CREATING AUTHENTIZOTIC ORGANIZATIONS:

WELL-FUNCTIONING INDIVIDUALS IN VIBRANT COMPANIES

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Abstract

Given the importance of individual psychological well-being for organizational functioning, an item that should be high on everybody's agenda in the new millennium is creating workplaces that are healthy—i.e., that help people feel good about themselves and their endeavor and that contribute to (and reinforce) adaptive functioning. My objective in this short article is to highlight key issues regarding well-functioning individuals, motivational need systems that drive people, and the conditions that make for healthy organizations. To facilitate the search for these kinds of companies, I review *Fortune*'s list of "best companies to work for" and put forth a number of conditions that make for what I like to call *authentizotic* organizations—organizations where people find meaning in and are captivated by their work.

Introduction

As we look forward to the new millennium, we perceive many themes in the world of work that are disquieting. Among the most dominant of those themes is stress in the workplace. Statistics that measure stress—tallies of illness, underperformance, and absenteeism, for example—tell a dramatic tale of dysfunctionality at work. In many organizations the balance between working life and private life has been completely lost. Organizational horror stories abound—stories about dysfunctional leadership, work overload, conflicting job demands, poor communication, lack of opportunities for career advancement, inequities in performance evaluations and pay, restrictions on behavior, and excessive travel (and the connection between these problems and depressive reactions, alcoholism, drug abuse, and sleep disorders).

Work need not be stressful, however. On the contrary, it can be an anchor of psychological well-being, a means of establishing identity and maintaining self-esteem. Sigmund Freud's dictum that mental health consists of *lieben und arbeiten* (loving and working) retains a ring of truth. Organizations are invested with a considerable amount of psychological meaning by those who daily cross their threshold. Accomplishing something tangible and positive through work can give workers a dose of stability in a highly unstable world (just as frustrating, dissatisfying work can exacerbate instability). Organizations are ideal outlets to help their participants cope with the stresses and strains of daily life.

Given the importance of individual psychological well-being for organizational functioning, an item that should be high on everybody's agenda in the new millennium is creating workplaces that are healthy—i.e., that help people feel good about themselves and their endeavor and that contribute to (and reinforce) adaptive functioning. My objective in this short article is to highlight key issues regarding well-functioning

individuals, motivational need systems that drive people, and the conditions that make for healthy organizations.

The Best Companies to Work for

Once a year since 1983, *Fortune* magazine has come out with a “most admired American companies list” list. Since 1997—in keeping with the Zeitgeist—a “most admired” *global* list has been included. The editors of *Fortune* poll something like eleven thousand people before compiling their lists: primarily senior executives, outside directors, and investment analysts. The criteria for inclusion on these lists are factors such as quality of management, quality of products and services, innovation, long-term investment value, wise use of corporate assets, financial soundness, and responsibility to the community and the environment. To be high on the list of most admired companies is a great tribute, to be sure; however, admiration does not answer the question, Are these organizations the *healthiest* places to work?

Fortune made an effort to answer that question by publishing a “best companies to work for” list. In an article entitled "The 100 Best Companies to Work for in America" (Levering & Moskowitz, 1998), the authors looked at the practices that make certain organizations special from the workers’ perspective—companies such as Southwest Airlines, W. L. Gore, Microsoft, Merck, Hewlett-Packard, Corning, and Harley-Davidson. Using a database of more than 1,000 companies, the authors determined that corporate characteristics such as inspirational leadership, excellent facilities (including those that rank as perks), and a sense of purpose were key traits in those organizations that obtained a prominent position on this list. According to the information given, employees in the winning organizations had a great trust in management, tremendous pride in their work and company, and a sense of camaraderie. These perceptions arose in part because these companies subscribed to practices such as stock option plans, profit-sharing systems, no-layoff policies, non-hierarchical structures, information sharing systems, flexible hours, and casual dress codes. A considerable number of events held in

these companies—events such as Friday evening beer bashes, parties to celebrate company milestones, and company picnics—helped in creating a sense of community. Being pioneers in innovative perks also added to this positive picture—perks such as state-of-the-art fitness centers, leisure facilities, on-site clinics, on-site childcare, creative family-oriented extras, great cafeterias with great food, and generous health insurance policies. In short, the companies high on this list went to great lengths to create humane corporate cultures that would positively affect mental health.

Architects of *potentially* exemplary organizations would do well to deconstruct the humane philosophy that underlies the values, behaviors, and practices that characterize organizations of this sort. They should ask, for example, What steps do these companies take to contribute to the well-being of their people? What are the psychological dimensions that make these companies great places to work? How do they tap their human potential?

The Containment Role of Organizations

In the context of providing a stabilizing influence, organizations have always been important orientation points in a sea of change. The end of the twentieth century, however, has not been the best of times for many corporate employees. With life in organizations more turbulent now than ever, the companies listed on the "best to work for" hit parade are more the exception than the rule. In most organizations in this era of business re-engineering and excessive preoccupation with shareholder value, the "psychological contract"—the commitment to reward organizational loyalty with long-term employment—has been broken. With loyalty and organizational identity shrinking in importance, the employee has become an independent agent, displacing the "organization man" of yesteryear—that person with great emotional attachment to his or her company.

In the past, being associated with a company was an effective way to affirm one's role in the world. Making a commitment of loyalty to the company helped an employee integrate his or her self-experiences; in other words, it contributed in establishing a sense of identity. Affiliation with an organization also helped employees cope with economic and social upheaval, because organizations (whether consciously or unconsciously) played the role of "holding environment," containing anxiety through the agency of senior management (and thereby contributing a measure of stability); that too was part of the psychological contract. Yet now, in this age of overwhelming discontinuity, employees must do without that traditional pillar of stability. The costs associated with the breaking of the psychological contract are high: as the identification process has weakened, the work situation has become more stressful. This development does not augur well for the mental health of employees. Despite the gloomy outlook, however, organizational leadership can take positive steps to make their companies healthier places to work.

The "Healthy" Individual

The search for what it is that makes organizations vibrant—makes them great places to work—begins with an understanding of the well-functioning individual. To gain that understanding, we must ask, Under what conditions does a person feel most alive? Responding to this question is easier said than done, however. Definitions of what makes for a "healthy" individual seem to vary depending on the person making the observations.

When psychotherapists are asked what makes for a well-functioning person, they generally say that "healthy" people are those who operate at full capacity. These therapists see their role as encouraging patients to gain insights into their goals and motivations, helping them better understand their strengths and weaknesses, and preventing them from engaging in self-destructive activities. The emphasis is on widening people's area of choice, thereby enabling them to choose freely rather than be led by forces outside of their awareness.

Although this answer has a lot of merit, it needs some elaboration. From my experience in working with large numbers of executives, I have concluded that healthier people possess a common set of characteristics. (I say *healthier* rather than *healthy* because health and illness are dimensions on a continuum.) The most salient of these characteristics are described below:

- Healthier people possess a stable sense of identity; that is, they have a good sense of who they are.
- They have a great capacity for reality testing.
- They resort to mature defense mechanisms and take responsibility for their actions, refusing to blame others for setbacks.
- They have a strong sense of self-efficacy, believing in their own ability to control the events that affect their lives; and they are resourceful.
- They have a healthy perception of their abilities and their body and its functioning; therefore, they do not engage in self-destructive activities due to cognitive distortions.
- They experience the full range of affects; they do not suffer from alexithymia or color-blindness with respect to their feelings. They live intensely and are passionate about what they do, finding sexuality fulfilling.
- They know how to manage anxiety, and they do not easily lose control or resort to impulsive acts.
- They have the capacity to establish and cultivate relationships, they actively maintain a support network, and they know how to use help and advice.
- They have a sense of belonging and connectedness, viewing themselves as part of a larger group; they obtain a great sense of satisfaction about the social context in which they are living.
- They know how to deal with issues of dependency and separation. Having gone through the process of individuation in a constructive manner during their younger years, they do not suffer from developmental arrest. Persons in their own right, they do not resort to clinging behavior; on the contrary, they establish mature relationships.

- They are mentally strong enough to deal with the setbacks and disappointments that are an inevitable part of the trajectory of life. They know how to handle depression and have a great capacity to work through loss.
- They know how to handle ambivalence and can see people in a balanced manner.
- They are creative and possess a sense of playfulness and thus have the capacity to non-conform.
- They have a positive outlook toward the world and can therefore reframe experiences in a positive way; they are always able to fantasize about a more positive picture of the future. Whatever setbacks may come their way, they tend to retain a great sense of hope.
- They have the capacity for self-observation and self-analysis and are highly motivated to spend time on self-reflection.

Motivational Need Systems

Describing behavior is a necessary but not sufficient condition for understanding motivation. The above descriptions remain incomplete unless we also pay attention to the underlying forces that place an individual on the healthy-to-dysfunctional continuum. Because a healthy outlook toward life is the outcome of a lengthy process of development, we must look to each individual's "inner theatre."

The core of the inner theatre of an individual is shaped around the motivational need systems on which choice is grounded. These need systems become operational in infancy and continue throughout the life-cycle, altered by the forces of age, learning, and maturation. Motivational need systems are the driving forces that make people behave the way they do (Lichtenberg, Lackmann, & Forshage, 1992). Developmental "resolutions"—self-stabilizing responses to emotional reactions based on motivational needs—determine the content of the inner script of an individual.

Some of the motivational need systems that drive people center around low-level, primary human needs: the most fundamental motivational system regulates a person's physiological requirements, for example (dealing with factors such as hunger, thirst, elimination, sleep, and breathing); another system encompasses an individual's needs for sensual enjoyment and later sexual excitement; a third system develops in response to the need to respond aversively to certain situations through antagonism and withdrawal. Other systems operate at a higher level, dealing with needs for attachment/affiliation and exploration/assertion. Although all motivational systems impact the work situation, it is these higher-level systems that are of particular interest for life in organizations.

Among humans there exists an innately unfolding experience of human relatedness. Humankind's essential humanness is found in the seeking of relationships with other people, of being part of something. The need for attachment concerns the process of engagement with another human being, the universal experience of wanting to be close to others (Bowlby, 1969). It also relates to the pleasure of sharing and affirmation. When this need for intimate engagement is extrapolated to groups, the desire to enjoy intimacy can be described as a need for affiliation. Both attachment and affiliation serve an emotional balancing role by confirming the individual's self-worth and contributing to his or her sense of self-esteem.

The other need that is central to this discussion—the need for exploration—involves the ability to play and to work. This need also begins early in life. Child observation has shown that novelty and the discovery of the effects of certain actions cause prolonged states of attentive arousal in infants (Lichtenberg, 1991). Similar reactions to opportunities for exploration continue into adulthood. Closely tied to this need for exploration is self-assertion, the ability to choose what one likes to do. Exploratory-assertive motivation produces a sense of effectiveness and competency (White, 1959); playful exploration and manipulation of the environment in response to exploratory-assertive motivation produces a sense of mastery, autonomy, initiative, and industry. Because striving, competing, and seeking mastery are fundamental motivational forces of the human personality, exercising assertiveness—following our preferences, acting in a

determined manner—serves as a form of self-affirmation. This striving continues into adulthood.

Humankind's Search for Meaning

As was noted earlier, the script of our inner theatre is determined by our responses to the varied motivational need systems. In other words, those need systems create a subjective reality that guides each of us through life, shaping our outlook on the world. In order for individuals to be healthy, that subjective reality needs to be congruent with objective reality; that is, how we perceive ourselves and our surroundings needs to accurately reflect external reality. This "match" between subjective and social worlds creates a sense of authenticity and constancy in the individual. Organizations hoping to foster an environment in which people feel really alive must keep this sort of congruence in mind.

In our search for continuity in a world of discontinuity, congruence between inner and outer reality offers a way to challenge the humdrum of day-to-day life. It helps us see meaning in our being and doing, affirming a sense of authenticity, fostering a sense of accomplishment and personal competence, and creating an even higher level motivation that drives us to transcend our traditional activities.

Work holds an important place in humankind's search for meaning. Because meaningful activity at work can contribute to a sense of significance and orientation, work offers a way to transcend personal concerns. In addition, it helps to create a sense of continuity. Leaving a legacy through work is an affirmation of one's sense of self and identity and thus serves as an important form of narcissistic gratification.

Given the importance of basic human motivational needs, organizational leadership has the responsibility to institute collective systems of meaning—a responsibility that is greater than ever in these times of discontinuity. The challenge these leaders face is to recognize humankind's search for meaning and create circumstances that allow people to

do tasks in the workplace that are experienced as consequential. Subjective experiences and actions need to be made meaningful. This challenge requires that work be done in ways that make sense to the employees, leading to congruence between personal and collective objectives. Facilitating congruence between the inner and outer worlds of employees will contribute to individual *and* organizational health.

Searching for Congruence

So how can ways to meet the motivational needs that underlie humankind's search for meaning be integrated into organizational life? What can organizational leaders do to make workers' existence in their organizations more meaningful? In this age of discontinuity, what can be done to minimize the negative side effects of work? What can be done to imbue employees with the kind of meaning that helps them to feel fulfilled?

An answer to this conundrum can be found if we once more look at *Fortune'*s list of "best companies to work for." An in-depth content analysis of these companies reveals that they are steeped in a number of values that are then also translated into specific forms of behavior—values such as trust, fun, candor, empowerment, respect for the individual, fairness, teamwork, entrepreneurship/innovation, customer orientation, accountability, continuous learning, and openness to change. Although these values, and the practices associated with them, go a long way toward explaining the success of many of *Fortune'*s vibrant organizations, they alone cannot bring about exceptional performance. Additional conditions are necessary for getting the best out of people.

Given the earlier discussion, readers will not be surprised to learn that leaders who want to get the best out of their people—who want to create an ambiance in which their people feel inspired and choose to give their best—need to pay attention to the exploration/assertion and attachment/affiliation motivational need systems introduced earlier. Toward that end, they need to engage in a number of activities that help to ensure congruence between workers' inner and outer realities.

As part of the needs-addressing process, leaders of exemplary organizations must create a *sense of purpose* for their people. Senior executives must create and articulate a vision of an ideal future state—a vision fleshed out with vivid description of the organization's fundamental purpose and culture, its values and beliefs. This description of the organization's future—if imbued with sufficient meaning—will have connecting value and thus contribute to a group identity. This step addresses workers' attachment/affiliation motivational need system.

To address workers' exploration/assertion motivational need system, organizational leadership must create conditions that foster a *sense of competence.* This goal is reached when organizational participants have a feeling of ongoing personal growth and development. To prevent stagnation, continuous learning is essential. On-the-job growth and development offer a strategy for reaffirming the self and preserving personal equilibrium. When the exploration/assertion motivational need system is blocked, frustration increases and creative action dissipate.

In addition, organizational leadership needs to create a greater *sense of self-determination* among employees. For the sake of organizational mental health, it is essential that employees have a feeling of control over their lives. Conditions should be created whereby employees see themselves not as mere peons in the larger scheme of things but as capable masters of their own lives.

Simultaneously, leadership must create a *sense of impact* among the employees. In other words, each organizational member must be convinced that his or her actions make a difference, affecting organizational performance. Believing that each member of the organization has a voice is what empowerment is all about.

Paying Attention to Metavalues

Even these four necessary conditions that help to get the best out of people are not sufficient conditions to create captivating work places, however. The best companies possess a set of meta-values that closely echo the earlier described motivational systems. Such organizations create among their people a *sense of belonging* (a feeling of community that comes from being part of the organization, addressing once more the attachment/affiliation need), a *sense of enjoyment* in what they are doing (a feeling that comes from addressing the exploration/assertion need), and a *sense of meaning* about the activities they are engaged in.

A Sense of Belonging. Because attachment/affiliation is a powerful underlying motive in humankind's search for meaning, the first important meta-value contributing to the creation of healthy organizations is "love." Seeing love as a corporate value implies creating a *sense of belonging,* a feeling of community, which then bears the fruit of trust and mutual respect. This sense of community can be enhanced in various ways, whether through overall organizational architecture (e.g., by creating small units) or through specific practices (Kets de Vries & Florent, 1999).

A sense of community, with the concomitant preparedness to help others, goes a long way toward creating goal-directedness and a cohesive culture. It also contributes to the emergence of "distributed leadership"—that is, leadership spread out throughout the organization rather than concentrated at the top. It is fostered in organizations whose senior executives obtain vicarious pleasure in coaching their younger executives and feel proud of their accomplishments. This sense of generativity is a source of creativity and contributes to feelings of continuity (as one's efforts continue through the work of successors).

A Sense of Enjoyment. Furthermore, in highly effective companies employees seem to enjoy themselves. Having fun—the ability to be playful—is an important dimension of both organizational and mental health. In too many companies, however, this *sense of enjoyment* is completely ignored (or worse, deliberately stifled), resulting in a lack of imagination and innovation. In these organizations, executives behave like sleepwalkers

(Kets de Vries, 2000). Executives in exemplary organizations, on the other hand, are fully alive—and contagiously so: they realize that taking people on an exciting journey while encouraging them to have fun gratifies another essential motivational need, humankind's need for exploration/assertion.

A Sense of Meaning. If these basic motivational need systems are addressed in the context of transcending one's own personal needs—that is, if tasks are presented as improving the quality of life, helping others, or contributing something to society—the impact on workers can be extremely powerful. People like to work in organizations that recognize the importance of providing a *sense of meaning*. It is such organizations that are able to get the best out of their people. In organizations that provide meaning, people put their imagination and creativity to work, and as a result they experience a sense of "flow"—a feeling of total involvement and concentration in whatever they are doing (Csikszentmihalyi, 1990).

The Authentizotic Organization

Organizations that meet the human needs discussed above—organizations that will set the standard in the twenty-first century—are what can be described as *authentizotic.* This term is derived from two Greek words: *authenteekos* and *zoteekos.* The first conveys the idea that the organization is *authentic*. In its broadest sense, the word *authentic* describes something that conforms to fact and is therefore worthy of trust and reliance. As a workplace label, *authenticity* implies that the organization has a compelling connective quality for its employees in its vision, mission, culture, and structure. This means that the organization's leader has communicated clearly and convincingly not only the *how* but also the *why* of every job, revealing meaning in each person's tasks.

The term *zoteekos* means "vital to life." In the organizational context, it describes the way in which people are invigorated by their work. People in organizations to which the *zoteekos* label can be applied feel a sense of balance and completeness. In such organizations, the human need for exploration, closely associated with cognition and learning, is met. The *zoteekos* element of this type of organization allows for self-

assertion in the workplace and produces a sense of effectiveness and competency, of autonomy, initiative, creativity, entrepreneurship, and industry.

Moving into the twenty-first century, organizational leaders are challenged to create corporations that possess these authentizotic qualities. Working in authentizotic organizations will reduce organizational stress, provide a healthier existence, increase the imagination, and contribute to a more fulfilling life. Because authentizotic organizations help their employees maintain an effective balance between personal and organizational life, these are the organizations we need to hope and strive for. The concern about mental health is what makes authentizotic organizations such exiting places to work. As is stated very appropriately in an Arab proverb, “He who has health has hope, and he who has hope has everything!”

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