# Chapter 1
What is organization?

Organization happens when people work together to accomplish some desired end state or goal. It can happen through intentionally designed activity, spontaneous improvisation, or some combination of the two, but it always depends upon coordinated effort. As a simple example, think about the goal of moving a large stone, too big for one human working alone to push uphill (Figure 1a). Two or even more won't budge it either (Figure 1b), unless they coordinate their efforts (Figure 1c).

But people often pursue more complex goals than pushing a stone uphill. Putting Neil Armstrong and Buzz Aldrin on the Moon meant coordinating everything from cleaning offices and buying paperclips to training the astronauts and designing, building, and launching their spacecraft. Supplying the Tsukiji Fish Market in Tokyo (Japan) that serves the restaurants and fishmongers of the world depends on the coordinated efforts of fishing crews that sail off the coasts of Cartagena (Spain), Halifax (Canada), Boston (US), and Pusan (South Korea), and on the mostly Japanese buyers who fly to these places to survey the catch, purchase the best fish available, and crate and ship them to Tokyo. As these examples show, the coordination of human interests and activities can range from the simple to the massively complex, and its goals from the mundane to the exotic.
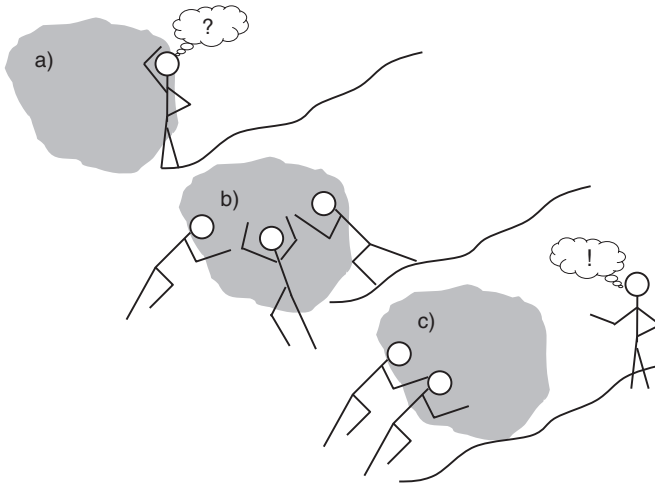
1. Getting organized: The person in a) confronts a problem too big to handle alone, moving a large stone to the top of a hill; b) finds help but does not use it in a coordinated way and so the stone remains at the bottom of the hill; c) organizes the actions of those who came to help and achieves the desired outcome

A little history

Organizing has been with us a long time. Prehistoric humans organized to hunt and gather food, find shelter, and protect and raise their children. To nurture their souls they made art and practiced religion. By grouping together in pursuing these goals, they formed the first human organizations – families and tribes. Of course, chimpanzees and apes banded together before humans appeared, and prior to that ants formed colonies and bees built hives. On some level, all social species realize that organizing improves their chances for survival in a competitive ecology. Through organization the strength and creativity of many can be directed toward survival or civilization via developments

in technology and the accumulation of economic and cultural wealth.

Competition is as important to organization as is cooperation. This might seem contradictory, but it is not. Competition arises from dependence on the environment to provide food and to feed other needs and desires. If resources were unlimited, then the drive to organize might be minimal. If food dropped off trees, the climate was temperate all year round, and nothing tried to kill us, we might get by with only those forms of organization required to amuse or enlighten, such as art, religion, and philosophy. But resources have always been limited. Life pressures us to compete, whether that competition is over food, territory, desirable mates, or jobs. Individuals compete within their groups over status and position, and groups compete with each other in their quest to dominate. Thus competition is always part of organization even though organizations depend upon cooperation to realize their goals.

Compared to those of other social species like ants, bees, and apes, the complexity of human organizations is enormous. Somewhere along the trajectory from being hunters and gatherers to becoming field hands and farmers, tribes grew into villages, and later into towns, cities, city-states, and nations. Another transformation occurred along with organizational complexity: specialization – the practice of limiting one's activities so that expertise in a specific domain or particular skill can be achieved. For example, your building skills will likely improve if you do not also have to tend fields or educate your children. Of course, other species practice specialization too. Honeybee colonies can number anywhere from 20,000 to 60,000 members, and within them worker bees specialize as nursemaids, guards, construction workers, undertakers, and attendants to the queen.

Specialization serves a society by increasing the quality and variety of goods and services available to its members and by providing efficiencies in their production and delivery that allow more work

to be done with less time or effort. As communal life develops through specialization and the interdependence it creates, human society and its organizations become differentiated – different people adopt different roles, and different types of organization are created as people with similar talents and interests work together on specialized tasks. Further encouragement for specialization and differentiation comes from interaction between societies. Some of this interaction involves warfare, but in peaceful times often produces exchange relationships that grow into economies.

Economies depend on trust between people. This trust in turn depends upon experiences of stable, successful exchange. To appreciate what this means in organizational terms requires another concept: institution – a time-honored activity or organization that addresses what would otherwise be a persistent social problem by encouraging behavior that stabilizes society.

Examples of institutions include the handshake, money, banking, marriage, the family, religion, and government. Take the institutions of money and banking. Both were created to address the persistent problem of developing enough trust in trade to create an economy and keep it stable. People make rules about handling money that establish organizational institutions like banks, and other institutions (such as courts and prisons) to handle those who violate the rules.

As institutions stabilized societies and relationships between them developed into differentiated city-states and nations, trade and other organized activities came under formal control through institutional practices such as tax collection and the licensing of organizations. Licensing, or chartering, involves giving organizations legal status as entities along with the right to engage in specified activities (such as trade, industry, law, education).

Over time, institutionalized businesses partnered with churches and armies, combining their wealth and influence to engage in exploration and exploitation. Exploration and the new trade it brought permitted local economies to grow while the potential for exploitation forged competitive relationships between businesses and societies. As this was going on, businesses were discovering new ways to differentiate using technology derived from the invention of the machine.

The invention of machines to do work led to industrialization. Factories that demanded the labor of many were built to house machines and their operators, and to help owners and supervisors manage work. Workers came from rural areas to take advantage of new opportunities to make a living. Cities grew dramatically as industrialization concentrated the populations of the most economically aggressive nations and provided enormous wealth to those with the means to control the largest organizations. Many people moved from farms to cities, and urban values replaced rural ones in the identities of industrialized nations.

Concentrated populations have encouraged the development of service economies that, when combined with the computer, produce another societal transformation of at least the same magnitude brought by the change from agriculture to industry. The computer magnifies the organizational effects of this transition because computer technology, along with the ability to easily traverse the globe, allows some economically powerful organizations to grow larger than many countries. Their growth has promoted capitalism around the world, led by giants like IBM, McDonalds, ABB, Siemens, Sony, and Unilever, supported by the political alignments of capitalist countries.

The trade in which massive business organizations engage has contributed greatly to globalization, which in turn affects cultures and societies by mixing and blending their members as they travel around the world. These changes bring opportunities to further

increase the complexity of organizations, though limits to their growth are becoming more and more apparent. For example, the increasing power of corporations in a globalizing economy has put the natural resources of the planet under strain.

Until recently, businesses were governed mainly by their owners, called capitalists because they provide the wealth (i.e. capital) needed to supply the resources business organizations depend upon for their survival. However, a different form of corporate governance is emerging. Known as the stakeholder perspective, this view, as articulated by philosopher R. Edward Freeman (1951–), holds that anyone whose life is affected by the activities of an organization has a stake in that organization, and thus a right to influence its decisions and actions.

The term 'stakeholder' refers to customers, employees, and owners (shareholders), but also to unions, government regulators, local communities, NGOs, and activists, as well as to the suppliers, distributors, and other partners who make up the supply chain. A supply chain links business organizations that extract and supply raw materials to those that use these materials to make products and distribute them to end-users. The definition of organization expands considerably when it includes the interests of all these stakeholders.

Some believe that including all stakeholders in the definition of an organization creates a democratizing force that replaces hierarchy with more collaborative organizational forms (e.g. networks) and values environmental sustainability and social responsibility as much as profit. The movement to get companies to report on their social responsibility and environmental impact as well as their profit – collectively known as the triple bottom line – is one effect of stakeholder influence. That brand and reputation are becoming as important to organizations as products and profitability is an indication of the growing influence stakeholders exercise.

Some take a dark view of capitalism and its effects. They say that capitalism manufactures the need to buy in order to keep itself and the growth it feeds alive. Once consumerism dominates a society, they warn, it enslaves all.

The argument that capitalism shifts economic activity away from production and toward consumption is supported by the economies of the United States and Western Europe, whose industries have outsourced much of their manufacturing activity to the BRIC countries – Brazil, Russia, India, and China – generating a new phase of economic development. But the political systems and cultures of the BRIC countries are markedly different from those of the United States and Western Europe, and, while their economies are growing rapidly now, questions of stability and sustainability make their long-term influence on the world and its organizations hard to predict.

This short history introduced some of the most enduring ideas associated with organizations: cooperation, competition, goals, growth, size, complexity, differentiation, specialization, economy, globalization, structure, power, institution, and culture. With these ideas in mind, it is time to examine the concept of organizations and its close associates, organization and organizing.

The three Os: organization, organizations, organizing

It is difficult to say when humans first recognized organization as such, but at some point the idea appeared as an abstract concept. It takes disciplined imagination to think about organization. You can experience the discipline by challenging yourself to make distinctions between three related words we have been using without definition: organization, organizations, and organizing – let's call them the three Os.

Organization and organizations are nouns, while organizing refers to action and thus to a verb. Nouns name things, for example they can refer to entities, states, or conditions, as they do in the terms organizations and organization. Verbs, on the other hand, can be inflected to indicate past, present, and future, bringing with them concern for the effects of passing time.

Organization and organizations (the two nouns) may be more closely related than either is to organizing, but the fact that all three build on the Greek root ὄργανον (*organon*, meaning tool) suggests that the three Os are going to be difficult to distinguish. It is worth the effort, however, as much of what we know about our subject is built on taking one or another of these nuanced distinctions as primary. An analogy to some basic issues in physics may help, since much organizational knowledge derives from insight provided by the physical sciences.

The duality principle in physics states that, depending upon how you observe it, matter can appear as either a particle or a wave. Something similar can be said about organizations. Taking the particle view, you can locate an organization as an entity in time and space. The wave view gives you a sense of organizations as patterns of activity that recur with regularity in a wavelike fashion. The organizational entity known as Oxford University can be found in a set of buildings located in Oxford, England, but taking the wave view, its organization can be seen in recurring teaching and learning activities, term after term.

The two nouns organization and organizations are interrelated in a circular way. When organizational activities (e.g. teaching and learning) are repeated, like the frequencies that recur to form a wave, they come to be thought of as entities or objects. You might call an entity arising from patterns of teaching and learning an educational institution and exemplify it using particular organizations, like Oxford University. When you do this conversion in your mind, you make practices associated

with a way of being (acts of organiz*ation*) into entities (organization*s*) in the same way that a wave becomes a particle for physicists.

Conversely, you make a conversion similar to the one that turns a particle into a wave when you consider what is organizational about a particular entity; you think about coordinated practices that lead to desired end states (e.g. teaching and learning leading to education). These ideas are like the two sides of a coin; you cannot view both at the same time, but you cannot have one without the other.

Another definitional challenge arises when you compare organiza*tion(s)* with organiz*ing*. In physics, the Heisenberg uncertainty principle states that you cannot know with equal certainty a particle's position and velocity; the more you know about where it is, the less you can know about where it is going. It is easy to remember the uncertainty principle if you think about an old joke in which Heisenberg gets pulled over by a policeman while driving down the highway. The policeman gets out of his car and walks towards Heisenberg's, motioning for him to lower his window. The policeman says, 'Do you know how fast you were driving, sir?' to which Heisenberg replies, 'No, but I know exactly where I am!'

Like Heisenberg's uncertainty principle, you can think about organization as either outcome or process, but it is tough to think both ways at once. You have to be present in the moment to experience organiz*ing*, whereas you can observe organiza*tion(s)* after the fact of their becoming. Yet, like the impossibility of knowing both a particle's position and velocity, we are likely never to reconcile knowledge of organiza*tion(s)* with that of organiz*ing*.

Notice that I just collapsed organization and organizations into the composite organiza*tion(s)*. Organiza*tion(s)* refers to both

	Being	Becoming
Abstract	Organization (an entity) 'Organization is an arrangement of things, people, ideas and/or activities'	Organization (the act of organizing) 'Most things improve with more organization'
Concrete	Organizations (specific cases) 'IBM, the Red Cross and your family are organizations.'	Organizing (a process) 'Let's start organizing this mess!'

2. Some ways to think about differences between the three Os: organization, organizations, and organizing

organization and organizations as outcomes or entities. They are already accomplished states of being. Organiz*ing* (including acts of organization) is an ongoing accomplishment, that is, a process of becoming rather than a state of being.

Even though the three Os cannot substitute for one another, they are intimately related. Organizing processes give rise to acts of organization that, in turn, produce organizations that enable and constrain further organizing processes, and so on. This is the reason we have one basic idea (cooperating to achieve shared goals within a competitive environment) and three interrelated concepts – organization, organizations, and organizing: the three Os.

If you want to focus on the outcomes of organizing, you can specify either particular organizations – entities like Lufthansa or El Al – or characteristics, such as hierarchy or division of labor. If you desire a dynamic understanding of organiz*ing* you must

focus on the processes from which organization(s) emerge (e.g. those producing structures or culture) or practices such as those that constitute an airline (e.g. maintaining aircraft, piloting, transporting passengers, and handling baggage).

Historically, managers and organizational researchers favored outcome-based definitions because these lend themselves to objective measurement and thereby support management control. However, as both organization(s) and organizing become more complex in the wake of globalization and technological change, process knowledge becomes increasingly important. If complexity makes it impossible to fully describe an organization or predict the outcomes of organized activity with certainty, you can at least increase your odds of success by improving organizing processes.

We know from comparisons of successful and unsuccessful organizations that formulating strategic vision motivates goal achievement, as does structuring roles and relationships to aid the implementation of strategy. Furthermore, the use of technology can enhance productivity, and culture communicates how things 'really' get done. The supportive design of the physical environment of work also contributes to success. Some of this knowledge is based in an outcome-oriented view, some is process-based, and some mixes the two.

Metaphors for organization

Metaphor is a way to stimulate imagination for new ideas. Management scholar Gareth Morgan (1943–) showed that four metaphors in particular have proven their worth helping people to form images of organization: the machine, organism (or living system), culture, and psychic prison. The machine and organism metaphors came first and lend themselves best to visualizing organization(s) as static structures or systems to be designed and controlled either by managers or the environment. The metaphors of culture and psychic prison developed later. Culture presents an

image better suited to understanding organizing as a process arising from social interaction and sensemaking, while the psychic prison metaphor offers a critical stance toward the other three. Taken together the four metaphors mark out the same territory covered by the three Os, but add lots of color and texture.

Metaphors work by suggesting similarities between their vehicle (e.g. machine, organism, culture, prison) and its target (in this case, the three Os), but they do so on an aesthetic rather than a rational basis, which is why metaphor complements scientific explanation. So do not think you have to choose between art and science, instead try to appreciate both ways of knowing. It may at first feel strange to think in such different ways, but stretching your mind should help you embrace the complexity and paradox (e.g. cooperation *and* competition) that coming to terms with the three Os requires.

Organizations as machines

The machine metaphor traces its origins back over 300 years to the start of the industrial age. A machine is designed to effectively perform work of a repetitive nature. In creating scientific management, for example, Frederick Taylor (1856–1915), an engineer, was inspired by his knowledge of how machines work to find the most efficient motions for humans to use when performing manual labor. He then claimed his scientific approach to management dramatically increased industrial labor productivity, an idea later extended to other types of work. Nowadays, the machine metaphor encourages managers to design all aspects of their organizations to maximize efficiency.

In order to design a machine to do work, one must specify a task (e.g. driving nails, weaving cloth). This is as true for organizations as it is for machines. However, the task of an organization is more comprehensive than that of a machine. The organization's purpose, mission, and goals define its task; in other words, its task is roughly equal to its function within society. For a business, this function

might be to produce airplanes (Airbus), prepare food (McDonald's), or provide management consulting services (McKinsey & Company). Non-business organizations have purposes and goals too, for example to provide higher education (Oxford University) or protect a community (your local police department).

The machine metaphor promotes the belief that organizations can be engineered to maximize their contribution and minimize their costs to society. Think of the idea of engineering automobiles. As a customer, you hope that the company that manufactures your vehicle will do so in a way that keeps the final cost to you down while also making sure that the car you drive is safe and suffers as few breakdowns as possible. Such a company's task is to design, build, deliver, and service a quality automotive product at a price you can afford. It is the manager's job is to see that this happens efficiently and effectively, and without unnecessarily harming people or the environment, by organizing resources and the work done with them.

Applications of the machine metaphor tend to focus attention on the internal workings of organizations – how they perform core manufacturing or service-delivery tasks. This is the most fitting application of the machine metaphor. But organizations must perform many other tasks, such as purchasing raw materials, selling products and services, and adapting to changes in the environment. Managers too do more than supervise employees, they must also recruit and retain them, design their jobs, and formulate and implement a vision to lead them. The machine metaphor is less well suited to describing these tasks.

Even though most managers are attracted to the idea of treating employees like parts of a well-oiled machine, the human element requires more nuance to be effectively managed. Furthermore, it can be dangerous to ignore what economists call externalities, namely the environment upon which organizations depend for the resources to do their work. Externalities impose constraints that give others power over organizations, and this means

organizations must develop and maintain relationships with
external agents if they are to survive and prosper. In this they are
more like living systems or organisms than machines.

Organizations as organisms (living systems)

The organism metaphor developed later than that of the machine,
emerging along with evolutionary biology, particularly from
notions such as the survival of the fittest promoted by Charles
Darwin (1809–82). An organism is a living system that depends for
survival on its ability to adapt to the environment. Treating
organizations as adaptive organisms directs attention to the
dynamics of competition, to dependence on resources provided by
the environment, and to demands for continual change. Along
with the organism metaphor came ideas such as variation,
selection, and retention that help explain success and failure rates
within populations of organizations. So, too, did the idea that
organizations, like organisms, have interrelated parts, an insight
no doubt inspired by the practice of dissection in biology research.

By the end of World War II, when the organism metaphor
appeared, it had become popular to think that all the sciences were
interrelated and that discovery of a unified theory of everything
was imminent. The related idea of systems also became influential.
A system is anything comprised of parts (subsystems) whose
interrelationships produce a level of order and function
(the system) that transcends the sum of the parts. In other words, a
system has properties that cannot be fully known by examining
its parts in isolation. For example, you can dissect a human body
but you will not be able to isolate thought or identity, these are
emergent properties explained by interactions among the parts,
and between the whole and its environment.

The key contribution of systems theory was the idea that different
system levels are nested. All systems exist within higher-order
systems existing within still more complex systems. According to
general systems theory, the name given to this idea by biologist

Ludwig von Bertalanffy (1901–72), each higher-order system includes all the levels beneath or within it.

Kenneth Boulding (1910–93) developed Bertalanffy's ideas into a hierarchy of systems (see Figure 3) with frameworks being the

Level	Characteristics	Examples
1. Framework	• labels and terminology • classification systems	anatomies, geographies lists, indexes, catalogs
2. Clockwork	• cyclical events • simple with regular (or regulated) motions • equilibria or states of balance	solar system simple machines (clock or pulley) equilibrium system of economics
3. Control	• self-control • feedback • transmission of information	thermostat homeostasis auto pilot
4. Open (living)	• self-maintenance • throughput of material • energy input • reproduction	cell river flame
5. Genetic	• division of labor (cells) • differentiated and mutually dependent parts • growth follows 'blue-print'	plant
6. Animal	• mobility • self-awareness • specialized sensory receptors • highly developed nervous system • knowledge structures (image)	dog cat elephant whale or dolphin
7. Human	• self-consciousness • capacity to produce, absorb, and interpret symbols • sense of passing time	you me
8. Social organization	• value system • meaning	businesses governments
9. Transcendental	• 'inescapable unknowables'	metaphysics, aesthetics

3. The nine levels of general systems theory (GST) tell us that everything can be described as a system composed of lower-order subsystems and that each system is itself part of a higher-order system. Each system level has properties unique to its position in this hierarchy, and a system at any particular level contains lower-order systems such that their properties also apply to the higher order, in cumulative fashion

simplest systems, followed by clockworks, open systems, living systems, humans, social organizations, and something metaphysical that transcends and includes them all. Since organizations contain many lower-level systems, any knowledge about lower levels also applies to them. Hence the aptness of using, for example, biological principles derived from studying living systems to explain the three Os.

A human system contains digestive, anatomical, circulatory, respiratory, and nervous subsystems all serving different functions, such as to take in and convert food to energy, support the weight of the organism and allow it to move around in its environment, transfer oxygen from the lungs to the blood and thereby to the cells throughout the body, and sense the environment so as to respond in adaptive ways. Similarly, the operational core of the organization produces goods and services while staff in finance, marketing, accounting, human resources, communication, and strategy departments perform other functions.

Just as the subsystems of the human body produce the conditions for a human being to emerge but do not account for all that a person is, so the parts of the organization cannot explain a whole organization. Recognition of one of the emergent properties of an organization – its culture – introduces a third metaphor.

Organizations as cultures

Imagining organizations as machines or as organisms that are living systems relies upon metaphors drawn from the natural sciences, particularly physics and biology. Using culture to imagine the three Os taps the social sciences and humanities.

Anthropology and literature informed those inclined to see organizations as cultures. Cultural anthropologist Clifford Geertz (1926–2006) combined these in offering a symbolic view of culture. Humanistic ways of understanding bring with them new

questions, for instance: what social and emotional forces derive from belonging to a group, and how do they influence an organization's structure or the ways in which technology is used? What do concepts like artifact, value, custom, and tradition tell us about organizations? Can culture explain the success some organizations enjoy or the failures of others? What do organizations mean, and how do they produce and influence the meanings they are given?

Many believe that the low-cost carrier Southwest Airlines became successful because its co-founder Herb Kelleher (1931–) appreciated organizational culture. Kelleher believed that loyal employees would give his airline distinctiveness and competitive advantage in an industry known for cut-throat competition and poor customer service. He also knew that the market for transportation was not being fully served – there was room for a low-cost airline that provided people with an attractive alternative to short- and medium-distance bus, train, and automobile trips. The culture of the airline that Kelleher created to fill this void was built on having fun delivering great service in what was then a stodgy and highly militaristic industry.

The culture metaphor asks you to imagine Kelleher as the chief of an ancient tribe that worships him like a god and follows his lead in everything they do. It is a tribe with unique customs and rituals that maintains its integrity even under extreme external pressure, such as deep economic recession. For example, Kelleher partied hard and long with his employees, often flying to visit them where they worked and then working and playing alongside them. This custom promoted extreme loyalty and also gave him first-hand knowledge of the problems and opportunities his employees faced.

When times were tough, Southwest's employees were known to give back some of their pay when they felt the company needed it to survive. Attachments like these are hard to explain using the

machine or living systems metaphors. It takes the emotional and aesthetic nuance of cultural understanding to grasp what is at work in cases like Southwest and other companies that benefit from having beloved organizational cultures.

The culture metaphor emphasizes emotions and values that create a solid and lasting foundation for the activities and aspirations of organizational members. Heroes who personify cultural expectations help people understand what they should do as they engage in everyday life and face the trials and tribulations of the workplace. The ceremonies and rituals that memorialize people and their exploits bind organizational members together, even as telling their stories of the past instructs behavior in the here and now. Taken together, these and other symbols form patterns of meaning that make a culture distinctive and help people identify with one another and honor what they share.

Communicating with symbols and leaving artifact trails allows members to transfer their culture to the next generation, creating continuity across time. But although culture provides stability, it also offers continuity in the face of unavoidable or irresistible change. It takes the confidence of knowing who you are to face a threatening environment or new opportunities that demand taking risk.

There is a darker side to culture. A culture exerts a considerable controlling force over the hearts and minds of its members, who exchange some of their independence for the gift of belonging. If an organization's culture falls under the spell of its top management subculture, members may come to be imprisoned by norms and expectations that do not express their true values and fulfill desires other than their own.

Philosopher Friedrich Engels (1820–95), with whom Karl Marx (1818–83) wrote *The Communist Manifesto*, described this situation as false consciousness, that is, the acceptance of an ideology that conceals realities of subordination, domination, and

exploitation. One such ideology involves accepting as normal and necessary the domination hidden within hierarchical relationships. Recognizing hierarchy as a form of domination exposes the prison-like character of hierarchical organizations, suggesting a fourth metaphor – the psychic prison.

Organizations as psychic prisons

Culture and the unconscious can be regarded as opposite sides of the same coin. Psychiatrist Sigmund Freud (1856–1939) considered culture a collective phenomenon arising from the unconscious dynamics of its members. Carl Jung's (1875–1961) idea of the collective unconscious took the opposing view that our cultural past provides a reservoir of experiences and memories that we tap as our psyches develop. Either way, connecting culture with the unconscious provides a novel way to think about the three Os. For example, Freud's psychoanalysis suggests that emotions such as anxiety and desire produce the realities humans inhabit and thus become part of their organizations.

Freud believed that to live in harmony with others, humans control their impulses through unconscious psychological mechanisms of denial, displacement, projection, rationalization, regression, and sublimation. By helping an individual recognize their emotional impulses and the psychological mechanisms they use to control them, Freud claimed he could rid a patient of neuroses such as depression, hypochondria, obsession, or narcissism.

Organizations have similarly neurotic tendencies that can manifest as debilitating conflict or other dysfunctional collective behavior that threatens their wellbeing. One implication of extending the idea of the unconscious to organizations involves providing therapy to uncover unconscious motives or relieve organizational anxiety and stress. Seen in this way, the metaphor of the unconscious provides a route to organizational self-knowledge

and its psychological benefits, including the capacity to alter an organization's personality or identity.

But when they shape an individual's consciousness through collective manifestations of greed, fear, and other negative psychological states associated with domination, organizations become psychic prisons. For instance, repressing or denying the emotions that accompany hierarchical subordination creates oppressive conditions inside employees' minds. Instead of treating whole organizations as patients, as suggested by the metaphor of organizational neurosis, use of the psychic prison metaphor is typically intended to emancipate employees from the bonds of anxiety and desire that prevent them from seeing the harm organizations do to them.

For some, modern capitalism is responsible for the dehumanization and exploitation described by the psychic prison metaphor. They focus on how our personalities, beliefs, tastes, and preferences develop within contexts of mass production and consumption characteristic of Western capitalism. To strengthen their point, they may stress the destructive influence of capitalist organizations on nature, society, and the underprivileged.

For example, the environmental sustainability movement challenges old expectations about the costs an organization should bear, arguing in favor of new rules such as a carbon emissions tax to cover the costs of cleaning up industrial waste and pollution. Similarly, social responsibility advocates pressure organizations to pay a living wage to those who work for them, including employees of subcontractors, and to provide their workers with safe and healthy work environments. Some even suggest that organizations take responsibility for those who live in poverty worldwide on the grounds that the poor pay a price for the wealth the rest enjoy.

Applying the metaphor of a psychic prison raises questions about how organizations might bring about positive change for workers

and society, such as freedom, diversity, and respect for our planet and all the forms of life that it nourishes. Portraying the organization as a psychic prison encourages criticism of mainstream management and is intended to awaken our consciousness in the hope of changing organizations for the betterment of the world and all its inhabitants.