

TA Tribe

ONLINE TRANSACTIONAL ANALYSIS
TRAINING AND SUPERVISION
FOR ORGANISATIONAL PRACTITIONERS
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Focus Paper

Psychological Contracting

CORE CONCEPTS IN TRANSACTIONAL ANALYSIS

In most organisations, communication is often cited as being a problem. Often people are not clear with each other, or make assumptions that the other knows what to do and how to do it, or there is a lack of trust which is not a good basis for successful co-operation.

People often complain that they are not given the information they need to do their job, or that their lives are being made difficult because leaders, or other teams seem to be withholding information.

Given the systemic nature and context of organisational work, the potential for problems, mistakes and even accidents increases and spreads very quickly. Mistrust leads to damaged relationships. Damaged relationships may lead to obstructions, deliberate delays and withholding of information. The processes operating in the organisation are managed by people – they are part of the systematic process and if people are not working well then unhealthy psychological processes may take hold. The process works both ways and becomes a closed loop – stress caused by mistakes, problems etc have an impact on human beings at a psychological level. Less than robust mental health leads to more stress, anxiety and lack of confidence. And so it goes around in a loop - feelings of under-achieving, lack of confidence and ambition impact on behaviour and may lead to a lowering of standards, followed by missed targets, mistakes etc.

Psychological contracting is a process which promotes clarity, challenges perceptions, increases confidence and builds trust and openness within the relationship. Berne (1966) defined a contract as “*an explicit bilateral commitment to a well-defined course of action*”. Thomas Harris wrote that a contract is a “*statement of mutual expectations*” (1985). It is that and more: it is also about declaring what you will and will not do, ie what you take responsibility for and what you need from others. Contracting also promotes development – given the right information, people can work through their own problems to come to a satisfactory solution. Given the right support and level of challenge and the ‘safety’ of a clear contract they can learn and develop and achieve more than they realised.

Contracting provides a framework for all parties involved to get things out into the open, responsibilities, practical issues and fears and concerns, thereby acting as a foundation for transparent communication, and allows for mutual support, growth and development.

Steiner (1974) thinks of psychological contracts along the same lines as legal contracts and proposes that they should be based on four requirements of mutual consent, consideration, competency and lawful intent.

MUTUAL CONSENT	An offer and acceptance, both parties engaging in the process fully and equally
CONSIDERATION	Each stakeholder adds something of value to the contract. Often money, but sometimes offer of services in return
COMPETENCY	Each party has the competence to be involved in the contract
LAWFUL INTENT	The project must not be in violation of the law

At a fundamental level, psychological contracting is a process of communication which goes beyond what is simply stated between parties. There are five elements to consider - Practical, Professional, Purpose, Place and Psychological.

Practical

This element covers all the practical and procedural details such as dates, timings, materials and resources. These details range from the uncomplicated and simple and may be given verbally to the more complex for larger more wide-ranging projects.

This level may seem straight forward but often details are not discussed, assumptions are made, people forget what they agreed to do etc.

Professional

This element is about competence, qualifications and conduct. What are the goals and how will progress be measured? What does professional conduct look like in this organisation? It is also about methods of working, role responsibilities and clarity about these requirements.

Each party to the contract needs to have the right level of competence in order to carry out their responsibilities. This may involve acquiring a level of qualification or experience.

Paying attention to ethical codes of conduct and behaviour is a facet of this element – inclusivity, respecting diverse frames of reference, providing protection from physical and psychological harm.

Purpose

This element is about the aims of the team and or project. Why are we here? What are our goals? It is useful to discuss overall aims, and milestone aims along the way. How will we know when we have been successful?

Place

How do you place the relationship, what is the context? Is it personal, professional, or both (as when a mental health professional employed by the organisation supports a leader to manage his or her stress levels)? What is the context of the relationship? Leader to team member? Peer to peer? Junior leader to senior leader? Life partners? Life partners working together in an organisational setting? Family business? University? Corporate life etc?

The organisational context carries levels of hierarchy and authority, and along with these are real and perceived levels of positional power. The political dynamics of an organisation must be taken into account – the context of this contract has constraints in terms of cultural behaviour of the organisation. How easy is it for a junior member to speak with a senior leader on a matter of concern? At a company-wide meeting, is it okay to speak up and ask questions, or would this behaviour be frowned upon? What do the political dynamics look like?

The context is important – understanding that certain behaviours will get me promoted, and certain other behaviours will keep me stuck or even pushed out – these dynamics are sometimes very difficult to navigate. The unwritten nature of these aspects of organisational life require conscious awareness and an ability to bring matters to the surface where appropriate and relevant.

Psychological

In many respects, this particular element underpins the others. It is the underlying dynamic that drives behaviour – often unconsciously.

The contextual, practical and professional elements could be considered to be at the social level. We are consciously aware of being in an organisation for instance, even if we do not fully account for the context. We may when prompted remember certain aspects of the practical and professional elements.

The Psychological element holds matters which are at varying degrees of conscious awareness. Unless we spend time regularly reflecting on our internal dialogue and behaviours (maybe asking for feedback as a starting point), we may struggle to bring certain factors into the open. Many people are very unself-aware – they go through life without understanding the unconscious drivers of their behaviour.

So some aspects may be just beneath conscious awareness, and others quite a lot deeper. A leader might be persuaded to give out more praise, when highlighted to them that the team do not know where they stand with him or her. Much deeper at the psychological level would be the leader who sets a challenging team member up to fail by delegating a

task and making themselves unavailable. This scenario would result in the leader being able to tell themselves (and maybe their boss too ...) that the team member is not up to the job and needs to be fired.

Also at this level are areas of self-doubt, lack of confidence, lack of trust and the psychological processes of transference and counter-transference, as discussed elsewhere.

The aim here is to be conscious of what might be happening at the psychological level of the contract when working with other parties. Being able to check in with yourself to understand feelings and emotions and the physical manifestations that we might learn to spot to alert us to questions we need to ask, truths we need to lay on the table, feelings to share or to check out with others.

If we do not clarify (even if only to ourselves to start with) what is going on at the psychological level, it may be that the relationship does not develop well or in fact deteriorates.

A main goal of TA is for the attainment of complete autonomy over our thinking, beliefs and actions. Being authentic and able to express our own views and behave in ways towards ourselves and others which are a true response to the 'here-and-now' reality of our situation. Not letting others 'pull our strings', not dancing to an out of date tune conditioned into us by parents, primary care-givers or other powerful people in our young lives.

Within relationships both professional and personal at the psychological level, being able to be authentic, to build and maintain trust, to feel accounted for as we account for others in a balanced way allows for strong, rewarding relationships.

Knowing what is going on for us at this level lets us understand how we might get in our own way – holding beliefs which lead to behaviours which hold us in a pattern of unsatisfactory ways of being with other people. Through clear contracting, speaking up for ourselves and accounting for others we can gain confidence, self-respect and the prospect of resilient relationships.

Multi-Party Contracting

As we have seen, in organisational work there are many parties and stakeholders. The communications processes go far beyond the bi-lateral – they are multi-lateral, multi-party in their nature. Nervousness, low-morale, anxiety at the psychological level can spread across what Cozolino (2010) called the 'social synapse' really quickly. The other side of this coin is for leaders to recognise the powerful ripple-effect of clear contracting which can bring about positive processes and change. F. anita English (1975) recognised that there are often more than two parties involved and diagrams the process as a triangle. She wanted to show that all parties needed to be accounted for within the contract, encompassing all the elements as discussed above if the project was to have maximum success.

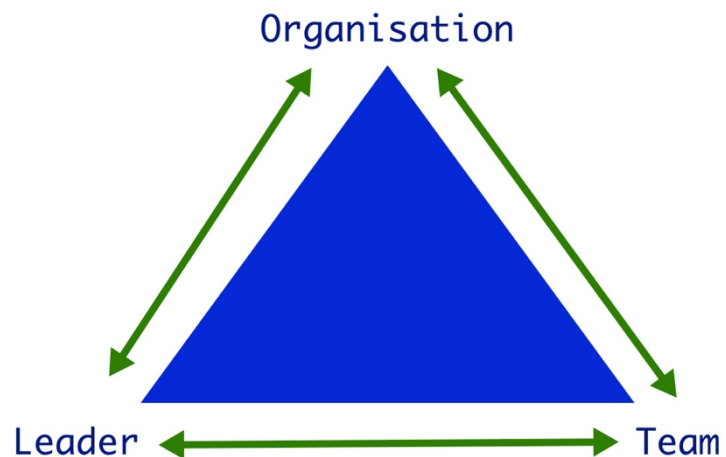
In an organisational context, we can label the diagram with the parties.

The organisation has certain requirements, laid out in Job Descriptions, Standard Operating Procedures, policies etc which detail the responsibilities of the leader and the individual team members.

In return for working to these standards, achieving goals and overall success, the organisation gives payment, status, training and development opportunities and a place and a context in which its staff can be sociable, form friendships and receive other benefits such as holiday entitlements etc. All these elements and more form part of the contract of employment.

The leader needs to contract clearly with the individuals in the team, encompassing all the elements as described above. Clarity around task, responsibilities, resources, boundaries, timings (Practical and Professional) as well as the relationship building aspects such as asking how people are feeling, encouraging questions, being generally approachable, showing compassion etc (Psychological element) – all these areas need to be fully accounted, and not just once, but regularly, systematically and with consistency.

Three Cornered Contract



Psychological Distance

Micholt (1992) explored the problems that can arise when there is not equidistance between the parties in a contract. When for instance two out of three stakeholders are close, and the third party is left out in the cold. For example, they may not be given the information they need in order to complete their part of the project effectively. In effect, the practical level of the contract is lacking as they do not have the relevant details, the professional level of the contract is lacking because not all parties are accounted for equally, and the psychological level of the contract is lacking because mistrust is allowed to develop.

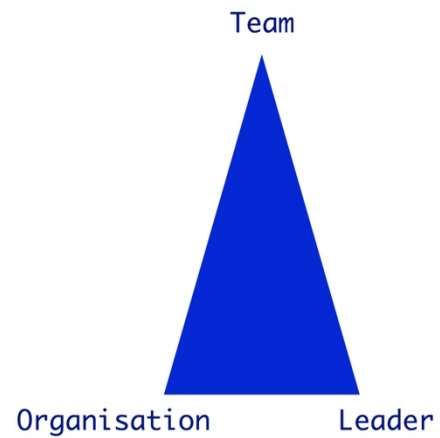
Leaving people out of the decision-making process can have far-reaching consequences. At the psychological level of the contract, doubt and mistrust undermine confidence and effectiveness. Time gets wasted in psychological games, stress levels soar, anxiety develops. Mistakes and even accidents may occur. Absentee rates go up, competent staff may take their experience to a competitor.

Human beings need to be in contact, they flourish in situations where they are 'seen' and valued. When they are accounted for, included, asked their opinion, given positive strokes for work well-done they thrive and give of their best.

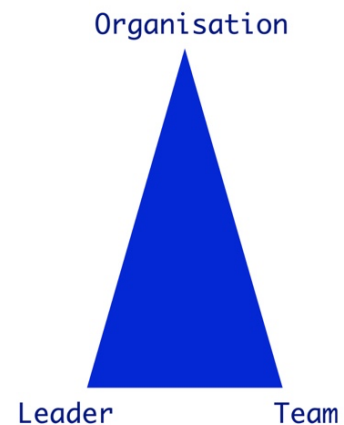
When the psychological distance is such that a party or parties are excluded, problems will arise. We can diagram this as a distortion of the equilateral triangle as shown below.

If the organisation and the leader are close, but the team are kept in the dark about matters, members of the team are likely to agitate and cause problems.

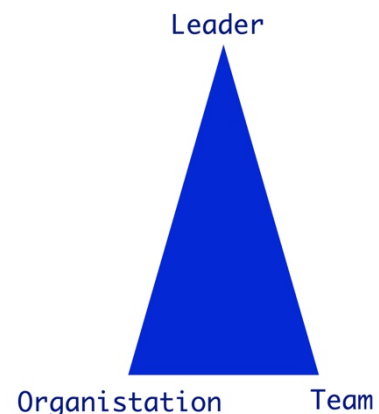
At the psychological level they may feel under-valued, not trusted with information, perhaps infantilised.



If the organisation is left out on a limb, with the leader and team close, this can also lead to problems. It may be that leader and team ignore Health and Safety regulations for instance, and keep it from the 'bigger' boss. Or that leader and team cover-up a mistake and hope that senior leadership do not get to hear about it.



A less common situation of the organisation and the team leaving the leader estranged can be described as when the leader of the team is under-mined by the more senior leader. So team members do not take matters to their team leader, but to that team leader's manager. The leader is left in the dark in this situation.



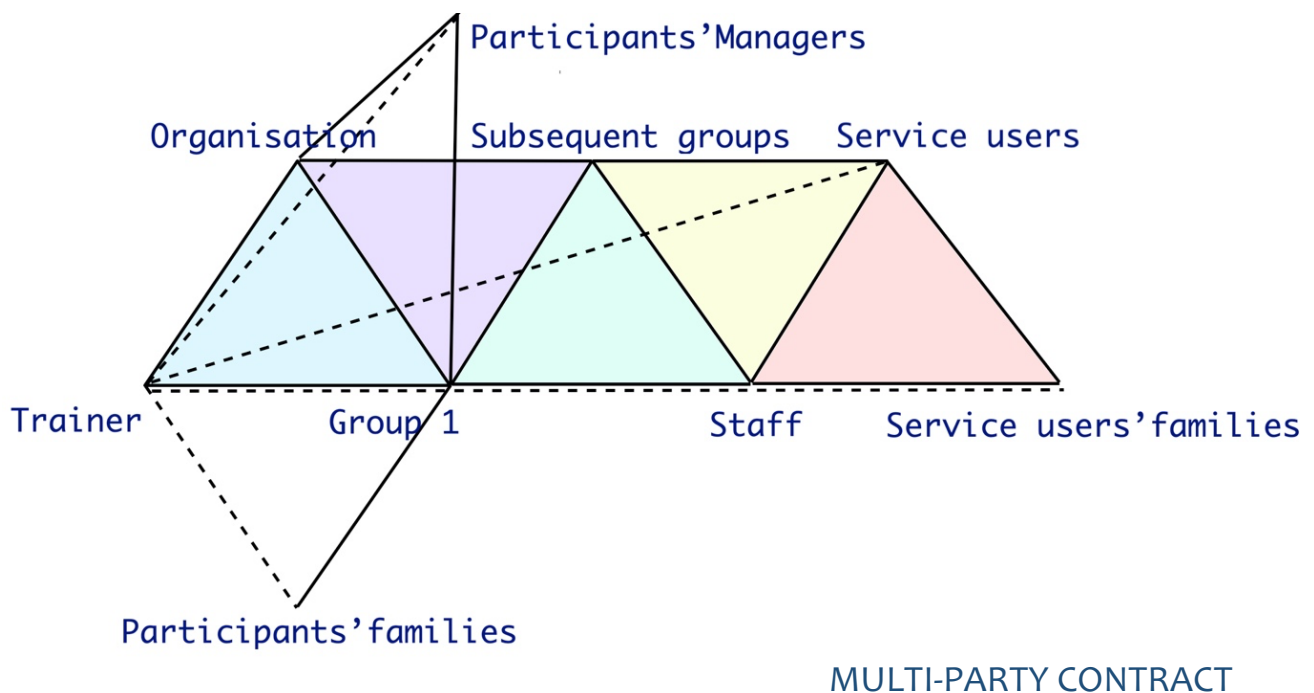
So, the triangle needs to be an equilateral one – all parties need to know enough information, and to have the requisite skills and experience in order to be successful. Each individual (and especially the leaders in an organisation) need to be clear, accounting for all the levels in the contract:

- Practical
- Professional
- Purpose
- Place (context)
- Psychological

An on-going dialogue with team members, an approachable style of leadership and a system for managing performance will go a long way to ensuring clear communication and to build robust relationships.

Within the organisational context, there will be more than just three parties involved in the system. There will be multi-party, multi-level contracting throughout, forming a web of processes and stakeholders. Clarity at all the corners of the many different triangles, at all the levels is important. The complexities of this are not difficult to see, but if leaders set an example of clear contracting, challenging in assertive ways when others are not doing the same, then a positive example can be set.

An example of multi-party, multi-level contracting can be seen in the diagram below.



The purpose of this contract is a leadership programme comprising ten groups. The stakeholders are:

TRAINER	A free-lance training consultant, who first contracts with the appropriate representative of the organisation, but goes on to contract with other parties as the contract develops
CARE COMPANY	The organisation for whom the project is being managed. Senior leaders may not be in the room with each group, but the training is being paid for by the organisation, and they have a vested interest in the outcomes.
GROUP 1	The first group of participants.
PARTICIPANTS' FAMILY	The trainer needs to be aware that the family may be impacted by the participant being away from home, and also by the learning they experience. The trainer will probably never meet the families – so this relationship is depicted by a dotted line.
SUBSEQUENT GROUPS	The trainer will be keeping in mind subsequent groups, making evaluative notes to feed into the delivery for those groups.
PARTICIPANTS' MANAGERS	The managers of those attending need to be aware of the event, and it is helpful if they prepare the team member for attendance. The trainer may not have the luxury of meeting the manager, so once again the relationship is shown by a dotted line. If someone is required to stand-in for the participant, to conduct their work while they attend the workshop, the manager and the participant may need to contract with that member of staff and they would be shown as another stakeholder in the process.
OTHER STAFF	Other staff members may not attend the programme but may be impacted by those who do. The trainer will need to make the participants aware and to prepare them for 're-entry' back into their work role.
SERVICE USERS	In a care company, there are people who use the services and who will be impacted by the participants attendance. Shown by a dotted line, as the trainer is unlikely to have an opportunity to meet them.
SERVICE USERS' FAMILY	Family members may also be impacted to a greater or lesser degree. Also shown by a dotted line in relation to the trainer.

From this example of just one project involving nine stakeholders the complexity of organisational communications can be seen. Each party needs information and clarity on the five levels:

PRACTICAL	Details about cost, venue, dates and times, cancellation fees etc
PROFESSIONAL	What does professional conduct look like for all parties concerned?
PURPOSE	What are we here for? What is the goal?
PLACE	Context – for this project the context is organisational leadership
PSYCHOLOGICAL	<p>The training consultant (the temporary leader of the group) will need to offer information to allay concerns at the psychological level. S/he will need to ask questions, to build up trust etc. Participants may not have been briefed by their manager – what are their concerns or fears about their attendance? Some may think they are being assessed and will have to be careful about what they say. If this not the case, it needs to be stated otherwise the learning for the individual will be impacted in a negative way.</p> <p>If the participant worries that they will be picked on or put on the spot by the trainer, this will likewise have a detrimental affect. If the participant has personal responsibilities, a need to leave early etc they may need to be encouraged to speak up about it.</p> <p>There may be concerns about confidentiality – participants may refrain from asking questions or making contributions in case their manager might get to hear about it.</p>

Leaders need to be aware of these dynamics, so that they can take responsibility for contracting clearly with their team, and their peers. With some understanding of the contracting process, they can prevent problems from happening, manage boundary issues between teams and also rectify problems and mistakes more quickly and in a more straightforward manner. Realising that a party has not been fully informed, or that their concerns have been ignored allows for appropriate action.

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