Organizations are becoming communities and will need leadership styles to suit. Transactional analysis provides some useful models.

Creating Community: The Task of Leadership

Julie Hay

Having been a manager and a trainer, it seems to me that both of these roles involve elements of leadership. Simplistically, it seems at first that managers “lead” people to perform tasks and trainers “lead” people to learn. Considered more carefully, both really need to do both – good managers are very concerned with helping their staff to learn and develop; good trainers aim for learning outcomes that are related to competent performance.

A key factor in both cases is the need for balance between development of the individual and the requirements of the organization. Too much focus on the individual and we have personal growth at the expense of the organization; too much emphasis on the organizational demands and we unjustifiably constrain a human being into a box on an organization chart. Getting this balance right is inextricably linked with the culture of the organization. It requires an environment in which people feel a sense of community, and where their goals are in tandem with the aims of the organization.

Helping managers learn to lead with balance, and to play their part in creating a community culture, is easier if we have some frameworks and models to work with. Having spent nearly 20 years using transactional analysis (TA) as my source of such models, I have concluded that this approach has much to offer. As the first professional in the UK to have attained international certification as a Teaching and Supervising Transactional Analyst with specifically organizational specialization, I will admit I am somewhat biased! However, I am not alone – the International TA community has members in over 60 countries. TA has moved a long way since its spate of best sellers in the 1970s, Games People Play (Berne, 1968), I’m OK – You’re OK (Harris, 1973), Born to Win (James and Jongeward, 1978).

Starting at the Beginning

Although there have been many developments added to the early TA models, the original concept of ego states is still worth exploring. The beginnings of TA, of a person, and of an organization can be connected through this concept. We can then use it to provide some useful insights into the nature of leadership. It will also serve as a basis for speculation about the way in which leadership styles might have to develop to suit future needs.

Ego states were defined by Eric Berne (1968) the originator of TA, as coherent systems of thinking, feeling and behaving. He named three: Parent, Adult and Child, selecting these labels because he regarded Parent ego state as the system which contains images from parental figures in our past, Adult as the system when we are behaving as a grown-up person in the here-and-now, and Child as the store of recordings of how we ourselves thought, felt and behaved as we were growing up. Note that Berne did not propose that everyone should spend all their time in unfeeling, logical Adult ego state behaviour; this was a distortion of his model introduced by later writers. To avoid similar misunderstandings, I use a framework in which we have both internal and external ego states.

I believe that we are constantly adding to our internal ego states, so that Parent continues to incorporate any new patterns we observe in others, Child grows rather like the rings of a tree to incorporate our ongoing reactions to the world, and Adult acquires increasing problem-solving skills and strategies. This means that each ego state has the potential to make a valuable contribution. Our Child equips us with current emotions, including happiness, friendliness, healthy anger, and the ability to grieve. Our Parent enables us to handle situations with the benefit of past experience, through role models that we have stored. Our Adult functions as a processor, taking in data from the outside world, weighing up the various options we have in Parent and Child and selecting a response that best suits the current situation (and it does all this in fractions of a second).

Externally, we can observe that the ego states present five characteristic behavioural patterns: a Nurturing Parent who “takes care” of others, a Controlling Parent, who imposes rules and constraints (“for their own good”); an
Adult who is rational and problem solving; an Adapted Child who has learned how to “fit in” and behave in socially-acceptable ways and a Natural Child who still demonstrates the curiosity and friendliness that is typical of small children before they learn to conform. An external, behavioural ego state may sometimes be generated from a different internal ego state, as when the bully harangues someone with Controlling Parent because they are scared in their Internal Child. Each of the behavioural patterns has positive and negative aspects: Nurturing parent is caring but may become overprotective, Controlling Parent is firm but may be autocratic, Adult is logical but may seem cold and unemotional, Adapted child is courteous but may be too compliant; and Natural Child is friendly but may seem immature sometimes. For a more detailed account of ego states and the uses of Transactional Analysis in organizations see Hay (1992, 1993).

**A Hierarchy of Ego States**

Using the basic TA model provides interesting insights into what happens in organizations. We can identify a hierarchy of ego states as illustrated in Figure 1 (which uses the typical three stacked circles as the representation of a person with their three ego states. There is a tendency for this pattern to occur in most organizations, even with managers who pride themselves on not being hierarchical. The person at the “bottom” of the organization acts in a childlike way, expecting to be told what to do. The person on the next rung of the corporate ladder believes their role is to “parent” – to tell other people what to do, to take care of their subordinates, to control and check on performance. However, when the supervisors or managers on the second rung are in contact with their senior managers, they switch to their Child ego state and expect to be “parented” themselves.

This pattern often runs right through the organization levels, with the manager at the pinnacle staying in Parent ego state all the time (at least at work!).

The main problem of this pattern is waste. Each person is utilizing only a limited proportion of their own resources. Staying in Child ego state means we are ignoring the useful models of behaviour that we have seen other people apply and that we have stored for future use in our Parent. Being fixed in Parent generally leads to a restricted range of options because we now rely only on approaches we have seen used in the past. This Parent-Child pattern means that neither party to the interaction is using Adult, the here-and-now ego state in which we could best problem solve.

So why do individuals fit into such unhelpful ways of interacting? The answer lies in the nature of ego states themselves. Because Parent is based on copies of other people, our ability to manage and lead is dependent on our exposure to suitable role models. Unfortunately, we may have had only limited contact with excellent leaders, so we have few useful copies filed away for later reference. Poor management is like child abuse – it gets passed down the generations because we do not know any better.

Trainers often unwittingly reinforce the unhelpful patterns. This is partly because the same dynamic is a familiar one in the classroom, with trainers in Parent and participants in Child just as if they were still at school. A more significant reason, however, is that trainers accept the prevailing views of what constitutes good management. Research into management and leadership competences generally relies on investigation of “effective” managers – find out what they do and teach others to do the same. This has obvious limitations, especially when we consider how the fashions change. We have moved from scientific management and PODSCORB (Gulick, 1937) (planning, organizing, directing, staffing, co-ordinating, reporting and budgeting), through the principle of supportive relationships (Likert, 1961) on to contingency management (Minzberg, 1973), and past the characteristics of excellence (Peters and Waterman, 1982). I say past because we now know, of course, that the successful organizations quoted by Peters and Waterman ceased to be as effective not long afterwards; perhaps their leaders were not doing the right things after all. A similar pattern seems to have emerged recently with British Airways – having invested considerable resources into training, a staff survey quoted in Personnel Management in August 1993 showed that only 39 per cent of staff believed they were “well” or “fairly well” managed.

The other side of the hierarchical dynamic is the functioning of Child ego state. Here our own past, formed in response to other people, is the source of the difficulty. We spent many years doing as we were told as we were
growing up (unless we opted for the rebellious response, in which case we will replay that and be known at work as a troublemaker). Now, it may take little to trigger a “rubberband” back into the past. Someone addresses us in a parental tone and we subconsciously replay similar situations from school days, for example. Neither party to this Parent-Child interaction is aware of the pattern; each believes they are reacting in a normal and appropriate way. The unfortunate result is that outdated management practices are continued while subordinates function using only a limited proportion of their capacity.

**Leadership Styles**

We can identify a useful range of leadership options if we select appropriate permutations from the possible combinations of ego states. Parent-Child may be Controlling to Adapted or Nurturing to Natural. Adult-Adult also connect well, as do Natural Child-Natural Child. Other combinations are not as effective.

Kahler (1979) provides us with an assessing quadrant that can be used to show the four most effective combinations in a way that is reminiscent of and yet significantly different from Situational Leadership (Hersey and Blanchard, 1972). I have concentrated on the four major styles, as shown in Figure 2. I have also linked the model back to ego states for simplicity rather than using Kahler's labels for each communication channel. The vertical axis refers to whether we act or react; the horizontal to our preferences for being alone or in a group. The latter dimension is similar to the difference between extroverts and introverts on the Myers-Briggs Type Indicator (Myers and Myers, 1980), but given an extra facet due to the interaction with the act/react axis.

It helps to bring this model to life if we take an example of someone arriving at an event at work that has both social and business connotations — perhaps an annual conference where employees are expected to mingle and socialize but will also sit through presentations about the state of the business or long-term corporate plans and strategies. This type of setting allows us to identify how people prefer to interact as they will have several options.

As you read on, you will realize that the people I describe are caricatures. They are gross simplifications used to make the model clearer. It is obvious that no-one really fits neatly into a box that captures their characteristics in this way. However, such extreme examples allow us to see the underlying patterns more readily; we can then use the model to assess our own blend of styles and identify the likely advantages and pitfalls.

**Active Withdrawing**

Those in the top right hand box of the quadrant are active, so they initiate contact; they are withdrawing, so their preference is to work alone or with only one or two people. Typically, therefore, they will go up to an individual (or maybe two already together) and start a conversation about work. They are most comfortable with an Adult-Adult channel of communication. This will also apply in their normal working environment so these people respond best to a leader who is available for one-to-one discussions and who is willing to discuss matters rationally and in some detail. (Incidentally, Kahler (1979) has identified that many of these people will wear neat, classic, business clothes — through choice rather than because it is expected; they may well look just the same on their day off!)

A leader who fits into this style is likely to spend a lot of time talking to individuals about their work. This will be fine for those who occupy the same corner of the quadrant but those to the left are likely to view the leader as an unfeeling workaholic. The bottom right group will simply be disconcerted at being expected to think. This leadership style is also unlikely to result in much team building.

**Active Involving**

People in the top left hand box are also active so they too initiate conversations. However, they are involving so they prefer to be with a group of people. They are likely to approach a group and instantly become the focus of attention. There will then be plenty of mutual nurturing as they talk about family, friends, appearance and other non-work related matters. They are therefore using a

<table>
<thead>
<tr>
<th>Active</th>
<th>Passive</th>
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<tbody>
<tr>
<td>Nurturing Parent - Natural Child</td>
<td>Natural Child - Natural Child</td>
</tr>
<tr>
<td>Adult - Adult</td>
<td>Controlling Parent - Adapted Child</td>
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**Figure 2. Leadership Styles Quadrant**
Nurturing Parent-Natural Child channel, switching from side to side depending on aspects such as organizational status, age, gender and content of each conversation. In their usual work setting they will appreciate a leader who makes time to get to know them as a human being, and may resent one who focuses too abruptly on getting down to business. They also expect to be nurtured, and will nurture others. (Kahler (1979) suggests these can be identified by their propensity to wear bright colours, jewellery and perfume. Women may feel they have more scope for this, whereas men may feel constrained to wear dark suits at work. In that case, they may still choose bright ties or braces, wear cufflinks, identity bracelets and aftershave)

The leader who opts for this style may leave many staff felling smothered and fussed over. The Adult-Adult group in particular may also interpret the focus on personal matters as evidence of a lack of job knowledge and competence. Some will also view friendly questions about their personal life as an invasion of their privacy.

Passive Involving
Coming now to the bottom left, we have the people who opt for a group but are passive. They therefore move towards a promising looking group but do not instantly join it. Instead, they hover on the edges and wait for someone to draw them in. They are happiest talking about non-work matters such as hobbies and spare time activities. Extreme versions of this “type” may well move rapidly between interests so that it becomes hard to keep up with their progression through a series of new hobbies. They enjoy most a channel of Natural Child-Natural Child, in which they and their listeners display excitement and enthusiasm for the current topic. At work they prefer a leader who shows an active interest in their non-work activities. They also respond well to a playful approach. (Kahler (1979) tells us that these people wear “unusual” outfits. They may be the first to pick up on a new fashion, discarding it once everyone else starts to wear the same. In organizations with strict dress codes, they may bend the rules, e.g. sandals with a business suit or a novelty tie.)

This leader may very enthusiastically initiate many new projects and may well enthuse people. However, they are likely to lose interest in the details, preferring to move on regularly to something new. Subordinates in the top left box may feel inclined to nurture them, whereas those in the right hand boxes will find it difficult to accept what they regard as immature behaviour in a manager.

Passive Withdrawing
Finally, we come to the bottom right. Here are the people who would prefer not to attend the event at all. They are withdrawing so prefer to be alone, and passive so they do not initiate contact. Given the chance, they will stay away and work steadily on their own. Forced to attend, they will wait for someone to start talking to them. They prefer Controlling Parent-Adapted Child communications; tell them to do something and they will respond. At work, they expect a manager who takes charge and issues clear instructions. They react uncomfortably to any show of interest in their personal lives. One other quirk – someone who is very strongly into this quadrant will do exactly as they are told – including simply stopping when they finish if the instructions did not include a clear direction about reporting completion. (According to Kahler (1979) they will not show much interest in their appearance, so may arrive at work inappropriately dressed if there is no Controlling Parent at home to see to this for them!)

These people are likely to become managers only in organizations where obedience to higher authority is rewarded (although they might make supervisor level quite easily because of their conscientiousness). Their style of leadership will then be very parental and controlling.

It is no doubt clear to you by now that no one leadership style will be appropriate in all situations and for all employees. The skilled leader has the ability to use each style, and knows when to do so. Although some staff will in fact respond reasonably well to almost any approach, the really effective managers know the importance of choosing their style carefully with most people. With some staff they will therefore talk shop only, with others they will ask after their family, with some they will show a genuine interest in their latest “adventures” and with the rest they will maintain a somewhat formal boss subordinate relationship.

Ego States of the Organization
Choosing different leadership styles will necessitate disruption of any tendency for the organization to operate with the hierarchy of ego states described earlier. One reason that this so rarely happens is lack of awareness – everyone else seems to behave in the same way so few people stop to think about it. Another key factor is the culture of the organization; this in turn is influenced by the stage of development. The ego state model can be used to understand these stages of development of organizations. Figure 3 shows a typical growth curve (based on a model by Stewart and Maxon, 1988, as adapted by Hay, 1990).

In the beginning there is one “pioneer”, perhaps an entrepreneur, perhaps a visionary, who has an idea that needs an organization for its fulfilment. This may be a new product to be manufactured and marketed, a service to be offered (such as the NHS) or a network to be
established (such as a professional association). The originator may start alone but will be joined by more pioneers as the organization begins to grow. In these early stages, therefore, the organization is staffed by enthusiastic, innovative people. They tend to operate mostly from Child ego state, with all the innate energy and creativity that each real child has and that only some of us seem to retain into adulthood. Leadership seems relatively easy, with most interactions being Natural Child-Natural Child.

After a while, though, the growth leads to difficulties. Everyone is so busy being innovative that no one is taking care of routine tasks such as getting the bills paid. Duplication starts to become a problem and communication is no longer so easy when the numbers involved have increased. At this stage, many organizations founder due to poor cash flow, production problems, erratic quality control or similar procedural deficiencies. Those that survive tend to do so by bringing in additional staff who have a different perspective. These new recruits are selected because they are systems-orientated. They make sure that "proper procedures" are put in place and so add efficiency to the enthusiasm that was already there.

The systems people are characterized by their use of Parent ego state. They have experience of how things "should be done" so they introduce rules and procedure manuals. They occupy roles as accountants or middle managers and are rewarded by the organization for taking control. Leadership now tends to focus on Controlling Parent-Adapted Child interactions. In more paternalistic organizations, it may instead be Nurturing Parent-Natural Child.

Regrettably, the organization may find after a time that it is facing a new crisis. The systems people become so efficient that they stifle the creativity and enthusiasm of the pioneers. When this happens, innovation ceases and the best people may even leave. Staff spend their time trying to find ways around the system, filling in forms rather than designing new products, providing statistical returns instead of spending time with customers, and so on. If a paternalistic mode has been adopted, staff feel so protected that they come to believe the organization owes them a living. The organization is slowly strangled by its own system.

Organizations which survive the systems crisis do so by bringing in yet another group of people. This time it is the turn of the integrators, who mediate between the pioneers and the systems people. The integrators use mainly Adult ego state, relying neither on Parent experience nor Child emotion. They are Personnel, or Human Resources, or Employee Relations. They aim to help the managers recognize the emotional needs of the staff - and the staff to accept the wisdom and experience of the management. This process may be helped through typical integrator-initiated activities, such as having courses in people skills, appraisal schemes, tighter selection procedures, and so on. If these are successful, the organization continues to grow because the integrators have increased the effectiveness with which the efficiency and the enthusiasm are combined. Leadership is now seen to need Adult-Adult interactions with joint problem-solving moving up the agenda.

The Stewart and Maxon model stops there. However, I believe there is more to come. If the organization remains at the integrated stage, we still have a pattern where some ego states are not in use. Often, the result is simply that it takes three people to provide a full complement of three ego states. The bulk of the work force are still mostly in Child, the managers are still operating in Parent, and the Adult is provided by the personnel department.

The Organization as Community

What is needed is for each individual to recognize that they have all ego states, and to use them. Empowerment has become a somewhat hackneyed term but that word captures best the approach that will be needed for the future. The organization must become a real community, where people can utilize their full capabilities. This will necessitate a significant shift from the "one ego state per person" mode. In Figure 3, I show the size of the organization at this stage to be reducing. This occurs because people intuitively sense that true community is difficult to attain with very large numbers. Gore-Tex, for example, runs very successfully with a policy of keeping unit size down to around 200 people (Rhodes, 1982).

I think that the recession has masked the trend towards community because it has meant that organizations have
reduced in size considerably in response to market forces. Looked at more closely, there are a number of indicators of a significant shift in the way people view their organization. For example, we have Harrison (1987) writing on “love in the workplace” – I doubt he would have had much of an audience even ten years ago. There has also been the general growth in the personal development market for books, tapes and workshops. In addition, the focus on equal opportunities and anti-discriminatory practices has stimulated much challenge to traditional organizational structures and processes. Using the concept of ego states gives us another explanation for the decrease in organizational size - when we empower people we triple the number of ego states in use! Now we get the benefits of everyone’s previous experience, their problem solving, their friendliness and their creativity.

It has been said that management and parenthood are the only jobs that people are expected, and allowed, to do without any training. And that both have the potential to have a major impact on the lives of others! The similarities extend to the way in which we are assumed to acquire the necessary skills through osmosis because we see them going around us. Unfortunately, many of us do not have much contact with highly experienced managers or parents. Our own parents are usually new to the job and do much of their practising on us, learning through their mistakes as they see the results. Many times they either repeat the errors of their own parents, or over-compensate dramatically. The same process applies to management, even down to the way in which “experts”, provide advice which is subsequently contradicted by later “experts”. Belatedly, most of us realise that employees (and babies) are individuals and need to be treated differently – although we may well be grandparents before we learn this.

Moving towards community and empowerment has significant implications for managers who wish to be leaders. Traditional styles of leadership will in future have limited usefulness if we want our organizations to be filled with employees who use initiative, make decisions, take responsibility for quality and interact well with colleagues and customers. The more we can develop easily-accessible models that help us understand human nature, the better we will be able to pass on some of the wisdom that has taken others so many years to acquire.

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