INTRODUCTION

The theme of the 29th Annual Conference of the International Transactional Analysis Association struck me as highly relevant to organisations. A quick overview of the increasing body of literature concerned with the world as we have come to know it, especially during the last decade, generates many references to how the future realities of organisations are emerging. Managers and human resource professionals will need to understand and utilise a variety of strategies for helping themselves and others to handle the choices, the chances and the changes that these realities will bring with them.

THE NEW REALITIES

Toffler (1980) wrote of a "generalised speed-up of the corporate metabolism" as the pace of the world increases, leading to "a high stakes, high adrenalin business environment" of constant changes. He argues that the view of the corporation as an economic unit must be adjusted, that corporate critics now hold organisations responsible for the effects they have on politics (e.g. through the support of regimes and parties), morality (e.g. the use of volunteers for drug testing), and other dimensions of life (e.g. pollution, racism and sexism). These changed pressures create multiple bottom lines for managers, so that they need skills and policies for optimising several variables at once. No longer can they concentrate on one goal; they need the intellectual tools to handle several interlocking facets. The shift is away from functional specialisation to an interdisciplinary approach.

The Third Wave is also seeing changes in the behaviour and expectations of people within the organisation. Managers will need to lead "workers who seek meaning, who question authority, who want to exercise discretion, or who demand that their work be socially responsibly" – in fact the very type of people who have been regarded as troublemakers in the Second Wave. In other words, as Nolan (1981) said in writing about leadership, the power of a manager is that of forbidding or permitting, constraining or not constraining. Effective managers will need to develop their own working styles so as not to inhibit the commitment and motivation of others.

We are also learning more than ever about human qualities and particularly the perspectives of individuals. Myers (1980) has given us the MBTI to enable us to recognise differences which represent preferences for "the kind of excellence toward which they are headed". Kirton (1984) bases his KAI Questionnaire on the way people think and the preferred style with which they approach creativity, problem solving and decision making. Toffler (1985) produces a similar concept: incrementalists favour continuity, straight line, separate problems, thinkable solutions; radical executives opt for discontinuity, non-linear, relationships and "unthinkable" solutions. Moss Kantor (1983) also highlights the need to recognise individual differences, finding in her research within 47 companies that this is dealt with effectively in the successful organisations – "people seem to matter in direct proportion to an awareness of corporate crisis". She found that, as world events threatened to overwhelm organisations, there is an enforced movement towards trusting people to make decisions when routine responses are no longer appropriate. Like Toffler, she identifies a need for managers to
integrate and to combine information from other sources, rather than using the old segmentalist approach that served when functions operated independently.

Harrison (1987) probably goes further than other writers when he picks up the themes of changes in the environment and development of individuals and presents his own vision of love at the work place. Harrison believes that organisations can become places where people have growthful experiences, if we can balance the power of intellect and human will with the powers of intuition and love. He points out that patterns and preoccupations with co-operation, nurturing relationships, and appreciating interdependency are currently regarded as unbusinesslike; that instead managers are expected to be analytical, concrete and rational. The balance may be redressed if managers (and other organisational participants) are crafts-persons and aesthetes, as suggested by Jones, Moore and Snyder (1988). They regard managing in organisations to be an aesthetic phenomenon; people want coherence and sense in a situation to attain a feeling of well being and "oneness" with others. They propose that managing is an art form, like conducting an orchestra or composing a picture and that effective managers get satisfaction from the successful exercise of their skills.

A glance into current books and newspapers shows that we now live in a world where managerial "mistakes" are being revealed to an international audience. Authors include references to events such as Challenger, Bhopal, Chernobyl. Smith (1987) suggests that we are within a New Development Era, where the organisation is part of a larger model, with concomitant responsibilities for design or redesign of the environment. Within this New Development Era, we can develop a picture of effective management, and effective organisations, that take care of the world. Effective managers then, would be those with executive integrity (Srivasta et al 1988): they interact and dialogue responsibly with others, develop ever extending empathic concepts of the universe in which they operate, and use their energies to promote unity and relational health in the social context. Managers with integrity will create and lead organisations that operate to these same values. They will regard themselves as stewards (Levinson 1988), managing growth, continuity and regeneration.

Stewart & Maxon (1988) point out that organisations experience patterns of growth and transition; from small beginnings and innovation they progress to a size where they must introduce systems and structures, and then on to an integrated stage which is characterised by decentralisation and emphasis on personal leadership at all levels. I would argue that there is yet another stage that is beginning to take effect; that of community. Figure 1 contains Stewart & Maxon's descriptors of certain aspects of the three stages of organisation development, to which I have added a fourth list. There are a number of ways in which TA can help us to create realities that move us closer towards this model of the organisation as a community.

CHOICE

We are spoilt for choice of TA theory when we consider this first theme of the conference. Most of the TA concepts that apply to individuals can also be used to analyse the structure and climate of an organisation, and the processes which maintain the corporate culture. The TA training style, incorporating clear contracts and supervision, can also make a valuable contribution as facilitators become more aware of their personal issues and how these may impinge on their effectiveness at empowering others.

To assess an organisation, for example, we can consider the patterns of recognition that exist. What are people stroked for - long service, using initiative, teamwork, customer care, collegiate working relationships? Are they recognised positively, for what they do well? Or are they left to read between the lines that the absence of a negative stroke is meant to indicate that the manager is satisfied with their work? Even less effective are the organisations that pay attention only to those who fail to meet standards - as when the manager interviews those with poor attendance records and ignores those who come to work regularly.
A quick but informed stroke analysis of organisational procedures around performance appraisal can yield many insights.

Stroking can be linked with the ego states concept to check whether employees are invited to bring their 'whole self' to work. Are they encouraged to use ego states that result in a full range of behaviours that include, at appropriate times, being: firm (Controlling Parent), caring (Nurturing Parent), logical (Adult), courteous(Adapted Child), friendly and creative (Natural Child). Each of these responses will have its place but we often assume almost mythical associations between hierarchical level and the uses of Parent for managers, Child for subordinates (with problem solving Adult becoming a significant casualty along the way).

Stroking analysis can also be combined with the TA concept of drivers (Kahler 1974). Treated as characteristic working styles, these can be seen as leading to our strengths and our weaknesses via the same habitual patterns. We carry with us certain values and beliefs about the correct ways to act. Generally, these serve us well. Under stress, we feel driven to do more of the same, making an out-of-awareness choice from the five styles. We begin to hurry up, and start to make mistakes. We aim to be perfect, so check our work repeatedly and miss the deadline. We feel anxious to please everyone and fail to confront poor ideas. We try hard to do many things but somehow lose interest before we succeed at any. We are strong in a crisis but reluctant to ask for help when we need it. If our manager is heavily into one of these styles, we may be expected to conform. Whole departments can feel the impact when a manager is very stressed; the organisational stroking pattern may come to reinforce selected styles to a negative extent.

These are just a few, rather obvious, examples of ways in which TA concepts can help us increase our range of options. There are many more, from which I now single out two – discounting because of its relevance to the ways we deal with chance, and cycles of development for its insights into the impact of change.

CHANCE

'This second theme of the conference turns my thoughts to innovation as the way in which we can make use of the chances that occur. Rather like the golfer who said he got luckier the more he practised, so organisations gain more from chance when they are ready to innovate effectively.

I identify six stages of innovation, from initial stimulus through to implementation:

Step 1 Identification
   (what is happening?)

Step 2 Information
   (how is it a problem?)

Step 3 Ideas
   (what could be done about it?)

Step 3a Incubation
   (an optional extra: forget about it)

Step 3b Insight
   (a flash of awareness from step 3a)

Step 4 Invention
   (develop an idea into a solution)

Step 5 Investigation
   (check solution for acceptability)

Step 6 Implementation
   (put solution into effect)

Step 1 concerns identification. In this stage, we need to notice that something is happening. We may not yet recognise it as a problem but we need to be aware of what is going on. At the corporate level, this may involve us in monitoring levels of sales, of goods produced and rejects, of costs of supplies. Departmentally, it may be about noticing staff turnover or workload achieved. For an individual manager, it may also encompass knowing your staff, knowing their work and personal profiles, knowing equipment capabilities – and all the things that observant managers pick up when they get away from their desks and "walk the floor."
The second step is one of information gathering and analysis. Having noticed the raw facts, we now need to collect more data so we can determine whether a problem exists. We have to understand the significance of what we are observing. A decrease in sales figures could be a serious problem or could mask the fact that we are actually selling less at higher prices and making more profit. An increase in sales figures could hide a problem if we have put prices too low.

Third comes ideas. At this stage, we need to be able to recognise that the situation could be different. We then need to generate ideas for how things could change. Even impractical ideas are important; the truly creative solutions will start from the strangest beginnings. There may be two optional extras within this stage - incubation and insight. Incubation occurs when we stop working directly on the problem. Perhaps we sleep on it, or do something else for a while in the hope that we will have a sudden flash of inspiration. Insight is when we have the sudden flash of inspiration; when we realise that we know how to solve the problem or at least have the germ of an idea.

We then move onto a phase of invention. We must now work on how to develop our idea into something workable. This is typical of what inventors do; they have an idea and then they work out the practicalities of putting it into effect. This may be purely a mental process as we think through the steps to take to implement our idea. Alternatively, this step may involve designing tools and equipment, drawing up plans, or even building something tangible.

Next comes further investigation as we check out the acceptability of our new solution. We need to consider our own views of the idea; if we have doubts we are unlikely to implement it effectively. The views of others will also be important, especially if they are affected by the problem or the solution, and even more so if we will be requiring their involvement in the implementation. At this stage, we are, in effect, evaluating the chances of success for our solution. Will it work, will people apply it, will it really solve the problem, will it change the situation for the better?

Finally, we move on to implementation. We are now ready to put our solution into practice. This last step needs a level of energy and commitment as we will be changing the status quo. Any stages that we may have omitted may well impact negatively now, so that unforeseen objections are raised by people who were not consulted, or defects in the idea become apparent as we put it into effect. If we have moved through the steps, we will be ready to apply the results of our creativity and problem solving.

We can also contrast these steps with the patterns, or treatment levels, of discounting (Schiff 1975). In this way, we can better identify where creativity and problem solving are being lost within an organisation.

Pattern 1 - We discount the stimulus; we fail to notice the evidence; we do not notice what is happening so the identification stage is missed.

Pattern 2 - We are aware of the evidence but do not recognise the significance; we do not realise that it reflects an underlying problem; in this case we are unlikely to call for any more information about the situation.

Pattern 3 - We recognise there is a problem but do not believe that anything could be different; we do not believe that anything can be changed; so we simply do not bother to look for any ideas.

Pattern 4 - We accept that things could be different but do not believe that the people involved in our situation could behave any differently; we have ideas but do nothing with them because we doubt that anyone will bother to change what they do now; we decide that the idea is unworkable instead of recognising that our real difficulty is our opinion of human capability.

Pattern 5 - We do not believe that we or others are capable of solving the problem; any ideas we have will not really resolve the current problem; we therefore neglect to investigate
and gather sensible feedback because we assume that people will react negatively to our solutions anyway.

**Pattern 6** - We can identify potential solutions but believe the people involved, including ourselves, are not capable of carrying them out; we sabotage our energy and commitment; our implementation is ineffectual because we are convinced that our solutions are still unworkable.

Using our knowledge of the patterns as treatment levels, we can design structured processes and introduce confrontation and support so that individuals within organisations can learn to identify and deal with discounting.

**CHANGE**

Handling change is surely the latest growth industry. I have already mentioned the proliferation of books on the subject. Conditions are changing globally. The USA no longer dominates world markets, just as the UK ceased to have its Empire. The barriers between East and West are being removed. Corporations must operate across cultures. Organisations are altering their structures to suit internationalisation. Layers of management are being removed and people allowed to use their initiative. Many of us will now be expected to have more than one career, more than one set of skills in our lifetime.

Conditions continue to change locally. Markets change and companies must alter their services to suit. As we position ourselves to better meet customer needs, so we change the shape of jobs, selections, departments. Companies are acquired, merged, divested. Add to this the changes that occur 'naturally' as people develop new skills, get promoted, or seize opportunities elsewhere.

Few of us remain totally unaffected by change. We may enjoy the challenge or dread the results; we may welcome change or have it forced upon us; we are not likely to feel neutral about it. Most of us, therefore, would find it helpful to understand the processes of change and transition. As individuals, this knowledge can be reassuring as we experience normal but worrying reactions to change. As managers, it will enable us to plan change in ways that cause least stress to those affected.

It can take up to four years before we adjust fully to a significant transition, even one as apparently routine as a job change. An average time for someone to feel in command of a new job is around two years. The pace of change can easily overtake us, so that we move on again without ever reaching full competence. Given time, we will eventually emerge from the change process whether or not we have been lucky with the responses of other people. We will go through some identifiable phases. Knowledge of these phases can in itself be helpful, as it reassures us that we are behaving as most other human beings would.

The phases that seem to apply most commonly, and their impact on our performance, create the Competence Curve shown in Figure 2.

During this first phase we may well seem to be immobilised for a while. In imposed changes particularly, this could even be labeled shock. We need time to absorb the change and to compare our expectations to the new reality. This phase corresponds with Stage 1 and our need to simply exist.

We will appear to be marking time, doing nothing - maybe even not coping. There are several explanations for this:

- we lack information about the new situation
- we are afraid of doing it wrong and appearing stupid
- our fear of the unknown shows up as paralysis
- we may lack the motivation to make the change work

Even with a change that we chose and planned, a psychologically healthy person needs a short period for simply experiencing being in
Julie Hay

a new situation – before they are expected to take actions.

The second phase is one of denial. We act as if our behaviour patterns from the past will still be appropriate. Again, even if we have chosen the transition, we hope our existing skills and knowledge will still be useful. Some of them will, but severe problems due to denial can arise because:

- we feel a threat to our level of competence and skill
- we are reluctant to experiment
- we are simply custom bound or in a rut
- we fear failure, and rationalise that it worked okay for us in the past so it should work now.

Paradoxically, we may actually appear to be performing better during this phase than in Phase 1. This is because we now start applying our skills and knowledge, and are therefore seen to be achieving things. Unfortunately, we will not be using behaviour that relates to the current job; this will gradually become evident. People will start to question our grasp of reality, or think we are deliberately obtuse. We, on the other hand, are unaware of our denial and continue to behave in the way that was successful previously. Slowly, we allow our defence systems to weaken and start to notice the need for change.

In Phase 3 we go through a period of frustration. We now recognise we need to behave differently but we don’t know how. Our frustration arises because we feel incompetent during our efforts to apply new approaches. Indeed, others too may perceive us as incompetent as we struggle with new skills, new knowledge, new situations – and this means we become even more conscious of our shortcomings. In some cases, we turn our frustration against others, and seek to blame them for our position. Even when we chose the change, we can blame others for not helping us enough, not training us properly beforehand, even for not warning us against the problems we now face.

Feeding our frustration will be:

- potential overload due to our genuine need to learn new approaches
- fear of losing status through decreased competence
- loss of our power base or our network of contacts.

So we struggle to work out how we should be different, what new skills do we need, what qualities are required in the new situation.

In Phase 4 we move into acceptance. We let go of the attitudes and behaviours that were comfortable and useful in the past. We now have the answers from Phase 3 and can start the process of acquiring new patterns. We begin to test out new ways of doing things. There will still be occasional moments of frustration, such as when our new skills are not quite practised enough, or we identify yet another area where we lack knowledge. This phase represents our move, psychologically, into our personal learning cycle. We recognise the reality of our experience – that we are in a new situation and need a new set of behaviours. We review the situation and compare it with the past to identify differences. We analyse the differences and develop frameworks for understanding where we are now. And then we begin to actively experiment. During Phase 4 we may still appear incompetent to a degree. We are working out our identity in the changed situation, so although we have now accepted the change there will still be temporary problems as we try out new approaches.

All being well, we will move on to Phase 5: that of development. In this phase, we concentrate on developing the skills and knowledge required in the new situation. We become increasingly competent at operating in the changed environment. We make decisions about the most effective techniques and then become skilled at using them. Our knowledge increases so that others come to regard us as the
appropriate expert in our field.

In Phase 6 we move on to application. Most importantly, we now consolidate our identity in our changed role. We develop our own views on how the job should be done, how we should relate to others, and how they should relate to us. We resolve in our own minds the questions about our status, our beliefs about the situation, and our views of the organisation. In particular, we work out how we fit in the new scheme of things.

Entering Phase 7 means we have completion. We now feel comfortable and competent once again – so much so that we are no longer conscious of having experienced a transition. We are really into the new situation and have ceased to compare it, favourably or unfavourably, to our position before the change.

In summary, we have progressed through the following stages:

1. **Immobilisation** – we seem to do nothing, to withdraw.
2. **Denial** – we pretend it hasn’t happened and go on as we used to.
3. **Frustration** – we know we need to change but don’t know how.
4. **Acceptance** – we start exploring options that might be appropriate to the new situation.
5. **Development** – we develop our new skills and knowledge so as to become a competent performer.
6. **Application** – we apply our new skills within our new identity.
7. **Completion** – we are through the transition and are no longer consciously aware of the change.

Pam Levin’s (1974, 1984, 1988) model of Cycles of Development provides us with fascinating insights into what we do when affected by change. In each stage of the initial cycle described by Levin, we have certain developmental tasks to complete. Few of us succeed totally. As we recycle through the equivalent period in later life, we have another opportunity for growth. However, we are also at risk of experiencing the same problems as occurred for us before. Unfortunately, we may well then repeat the same strategies that were unsuccessful for us before.

Especially helpful is the notion that there are smaller spirals generated in response to significant events. There may even be smaller spirals within smaller spirals, rather like those of Russian dolls where you continue to find a smaller doll inside each one you open. If we are unlucky, we have changes occur in our lives whilst we are at a point on our own major spiral that is not comfortable for us. We may even have a series of changes, each sparking off its own limited spiral on the back of another. Loss of job may lead to loss of friends, the next job may require relocation, this may take us away from family, and so on. The accumulation of spirals then adds to our stress.

Even those of us who are at a good stage in life, feeling confident and capable, can be jolted severely by an unexpected change. Pleasant changes will also stimulate new spirals. Marriage around the same time as promotion, a new baby in the family, an exciting new project to work on, passing an exam – even a break for a holiday can generate a small spiral. Add several together and we see why people get stressed through good news.

Managers and human resource professionals have a responsibility for the way in which change is imposed on others. We can combine what we know about the stages of development with the phases of change to generate ideas for making transitions easier. We can then ensure that the changes we are involved in cause as little pain as possible.

We can summarise the stages in terms of an individual’s needs as follows:

**Stage 1: Being** – reassurance that people are pleased we are around.
Stage 2: **Doing** – their patience while we find our own way.

Stage 3: **Thinking** – their tolerance as we test our thinking.

Stage 4: **Identity** – acceptance as we define our identity.

Stage 5: **Skills** – coaching and training.

Stage 6: **Integration** – encouragement as we settle into the new situation.

Stage 7: **Recycling** – we are on our way.

In **Phase 1**, **Immobilisation/Being**, those affected by change need time to experience the change. They also need information, although they are probably not in condition to absorb it. Non-directive counselling approaches are helpful here – letting someone talk, listening to them attentively, reflecting key words back so they can structure their thoughts better. Advising them of sources of information is also useful, as is giving them written information that they can retain and study later.

**Phase 2, Denial/Doing** is probably the most difficult stage for the would-be helper. If the individual denies the change, we can’t even discuss it with them. Patience is needed, perhaps accompanied by occasional carefully phrased questions about their objectives and their use of techniques which we recognise as inappropriate in the new situation. If in doubt, keep quiet – too much pushing will only drive them further into denial. Keep in mind that the denial is subconscious so they are unaware of doing it.

**Phase 3, Frustration/Thinking** – here we need lots of tolerance and good humour – especially if they start blaming us for the problems. Empathetic listening is now best, letting them know that we too might be angry and frustrated were we in their position. Remember empathy is not sympathy – we can relate to how they feel and still expect action from them. Avoid any temptation to wallow in mutual misery.

**Phase 4, Acceptance/Identity** – at last we can start to discuss the new situation with them and expect them to want to start resolving problems. Our comments, must, however, be focussed on their own recognition of what is needed. Too much advice too soon will interfere with their need to work out their own identity in the new situation.

**Phase 5, Development/Skills** – this is a much easier phase to deal with. Advice, coaching, teaching are all appropriate now as they start actively to build up their new skills and knowledge. At last, they will be open to comments based on previous experience of others – now you can say things like “When I did it, I...” Off the job training may also be useful during this phase, and contacts with others who have ideas to offer.

**Phase 6, Application/Integration** – we may find that our involvement now is greater than during the previous phase, when we perhaps sent them elsewhere for training. Our role is to provide plenty of encouragement and reinforcement as they apply their new skills. It may also be appropriate to remind them of ‘old’ skills that could now usefully be applied in the new situation.

**Finally, at Phase 7, Completion/Recycling** no more help is needed. The person is now established in the new situation and is ready to begin the process of assisting others to handle change.

**CONCLUSION**

The theme of the 29th Annual Conference of the International Transactional Analysis Association prompted me to consider how TA can help us to create organisations of the future. I have offered you a collection of ideas that will, I hope, stimulate you to play your part in applying TA principles to organisational cultures.

I invite you first to determine the future reality you wish to create; I propose that people are ready for an organisational climate that will provide a sense of community (as does our own TA association). Within such an
environment, we can better apply TA concepts to enable individuals to overcome script and attain real freedom of choice. This in turn will empower them to identify and utilise the opportunities that chance presents. They will then be able to recognise change for what it is—a challenge and a path to self-development.

REFERENCES


FIGURE 1: DEVELOPMENTAL STAGES OF ORGANISATIONS

<table>
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<tr>
<th>Pioneering</th>
<th>Systems</th>
<th>Integrated</th>
<th>Community</th>
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<td>Hierarchy</td>
<td>Network</td>
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<td>Niche/toe-hold</td>
<td>Market share</td>
<td>Market creation</td>
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<td>Stabilisation</td>
<td>Change</td>
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(Based on an original version by Stewart & Maxon 1988: Community column added)
FIGURE 2: THE COMPETENCE CURVE

1. Immobilisation
2. Denial
3. Frustration
4. Acceptance
5. Development
6. Application
7. Completion

Change Point

Time

Competence