Gestalt: To Gestalt or Not to Gestalt, That is the Question

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If you are involved in a changing workplace — and especially if you are the cause of the change — gestalt is a term you might want to learn. In psychology, gestalt is a theory that says human beings are always in search of order in their mind. The idea is that the human mind cannot hold two conflicting beliefs at the same time. People feel out of order when the beliefs in their mind don’t match. So what does this have to do with business, or with private equity investment? Let’s take a look.

Why Should I Care About Gestalt?

When people feel out of order, they need to resolve the conflict by putting things back into order. What order? The way it used to be, the way it is supposed to be. Take, for example, a picture hanging on a wall. If the picture is tilted, with one corner lower than the other, most of us would want to straighten it back. Back to what? Most would answer, back to the way it is supposed to be: level. The belief we hold in our minds is that a picture should be level. If it isn’t level, we feel driven to straighten it. That drive is strong enough to create the energy to get up out of our chair and go fix it. The same thing happens when leaders change what is normal for employees in the work environment, whether through a new strategy, process, technology or, more dramatic yet, new ownership. Like the off-kilter picture, your employees will want to ‘straighten’ their environment back to the way it was. When leaders try to change the ‘normal’ order of things, employees have a strong tendency to resist the change.

Gestalt & Resistance to Change

A significant barrier to growth or change is people-resistance. This is the consequence of the psychological theory I’m describing as gestalt, which says that human beings are always in search of order, of what is normal for them. I once asked a group of CEOs, “What do you know for sure?” The group came up with three answers:

- Change is constant
- Resistance to change is equally constant
- CEOs cannot always control the changes coming at them, but they can help their people become more adaptable or less resistant to change.
This group of business leaders had the advantage of knowing something about the psychology of change. And they felt that knowing how to address organizational change could potentially become a strategic advantage. I often instruct my clients that building a culture of adaptability includes creating a culture that is actually comfortable being uncomfortable. Being in gestalt.

**Gestalt & Organizational Culture**

Whether you are leading an existing company trying to grow, change or transform, resistance is a factor you deal with regularly. When you are in a merger transaction or acquiring a company, this resistance is even stronger, largely because there is an increase in the level of fear and uncertainty among employees. Just mention take-over or merger and most employees’ imaginations go to the dark side. They tighten up. They feel out of order and, if you’re not careful, they spend energy on finding ways to put their picture back to the way it’s supposed to be. Like individuals, groups can act collectively to resist change as well. A group’s normals can either help or hold back organizational performance. Individuals have normals that are made up of their habits, attitudes, beliefs and expectations. The collective normal adds up to something we talk about regularly—organizational culture. Organizational performance is affected by many factors: strategy, leadership, financial management, service, product and process. However, a big part of performance is determined by the state of the organizational culture. If you throw your people out of order, it can cloud everything else.

**Making the Invisible Visible**

You have heard that culture matters. But in an acquisition, it really matters. Lou Tice, founder of The Pacific Institute®, defines culture as an intense, invisible force that exists to perpetuate itself. If you are evaluating a company for acquisition, you need to evaluate the culture as well. Traditional merger analysis is still important, but I would argue that if you are not looking at culture, you are missing a significant indicator of success. You need to make the invisible visible. The good news is that there are proven, effective processes to determine whether your organization or an acquisition prospect’s culture is adaptable to change. If the organization you’re looking at proves to be relatively adaptable, you are fortunate. Of equal importance is how to address what you find and advance that culture’s adaptability. How do you ensure it remains that way through the merger process or, if it is not adaptable, how do you help it become so? For over 40 years, The Pacific Institute® has been applying cognitive principles, of which gestalt is one, to help companies transform their culture and turn potential into performance. We not only determine organizational adaptability, we provide applied psychological education and coaching to help leaders, investors and organizations successfully manage the transformational process. So to gestalt or not to gestalt? Change or not change? Move towards the future or be drawn back to the way it used to be? Be successful or not successful? The tools and the business practices exist to help you transition to the way it’s supposed to be — an adaptable, high-performance, constructive culture.