

Defences against innovation: the conservation of vagueness

Philip Boxer

Introduction

An individual newly joining an enterprise may experience it as a social defence system to which he or she must react and adapt. For the nurses in Isabel Menzies-Lyth's study, "in the process of matching between psychic and social defence systems, the emphasis was heavily on the modification of the individual's psychic defences" (Menzies-Lyth 1990[1960])p459. A social defence system is, however, also "a historical development through collusive interaction between individuals to project and reify relevant elements of their psychic defence systems" (Menzies-Lyth 1990[1960])p459. Menzies-Lyth underlines that the use of the organisation of an enterprise as a defence against anxiety is operated only by individuals.

This approach has brought its clinical concepts, practices and focus on what enables interventions to be effective, approaching organisational entities through addressing the individual's experience within a single enterprise, or, through the metaphoric use of psychoanalytic concepts to the enterprise itself *as if* it were an individual (Arnaud 2012). Either way, the enterprise has been presumed to exist as a sovereign entity, paralleling the presumptions of a sovereign ego. How, then, are we to think psychoanalytically about the way in which the development of an enterprise interacts with an individual?

Consider this metaphor: an enterprise is like a coral reef and the people whose employment depends on that enterprise are as the organisms that colonise the habitat created by the coral reef. In these terms, the organisation of the enterprise used by its employees in support of their psychic defence systems is like the reef habitat used by its colonial organisms in support of their individual niches. The dynamic relationship of the coral reef with adjacent environments affects what forms of colonial organism it can support, but so too do the forms of colonial organism affect the topography of the coral reef. How does this translate into the individual-enterprise-environment dynamic?

All reef systems are open systems, but the extent of their openness to exchange with adjacent ecosystems varies, reflected by their organisation as habitats that may itself be more or less dynamic. To study such reef systems as isolated ecosystems, their internal processes must dominate over their cross-boundary conditions. Extend the spatiotemporal scale, however, and the topography of the reef itself becomes, for example, a function of the ocean swell regime. Here, the cross-boundary conditions dominate over the reef system's internal processes. Thus, "ecosystem processes can be defined and measured at many scales not just that of the whole reef, depending on the question being addressed and the observer's perception" (Hatcher 1997)p82.

This paper considers the psychoanalytic implications of considering how cross-boundary conditions come to dominate intra-enterprise dynamics. We need to clarify what constitutes the enterprise-environment interaction, however, before considering the interaction of these cross-boundary dynamics with the individual.

The enterprise-environment interaction

The enterprise-environment interaction was less essential to the socio-technical challenges facing the machine cultures of the post-World War II era; a 'machine culture' describes an enterprise culture focused on maximising machine performance (Rice 1958), p241. At that time, the primary task of an enterprise was defined as the task that the enterprise had to perform if it was to survive (Miller and Rice 1967) p25. Thus, when A.K. Rice originally wrote about the Ahmedabad experiment (Rice 1958), the primary task of the workers at Calico Mills involved managing a group of looms. The nature of the technology of production constrained the ways in which primary task could be defined (Miller 1959).

By the latter part of the 20th Century, primary task was that organisation of an enterprise that could form the basis of sustainable competitive advantage. Technology does not constrain the enterprise in the same way in the 21st Century. The constraints come more from the nature of each situation and circumstance, for example, in risk insurance organising the appropriate remediation of a property or in healthcare organising an appropriate care pathway for an elderly person. The design of the organisation in each case is constrained by the situation and circumstance of the property or person rather than by a prior assumption of a primary output, such as of woven cloth.

Effective remediation or individual care must be organised on a one-by-one basis, the primary task of the remediation or care in each case depending on the nature of the individual situation and circumstance for which it is designed. The enterprise providing remediation or care must be capable of simultaneously organising many different responses through the use of some repertoire of possible services and treatments, not necessarily all provided by itself. The cross-boundary conditions dominate the intra-enterprise dynamics.

In the place of one supply-side definition of primary task, the enterprise must support many simultaneous demand-side definitions, each one potentially defining its response differently, for example, in healthcare, through the provision of a variety of care pathways (Boxer 2014). Given this proliferation of demand-side definitions of its primary task, an enterprise providing such a service must define its survival differently to the supply-side definitions of Miller and Rice (Miller and Rice 1967).

The 21st Century pull towards having to respond to customers one-by-one

The need to do many different things at the same time is not unique to risk insurance or healthcare enterprises; it is apparent in any industry impacted by digitalisation. This requires a shift in an enterprise's locus of innovation from its supply-side to its demand-side, enabled by the increasing ability to connect everything digitally. In the place of markets, digitalisation enables a focus on the demands of customers, each within his or her context-of-use.

This demand-side focus means that an enterprise subject to these competitive pressures must place greater emphasis on its ability to create new and multiple forms of collaboration in order to create value. As a result, it must itself operate within networks of other operationally and managerially independent enterprises, forming ecosystems with which it must collaborate in varying ways. Within these ecosystems, an enterprise must adopt strategies enabling organised networks to become the new economic entities shaping competition, their economics being organized around the contexts-of-use in which demands arise. In the case of the care enterprise, the pathway supporting an individual's care becomes just one pathway through an organised network.

Organised networks rely on task systems that have become increasingly modular. The agility of these networks is the variety of pathways through the network that it can support (Boxer 2012). An enterprise aligns these pathways dynamically to customers' demands through contractual networks and creates dynamic complementarities with other enterprises. In this way, its identity becomes increasingly independent of institutionalised boundaries. The horizontal task linkages that can be established across these organised networks become dominant with respect to institutionalised vertical accountability linkages, and cross-boundary conditions dominate intra-enterprise dynamics. The dominance of these cross-boundary dynamics produces the conditions in which the dynamic behaviour of the ecosystem exhibits complex adaptive behaviour (Kurtz and Snowden 2003).

Decoupling the individual from enterprise-environment interactions

One symptom of the impact on the individual of the dynamic nature of these enterprise-environment interactions has been a call for deep changes to educational and entrepreneurial systems. A study of the US Economy since the end of World War II showed that output and productivity had become decoupled from jobs and wages in the last twenty years. People doing routine forms of work had become increasingly decoupled from enterprise-environment interactions:

“Digital technologies have been able to do routine work for a while now. This allows them to substitute for less-skilled and less-educated workers and puts a lot of downward pressure on the median wage. As computers and robots get more and more powerful while simultaneously getting cheaper and more widespread this phenomenon spreads, to the point where economically rational employers prefer buying more technology over hiring more workers. In other words, they prefer capital over labour.”(McAfee 2012)

During this time, enterprises were responding to massive changes in their environment with changed strategies and boundaries redrawn by divesting peripheral businesses, They focused on core areas while outsourcing selected activities, and merged at an historically unprecedented rate (Wulf 2012). The resultant elimination of layers in an enterprise's organisational hierarchy ('flattening') were associated with increased control and decision-making at the top enabled by massive investments in information technology:

“New strategies and vastly more complex environments require different modes of internal governance: different structures, different ways of making decisions, different incentives and different skills. Shorter product life cycles require faster decisions that are more responsive to customers. More demanding shareholders set higher fiduciary standards for senior executives forcing structural changes that reduce inefficiencies in bureaucratic organizations.” (Wulf 2012).

With these changes in how enterprises were being organised came new perspectives on the nature of competition as dynamic specialisation and a more dynamic understanding of the way markets themselves were organised to serve particular interests. Michael Porter, a dominant influence on competitive strategy during the 1980's and 1990's, concluded that a fundamentally different approach was needed to create value that gave priority to creating value for the customer as well as for the supplier (Porter and Kramer 2011). Put together, these changes reflected an unprecedented period of technological change setting loose unprecedented demands for innovation across every industry, whether privately or publicly owned. In the reef metaphor, cross-boundary conditions were having a huge impact on the organisation of the reef ecosystem/enterprise.

The effects of the decoupling can be seen in the persistent levels of high unemployment in Western economies, so that jobs that can be mechanised or computerised are gradually lost. One view is that this leads to new kinds of job created for 'new artisans'. These 'new artisans' are workers who "combine technical skills with interpersonal interaction, flexibility and adaptability to offer services that are uniquely human" (Autor and Dorn 2013). Another view is that this argument is itself a manifestation of neoliberal thinking and that neoliberalism is the ideological corollary of this decoupling. With neoliberalism, the well-being of each citizen can best be advanced by "liberating individual entrepreneurial freedoms and skills within an institutional framework characterized by strong private property rights, free markets, and free trade" (Harvey 2005). In effect, each citizen becomes a consumer personally responsible for the state of his or her life in an environment presented as if it were 'natural'.

Neoliberalism as a symptom of the decoupling

Neoliberalism for the very rich makes perfect sense, given that the rich have the power to shape markets to serve their interests. For those less fortunate, however, neoliberalism's offer of personal fulfilment lies in the shadow of varying degrees of anomie. Anomie is experienced as anxiety about what to do in the face of a withering away of norms, norms understood as 'mental' givens. This anomie is existential anxiety or angst involving a 'loss of meaning', a loss of a sense of direction and of knowing where even to begin to make meaning. Such existential angst is anxiety *without* an object. It is to be contrasted with annihilation anxiety, anxiety *with* an object that is an extreme form of performance or signal anxiety (Freud 1959[1926]). Neoliberalism from the perspective of this existential angst can be understood as an attempt to neutralise a critique of the aesthetic shape taken by an individual's life (Boltanski and Chiapello 2005). Such a critique is based upon the importance attached to personal liberation, authenticity and being-true-to-oneself in clear echoes of the 1960s. This critique is taken up by a neoliberal rhetoric that is *vague* in theory with no direct link to practice. In practice, markets are not 'free' and the citizen is never wholly able to exercise sovereign rights over the shape of his or her life. The neoliberal rhetoric is acted from by enterprises and the state *as if* it is true (Bloom 2013).

Looked at from the perspective of social defences, neoliberal management practices may have created some kinds of job while destroying many others. Their effect in the public sector, however, has been the standardising and mechanising of patient care to the point at which the care can only be described as being provided in bad faith (Rizq 2012). It is as if the perverse enterprise (Long 2008) is offering a social defence in the form of jobs that can serve as psychic retreats (Steiner 1993), displacing social anxiety onto the enterprise itself with its rules, systems, structures and procedures (Hoggett 2013). With some of its more recent political manifestations as 'austerity', we may even see neoliberalism as banally evil in that its adoption as an ideology enables individuals knowingly to inflict the suffering of anomie on others (Alford 1997). Neoliberal rhetoric responds to changing cross-boundary conditions as if the focus on protecting the existing organisation of niches within the reef ecosystem/enterprise should be intensified.

The neoliberal focus thus remains on the individual while the interactions of the enterprise with its adjacent environments remain the concern of others, kept safely 'other' through narcissistic idealisation of the enterprise itself (Schwartz 1992), or through envious attack as a narcissistic defence against unbearable otherness (Stein 2000). It is in this sense that neoliberalism may be seen as a symptom of the decoupling. It is a way of giving meaning to what-is-going-on that conceals

what-is-'really'-going-on. At the level of the enterprise itself, neoliberalism can result in an organisational miasma, in which there is "an incapacitating ethos of self-criticism, an inability to maintain boundaries between public and private lives, a silencing of organisational stories, a compulsive scapegoating and, above all, a paralysis of resistance" (Gabriel 2012). It was this paralysis of resistance that was the focus of Menzies-Lyth's work on social defences.

Menzies-Lyth's work on social defences as co-opted to this symptom

The original study of a nursing service by Isabel Menzies-Lyth considered how the standardisation of working practices could be used "to give substance in objective reality to characteristic psychic defence mechanisms" (Menzies-Lyth 1988) p51. The study was criticized by a Registered Mental Nurse who argued that while standardisation of a nurse's work might be used as a defence and might be useful in training, the social organisation of a nursing service could not be "above all" for support in the task of dealing with anxiety (Registered Mental Nurse 1988[1960]).

Menzies-Lyth acknowledged this by drawing on Jaques' work (Jaques 1956). She pointed out the effects of removing discretion from the way a job was defined: "nurses felt insulted, indeed almost assaulted, by being deprived of the opportunity to be more responsible" (Menzies-Lyth 1990[1960])p456. She argued that to be effective, changes emerging from work with individuals and small groups needed to be counter-balanced by changes in surrounding areas (Menzies-Lyth 1990)p468. Menzies-Lyth's focus was, therefore, as much on the organisation of the institution as on the uses made of it by the individual. She nevertheless concluded "resistance to social change is likely to be greatest in institutions whose social defence systems are dominated by primitive psychic defence mechanisms" (Menzies-Lyth 1990[1960])p461.

A focus on the role of primitive psychic defence mechanisms involved focusing on the individual-enterprise interaction within the context of the overall aims of the enterprise (Armstrong 2012). The criticism made by the Registered Mental Nurse was more a prophecy of this focus on the individual-enterprise interaction, therefore, enabling the 'defences against anxiety paradigm' (Stein 2000) to be a perfect candidate for co-option in support of neoliberalism.

Co-opted in this way, the problem that needed solving was the interaction between the individual's attachment to forms of psychic defence and the organisation of an enterprise. It became a way of thinking about the relationship between the individual and the enterprise, paralleling the organism's relationship to the reef ecosystem defined as the organism's niche within the ecosystem habitat. The psychoanalytic nature of the cross-boundary dynamics needs to be examined more closely to escape from this co-option.

The impact of cross-boundary dynamics

Jaques' original work on social systems as a defence against anxiety described the social system in terms of roles occupying different levels in a hierarchy corresponding to different timespans of discretion (Jaques 1956). His work was concerned with getting precision in the structure of a managerial hierarchy. He later took this further by defining an enterprise as an interconnected system of roles with mutual accountabilities and authorities based on the requisite organisation of the enterprise in relation to its environment (Jaques 1989). His conclusion was that it was badly organised social systems that aroused psychotic anxieties rather than *vice versa* (Jaques 1995).

This focus on the enterprise-environment relation did not sit well with the Tavistock paradigm (Palmer 2002), in which the dominant approach was on the individual-enterprise interaction, working through self-managed teams and semi-autonomous work groups (Kirsner 2004). A polarisation emerged between Jaques' hierarchical approach to the enterprise-environment interaction and an argument for the value of the psychoanalytic approach to the individual-enterprise interaction by examining the transference processes implicit in working relationships (Amado 1995).

The dangers in pursuing an approach focused on the individual-enterprise interaction became apparent in the work that Emery and Trist did with the top management of a merged aerospace engine maker, which faced significant technological developments in its environment. They found that the team faced anxieties that were

“... existential rather than interpersonal. The issue that the team faced was one of survival. In a turbulent environment, the issue is survival. The need is to stop the flight into personal paralysis and interpersonal discord and to replace these by participation in a process of group innovation. In systems of organisational ecology, the locus of innovation is in the set of the partners involved” (Trist 1977).

In these turbulent environments, the laws connecting parts of the environment to each other were themselves “often incommensurate with those laws connecting parts of the enterprise to each other, or even with those which govern the exchanges” (Emery and Trist 1965). The impact of turbulent cross-boundary dynamics on the individual-enterprise interaction was experienced by top management as existential anxiety or angst, distinct from anxiety attached to their performance as individuals in their roles. Faced with such dynamics, consideration of interpersonal anxieties constituted a flight into consideration of personal defences against anxiety. The challenge here was to address the sources of the existential angst.

The double challenge facing the enterprise

With psychoanalytic understanding comes a presumption that there is more going on than is accessible to what may be said. From the early years of the Tavistock paradigm, the workgroup was distinguished from its other existence as the ‘basic group’ (Rice 1958). In this other existence, the ‘basic group’ exhibited basic assumption behaviours as manifestations of its individual members’ relation to the unconscious (Bion 1959). The starting point for working with enterprises within the Tavistock paradigm was thus an entity with boundaries around an inside (Palmer 2002) and a ‘workplace within’ through which the individual governed his or her actions (Hirschhorn 1988). The dependence of this approach on a prior definition of the workgroup limited it, however, to addressing only the individual’s relation to the workgroup as constituted ‘vertically’ by the enterprise i.e. to addressing the individual-enterprise interaction.

Consider the position of Bert, a care worker within an enterprise set up to provide in-home support to the elderly mentally ill, supporting a person called Agatha. Alternatively consider the position of Lisa, a claims representative responsible for ensuring that a person called Donald recovers from the loss he has suffered while insured by Lisa’s employer. A role consultation with Bert or Lisa would focus on how s/he was able to take up a role as it had been defined by the enterprise. The consultation would not go beyond that, however, to re-defining the enterprise within which the role was itself defined (Huffington 2008).

Bert’s and Lisa’s experience of their relation to their employers was one of being constrained. In considering what was constraining, such things would be included as the employer’s

articles of association, appointed or elected officers, organisational roles, contracts, assets, systems, documents, archives, accounts, buildings, communities, affiliated or contracted enterprises, customers or clients, and professional advisors. The objects in this open-ended list would also have many possible linkages between them, the structures they formed being as much social structures of meaning as they were physical structures. The constraining effects produced by these social and physical structures 'subject' individuals like Bert or Lisa at the same time as the behaviours of Bert or Lisa also 'structure' others' experience, such as the care that Agatha may receive, or the remediation of Donald's residence (Miller 2009 [1968]).

The services with which Bert can respond to Agatha or Lisa can respond to Donald are, therefore, structured 'vertically' by the way their enterprise has been set up. These services are also structuring the experience of Agatha and Donald 'horizontally' through the way they are delivered. In a turbulent environment, competition demands that services delivered have increasingly to be structured by the choices Agatha or Donald can make 'horizontally' about what services they will accept, presenting the care or insurance enterprise with a double challenge. The enterprise subjects those working within it to 'vertical' constraints, assimilating them to its ways of organising its work. The enterprise is also itself subject to 'horizontal' constraints, however, imposed by the choices of those to whom it provides services. In turbulent environments, the 'horizontal' constraints become at least as important as the 'vertical' constraints if the enterprise is to accommodate itself in some way to its different customers' demands in order to remain viable.

The significance of the 21st Century pull towards having to respond 'horizontally' to customers one-by-one is that it increasingly presents enterprises with this double challenge. This places particular demands on a Bert or a Lisa in an 'edge' role, who experience this double challenge in terms of how they respond to cross-boundary dilemmas about how to provide care to an Agatha or a Donald. The limitation of both the hierarchical approach and the approach focused on the individual-enterprise interaction is, therefore, that the focus of analysis is too limited in each case. The focus has to include the interactions between all three parts of the ecosystem defined by individual-enterprise-environment. Under these conditions, Bert or Lisa become critical in determining how the cross-boundary dilemma is to be managed as an expression of a double challenge that the enterprise must contain because of its part in a larger ecosystem. It is in the context of this dilemma that the question of Bert's or Lisa's subjection to their unconscious emerges because it is in relation to this subjection that existential angst arises as a symptom of the challenges facing the individual-enterprise-environment interaction.

The double challenge meets double subjection

In his paper on the two principles of mental functioning, Freud tells of a man who, following his father's death, dreams that his father was still alive (Freud 1958[1911])p225. Freud uses this to show how an individual is doubly subjected, subject to reality as represented by inter-subjectively agreed social structures of meaning, and subject to the unconscious manifesting itself here in the form of a wish as a dreamer. This double subjection leads to the experience of being divided: "The point is not to know whether I speak of myself in a way that conforms to what I am, but rather to know whether, when I speak of myself, I am the same as the self of whom I speak" (Lacan 2006[1966]c)p430. Double subjection describes the Freudian topology of the relation between the ego and the id in "where id was, there ego shall be" (Freud 1964[1932])p80.

In the English translation of this quote, the emphasis is on enlarging the organisation of the ego “so that it can appropriate fresh portions of the id”. The emphasis via the original German (“*Wo Es war, soll Ich werden*”) and its French translation, however, is on the ‘there’ where the id was in order to capture something of the nature of the id as being always elsewhere, never fully ‘drained’ by the ego (Lacan 1988[1975])p194. This quality of ‘being elsewhere’ of the radical Otherness of the unconscious provides us with a way of distinguishing the performance or annihilation anxiety associated with performance that is subject to familiar social structures, and the existential angst aroused by the disruption of these structures by cross-boundary dynamics.

To the extent that Bert’s or Lisa’s role supports his or her self-identity, the organisation of the enterprise serves as a defence against performance or annihilation anxiety. With the double challenge comes a potential disruption of the current organisation of the enterprise, and any resultant disruption to Bert’s or Lisa’s role gives rise to existential angst (Armstrong 2007).

The effect of the double challenge facing the enterprise, therefore, will be to affect the way the individual is subjected to its social structure. The necessity to accommodate itself to ‘horizontal’ constraints causes potential disruption to the vertical constraints constituting the current organisation of the enterprise. Such divergence (bottom-right) will lead to forms of strategy consultation in order to consider new ways of competing as an enterprise. Divergence in the double subjection experienced by the individual within an existing social structure (top-left) will lead to forms of role consultation relating their performance to the expectations of the enterprise. It is divergence in both (top-right), a characteristic of turbulent environments, that can be expected to give rise to existential angst.

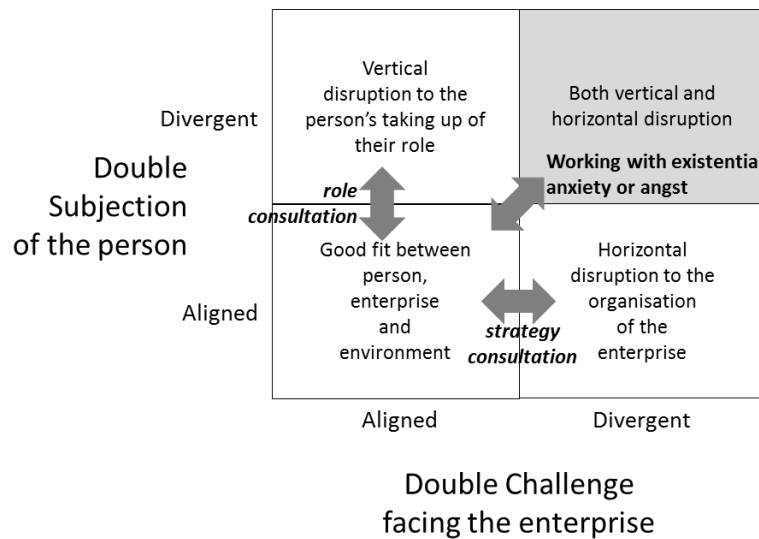


Figure 1: Double subjection and double challenge

In the turbulent environments identified by Emery and Trist, the failure by an enterprise to include horizontal forms of disruptive innovation as part of its normal behaviour will prevent it from engaging in the kinds of dynamic adaptation demanded of it. To be effective, the enterprise has to take into consideration the forms of existential angst precipitated by the failure of existing vertical forms of subjection. It has to enable individuals at its ‘edges’ to ‘mind the gap’. Within these environments, the new perspectives on the nature of competition as dynamic specialisation demand that innovation becomes part of the way of doing business, no longer left to a separate world of ‘entrepreneurs’ (Foss and Klein 2012).

If Bert or Lisa can bear their existential angst and the group in which they work is able to innovate, they will together develop new horizontal ways of organising the group's relation to individuals in the environment of the enterprise, including Agatha or Donald. With such workgroup innovation, an enterprise ceases to be a pre-existent entity defined top-down, instead becoming an effect of its emergent relationships with its customers arising from a continuous process of innovation by its workgroups. Such innovation requires a different relationship to the detail of what-is-going-on at the 'edge' of the enterprise. This demands a different approach to the governance of the enterprise itself, in which 'edge' roles such as Bert's or Lisa's become critical (Boxer 2014). Innovation comes to depend on those in 'edge' roles being able to bear disruption to the way their workgroup and ultimately their enterprise supports their identities. To understand what is involved for Bert or Lisa to bear the effects of this disruption, it is necessary to examine its impact on their subjection to the social structures of the enterprise.

On the disruption of subjection to social structures

An individual in an 'edge' role is at an intersection between the way vertically-organised and horizontally-organised systems interact with each other. Such an individual is likely to be in roles within multiple overlapping horizontally-organised systems while at the same time being in vertically-defined enterprise roles.

An individual experiences their subjectivity within these systems in relation to others, subject to both horizontally-defined and vertically-defined systems "through subjection to roles in these systems" (Long 2006)p287. The difference is that in roles defined horizontally, two-way horizontal relationships co-determine how the individual is subjected. In contrast, enterprise-defined roles are ones in which one-way vertical relations determine the way in which the individual is subjected.

Double subjection means that, alongside their subjection to these systems, defences associated with their subjection to the Otherness of the unconscious may also operate which the individual experiences as his or her subjectivity under threat (Long 2006)p288. Such threats come from an experienced loss of support to their self-identity provided by both vertically-defined and horizontally-defined social structures supporting their relation to the unconscious. In these terms, how is the experience of existential angst to be understood?

Subjection to social structures as a relation to thirdness

Subjection by social structures is evidenced by shared mental models. From the perspective of subjection, the relation to these shared mental models may be expressed as a relation to 'thirdness'(Benjamin 2009). Thirdness was originally Peirce's way of referring to the mediating context within which attributions of meaning are made (Murphey 1993). Thirdness is, therefore, a way of describing the shared set of assumptions and constraints implicit in the structured relations to which an individual is subject, referred to as a shared mental model or a shared matrix of thought (Bion 1959).

The relation to both vertically-defined and horizontally-defined systems has this property of 'thirdness' in the way they subject, even though the origin of the mental models in each case may be different and disjoint. With hierarchically-defined roles, the origin will be in the founding assumptions and constraints of the enterprise to which the individual is 'vertically' subject ultimately

through his or her employment. In contrast, with horizontally-defined systems, the origin will be in the nature of the situation in which the two-way co-creating is taking place, shaped by assumptions and constraints that are felt to be appropriate to the situation itself. Understood in terms of double subjection, however, their relative authority for the individual will also depend on the nature of the libidinal investment that each supports, arising from the individual's relation to the unconscious (Stavrakakis 2007).

In these terms, the conservation of forms of thirdness that constitute resistance also involve the conservation of particular forms of libidinal investment. Thus in 'treatment resistance', the resistance arises not through empathic failure, but from "the therapist's failure to understand the patient in context" (Muller 2011)p98. With 'treatment resistance', the one-way vertically-defined task know-how of the therapist has conflicted with the horizontally-defined two-way shared understanding of context between the therapist and patient. This conflict directly parallels the cross-boundary dilemma faced by Bert or Lisa in their relationship with Agatha or Donald. In both cases, what is at stake is the relative dominance of one or the other's libidinal investment in particular forms of thirdness. The horizontal resistance of Agatha, Donald or the patient was to the vertical forms of thirdness being conserved by the enterprise to the exclusion of other possible forms of thirdness. By looking more closely at the organisation of thirdness, something of the differing nature of vertically- or horizontally-derived forms of libidinal investment may be deduced.

Distinguishing vertically- and horizontally-derived forms of thirdness

For an enterprise to be available for use as a social defence against anxiety, there have to be current forms of thirdness that will support those defences. Throughout the 20th Century, the theory of the enterprise developed based on largely static and 'closed' forms of thirdness. These static and 'closed' forms of thirdness to which the employees of an enterprise were subject reflected the founding assumptions and constraints that established an enterprise as competitively viable. They authorised ways of composing asset structures consistent with its top-down definition of primary task.

Innovation involves enabling this thirdness to give way to different forms of thirdness rooted in different processes and values (Lane and Maxfield 2005). For this to be possible, the physical and social structures to which individuals are subjected have to be decomposable and capable of re-composition within different forms of thirdness (Foss and Klein 2012). Disruptive innovation, therefore, involves disruption to existing forms of thirdness, disrupting the existing taken-for-granted kinds of entities and interactions between them, changing the 'ontological scaffolding' within which individuals' actions are aligned with each other (Lane and Maxfield 2005). Within the socioanalytic field, such innovations may be described as abductions (Long and Harney 2013) or hypotheses that attempt to make new kinds of sense from experiences (Murphey 1993).

Peirce's pragmatist reframing of pragmatism (Peirce 1905) situated abduction as taking place within the context of beliefs that were held acritically, i.e. without question, but which nevertheless constrained the ways in which the individual made sense of his or her experience (Peirce 1905)p484. These indubitable beliefs were *vague* in the sense that, while constraining the ways in which the individual made sense, they could not themselves be made determinate in their meaning, their effect being indirect through the way they constrained the way a person reasoned (Peirce 1905)p486. A belief that was vague could therefore apply to contradictory statements. For example, to understand what was meant by "I want you to be happy", it would be necessary to

know how the speaker related what 'happiness' meant to them in the situation in which they spoke. Vagueness therefore involved this dependency on 'what the person meant in the situation'.

Peirce introduced the concept of invariant forms of vagueness in order to give an account of the ways in which undubitable beliefs shaped an individual's reasoning (Peirce 1905)p481. Indubitable beliefs were thus like fixed points in the ontological scaffolding within which individuals worked.

Unconscious libidinal investment in the organisation of a mental model can thus be described as evidenced in acritically-held relations to these indubitable beliefs, paralleling the way symbolic equation unconsciously restricts the relation between an object-signifier and the object-signified (Segal 1986[1957]). Thus, even if an object-signifier is not itself subject to symbolic equation, indubitable beliefs evidence the unconscious constraining of an object-signifier's relation to other object-signifiers. For example, Bert and Agatha or Lisa and Donald may come from different backgrounds. When Bert asks himself to tea at Agatha's home, what is implied for Agatha may be a whole set of expectations concerning time-of-day, dress and behaviour. These expectations are vague in the sense of reflecting Agatha's particular beliefs in how to organise her life. When the meeting in question is about planning Agatha's future care, a failure by Bert to understand these forms of vagueness constraining Agatha's understanding of 'tea' will have serious consequences. In Donald's case, a request by Lisa to make a list of damage to his property may wholly fail to appreciate Donald's expectations given the extent of the damage suffered by him as a result of flooding, and the extent of the help needed even to get to his property. In order to avoid the potentially damaging effects of mis-reading what Agatha or Donald expect of them, Bert and Lisa must be prepared to question the vagueness in their own understanding of the situations they face. Moreover, in so doing they may be questioning assumptions that were formerly held by each of them as indubitable.

The distinction between horizontally- and vertically-defined forms of thirdness may therefore be stated in terms of whether or not vagueness may be called into question. This in turn enables the nature of the libidinal investment that is being disrupted to be restated.

Defences against innovation as the conservation of vagueness

The forms of resistance to change that defend existing mental models go much further than as a consequence of narcissistic attachment (Lakatos 1970) or of perverse organisation (Long 2008). At stake is an unconscious libidinal investment in a particular organisation of a mental model, expressed in terms of particular organisations of vagueness and mobilised in support of organisations of identity (Stavrakakis 2007).

An infant's early experience of the maternal matrix is a prototypical experience of thirdness. Within this matrix there will be that about the infant's experience that s/he will repeat, but also that which s/he will not be able to repeat. Freud distinguished these by referring to two kinds of unconscious thing-presentation: *sachvorstellung* and *dingvorstellung*. *Sachvorstellung* was the thing-presentation that acted as support to word-presentation, potentially repressed by the ego through negation, but *dingvorstellung* was that about the thing that was lost (Freud 1961[1925]) p235-236.

This relation to the lost object is the relation to *objet petit a* (Lacan 2006[1966]b)p690, which in its imaginary form *i(a)* covers over what is lost while at the same time standing in the place of what is desired (Lacan 1992 [1959-1960])p54. An existing organisation of vagueness will conserve an

unconscious libidinal investment in a relation to what is lost. It will also constitute a relation to what is desired, a relation to what is yet-to-be-known and yet-to-be-experienced. While a vertical relation to acritically-held beliefs conserves vagueness, therefore, a horizontal relation seeks to reduce it.

Peirce's purpose in producing his pragmatist reframing was to understand the forms of practice through which vagueness might be reduced within the context of what remained irredeemably vague (Peirce 1908). His argument was that it was through the practice of critical reading of the conduct determined by "man's occult nature" that the limits of irredeemable vagueness might be explored (Ochs 1998). Thus, Bert can go to great lengths to ensure that he limits the benefit of the doubt he gives to Agatha by critically examining what he had previously left vague, even though in doing this there will remain an irremediable vagueness about the organisation of Agatha's assumptions. In Donald's case, news footage of the extent of the local flooding may enable Lisa to remove some of the vagueness behind his view of what he needs, but will still leave some irremediable vagueness over the full extent of the damage with which Donald considers he needs help.

Disruptive innovation can be understood as the disruption of existing ways of managing vagueness, a disruption that uncovers the limits of what is irremediable vagueness, or the limits to understanding how Agatha understands her needs or Donald his situation. In contrast, defences against innovation will involve the conservation of vagueness, of the beliefs that are held indubitably. Social defences against anxiety will involve the conservation of acritically-held beliefs giving rise to unquestioned forms of vagueness, leaving room for the person to do things 'their way', shielded from performance anxiety by their unquestioned vagueness. This kind of shielding is a particular characteristic of hierarchical organisation as well as of some forms of professional membership organisation (Kirsner 2009). Existential angst arises when this vagueness has to be *reduced* in order to uncover a focus for innovation that is also at the heart of the angst, a vagueness that demands innovation if it is to become bearable. Minding this gap between the vertical and the horizontal involves a different kind of ethic founded in the desire arising in the situation (Lacan 1992 [1959-1960]). In the words of an extreme alpinist, innovation challenges us "to climb through fear, to point fear up instead of down" (Twight and Martin 1999). In this way existential angst acts as a guide "against its will" (Kierkegaard 1980).

Conclusion

In turbulent environments, the cross-boundary interactions between an enterprise and adjacent environments become dynamic and two-way. This presents the enterprise with potential incommensurabilities between the current 'logic' of its organisation and that of individuals and enterprises within adjacent environments. The current conception of social defence becomes inadequate under these conditions.

Turbulence creates a double challenge for an enterprise, in which vertically-defined relations to prior founding assumptions must be balanced with horizontally-defined assumptions needed to respond to new kinds of demand. This double challenge changes the focus of the enterprise from being defined solely by its boundary conditions to being defined by its multiple relationships one-by-one with adjacent environments. Given the individual's double subjection to both social structures of meaning and to the unconscious, the emphasis on psychic defences addresses only one side of the double challenge, in which the existing organisation of the enterprise is conserved as a support.

On the other side of the challenge is the need for innovation, in which the existing organisation of the enterprise is disrupted.

Vagueness refers to the ways in which the organisation of a mental model is experienced as constrained, based on acritically-held beliefs. Social defences against anxiety involve the conservation of this vagueness. Disruptive innovation demands that vagueness be questioned, through questioning an individual's unconscious libidinal investments in acritically-held beliefs. Valency for innovation demands a questioning of how existing vagueness is maintained in support of psychic defences, through which opportunities for innovation may be identified in what was previously left unexamined by that vagueness. Achieving this involves creating the conditions in which the horizontal relations of an enterprise may dominate vertical ones. It also involves engaging in critical examination of existing vagueness in order to identify the dilemmas that vagueness keeps concealed, which may lead to new learning (Boxer 2013). Such practices demand courage from leadership.

References

- Alford, C. F. (1997). What Evil Means to Us. Ithaca and London, Cornell University Press.
- Amado, G. (1995). "Why Psychoanalytical Knowledge Helps Us Understand Organizations: a discussion with Elliott Jaques." Human Relations **48**(4): 351-357.
- Armstrong, D. (2007). "The Dynamics of Lateral Relations in Changing Organizations Worlds." Organizational and Social Dynamics **7**(2): 193-210.
- Armstrong, D. (2012). "Terms of Engagement: Looking Backwards and Forwards at the Tavistock Enterprise." Organisational & Social Dynamics **12**(1): 106-121.
- Arnaud, G. (2012). "The Contribution of Psychoanalysis to Organization Studies and Management: An Overview." Organization Studies **33**(9): 1121-1135.
- Autor, D. H. and D. Dorn (2013). How Technology Wrecks the Middle Class. The New York Times.
- Benjamin, J. (2009). "A relational psychoanalysis perspective on the necessity of acknowledging failure in order to restore the facilitating and containing features of the intersubjective relationship (the shared third)." International Journal of Psychoanalysis **90**: 441-450.
- Bion, W. R. (1959). Experiences in Groups. London, Tavistock Publications.
- Bloom, P. (2013). Cutting Off the King's Head!: Traversing the Fantasy of Sovereignty toward a Discipline Beyond Control. Re-Working Lacan at Work. G. Arnaud and B. Vidaillet. Paris, ESCP Europe.
- Boltanski, L. and E. Chiapello (2005). The New Spirit of Capitalism. London, Verso.
- Boxer, P. J. (2012). The Architecture of Agility: Modeling the relation to Indirect Value within Ecosystems. Saarbrücken, Germany, Lambert Academic Publishing.
- Boxer, P. J. (2013). "Managing the Risks of Social Disruption; What Can We Learn from the Impact of Social Networking Software?" Socioanalysis **15**: 32-44.
- Boxer, P. J. (2014). "Leading Organisations Without Boundaries: 'Quantum' Organisation and the Work of Making Meaning." Organizational and Social Dynamics **14**(1): 130-153.
- Emery, F. E. and E. Trist (1965). "The Causal Texture of Organizational Environments." Human Relations **18**: 21-32.
- Foss, N. J. and P. G. Klein (2012). Organizing Entrepreneurial Judgement: A New Approach to the Firm, Cambridge University Press.

- Freud, S. (1958[1911]). Formulations on the Two Principles of Mental Functioning. The Standard Edition of the Complete Psychological Works of Sigmund Freud: Volume XII (1911-1913). London, The Hogarth Press. **XII (1911-1913)**.
- Freud, S. (1959[1926]). Inhibitions, Symptoms and Anxiety. The Standard Edition of the Complete Psychological Works of Sigmund Freud. London, The Hogarth Press and the Institute of Psycho-Analysis. **XX (1925-1926)**.
- Freud, S. (1961[1925]). Negation. The Standard Edition of the Complete Psychological Works of Sigmund Freud. London, The Hogarth Press. **XIX (1923-1925): 233-239**.
- Freud, S. (1964[1932]). New Introductory Lectures on Psycho-Analysis. The Standard Edition of the Complete Psychological Works of Sigmund Freud. London, Hogarth Press. **XXII (1933)**.
- Gabriel, Y. (2012). "Organizations in a state of darkness: Towards a theory of organizational miasma." Yiannis Gabriel <http://www.yiannisgabriel.com/2012/10/organizations-in-state-of-darkness.html> 2013.
- Harvey, D. (2005). A Brief History of Neoliberalism, Oxford University Press.
- Hatcher, B. G. (1997). "Coral reef ecosystems: how much greater is the whole than the sum of the parts?" Coral Reefs **16**(Supplement): 77-91.
- Hirschhorn, L. (1988). The Workplace Within, MIT.
- Hoggett, P. (2013). "Governance and Social Anxieties." Organisational & Social Dynamics **13**(1): 69-78.
- Huffington, C. (2008). The system in the room: the extent to which coaching can change the organization. Organizations Connected: A Handbook of Systemic Consultation. D. Campbell and C. Huffington. London, Karnac.
- Jaques, E. (1956). Measurement of Responsibility: A Study of Work, Payment and Individual Capacity. London, Tavistock Publications.
- Jaques, E. (1989). Requisite Organisation: The CEO's Guide to Creative Structure and Leadership. Aldershot, Gower.
- Jaques, E. (1995). "Why the Psychoanalytical approach to understanding organizations is dysfunctional." Human Relations **48**(4): 343-365.
- Kierkegaard, S. (1980). The Concept of Anxiety, Princeton University Press.
- Kirsner, D. (2004). "The Intellectual Odyssey of Elliott Jaques: from alchemy to science." Free Associations **11**(55): 179-204.
- Kirsner, D. (2009). Unfree Associations: Inside Psychoanalytic Institutes, Jason Aronson.
- Kurtz, C. F. and D. J. Snowden (2003). "The new dynamics of strategy: Sense-making in a complex and complicated world." IBM Systems Journal Vol 42 No 3: <http://www.research.ibm.com/journal/sj/423/kurtz.html>.
- Lacan, J. (1988[1975]). The nucleus of repression. The Seminar of Jacques Lacan. J.-A. Miller, Cambridge University Press. **I (1953-1954): 187-199**.
- Lacan, J. (1992 [1959-1960]). The Seminar of Jacques Lacan, Book VII: The Ethics of Psychoanalysis. London, Tavistock/Routledge.
- Lacan, J. (2006[1966]b). The Subversion of the Subject and the Dialectic of Desire in the Freudian Unconscious. Écrits: The First Complete Edition in English. New York, W.W. Norton & Company: 671-702.
- Lacan, J. (2006[1966]c). The Instance of the Letter in the Unconscious or Reason Since Freud. Écrits: The First Complete Edition in English. New York, W.W. Norton & Co.
- Lane, D. A. and R. R. Maxfield (2005). "Ontological uncertainty and innovation." Journal of Evolutionary Economics **15**.

- Long, S. (2006). "Organizational Defenses Against Anxiety: What Has Happened Since the 1995 Jaques Paper?" International Journal of Applied Psychoanalytic Studies **3**(4): 279-295.
- Long, S. (2008). The Perverse Organisation and its Deadly Sins. London, Karnac.
- Long, S. and M. Harney (2013). The associative unconscious. Socioanalytic Methods: Discovering the Hidden in Organisations and Social Systems. S. Long. London, Karnac: 3-22.
- McAfee, A. (2012). "The Great Decoupling of the US Economy." Andrew McAfee's Blog <http://andrewmcafee.org/2012/12/the-great-decoupling-of-the-us-economy/> 2013.
- Menzies-Lyth, I. (1988). Containing Anxiety in Institutions: Selected Essays. London, Free Association Books.
- Menzies-Lyth, I. (1990). A Psychoanalytical Perspective on Social Institutions. The Social Engagement of Social Science: The Socio-Psychological perspective. E. L. Trist and H. Murray. London, Free Association press: 463-475.
- Menzies-Lyth, I. (1990[1960]). Social Systems as a Defense Against Anxiety: An Empirical Study of the Nursing Service of a General Hospital. The Social Engagement of Social Science: The Socio-Psychological Perspective. E. Trist and H. Murray. London, Free Association Books. **I**: 439-462.
- Miller, E. J. (1959). "Technology, Territory and Time: The Internal Differentiation of Complex Production Systems." Human Relations(12): 243-272.
- Miller, E. J. and A. K. Rice (1967). Systems of Organization: The Control of Task and Sentient Boundaries. London, Tavistock.
- Miller, J.-A. (2009 [1968]). "Action of the Structure." The Symptom **10**(Spring).
- Muller, J. (2011). Why the pair needs the third. Treatment Resistance and Patient Authority: The Austen Riggs Reader. New York, Norton Press: 97-120.
- Murphey, M. G. (1993). The Development of Peirce's Philosophy, Hackett Publishing Company.
- Ochs, P. (1998). Peirce, pragmatism and the logic of scripture, Cambridge University Press.
- Palmer, B. (2002). The Tavistock paradigm: Inside, outside and beyond. Organisations, Anxieties and Defences: Towards a Psychoanalytic Social Psychology. R. D. Hinshelwood and M. Chiesa. London, Whurr: 158-182.
- Peirce, C. S. (1905). "Issues of Pragmatism." The Monist **XV**(4): 481-499.
- Peirce, C. S. (1908). "A Neglected Argument for the Reality of God." The Hibbert Journal **7**(October): 90-112.
- Porter, M. E. and M. R. Kramer (2011). "Creating Shared Value: How to reinvent capitalism - and unleash a wave of innovation and growth." Harvard Business Review(January-February): 2-17.
- Registered Mental Nurse (1988[1960]). Defence mechanisms in nursing: a review by a Registered Mental Nurse. Containing Anxiety in Institutions. I. Menzies-Lyth. London, Free Association Books: 89-94.
- Rice, A. K. (1958). Productivity and social organization: the Ahmedabad experiment. London, Tavistock Publications.
- Rizq, R. (2012). "The perversion of care: Psychological therapies in a time of IAPT." Psychodynamic Practice: 1-18.
- Schwartz, H. S. (1992). Narcissistic Process and Corporate Decay: The Theory of the Organization Ideal, New York University Press.
- Segal, H. (1986[1957]). Notes on Symbol Formation. The Work of Hanna Segal: A Kleinian Approach to Clinical Practice. London, Free Association Books.
- Stavrakakis, Y. (2007). The Lacanian Left: psychoanalysis, theory, politics. New York, SUNY Press.

- Stein, M. (2000). "After Eden: Envy and the defences against anxiety paradigm." Human Relations **53**(2): 193-211.
- Steiner, J. (1993). Psychic Retreats: Pathological Organizations in Psychotic, Neurotic and Borderline Patients. London, Routledge.
- Trist, E. (1977). "A Concept of Organizational Ecology." Australian Journal of Management **2**(2): 161-176.
- Twight, M. F. and J. Martin (1999). Extreme Alpinism: climbing light, fast and high. Seattle, The Mountaineers.
- Wulf, J. (2012). The Flattened Firm - Not as Advertised. Working Paper, Harvard Business School.