Emerging Change and Transactional Analysis
The Keys to Hierarchical Dialogue

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1. Summary

This article is presenting a psycho dynamic model called the Emerging Change and used in the Organisational field to help the actors understand the human process and structure the hierarchical dialogue.

It describes three different levels of energy active in the organisation :

‣ Planned change,

‣ Emerging change,

‣ Constructivism.

These energies are dealt with through three fundamental contracts :

‣ Vision contract,

‣ Mission contract (Part A and Part B),

‣ Cooperation contract.

The article is based on a synthesis between a Constructivist model[1] by Gelinas and Fortin and Berne's Organisational Theory[2] using the diagram described by Fox in his article[3]. With the work already done by Gelinas and Fortin I was able to develop a diagram for the integration and synergy of the three types of energy (Figure 1), and the Three Contracts Methodology supporting a functional understanding of Berne's Theory of Organisations.

The Emerging Change concept provides a global vision and a regulation of the Human Process inside an organisation or a team, leading to increased cooperation and performance. The Emerging change diagram presenting the three types of change forces within the organisation can be fitted into Fox's diagram while avoiding a possible confusion with Berne's representation of the organisational culture already using the Ego States.

In this article, italics are used to refer to the Emerging Change terms and capitals on the first letter of the word are used with Transactional Analysis concepts, for which a definition is given in the end text notes. When some concepts are common to the two disciplines, like "Environment" and "Activity", it is the Transactional Analysis definition that will be used.

2. Introduction

Professional reality as perceived by team members is not automatically the same as the reality of team managers. The illusion that we are "in the same boat" and "we are sailing together towards a common objective" is sooner or later bound to be revealed. This revelation may happen over time or suddenly in a stressful period and often generates a crisis in an individual or in an entire team.

However, the manager and the team can stand together and make their actions coherent when they develop an on-going dialogue and discuss the modes and content of their interactions. This formal dialogue process ensures that the values, feelings, and needs of everyone are legitimately accounted for.

I observed that some managers are trained and motivated to manage internal objectives and to prioritise personal recognition rather than work synergistically with their peers or team

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[1] Gelinas, Arthur & Fortin, Regent (1996) : The management of teachers continuous training in Quebec. Ennovation or the Emerging Change. Université du Québec, p.119. Article based on Maturana and Chekland's constructivist theories.
[2] Berne, Eric (1963) : Structure and Dynamics of Organisations and Groups. Grove Press.
[3] Fox, Elliott : Eric Berne's Theory of Organisations. TAJ nr 8, pp, 148 to 154.

members. Even if their peers are in the same organisation they often hardly know each other and think that time spent together is time wasted.

At the same time, managers complain that they do not know how to handle some situations and feel exposed. They hire external experts or consultants to give them help in some areas where peers and team members could help.

I also observed that team members are often uninformed about strategic directions and are forced to act in a self-centred way which appears to others to be optimising locally while sub-optimising the larger structures.

These observations can be summarised in information terms. Information does not freely flow vertically between different levels in the hierarchy of the organisation. Nor does it flow freely horizontally. When it does flow it is biased in favour of the source of the information. The attached work is designed to encourage two way unbiased information flow.

3.   Elements of the Psycho-dynamic Model

Emerging change is a systemic tool to analyse and correct organisational human processes. The name *emerging change* refers to the global human process through which the strategic elements of an organisation's activity can be aligned on the strategic elements of its environment to create optimum structure cohesion. This means that the activity put in place will fulfil most rapidly and efficiently a request from the environment.

Everyone in all the various structures of an organisation is responsible for this process. Only one person is not bound by it: the person in charge of the supreme group authority because he / she has no peers.

3.1.   Different organisational energies

Gelinas & Fortin emphasize a polarization between two active energies[1] in the organisational complex world. The first one, relating to the management of the Environment[2], is the *planned energy* and the other one, relating to the management of the Activity, is the *emerging energy*. A third energy: the *Constructivism* can be defined in the here and now, as the dynamic result of the dialogue between the first two energies and other elements in presence.

Gelinas & Fortin call the planned energy *planned change* and the emerging energy *emerging change*. Planned and emerging energies circulate through networks of beliefs, feelings and behaviours, which are of

Fig. 1 – Types of organisational forces

a different nature. The language attached to each of these poles is descriptive of its priorities and it sometimes seems people at one pole are unintelligible to people at the other.
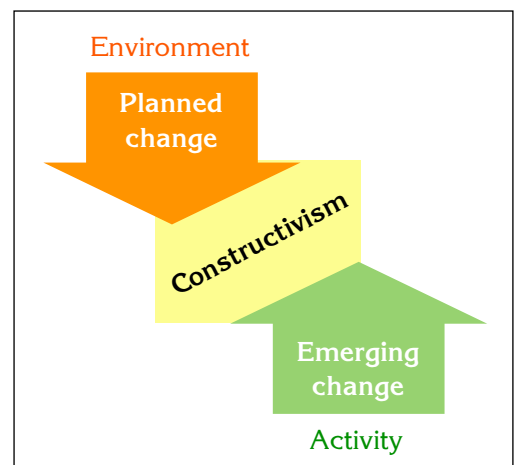
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[1] Energy : "what a system owns if it is capable of producing work [...] A vital force capable of bringing change". (Robert dictionary)
[2] Berne, Eric (1963) : Structure and Dynamics of Organisations and Groups. Grove Press.
Environment, p. 242 : "The universe outside the group space".
Activity, p. 237 : "Purposeful work done by a group on its material".

My research indicates that dialogue is possible and allows an organisation to bridge the language gap between the top down *planned change* and the bottom up *emerging change* by providing a common frame of reference.

I represented these two energies with two arrows (Figure 1), one oriented downwards to symbolically project the objectives into the system, the other upwards to represent the raising, through the hierarchical layers, of information concerning the Activity.

Constructivism is here and now the visible parts (Public Structure[1]) of the company and is represented by a large yellow rectangle. Its position, as partly including the arrows, shows that the structure's *constructivism* is affected by the interaction of those two arrows as well as that of other parameters.

From the system's Environment, are drawn the activity objectives, the goals to be achieved, as well as the system's resources. The structure's external boundary develops around the *mission*[2] and belonging criteria related to the job. Through the execution of the *mission*, the system returns to the Environment a product or a service that will satisfy the demand. (Figure 2)

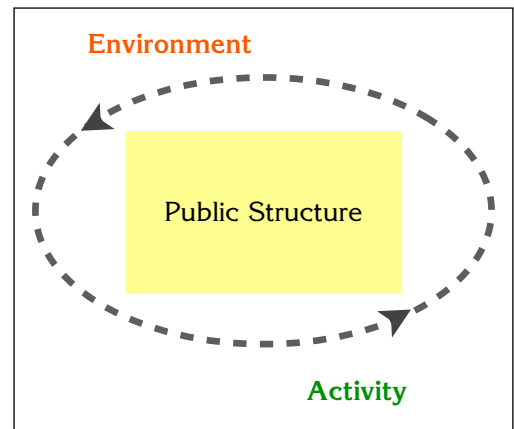The two energies are complementary and work in cycles.

Fig. 2 – Cycle of organisational forces

4.   Planned or Emerging Change ?

A manager sometimes uses *planned change* when interacting with his subordinates, and sometimes uses *emerging change* when he is working with his peers (the other managers), to establish or implement the *mission contract*[3]. Only the group authority is not emergent. All the other members in his / her hierarchy are involved in the *emerging change* process. Hence the name emerging change given to this whole social dynamics (Figure 3).

4.1.   Planned Change

represents the energy of decision making and planning of the organisational process. It is the group authority in action. This energy finds its legitimacy in the notion of persistence. It is focused on the management of the Environment, aligning the structure on the external strategic elements, which keep the structure alive by giving it its purpose.

The arrow of *planned change* symbolically represents the synergy of the decision makers of all the internal structures of a system. Each structure – in the person of its leader – has one element of *planned change*.

Planned change is the prerogative of the group authority but is not exclusively reserved to him / her. Anyone uses planned energy when individually making an operational decision in relation with the objective (Example: use this machine rather than that one).

In his role of the person in charge of *planned change*, the Leader, is responsible to manage two contracts:

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[1] Ibid., p. 249. Public structure : "The individual and the organisational structures which are open to public observation. Individual structure: the specific individuals, represented by their personas, who make up the membership at a given time.".
[2] Gioanm Pierre (1960) : Dictionnaire usuel. Quillet, Flammarion. "Job given to a person or a group to accomplish a definite task.".
[3] The Mission contract is an on-going dialogue around the elaboration of the Public Structure. The Vision contract is an on-going dialogue about all the planned objectives and their prioritisation. The Cooperation contract is an on-going dialogue between team members around the tasks management.

4.1.1. Vision contract

The *vision contract* covers all planned objectives and their prioritisation.

The manager collects information to be able to decide on the *strategic elements* of the Environment (versus non strategic). I.e. the leader must be able to discriminate – in the complexity of all that surrounds the system – the key-elements from which he / she will work out his objectives. The Environment is external and internal[1] :
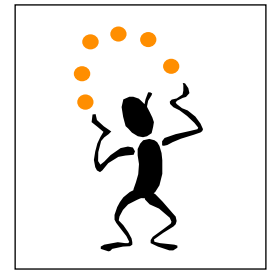

Fig. 3 – The Leader

In the external Environment (external boundary), in an often unstable way, are:

‣ the Market, customers, competitors, suppliers, the political and economical situation, social laws, etc.

In the internal Environment (major and minor internal boundaries) the following elements can be found:

‣ one or more leader's senior managers,
‣ the colleagues who hold influence or useful resources for the achievement of objectives.
‣ the manager's peers and everyone in the organization who do not belong to his own structure.

Based on the information collected about these elements and according to the subsequent priorities he develops, the manager works out his *vision contract* and formulates the objectives, holding into account today's internal and external reality.

4.1.2. Mission contract (Part A)

The *mission contract* is in two parts. It ensures there is an on-going dialogue around the continuous development of an agreed Public Structure (Figure 4). This structure is the resource needed to operationally fulfil the *vision contract*.
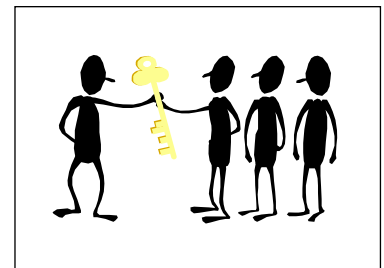
In parallel with the development of objectives, the overall Leader is responsible to set up a process, which will allow for the operations to achieve this overall task.

Fig. 4 – The Leader and group members

Mission contract (Part A) is a complex step, which involves operational and functional (group apparatus[2]) actors at the same time. This step aims at making the objectives known (top down), at consulting the actors to develop consensual proposals (bottom up) about the organisation chart, thus allowing the Manager to make the decisions that set all the actors in the optimum working conditions.

To this end, the leader makes a request to the team for consensual proposals relating to the task distribution and strategy, which they recommend. Then, a negotiation takes place between his / her vision and theirs within the *mission contract* framework.

This step is based on the ethical values of the manager (unconditional support of the structure and co-operation) – and aims to guarantee effectiveness in the activity, and pleasure in

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[1] Berne, Eric (1963) : Structure and Dynamics of Organisations and Groups. Grove Press, p. 58.
  Definition and diagrams of the Major and minor external and internal borders.
[2] Ibid., p. 238. The organs that ensure the survival of a group.

succeeding. In the *mission contract*, there is permanent adjustment and negotiation between the leader's (*mission contract A*) and the group member's (*mission contract B*) points of view.

4.2. Emerging Change

Emerging change represents the energy of sharing and implementing activities as required by planned change. *Emerging change* is focused on the most professional possible achievement of the overall task. Herein lies the love for the work, which is the heart of the company and the reason why it exists.

The *emerging change* arrow symbolically represents the synergy of the team members of all the internal structures of a system connected to each other when achieving the activity. Each structure holds an element of the emerging change in the person who achieves the activity. Just as there are strategic elements of the Environment, described above and dealt with by *planned change*, in the same way, there are strategic elements of the Activity of a very different nature:

The Activity strategic elements are the external and internal circumstances within the department, the events (absences, diseases, conflicts, level of competence, breakdowns of machines, non delivery of supplies, and also geographic, historic situation of the team or the activity), all the elements, which condition the success of the task from day to day. The more the team are informed about each other, their system and their professional field and the better they will manage these elements. Yet, part of these elements are not visible by the manager and thus their importance tends to be discounted by the actors.

Emerging Change is different from planned change, where in the last count, only one person actually makes a decision. Emerging Change "emerges" from the vision of each and every team member of what is necessary for the success of his own segment of the overall activity.

When these visions do not get duly processed and prioritized in a consensual manner, the *planned change* person may be overwhelmed by a multitude of different strategic elements from the various actors or categories of actors and may be disturbed in his / her ability to make relevant decisions.

The team member uses emerging energy when he / she is consulting peers within the *mission contract* to provide elements for operational decision. The group members manage the emerging energy through the use of two contracts: *cooperation contract and mission contract (part B)*.

4.2.1. Cooperation contract[1]

In the same way as individuals sometimes may not feel responsible for what is going on in their life, and impute things to chance, some teams are not empowered to deal with their daily issues and place unrealistic expectations on their leader. Through the *cooperation contract* the actors empower their team to become responsible for solving the difficulties that can be solved at their level.
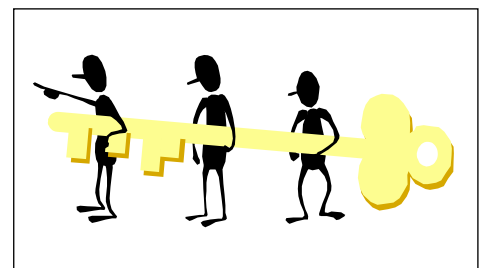

Fig. 5 – The group members

They develop within the team dialogue modalities allowing

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[1] The author differentiates between Cooperation relationships taking place between peers and Collaboration relationships taking place between subordinates and hierarchy.

for a consensual dialogue with the leader.[1] The team is then charged to collect and prioritize strategic information about the activity and suggest how to report it to the leader. This way only relevant information reaches the leader. It guarantees the development of an organisational structure, which will make it possible to reach and maintain results.

The *cooperation contract* implies that everyone considers human relations a priority and, beyond hats and titles, is prepared to set aside personal considerations in order to optimise the whole organisation. It is through this unconditional solidarity within a team that they manifest their respect of their leader's values (structure unconditional support and co-operation). Well-defined *cooperation contracts* guarantee structure cohesion.

The cooperation contract requires a high level of personal autonomy, confidence in one's own competence, the competence of peers, the sharing of vulnerabilities, and the pleasure of sharing the common activity doing quality work. It is due to the *mission contract* that contributions to the vision emerge in a consensual dialogue making the whole larger than the sum of its parts.

4.2.2. Mission contract (Part B)

This is the second part of the *mission contract* concerning the agreement about the interaction modalities with the leader. The needs in the hierarchical relationship from the subordinates point of view are expressed here. Due to this part of the contract the actors are empowered in the hierarchical dialogue and establish an OK / OK relationship with their leader: they are empowered to "emerge" with their contribution to the Mission (task distribution, strategy) reflecting a non-scripty reality of the activity status. When this contract is in place, they will be credible partners in a satisfactory dialogue for both parts

4.3. Constructivism

The schools of Constructivism are many and the object of this article is not to expose this theory in detail but it seems interesting to recall the many bonds between Constructivism and Transactional Analysis. Berne himself was directly inspired by Cyberneticians and in particular by Norbert Wiener and Gregory Bateson[2].

Constructivism is what can be socially observed of a system at a given time. The reality is "co-constructed" by the actors and is a result of their interactions. At social level, it is manifested by the Public Structure as described by Berne (what can be seen from the outside).
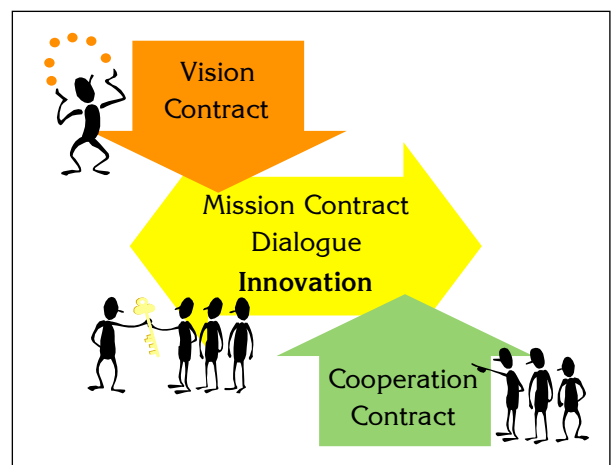

Fig. 6 – The Keys to Hierarchical Dialogue

According to Peter Drucker[3] each and every action taken by individuals is in the context of their own Theory of the Business. This is the common view of reality in disguise and it is only when each theory of the business is more or less aligned with the others that the organisation

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[1] This does not mean that everyone should be consulted all the time about all situations. It means that the team has agreed on a process allowing to identify when, how, and on what subjects, the team will consult to guarantee that the leader will get objective, realistic, and relevant information.
[2] Berne, Eric (1963) : Structure and Dynamics of Organisations and Groups. Grove Press, p. 99.
  Unknown (1971) : Transactional Analysis and Psychotherapy. Petite bibliothèque Payot, p. 81.
[3] Drucker, Peter (1968) : The practice of management. Pan Books Ltd, p.167.

can evolve beyond mere survival and attempt to reach for higher order goals with efficient, ethical and aesthetic considerations.

At the psychological level, the Public Structure includes the Individual Structure[1] and Private Structure[2]. One can observe the way the jobs boxes on the organisational chart are "inhabited"[3], i.e. how the actual actors live and manage the activity (motivation for task, sickness, absenteeism, etc.). (Figure 4)

When the three contracts (*vision*, *mission* and *cooperation*) are dealt with adequately, *planned change* and *emerging change* meld in a harmonious way so that the common view of reality is effectively the same and relevant. Environment AND Activity strategic elements are then aligned.

4.4.   The Winning Script – the successful Mission Contract

In the winning scenario, the leader's values are explicit. They are relevant and in line with *the Canon* and *the Culture*. Contracted rules frame the on-going dialogue between the members of the groups and their managers. The leader gets a consensual contribution from his subordinates into the group process. A dialogue exists around the structure of the system, which guarantees the communication of unbiased information on the strategic aspects of the Activity as well as on those of the Environment (Figure 3).

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[1] Berne, Eric (1963) : Structure and Dynamics of Organisations and Groups. Grove Press, p. 249.
  Individual structure : "The specific individuals, represented by their personas, who make up the membership at a given time.".
[2] Ibid. Private structure : "The group imago of each member.".
[3] Ibid., p. 57 : "While it is useful to try to understand what a structural diagram might represent, it must always be remembered that this is only a preparation for meeting real people participating in real transactions.".

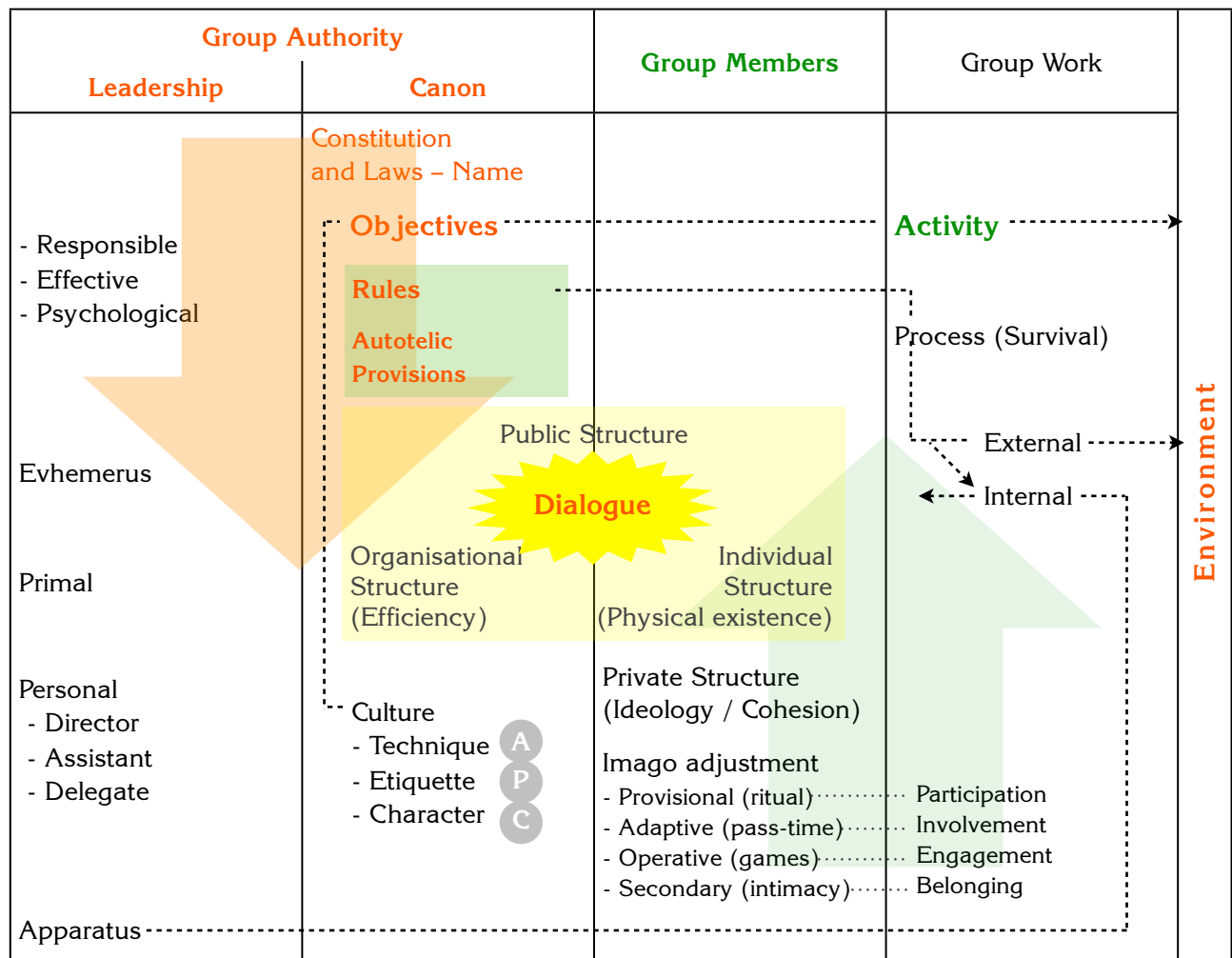# 5. Presentation of the OK++ Emerging dialogue in Fox's diagram

Fig. 7 – Fox's Diagram

The concepts of Environment and Activity[1], around which the polarisation Planned / Emerging is made are present in Berne's Organisational Theory and in Fox's diagram. In the Group Authority column (Leadership and Canon) and in the columns of Group Members and Group Work, the Planned and Emerging arrows can be placed and ideally they meet in a social dialogue at the level of the Public Structure box.

As the Group Authority Column is covering the Leadership and Canon, it can be deducted that leaders are in charge – amongst other responsibilities – of the Vision Contract (developing objectives and a Constitution) and of the Mission Contract (put a structure in place and rules of conduct).

As the Group Members column, together with the Group Work, are covering the notions of Individual and Private Structures, one can suppose that people's experience in sharing the Activity, is the group member's responsibility, and can be analysed and structured. Consequently the Cooperation contract can be placed in these columns.

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[1] Ibid., p. 243. Environment : "The universe outside the group space.".
  Ibid., p. 237. Activity : "Purposeful work done by a group on its material.".

6.   Scripts and dysfunctions

My research revealed two common types of dysfunctions, which I call *losing script 1* and *losing script 2*. Both dysfunctions result from an imbalance in the dialogue between *emerging change* and *planned change*. An imbalance generates a form of contamination, which becomes visible in the contracts analysis (Passivity[1]).

6.1.   Losing script 1

In *losing script 1*, there may be problems in the *vision contract*: decisions and strategies are made without taking into account the demands, opportunities and constraints in the Environment – and / or in the *mission contract (A)* : *planned change*'s authority and responsibilities are overlooked. Agitation[2] endangers the leader's performance. The survival of the structure is threatened.

Case 1 : In an industrial private research centre, scientists focus their research on what enriches their science seldom connecting their work to the improvement of a product. They represent an important cost and rarely do they provide a proportional return of investment. Therefore the system's survival may be threatened.

Fig. 8 – Losing script 1

Case 2 : In a crisis, some foremen refuse to collaborate with a manager who has been imposed on them after restructuring. They criticise the management in front of their clients and their subordinates. This leads to a chaotic task execution. The organisation looses credit in the customer's eyes.

Case 3 : Two conflicting managers have started building their own structure independently so as not to have to interact anymore. Several activities are duplicated,others have disappeared and this leads to tensions between the collaborators and with customers at several activity levels. The group energy is wasted managing the conflict. The top management is penalised in their decision making process because the strategic information comes up in a partial and thus manipulatory way.
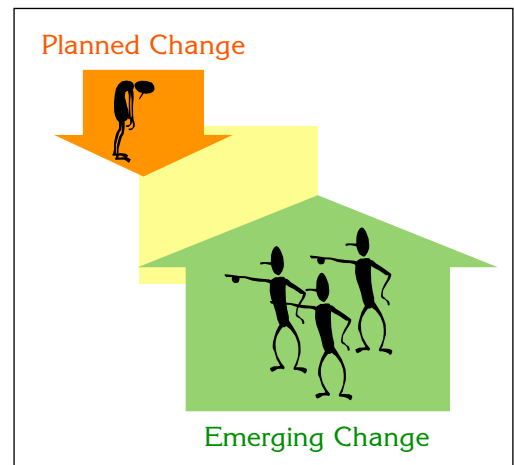
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[1] Stewart, Ian & Joines, Van (1991) : TA Today. Russel Press, p. 173. Passivity : "How people do not do things or do not do them effectively.".
[2] Ibid., p. 238. Agitation : "The collective strength of active individual proclivities.".

6.2. Losing script 2

In *losing script 2*, there may be problems in the *cooperation contract*: decisions and strategies are made without taking into account the demands, opportunities and constraints in the Activity – and / or in the *mission contract (B)* the manager discounts the need to consult with the team or the team is not ready to contribute consensually to the development of the organisational chart.

The manager still needs to plan and so decides instead of them what is relevant for the success of the Activity[1]. Unfortunately he may not have knowledge of some the elements of Activity and his plan decisions may be flawed. The survival of the structure is threatened when this type of imbalance occurs.

The two *loosing scripts* can be brought together as for example when *script 2* can be observed, at social level, one can be confronted to a fantasy of *script 1* at psychological level in the leader's mind, i.e. he leads with the fear to be overwhelmed by the group. Conversely, in script No1, the actors may believe that their leader is threatening their survival in the system or the survival of the system itself.

Case 1 : In an IT company, a European Training Manager demands to have 300 student manuals made immediately for his manager's visit in one of the local training centres. On the day he gives the order two of the local people are sick and three photocopiers are broken. Since there was no way to negotiate the deadline and with these two elements of the task missing, the extraordinary pressure was demotivating for the team.

Fig. 9 – Losing script 2

Case 2 : The manager of a new food factory making innovative products hired me because of on going conflicts between the foremen. Few employees mastered the new technology so the factory manager had posted experts to report about problems and issues on the production lines. The *emerging energy* was short circuited because the experts were reporting directly to the factory Manager instead of the employees to the foremen, the foremen to the Production Manager and the Production Manager to the Factory Management team. The foremen had lost their privilege of collecting, prioritising and reporting the *strategic elements of Activity*. And thus, the *cooperation contract* became meaningless and the *mission contract (B)* lost its credibility in a *losing script 2*. The stroke economy went into scarcity and people were fighting.

Presented with the *emerging change* concept, the teams were able to situate the problem at the *mission contract* level and how this affected their *cooperation contract*. It was negotiated in the *mission contract* that the experts would talk to the foremen first and that the foremen would collect and prioritise the information for the Head of Production who would attend the Management meetings with the experts. The information circuit went back to normal. So did the stroke economy and the conflicts ceased.
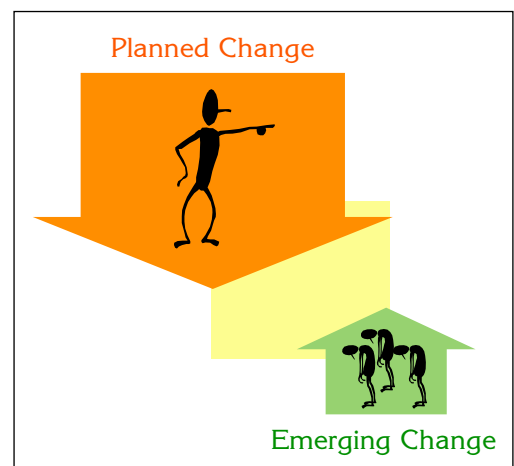
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[1] Gilles Pellerin, TSTA-O calls "Sous-fonction" literally "below the function" the situation in which the leader inappropriately invests his energy thinking and organising the activity strategy while his role should be in the proprietary management of his Environment...

7. Intervention Strategy

Installing Emerging Change in a research centre.

Roughly 400 scientists belonging to several disciplines, and in different departments of the same organisation (immunologists, nutritionists, microbiologists and gastro-enterologists), were grouped into several "platforms" (Gut, Skin, Brain, Bones). The idea of introducing platforms was to encourage cooperation and to work more effectively and thus to produce more innovations.

Upon her appointment, the Gut platform manager asked us to help stimulate the Gut platform which had been stagnant for two years in an example of losing scenario 2 where Planned Change is dominant. We taught her how to use our Psycho Dynamic Theory and to identify how the Emerging change was not playing its part. We clarified what was her role as the planned change manager to enable a balanced situation and to give emerging change an equal role.

The platform idea gathered scientists in a space free from hierarchical reporting. Its correct operation requires changes in the current system of evaluation, which is presently made mainly on scientific results and the number of individual publications. The contracts are set up via a person in the Human Resources Department, who also manages the interventions of consultants.

My work consisted of supporting scientists from two departments: Nutrition and Bioscience, and the establishment of cooperation contracts at several levels. This work allowed the GUT organisational platform to achieve the goals with consensual contribution and allowed the culture to evolve from individualism to cooperation. Emergent Change was enabled.
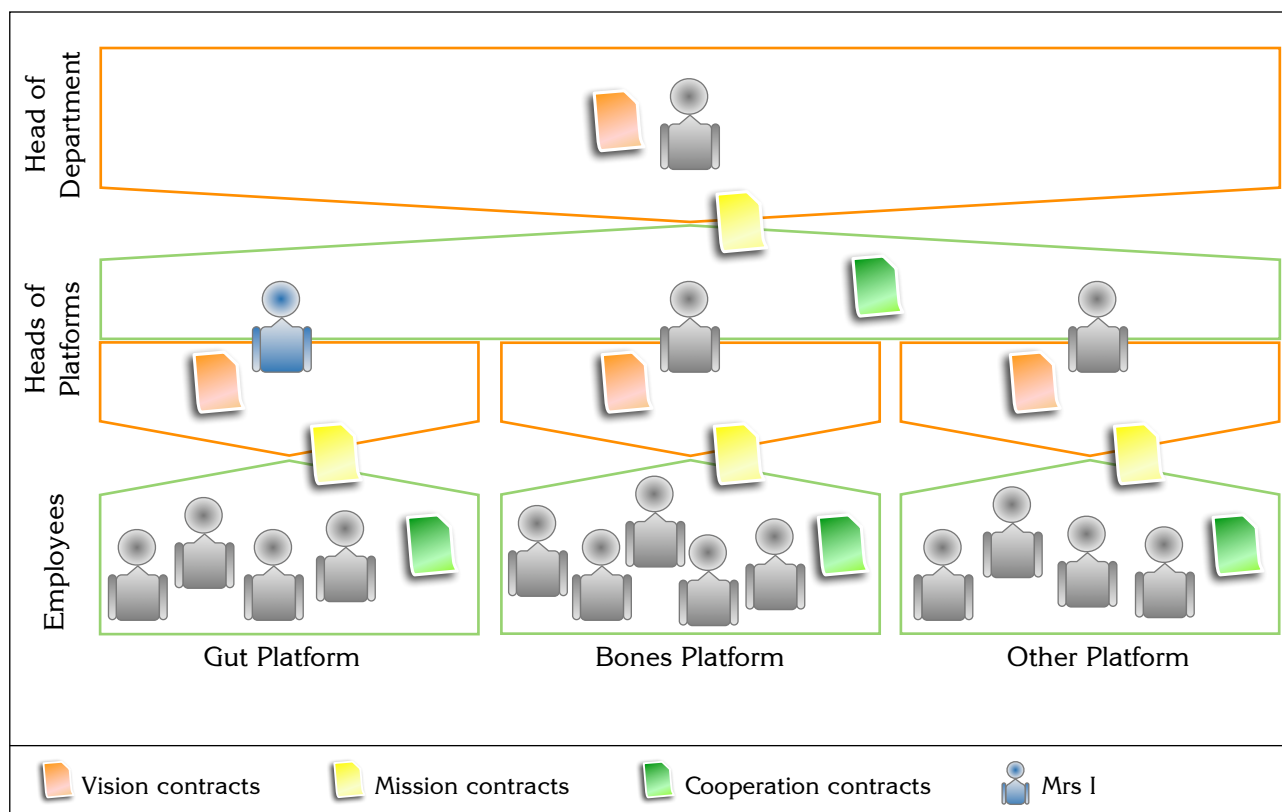

Fig. 10 – Innovation of emerging change methodology in a research centre

I coached the emerging human process by working on the three contracts :

‣ Vision Contract: How are the objectives and rules understood and perceived by the scientists ? In this context, where the vision was expressed in a very « planned » language, coaching the Vision Contract consisted in looking for blocs in the integration of the message et ended up leading to renewed presentations of short, middle and long term objectives at different levels of the organisation.

‣ Cooperation Contracts : The were installed in each of the relevant departments at each hierarchical levels : technicians with each other, scientists of different disciplines gathered in the same platform, and Mrs I with her peers, the other platform managers. the work consisted in identifying working values to ensure the success of this new process.

‣ Mission Contracts : Part A was developed in the individual coaching sessions with Mrs I.: This consisted in helping her clarify and express her needs in her interaction with her subordinates, i.e how she wanted the strategic elements of the Activity and the related suggestions and recommendations to be communicated to her.
Part B : with the different teams after the cooperation contract was operational. This was about helping them to agree on expectations in their interactions with their manager. Mrs I lead the Mission contract negotiations (between A and B) alone with her team. The improvement of results was visible and soon after this, Mrs I was promoted as Manager of her Department.

This consulting work reassured people and helped change the culture from a strongly individualistic to a more cooperative environment: after the intervention some scientists started sharing their vision for common potential research. According to the scientific relevance and the possible outcomes of each of their projects, they were able to formulate consensual recommendations concerning the choice of projects and the platform strategy.

Because the platform gathers scientists in a space free of hierarchical reporting, this new organisation may demand that a change be negotiated in the performance evaluation system, which is presently based on scientific results and the number of publications, to modalities of evaluation discussed and agreed between the scientists and their management.

8.   Conclusion

The psychodynamic Theory of Emerging Change gives a global vision of the human process of each structure within the organisation. It is accessible to all categories of actors, and addresses them in a challenging manner. It gives them a representation of the organisational dynamics and stimulates the installation of contracts resulting in an empowered organisation. Therefore, it quickly allows for the development of the managers, actors and teams to have autonomy.

The work presented here on the *Emerging Change Methodology* allows for a concrete visual representation of the group dynamics based on an OK / OK difference in values, strategies and feelings between the *planned and emerging energies*. Inserted in Fox's diagram, it complements it in emphasising the two organisational flows and their interaction resulting in the on-going development of the Public Structure.

It gives the actors access to tools from Berne's Organisational Theory and Transactional Analysis in general.