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Mitigating Anxiety: The role of strategic leadership groups during radical organisational change

Michael Jarrett, INSEAD Asia Campus
Email: michael.jarrett@insead.edu

Russ Vince, University of Bath and University of St Andrews
Email: rv212@bath.ac.uk

Abstract

This paper examines the role of strategic leadership groups in radical organizational change. Previous research has focused on how 'heroic' individual leaders guide change. In contrast, we argue that strategic leadership groups are indispensable to understanding and supporting radical organizational change. Building on a longitudinal study in a global European company, our research identifies four phases of 'negotiated order' that shape group and organisational responses to change. Our findings reveal that strategic leadership groups help with the management of emotions, and with understanding the shifting authority relations that inevitably arise during periods of change. Drawing upon the psychoanalytic concept of 'projective identification', we develop a theoretical framework for understanding the tensions of change. The model shows how emotional coalitions that develop in strategic leadership groups afford a source of political and psychological containment against the anxieties of radical organisational change. These formations offer transitional spaces for change, providing opportunities for progress. The advantage of this new perspective on radical change is that it helps to move the organization beyond periods of ambivalence and conflict, with positive implications for leadership practice.

Introduction

Emotions are ubiquitous in organisations (Ashforth and Humphrey, 1995). They provoke feelings and responses outside of awareness, yet organisational actors often ignore emotional and unconscious responses to external triggers (Fotaki and Hyde, 2015; Vince and Broussine, 1996). Much remains to be understood about emotional and unconscious dynamics in organisations (Barsade et al., 2009; Vince, 2019). Neglect of emotion in organisational research can mean that scholars are 'missing a tremendously rich source of social influence' (Zietsma et al., 2019: 2). During the chaotic turns of radical organisational change, emotions become even more salient (Hodgkinson and Wright, 2002; Kahn et al., 2013). We, therefore, argue that management scholars and practitioners need a better understanding of the unconscious, emotional and relational dynamics involved in radical organisational change.

Emotions shape radical change outcomes in ways we do not fully comprehend. For instance, they influence the strategising process (Liu and Maitlis, 2014), strategy execution (Hodgkinson and Wright, 2002), and levels of engagement in change (Vince and Broussine, 1996). Prior research on radical organisational change places a premium on strategic leadership as a guiding force (Lui et al., 2018). Studies suggest that the capability of strategic

leaders to gauge what the change means is critical to its success or failure (Finkelstein et al., 2009). Strategic leaders are seen as 'prime movers' because of their legitimacy to implement change, control resources, and act as boundary spanners with the external environment (Balogun et al., 2015). However, studies of leadership at the strategic apex remain incomplete. They focus on the 'heroic' Chief Executive (Chatterjee and Hambrick, 2007; Liu et al., 2018) or the top management team (Hambrick and Mason, 1984; Hambrick, 1995) without acknowledging broader authority relations (Samimi et al., 2022). Consequently, research on the link between prime movers and radical change has focused on cognitive style, downplaying other contributory factors such as relational interactions, conscious and unconscious emotions, and power (Pitcher and Smith, 2001; Voronov and Vince, 2012).

We respond to calls for a deeper understanding of emotions (Zietsma et al., 2019) and strategic leadership (Samimi et al., 2022) during radical organisational change by advocating an expanded and more nuanced model that integrates them both. While strategic leadership groups are central to implementing radical organisational change, their role is not always obvious. Their relational interactions are important but fragile, leading to fragmentation (Denis et al., 2012). We maintain fragmented interactions create social defenses against emotion in strategic leadership groups. However, social defenses both foster and constrain the progress of radical organisational change. We argue that the construction of and retreat to emotional coalitions provides political and psychological containment against the anxieties of radical organisational change. These formations act as temporary spaces for change, providing opportunities for progress.

Our theoretical contribution involves integrating theories of strategic leadership and systems psychodynamics (Vince, 2019) to build a conceptual framework through which to understand strategic leadership groups' emotional and relational dynamics during radical organisational change. Our study reveals patterns of strategic leadership authority and anxiety over five years in a large global company headquartered in Europe. We make two interconnected contributions to knowledge. First, we add to theory on the role of strategic leadership groups during radical organisational change. We emphasise the relationality of senior leaders' interactions to extend thinking about radical organisational change beyond 'prime movers'. We develop a model that depicts changes in relatedness across four phases of negotiated order during radical organisational change.

We argue that the outcomes of radical organisational change rest on the ability of strategic leadership groups to contain anxiety during interlinked stages of negotiated order. This is significant because it offers a way of engaging with the tensions and uncertainties mobilised by radical organisational change that create 'stuckness' and are acted out through ambivalence or in conflicts between strategically significant groups (Smith & Berg, 1987). Our model emphasises tensions between authority and anxiety that influence intergroup behaviour. It also highlights the inseparability of emotion, authority, and relatedness in strategic leadership group interactions. Second, our research identifies a persistent duality of change (Farjoun, 2010). We use the concept of projective identification to highlight both progressive and regressive dynamics during change. We contend that if these dynamics are ignored, they amplify the chaos surrounding radical organisational change.

In the following sections, we describe our theoretical background, the context of our qualitative study, the methods and phases of data collection, and our approach to analysing our data. The findings section provides an account of the phases in an organisation's engagement with radical organisational change. We suggest that organisational fragmentation

caused by defenses against anxiety led to functional forms of distributive leadership supporting organisational change. Our discussion identifies four types of socially constructed and negotiated orders (Strauss, 1978) into a relational model of radical organisational change.

Conceptual framework

Radical organisational change involves 'busting loose from an existing orientation and the transformation of the organisation' (Greenwood and Hinings, 1993: 1024). These chaotic changes disrupt interpersonal and group interactions, established roles, identities, and interests (Kahn et al., 2013). Organisations struck by such an external jolt face uncertain strategic outcomes and increased threat responses, leading to inertia, ambivalence, and failure (Hodgkinson and Wright, 2002; Schwarz et al., 2021). Management scholars agree that strategic leaders have a critical role to play in the outcomes of radical organisational change. However, extant research on the links between their role and change outcomes suggests two implicit assumptions. The first is that authority is narrowly held by the CEO and selected members of her TMT (Finkelstein et al., 2009; Lui et al., 2018), which implies authority is centralised and static. A second assumption is that emotions, if acknowledged, are problematic.

We question these assumptions to develop an additional perspective. By blending literature on strategic leadership groups and systems psychodynamics, we draw out the interconnection between anxiety, authority relations, and negotiated order in the context of radical organisational change. This integration offers a fresh lens to re-examine intergroup responses to radical organisational change at the strategic apex. Our attention on authority, social defenses and projective dynamics frame the development of insights into the forming and reforming of negotiated orders. Negotiated order is defined as: 'agreements, understandings, pacts, contracts, and other working arrangements… at every level of organisation, every clique and coalition, and include covert and overt agreements' (Strauss, 1978: 5-6). Such agreements are bound up with conscious and unconscious processes and prevailing power and authority dynamics.

From strategic leader to strategic leadership groups

Prior studies suggest that the success and failure of attempts to decrease the threats of radical organisational change depend on the strategic leader's capability to understand the meaning of such change and to reconfigure the organisation (Finkelstein et al., 2009). Strategic leaders must also manage the boundary with the external environment, set strategic direction (Hambrick and Mason, 1984), and decide on resource allocation (Balogun et al., 2015). However, emphasising the strategic leader's role in radical organisational change underplays inter-group relational interactions, collective emotions, and broader power relations that impact change (Pitcher and Smith, 2001). It also overplays the assumption of the heroic single leader or individual prime movers' ability to control and influence (Samimi et al., 2022) in a persistently complex and ambiguous environment (Yammarino et al., 2012). Finally, it ignores the possibility that relations at the strategic apex might also be disruptive (Kahn et al., 2013) and, therefore, that leaders are both *authorised* and *deauthorised* during radical organisational change (Kahn and Kram, 1994). Thus, current narratives of strategic leadership groups remain incomplete.

Our research responds to calls to increase our understanding of strategic players' interactions and their implications (Simsek et al., 2018). We study strategic leadership groups as social, complex adaptive systems that match the variability of their task environments (Luciano et al., 2020; Yammarino et al., 2012). We refer to them from two perspectives. First, they represent an intergroup phenomenon. We define them as loosely coupled, informal groupings of diverse

interests, emotions, and authority relationships operating at an organisation's strategic apex. We adopt this expanded perspective of strategic leadership, which is increasingly recognised by leadership scholars (e.g., Samini et al., 2022). Hence, strategic leadership groups can include Board representatives, the Chief Executive, senior directors, top team members, and strategically placed senior managers (Finkelstein et al., 2009). Second, these groups are socially constructed. They are 'in-the-mind' entities (Shapiro and Carr, 1991) that derive from organisational members' mental images of authority (Kahn and Kram, 1994) and situated emotions. These images are not static, nor are they necessarily conscious. They are the products of dynamic interchanges (unfolding, ongoing processes), social defenses against emotion, and shifts in authority. Relatedness refers to 'conscious and unconscious emotional levels of connection that exist between and shape selves and others, people, and systems' (French and Vince, 1999: 7). Although they can contain both, we highlight how strategic leadership groups represent systemic relatedness more than personal relationships.

From this perspective, strategic leadership is distributed and dynamic. As Denis et al. (2001) argue, in settings of diffuse power and divergent objectives, strategic leadership groups work when members play complementary and shifting roles in achieving change. However, scholars also acknowledge the fragility of these configurations (Denis et al., 2012). In attending to what lies beneath the fragility, we emphasise the constituent nature of strategic leadership groups, where strategic leadership dwells in a system of relational dynamics (Fairhurst et al., 2020). Therefore, tensions, conflicts and uncertainties associated with radical organisational change have relational consequences, meaning they are inseparable from the transactional contexts within which they are embedded (Kahn et al., 2013). This insight informs our research question: *how do the (conscious and unconscious) relational dynamics of strategic leadership groups contribute to the outcomes of radical organisational change?* We think it is important to have answers to this question, given that group contestation during periods of uncertainty is a common element in the experience of large international organisations facing radical change (Balogun et al., 2015).

Emotional responses to threat

During radical organisational change, organisational members can respond defensively to threats. They experience 'threat rigidity' and become overwhelmed (Staw et al., 1981). Their defensive appraisal of situations can lead to relational disruptions and disengagement (Oreg et al., 2018) and the disturbance of systemic relationships among group members (Kahn et al., 2013; Smith and Berg, 1987). We draw upon psychoanalytic theory to uncover latent defenses that both form and undermine relationships within strategic leadership groups. We believe that social defenses mobilised by attempts to change can be utilised to highlight and comprehend individual and group emotional responses to radical organisational change. According to Barsade et al. (2009: 136), nonconscious or 'out of awareness' emotions are ubiquitous in organisations. They go unacknowledged but 'influence ongoing thought, behaviour, and conscious emotional experience'. As such, a systems psychodynamics approach affords an analysis of social defenses, representing collective, group-level responses to threats and anxiety (Ashforth and Reingen, 2014; Brown & Starkey, 2000).

The term 'social defence' refers to unconscious processes that have a dual function. They support social bonds, providing a comfort zone during emotional disruption. In addition, they help to minimise the felt impact of common emotions in organisations like anxiety, distress, hostility, and suspicion (Vince, 2019). Research informed by systems psychodynamic theory sheds an analytic beam on the shadow of emotions and social defenses that shape collective behaviour and action (see Fotaki and Hyde, 2015; Padavic et al., 2020). For example, Menzies (1960) showed

how nurses anaesthetised themselves emotionally against strong and contradictory feelings. These included 'pity, compassion, and love; guilt and anxiety; hatred and resentment' evoked by their role (Menzies, 1960: 98). Nurses projected their anxieties onto patients to protect themselves from pain, but this unwittingly reduced the emotional connections that underpinned care. We focus on analysing defenses that disturb relational patterns to better understand the authority dynamics at the strategic apex. This is because emotional and relational tensions generated by a person's experience of change are integral to comprehending the emotional complexity within which change is attempted (Vince and Broussine, 1996).

The value of psychodynamic framing is that it helps to expose the chain of events between responses to anxiety, relational patterns, and organisational outcomes. These defensive responses include denial (rejection of painful thoughts and feelings); splitting (the parsing of conflictual emotions into two subsets (e.g., love and hate); projection (investing others with qualities that are despised or craved by oneself), including scapegoating or blaming narratives; and introjection (internalising other's projections or aspects of others) (Brown and Starkey, 2000; Jarrett and Vince, 2017; Petriglieri and Petriglieri, 2020). Table 2 illustrates the associated defense mechanisms from our study.

We focus on projective identification (Klein, 1946). This construct is essential for unravelling the complex relationship between defenses as both progressive and regressive forces in radical organisational change. It helps us to comprehend how the self gets into others and vice versa (Petriglieri and Petriglieri, 2020). Building upon developments in Kleinian psychoanalytical thinking (see Spillius et al., 2012), we view projective identification as a *system* of unconscious defenses that seeks to mitigate the overwhelming threat of inner conflict and anxiety in individuals, groups, and organisations. It represents a chain of interactions in response to anxiety. Ogden (1979) explains projective identification schematically as three interactive phases. He describes projective identification as (1) the unconscious wish to reject unwanted aspects of the self, (2) the depositing of those unwanted 'parts' into another person, and (3) the 'recovery' of modified versions of what was projected.

The first phase involves splitting and projecting parts of the self as a way of managing distress, anxiety, or trauma. The (unconscious) aim is to extrude the 'bad', despised, or unwanted aspects of the self that threaten an imagined or desired identity. These dynamics affect the unconscious life of only the projector, no matter how powerful the phantasy is. For example, Gabriel's (1997: 321) analysis of interns meeting their CEOs depicts the phantasy as 'meeting God'. In one situation, the CEO is idealised ('beyond reason') and 'acquires a glowing aura'. In a different situation, negative projections lead an intern to sever her identification with the organisation and demonise it (Gabriel, 1997: 326). Each incident illustrates the splitting of the wanted and unwanted self. While the target person of the projection remains untouched, the projector forges positive or negative identification with the target, diminishing his or her own authority.

The second phase (or aspect) of projective identification has an evocative and reciprocal element. It is a form of emotional communication. The projector aims to unconsciously control the recipient, seeking 'to evoke a specific sort of response from the object (or person)' (Spillius and O'Shaughnessy, 2012: 60). The unfolding phantasy induces emotions in the recipient, who introjects the emotions and identifies with them as an aspect of themselves. Bion (1961) suggests that the recipient's 'valencies' (a person's tendency to be susceptible to certain emotions), anxieties, and unconscious preoccupations can foster a collusive response between the projector and recipient. Bion calls this phenomenon 'realistic projective identification'. For example, Petriglieri and Stein (2012) illustrate these interactions in their analysis of leadership in the Gucci

fashion house. While some recipients unconsciously introjected Aldo Gucci's projections, others responded through retaliatory projective enactments fuelled by their own anxieties. The impossibility of escaping from these projections led to a toxic organisational culture.

The third aspect involves the 'psychological processing' of the projection by the recipient. If successful, the projector re-internalises a detoxified, more sanitised version of the original projection. In this scenario, the arousal of elicited emotions rests on the recipients' own valances, defenses, personality, and ego strength. Thus, recipients have the potential to digest and manage outcomes differently through attempts to understand the meaning of the identification (Odgen, 1979). Bion (1963) refers to this third aspect as 'containment', the ability of the recipient (psychoanalyst, leader, or change agent) to introject and hold projections, digest and understand them, and finally return them in a modified and less threatening form. For instance, Diamond and Allcorn (2003) illustrate the role of consultants seeking to contain violently conflicting views during the restructuring of a university. Richard, the primary advocate, was filled up with others' projections of disappointment and anger. In response, the consultants sought to contain the situation and 'wanted to engage him in a reflective process'… to 'unload Richard's projections onto us (the consultants) to support him in the process of reintegration' (Diamond and Allcorn, 2003: 507).

This brief account of projective identification does not fully capture the complexity of interactions. However, in sketching out this schematic chain of micro-interactions, we see that it supports both regressive and progressive forces. By regression, we refer to unconscious defenses, prompting the reversion of mental functioning to an earlier psychological stage of development. It usually unfolds during periods of stress or anxiety. For example, organisational members might act out their 'dependency' needs during the uncertainty of radical organisational change, as if only the CEO has all the answers. In contrast, progressive forces represent unconscious defenses that provide adaptive responses to uncertainty and anxiety. For example, mature defenses such as sublimation or humour can support a group's ability to respond effectively to threats (Cramer, 2000). Finally, regression has a paradoxical aspect. A return to regressed states can afford progress by revisiting the anxiety and 'working through' it in support of familiarity, learning, insight, and resilience. Engagement with repeated patterns of regressive interactions can engender group change and growth (Foldy et al., 2017; Smith & Berg, 1987).

Research context, methods and analysis

Research Context

To address our research question, we conducted a longitudinal study with 'KleanCo' (pseudonym), a global, FT100 publicly quoted company headquartered in Europe. Its core product was a cleaning chemical widely used in commercial and industrial settings. Established in 1927, the company's history of 'get your hands dirty' and its entrepreneurial culture supported an emergent strategy of rapid growth. In addition, the founder's superior scientifically based formulas helped spread the company's reach from domestic to global markets. Finally, KleanCo's aggressive acquisition of many small providers gave the company market dominance. However, senior executives described the company as a 'ragbag' of loosely coupled, 'hermetically sealed silos', each doing their own thing but now under a global brand. Consequently, this decentralised company had a flat organisational structure, loose authority, and emphasised operational proficiency at the local level.

The setting for our study encapsulates the dynamics of radical change. The company's landscape shifted from market dominance to fiercely competitive. This shift surprised the company. For instance, KleanCo's cost structure was higher than its competitors. They were also slower at responding to customers and market demands than local providers. Furthermore, respondents reported that global clients felt dissatisfied with the company's poor coordination across markets and inconsistent pricing. These trends continued, leading to declining performance and prompting shareholder calls for radical organisational change. As a result, the Board ousted the previous CEO and Chairperson in a highly publicised boardroom coup.

By 2012, when the CEO in our study arrived, the Group employed 95,000 people worldwide, with revenues of $4.2 billion. The CEO devised a two-phase turnaround strategy. The first aimed to stop the rot of declining performance by cutting costs and increasing efficiency. The second sought to turn fortunes around by increasing sales growth, service standards and profitability. Based on the company's development of five strategic pillars of change, this turnaround strategy became the CEO's and his team's quest.

Data collection

We used an inductive and interpretivist research design to address our research question. Our choices rested on the assumption that knowledge is created and understood from the point of view of actors' emotions (conscious and unconscious/ individual and collective) within a specific organisational context. We emphasised the emotional and relational dynamics in context, the 'little things of socially constructed normalcy' (Clegg et al., 2006: 228), and projective processes that help to privilege some interpretations over others. In addition, we collected both retrospective (2012-2015) and real-time data over 24 months (2016-18) to understand how emergent or embedded our findings were in organisational culture. It also helped to identify how habits and attachments to established ways of thinking and organising were part of the present. For example, the tension between autonomy and dependency on an individual leader was persistent across time (as it is within many large organisations).

Our approach allowed us to record and reflect on research participants' accounts in situ and in vivo. This was important, for example, in understanding the tensions between individual and group dynamics in the study. Such methods are frequently used to examine relational interactions, strategy, and change (Huy et al., 2014; Maitlis, 2005). We captured participants' subjective experiences through forty-five semi-structured interviews (all recorded and transcribed). We encouraged participants to share their personal and interpersonal accounts and interpretations of the lived experience of radical organisational change.

Our study included six site visits over two to three days during the first year, with occasional meetings in the following year. The visits were not exhaustive. However, each provided a further layer of understanding, driven by our research questions, design, and evolving insights to get a 'fair view' of the organisation's dynamics (Martin, 2017). The first round of data collection focused on understanding the organisation's historical development, issues, successes, failures, and strategic context for the current study of change. It included interviews with the top management team as well as reading reports and strategic documents. We designed interview questions to capture information on context, perspectives, interactions, and relationships. All interviews were held face-to-face.

The second round of data collection included a broader set of respondents in strategic leadership, referred to as the 'Top 100'. The geographical scope of the strategic leadership group included

Australia, Singapore, several European countries, and the United States. We mostly used telephone interviews for this internationally dispersed group. The focus was on understanding the unfolding nature of the implementation process. Thus, we gathered data on their experience of the changes in the company, their perspectives, feelings, interactions, and relationships. We found no difference in the perceived quality of verbal data generated between face-to-face and telephone interviews. A final round of data collection on the ongoing internal dynamics of the strategic leadership group happened while we were undertaking an initial analysis of the interview data. We refined our questions based on emerging themes and insights from the research. We decided to engage respondents in a dialogue, eliciting unconscious emotions by using 'stimulated recall' of critical incidents (Stockton et al., 2004) and reflections on aspects of our emerging analysis.

Our approach to data collection was consistent with other studies that have explored the unfolding and relational dynamics of radical change (Canato et al., 2013; Huy et al., 2014). We drew on the idea of sufficient data saturation when it seemed to us that no new information was emerging. Throughout the study, we maintained contact with participants by telephone, email, and offsite encounters. This informal data, captured in hand-written research notes, was used to help us understand and interpret our transcripts. Overall, our data collection across several sites generated in-depth data from the company (see the supplementary data available online). In addition, the organisation provided documents from meetings, strategy development papers, strategic presentations, and private files. We also accessed the company website, annual reports, and press releases. See Table 1 for a summary of our data sources and their purposes.

(INSERT TABLE 1 ABOUT HERE)

Data Analysis

We took an interpretive approach in analysing the data based on systems psychodynamic theory (see Padavic et al., 2020; Petriglieri and Peskham, 2022). Our strategy for analysis included three stages.

Stage 1: We began with an inductive approach (Glaser and Strass, 1967; Locke, 2001). It allowed us to draw out key constructs and issues in the participant's own words. This ensured the contextual relevance of the data to this narrative of radical organisational change and provided a basis for coding and categorisation that reflected participants' lived experience of change (see Gioia et al., 2013). The authors independently coded the interviews, then met to compare analysis, resolve differences, and create further categorisations (see Kreiner et al., 2009). Our approach became more abductive as relationships between codes began to emerge (Golden-Biddle, 2020). Thus, we moved back and forth between the data, the framing literature, and our emerging theoretical perspective on strategic leadership groups to generate ideas that would form the basis for our theory-building. As Golden-Biddle (2020) suggests, abduction is a creative, inferential process that aims to produce new ideas based on surprising or interesting evidence.

Stage 2: We created a case narrative of the critical aspects of the situation in KleanCo and identified crucial phases of the change based on the various sources of data (See Canato et al., 2013; Maitlis, 2005). We mapped and revised key themes and then combined these themes into a focused set of aggregate dimensions. We identified significant events and developed an understanding of evolving phases of change and their relationship to each other (Langley, 1999). We continued to refine and develop our narrative with increasing detail throughout the study. These interactions are captured in Figure 1A. (See our supplementary documents online).

Stage 3: In the third stage of analysis, we re-examined the data to understand the interactions between the various stakeholders, subgroups of the strategic leadership groups, their actions, and the reactions that followed. For example, our research question was informed by an assumption about a persistent relationship between the 'prime-mover' and strategic leadership groups that have been under-explored and under-theorised. This shift from an inductive to an abductive logic represented a move from listening to the research participants' interpretations to making more generalised interpretations as researchers. As we applied our theoretical perspectives to the data, insights emerged about the broader themes that tied individual and collective dynamics together. Thus, we looked for examples of how social order was negotiated and contested – formally, informally, consciously, and unconsciously.

We examined respondents' interactions to understand shifting authority relationships between different organisational actors. We paid particular attention to shared emotional responses and relationships between people. Following Walker and Hinshelwood (2018), we drew upon concepts and methods from the group relations and systems psychodynamic literature to make inferences about implicit relational dynamics. For example, in participants' narratives, we identified various unconscious themes. These included: splitting ('them and us') (Ashforth and Reigan, 2014), projection, blaming narratives and scapegoating (Baker and Kelan, 2019), allowing us to identify and describe emotional and relational dynamics within the system, particularly defensive dynamics in response to threats (see examples from our study in Table 2). We also considered projective metaphors, mixed emotions (Padavic et al., 2020), and organisational order (Vince, 2019). In the next section of the paper, we present the main findings from our research.

(INSERT TABLE 2 ABOUT HERE)

Findings

Four forms of negotiated order.
Our study identified four configurations of the group in the interaction between the locus of authority and defensive responses to threats during radical organisational change (see Figure 1 below). First, during a period of highly centralised authority and reduced anxiety, the negotiated order was *compliant*. Second, when controlled authority continued, and anxiety rose, the negotiated order became *ambivalent*. Third, the order was *fragmented* when anxiety heightened and authority dispersed. Finally, as authority became more distributed, anxiety was reduced, and the negotiated order was more *engaged*. Each configuration represents a linked component in the negotiated order in response to radical change.

(INSERT FIGURE 1 ABOUT HERE)

Our findings revealed a chain of interactions originating in organisation contexts that influenced authority relations, emotional responses, and the negotiated order (Anderson et al., 2006) (See Figure 1A online).

Compliant negotiated order

The first formation of negotiated order was compliant. The CEO held clear, centralised authority, and the groups exhibited dependency responses to threats. The context for this initial phase of change (2012-2014) was an organisation struggling for survival. KleanCo had experienced five

years of declining performance, and its share price dropped dramatically. It had posted several profit warnings, and a dramatic boardroom coup led to the previous CEO's sacking and the Chairperson's removal. The company was in chaos. As one board member said on the new CEO's arrival, 'Andrew had inherited a badly broken business.'

Centralised power and authority. The CEO entered to high expectations, and the board had invested considerable authority in him even before he arrived. They expected the CEO to 'turn the company around… triple share prices in 5 years' and activate 'significant management change' (Board, Company press release, November 2011). The new CEO came with a reputation based on his successful record of accomplished turnarounds, and he immediately became the focal point for change. The CEO quickly responded to expectations, implementing a three-year recovery plan, focusing on operational and financial issues. Despite the harsh cost-cutting measures, it delivered significantly reduced operational costs.

> 'So, in the first couple of years, we stopped spending money on lots of things. So, we reduced our external debt by about 400 million in a couple of years. So that was a very impressive achievement' (SL19).

During the initial two years, business performance improved, with share prices at an all-time high, along with increased revenues (14%) and profits (8%). It earned the CEO high praise and reinforced his authority. Members of the strategic leadership group considered him the company's saviour. As a middle manager recounted: 'Look… it's hard to say anything wrong about Andrew because he pulled the company out of the pit…If it weren't for him, the company would be gone' (SL5). The CEO's success led to his enhanced credibility and unquestioned authorisation by the group. He adopted a command-and-control leadership style in addressing the crisis, showing little regard for the top team. This interaction was described as 'a series of bilateral relationships with a chief executive first and foremost in an organisation where the chief executive wants to run it personally' (TMT member). Nevertheless, his approach remained largely uncontested, and the group's tacit agreement to his style created a centralised source of authority at the company's strategic apex.

Adaptive threat response. The primary emotional response to the changes and the leader's approach was admiration and relief. Admiration because Andrew seemed to achieve the impossible. 'He had to drag that business from the Middle Ages into the future.' (SL9). The admiration and respect for the CEO extended across the organisation. He was positioned as a hero.

> "So, there's a huge amount of *respect* and *loyalty* for Andrew Greenaway in whichever one of those two religions you worship, and in lots of ways, that's held the thing together. If the CEO had not been so hugely respected by so many influential people, I think it would be very difficult to hold the company together …(especially) when you have got so many people who've got a different worldview." (SL17).

Relief also ensued as the CEO provided the safety and alignment that kept the company together during the initial phase of radical organisational change. The following quote captures the sentiment of the first phase of change. 'He took us from nearly dead to alive again… He's been able to bring our business together, which was on its knees. He's been able to resurrect it' (SL7).

A systems psychodynamic lens. Radical organisational change evoked a compliant negotiated order, conferring consent and admiration on the CEO, and reinforcing his authority. Respondents expressed admiration and elevated levels of positivity towards him. Several respondents idealised the CEO as heroic. Quasi-religious accounts referred to the CEO as a 'saviour', his achievement

as 'resurrection', bringing the company 'back from the dead' and rescuing it 'from the Middle Ages'. In psychodynamic terms, excessive admiration of the CEO as a saviour represents the idealisation of a leader who meets the group's dependency needs (Kahn and Kram, 1994) – the group's need for a person who will miraculously turn things around. Our data show relief from the anxiety of the company's near-collapse, strong attachment to the person of the CEO, and a reinforcement of his imagined 'magic' powers.

The group's projection of supernatural powers onto the CEO enacted an idealised dependency, uncritical of his approach. One respondent reflected: 'So…I don't want to call it the honeymoon period, but it was definitely a period of jubilation, success, confidence … Andrew was very good and continued to be very good in terms of managing the markets' (Board Member). Group members relieved their unwanted fears about change by turning the CEO into 'a saviour'. The CEO colluded with their image of him. He enacted and responded to their wishes by taking on the burden of change. The projection of unwanted fears by group members and the unconscious acceptance of the group's fears by the CEO co-created a compliant negotiated order, where cooperation depended on the group's admiration of the CEO. This idealised dependency upon the CEO also increased the centralisation of his authority.

Ambivalent negotiated order

The next change phase moved from a compliant negotiated order to an ambivalent one. Centralised authority remained, but increasingly there were mixed feelings and anxiety within the strategic leadership group.

Centralised authority and doubts. The CEO's legitimacy continued. However, the context for radical organisational change had shifted with a sharp decline in business performance. The success of the first phase had faded: replaced with inertia. It led to the CEO redoubling his efforts to push through more cost-cutting and centralisation of shared services, often without consultation or heed to local plans. For instance, as one executive said: 'You can't dictate a marketing strategy from HQ to North America… they (HQ) just don't have enough exposure. They don't know the market, and therefore you just end up in limbo' (SL11). Despite the CEO's attempts to further reorganise, overheads remained higher than planned. As a result, KleanCo's share value dropped 34%.

The general loss of momentum and strategic drift unsettled group members. The CEO's credibility was also severely undermined by an underperforming business unit that failed to deliver. As one board member put it: 'From that point on, he was toast'. Group members began to express doubts and covert dissent over the CEO's plans. They began to find fault and complain about the company's ability to change. Operational issues plagued the company, with increasing feelings of 'stuckness'.

> 'There are just a lot of roadblocks that you have to overcome. It's like carrying a lot of baggage. We're a big block with ice feet, can't dance, can't move, trying to get to a game. We're not the guy who's got speed, agility, can jump, can twist, can turn. We're sorry slow. We're a big battleship that can't turn, not a yacht that can move instantly, depending on what the market does' (SL5).

The more sacrifices managers made for the business, the less they could see any improvement. Thus, frustration and doubt set the emotional tone for further change.

Anxious threat responses. The CEO's cost-cutting measures appeared to fuel rather than assuage the anxiety caused by the company's underperformance. The latter led to reactions from the board members, the TMT, and the regional business units. Among the board, one vocal member felt the changes had 'run off the rails'. TMT members reacted by focusing on their own areas of responsibility, meaning that the company's collective actions became uncoordinated. As a result, we observed the emergence of fault lines and rivalry among the operating business entities. These frustrations led to splits within the TMT, provoking blame among the TMT's Divisional groups. For instance, a senior manager stated:

> 'There was a fairly blatant offstage conflict between (names a top 25 leader) and particularly marketing, but also IT, where (names MD West) and many of his direct team were deliberately kind of anti about that central function. So, almost anything they (Marketing and IT) did was going to be bad no matter what' (SL14).

Increased TMT tensions trickled into their teams, disturbing inter-group relationships. It spread through blaming narratives projected at the central offices. It marked an unsettling period. For example:

> 'I look around (at) the costs, and I keep saying the functions (e.g., marketing and IT) have no requirements on budget controls. They spend at will. That was starting to become clear. We've got business improvement costs out in the field (the business divisions). The business is doing everything. So why do the functions continue to invest? And now, sorry... where's the return? I think we're starting to reach that pinnacle of where we're being pushed over the edge...Why are we investing so much time and money in marketing and innovation when it hasn't delivered a damn thing?' (SL5).

Rising tensions and mixed feelings evoked frustration among the strategic leadership group. On the one hand, the group retained its dependency upon the 'good' CEO as the prime mover of radical organisational change. On the other hand, they experienced the negativity of the company's inertia. Confronted with this contradiction, group members became reticent. He continued: 'I don't think there was pushback hard enough by all of us to Andrew (CEO)... Maybe we weren't as transparent and confident, strong enough to give that feedback…No one stood up (to him)' (SL5).

A systems psychodynamic lens. These accounts capture a tension between dependency on the CEO and resistance to his authority. The group held mixed feelings. They continued to accede to his authority, but we also noted negative emotions sharply contrasting with earlier sentiments. While they refrained from directly attacking his authority, they also started to turn on each other, projecting negative feelings onto 'other' groups and protecting their territory. An emergent splitting between 'us' and 'them' focused on central services, the target and scapegoat of the company's ills. For example, we noted the contradiction when central services were blamed for overspending as they 'hadn't delivered a damn thing'. Yet, during this phase, Marketing launched its most significant worldwide campaign benefitting the entire company (some compared it to Apple launching a new iPhone). The emotional context of change moved from reliance on an individual saviour to conflicts between different interests and groups. The focus of peoples' dissatisfaction was the CEO, but we interpret the attention towards 'central services' as a defensive displacement. It was an easier target for their frustrations than pointing directly at the CEO.

Fragmented negotiated order

The third type of negotiated order we identified occurred when authority was 'distributed' by the CEO but in a way that heightened anxieties. The CEO attempted to stem the discord and poor performance by streamlining decision-making and integrating the sales and marketing process. However, his actions disrupted deeply embedded lines of authority. Consequently, the changes escalated differences, blame and fragmentation of authority among the various group members.

Changing patterns of authority. The CEO's restructuring of authority sparked an irreversible tipping point. Beforehand, the two regional MDs for East and West had the autonomy to make sales and marketing decisions, supported by the Head of Marketing. Under the restructuring, a new committee of the two MDs *and* the Head of Marketing ran the decision-making process. The CEO's decision effectively deauthorised the two MDs, with the Head of Marketing gaining additional powers. Contrary to the CEO's expectations, it created a negative backlash from the strategic leadership group. The two MDs felt demoted, the divisions expressed astonishment at the change, and the Board thought the decision was 'flawed'. One respondent commented: 'I still remember the day Andrew announced it (the new committee). It was our (annual) group conference. And basically, everybody just went quiet. They were so shocked; everybody was just frozen, (they) couldn't believe it' (Anon). The decision was also unpopular with the Board:

> 'He got stubborn about the marketer, who everyone was telling him was useless… And the more he was told, and the board was absolutely clear, I mean, this was also a bone of contention with our non-executives…and of course the more they criticised, (given) his nature, the more he defended' (Board Member).

These contentious interactions and conflicts increased, making a 'bad situation even worse'(SL7), leading to the rapid loss of the CEO's authority.

Projected anxieties and blaming narratives. Increasingly negative emotions characterised the overall impact of the change, and these became more explicit. Group members felt angry and affronted. Animosities increased. Our data revealed narratives of blame, scapegoating, and numerous personal attacks against leading figures. For instance, the CEO was 'blamed…for not putting his foot down and stopping the divisiveness within the company' (SL7). A Board Member expressed his outrage: 'I think his promotion of the Head of Marketing (to the new committee) actually undermined her, and it undermined him (the CEO)'. Stresses and strains within the TMT intensified. Conflicts percolated down and became re-enacted by their respective divisions. As one of the senior leaders noted: 'It's been very much an "us" versus "them" mentality… It's much easier to throw stones at the other team'. Intergroup conflict grew, strengthening existing fault lines and promoting acts of sabotage and aggressive tactics between groups. For example, a senior leader gave the following account of sales training for the newly launched product:

> 'MD East division (and Marketing) … were developing sales training. You had the West region looking at those two going: bloody hell, they are creating a monster. We're going to create our own. Then you had (local) markets going. All of those guys from the centre have no idea what we're doing, so we're going to create our own... So, you also had cadres within the HR learning and development function. You had at least two groups in there developing their own solution. I think at one point, I counted seven or eight groups of people all working in isolation, developing (new product) training for the salespeople'. (SL14)

A psychodynamic lens. In this phase, we found blaming, scapegoating and inter-factional sabotage. Projective identification was more aggressive. These included forms of splitting (into 'us' and 'them'), which included blaming narratives (it's someone else's fault, not mine), envy

(why should you have it), and competition (fight-flight) among the MDs/Head of Marketing. We saw a loss of system rationality, expressed in different forms of projection, and acted out in excessive in-fighting. We interpret the metaphor of 'monsters' as a representation of projected symbols of negativity and fear. Organisational members unconsciously transferred their anxieties, fears, and uncomfortable feelings onto those who were 'not us'. Themes of fight, negative affect, contagious negative emotions, and the increasing dispersion of authority led us to label this negotiated order as fragmented. The inability of the CEO to contain these accumulated emotions increased the cycle of fragmentation and hostility.

Engaged negotiated order

The final form of negotiated order we observed in this study represented decentralised authority and managed responses to threats. In this case, authority emerged from reconfigurations of authority relations and the attendant reduction of anxiety. Paradoxically, the backdrop of fragmentation and discord fostered an inflexion point for an alternative negotiated order characterised by mutuality and engagement.

Reconfiguration of authority. Previously, authority was based on the reinforcement of the CEO's style, organisational responsibilities, and tight control over resource management. While effective in the initial phase of radical change, the allure of this approach waned with poor results, escalating conflicts and strong emotions. From the moment that ambivalence became part of the negotiated order, we saw the gradual deauthorisation of the CEO by the TMT, senior leaders, and the Board. A senior leader reported: 'Probably half the executives on any given strategy didn't agree with it', but the CEO 'did not find a way to get some coalition around what was important to him' (SL19). A Board member added: 'My instincts are if you don't take your own Board with you, you're probably not taking your management team with you, you're almost certainly not taking your investor base with you'.

We also observed an increased plurality of authority. For instance, MD West enhanced his authority with the board. As a TMT member remarked: '(he has) a very good manner of support and the inside tracks to the Board… He's good at relationships.' However, the tipping point was his strong ties with the Chairperson and new allies in the East region (previously 'them'). They shared an enthusiasm for a decentralised model of strategic leadership. Thus, we noted that managers took mutual steps of cooperation in stark contrast to their previous attempts to sabotage each other. For example, different country managers built on others' local practices rather than working from an imagined centralised sales training model. These events activated a network of powerful managers in different countries who controlled significant markets and whose authority was immediately recognised. Thus, the source of authority shifted from a deauthorised individual leader to include multiple sources of authorisation within the strategic leadership group.

In the final phase of the change, the CEO resigned, and MD West took the position. Some previous TMT members also exited: the Head of Marketing, the CIO, and MD East. A new broader leadership group was established. Diverse and decentralised authority patterns in the SLG fostered mutual interdependence. A distributed authority system emerged that had reconfigured around stronger links with the Board. It created a broader leadership team, decentralised authority to country leaders and initiated cross-divisional cooperation.

Response to change. The emotional tone of this negotiated order was positive and active. Levels of anxiety fell with multiple acts of containment. For example, MD West communicated a different narrative for change and growth. It appealed and resonated with constituent members of

the strategic leadership group – his divisional supporters, the Board, and even previous rivals from the East region. A senior manager reported: 'I think myself and a lot of team heads have a lot of energy around it because that's a message we've been *longing to hear for a long time*' (SL6). Group members identified with a shared (decentralised) model of change. It supported acceptance and cooperation along with expressions of renewed hope: 'I think we've finally understood …and we're going to narrow the scope, and we're going to really, really do a great job of saying what should be in this company and what shouldn't. That's a refreshing approach because it hasn't been that way' (SL6). Another stated: '(We've) come around the corner'. The expression of stability, hope and relief reflected a new order and a step forward from the previous rancour.

Our data also portrayed signs of reparation, forgiveness, and reflection, all contributing to mitigating anxiety. For example, a TMT member confessed how much he detested the Head of Marketing: 'She really is a bit of a lightning rod for me'. His voice was animated and showed signs of embarrassment. He continued: 'I'm sure I had plenty to do with that. I'm sure I was at fault left, right and centre'. He goes on to reflect upon lessons for next time. Another TMT member felt embarrassed by their political crudeness, and a third praised a previous rival. While these remarks suggest signs of reparation, they also indicate feelings of guilt and complicity. A significant aspect of the dynamic we have highlighted is the reduction and reclamation of social defenses, which reduced blame and eased emotions associated with factional splits. The effect was to reduce anxiety further, enabling self-responsibility and fostering distributed authority within a reconfigured group.

A psychodynamic lens. During this interactive dynamic, we saw a transition from fragmentation to engagement. We frame these changes within the third aspect of projective identification, where we detect the emergence of psychological processing and containment (Ogden, 1979). Hostilities turned into alliances as new authority relations were established. These new boundaries formed insulation around over-heated interactions, containing and cooling previously negative emotions. Consequently, the locus of containment became distributed, held by a system of authority relationships, rather than a single point such as the CEO. In addition, the strategic leadership group collectively made sense of the situation, detoxified negative emotions, and provided a more hopeful, less threatening understanding of reality.

Reparation and a reduction in anxiety captured further signs of the shift. Reparation was made more straightforward because the Head of Marketing, CIO, and MD East departed shortly after the CEO's resignation. These personnel changes provided relief. The expulsion of several 'bad objects' meant that the remaining group members were obliged to address their own feelings and projections of blame and scapegoating. They were honest with themselves and each other, providing insights and growth rather than perpetuating blame. Our interpretation is that the reparation, reclaiming, and re-introjection of their own projections was a source of relief.

Finally, we propose that the introjection of the new message also mitigated anxiety. As Rioch (1975) argues, in such moments, when a particular group member articulates and exemplifies the needs, issues, and unconscious processes of the others, this 'voice' becomes, by virtue of empathy, projective identification and regulation of communication, a conduit for the group's emotionality (Rioch, 1975:170). In short, we note various acts of the group as a container: expressed in their ability to collectively hold the drama, digest the toxicity, and give it back in an acceptable form. Thus, the strategic leadership group engaged in 'psychological processing' – they provided a psychological anchor, a 'secure base' during this final period of uncertainty (Kahn, 1995).

Discussion and conclusion

Our study explores the relational dynamics of strategic leadership groups and their influential role in radical organisational change. Our observations align with previous research, which suggests that social actors encounter radical organisational change with emotional distress and relational disruption (Kahn et al., 2013). However, research in this area focuses on examining the centrality of the CEO and the TMT (Finkelstein et al., 2009; Liu et al., 2018). In contrast, our study enlarges the scope of enquiry. It also deepens and generates insights into how radical organisational change is negotiated at the strategic apex of organisations through shifting authority relations and underlying emotions within a diverse strategic leadership group. We propose a model for mitigating anxiety (Figure 2 below). This model highlights distinct forms of *projective identification* to explain the emotional dynamics of change we discovered and their links to the socially negotiated order during the unfolding phases of radical organisational change. The model depicts the inseparability of both progressive and regressive relations that influence strategic leadership group engagement with radical organisational change, as well as how these are related to prime mover centrality.

(INSERT FIGURE 2 ABOUT HERE)

A psychodynamic model of radical organisational change

Our model emphasises the interaction between the four forms of negotiated order we identified. We link both progression (outer circle) and regression (inner circle). Questions are posed to illustrate the critical issue raised by each component of the model. *Compliance* with and dependency on the single leader is our model's starting and end point (MD West eventually became the new locus of authority). We discuss this below in relation to group assumptions of 'oneness'. *Idealised,* collusive and projective dynamics from the group both reinforce and undermine prime mover centrality. *Ambivalence* arises from the realisation that the magical powers of an authorised individual do not last, but also that the collective can lack enthusiasm for doing anything about it.

Fragmentation represents *aggressive* projective identification as the growing acknowledgement that collective action on change is required by a diverse group of strategic leaders. While fragmentation is imagined as a sign that things have fallen apart, it is, in fact, the signal that things are ready to come together. Different sub-groups of the strategic leadership group find ways to move beyond their silos to create communication across sub-system boundaries. This means abandoning the projection that other groups are to blame much more than we are for the 'stuckness' that delays radical organisational change. *Engagement* across sub-system boundaries represents *reparative* projective identification. However, it is temporary, as a person's desire for passive rather than active participation in change once again prompts the search for a significant person to lead it, for a relevant narrative of change to follow, and for a general feeling of wholeness or stability. Thus, radical change is not split between 'vicious' or 'virtuous' cycles. We propose that radical organisational change is both progressive and regressive.

Organisational actors need stability to engage in change during periods of shock, disruption and uncertainty (Kahn, 1995). It is likely that a single leader's centrality to the process of radical organisational change will be a common initial projective dynamic. In KleanCo, the new CEO was chosen because of his personal experience of turning companies around; he

expected to have the personal authority to lead change; his approach and authority were augmented by a deep shared desire for him to be the saviour that the organisation 'needed'. The CEO was a receptive container for people's projections arising from collective fears and anxieties associated with the need to change.

Our model aligns with theories of group 'basic assumptions', which are unconscious responses to emotions that shape group behaviour, deflecting groups into defensive enactments of their work (Bion, 1961; Lawrence et al., 1996). For example, it is difficult to let go of the idea of a personal saviour after we have positioned someone in that role and willingly reinforced such expected behaviour. A group unconsciously creates 'oneness' through projective identification (Turquet, 1985). Oneness refers to a group's desire to position a leader as omnipotent, which allows group members to surrender themselves for passive participation (Turquet, 1985: 76). Understanding that oneness is primarily a collective construction, not the result of individual desire, is important. 'Oneness' is built from the group's wish for an idealised leader who can contain the change (in both senses of this word - holding it and representing it). The idealised 'heroic' leader partly arises because the group cannot sustain collective leadership in practice. The authority relations associated with the strategic leadership group are experienced as unclear and fragmented. Collective leadership is hard work, yet 'may be most needed where it is most difficult to achieve' (Gibeau et al., 2019: 485). Radical organisational change evokes unwanted emotions and dependent authority relations. The simplest way for a group to avoid these is to project them onto a senior leader.

While identification with an 'omnipotent force' provides short-term relief as radical organisational change unfolds, it inevitably becomes insufficient. Demands on the prime mover's omnipotence cannot be maintained, and there will be limitations on his or her ability to remain the focal point of authority for radical organisational change. As rising anxieties emerge, a unitary leader is unable to hold and represent the emotional and systemic complexities of change over time. Emerging indications that the CEO is not a 'saviour' and does not have 'magic' powers give rise to frustration, disappointment, and ambivalence. Group members' dependency on a prime mover's authority shifts as the identification between the leader and group members breaks down, leaving more 'aggressive' projections (Ogden, 1979) that fragment the locus of authority.

Our research suggests that the fragmentation of authority represents a significant component in radical organisational change because fragmentation makes various intersecting projective dynamics more visible. In KleanCo, feelings of anxiety associated with the fragmentation of authority stimulated the desire to resolve tensions and to make reparation across broken ties (see also Ganzarain, 1983). This is where strategic leadership groups are at their most powerful in terms of a potentially shared authorisation of radical organisational change. We think that radical organisational change is supported when various projective dynamics become visible, providing insights into the complexities and chaotic feelings associated with change. However, such chaotic feelings are difficult to hold, and they are sufficiently unwanted to encourage regression towards oneness.

Prior theories suggest organisations take different tracks during radical change (Greenwood and Hinings, 1988; Van de Ven and Poole, 1995). Our model depicts recursive patterns of interactions as groups move from one negotiated order to another (*both* 'backwards' and 'forwards'). We argue that repetitive patterns of progression and regression provide a group with opportunities for insights, resilience, and learning. Each iteration has the potential to

release the pressures of being stuck. According to Smith and Berg (1987: 224), each time a group revisits its relational tensions, the pressure of conflict diminishes, and 'the group "gets better" at the exploration process and is more likely to benefit from it'.

Thus, progressive and regressive responses together support radical organisational change. Our model uses this insight to emphasise the enduring and intimate nature of both sides of tensions associated with radical change; and to recognise an ongoing contradiction of stability and change, where such tensions are often conceived as incompatible and mutually exclusive (Farjoun, 2010). It is not that progressive cycles are good and regressive cycles are bad. Instead, it is important to ensure that tensions arising from progressive and regressive cycles are not separated because this can lead to unrealistic focal points for understanding and intervening in the change process (see Smith & Lewis, 2022). For example, ambivalence may lead back to compliance, fragmentation to ambivalence, and engagement to fragmentation. These are not permanent regressions. Instead, they are indications of the intensity of emotions and the complexity of relations at any given time. We propose that examining the progressive and regressive dynamics associated with these negotiated orders offers insights into underlying emotional and relational interactions that are integral to radical change.

Contribution to theory

Our group-level theory of mitigating anxiety during radical organisational change integrates concepts of authority with unconscious social defenses that arise from responses to anxiety. Projective identification is central to our model, which explains the co-existence of tensions between the desire for and fear of change. Wells (1990: 65) explains: 'Through projective identification, group members are connected to each other by passion, indifference, silence, contempt, respect, love, guilt, hate, or in other ways. The patterning of projective identification *bonds* group members together' (*Our emphasis*). These bonds (of compliance, ambivalence, fragmentation and engagement) are inevitably complex and contextually specific, but they are central to an organisation's ability to engage in radical organisational change.

Our paper advances theory in two ways. First, we augment notions of leadership at the strategic apex to incorporate pluralistic leadership and constellations of networks outside of the TMT (Fairhurst et al., 2020; Luciano et al., 2020). This compensates for the current over-emphasis on strategic leadership as a function of the CEO or the top management team (Finkelstein et al.,2009; Lui et al., 2018). We examine the under-researched internal, relational dynamics of strategic leadership groups and the influence of these dynamics on change outcomes. Thus, we unveil the complexity of strategic leadership groups as adaptive social systems and as unfolding negotiated orders that contain the tensions of radical organisational change.

Second, our study enriches research into the contradictions of radical organisational change. We show the importance of ongoing tensions of stability and change, progressive and regressive interactions, and agency against embedded structures. Such tensions are often ignored, or people seek to reconcile them but inevitably find this challenging (Farjoun, 2010; Zietsma et al., 2019). In contrast, we represent the tensions of radical organisational change as a recursive model of the interplay between various emotional, relational, and systemic dynamics within an organisation. We highlight underlying and persistent tensions between authority and anxiety that are part of radical organisational change. Our study empirically highlights the connections between intergroup thinking, emotions, and behaviours. It shows

the inseparability of emotion and authority relationships in strategic leadership group interaction. We conclude that effective radical organisational change outcomes rest not only on one heroic individual with the responsibility to move the organisation towards a stable state. But it also relies on the ability of groups to work through various types of negotiated order – one of which might include the sanctioned attempt by an individual to produce a stable state.

Limitations and Future Research

We are aware of limitations in our study, particularly that we have examined these dynamics only within one organisation. We do not make extensive claims about the generalizability of our insights. However, our research reflects the issues of radical organisational change faced by large international organisations operating across multiple geographies (Balogun et al., 2015). An advantage of our study is that it uncovered in-depth, nuanced, and textured data that helped to identify and trace the unfolding dynamics of social interactions in context (Eisenhardt and Graebner, 2007). While the context will differ, similar questions confront other organisations because the conflicts documented are relatively common (Simsek et al., 2018).

Our argument suggests that more research is required to comprehend strategic leadership groups' dynamics, support their role in radical organisational change, and balance the current focus on the 'prime mover'. Three areas of intersecting effort could help to build on our insights. In contrast to prior research on strategic leadership, our study highlights the shift from strategic leaders to strategic leadership groups. While we have focused on persistent tensions between regressive and progressive dynamics, we do not imagine these are the only tensions involved in radical organisational change. Therefore, a critical issue for future research is identifying the full range of persistent tensions that are part of struggles with radical organisational change so that we can identify a robust model of the most common tensions and their interrelated effects. We think we can achieve this from two perspectives.

First, *through an emphasis on 'both/and thinking'* (Smith and Lewis, 2022). Paradox theory provides a framework for studying and appreciating multiple, knotted tensions that are integral to possibilities for change. For example, research in this area highlights the importance of both stability and change in change processes (Farjoun, 2010). Second, through further development and understanding of the role of unconscious emotional dynamics in radical organisational change. This will involve studying how emotions move both 'from the inside out' and 'from the outside in' (Petriglieri and Petriglieri, 2020); and particularly how they connect with both the building and the disintegration of an organisational order under radical organisational change. We think that it is crucial to continue research into conscious and unconscious dynamics that both sustain and undermine radical organisational change. Elaborating on these dynamics is important because they reveal hidden tensions, where their significance remains under-theorised or lost in our understanding of radical organisational change (Hodgkinson & Wright, 2002). It also provides an overlooked tool for managing change.

Sociological perspectives on emotions (Emirbeyer, 1997, Collins, 2004) can also help to frame our understanding of the relational dynamics and collective emotions that are integral to strategic leadership groups. Collective emotions involve 'the *synchronous convergence in affective responding* across individuals towards a specific event or object' (Von Scheve and Ismer, 2013: 406 – *italics in the original*). Collective emotions are shared emotions where

there is 'congruence in people's affective responding' (Farny et al., 2019: 766). The social embeddedness of emotions, how they are shared, and the social bonds that develop from sharing are underdeveloped areas of management and organisational scholarship (Zietma et al., 2019). Developing the study of collective emotions in radical organisational change seems important because collective emotions intensify shared feelings and perceptions to produce *both* solidarity *and* contention (Von Scheve and Salmela, 2014). In line with contemporary scholarship on collective emotions (Von Scheve and Ismer 2013), we suggest further investigation into the affective convergence that occurs through behaviour in strategic leadership groups; and (consequently) how shared knowledge is identified, structured, and acted upon in strategic leadership groups.

Finally, by combining Strauss' negotiated order and psychoanalytic thinking, our paper provides novel insights into radical organisational change. While these ideas originate from different intellectual traditions (symbolic interactionism and unconscious dynamics), they correspond in relation to the structure of the field, context, emotional interactions, and outcomes (Dokko et al., 2012). For example, symbolic interactionism gives a social context to emotions, sharing our relational model of unconscious emotions and psychological processing (see Goffman, 1959). It also incorporates the notions of power and emotions that lay implicit in authority relations (Voronov and Vince, 2012). Further developments in our understanding of negotiated order might examine two themes in more detail. First, it could advance our comprehension of how organisational politics and unconscious emotions are tied together and affect outcomes. Second, it can help to map the complexities of relationships between leaders and followers at the strategic apex. Integrating negotiated order with systems psychodynamics presents ontological challenges. However, it also provides opportunities to understand emotional interactions among social actors with asymmetric power relationships in the context of radical organisational change.

Conclusion

We suggest that the outcomes of radical organisational change rest on the ability of strategic leadership groups to contain anxiety during interlinked stages of negotiated order. Our research provides insights into persistent uncertainties mobilised by radical organisational change that create stuckness, ambivalence and conflict. Our model emphasises tensions between authority and anxiety that influence intergroup behaviour, highlighting the inseparability of emotion, authority, and relatedness in strategic leadership group's interactions. The concept of projective identification is used to highlight both progressive and regressive dynamics during change. If these dynamics are ignored, they inevitably amplify the chaos surrounding radical organisational change. However, we also found that the construction of and retreat to emotional coalitions affords a source of political and psychological containment against the anxieties of radical organisational change. These formations act as transitional spaces for change, providing opportunities for progress.

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Table 1. Data sources and their purposes

Data Types	Sources of data	Uses in the analysis
Interviews	45 interviews to 31 respondents: CEO (3 rounds), TMT (8 members 2-3 rounds, and one member 1), Top 25 (9 respondents, 1 round), Next 75 (9, 1 round), Board (2, 2 rounds), Chairperson (1 round)	Captured the history and progress of the company and the dominant narratives for each phase of the change. Captured CEO's and TMT's perspectives of the radical changes, including their thoughts and feelings about the strategic leadership group. Captured the views, perspectives of the same from the top 25 (Senior management), the next level, and Board members. Collected detailed information about decisions, performance, trends and group emotions. Collecting information from these multiple sources allowed for the triangulation of managers' interpretations.
Informal meetings & observations	Multiple informal meetings, observations, and discussions (Over 60), e.g., in the café when the relocation of offices was announced; in the car trips between locations; during calls and emails, participants would slip in updates or share group sentiments.	Each visit allowed multiple informal meetings per day, providing nuanced information, increased quality, or new insights for example about the shifting alliances within the top team first came from informal discussion Familiarized with the contextual meaning of events in a meeting. Captured information on past events, the change process, and the strategic context for the changes. Captured and tested interpretations of intergroup relationships and the strategic leadership group. Captured concurrent group(s) sentiments
Company website	Company biography, history, products, company goals and identity.	Familiarize with the historical, cultural and strategic story of the company's origins, values and growth. Captured past and new launches and changes in the company's strategy
Strategic change documents	Access to the initial five strategic year plan, company minutes of board meetings during the study period	Collected documentation of the strategic pillars, the follow-up documentation, and notes of minutes of their implementation. Triangulation of respondents' interpretations and observations. These were provided on 'view only' basis.
Annual reports	Access to annual reports	Kept track of financial data and performance. Identified critical events in the history of the company. Triangulated events with respondents' interpretations.
External press & internet	Business and industry press on the company's changes, strategy and performance	Kept track of financial data and performance. Triangulate with SLG members' interpretations and observations. For example, the board room coup was amply covered in the press before the study period. We also tracked sentiments about the company.

Table 2. Examples of psychodynamic themes in our data

Psycho-social concepts	Types of data	Examples
Unconscious cues might arise in response to various forms of anxiety or tensions: real and imagined (Baker & Kelan, 2019; Jarrett & Vince, 2017; Walker & Hinshelwood, 2018)	Metaphors, images, analogies, figures of speech, symbolic enactments, contradictions within interviews and between words and observed actions.	'If I have an Olympic record on jumping over a stick of 2.50 metres and I go next year for 2.70, that's fine. But if you now ask me to jump over 3.70, I will never achieve it'. Metaphors and images capture the vast order of the task in the informant's mind. 'X is a bit of a lightning rod for me… (but we can) have a perfectly friendly chat'. Informant presents tension. On the one hand, a problematic relationship, describing X as 'manipulative'. While at the same time, it can be amicable. The text illustrates contradictions and underlying tension along with intense feelings of repulsion.
Splitting: A psychological defense that people use to cope with conflicting feelings and anxiety, enabling them to separate positive and negative feelings (Ashforth & Reingen, 2014; Smith & Berg, 1987)	Represented by a "them and us" narrative, acts of sabotage against the other, and an attack on linking related ideas (Bion, 1962).	'As soon as both [MD East] and [MD West] were given too much space, it just created chaos. I mean, chaos is far too rough or broad a term. It did create a tip in the organization and allowed a lot of disharmony to run through because, I mean, [MD East] took the most of it and drove his team down one route, and [MD West] took the most of it and drove his team down a different route'. The informant attempts to soften the contradiction between chaos and too rough term. Most experienced the splitting, divisions between the East and West, as chaotic.
Negative projections: The transfer of one's own unwanted (usually negative) feelings to and scapegoating of others (Baker & Kelan, 2019; Petrigleri & Stein, 2012; Vince & Broussine, 1996). Often contiguous with denial and splitting.	Blaming narratives, intense negative feelings about the other, e.g., hostilities to other groups or individuals, signals of accumulated frustration and anger, scapegoating.	Several members of the strategic leadership group pointed the blame at the Head of Marketing, leading to scapegoating rather than acknowledging their own part in the problem (see Table 4 in Online Appendix). Other examples included blaming the CEO. 'My biggest criticism … The CEO allowed a bad situation to get very bad'. Example quotes from the TMT, Board and senior executives suggest they acted 'as if' they have no authority in influencing events.
Positive projections/idealization: One attributes exaggeratedly positive qualities of others (or to self) through projection (and identification) with the person or object. (Gilmore & Krantz, 1990)	Hero worship, over-optimistic expectations, exaggeration, over-positive attachment to the leader, blinded to flaws.	The CEO 'took us from nearly dead to alive again'; He was able to 'resurrect' the company from its knees; 'If it wasn't for him, the company would be gone'. Uncritical and exaggerated praise of CEO, despite his command-and-control style. Further examples show informants justifying the CEO's approach.
Group psychodynamics (Ashbach & Schermer, 1987; Berg & Smith, 1987; Bion, 1961; Foldy & Buckley, 2017)	Dynamics of dependency, fight/flight, pairing, engagement.	In phases II & III, we see 'fight and flight'. 'Caustic would be just the best way to describe it… People are not talking to each other. People simply just don't communicate. They just don't talk. So, we may sit there in Andrew's (CEO) meetings or what have you, and the undercurrents going on, I don't think…I mean, yeah, I could leave it at that. A tremendous amount is going on that people are just not talking about.' They avoid the anxiety of conflict and difference by withdrawing instead.

Figure 1: Four Types of Negotiated Order

Locus of authority

Centralised Authority

Distributed Authority

Compliant	Ambivalent
SLG characteristics: • Idealized dependency (passive) Dynamics: • Passive • Integration of leader • Simple unitary system Outcome: • Buy-in, relief • System contained • Performance enhanced Narrative: • Single, simple shared	SLG characteristics: • Passive aggressive Dynamics: • 'Flight'/frustration, mixed feeling • Projections and blaming • System differentiation Outcome: • Exposes fault lines • System unstable • Performance impaired Narrative: • Single, and mainly uncontested
Engaged	**Fragmented**
SLG characteristics: • Active - interdependent Dynamics: • Projection/introjection of 'good' and 'bad' objects • Integrative/reparative • System complex/adaptive Outcome: • 'Buy-in' • System contained • Performance enhanced Narrative: • Pluralistic, shared	SLG characteristics: • Active - disruptive Dynamics: • Fight/hostilities • Social defenses • System's chaos Outcome: • Escalation of toxicity • System uncontained • Performance impaired Narrative: • Multiple and contested

(Low levels anxiety)   *(Higher levels anxiety)*

Responses to threat

Figure 2: **A psychodynamic model of radical organizational change**

Ambivalent: (How) Are the tensions between the locus of authority and broader fears/ anxieties acknowledged as part of ROC?

Compliant: On who or what are organizational members dependent in response to threats/ shocks generated by ROC?

Returning to 'oneness' and to wholeness (stability): How do progressive and regressive dynamics conflict and combine?

Fragmented: What projective dynamics arise in response to ROC – and how are they maintained or transformed?

Engaged: How are relational processes supported and managed to generate insights into ROC?

Triggers of radical organizational change: External forces and competitive dynamics

Strategic renewal

Flux & reconfiguration

Inertia

Context   *Responses*   *Relational Dynamics: Projective Identification*   *Change Outcomes*