A Psychoanalytical Critique of Chester I. Barnard’s “The Functions of the Executive”

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Introduction

In “The Functions of the Executive”, Barnard (1938) seeks to describe a comprehensive theory of organisations and the interrelationship of the function of the organisational Executive. One of his main areas of focus is cooperative behaviour in the organisation and the factors that are important in determining whether cooperation will occur. This paper focuses on Barnard’s view on the contributing factors to cooperation, in particular social factors, and assesses them from a psychoanalytical perspective by comparing Barnard’s theory with that of Diamond (1991) who proposes a traditional psychoanalytical view of organisational cooperation.

Psychoanalytic Perspective

Psychoanalysis is a field of psychology established by Sigmund Freud. Psychoanalysis looks at the behaviour of individuals by examining deeper meaning and the motives of the individuals involved (Gabriel & Schwartz, 1999). The concept of the unconscious lies at the centre of psychoanalysis, and this concept is important for the analysis of groups as the unconscious is the place where people’s repressed desires and motivations exist.

A landmark publication in the field of psychoanalysis of group behaviour was Freud’s “Group Psychology and the Analysis of the Ego” (1921). Freud believed that actions that appear on the surface to make perfectly good sense could turn out to serve ends that have little to do with organisational efficiency and rationality. Their actions may be more due to repressed fears and desires than with logically motivated decision-making. Any examination of organisations from a psychoanalytical perspective will need to examine how these repressed fears and desires influence group behaviour.

“The Functions of the Executive”

Prior to the release of Barnard’s book in 1938, most of the writing on organisations had assumed a scientific approach to management where the Executive’s role was more focused on ensuring that workers were tasked to do their work in the most efficient manner and monitored that the work was being done as instructed. Prominent advocates of this approach were theorists such as Taylor (1911), and later, Fayol (1949).

In the preface to his book, Barnard writes that an effective organisation requires an Executive with good regard for both the economic and social character of their organisation. He wrote that an existing weakness in organisational analysis was the depth of examination of the internal social characteristics of organisations, and in particular the requirement for

1 An organisation that produces from cooperative endeavour in an efficient and sustainable manner.
2 Where an organisation can be described as a group of individuals who produce a cooperative endeavour.
cooperation throughout the organisation (p 55). The thrust of his book is to explain a rationale for the requirement and function of the Executive in formal and informal organisations by referring to the need to monitor and manipulate such social facets as cooperation and communication.

A simplified view of Barnard’s functions of the Executive could be stated as:

- Formulation of the purpose and objectives for the organisation.
- Organisational Communication (acting as a hub and taking responsibility for ensuring information is promulgated efficiently).
- Securing the essential services from individuals within the organisation by the maintenance of cooperation.

It is the last point above which is the most significant departure from scientific management. A large part of the focus in Barnard’s book is on cooperation and it is in this area where the critique between Barnard and the psychoanalytical perspective will be made.

**Cooperation**

Barnard believed that maintaining cooperation was imperative if an organisation was to continue (p 56) and he believed that the persistence of cooperation depends upon two conditions:

(a) Cooperative effectiveness; and
(b) Cooperative efficiency.

For cooperation, “effectiveness” relates to the accomplishment of the cooperative endeavour, while “efficiency” relates to the individual’s motives being satisfied.

From a psychoanalytical perspective it is the latter “efficiency” which is of interest as it relates to the personal choice to cooperate or not. Cooperative efficiency is not a foregone conclusion as a cooperative system and individuals’ decisions are incessantly dynamic (p 59). To maintain cooperation requires a process of continual readjustment to the factors that affect cooperation and for efficiency of cooperation the factors are those that affect individuals’ motives.

Barnard describes this as the social factor in determining cooperative accomplishment (p 50). For cooperative efficiency, individuals need to want to be involved in the work, and they will make their decision on the balance of selfish desires with the need to be involved in cooperative endeavours to provide for self-preservation. Barnard’s description for this decision is the individual’s “tensions of desires”.

**Cooperation and Regressive Behaviour**

Both Barnard and Diamond agree that cooperation is not necessarily a conscious decision and that people’s motives include a tension between the need for independence and the need to be...

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3 Where reference is made simply to a page number, this refers to the page in the “The Functions of the Executive”.
4 Physical and emotional requirements for mental and physical health.
involved in groups (Barnard, p 140; Diamond, p 194). Superficially, Barnard’s approach of regarding social factors and the “tensions of desires” as important determinants of an individual’s choice to cooperate would appear to make his theory compatible with the psychoanalytical perspective. People do not act like robots and will decide to cooperate based not only on selfish needs but also on how it affects their deeper needs for group membership.

But the differences between Barnard and the psychoanalytical approach of Diamond emerge with the idea of regressive behaviour. Diamond sees individual regression in groups as being due to “annihilation anxiety” that arises from each individual’s fear of rejection from the group and the loss of affiliation that then threatens their self-identity (Diamond, p 195). Individual regression presupposes that, except in ideal cases, infantile stages of development are not entirely outgrown, so that earlier patterns of behaviour remain available as alternative modes of functioning (Rycroft, 1968, p 139).

Regressive work groups are characterized by an imbalance that favours group membership and affiliation over and above personal identity and autonomy. The specific regressive behaviour depends on the nature of the outside threat to individual self-identity and the nature of the defensive response to it. Diamond split work groups that display regressive behaviour into three types:

- the “homogenous group” where there is an absence of both individualism and leadership, and active hostility towards anyone within the group who shows an open expression of individuality;
- “institutionalized groups” where bureaucracy and regulation protects individuals from the anxiety of aggression and potential loss of group membership; and
- the “autocratic work group” where individuals identify with an all-powerful charismatic leader from who they derive control of their aggression and anxiety.

Diamond, in line with psychoanalytical tradition, relates this regressive behaviour to the various stages of child development, with the idea that each regressive group displays behaviour from a different stage of child development.

Regressive behaviour reduces organisational effectiveness through the retardation of organisational learning, the suppression of personal autonomy, and the ability to change to take account of the changing external environment. For an organisation to become effective, this propensity for people to return to regressive behaviour must be constantly managed.

Barnard doesn’t acknowledge regressive behaviour but rather sees people as utilitarian\(^5\) decision makers. People’s natural inclination is not to cooperate, but they will do so when the benefits outweigh the costs for them (p 139). For Barnard, a failure in the efficiency of cooperation is not due to regressive behaviour but rather simply that the activity does not sufficiently satisfy the individual’s internal motives (p 57).

**The Implications on Executive Function: Facilitation and Incentives**

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\(^5\) A utilitarian approach is one where the decision is made to accept the option that produces the highest net benefits.
The implications for this on the Executive function relate to how an organisation can be both pulled out of situation of poor cooperation into one where organisational cooperation produces effective results and how the Executive can maintain this level of ongoing cooperation.

For the psychoanalytical approach of Diamond, striking a healthy balance between personal identity and group affiliation is the central dilemma. This is because regressive work groups solve the problem of annihilation anxiety by over-emphasising group membership and underplaying personal identity and autonomy.

Diamond proposes that a change away from regressive group behaviour will only occur from a collective decision. A single individual cannot do it alone, and extrapolating Diamond’s views, then nor could the Executive alone - regressive group behaviour is likely to actively engage to suppress that. At best, the installation of a new leader or new Executive direction will merely move the group into from one form regressive behaviour to another.

Diamond believes that for true organisational cooperation to occur, the group must gain group awareness through a reflective process that creates the opportunity for change and development. He describes non-regressive groups as “Intentional” work groups that are aware of social processes within the group, the social implications of change, and attend to the emotional well-being of all group members (Diamond, p 208).

This process of engaging reflective processes describes “team-building” and “retreats” where people are drawn out of their normal day-to-day work and asked to think, talk, analyse how they work with the team, discuss teams objectives, and investigate how they feel about themselves and the context of their work.

The implication for the Executive is that they should be the facilitators of organisational introspection and let group members build up a culture of internal analysis, allow an acknowledgement of the potential for regressive behaviour, and provide a framework where cooperative organisational learning can take place.

It is doubtful that Barnard would support this self-analysis and group-analysis approach because of his belief in the utilitarian nature of organisational cooperation. Barnard’s approach would be the more traditional: ensure that the incentives for people to cooperate overwhelm their natural inclination not to cooperate.

Incentives are widely used in modern business to enhance organisational cooperation, suggesting that in many ways individuals are utilitarian in their approach to cooperation. Barnard describes a range of incentives available to the Executive including material inducements, enhancement of physical environments, making the workplace a more attractive place to work, using people who match the desired culture, providing prestige, and enabling comradeship.

While choosing people who match the desired culture required for cooperation to occur, (that is those who have motives that are satisfied by the existing organisational incentives) is non-controversial, that approach can be used to justify restructuring to elevate or sideline personalities depending on whether their motives match the “desired culture” within the organisation.
But it is the last of Barnard’s incentives “comradeship” which is closest to the psychoanalytical understanding of the requirements of avoiding “annihilation anxiety”. Barnard doesn’t identify any risk that providing enhanced emphasis of group-identity will lead to destructive (regressive) behaviour. Barnard’s views on the social factors in cooperation are that regressive behaviour is nothing more than a response to an inappropriate balance of incentives, which can be overcome by altering the level of incentives.

The implications from Barnard’s view of cooperation are the Executive has a constant and important role in ensuring that the correct people are involved in cooperation, and that the incentives for them to cooperate are managed in an appropriate manner.

So, there is a fairly significant difference in how Barnard and Diamond see the Executive managing cooperation. Barnard’s views appear compatible with current management thinking on restructuring and human resource management, while Diamond’s views would support a more holistic approach of the Executive providing the environment for the group to work out for themselves how they will maintain organisational cooperation. This holistic approach is one which is advocated by practitioners of Change Management.

**Conclusion**

Organisations are complex phenomena and there is yet to be a unitary understanding of the correct ways for organisations to be managed. Both Barnard and psychoanalysis provide theories which identify the individual’s need for balance between their independence / self-identity and their need to be involved in groups. But the theorists differ on the methods of maintaining that balance.

Barnard sees individuals as making utilitarian decisions on whether to participate in cooperative endeavours based on whether the incentives available match their internal motives of self-preservation and group affiliation. It is a key function of the Executive to maintain incentives at a level that promotes efficiency in cooperation. The psychoanalytical perspective sees the key to ongoing cooperative behaviour as the avoidance of regressive behaviour. For that perspective, it is the Executive’s role to provide an environment where individuals within the organisation can examine themselves and the context of their work from a collective perspective.

Barnard’s book provides a detailed examination of organisations and the role and function of the Executive and his approach to maintaining organisational effectiveness is still relevant to the Executive practices of today. However, psychoanalysis can provide further illumination of the issues involved in maintaining the efficiency of group cooperation and challenges the Executive to take on a more holistic role in enabling ongoing organisational change.

**References**


