The participants were all in positions of Investment Professionals. Fourteen accepted the invitation. An external systems psychodynamically informed psychologist was contracted as the main facilitator of the Listening Post. The researcher took up the role of convener and co-facilitator. The Listening Post comprised 2 one hour sessions with a 30 minute break in between.

The qualitative research procedure can be described in detail as follows:

- Participants were invited to attend the Listening Post by e-mail and attendance was confirmed by follow-up e-mails and telephone calls.
- A meeting room suitable for 10 people was booked and prepared at a time and place which was convenient to all parties involved. A digital recording system was placed in the middle of the table.
- The participants were welcomed to the Listening Post, thanked for their voluntary participation and assured of their anonymity in the research.
- The structure of the session was explained in terms of the relevant time boundaries (session one, break, session two).
- The primary task of the Listening Post was given by the following statement: "Please share experiences regarding your world of work, your issues and challenges", after which the participants were given the space to freely interact with each other.
- The break of 30 minutes was announced on the time boundary of one hour and the participants were invited to enjoy refreshments.
- The Listening Post reconvened, the time boundary was given and the objective stated, namely "To identify themes from session one and formulate hypotheses about the participants' collective experiences as fund managers", after which the participants were again given space to interact freely.

- At the time boundary, the participants were thanked for their time and valued contributions as participants and the Listening Post was closed.

The event discourse was recorded by a digital recording system with the consent of the participants. The recording was transcribed and various electronic copies kept in different locations to ensure that they were safely stored and managed without compromising the quality of the data.

4.4.6 Data analyses

Discourse analysis with a systems psychodynamic stance was chosen as an analysis method for the Listening Posts (Smit & Cilliers, 2006).

In the social sciences there has been an increasing turn to discourse, a new interest in the role played by language in social life and a new emphasis on meaning making, along with the development of theories and methods to capture and study the symbolic and semiotic aspects of human activities (Brewerton & Millward 2004). Many explanations and definitions of discourse and discourse analysis can be found in the literature. One view is that discourse analysis is the practice of deciphering the meaning of texts written, spoken or signed language use, beyond the sentence boundary (Copernicus Consulting, 2007). Fisher (2006) stated that a principle which all discourse analytic approaches have in common is that texts are regarded as the primary resource for research. Hardy (as cited in Tatyana & Huub, 2004) viewed discourse as a system of texts bringing objects into being. This therefore means that the goal is to explore the relationship between discourse and reality, interpret a hidden meaning and mediate it between the past and present (Tatyana & Huub, 2004).

Discourse analysis has been applied in a variety of social science disciplines and has its roots in older and more established theoretical perspectives such as Wittgenstein's philosophy of language where the meaning of a word is related to the context in which it is used (Fisher, 2006). The goal is to reach

an understanding of the text and present it in such a way that the audience can understand the interpretation.

Discourse analysis is also described as a way of approaching and thinking about a problem (Smit & Cilliers, 2006). It does not provide a tangible answer to problems based on scientific research, but it enables access to the ontological and epistemological assumptions behind a research project – a system of classification. Differently put, discourse analysis helps to reveal the hidden motivations behind a text or behind the choice of a particular method of research to interpret that text. It is not a hard science, but an insight/knowledge based on continuous debate and argumentation. As there is no hard data provided by means of discourse analysis, the reliability and validity of one's research/findings depends on the force and logic of one's arguments – it remains a matter of interpretation (<http://www.ischool.utexas.edu/~palmquis/courses/discourse.htm>).

Corpernicus Consulting (2007) offered the following guidelines to adopt a more systematic approach to discourse analysis:

- Collect more than one genre of texts: Instead of a single medium, try collecting several media of the same theme. Look for the “silences” in texts: Compare texts on a single theme and ask yourself, “What is not being said?” The obvious meaning is the tip of the iceberg: Make a concerted effort to look more deeply than the obvious by understanding the more subtle or covert meaning.

Mason (2002) stated that discourse analysis can mean a range of things, and some forms have been associated with post-modernism and what has been called the discursive turn because of their emphasis on text and talk as data sources. The psychoanalytic approach elicits the kind of narrative which is not structured according to conscious logic, but according to unconscious logic or dynamics. People are viewed as data sources, but the methods used – be they interviews or group processes – have to provide access to the inner or unconscious subject (Mason, 2002).

Tatyana and Huub (2004) stated that the exploration of the interplay between discourse, text and context builds the focus of the discourse analysis. Discourses are not discrete entities, but are intertwined with one another and constantly changing.

Fiske (as cited in McGregor, 2003) stated that one's words are never neutral. Thus discourse analysis challenges one to move from seeing language as abstract to seeing one's words as having meaning in a particular historical, social and political condition (McGregor, 2003). To help one reflect on textual activities one can identify binary oppositions – for instance – love / hate, sick / healthy – in a text. Secondly, one can identify terms, phrases and metaphors which are present in the text to see how the text is the product of particular discourses. Finally, to identify discourses one can also consider the human subjects spoken about in the text. The above pointers can be used as tools involving a sceptical reading of the texts leading the researcher to ask 1) why these particular binary oppositions, why these terms, phrases and metaphors, why these subjects? and 2) which other language(s) could have been used? and 3) to then provide a detailed reading of the way in which these features of a text work to achieve certain effects (Terre Blanche, Durrheim & Painter, 2007).

Discourses have the effect of both limiting and enabling certain kinds of action and subjectivity. Texts do not operate in isolation, but are embedded in contexts. The aim of analysis is therefore to examine how discourses operate in a body of text, and this aim is achieved by showing how discourses relate to other discourses, and how they function on different occasions across different contexts. This requires one to be sensitised to context and interpret the context of the text to know what actions are being performed (Terre Blanche, Durrheim & Painter, 2007). According to Fairclough, Wodak and Ludwig (as cited in McGregor, 2003), discourse can be interpreted differently by people because they have different backgrounds, knowledge and power positions – therefore it follows that the right interpretation does not exist whereas a more or less plausible or adequate interpretation is likely.

In this research a discourse analytic approach will explore ways in which systems psychodynamics operates in the world of the fund manager. The following steps were followed in analysing the data gathered during the course of the Listening Posts:

Step 1: Exploration of the data

According to Fisher (2006) the raw data, referred to as protocols, are read a few times until a sense of the totality of the data has been obtained. It is important to keep track of themes, hunches, interpretations and ideas.

Step 2: Defining and preliminary labelling of meaningful units of data

The next step is to create a list of preliminary coding categories or category system. Different themes emerging from the data are sorted under particular topics representing the coding category. This process helps to simplify the complexity of the data into a more manageable format.

Step 3: Labelling of meaningful units of data

During this step the researcher looks for convergence in the universe of patterns, i.e. ascertains which things go together by looking for recurring regularities in the data, and those which can be grouped together are labelled. Several interrelationships may exist between the coding categories and it is possible for a single coding category to be placed in more than one pattern category.

4.4.7 Strategies employed to ensure quality data

Attention to issues of trustworthiness, validity and reliability in determining the quality of a qualitative research study is critical to ensure a worthy outcome. The validity of a qualitative research study is referred to as trustworthiness by Marshall and Rossman (1995), based on Lincoln and Guba's (1985) reference to the truth value of the study.

To establish the trustworthiness of a study, the researcher must maintain continuity and congruence among all the elements of the qualitative research process. This will ensure the integrity in the research (Terre Blanche, Durrheim & Painter, 2007). Lincoln and Guba (cited in Jones, Torress & Arminio, 2006) stated that congruence refers to issues of commensurability (the relationship among all the elements in the research design) and continuity is the ability of the researcher to be consistent throughout the research process. According to Babbie (2007) the trustworthiness of qualitative results can be described in terms of the authenticity and accuracy of the data. It consists of the four factors discussed below, namely credibility, transferability, dependability and confirmability.

- **Credibility**

Credibility is an alternative to internal validity which is to demonstrate that the subject was accurately identified and described. According to Lincoln and Guba (1985) an in-depth description will be so embedded with data that it cannot help but be valid within the research setting, population and theoretical framework.

In this interpretive research, the researcher was the primary instrument for both collecting and analysing the data (Terre Blanche, Durrheim & Painter 2007). Therefore the credibility of the study was enhanced in both collecting and analysing the data owing to the applicability and level of the researcher's qualifications, competence and experience. Terre Blanche, Durrheim and Painter (2007) wrote that in reporting on qualitative research, the challenge is to show how one used one's subjective capacities, and where one may have lacked the necessary empathic understanding to make proper sense of the phenomena being studied.

- **Transferability**

According to Marshall and Rossman (1989) transferability refers to the applicability of the findings to another setting or population. It is viewed as the alternative to external validity or generalisability, which is often seen as a weakness of the qualitative approach. To mitigate this weakness the researcher can refer back to the original theoretical framework to be guided by concepts and models, congruent to the theoretical parameters of the research. Providing detailed information on the research procedures used, helped to create a good foundation for transferability and will allow other researchers to use the findings (Terre Blanche, Durrheim & Painter, 2007). Furthermore, multiple sources of data were used to enhance transferability (Lincoln & Guba, 1985).

- **Dependability**

Dependability is the alternative to reliability as it reflects the surety that the findings will be replicated if the study were conducted with the same participants in the same context (Marshall & Rossman, 1995). Reliability is the degree to which the results are repeatable (Terre Blanche, Durrheim & Painter, 2007). In this research the accuracy of the research methods and techniques were meticulously attended to (Mason, 2002). The four variables, namely the researcher, the participants, the instruments used and the acknowledgement of context, were also adhered to (Mouton & Marais 1992).

- **Confirmability**

This relates to the traditional concept of objectivity. To enhance confirmability the researcher shared her interpretations with a colleague (a “third ear”) who listened to and reflected and hypothesised on the researcher’s experiences from an objective space. This also highlighted the counter transference in the researcher’s functioning (Czander, 1993).

Table 4.3 provides a summary of how the credibility, transferability, dependability and confirmability of the study are considered to have enhanced the trustworthiness of the research.

Table 4.3 Trustworthiness of the study

(adapted from Lincoln & Guba, 1985)

Characteristic	Description	Application in this study
Credibility	<p>Careful selection of the setting, population and theoretical framework and in-depth description embedded with data.</p> <p>Researcher credibility.</p>	<p>The research paradigm selected for this study was clearly described and referred to in the findings and was embedded in the data arising from the Listening Posts.</p> <p>The experience, competence and qualifications of the researcher were considered.</p>
Transferability	<p>The clarity of the theoretical parameters of the research is relevant.</p>	<p>The research questions and research aims were clearly formulated.</p>
Dependability	<p>The researcher attempts to account for changing conditions in the phenomenon studied.</p> <p>Consideration is given to the researcher, the participants, the context and the instrument used for measurement.</p>	<p>The background to this study and the description of theory in the field of systems psychodynamics accounted for changing conditions in the phenomenon studied.</p> <p>The researcher's credibility as industrial psychologist and OD specialist is important in understanding the ability to make interpretations with sensitivity regarding conscious and unconscious behaviours.</p> <p>The participants were assured of the ethical use of data. The anonymity of the participants has been guaranteed.</p>

Confirmability	Objectivity is the sense that the findings will be confirmed by another person, i.e. making use of a “third ear”.	Objectivity was enhanced as the findings were confirmed by an expert in the field of systems psychodynamics, i.e. making use of a “third ear”. The seasoned investment professionals who participated in the Listening Posts were invited to generate hypotheses in the second part of the Listening Post and these were included in the data set.
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- **Ethics**

According to Terre Blanche, Durrheim and Painter (2006), research ethics have been established to protect the welfare of research participants. It also extends into areas such as scientific misconduct and plagiarism. Beauchamp and Childress (cited in Terre Blanche, Durrheim & Painter, 2006, p. 67) identified four widely accepted basic ethical principles applied in various ways to determine whether research is ethical: 1) Autonomy and respect for the dignity of persons; 2) Non-maleficence (i.e. to ensure that no harm befalls research participants); 3) Beneficence (i.e. maximise benefits which the research will afford participants or society through knowledge gained); 4) Justice (i.e. participants are treated with fairness and equity during all stages of the research).

According to Jones, Torress and Arminio, (2006) ethics are usually protected by means of principles and promises such as confidentiality, anonymity, informed consent, avoidance of deception, respect, privacy and “do no harm”.

Of primary ethical consideration in the research study was the anonymity and privacy of the participants. Informed consent was established with all the participants at the beginning of each Listening Post by assuring them that their contributions would be treated with anonymity and the strictest of confidentiality. Participation in the Listening Posts was also voluntary. The

research parameters, objectives and methods of the research were also submitted and agreed upon at the commencement of the project by the researcher's promoter, a research subject authority. The data analyses were also taken back to some participants as a "sounding board" to establish whether interpretations made sense.

4.4.8 Reporting

The findings were presented in a qualitative and a narrative style. The themes were described and followed by a discussion and a working hypothesis for each. Towards the end these were integrated into the research hypothesis.

4.5 CHAPTER SUMMARY

This chapter presented the methodology of the research. The research approach and strategy were discussed. Then the research method was described with specific reference to research setting, sampling, data collection, recording of data and data analyses. Finally, consideration was given to the strategies employed to ensure quality of data, ethics and reporting of the study.

CHAPTER FIVE

RESEARCH FINDINGS

5.1 INTRODUCTION

The purpose of this chapter was to report and discuss the research findings in terms of themes and hypotheses. Each theme was integrated with literature and a working hypothesis was formulated. These were finally integrated into the research hypothesis.

5.2 ANXIETY

Anxiety is accepted as the basis of all organizational behaviour (Menzies, 1993). In order to cope with this, the participants unconsciously needed something to contain the anxiety on their behalf. Defence mechanisms are used to assure the system that the situation or workplace is safe and accepting (Cilliers & Koortzen, 2000).

Anxiety which is not made conscious can be most harmful, for one can never know exactly where it will lead to, and it will always lead somewhere – to a defence mechanism such as projection or to obsessions and addictions or to the body having to manage the anxiety (Hollis, 1940). Mental conflict can be anxiety provoking, but one should not forget that the contact point at the boundary is where awareness arises (Stapley, 2006). Systems psychodynamics do not see anxiety as a disease, but more as a driving force or dynamo for the group's performance, creativity, innovation and coping ability. The participants experienced all of the afore-mentioned.

Performance anxiety

Performance anxiety is a social anxiety disorder manifested via various signs and symptoms (Nicholson & Torrisi, 2006). It usually affects people who are

afraid of performing in public, such as public speakers and musicians. A paralyzing fear is a common symptom associated with performance anxiety. It may appear in the form of stage fright or actions similar to those of a deer caught in headlights due to the fear of humiliating oneself or being rejected by others (Nicholson & Torrisi, 2006). Some participants did experience this.

At the root of performance anxiety is a drive towards an unattainable perfection, with extremely high, if not impossible expectations for oneself. Some participants described their experiences when under pressure to perform as follows:

“...One sees in the junior analysts when they are asked to give an opinion, you can see the terror in their eyes. They have to jump through quite a few hoops before people listen to them”.

People who suffer from anticipatory or performance anxiety are terrified of being “ordinary” and the surfacing of a flaw, such as a tendency to make the wrong call, could send them spiralling into a collapse (Nicholson & Torrisi, 2006). It typically runs parallel with obsessive thinking about what may go wrong, how one could fail or be harshly judged before an event has even happened, for example, *“In our case our daily job is to manage portfolios and actually you simply never know what is going to happen tomorrow”.*

The performance anxiety responses highlighted the severe fear and anticipatory anxiety participants experienced. A result of the extremely acute waking anxiety was that it even disturbed the participants concerned during sleep, for example, *“I have quite vivid dreams and I wake up with my heart racing, but I won’t remember what the dream is about, but it will take me about half an hour to get my heart rate down”* and these participants were forced to respond mentally and physically to it by means of dreams.

5.2.1 Defences against anxiety

The findings indicated defence mechanisms in the responses of the participants. The experiential and unstructured nature of the Listening Post model allowed the participants to explore the nature of their world of work and this triggered anxiety in some of the participants. The anxiety was contained by means of several defence mechanisms such as projection, splitting, denial, dependency, fight and flight reactions, idealisation and humour.

Defences are key concepts in the systems psychodynamic model and are a part of life. Urges to express oneself compete with urges to avoid disclosure to others. Aims to pursue maximum satisfaction are sometimes thwarted by aims to live safely (Horowitz, 1998). Shapiro and Carr (as cited in Cilliers, Rothman & Struwig, 2004) stated that defence mechanisms are used by the system to counteract anxiety; hence avoiding pain and gaining a sense of safety and security.

Three types of defensive structures manifested, namely Individual defences, Social defences and System Domain Defensive structures.

5.2.2 Fight and Flight (baF)

The findings indicated that some participants reverted to basic assumption Fight and Flight (baF) responses in an effort to cope with discomfort. This enabled them to either fight with or flee from a real or imagined enemy – one's most primitive defence (Hollis, 1940). One usually flees from that which one finds overwhelming and one learns to distance oneself from painful realities – "Out of sight, out of mind".

Another unconscious assumption is that the organisational world is a dangerous place and organisational participants must resort to Fight or Flight defence mechanisms such as an outlook of avoidance or attack (Kets de Vries, 2006). As evidence participants reported the following Flight responses:

Some participants externalized (a form of projection) their own internal problems and thereby channelled emerging anxieties outward. The Flight into “law”: *“one of the frustrating things is that there is never really an answer and what I mean by that is that certain other jobs are and I’m not saying that law is easy, but if you are a lawyer and somebody presents you with a problem and I think 9 out of 10 times, the combination of statute and case law there probably is an answer”*; into “sport”, “play”: *“Take the comrades marathon...”* and *“I am going to put another cricket analogy on the table”*; and “history”: *“I have been in the investment business for close on 30 years”*. Idealization (to portray something as ideal) among participants reinforced the righteousness of their cause and the group’s identity. Idealization is a defence mechanism splitting something about which one is ambivalent into good and bad. The-us-versus-them language in, for example, *“I think you have to be suspicious of management, depending on the track record, the smaller the company, the more suspicious you are” ... laughter*, could have inspired a sense of unity, but may have had a false meaning and may have been used as a safe escape route to avoid critically evaluating themselves.

Some participants also used depersonalization as a defence to manage their anxiety, that is to say, they detached themselves, causing them to feel that they were looking at their lives as observers. Depersonalisation is described as a feeling of watching oneself act while having no control over a situation. It was as if the distancing of detachment was essential to handling a stressful experience (Hollis, 1940).

5.2.3 Dependency (baD)

The group’s move into basic assumption dependency (baD) was evident as some participants asked for explanations and direction from the facilitator as authority figure regarding the process and agenda, for example *“You mean you are not going sequentially?”*, *“Are we just going to take this one question? Are we talking about this one question the whole time?”*.

Some participants also reverted to dependency as a defence to contain their anxiety with regard to issues such as acceptance and how well they were performing in comparison with the previous group, for example *“Was this morning’s session exactly the same? Is this just a carbon copy of it in terms of the questions asked? Was it intended to be taken as interchangeable? How different was the outcome as you are busy with different dynamics?”*

The dependency responses emphasized the confusion which these participants experienced as they attempted to understand expectations, for example: *“Did the meeting meet your expectations?”*, *“But shouldn’t you be telling us what themes come up?”* The researcher had to resist these unconscious demands of the group. Groups relying on what Bion (1961) labelled the dependency assumption were looking for a strong and charismatic leader/organisation to lead the way – someone who could offer protection and guidance similar to that offered in earlier years by parents (Kets de Vries, 2006).

Some participants used linear thinking as a defence against complexity or complex thinking and this also contributed to dependency (daB) responses. For example, linear thinking was initially used as a defence in trying to cope with the discomfort of the experiential and limited structural nature of the Listening Post model.

Some participants talked about friends who assume – at an unconscious level – that the investment professional can and should offer protection and guidance similar to that offered in earlier years by parents, for example: *“What I get from friends, all the time, is to say should I get out of Coronation into this? And what I am saying is that it is like an Olympic 100 metre race, that all the runners are good, but at the end of the race some will be a 0,1 second ahead of the other, but in fact as long as you are in that race, you are going to do okay”*.

This dependency assumption on the part of friends looking for someone to “lead the way” may lead to their viewing the investment professional as

omnipotent. The investment professional, if not aware, could by means of projective identification take up the role of “guru” and act in a superior way and believe that he or she is “special”. If this pattern of behaviour occurs in a variety of contexts, it may lead to narcissistic tendencies.

5.2.4 Humour

Some participants used humour and laughter to protect themselves against painful conflicts and the depressive effect of getting it wrong, for example: *“Because you know you are one second closer to getting it wrong again”...laughter* and *“Don’t start drinking until about 10:30...”*

Some participants also used regression to earlier times in their lives in order to circumvent thinking about current conflict, for example: *“I sleep like a baby – I wake up every hour crying”*. Humorous responses were also made during the Listening Post to overcome stressful and anxiety-provoking situations, for example: *“He talks about waking up every hour, and I don’t know if he is joking, but the reality is that when things are not going well, 03h00 wake ups are quite common”* and *“It becomes quite lonely in the lounge watching the Asian Market opening”*, indicating that participants used humour as an adaptive defence mechanism. Some participants used humour to defend against their experienced anxiety manifested in survival and performance anxiety (Nicholson & Torrisi, 2006), for example, laughing away the fear of not being good enough or fear of failure.

Humour also functions as a counter to anxiety and emotional distress by creating a more positive mood (Blackman, 2004). Humour therefore facilitated group cohesion, for example: *“You could always have a braai at your house on Sunday”...laughter... You can come there, but I’ll be playing golf”... laughter; “Generally, I don’t think we are too suspicious of each other as colleagues, but we are suspicious of people coming to ask for money”...laughter*, and this assisted with the flow of ideas in the Listening Posts.

Freud developed the idea of humour as a more mature defence mechanism than wit. Freud wrote that “humour” is a means of obtaining pleasure in spite of distressing affects (Vailant, 1992). When humour is used to start kidding around in order not to have to think about how upset one is, it can be used as a defence, for example: *“So there is life at the end of the tunnel for us?”*, *“Sharp edge of capitalism”* or *“They see us as leeches”... laughter.*

However, humour is not always a defence because it could purely be used for the pleasurable aspect of it (Blackman, 2004), for example: *“You obviously haven’t been to a psychologist?” Laughter... “I told you it is a loaded question”.*

5.2.5 Denial

It was suggested by participants in the Listening Post that their success has nothing to do with competition and that they should therefore deny the competitors, for example: *“It has got nothing to do with our competitors – our success is to service the client and if we service the client well, then we will be successful”.* The denial was perpetuated by suggesting that one should keep clients happy with the softer aspects, thereby further denying that complexity occurred, for example: *“If you keep them happy with the softer aspects and if you deliver a better return then you would have ultimately serviced their needs more appropriately”.*

Furthermore, in the participants’ workplace the fantasy is that everybody is happy and that there is harmony irrespective of the containment required by some participants, and the internal conflicts in individuals, for example: *“Where you get debate that sort of escalates, what you don’t want is for individuals to take that personally, so within that environment you have to almost reach consensus and make everyone happy even though you have conflicting views”.* Thus when conflict arises in the work environment or team, they use denial and avoidance as a defence against feeling incompetent, vulnerable and an inability to deal with the dynamics of managing relationships. Ultimately the potential to move to more productive and deeper levels of relationships and therefore a high performance team (for example

high on task and high on people) is denied in the process (Blake & Mouton, 1964).

It seemed as if denial was one of the best known/understood defence mechanisms and used to describe those who seemed unable to face reality or admit an obvious truth. Participants disavowed reality in spite of overwhelming evidence of its existence (Blackman, 2006). Denial functions to protect the ego from things with which the individual cannot cope and it required a substantial investment of energy (Blackman, 2006).

5.2.6 Rationalisation

One participant used rationalisation as a defence mechanism to reflect on his past career, for example: *“...and if I had my time again, there is absolutely not a shadow of doubt that I would do the same thing”*. Rationalization not only prevents anxiety, it may also protect self-esteem and self-regard. Another participant used rationalisation as a defence against money, for example: *“I saw a great quote on our jobs. It was one of the Allan Gray guys who said we are paid to worry about other people’s money”* and *“the quantum of money that you can make or lose at any decision is far bigger than you ever get involved in any other sphere of life”*. When money became the issue, these participants defended against the experienced anxiety by resorting to rationalisation.

Here rationalization as a defence mechanism could explain unacceptable behaviour or feelings in a rational or logical manner, avoiding the true explanation for the behaviour (Blackman, 2006).

5.2.7 Splitting and Projection

During the Listening Posts many psychodynamic splits occurred. Projection occurs when an individual or group disowns undesirable parts of the self, because the complexity of holding these parts inside is too alarming or painful (Cytrynbaum & Noumair, 2004). For example, some participants tried to split

off and project those parts of themselves perceived as bad, such as their fears, conflicts and bad feelings – working on own versus working in a team, split between guru and follower, simplicity versus complexity, short term versus long term, right and wrong; non-coping with organisational demands and splits between different departments (i.e. support staff versus investment team). Hence external figures or examples who were both good and bad were created in order for the insider (participant) to feel safe and secure. It is doubtful whether these participants recognise the manifestation of this defence mechanism and are able to work on it consciously.

In the example below the participants concerned engaged in splitting off working individually (independent thinking and/or high conviction) versus working in a team (being humble enough to discuss one's ideas with other people): *“My view is that there are merits to both because I think one of the characteristics I would most highly regard in professional investors is the ability to think independently without influencing other people, and I also think it is quite good to be humble and to test your ideas with other people, because nobody is right all the time. It is a balance between sticking to conviction and also bouncing off others, but both are very important”*. Although it is a good example of splitting, it is not clear what is possibly projected. It, however, indicates the characteristics required to drive the balance in order to function effectively.

Some participants used the analogy of sport, rugby versus cricket, to illustrate the splitting of working individually versus working in a team, for example: *“I think cricket to me is an example of a team sport which is actually a team sport but you work individually. A batsman goes out there and he has to face the ball on his own and he either scores a zero or 150, depending on whether he has a great day or a terrible day. It is actually a bit of an individual sport in a team context. It is not like rugby where you pass the ball to each other every time and every 5 minutes go into a huddle, or you scrum, or stand in a line”*. It follows that when functioning as an individual when playing rugby there are risks, for example, when referring to the aggression and “messiness” in playing rugby (i.e. huddle, scrum or stand in line). The risk can

even involve being injured. When working as a team (i.e. playing cricket) it entails a degree of uncertainty, in that one could either be a zero or a hero (i.e. one either scores a zero or 150). Therefore in the work environment one's performance can fluctuate between good/great performance versus terrible performance.

The above psychodynamic splitting and projection may link to participants sense of self or identity. According to Stacey et al. (2000), human identity has two separable interwoven aspects, namely individual and collective identities, or "I" and "we" identities. Therefore interacting "I" identities are simultaneously forming into and being formed by "We" identities. The two identities are one, but paradoxically, also separate. It is the opinion of the author that the participants' sense of identity was paradoxically impacted by the integration of these opposites.

The response below reflects how during tough times such as a credit crunch icons or gurus are needed to cope. There is a need to project one's "guruness" or authority to cope onto a guru like Alan Greenspan. During tough times there is an increase in uncertainty and therefore an increase in anxiety. To defend against this anxiety and to survive, idealisation is used whereby the icon's or guru's authority to cope is overvalued and thereby disavowing the authority to cope within oneself:

"Last night, I was watching Alan Greenspan at 10:00 and he was saying that it is a once in a 100 year event the credit crunch that we are working through and if Alan Greenspan is right, I don't know, but he is a good authority than 100 years is a long time, so may be it is different".

During the discussion there was confusion between what is right and wrong, good or bad and making it or not in the industry, for example: *"Actually there is no definition of what is wrong or right in our industry because you can be wrong for a year and be at the bottom of the lead tails and yet with the same position you can be not wrong and a year later you are actually right. The classic example of the not having bought internet shares in 1999 you would*

look very stupid and be at the bottom of the lead tails, but if everyone sort of maintained their position by and large you would have been top of the lead tails, so were you wrong or were you early?" To defend against this confusion in the work environment, some participants used intellectualisation and presented it in a paradoxical way, thus making it difficult to assess. Intellectualisation is where reasoning is used to block out emotional stress and conflict (Blackman, 2004). The participants also philosophised by referring to a "classic example" to indicate that the above issues were beyond their control and therefore they did not have to address these issues. They could feel emotionally uninvolved, safe and in control.

The support staff seemed unsure about the role of the investment team. One participant said that *"they (support staff) never have any access to the guys in the investment team, they have this very jaded view of what guys in the investment team are or do, and how they have little regard for everyone else"*. In order to defend against the unwanted feelings or fantasies, the support staff projected importance, power and status onto the investment team members to contain the anxiety on their behalf. By means of projective identification the investment team members took on the projection and acted congruently to the received projection, i.e. became arrogant and acted it out. The basic assumption group (Bion, 1961) was one of Fight characterised by destructive competition. All of this led to polarisation between the support staff group and the investment team because each group carried things on behalf of the other. Ceasing "scapegoating" the other would have enabled the two groups to deal with their primary task.

According to Cilliers, et al. (2004), projection happens when the system puts (projects) its own unacceptable or bad psychic material onto another part of the system, which could be another group member or an object representation. By projecting outside of the group (i.e. support staff), the natural boundary between insiders and outsiders is exploited and it distorts the boundary between what is inside the group and what is in the environment, thus distorting reality (van Eeden, 2010).

Finally, the participants discussed the fact that the world describes them as leeches and parasites (*i.e.* “*They see us as leeches*”; “*careful they will suck you dry*”). The approach was that on a psychodynamic level they become the target for the world’s envy, for example, “*Yes leeches we are. Parasites*”. According to Long (2008), envy is often regarded as one of the most destructive of emotions and describes the angry feeling felt towards something which another person possesses and enjoys – something desirable. Envy wishes to spoil and destroy the very quality envied. In turn the investment team members, by means of projective identification, took on the “garbage” of the word and defended against the anxiety by operating emotionally detached, making them seen as preoccupied, distracted, withdrawn and lonely.

It follows that the image built around the concepts of high performance, team-based settings may be built around utopia and unrealistic images of humanity. The comments of Charles Handy (1996) about the qualities of a learning organisation apply: The learning organisation is built upon an assumption of competence supported by four other qualities or characteristics: curiosity, forgiveness, trust and togetherness.

It seems that participants’ reverting to splitting (one thing into opposites, the good and the bad) and projection to cope with distressing anxiety may have led to bad internal objects and impulses being put into particular members or sub-groups as a means of obtaining relief. This may lead to a downward spiral of fragmentation and persecutory functioning capable of paralyzing an organisation (Krantz, 2005).

5.2.8 Competition

Competition is constructed for the purpose of determining winners and losers. Therefore competition carries the emotional significance associated with playing a game (Levine, 2006). Clearly much of the language used by participants to describe organisational life invoked play of the kind people associate with games: competition, teams, strategy, for example: “*This*

industry, if you allow it to atomise, everyone becomes their own person paddling their canoe and you cannot rely even on the guy at his right shoulder. I think it's a recipe for early death compared to – you can have all the positives we've described today with much less tension" and "I mean the world of finance is competitive".

According to Levine (2006), an unhealthy license to compete, results in organisations acting on their greed and envy. Perhaps as important is how the competitive construction of the world also impairs this organisation's ability to make contact with reality. Two aspects which may impact on the organisation's ability to make contact with reality are a lack of empathy and the use of language related to games to create distance from the emotional reality of the workplace. On the other hand, where all competition is stifled, this is usually at the expense of creativity and freedom to experiment, leading to reduced performance of the system. Participants did experience this.

In their world of work the participants compete, each with every other, for power (i.e. to prevail over, to dominate or control) to be exercised against the others who mutually strive for that power, again and again and always making competition a continuing, continuous everywhere present striving to be (Munyon, 2006). Participants discussed the competitive nature of their world of work during the Listening Posts, for example: *"Well I think for me this industry is quite an anomaly because the harder you work, the worse the outcome can get" and "As individuals you're remunerated on your stock call and individual performance whether you get things right or wrong and what tends to happen in any job where you have high intellectual capital and you have different personality clashes and people are being remunerated on how effective their calls were, you get a lot of competition, so the dynamic in this environment is a very competitive environment – not only individually, but within the company as well and what tends to happen is that egos come up, but what tends to happen is sometimes the competitive nature overrides and you get a lot of people in the industry moving around. It is one of the few industries where you would see people working for various asset managers and from almost a psychological point of view, its one of the things when you*

join, you see upfront how competitive everyone is". References were made to the competition for scarce resources (i.e. remuneration), competition with self, as well as the fact that some members have more status, authority and greater opportunities for gratification than others.

These competitive forces seem to attract a certain type of person to this role, one who is highly intelligent and needs the adrenaline rush to overcome the impossible. If one changes the competitive forces, a different person may be attracted. However, it is uncertain whether a different type of person will be successful in the role. The above provides some insight into how the system sustains itself through the Basic Assumption Fight: Anxiety is contained in this way so that performance is enhanced. Following from the above it is difficult to create the ideal relational work environment considering all the competitive forces at play. However, the organisation embarked on a Culture and Values Transformation journey to build a strong adaptive culture which will foster a more healthy work environment. This required relational reparation work.

According to Gordon (2006), competition is always at play in social groups, both large and small. In order to compete effectively, participants need to recognise the otherness of the other and appreciate all his/her strengths and weakness for the participant to apply himself/herself appropriately in relation to that other. Therefore the ability to compete with another who is more or less equally matched with regard to the aspects in respect of which one chooses to compete, is a sign of recognition of the other in all aspects of uniqueness (Gordon, 2006).

5.2.9 Social defences

Some participants reported that they are employed on a daily basis "to get it right", for example: *"It's almost as if, if you do get it right, you kind of expect it, I mean that's what you are employed for, so you should get it right and therefore if you get it wrong, then it is sort of not acceptable. So I find that what I get right versus what I get wrong – the emotional swing is bad on the downside, but not as dramatic on the upside"* and *"this industry in my view, is*

only about right or wrong. You can be the cleverest guy in the world and put in the most work and what only matters are if you get the share right or wrong." As a means of coping, individuals defend themselves by means of denial. By means of repeated splitting and denial of feelings of incompetence and limitation, a norm develops. The norm is verbalised as "getting it right": The resulting norm which is verbalised as "getting it right" indicates the denial is a Flight into being perfect.

When defences such as splitting, projection and denial become contagious and are adopted organisation-wide, such defences become social defences (Kets de Vries, 2006). Examples can be new structures, new systems of relationships within the social structure implemented to help people deal with anxiety – often at the expense of the primary task of the organisation. Such defences can hinder the performance of the team.

One participant described the mismatch between his self-perception and what the work group required from him in order to fit into the environment: *"So in the end you adopt an introverted persona which I think I am gradually going there, which in actual fact the moment that I walk out of the building, there is a hell of a lot of things that I am interested in and think of, but you can't bring those energies that drive you into the environment because it is not that type of environment, so you kind of dictate the type of individual you are going to become. So in a sense your environment and colleagues will dictate your success"*. This incongruence created anxiety and his avoidance of being himself acted as a defence against being vulnerable or different and therefore by means of projective identification he took on and took in the projections of the other and acted them out.

Here the basic assumption groups are We-ness (sameness) and Me-ness (individualism). A degree of matching between the individual's defences and the social and/or group defences is required for an individual to retain membership of the organisation. It is highly probable that the system forces members into We-ness, for example: *"you adopt an introverted persona which I think I am gradually going there"*. If the gap is too large and the individual

continues to operate from his or her own defences, then other members will find it intolerable and reject the person. If the individual tries to behave in a way consistent with organisational defences as opposed to his or her own pattern of defence, he or she will experience anxiety and will most likely leave (Menzies, 1988). In the above case the participant actually eventually left the system which may provide further evidence of his internal dissonance.

Social defences serve to assure the organisational participants that the workplace is really safe and accepting. To a degree social defences are helpful, but when it becomes the organisation's dominant mode of operation, they become dysfunctional and can become bureaucratic obstacles. Once entrenched, they have cultural implications for the whole organisation and may lead to a culture of indecisiveness, passive-aggressive behaviour patterns, etc. It also replaces compassion, empathy, awareness and meaning with formality, control and impersonality (Kets de Vries, 2006). It is, however, not suggested that this was completely the case amongst participants here.

5.2.10 Domain defences

Bain (1998) widened the definition of what he termed a "system domain" to include all the institutions with a similar primary task. The system as a whole will generate similar organisational defences because of similarities in organisational design arising from shared policies, procedures and legislation. Organisations within the system domain are likely to have similar social defences against anxiety.

These defences are then termed domain defences because they may be common to the industry (Bain, 1998). These defensive patterns aim to protect participants in the domain from anxiety associated with the work. The anxieties associated with the type of work of the participants in the study arise from fear of failure, feeling exposed and vulnerable, not only to judge, but also to being judged, as well as feelings of shame, and continuous competition all the time, for example: *"The flip side of the whole argument which is correct is that although you never know whether you can be right and you are judged*

every month whether you are right or wrong. There is a whole industry out there and we are constantly judged with the ranking tables”

To defend against the negative feelings which they were experiencing, some participants used simplification, for example: *“this industry, in my view, is only about right or wrong”; “This industry is all about our judgement as a team or an individual’s judgement versus somebody else’s judgement, who is on the other side of the deal”,* as a defence. Participants felt exposed. Some reported that *“you are on the spot because everyone has their own view and in time to come people will know who was right and who was wrong”* and *“I don’t think there are many other professions that every month a weakness is called depending on what you want to cope with”,* and the pressure to perform is severe. It seems as though performance-related anxiety played a role, for example: *“I think one of the hardest things about this industry is because you are so measured you can tell who is better than you and this industry is made out of lots of intelligent people, so you actually have to beat the clever people. So to be the best or outperform you have to read things better than other people”,* and it is possible that these participants found themselves in the paranoid-schizoid position in order to lessen the negative feelings which they were experiencing. The split between right and wrong was an unconscious defence against performance anxiety in the system.

Domain defences associated with this type of work can take the form of “being right”. Some participants split their relationship with each other to focus on task (getting it right) rather than exploring the emotional impact of what a “can’t fail” image may mean, for example: *“So, the answer is that if you understand yourself, if you understand markets, for example, if you understand that you are not going to get everything right, sometimes you are going to get it right for the wrong reasons, sometimes you are going to get something wrong for the right reasons, and if you understand that, then you are okay. But if you don’t understand that, it could have very severe consequences, and what I said earlier on is that I have seen people destroyed by this industry, and in this company a couple of guys who were here before any of you guys were here, completely destroyed”.*

They described the tightrope between right and wrong and how this could destroy one emotionally if one does not understand it. It then follows: *“Here you are paid to be right, so if you take your own car and you drive into a wall, it’s fine, you can kind of forgive yourself. When you take someone else’s car here”*

Freud (1955, 1957) calls the projection of the possibility of returning to narcissism the “ego ideal”. If one becomes a person of a certain sort, the world will revolve around one and love one as it did when one was an infant. The person whom one holds oneself responsible for becoming, on the assumption that if one does so, one will return to narcissism, is one’s ego ideal.

Some participants used the underlying basic assumption of flight into phantasy. Their organization’s ideal is an image of everything being right and perfect. It is, so to speak, to be like God or have God-like status, masters of the universe, all-powerful and all-good. God does not make mistakes. Therefore they cannot be judged as this will mean going to jail or hell, not heaven. The organization ideal cannot be attained in reality. Attaining it would mean overcoming mortality, vulnerability and limitation. All of the above defines the human condition. The consequences of this “can’t fail” flight fantasy and the denial of reality, implying a return to narcissism, can become the motivational base of organizational life for participants. These narcissistic tendencies can lead to the setting of unattainable goals, for example: *“I think one feels there is no upside in this type of industry. The enjoyment you get out of getting something right, doesn’t anywhere near compensate the bad you feel when you get it wrong”*, block vital communication and lead to self-deception.

5.2.11 Discussion

The systems psychodynamic stance views anxiety – defined as the fear of the future (Cilliers & Koortzen, 2005) – not as a disease, but more of a driving force or dynamo for creativity, innovation and coping ability. The

pressure to perform in this industry is severe and performance-related anxiety often plays a role. It manifests in polarized thinking (seeing situations as either “right” or “wrong”). The split between right and wrong was used as a defence against performance anxiety in the system.

Some participants used psychological defence mechanisms to deal with anxiety (Obholzer & Roberts, 1994). These mechanisms function to distort reality and exclude feelings from awareness. Anxiety in this profession is contained by means of several defence mechanisms. These mental strategies were used by the participants to reduce anxiety thereby distorting reality and excluding feelings from awareness.

Three types of defensive structures exist, namely Individual defences, Social defences and System Domain defences.

Individual defences include the basic assumptions Fight and Flight (baF), Dependency (baD), Humour, Denial, Rationalization, Splitting and Projection and Competition.

The following Flight responses were reported: Participants’ Flight into “law” or “sport/play” by externalizing their own internal problems and thereby channelling their emerging anxieties outward. Depersonalization was used as a defence to detach from painful emotional content and this was experienced as looking at their lives as observers. By means of an idealization of the positive (to portray something as ideal) among participants reinforced the righteousness of their cause. This seems to be a projection of its narcissism and to avoid the disappointment of realizing the negative in the self.

Furthermore, some participants reverted to dependency as a defence mechanism to contain their anxiety with regard to issues such as how well they were performing in comparison with the previous group, direction regarding process and agenda, expectations, acceptance, etc. This led to

an immature dependency of the parental figure (e.g. the facilitator) (Bion, 1961; 1970).

Some participants used linear thinking as a defence against complexity, for example, linear thinking was used as a defence in trying to cope with the discomfort of the experiential and limited structural nature of the Listening Post model.

Humour manifested as a defence when participants needed to overcome stressful and anxiety-provoking situations such as the depressive affect of “getting it wrong”. It was also used for the pleasurable aspect of it and created a more positive mood and facilitated group cohesion.

Denial manifested where participants suggested that their success has nothing to do with competition. The denial was perpetuated by suggesting that one should keep clients happy with the softer aspects. This denial is a form of simplification and is blind to complexity occurring (Blackman, 2004). Furthermore, it was clear that when conflict arises in the work environment or team they use denial and avoidance as a defence against feeling incompetent, vulnerable, and an inability to deal with the emotional content of relationships.

Rationalisation manifested when money became the issue. Some participants used rationalisation as a defence against the anxiety caused by the subject of money. The underlying dynamic could be obsessing about money as a valid focus.

Immature defences (Bion, 1961; 1970; Blackman, 2004; Vaillant, 1992) manifested as splitting, introjection, projection and projective identification. Several examples of splitting manifested when conflicts, fears and bad feelings about the participants' world of work caused detachment from it, for example, such as working individually versus working in a team; split between guru and follower; simplicity versus complexity; short term versus

long term; right and wrong. The most pertinent examples discussed in section 5.3.7 were:

Splitting manifested with the polarization of the investment team and the support staff. As a coping mechanism, the support staff projected importance, power and status onto the investment team members. By means of projective identification the investment team members took on the projection and acted out in congruence with the received projection, i.e. becoming arrogant, acting out and detaching from the other. The splitting has created polar opposites of the two areas, i.e. support and core. This means that the two parts cannot integrate into a Gestalt experience, or coherent image (Klein, 1952). These splits have led to fragmentation of the organisation. Communication has suffered, anti-task behaviour has developed and conflict is prevalent.

Another example arose from the participants' discussion of the fact that the world describes them as leeches and parasites. On a psychodynamic level, projection is manifested in that the world attributes the bad object (negative and bad behaviour) to the participants in an attitude of envy, prejudice, rejection and externalization of the negative (Sievers, 2009). By projective identification the investment team members take on the "garbage" of the world and defend against the anxiety by operating emotionally detached, making them seem to be preoccupied, distracted, withdrawn and lonely to the outside world.

Socially constructed defences (Menzies, 1993) manifested in the basic assumption group of We-ness (sameness), for example: *"you adopt an introverted persona which I think I am gradually going there,"* to fit into the environment and to ensure harmony without exploring the manifestation and experience of disharmony and difference. Furthermore, with regard to coping with the daily pressure of *"getting the share right"*, participants defend themselves on a group level by means of denial. With repeated splitting and denial of feelings of incompetence and limitation, a norm has

developed. The norm manifests as “getting it right” and therefore the denial is a Flight into being perfect.

System domain defences (Bain, 1998), common to the industry, arise from the anxieties associated with the participants’ type of work such as fear of failure, feeling exposed, and being judged and vulnerable. *“We are not a nurturing environment and we are not a nurturing industry which means that sometime we get people coming in and not making it and the organisation gets accused of not nurturing, not training, not helping and, from the perspective of that individual, it may be a totally fair comment, but the counter argument which doesn’t make it right, is that that’s the way it is, that’s the way it is for all of us and that’s industry-wide, not the company”.*

To cope with these negative feelings, some participants used simplification of right and wrong as a defence. It resulted in a split between right and wrong as an unconscious defence against performance anxiety in the system. Therefore domain defences associated with this type of work appear to take the form of “being right”. The underlying basic assumption is that of a Flight fantasy of “can’t fail”. The industry ideal is an image of everything being right and perfect, or living up to a God-like status. The real dilemma is that this is a denial of reality and this implies that narcissistic tendencies can become the motivational base of organizational life for participants.

5.2.12 Working Hypothesis

The dynamic of the ongoing severe pressure to perform on the personal, organizational and industry levels results in anxiety and the use of defence mechanisms which enhance narcissism and this perpetuates the pressure to be perfect, “to get it right”, and to perform even better.



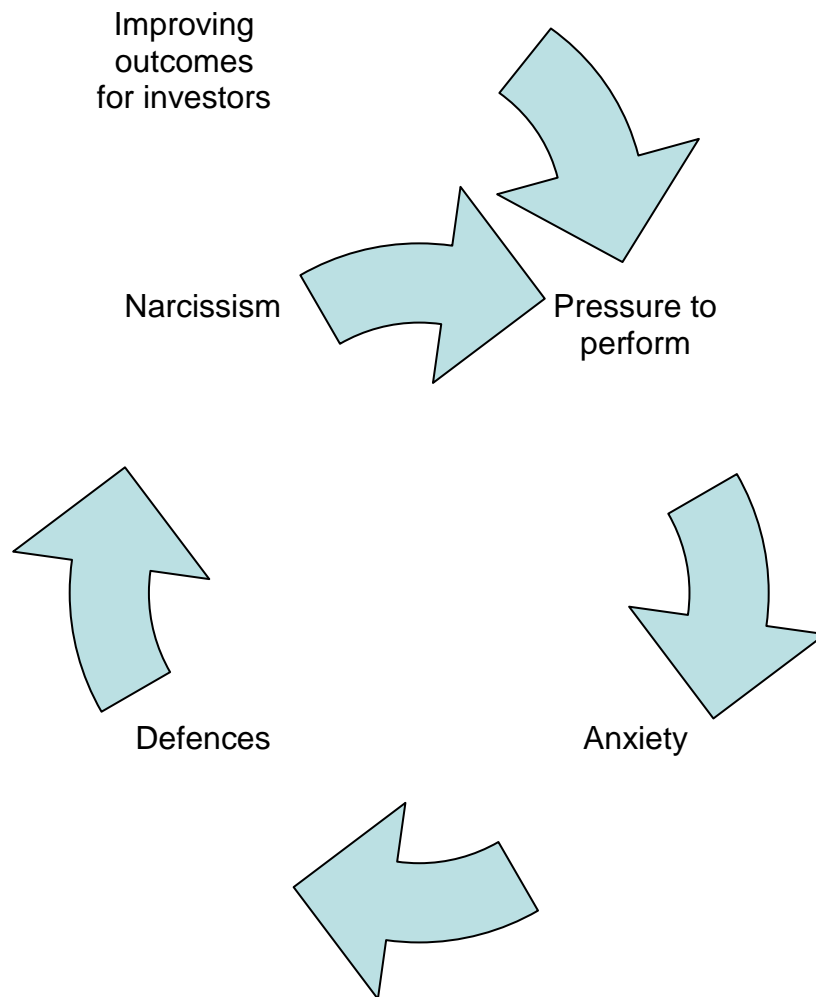


Figure 5.1 The vicious anxiety loop

The resulting vicious cycle (refer to Figure 5.1) may enable ongoing performance. But the question is at what personal cost to individuals and their own development. If the cost is too extensive, the performance may not be sustainable.

5.3 CONFLICT

Different types of conflict manifested on different levels such as intrapersonal, interpersonal, inter-group and intra-group conflict.

5.3.1 Intrapersonal Conflict

On an intrapersonal level, some participants struggled with being pushed and pulled in opposite directions, simultaneous forces of about equal strength. For example, one participant said: *“I mean we are also called upon to invest for the long term, but are measured over the ultra short term”*. Another remarked: *“I have seen people destroyed by the pressures that asset management creates, so it is one of those industries, in my opinion, that has high risks, but high rewards. The experience is a good one, a very good one, but it comes at a very high price”*; and *“...however it comes at a huge price, and in my opinion that price is the weight that one carries when things go wrong”*. Also: *“In this job you lose a lot and you make a lot”*.

The nature and outcome of the conflict taking place within the mind between the two sets of antagonistic tendencies results in anxiety. Stapley (2006a) stated that conflict simply means that two or more drives are opposed in a living situation.

There seems to be a significant mismatch between input and output, being told to invest for the long term, but being measured over the short term. One participant described their experience as follows: *“I think this industry is quite an anomaly because the harder you work, the worse the outcome can get. It is quite ironic”* and *“don’t start drinking until about 10:30...”*. According to Kets de Vries (2006), an individual experiences a conflict due to unacceptable feelings or desires creating anxiety and leading to defensive reactions. The exact nature of the unacceptable thoughts and wishes may not always reach consciousness. Nevertheless, they evoke anxiety. Defensive behaviour serves as a means of avoiding the awareness or experience of those unpleasant thoughts or feelings.

Some participants reported the overwhelming conflict between their job description and life. It especially manifested in the acceptance that they can never switch off because any information may be relevant to their work. For example, one participant said: *“I think the investment world is completely all*

consuming and I don't mean that from the point of view that you are sitting at a desk working. What I am saying is that everything is relevant, so if you are sitting in the evening watching TV and you are hearing about Zimbabwe, or about Iraq, or about some GP thing, you always have at the back of your mind: "Does that have an impact, does that have an impact"? So there is nothing, nothing that is not relevant".

Since conflicts are a core aspect of the human condition, one can expect it to play a substantial part in organisation life. Indeed, a degree of conflict is actually desirable since new ideas, creativity and innovation often emerge from exploring conflicts within the system (Da Silva, 2008).

Furthermore, according to psychodynamic theory people who grow up believing that their needs will be met (because of a secure attachment to their primary caregiver) will be more resilient and creative during conflict. However, people who grow up believing that their needs will not be met (because of an insecure attachment to their primary caregiver) are not able to trust themselves in conflict and will fear the fallout (Holloway, 2008).

5.3.2 Interpersonal Conflict

Some participants gave evidence that interpersonal conflict arises from competition amongst the investment professionals and the glare of the scoreboard. For example, one participant said: *"People in this career have 2 or 3 degrees and they will be top of the industry at some point in their life and they will be highly intelligent people, analysing or working against another highly intelligent person and there is this direct conflict and this gets measured"*. This results in the challenge of how competitiveness and cooperation can be suitably engaged into a state where competition and cooperation play with and against one another to achieve a balance which provides the desirable effects for the group to complete its primary task. The basic assumption group in this case was one of Fight characterised by destructive competition "working against" and continuous measurement:

Participants take up and act out the “Fight” and the institution is contributing to the “Fight” by individual measurement.

Furthermore, escalating debate (emotions) was viewed as a disturbance and dysfunctional. One participant said: *“If you have a functioning team and you have healthy debate when it’s a functioning team it is constructive, but where you get debate that sort of escalates, what you don’t want is for individuals to take that personally, so within that environment you have to almost reach consensus and make everyone happy even though you have conflicting views”*. It appears that participants would rather use a defence strategy of denial to avoid the conflict than view the conflict as a source for releasing intelligence.

Armstrong (2005) wrote that organisations are emotional and interpersonal places because they are a human invention, serving human purposes and dependent on human beings to function. As human beings the participants are subject to anger, fear, surprise, disgust, happiness or joy, ease and disease. The participants struggle to reveal this emotional world, as it emerges consciously and unconsciously in behaviour and fantasy. Insights can be gained from Freud’s Oedipal structure as, an example, of how unresolved psychological forces can be brought to play to drive an individual to compete inappropriately (Young, 2001). In addition, in accordance with Kleinian theory in terms of which projection is used to free the self from unwanted feelings, emotions can also lead to destructive interactions between individuals.

According to Da Silva (2008), one can expect increased levels of conflict when faced with large and/or anxiety provoking processes. The *Oxford English Dictionary* defines competition as “a mutual striving after that which both cannot have”. According to Levine (2006), competition legitimates the expression of greed and envy by means of the mechanisms of projection and projective identification and brings one to the implications of competition for the organisation’s emotional life, implications which may prove destructive or conducive to effective organisational functioning. It also brings one to consider the issue of ethics and what can be done to ensure ethical behaviour between

members of this group. Perhaps the participants were reacting from the paranoid schizoid position of trying to point out how well qualified and good they are (*“people in this career have 2 or 3 degrees”*), whereas the practice of measurement (*“the scoreboard”*) is actually to be blamed for their misery.

5.3.3 Intra-group Conflict

The participants used “sport” (cricket) and/or “play” as a metaphor to describe their experiences regarding their world of work, for example, *“I think you do get different kind of teams on sports fields and I think cricket to me is an example of a team sport which is actually a team sport but you work individually. It is actually a bit of an individual sport in a team context. It is not like rugby where you pass the ball to each other every time and every five minutes go into a huddle, or you scrum, or stand in line”*. Participants also described the sport-play metaphor as follows: *“Most investment teams are teams rather than a group of individuals, you do get some lone rangers, but they are the fringes of the industry for the most part. Cricket to me is an example of a team sport which is actually a team sport but you work individually”*.

This can be seen as a defence mechanism, namely sublimation (i.e. a way out) to counter the anxiety caused by the seriousness of the performance-driven work environment.

Sport or “play” also allows healthy outlets for aggression or anxiety: *“The cricket analogy is a very good one. At the end of the day we can’t all look at the whole market, but we can all have our little bit to play, so you, your specialists, your bowlers, your resources, your industrials and everything comes together, so I think it is a good analogy”*. The participants defended by engaging in a productive activity which, in part, symbolically represented the fantasy (Blackman, 2004). The interpretation follows that work is replaced by play and in Freudian theory this is referred to as the pleasure-pain principle. The pleasure principle states that people seek pleasure and avoid pain. Furthermore, as one matures, one learns the need to endure pain and defer

gratification because of the obstacles of reality such as work. However, this is a healthy defence mechanism, constructed by the ego, when the anxiety caused by the conflicting pressures of the reality become overbearing. The ego tries to ease this tension in a less threatening way (Freud, 1955).

The metaphor captured the attention of the participants and transformed diffuse emotions and blurred realities into a more concrete understanding of their experiences regarding their world of work, for example: *“Team implies interdependence. You can do this on your own, but you also need to do this with someone else”*. The sport-play metaphor connected the participants, for example: *“I think to survive in this game you have to take the internal conflict and stuff, because then the sense of responsibility will be much more shared when you are part of a functioning team”*, allowing them to share in the game, while at the same time addressing a critical issue regarding intra-group conflict.

Some participants also reverted to splitting as a defence strategy to cope with distressing anxiety levels. Bad internal objects and impulses may be put out there as a means of obtaining relief, for example, the split between differences such as cricket versus rugby; working individually versus working as a team. And the ethical conflict, for example: *“Our business is to service clients, but what we see as a business is to do better than our competition and I think that is unethical and wrong”* and *“As an industry, there is that continual conflict”*, describes how participants deal with the conflict between self-striving and their responsibility to others. When anxiety-provoking feelings are represented by symbolic objects and named, they become less threatening. One can better tolerate an enemy who is defined and in the open than an unknown enemy lurking in the shadows.

When an anxiety-producing relationship is symbolized and played with, participants come to a better understanding of some aspects of the relationship between them. Also, they begin to modify their perception of each other's role. For example, by means of the cricket metaphor, the participants

realised that their profession is a bit of an individual sport in a team context, just like cricket.

5.3.4 Inter-group conflict

The interpersonal relationships between the investment team and the support staff can also be seen in terms of the unconscious process of projective identification. This means that the behaviour of each group reinforced the behaviour of the other: *“A lot of the support staff said, look they never have any access to the guys in the investment team, they have this very jaded view of what guys in the investment team are doing, and think they have very little regard for everyone else”*. The relationship between the support staff and the investment team revealed a significant split. The basic assumption group in this case was one of Fight and Flight. The participants recognised their own behaviour and own up to it, but seemed to choose not to deal with it. This us-versus-them pattern was therefore reinforced and entrenched as a systemic given. They no longer saw themselves as participants in the Fight dynamic, but as victims.

Well-managed inter-group relations, including relations among sub-groups within a single team, can do much to improve both morale and effectiveness in an organisation (Obholzer & Roberts, 1994). Like individuals, teams have to contend with competing demands, aims and situations, all of which impact on team functioning. Conflicts between teams are often hidden by conflicts between individuals belonging to different teams and therefore the issue is likely to be systemic and systemic causes can be easily missed (Da Silva, 2008).

Another defence mechanism to be explored regarding inter-group conflict is transference and counter-transference (Shapiro & Carr, 1991). Transference occurs when memories of past situations and relationships (including urges, guilt feelings, and behavioural expectations) are unconsciously shifted onto the image of a current person or group. Then one reacts to the current person or group with defences one used in the past to deal with the same or similar

situations (Blackman, 2004). Transference is universal in human interpersonal relationships. Cilliers, et al., (2004) defined it as an unconscious repetition or replication in a more or less crystallised or fossilized way, of impulse, pain defence, internal and external object relationships as they occurred in the past.

The support staff group's unresolved conflicts (i.e. behavioural expectations, dependencies and aggressions) towards previous authority figure/s or groups are transferred to the investment team as if they are the previous figure/s or groups, and the investment team thereby unconsciously becomes the good or bad object. The basic assumption group of Fight and Flight manifests. The support staff blame and scapegoat the investment team with regard to issues of arrogance. The investment team recognises their own behaviour, but chooses to hold onto their own beliefs. They are left in a disconnected and fragmented world where people do not listen to each other, do not share realities and stories, where there is a competition for individual needs, a risk of participation and fear and anxiety of difference. This leads to an experience which is ego-driven and all about "me".

5.3.5 Discussion

Conflict in this profession exists at four levels: intrapersonal, interpersonal, intra-group and inter-group.

Intrapersonal conflict arises from the following opposing drives: mismatch between input and output; invest for the long term, but being measured over the short term; high risks, but high rewards; "lose a lot and make a lot" and no boundaries between work and life. The participants cope with intrapersonal conflict by Flight into detail and rigidity and avoidance of the unpleasant thoughts or feelings.

Interpersonal conflict arises from competition amongst the investment professionals and the glare of the scoreboard. Fight is used as a basic assumption group functioning. On the surface it may look as if they transcend the competition dynamics, but below the surface they may still engage in anti-

task behaviour. This defence strategy of denial is used to avoid the conflict. Escalating debate (emotions) is viewed as a disturbance and dysfunctional, therefore conflict issues are put “on hold” for the duration of the perceived threat after which things will return to normal, which in terms of the ACIBART Model means the paranoid-schizoid position for individuals and assumption group functioning for groups. The paranoid-schizoid position can be a source of energy and power for change, whereas the depressive position is a source of restraining guilt, and understanding of self and others (Bion, 1970). Exploring their own basic assumption group functioning as well as their collusion with projections may help them to remain on task.

Intra-group conflict arose from the following: work and play; team versus individual; and self-striving versus their responsibility towards others. This was expressed by the participants’ Flight into sport or play to cope with the seriousness and tension of their performance-driven work environment. They could function in assumption group One-ness (focussing on sameness in teams) as a defence against the anxiety caused by the external threat of the scoreboard, but they still have to do their primary task and they will not have resolved their other basic assumptions prevailing before the Flight into play. It may, however, help to control stress and conflict in the investment team, leading to a more functional, well-integrated team.

Inter-group conflict manifested in the split between the support staff and the investment team. The unconscious collusion dynamics of the “us-versus-them” pattern can be interpreted both from the position of the support function and the investment team. In the case of the support staff, the collusion may have been an unconscious passive-aggressive Fight-Flight defence against the anxiety of not being as smart and powerful (Gould, Ebers & Clinchy, 1999). The investment team recognised their behaviour and admitted it, but defended against the anxiety by avoiding the issue and therefore entrenching the split between functions as a systemic given in which they were no longer participants in the Fight-Flight dynamics, but victims. It therefore became an institutionalised Fight-Flight reaction.

Misalignment between different parts of an organisation in terms of roles, tasks, and identity can lead to authorisation issues and inefficiency. When one part of a system differentiates itself from another in terms of identity, roles and tasks, a psychological boundary is shared by those parts and can lead to organisational fragmentation (Stapley, 1996; 2006). Unconscious collusion dynamics should subside when functional boundaries and the purpose of the functional group become more important than identity group survival; when the splits in work groups based on identity group membership are overcome by the compassion which people from different groups develop for each other once they become better acquainted with one another; when identity groups stop feeling threatened by other identity groups; and when object relations are replaced by interpersonal relationships. In order to turn the split around, both groups need to take back and give back projections to move towards community building and enabling performance across functional groups.

5.3.6 Working Hypothesis

The experience of conflict on four different levels necessitates coping by using various defence mechanisms. This leads to anti-task behaviour and manifests in an imbalance: Whereas there is a fixation on the hard performance transactions such as financial analysis and stock selection, there is an avoidance of performance enablers such as relational aspects and collaboration. Ultimately this might have a negative effect on job performance.

5.4 IDENTITY

It was evident from participants' responses that there is a strong merge between competition and identity, for example, to be effective you need to compete. For example, one participant said: *"The satisfaction to see where you are relative to the competition, but it is a daily thing and it is probably the same, no matter where you are in your investment career, whether you are starting at the bottom or are at the top"*.



Participants' identity contained many splits, for example, in or out; right or wrong: *"People are being questioned and fired all the time"*; successful or not: *"We are probably in the most fiduciary capacity of anybody in any industry and we are dealing with serious amounts of money here, so that one's ethics, I think, have to be completely beyond reproach and clearly some of us fail from time to time and pay the consequence of that"*; all of which describe the struggle with the paradox in the identity. Participants described their industry as a premium industry and an appealing place to work, for example: *"it's a glamorous industry, it's a very lucrative industry, it's very exciting, you are on the pulse of the economy"*, *"it is one of the industry's where you plot the pulse of the economy"* and *"it is a hugely stimulating industry and it is almost addictive"*.

According to Czander (1997, p.74), "a stable sense of identity forms the foundation of individual wellness: a mentally healthy person is a person with a firm or secure self system, motivated by a striving for power, a realisation of basic idealised goals, and an ability to tap basic talents and skills that are consistent and capable of forming an arc between the person's ambitions and ideals". It is from the child's relationship with parents that a person's sense of identity as a valuable and competent person in the world develops (Czander, 1997). *"In this modern day of internet trading and various websites to trade shares and stuff, opportunities to round-trip the system or jerk the system are ever present and it relies upon a set of values that has to ingrained somehow and I think in this company it seems to be"*. The quote "The apple does not fall far from the tree" comes to mind, with the point being that children mostly reflect the values, attitudes and beliefs of their parents. Participants acknowledged the importance of a strong set of values in their world of work considering the temptations with which they are confronted.

According to Jung (1960), identity represents an integration of opposites, i.e. conscious and unconscious. This happens through a change of focus and psychic energy, away from the conscious ego, towards the shadow and the balancing out of the conscious and unconscious. Jung (1960), refers to this journey as individuation – the ultimate goal of man. Individuation means

becoming an “in-dividual”, it implies becoming one’s own self. It can also be translated as coming to “selfhood” or “self-realisation”.

We need to be aware that human identity has two inseparable interwoven aspects, namely “me” (individual) and “we” (collective or other) (Stapley, 2006). According to systems psychodynamic theory, one is encouraged not to lose sight of the idea that interacting “I” identities are simultaneously forming and being formed by “we” identities. Identity is therefore constantly being negotiated and renegotiated in inter-systemic relationships of “me” and several “we’s” (Stapley, 2006).

5.4.1 Narcissism

During the Listening Posts narcissistic responses were evident. However, it is the opinion of the author that narcissism was presented and packaged more at an intellectual or rationale level, for example: “...*but the reality of our job is to concern ourselves about the well-being of our clients*”. This “intellectual narcissism” refers to their positions of power and importance, making them “special” or different (Schwartz, 1990). The concern about and power or control over clients’ financial and emotional well-being which can bankrupt clients financially and emotionally, points to a sense of grandiosity, for example, equating themselves to “playing God”.

In the example below participants projected the denigration and envy (i.e. us and them) of the industry onto the “lone ranger” (“...*you do get some lone rangers, but they are the fringes of the industry for the most part...*”) who is parked on the fringes of the boundaries so that they become containers for denigration and envy for the rest.

A grandiose statement made by a participant was that: “*There is a lot of research to prove that if there weren’t fund managers, there wouldn’t be a market*”. By default this statement is cleverly rationalised by backing it up with a “lot of research” which no one can really argue against in an attempt to prove their value through narcissism.

Freud (1914) refers to primary and secondary narcissism in his 1914 paper *On Narcissism: An introduction*. Narcissism refers to self-love as in the myth of Narcissus, the youth who fell in love with his own reflection in a pool. In primary narcissism the individual is egocentrically focussed on self with no sense that others even exist. In secondary narcissism, the individual is in love with him- or herself as a social being and craves the love and recognition of others. However, narcissism is not only negative, but also has a positive side to it as well. According to Kets de Vries (2006), constructive narcissism in moderated doses is necessary for well-adjusted self-identity and self-image and for leaders, because dominance, self-confidence and creativity cannot exist without it.

The second half of the twentieth century produced, at least in the developed countries, an increasingly narcissistic or egotistical society, for example, high levels of consumerism and withdrawal into a “Me first” position are seen to have become the dominant culture (Lawrence, 2000). The newly described fifth basic assumption *Me-ness* is seen to dominate in networked or loosely coupled forms of organisation where self-authorisation is encouraged and where recourse to the group is deemed an unnecessary delay (Long, 2008). On the other hand, constructive narcissism in companies’ advertising and marketing strategies are essential for survival and promoting themselves.

5.4.2 Motivation and Drive

Participants described their motivational drivers with clarity and pride: *“There are a couple of things, one of them being competition. It’s great to be in the game and it’s great to come out on top. It may not happen all the time, but it is something to strive for and for all the negatives in the industry about being measured all the time, there is something about being measured and you can actually, you have the ability – it is quantifiable about how you are doing every day, or every month. It is your batting average, your handicap, whatever it might be”*. Participants identified competition, measurement, sense of achievement, wanting to win and be right and the challenge of learning

something new every day as the key motivational drivers in their world of work – underlying it, it seems that passion is the driver.

Investment professionals are fascinated by money, and the industry is clearly one of the most results-driven, for example: *“Again, going back to it, it is the ultimate form of making money, because you are not actually doing anything. We make it for someone else, but it is still nice to see it in practice when you have made a lot of money”*. Their day-to-day work is filled with money and profit (Ware, 2004). According to Long (2008), the love of money is also associated with a greed for power; to be in that place which leads to gaining mass recognition.

Participants added that *“Whatever drives you when you are a sports person, this wanting to achieve, wanting to win and be right, it is very similar to the dynamics here, but the only difference is that you don’t have to stop after 5 years”*.

“The thing that attracts, I mean I am not interested in this whole money/power, that is really secondary, its the fact that everyday there is something new and I’ll be learning something and it’s a continuous process and I’ll never be on top of my game and there is always going to be a challenge and to me it’s the challenge of the job that I love”. This participant implied a hierarchy of motivational drivers, namely 1) first it is about learning (rationalising the importance of money and power) and then 2) money (denial of how important money is).

Participants used idealisation, i.e. overestimated an admired aspect according to Blackman (2004), for example, *“Everyone loves this industry”*, as a defence mechanism to explain that their work is the ultimate form of making money – there is also something about being in love with oneself.

According to psychoanalytic theory, Freud (1914) believed that humans have two basic drives: Eros and Thanatos. Eros is the life drive and Thanatos the death drive. Everything which one does, thinks and experiences emotionally

has the goal of helping us to survive or prevent our demise. Freud believed that these drives are buried in our unconscious mind. From the cars we chose to the food we eat, everything we do can be traced back to one of these two motivators (Freud, 1914). *“It is a huge burden and in fact I have in my 30 years of experience seen people destroyed, destroyed by the pressures that asset management creates, so it is one those industries that has high risks, but high reward”.*

5.4.3 Emotional Detachment

During the Listening Posts the participants found it difficult to connect on an emotional level, that is to say, there was no evidence of emotional experiences. One participant described emotional experiences as follows: *“Well, I have just finished reading a book and one of the chapters in that is exactly the issue of emotion, that there are a number of emotions which one has to be aware of and not necessarily eliminate, but at least be aware of the vices that it is causing. Participants “parked” emotion, for example emotion is in the body not in the person. Denial was used as a defence against the anxiety to cope with emotions: So to be a good investor does not mean to say that you do not have emotion. You do have emotions, but you understand your emotions and the person that does not understand his emotions is heading for disaster”.*

“You are dealing with such big amounts of money that this does draw on your emotions to the extent that you do look at it and say, well I could have made X, or I lost Y and I think that is emotion, it has to be emotion”. This participant experienced a sense of confusion and appeared to be unsure of what emotion entails.

“I find it quite emotional because you are dealing with people’s outcomes in life. People rely on us to produce pension, or whatever they do, in investment and ultimately, yes, this is emotional”.

Participants indicated that in their coping style they were aware of emotions, but talked about emotions from a left brain thinking perspective rather than share their feelings – it needed to make sense. Furthermore, participants defended against the anxiety by flight into intellectualisation such as lecturing which provided them with a sense of control. This raises questions, for example: What is contained by emotions? Why the fear for emotions? It may be that if one allows one's emotions to come to the fore, the consequence could be a loss of control over power and money. The retreat into intellectualisation only provides a means to control the anxiety and summon the resources to move on. The result is that they struggle to find ways of coming together and connecting with other human beings and are not able to meet their basic needs of attachment (Colin, 1996).

One participant explained the difficulty with regard to giving or receiving a compliment as follows: *“What I try and do when someone makes a call right, I will actually go and say well done in getting the share right and it's amazing how guys don't accept it, they will say oh no but its short term or just this month – it's almost like they won't pat themselves on their back because they are too scared that it is suddenly going to reverse and then it goes the other way, so it is quite interesting that nobody wants to accept any form of congratulations”*.

Investment team members tended to avoid words of praise or recognition. On an unconscious level participants used rationalisation and avoidance to come up with internally acceptable excuses and explanations for their achievements. Reality is therefore twisted to avoid the possibility of facing future painful situations if performance is not sustained. The basic assumption group Flight is used as a defence (Klein & Pritchard, 2006), and it manifests itself as avoidance, for example: *“oh no but its short term or just this month”*. Resorting to these types of defences on a constant basis may result in participants' undermining their capacity to learn from experience; increasing their self-awareness and alienating whatever social support they may have and making them lose touch with reality.

5.4.4 Stress and Burn-out

During the Listening Posts participants' responses indicated that they have very rigid ideals in terms of win-lose, *"We carry that number with us – we carry our history with us"*, right and wrong and/or success and failure, for example: *"It is very emotional because you are dealing every second of the day with other people's money. In this job you can make a decision and lose a lot of money"*.

It seems as though their expectation of success is extremely high (i.e. almost no room for error or failure at all): *"This is not the industry for compliments, and there's the added stress that you are accountable to shareholders – you have a fiduciary duty to your clients, so it is not nice to lose money in any respect, but the added responsibility is that you are managing money on behalf of clients and these are widows, pensioners to put it in a simple context and for them it's a big deal, so that's the added stress"*. When their reality does not match up to their expectations, or there is a gap between expectation and reward, burnout can follow (Maslach & Jackson, 1984).

The dread of an extremely visible role exposes participants' vulnerability – *"There is always this uncertainty underlying things. So, I think it can be a very stressful environment and you are measured on a daily basis and you can see what your portfolio is doing on a minute by minute basis when you have volatility like we have had in our markets"* – to such a degree that even success only breeds another potential failure, giving success a hollow ring and leaving them unable to enjoy their success. This state of mind can create great anxiety and many a sleepless night as reported by participants, for example: *"The reality is that when things are not going well, 03h00 wake-ups are quite common"*.

Success is momentary and there is no consistency to build self-esteem. This reality may lead to high levels of emotional exhaustion (defined as an overall lack of energy), depersonalisation (defined as the treatment of clients as objects rather than people or cynicism towards others) and a diminished

sense of personal accomplishment (being incompetent or bad at one's job) – the three components of burnout (Maslach & Jackson, 1981; Cordes & Dougherty, 1993).

The underlying mechanism at work here is often a fear of being perceived as weak or incompetent by those around them if they take it easier or indulge in a break, for example: *"You are dealing with a lot of knowledgeable people on the team who are more clued up on the investment process than you are, so it is quite daunting, and I think a big thing in doing the research is you have got to be able to communicate it"*. Sometimes, though, people believe that they are indispensable. Admitting to themselves that this is not so can be painful.

Responses also indicated a work environment where one is constantly living on the edge of success or failure, for example: *"You get sucked into that and you think I have to read this, I have to know this, because you might get a journalist who picks up the phone at 15h00 in the afternoon who asks me about this"*, as well as exposure to the glare of the scoreboard – a tight rope where one has little control regarding the outcome, for example: *"You have to realise that you cannot control your own environment"*.

Participants also acknowledged that for the most part social support from colleagues at work does act as a moderator against stress: *"The best support that anyone can get is from their colleagues, you know one goes in there and says, hell you know, I had a crappy interview today and you bounce off ideas and say don't worry ... just a bit of a sounding board"*.

Participants also commented about how one can never switch off – *"It is an exhausting industry. It is absolutely exhausting"* – because you may miss valuable information, for example: *"You never finish – you never ever sign off on anything"* and *"The worse the performance, the earlier the wake-up call and the better performance is the late wake-up call"*.

With the advent of technology, i.e. e-mail, cell phones, laptops, Black Berrys, it has become virtually impossible for them, in senses both literal and

metaphorical, to unplug from their jobs, for example: *“You actually never switch off, even if you try and go on holiday. If you listen to the radio and the news comes on, you’re not listening to it in the normal sense, it actually means a lot to you and you start analysing and looking at it in a different way”*.

One of the strongest predictors of burnout is not just work overload but “work-home interference”: Receiving phone calls during dinner and replying to clients on one’s Black Berrys while making one’s children brush their teeth or watch the Asian market open on TV when one should be asleep, for example: *“You get carried on this treadmill and you can’t get off it”* and *“That’s when you need to go on leave or something, but you can’t go on leave because Annie needs you to do this presentation laughter”*. South Africans from all walks of life experience abnormally high levels of stress according to existing research and it is also evident that stress is also common in the workplace with serious consequences for employers and employees (Cilliers & Kossuth, 2002, Dhaniram, 2003; Oosthuizen, 2006; Van Zyl & Bester, 2002).

According to Ware (2004), in the advisory professions clients need trust and reassurance, and to be successful, professionals must project an air of omnipotence and omniscience. One participant responded by describing the environment as *“sink or swim”*. Naturally this manner is transferred into other areas of the professional’s life and breeds a sense of self-confidence, of mastery, of being capable of handling everything.

One respondent also commented on the added stress that being part of the female minority group brings, namely: *“It is a man’s world definitely, but business environment is a man’s world on a whole... it is quite difficult for a female”* and *“I think maybe a good example is that we don’t have a big female contingency in our investment team and I suppose I can give a silly example whereby our colleagues are pregnant and I think it is almost frowned upon to have a family and I mean the workload is quite great, so to have both responsibilities is quite tough”*.

Another defence mechanism which was reported was repression (Blackman, 2004). Repression, which Anna Freud also called "motivated forgetting," is just that: not being able to recall a threatening situation, person, or event for example: *"and it gets so bad like if I'm having a really bad day where I have just studied too much and I can be driving back from a lunch and I can't remember who I have just seen. It gets to that point. You almost need to reboot the whole system and you start doubting yourself"*.

One participant's response illustrated how they confuse the workplace with home and how the boundaries become so enmeshed/merged resulting in them not having enough unwind time, for example: *"The problem is that you live quite close to home."*

The facilitator of the Listening Post also reported evidence of the climate and culture in the room as follows: *"You speak very fast. You move fast in what you say. I am aware of almost taking on some of your energy"*. This can be interpreted as counter transference (Shapiro & Carr 1991), for example, the facilitator described his own feelings in reaction to the emotions and experiences of the participants: *"I have to be on the tip of my chair almost and be very attentive to everything, so there seems to be a higher level of anxiety to use the word, in being ready, being there all the time, knowing, making the right decision which may be part of your job. I think it can be very exhausting"*.

According to Maslach and Leiter (1997), research in the seventies noticed deep flaws in the work ecosystems of the caring professions. It could be that there is something wrong with our professional environments worthy of examination as well, judging by the following evidence provided by participants, for example: *"I am prepared to put my hand up and say that after 28 years I am definitely suffering from burnout, now whether it is severe or mild, I am not a psychologist – you can tell me – but there is no question that I am suffering from burnout"* and *"I don't know if longer term whether the stress of this industry, if there is a study, the effect of the health implications. I think the wear and tear on the individual is much more, maybe a bit more than*

other jobs in the financial services". These serve as examples where participants described symptoms of burnout.

Pines (as cited in Schaufeli, Maslach & Marek, 1993) argued from an existential perspective that the root cause of burnout lies in the need to believe that one's life is meaningful, that the things one does are useful and important. When people try to find meaning in their lives through work and feel that they have failed, the result is burnout. Therefore feelings of efficacy and competence are so important because they give professionals a sense of existential significance, i.e. if my work makes a difference, I make a difference. This is perhaps the most surprising aspect of Maslach's research findings, namely that burnout is not necessarily a result of overwork (Pines as cited in Schaufeli, Maslach & Marek, 1993). However, it can certainly be. She sums up the problem as "the failure of the existential quest" – that moment when one wakes up one morning and realises that what one is doing has appallingly little value.

5.4.5 Shadow Side

Participants acknowledged the shadow side (Jung, 1960) of their lives embodying aspects such as shame and guilt when comparing their value add with their reward, for example: *"I think, this is my view, for what little value we add to society, we are possibly the most overpaid group of professionals in the world"* and *"Why do you say that, because without us a lot of people would never stay the course"*. It would appear that when the participants compare themselves in terms of societal value add, they seem to be more in touch with their light and shadow sides. This conversation took place from the depressive position (Klein, 1988) acknowledging and integrating both good and bad, taking responsibility for their self-deceptions and making them more fully human.

Participants also experienced guilt and shame (Mollon, 2004) – *"I didn't say we didn't have a role here, but I am saying that as a group we are very overpaid for what we add"* – when contemplating their value add to society

versus the very good money they earn. On a deeper level, shame and low self-worth are connected and contribute to negative self-perception or self-depreciating thoughts and feelings. Shame is about whom one believes one is and guilt is about dealing with one's behaviour (Mollon, 2004).

Jung (1960) introduced the concept of the shadow as a psychological term. He stated that everyone carries a shadow and the less it is embodied in the individual's conscious life, the blacker and denser it is. It forms an unconscious snag, and can thwart our most well-meant intentions.

There are dark rejected aspects of one's being as well as light, so there is in the shadow positive undeveloped potential which is not known to one because one does not know about anything which is unconscious. We all have a shadow and a confrontation with the shadow is essential for self-awareness (Eigen, 1999).

The shadow side refers to everything in the individual which has been repressed, undeveloped, denied or gone unrecognised and should not be equated with evil, only with the life which has been suppressed (Jung, 1960). According to Hollis (1993), the shadow contains all that is vital, yet problematic, for example one's darkest impulses, jealousies, dependencies, fears, one's selfishness, untapped creativity and even one's capacity for destruction. Thus the shadow is rich in potential, and becoming conscious of it, makes one more fully human. Negative shadow contents such as anger, lust and rage can be destructive when acted out unconsciously, but when consciously acknowledged and channelled, can provide new directions and new energy. The shadow will manifest, whether in unconscious acts such as projections onto others, depression or somatic illness, or in concrete terms (Hollis, 1993). Participants did experience this.

According to Hollis (1940) the most painful guilt to carry or the least resolvable is existential guilt. For example, one can make no choice, even not to choose, which does not have a ripple effect on another, somewhere, somehow. The

confrontation with the shadow and its integration permit a healing of the inner split and establish an agenda for growth.

Being able to examine one's shadow side, although painful, prevents one from becoming overly smug or too secure in one's ego achievements and to take responsibility for one's self-deceptions: *"I don't think there are many other professions that every month a weakness is called depending on what you want to cope with"*. Participants acknowledged that they experienced guilt when they made the wrong calls and lose money.

5.4.6 Personality

Participants reported evidence of an ISTJ type (Briggs Myers, 1998). Jung developed the Psychological Type as a theory of personality to explain the normal differences between healthy people (Briggs Myers, 1998). Human typology and temperament can have a profound impact on others as well as the overall work environment (Isachsen & Berens, 1995). Jung contributed tremendously to the understanding of the human psyche in 1921 when he published the text *Psychological Types* which provides a fundamental understanding of human typology. He determined that the population was made up of two basic human types, the extraverted (an object-orientated type) and the introverted (an abstract type). He furthermore included the processes of thinking and feeling, and of intuition and sensation.

In the early 1940's Briggs and Myers, a mother and daughter team, developed the Myers-Briggs Type Indicator (MBTI) anchored in the theories of Jung. They further differentiated the types of Jung by clarifying an attitude of "Judging" versus "Perceiving". The MBTI differentiates 16 human types and is based on four Preference Scales, each consisting of two opposite poles: Extraversion-Introversion, Sensing-Intuition, Thinking-Feeling and Judging-Perceiving (Briggs Myers, 1998). Each has its own potential strength and its likely blind spots.

The ISTJ type can be described as serious, no-nonsense, task-orientated and generally preferring to work alone. During the Listening Posts reference was also made to the difficulty when one needs to cross the boundary from introvert to extrovert, for example: *“I think it is more introvert”, “The work role is very introvert”* and *“But at the same time you have to present all your ideas to all your colleagues, clients, which we spoke about earlier, and if you are very introverted, then this would be a challenge”*.

The ISTJ type value responsibility, tradition, accuracy and are very hard workers who will see the job through to the end. Their strong sense of responsibility may lead them to take on too much work resulting in overloading. The following observations described their sense of responsibility and internal locus of control: *“You have to accept responsibility for your own sort of focus points and what you want to know. You have to be motivated and drive your own knowledge and learn to sort out the noise, learn how to identify that and create your own little toolbox”* and *“Your question was around self-starting – that passion has to be internal”*.

They follow the rules and guard the process. The theme of the ISTJ is inspecting, comparing a performance to a standard, looking for discrepancies and omissions, and reporting these deviations from the set standards. They have a natural talent to take nothing for granted and not reading more into a situation than is present. Their thought process is linear and step-by-step with high attention to detail and gathering facts (Briggs Myers, 1998). *“You have an unquenchable thirst for news ...”* as is illustrated by the following responses: *“There is often information overload and as analysts and fund managers we are expected to collect all the information, process it in terms of a financial model or interest rates, bond and various other factors and at the end of the day using all the information at our disposal to form a view on stocks, bonds, various asset classes and what we think are good opportunities”*.

The participants may be perceived as uncaring and controlling. As ISTJs they tend to see things in black and white, and rarely in shades of grey. They have

a profound respect for facts, for example: *“You are on the spot because everyone has their own view, and in time to come, people will know who was right and who was wrong.”*

Under stress ISTJ's may be unable to use their general calm, reasonable judgement and get caught up in “catastrophizing” – imagining the worst for themselves and others (Briggs Myers, 1998), for example: *“It's not only trying to get it right – I find that people make value judgements and I think sport can be the same. If you have a bad 2 tests you bat in 6 and the next test 3 in 1 and suddenly you can't bat, you're useless and no wonder you played for Province – they're useless, you're useless – surprising that you were ever employed laughter ... and the clients are saying how the hell could you say that, how could you position yourself because they are all using hindsight, there's always certainty in hindsight, but everything, the rationale for the market move is very easy in hindsight. So I think that causes a lot of stress because you always feel not much more than a very short space in time away from being ridiculed and regarded as a nut”*. The above conversation took place from a paranoid-schizoid position (Klein, 1959) where life is experienced as a constant battle of possible triumphs or disasters. In this position it seems that survival is under constant threat of success or catastrophic failure and that it is very difficult to trust anyone.

In an exaggerated state ISTJ's can also become dogmatic or fixated on the one “right” fact. Their natural scepticism can turn to cynicism when experiencing change fatigue (Barger & Kirby, 2004): *“I think what you find is inevitably you have to be a cynic to actually work in this industry. You have all the answers in front of you, but you always mentally doubt yourself”*. The participants experience the business as uncertain and deal with it by internalising the uncertainty resulting in cynicism as a defence mechanism.

According to Quenk (2000) chronic stress persisting over long periods may cause Introverted Thinking Types to become disillusioned and lose faith of ever being understood by others, cementing a view of an outside world having no place for them and no appreciation for their contributions. Bitterness,

cynicism, and a retreat into isolation may follow, for example: *“Do any of you get rebuked in your social scenes or domestically about your cynicism?”*

Introverted Thinking Types are not notable for their reporting work burnout, but when it does occur, it is likely to be seen in the loss of their natural achievement and pursuit of excellence and a greater concern for others (Briggs Myers, 1998).

Not much evidence could be found of intuition (N) – to take in information by seeing the big picture and wider possibilities:

“I think you have to use gut in some things. I think you have to have the fundamentals first and then the gut to me is how you assess the risks of that. For example, you say that the probability of this is 80% whatever and the gut is saying what have I missed”.

Participants used thinking when referring to intuition and placed experience first before intuition can be utilised:

“Gut has a lot to do with your experience. So the more experience you have, the better your gut feeling gets”.

“It is fundamentally uncertain and distribution of many possibilities – that’s the one fundamental to this industry – and the other fundamental in this industry is disagreement. Everyone has access to the same information, but there are different interpretations, so nobody can lay claim to knowing the truth. We all try to, but that’s definitely a big challenge and disagreement is inherent”.

Limited evidence was also found of Feeling (F) – to make decisions guided by personal values and considerate of the impact of decisions on people (Briggs Myers, 1998):

“We are not a nurturing environment and we are not a nurturing industry, which means that sometime we get people coming in and not making it and

the organisation gets accused of not nurturing, not training, not helping, and from the perspective of that individual, it may be a totally fair comment”.

“So you are more often alone on your stock calls, so there’s that element you know if things are going right, you don’t get a pat on the back”. Furthermore, you also do not give yourself a pat on the back: “Nobody wants to accept any form of congratulations”.

Currently another popular approach among psychologists when studying personality traits is the five-factor model or Big Five dimensions of personality (Saucier & Goldberg, 1996). The Big Five Model of personality traits conceptualises personality traits as broad and generalised trends in the individual’s mental states, affective experience and behavioural expression. The five domains can be summarized as follows:

Openness (‘O’) to new experiences including traits such as artistic, creative, gifted, intellectual, and scholarly – considers one open to change when one accepts new thoughts, ideas and changes;

Conscientiousness (“C”) including traits such as dependable, hard working, responsible, systematic and well-organised – refers to how one approaches one’s work;

Extraversion (“E”) including traits such as active, assertive, energetic, gregarious and talkative – refers to whether one loves gatherings or prefers solitude;

Agreeableness (“A”) including traits such as amiable, helpful, kind, sympathetic and trusting – refers to how one reacts to other’s opinions;

Neuroticism (“N”) including traits related to emotional stability such as calm, relaxed and stable – refers to how one handles depression.

The Big Five model, according to Saucier and Goldberg (1996), serves an integrative function, because it can represent the various and diverse systems of personality description in a common framework. It was never the intention to provide a complete theory of personality; it provides a primarily descriptive rather than explanatory account of personality. The model is considered a paradigm shift in that it captures at a broad level the commonalities among the existing systems of personality description and thus provides an integrative descriptive taxonomy for personality research (John, Robins & Pervin, 2008).

Participants in the Listening Post provided evidence of the following:

- A lower degree in "O", for example: *"I think you have to be suspicious of management, depending on the track record, the smaller the company, the more suspicious you are."*
- A higher degree in "C", for example: *"Definitely, you have to accept responsibility for your own sort of focus points and what you want to know and where it is that you want to take yourself within the organisation".*
- A lower degree in "E", for example: *"The actual work you do is quite lonely work. You model a company; you can do a lot of that yourself, the actual work can be quite lonely work and a lot of people battle with that because there's no interaction in the actual work".*
- A lower degree in "A", for example: *"I don't agree with what you have just said"* and *"Curiosity, suspicion, not as in paranoia, but asking questions, going deeper to understand more"*.
- A lower degree in "N", for example: *"If you can't cope with the anxiety, with failure, you should not be in this industry. If you understand yourself, if you understand markets, if you understand that you are not going to get everything right, then you are okay"* and *"I don't think there*

are many other professions that every month a weakness is called depending on what you want to cope with”.

Based on the Big Five model of personality traits, the participants’ personality profile can be summarised as follows: independent, reserved, conservative, responsible and thorough, competitive, self-reliant and confident.

The above personality theories help to understand how peoples’ personalities fit their roles.

From studying the Myers-Briggs Type Indicator (MBTI) and The Big Five Model of personality traits, the personality of the investment professional can be summarised as tending towards the introverted thinking type. They have a higher degree of conscientiousness and a lower degree of agreeableness, being more suspicious. Finally they can be described as more serious, calm, and task-orientated with a high orientation to detail and the gathering of facts.

5.4.7 Emotional resilience

Participants reported that many investment professionals experience an emotional rollercoaster. The professional and hectic life of the participants leads to enormous work stress and personal dilemma when taking decisions:

“What I try and do when someone makes a call right, I will actually go and say well done in getting the share right and its amazing how guys don’t accept it. They will say oh no but its short term or just this month – it’s almost like they won’t pat themselves on their back because they are too scared that it is suddenly going to reverse and then it goes the other way, so it is quite interesting that nobody wants to accept any form of congratulations”.

Participants do not trust the system or themselves to accept a compliment as it can be a risky gamble, a game of chance capable of exposing one.

Participants spoke of and accept their need for resilience, but refer to it as emotional strength, for example: *“You need a lot of resilience. I think you need a lot of emotional strength”.* To be emotionally resilient means to be able

to bounce back emotionally after suffering through difficult and stressful times in one's life (Mills & Dombeck, 2005).

It appeared that the participants are coping well currently, but may not cope well in the long term. Considering that the participants are mostly introverted, it seems that their introvert energy may run out in the long term because they do not source energy from others. For example, 13 year's of self-authorisation may result in de-authorisation and burnout. The system uses burnout to get rid of the shadow side – the unconscious rejected aspects of oneself. For example, the system split off the unwanted bad object (emotional exhaustion, cynicism, loss of competence). By means of projective identification, the person suffering from the symptoms of burnout took on the projection and acted congruently to the received projection, i.e. exited the system due to poor health or depression. The consequence is that the system does not have to address the problem and can feel safe and in control.

“The actual longevity of people in the industry is not that great either” and “I have only been in the industry for 13 years now and if I think of all the people that I have seen die in the industry in my time, of premature heart attacks, cancer, and even committed suicide”.

According to Ahangar (2010), resilience is one of the key ingredients to lead a happy and healthy life. It refers to the successful adaptation of an individual despite risk, acute stressors, and chronic adversities. Psychological resilience refers to effective coping and adaptation in spite of being faced with loss, hardship, or adversity. It was suggested that the investment world requires a specific mindset to meet the demands of the work place environment.

5.4.8 Rewards/pay-offs

There is an inseparable link between the participants' unconscious attitudes about money/rewards and the way in which they relate to money/rewards in peoples' lives. On an unconscious level it may represent so many things, for example, power, conflict, control, fear, freedom, intelligence, failure, self-worth

and even love. When these unconscious desires are projected on money/rewards, it offers a rich psychological window into their lives. In exploring the underlying aspects and psychodynamics of what rewards represent to the participants, aspects such as status, prestige, working with the cream of the crop, living on the edge and a form of intellectual narcissism were described:

“This has probably got to be the most privileged industry in the world to work in. I mean you get to meet the smartest people every day and every week in your life. You get to interact at the highest levels of society and you get to think about new issues on a daily basis, you never get locked into the humdrum of monthly financial reporting, the humdrum of normal operational issues which go on in every other sort of lifespan. I think the advantages that we do get is to see such a broad spectrum of society, of what different businesses do and ultimately if you like business, if you like being involved in business, you get to see such a huge spectrum of different companies and how they form and transact, and how they transact to different economic cycles and I think that is, to me, what is so exciting about this job is just seeing everyday the new interesting aspect to the world. It is an unbelievably privileged job and has to be the most privileged job that you ever enter”.

This narcissistic statement about rewards and pay-offs arises from such a strong ego position, for example, *“meet the smartest people, interact at the highest levels of society, never get locked into the humdrum”*, that it is probably enabled by the splitting off of the dark side to the “scoreboard”, the “support staff”, “the system”, etc. It seems as though they crave the rewards, yet do not accept them.

Participants also reported that authorisation by their peers is viewed as an important reward in view of the extraordinary competitive environment in which they need to compete, for example: *“It means far more to be successful in an extraordinarily competitive environment”.*

One participant described how the price they pay (pay-off) in their jobs is the concern to give other people peace of mind: *“I saw a great quote on our jobs. It was one of the Allan Gray guys who said we are paid to worry about other people’s money. This sums it up quite well”*.

Behaviourism assumes that people basically do not like to work and therefore need to be controlled and coerced – specifically by having material rewards promised or withheld (Kohn, 1999). Kohn (1999) agrees that behaviourist techniques are used widely. He also argues that they are not effective in the long term because it can reduce intrinsic motivation and increase extrinsic motivation. In Freud’s theories the pleasure principle states that people seek pleasure or immediate gratification and avoid pain (Freud, 1914). The pleasure principle drives one to seek pleasure and to avoid pain. However, as one matures, one learns to be reasonable about this because of the existence and obstacles of reality, called the reality principle. Participants considered sacrificing pleasure for pain in order to reap the rewards. Their need to work, to train themselves and move up professionally took perseverance and patience. This “struggle” was the “struggle” of not acquiring instant rewards along the way, simply perpetuating the instant gratification stage of infancy. Some of their results can take months to materialise and others can take years.

5.4.9 Discussion

The participants’ identity revolved around the following aspects:

Narcissistic tendencies manifested, presented from an intellectual or rationale perspective as discussed in Section 5.4.1. Participants presented fantasies of a “flawless” self-image of power or omnipotence and perfection. This indicates separate images of a “good” self and a “bad” self, meaning the ego is split and never fully re-integrated. However, certain aspects of narcissism are necessary for the maturation of the self, and for self-preservation.

From the systems psychodynamic point of view Melanie Klein (1952) offered two positions as the most basic modes of functioning of peoples' inner world (Klein, 1959). In one, the depressive position, one experiences self and others as whole objects, as people in their own right. One remains grounded and has some contentment about who one is and what one has achieved. The other position, which Klein called the paranoid-schizoid position, is characterised by seeing self and others split into extremes, good and bad, clever and stupid, elite and ordinary. People are seen as objects, as means to ends, at the other end of the split, as critics, feared competitors. As discussed in Section 5.4.8, the strong ego position was probably enabled by the splitting off of the dark side to the "scoreboard", the "support staff", "the system", etc.

Therefore the question is whether the reintroduction of split-off material will in any way be helpful and whether it will lead to an integrated ego (or self). Confronting split-off, repressed material and re-introducing it to consciousness will involve conflict resolution.

Participants identified the intellectual challenge – i.e. trying to be smarter than the markets – as keeping their jobs forever interesting and competition, measurement, sense of achievement, wanting to win and be right and the challenge of learning something new every day as the key motivational drivers in their world of work. Passion also seems to be a key driver.

Investment professionals are also fascinated by money and view their work as the ultimate form of making money. Asset Managers are in the business of using money to make more of it. In the process many people who work in the industry are well remunerated, especially when markets turn around.

Emotional detachment manifested during the Listening Posts, but operated merely intellectually when emotional connection would have been appropriate. A fear/Flight response into intellectualisation such as lecturing as discussed in Section 5.4.3 was evident. Participants also tended to avoid words of praise or recognition and used defence mechanisms of rationalisation and avoidance to come up with excuses and explanations for their achievements. This is a

form of self-protection against being wounded further, or to remove oneself from stressful events or emotional upheaval if, for example, performance is not sustained.

Some participants reported that they suffered unsafe levels of burnout and stress. These participants described their world of work as extremely stressful due to the following factors:

- The idea that they can lose a lot of money, this being a big deal;
- The uncertainty underlying all investment decisions is hard to cope with because the participants feel out of control;
- The fear of being seen as incompetent considering that one is surrounded by a large number of smart people;
- The tightrope of constantly living on the edge of success or failure;
- Little control with regard to the outcome;
- The fact that one can never switch off because one may miss valuable information – *“Even when you are on vacation the market is running”* – and this makes recovery time difficult;
- An extremely visible role where you are measured on a daily basis – *“the glare of the scoreboard”*;
- Technological advances make it difficult to unplug from the job, resulting in work-home interference and the boundaries between home and work becoming enmeshed/merged to a great extent;
- Clients need trust and reassurance and this puts pressure on the investment professional to project an air of omnipotence and omniscience;
- The added stress of being part of the female minority group;
- Participants’ expectation of success are extremely high (i.e. almost no room for error or failure at all);
- The participants agreed that social support from colleagues at work does act as a moderator against stress.

The participants acknowledged the shadow side of their lives including aspects such as shame and guilt when comparing their value add with their reward. It appeared that the participants are more in touch with their light and shadow sides when they compare themselves in terms of societal value add – integrating both good and bad.

The participants reported evidence of an ISTJ (MBTI) Myers-Briggs Type Indicator as personality preference (Briggs Myers, 1998). Being introverted, their mode of living is focussed internally, and they are quiet and reserved individuals. They take things in through their five senses in a literal, concrete fashion and are organised and methodical in their approach. They have a strongly felt internal sense of duty, and deal with things rationally and logically. They follow rules and traditions and have a tremendous respect for facts. They are hard working and work towards defined goals.

Not naturally in tune with their own feelings or the feelings of others, they do not usually give themselves credit for their achievements and see these achievements simply as the natural fulfilment of their obligations. Under stress ISTJ's are caught up in "catastrophe mode" where they see nothing other than all the possibilities that decisions could go wrong. In an exaggerated state ISTJ's can also become dogmatic and their natural scepticism can turn to cynicism when experiencing change fatigue.

In terms of the Big Five Model of personality traits (Saucier & Goldberg, 1996), participants provided evidence in the Listening Post of the following five domains as discussed in Section 5.4.6:

A lower degree in "O" – Openness to new experiences

A higher degree in "C" - Conscientiousness

A lower degree in "E" - Extraversion

A lower degree in "A" - Agreeableness

A lower degree in "N" - Neuroticism

Following from both the Myers-Briggs Type Indicator and the Big Five Model of personality traits, the personality of the investment professional can be summarised as tending toward the introverted thinking type. They have a higher degree of conscientiousness and a lower degree of agreeableness, being more suspicious, and tend to be more task-orientated with a high orientation to detail and the gathering of facts.

The participants need to cope with many highs and lows in their profession and how they cope depends on their emotional resilience and their ability to bounce back to emotional equilibrium. It appeared that the participants are coping well currently, but may not cope well in the long term. Considering that the participants are mostly introverted – thinking types – it seemed that their energy may run out in the long term, because they do not source energy from others. Many years of self-authorisation may result in de-authorisation and burnout. The system uses burnout to rid itself of the shadow side – the unconscious rejected aspects of the self.

The participants are driven mostly by external rewards and, if successful, their profession can heap rich rewards. When exploring the underlying psychodynamics of what rewards represented to the participants, aspects such as status, money, prestige, working with the cream of the crop, authorisation by their peers, living on the edge and a form of intellectual narcissism were described, for example: *“meet the smartest people, interact at the highest levels of society, never get locked into the humdrum”*. Based on the above, it is seemingly rare for a person’s head not to be turned by such eminence, power and prestige.

These findings shed light on the common biases existing within behavioural finance (Fisher, 2007, mentioned in Chapter 2):

- Loss aversion was described as peoples’ exerting more effort to avoid pain than to achieve gain and this links to Freud’s pain and pleasure principle which states that people seek pleasure or immediate gratification and avoid pain on a systems psychodynamic level (Freud, 1914).

- Aversion to regret was described as maintaining the status quo, i.e. to avoid choices. This links with Jung's shadow side referring to everything in an individual which has been repressed, denied or avoided (Jung, 1960).
- Recency bias, according to Streatfield (2004), can be described as the ability of the mind to focus on the most recent events and extrapolate these trends. This links to anxiety manifesting in irrational behaviour such as immediate gratification.
- Over-confidence was described as accumulating pride and shunning regret over time. This links to anxiety manifesting in flight into the future.
- Confirmation bias was described as the instinct to seek out information confirming one's preset notions and rejecting contradictory evidence. This links to defences such as splitting and regression. Hindsight bias was described as projecting the past into the future which links to flight responses.
- Order preference was described as focusing on the individual parts and losing sight of what is important. This links to compulsiveness such as never being able to switch off because one may miss valuable information.

5.4.9 Working Hypotheses

The narcissist is at risk of a collapse in identity if he/she alienates the much needed audience which feeds the sense of grandeur. The more the fund manager accomplishes, the greater the narcissistic behaviour becomes. The more split off the negative parts become, the bigger the need to take back projections and owning the whole self. The advice and critical support of loved ones, colleagues, friends and advisers will facilitate the depressive position in which this process of integration takes place (i.e. have a coherent image by

integrating both good and bad) because the fund manager will be vulnerable and in need of containment.

5.5 BOUNDARY MANAGEMENT

Participants described the psychological boundary between them as a team and/or individuals and competition. They judged, but were also judged, for example: *“One must understand that this industry is not about shares and bonds. All that it is, is just a mechanism and it is all about your judgement versus somebody else’s judgement”*, with the underlying shadow side of fear.

Recognition of boundaries and interfaces in and between the client, the competition and the investment professional emerges, i.e. on the field or off the field the competition continuous. On the field refers to the daily scoreboard showing performance relative to the competition and off the field refers to the dilemma of not being able to switch off when at home or on holiday. It appears that boundaries between the investment team and different stakeholders require different treatment: *“You bat differently depending on what scoreboard is operating, i.e. “Different ways of being judged – “clients judge you relative to competition”; “the scoreboard – performance returns”; “beat your competitors”; “service the clients”.*

One participant reported that people on the outside view them as leeches (*“They see us as leeches”*) thereby projecting the shadow side of their identity. Another commented how the outside world idealises the industry on the other hand, for example: *“The words we came across were: It’s a glamorous industry, it’s a very lucrative industry, it’s very exciting, and you are on the pulse of the economy. It’s one of the industries where you plot the pulse of the economy”.*

Participants also referred to the continuous struggle with boundary management in achieving work-life balance resulting in inner conflict, for example: *“I think the investment world is completely all consuming. So if you are sitting at home in the evening watching TV and you are hearing about*

Zimbabwe, or about Iraq you always have at the back of your mind: Does that have an impact, does that have an impact”? This statement indicates a very permeable boundary between their work identity and life identity (Lawrence, 1999). The task boundary has diminished to such an extent that it almost does not exist anymore. These work life boundary issues may result in participants losing their social identity, spiritual identity, family and community identity due to the fact that their time is not their own anymore.

Participants described a task boundary by referring to the performance criteria for their industry which helps them to understand the dynamics of their work, and their inner and outer world and *vice versa*: *“People love this industry, excluding all the potential rewards that could come, but it means far more to be successful in an extraordinary competitive environment”*.

Another boundary which participants described is when they need to cross the role boundary from introvert type to extrovert type: *“You have to be able to communicate with high levels of company management. To the extent that you are an introvert, it is very difficult to have the confidence to interact at high levels, so it’s two completely different opposite scenarios. The work role is very introvert”*. The primary task of this role is to optimise performance for client’s investments objectives – a very introverted work role. On a secondary level, the task revolves around a relational role with regard to clients, team members, etc. – a more extroverted role. Therefore the primary and secondary tasks need two very different skills sets to perform the required tasks.

Also evident was the boundary between the investment team and the support staff. This boundary manifested itself as a split between these two groups. All of this led to polarisation between the support staff group and the investment team because each group carried things on behalf of the other.

Awareness of the boundaries of the world of work of the investment professional and how they respond to what happens at the boundaries were also studied. A boundary is a barrier, something separating two things and

providing a space in order for human beings to relate (Lawrence, 1999). Boundaries of a social system refer to physical or spatial boundaries (i.e. the walls of the room), temporal boundaries (i.e. the time the Listening Post begins and ends) and psychological boundaries (i.e. constructed of ideas, perceptions, beliefs and understandings enabling people to define not only their social group memberships, but also their own self-concepts and identities). Every person can be said to have a psychological identity boundary around himself or herself by means of which he or she distinguishes himself or herself from other people. Boundary challenges can be regarded as unconscious communications revealing something of significance about the individual and/or the group (Lawrence, 1999).

5.5.1 Discussion

The following types of boundaries manifested during the Listening Post discussion: Participants described the psychological boundary between them as a team and/or individuals and the competition. For example, they judge, but are also judged with the underlying shadow side of fear. It appears that role boundaries between the investment team and different stakeholders require a different treatment as discussed in Section 5.4. This may cause poor boundary management issues and ambiguous situations. Participants also mentioned the continuous struggle with boundary management in achieving work-life balance. Participants battled to sufficiently manage their personal boundaries between work and home. This is often compromised by their being obliged not to “switch off”. A task boundary was described when referring to the performance criteria for their industry clarifying understanding of their world of work. Another boundary which participants described is when they need to cross the role boundary from an introvert to an extrovert type requiring two very different skills sets. Also evident was the boundary between the investment team and the support staff. This boundary manifested itself as a split between these two groups, because each group carried things on behalf of the other.



It can be said that the participants have a shared sense of their boundaries in respect of identity, role and primary task.

5.5.2 Working Hypotheses

The anxiety caused by the conflicting role demands, the imbalance in work-life experiences and the different behavioural demands relate to poor boundary awareness and how boundary conditions influence management of self, others and task, negatively adding to anxiety.

5.6 AUTHORITY/POWER

Every workplace or organisation will have unique patterns in terms of which authority is held and power exercised, used, misused or abused (Koestenbaum, 2002). It appears that authorisation to take up the fund manager role is complex and comes from multiple sources, for example, clients, peers, management, and the self.

Participants expressed strong self-authorisation driven from within. They gave evidence of how they view their success as “above average” and almost needed to inflate their egos in order to feed the egos:

“I think that investment professionals have got a big ego, all of us, and I reckon that if you were to ask every investment professional whether they were above average, it is like drivers, if you were to ask drivers if they were above average, you would get 70% people saying yes and 30% saying no. I reckon if you ask investment professionals “are you above average”, I reckon overwhelmingly you would get a yes answer, because you know in immunity it is 50/50 and you know that, so I think ego is a big thing”.

Participants also experienced being authorised by their competence/ knowledge (academic qualifications) and skills (experience):

“So qualifications prepare you as the entry point, but the tangible stuff you learn by being involved everyday”.

They also gave evidence of how their influence and power can open doors for them to gain access to the captains of industries. The interpretation is that status and money can become seductive and become power issues, leading to an inflated ego which may undermine authority (Kets De Vries, 2009):

“One of the things that I find fascinating in the industry is the massive amount of influence and power industry wide. There are very few careers where one can actually pick up the phone and get to the company CEO and by standing up and presenting you can allocate capital, massive amounts of capital”.

“We have this massive amount of power because, if used properly, we can do a lot of good”. The basic assumption is about flight into “good” and into narcissism and there is no acknowledgement that they can do badly as well. Participants also seem to reframe authorisation from clients as power, *“this massive amount of power”*, indicating a need for power.

“I think money is core to a lot of things and I think if you look at the Quran or the Bible, money is mentioned, and generally in our lives as well. It is a core thing in terms of value, and how you use it and, I suppose, how you abuse it as well, and we are right there and why do a lot of people work, to get the rewards and the cash and to utilise the cash for their own benefit. We are right there managing that money and it is dynamic and I’ve always believed that the closer you are to the money, the more profitable it is”.

Following from the above they were able to self-authorize. A considerable preoccupation with money as primary motivation manifested where the focus was on the payoff rather than the process. In a world where investment decisions rewarded one month, are punished the following month, the question is what happens when things go wrong and people’s self-worth and confidence is linked to money (Kets De Vries, 2009).

Participants also placed a great deal of emphasis on client trust, i.e. authorisation from the client, for example: *“There is a mandate in place and the mandate is a contract between us and the client and it says that I am giving you money and you must look after it and these are the sort of the things you can and cannot do, and this is what I expect of you including a benchmark”*. They do not, however, recruit the client. The client authorises the company. They do contribute to the company’s credibility as a team though.

Sievers (2002) referred to the dynamics of trust being embedded in the level of meaning which the participant experiences in the relationship and the accompanying hope to sustain the relationship. According to Sievers (2009) one cannot work and live in organisations without trust, but that a serious concern for trust cannot be restricted to a need for more trust. These attempts to engineer trust reflect an underlying denial of the loss of hope regarding both the relatedness between organisational members and the value and meaning of organisations (Sievers, 2007). Instead it has to seriously take into account the reservations, difficulties and despair which people experience again and again in their attempts to trust their organisations and give their leaders their trust. The challenge is to create new ways of creating trust between parties who do not necessarily share the same goals or values (Sievers, 2009).

Another form of authorisation is from peers and/or the system. Participants provided evidence of how one is authorised by one’s peers, i.e. respected and trusted by them. On the other hand, experiences of being unconsciously de-authorised were also explored. Examples were the following: *“I think a lot of authority comes from your working peers. I think you do get a sense of whether you are respected and whether your views are taken into account. What you find in this industry and typically somebody would come in and, frankly, this is quite a harsh industry and you can be working here for a year, they can present on something and you can just see the body language around the table that nobody really pays much attention because there is no*

respect, and if somebody has been around the bush and knows what they are doing you do listen". Participants gave evidence of how junior staff are de-authorised by more senior staff, for example, being exposed to harsh, disrespectful and judgemental behaviours of colleagues in investment meetings. This toxicity in the culture of the organisation could eventually harm the vitality of the organisation (Fox & Spector, 2005).

It would appear that peer and system authority precedes self-authorisation, for example: *"I think that's 100% right in that your colleagues actually enable you, they actually give you that authority and I think that's where the team dynamic comes in, your confidence, your authority and your ability or desire to act comes a lot from how your peers take what you have formulated in your own personal innings out there. That gives you the authority and team dynamics in this industry or in this company specifically, seems more important than your actual, individual performance. So as much as you might be sitting in your corner, this is what your output is, your team actually enables you to kind of demonstrate that and in future start giving more authority. That's my own personal feeling"*.

Other factors which also de-authorised the participants were identified as: *"an extraordinary competitive environment, self-doubt and questioning yourself more and more, getting sucked into the momentum of non-stop information flow", "you are only as good as your last call" and "the fact that it is an exhausting industry - you actually never switch-off"*.

Participants also explored examples of how they were exposed to sensitive information, for example: *"Often on a daily basis you do hear information that you shouldn't really be hearing and I think that every single person gets tested"; "If the information is not there publicly disclosed in the financial statements, or wherever it might be in the public domain, it is so dangerous to act on it"*. This can be misused or abused. This highlights the nature of trust in the fund management role.

Although participants were authorised by authority figures (for example the group or the manager) to perform, it often led to a sense of not being good enough, having a low self-regard and a feeling of poor performance:

“The group has done well and well done guys, great job and here it is very different because even if you do well there is always constantly, almost like a cynical aside to the whole thing” and *“Our boss does not like the word betting”*. The discussion was about the fact that they could never claim any fame, because they could lose it again. Furthermore, the basic assumption was one of Flight into humour, for example: *“our boss does not like the word betting”*. The interpretation follows that the manager becomes the scapegoat for their projection of not owning up that there is a luck side to their roles. Luck is not based on a skill set or competence and this may make it hard for them to acknowledge that it could be about both luck and competence.

5.6.1 Discussion

Authorisation to take up the fund manager role is complex and comes from multiple sources, for example: from above (the organisation, manager, leaders), laterally (peers/colleagues), within (self-authorisation) and clients. Although the participants are authorised by authority figures (for example the group or the boss) to perform, they often feel that they can never claim any fame, because they could lose it again - making it difficult for them to value all the parts of the self. The basic assumption is one of Flight into humour, for example: *“our boss does not like the word betting”*. The interpretation follows that the manager becomes the scapegoat for their projection of not owning up that there is a luck side to their roles. Luck is not based on a skill set or competence and this may make it hard for them to acknowledge that it could be about both luck and competence.

Participants agreed that authorisation from peers (i.e. being trusted and respected) and/or the system is a key enabler for success. It would appear that peer and system authority actually precedes self-authorisation (Hirschhorn, 1997). Participants also experience being unconsciously de-

authorised by the power of their peers or the system. It begs the question whether participants understand the dynamics underlying these complex systemic behaviours (for example power games and unconscious colluding) and how they could move from a position of victim to wisdom.

Self-authorisation is facilitated by their competence/knowledge (academic qualifications) and skills (experience) and is driven from within. They viewed their success as “above average” and almost needed to inflate their egos in order to feed the egos as discussed in Section 5.6.

Participants also emphasised authorisation from clients in that there is a mandate between the client and the company setting out clear expectations. Although the mandate is between the client and the company, the investment team contribute to the company’s credibility. In other words, the emphasis is on client trust. Sievers (2002) referred to the dynamics of trust being embedded in the level of meaning the participant experiences in the relationship and the accompanying hope to sustain the relationship. Participants also seemed to reframe authorisation from clients as power, for example: *“this massive amount of power”* and this may reflect a need for power.

Other factors which de-authorised participants were identified as an extraordinary competitive environment and self-doubt.

Influence and power can open doors for them to gain access to the captains of industries. The interpretation is that status and money can become seductive and become power issues, leading to an inflated ego which may undermine authority. The underlying defence could be the need to hang on to power and to serve the narcissism which normally forms part of a power play (Peltier, 2001). The basic assumption is about Flight into narcissism.

Finally, participants are exposed to sensitive information which can be misused or abused (the degenerative, shadow side is power over another). This highlights the nature of the trust involved in the fund management role.

5.6.2 Working Hypotheses

It would appear that authorisation is experienced consciously from above, laterally within and as derived from the clients in their normative role of acknowledgement of competence. On the other hand, there is unconscious de-authorisation by the power of their peers (lack of trust and respect), as well as people in management and leadership positions (fame is short lived) and clients (dissatisfaction with poor short-term results). This erratic nature of authorisation evokes fears about personal position and threatens the ability of fund managers to exercise their authority and to act collectively within the organisation.

5.7 ROLE

In terms of the three role types identified by Obholzer and Roberts (1994), the participants reported the following role experiences:

They described their normative role (the rational job content) as to monitor and manage the securities (in the form of stocks, bonds amongst others) to meet the investment goals and objectives of the clients (investors). The services include financial analysis of the investments, as well as the assets in which funds are invested and the stocks selected. Picking the right stock market or the right sector of the stock market is crucial to investing successfully. They decide which stocks to buy and in so doing determine the success of the fund. Overall, the participants were clear on their normative role and its performance criteria.

Their experiential role or their own perception of their performance reflected some ambiguity, *“There is always this uncertainty underlying things”*, and varied from a sense of grandiosity, power and importance, *“There is a lot of research to prove that if there weren’t fund managers, there wouldn’t be a market”*, to a sense of uncertainty and self-doubt, *“Nobody can lay claim to knowing the truth”* and *“you are always mentally doubting yourself”*. Participants described, on the one hand, an idealisation of their role, for

example, if one makes it here, one is really something, and, on the other hand, role apprehension.

Their introjections with which they identified can be described as the idealised role: the challenge and status of managing money, *“people rely on us to produce pension”; “living on the edge”, “we are dealing with serious amounts of money”* and *“It is the ultimate form of making money”*. It was also the status of being part of an elite few who can be on the *“forefront of what is happening in all industries”*. Another introjection is about the passion which is a part of the motivation for becoming a driver: *“everyone loves this industry”*.

Furthermore, the participants described their phenomenal role (the individual's perception of how others see their performance) as a disconnect between how others, for example clients, view their performance (i.e. short-term basis) versus how they view their performance (long-term basis):

“I think the problem is your clients, they have a short-term horizon and they are calling on you every 3 months.”

There are various projections on this role from different stakeholders such as the organisation, consultants, clients and public view. The participants are aware of the expectations of the organisation, as well as those of the client. These expectations hang like a sword over their heads, for example, *“there is a mandate in place and the mandate is a contract between us and the client and it says that I am giving you money and you must look after it and these are sort of the things you can and cannot do, and this is what I expect of you including a benchmark”*.

In exploring their phenomenal role they also described received projections from others such as money is status, *“it is a powerful and exciting industry, it's a glamorous industry, very lucrative, you are on the pulse of the economy”*, as well as the importance and influence of their positions, i.e. *“A whole lot of consultants at your beck and call”*. All these grandiose projections from

stakeholders lead to the introjections of power and a “better than”, superior status.

The above-mentioned incongruity between the three role parts indicated high levels of role anxiety (Newton, et al., 2006). On the one hand, there was a narcissistic claim to position themselves as superior, but when retreating to their inner circle, the discussion showed the introjections of failure, inadequacy and then success was projected. This resulted in the participants’ experiencing internal conflict or disequilibrium due to ambivalence in the roles. It appears as if there was less alignment between the participants’ experiential and phenomenal roles.

The participants’ all-consuming work roles may prevent them from taking up their respective roles in both work and personal life and may cause further role anxiety. Life’s reality is that one needs to take up multiple roles in order to be balanced. The solution may be to go into the depressive position (to give back and take back projections and to understand and resolve introjections) and to integrate and embrace all three kinds of roles.

5.7.1 Discussion

Role dynamics differentiate between the normative (rational job content), experiential (own perception of performance) and phenomenal roles (the individual’s perception of how others see their performance) of the investment professional. The participant’s normative role was to manage a portfolio of stocks or bonds to make the highest returns for investors; their experiential role or their own perception of their performance reflected some ambiguity, i.e. on the one hand an idealization of their role, and, on the other hand, role apprehension. Their valences and the introjections with which they identified can be described as the idealised role: the challenge and status of managing large amounts of money. It is also the status of being part of an elite few that can be on the “*forefront of what is happening in all industries*”.

The participants described their phenomenal role as disconnected between how others, for example clients, viewed their performance (i.e. short-term basis) versus how they view their performance (long-term basis). They also received projections from others such as money is status, as well as the importance and influence of their positions. All these grandiose projections from stakeholders could lead to inflated power and a “better than”, superior status.

The above-mentioned incongruity between the three role parts indicated high levels of role anxiety (Newton, et al., 2006). On the one hand, there was a narcissistic claim to position themselves as superior, but when retreating to their inner circle, the discussion showed the introjections of failure, inadequacy, and then success was projected. This resulted in the participants experiencing internal conflict or disequilibrium due to ambivalence in the roles. The participants attached themselves to the rational part of their role and detached from the complex dynamics of managing the boundaries between the rational and the perceptions of self and other.

Further role anxiety was caused due to the participants’ all-consuming work roles which may prevent them from taking up their respective roles in both work and personal life. Life’s reality is that one needs to take up multiple roles in order to be balanced. The solution may be to go into the depressive position (to give back and take back projections and to understand and resolve introjections) and to integrate and embrace all three kinds of roles.

5.7.2 Working Hypothesis

The role anxiety of the participants arises primarily from two role dynamics, namely the internal conflict caused by role ambivalence (idealisation versus role apprehension) and all-consuming work roles preventing them from taking up other roles. The participants attach themselves to the rational part of their role and detach from the complex dynamics of working with their introjections and received projections.



5.8 TASK

The participants described their task content in clear terms (in the words of one participant) as being *“exposed to a lot of information and as analysts and fund managers we are expected to collect all the information, process it in terms of a financial model or interest rates, bonds and various other factors and at the end of the day, using all the information at our disposal, to form a view on stocks, bonds, various asset classes and what we think are good opportunities”*.

One participant who has been *“in the industry for close on 30 years”* voiced the environment task as *“the most stimulating industry that I have ever experienced and if I had my time again, there is absolutely not a shadow of doubt that I would do the same thing”*. It is interesting that he who had 30 years of experience in the same industry, evaluated this in comparison as the most stimulating. This was interpreted as an indicator of how the participants idealised their task. Another participant referred to having *“an unbelievably privileged job that you ever enter”*. This gave more evidence of the idealisation of the task.

The interpretation was made that the simplistic and/or linear thinking in describing their primary task acted as a container for their performance anxiety against the complexity of dealing with emotions and uncertainty (Nicholson & Torrisi, 2006). Their defences were emotional attachment, simplification and intellectualisation (Blackman, 2004). These defences could lead to anti-task behaviour and detachment from their primary task. Anti-task behaviour may elicit defensive behaviours such as flight into detail, becoming sceptical or rigid and therefore not listening to other opinions. Another defence mechanism may be avoiding building relationships with various stakeholders such as support staff and clients (Menzies, 1993).

On the other hand, they acknowledged the shadow side, for example, dealing with the fear that the system could take one out by the knees, for example, *“I don’t think there are many other professions that every month a weakness is*

called depending on what you want to cope with” and that it could be hugely frustrating and frightening. Participants referred to the great responsibility to work with other people’s money every second of the day and to contain investors’ worries about their investments, for example: *“We are paid to worry about other people’s money”*, the challenges, the fact that one can never switch off, the continuous uncertainty and anxiety. The risk is that this could create a sense of vulnerability to failure in some participants if they cannot control all the relevant variables. This sense of personal risk could trigger defensive pseudo-work focussing less on the primary task, being partly driven by the need for self-protection.

The secondary task is to balance and maintain the interests of the organisation, clients and market forces. However, being on task does not necessarily equal performance: *“The harder and harder you work, the more and more wrong you are getting it”*. The anomaly of this profession is that one can be one hundred percent on task with regard to the primary and secondary task and still not perform. Furthermore, a conflict is also present in the secondary task between the fiduciary duty of putting the client first versus being part of an organisational system where performance ultimately impacts the bottom line.

5.8.1 Discussion

The participants described their task content as a strong feature and in clear terms. Evidence was found that participants idealised their task, for example: *“an unbelievably privileged job that you ever enter”*.

The interpretation was made that the linear thinking when describing their primary task, acted as a container for their performance anxiety against the complexity of dealing with emotions and uncertainty (Nicholson & Torrisi, 2006). Their defences were emotional de-attachment, simplification and intellectualisation. These defences could lead to anti-task behaviour and detachment from their primary task and secondary task (Menzies, 1993).

Furthermore, it is not clear whether the task boundary provides a sufficient container for the anxiety generated by the risks which the participants face in view of the fact that the participants are working with performance measures which they cannot easily control. It also appears that the nature of the task boundary functions as a two-edged sword, both the glory (*“getting it right and making serious amounts of money”*) and the curse (*“getting it wrong and losing lots of money; the system can take you out by the knees”*).

The secondary task is to balance and maintain the interests of the organisation, clients and market forces. The anomaly of this profession is that one can be on task with regard to the primary and secondary task and still not perform.

5.8.2 Working Hypothesis

Focussing on task clarity and experience can be a good container for anxiety. This container is, however, corrupted in two ways: anti-task behaviours as defence against the anxiety evoked by ACIBART (conflict, identity, boundary, authority, role and task dynamics) already described and the anomaly that one can be on task and still not perform. Therefore task as container is not sufficient.

5.9 RESEARCH HYPOTHESIS

The exploration into the systems psychodynamic functioning of fund managers in their world of work revealed complex and ambiguous dynamics. The identity of fund managers is characterised by narcissism manifested in a preoccupation with intelligence, money and power. Narcissism is used as a defence against the anxiety caused by conflict on different levels, role ambiguity, de-authorisation, and the anomaly of being on task and still not performing due to the unpredictable nature of financial markets. Pre-occupation with intellectual pursuits leads to the split off and projection of emotional content (relationships, feelings). This split aggravates intrapersonal conflict, leading to a strong need for integration of the whole self. Integration

necessitates the depressive position. Instead of moving towards integration in the depressive position, the fund managers often choose the destructive path of alienation from relationships (flight into me-ness).

There are three potential enablers for the depressive position. Firstly, the task can serve as a container for the anxiety in this role, but the task is corrupted by anti-task behaviours such as withdrawal and disengagement from relational/emotional content. Secondly, the stakeholders who can provide support and advice are either engaging in similar narcissistic behavioural patterns (peers are competing, management teams are working hard to impress); or they have been alienated by inter-group conflict (support staff). Thirdly, awareness of boundary conditions would enable fund managers to build the relationships necessary for support and advice, and to develop the self-awareness necessary for the integration process.

The research hypothesis indicated that the complex and ambiguous systems psychodynamics referred to above in essence relate to the perpetuation of destructive narcissism and the unavailability of enablers to find a more constructive and integrated identity. The longevity of incumbents in the role of fund manager is therefore not sustainable due to the destructive nature of these dynamics.

5.10 CHAPTER SUMMARY

In this chapter the findings of the research were discussed. During the analysis of the qualitative data the seven themes of the ACIBART Model were found. Each of these themes was explored and discussed. The discussion of each theme led to the development of a working hypothesis which was finally integrated to formulate the primary research hypotheses of the study.

CHAPTER SIX

CONCLUSIONS, LIMITATIONS AND RECOMMENDATIONS

6.1 INTRODUCTION

This chapter presents the conclusions drawn by the researcher based on the research aims. The limitations of the study, as perceived by the author, are explored and finally recommendations are made for future research in the field of consulting psychology with specific reference to the systems psychodynamic world of the fund manager from the systems psychodynamic consultancy stance. The chapter concludes with a chapter summary.

6.2 CONCLUSIONS

In this section conclusions are drawn in terms of the specific objectives listed in Chapter 1. These objectives were:

- To identify and understand the psychological forces driving investment performance.
- To conduct a theoretical investigation into systems psychodynamic functioning and the ACIBART model
- To conduct an empirical investigation into the systems psychodynamic functioning of the fund manager, and present working hypotheses, integrated into the research hypothesis.
- To formulate recommendations.

6.2.1 Specific research objective: To identify and understand the psychological forces driving investment performance

This objective was achieved in Chapter 2. The conclusion drawn was that the global financial crisis provided the final impetus for pushing both financial service providers and asset managers out of their comfort zones. Trust and

confidence have become frayed in the industry. The real winners will be those companies which re-establish the high ground for their clients (Mckinsey & Co., 2010). Therefore, to create an excellent asset management capability, the key issue has to do with how well one understands how to maximise asset management talent. It is really the people and their skill set – professionals who tend to be the most ornery, independent, narrowly focused, difficult-to-manage professionals out there. To retain the brightest and strongest-willed staff, one will have to implement progressive people practices supported by a culture of investment excellence.

6.2.2 Specific research objective: To conduct a theoretical investigation into the systems psychodynamic functioning and the ACIBART model

This research objective was met in Chapter 3 by exploring systems psychodynamic literature and the conclusions can be summarised as follows: Systems psychodynamics is an inter-disciplinary field with roots in psychoanalysis, which can be traced back to the 1800's. The field is supported by a solid body of knowledge and research. It considers the unconscious processes on the individual, group and organisational level, supported by the ACIBART model. Defence mechanisms were also described and specific reference was made to individual defences, social defences and system domain defences. The impact of these behaviours was explored. The systems psychodynamic stance provides a conceptual framework able to deal with complexity and it takes into account the depth of the human experience.

6.2.3 Specific research objective: To conduct an empirical investigation into the systems psychodynamic functioning of the fund manager, and present working hypotheses integrated into the research hypothesis

This objective was achieved in Chapters 4 and 5. Chapter 4 contains the qualitative empirical research with specific reference to the research design requirements and a description thereof. In Chapter 5 the findings were

presented. In total seven themes emerged and the following hypotheses were formulated with regard to these:

Working hypothesis – Anxiety

The on-going severe pressure to perform results in a vicious cycle of anxiety and the use of defence mechanisms leading to narcissism, and also perpetuates the pressure to be perfect, to perform even better. It may enable performance, but the question is at what cost to individuals on a personal level. If the cost is too high, the performance may not be sustainable.

Working hypothesis – Conflict

Conflict manifested on four different levels. The anxiety created by conflict necessitates coping by using various defence mechanisms. It leads to anti-task behaviour manifested in an imbalance: an overinvestment in technical capabilities and an avoidance of relational aspects and collaboration. Ultimately this has a negative effect on job performance.

Working hypothesis – Identity

The narcissist is at risk of a collapse in identity if he/she alienates the much needed audience feeding the sense of grandeur. The more the fund manager accomplishes, the greater the narcissistic behaviour becomes. The more split off the negative parts become, the greater the need for taking back projections and owning the whole self. The depressive position in which this process of integration takes place will leave the fund manager vulnerable and in need of containment, i.e. advice, as well as critical support of loved ones, colleagues friends and advisers in order to sustain the depressive position (having a coherent image by integrating both good and bad).

Working hypothesis – Boundaries

The anxiety caused by the conflicting role demands, poor work-life balance and different behavioural demands leads to poor boundary management skills.

Working hypothesis – Authority

Authorisation seems to be conscious. It is experienced from above, laterally within and from the clients in their normative role by acknowledging competence. On the other hand, there is unconscious de-authorisation brought about by the power of peers (lack of trust and respect) and people in management and leadership positions (fame is short lived) and clients (dissatisfaction with poor short-term results). This erratic nature of authorisation evokes fears about personal position and the ability of fund managers to enact their authority and to act collectively within the organisation.

Working hypothesis – Role

Role anxiety arises primarily from internal conflict caused by role ambivalence and work overload which prevents taking up other roles. The participants attached themselves to the rational part of their role and detached from the complex dynamics of working with their introjections and received projections.

Working hypothesis – Task

Task as container is not sufficient, because of anti-task behaviours as defence against the anxiety evoked by CIBART (conflict, identity boundary, authority, role and task dynamics) already described. Also relevant is the anomaly that one can be on task and still not perform.

The research hypothesis

The research hypothesis was formulated as follows: The objectivity of fund managers is affected by unconscious psychodynamics in the form of individual and intergroup defensive structures. In essence this relates to the perpetuation of destructive intellectual narcissism and the unavailability of enablers to find a more constructive and integrated identity. The longevity of incumbents in the role of fund manager is therefore not sustainable owing to the destructive nature of these dynamics.

6.2.4 *Specific research aim: To formulate recommendations:* Refer to 6.5

6.3 REFLECTION ON RESEARCH ROLE

In the role of researcher, I satisfied the criteria of being what Adler and Adler (1987) name a “complete member”. I was *“fully committed to and immersed”* in the group of investment professionals who were the participants in the research (Ellis & Bochner, 2000, p.741). This membership role provided me with what Morgan refers to as *“opportunities that include a deep understanding of the culture, informal structures and history of the community of practice* (in this case the investment professionals), *fluency with the “native language”, established relationships with the members”* (Morgan, 2006, p. 39). There were some advantages to this design, although it also posed some challenges, such as the fact that I initially found that I had lost my researcher role and somehow “slid” into the role of peer or colleague without being aware thereof. Furthermore, the need to foster an atmosphere of collaborative exploration only served to make the challenge of sustaining a researcher role during the Listening Posts all the more difficult. I, however, did remain more attentive to the role boundary and role as the research work evolved.

It is unfortunate that I shall not be able to provide feedback on this analysis to all the research participants because most of the people with whom I liaised have left the organisation following a merger and restructure process.

6.4 LIMITATIONS

In this section the limitations of the research will be discussed with reference to the literature study and the empirical research.

Limitations of the literature study

Although a considerable amount of literature is available on the systems psychodynamics paradigm, literature exploring the systems psychodynamic functioning of fund managers in the South African context is non-existent.

The systems psychodynamic research paradigm contains its own limitations and assumptions. It therefore excludes other perspectives or ideas which may be held by other schools of psychology or aspects such as organisational culture or the external environment. These aspects may very well provide insight into the functioning of fund managers not reflected here.

Limitations of the ACIBART Model

The face validity of the ACIBART Model is dependent on the user's understanding and experience of the systems psychodynamic paradigm and therefore it limits the number of Organisational Development (OD) consultants who will be able to use it to explore below the surface dynamics in organisations.

These limitations do not necessarily reduce the face validity of the ACIBART Model, but place some limits on the application possibilities.

Limitations of the Empirical Research

The limitations of the qualitative research phase are as follows:

- Both Listening Posts were conducted with participants of the same organisation and the researcher was also an employee of this organisation. It follows that the participants as well as the researcher formed part of a similar organisational culture. This made it possible for the researcher's own bias and issues to be transferred onto the analysis and the interpretation of the findings. This was to some extent countered by the presence of a co-facilitator during the Listening Posts.
- Owing to the above-mentioned design it was also not possible to make comparisons between the experiences of internal fund managers and the experiences of fund managers employed by other asset managers.



- The Listening Posts comprised mostly white males and only one white female. Thus the experiences of all race groups and females could not be sufficiently explored and understood.
- Although care was taken to optimise the validity and reliability of the study, the use of discourse analysis may have resulted in the researcher's own bias, such as own conflicts and issues, being transferred onto the analysis and the interpretation of the results. Self-awareness, managing own inner experiences and biases, using a third ear and being on the lookout for counter-transferential experiences assisted the researcher to counter subjectivities.
- Working hypotheses were used as a research tool. According to Amado (1995) a working hypothesis used as a research tool always requires that the assumptions should be verified. From this the conclusion can be drawn that all hypotheses in this research study could be explored in further research and that they are not absolute truths. They are only relevant and suitable until proven differently. Therefore different hypotheses can be formulated indefinitely.

Some of the limitations can be addressed in terms of the recommendations.

6.5 RECOMMENDATIONS

Recommendations have been made in terms of the organisation and also for the sake of further research.

6.5.1 Recommendations for the organisation

It is important that organisations actively work at achieving a healthy and productive work environment – *“... the elements that define a healthy work environment include collegiality and sharing; recognising employees' contributions; having policies that are based on trust; doing what we say we will do, both individually and as an organisation; and encouraging employees to have a balanced life”* (APEX, 1999).

This research has uncovered some important challenges facing the community of investment professionals. For this reason the results of this research should be shared with the investment team and other relevant stakeholders in the organisation. An awareness and understanding of the long-term impact on organisational culture and individual well-being must be created. The organisation will need to take a stand on this to ensure a talent pipeline of future successors. Organisations must endeavour very hard to create spaces and practices with regard to communication, for example, invest the necessary time to conduct conversations which will enhance effective functioning and strengthen the culture of the organisation.

Fund managers need to be supported in a way which will help them to deal with everything they contain in their role, ensuring formal debriefing on a team and individual level. During these sessions investment professionals can explore elements of what is significant in their own lives, current realities, how they feel about their work, etc. They should also explore some dynamics and discuss their own valence and defences, as well as how to deal with it. It is also recommended that teams and departments invest the necessary time to conduct self-awareness raising conversations about their own conflicts, identities, boundaries, authorities, roles, tasks, etc. This would enable them to create shared meaning and enhance collaboration with other parts of the organisation.

The training of fund managers should also include awareness of systems psychodynamics and its role and effect on identity and ultimately on performance. Furthermore, self-development should be a pre-requisite for fund managers with the focus on healthy coping mechanisms such as resilience and sensitivity towards how the fund manager role is taken up in terms of behaviour dynamics. Fund managers should be encouraged and supported to lead balanced and healthy lives in order to flourish and continue to grow in their careers.

To demonstrate the organisation's commitment to key talent, talent management initiatives should be incorporated in the strategic vision of the organisation. It should include aspects such as to accurately identify and assess the most critical talent, building a strong, adaptable culture, the design of customised retention strategies for key talent and metrics to track talent management efforts.

For staffing and employment purposes a competency-based interview checklist could be developed based on the constructs of the ACIBART Model and this could be utilised for recruitment and selection of fund managers. This will facilitate better job-interest alignment, culture fit and ultimately retention of key talent.

The constructs of the ACIBART Model have been found to be helpful in explaining systems psychodynamics and should therefore be used by organisational development consultants and psychologists for executive coaching on an individual level, as well as team development on a group level. They could also give an indication of climate and culture on an organisational level.

6.5.2 Recommendations for future research

It is recommended that similar studies be explored in the larger asset management industry. Although fund managers are as a group still white male dominated, future research should aim to include other groups of diversity not included in this research to explore the potential additional complexity of diversity dynamics. Furthermore, the working hypotheses presented in the research could be used as working hypotheses in other asset management organisations. This process may lead to the expansion and improvement of the working hypotheses.

Finally system domain and social defensive structures have not yet been explored in depth.

6.6 CHAPTER SUMMARY

In this final chapter conclusions were formulated on the research objectives of this study. The limitations of the literature study and the empirical study were pointed out. The researcher role was also reflected upon. Recommendations were made for organisations and suggestions were made for possible future research.

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