



# Competition as War: Towards a socio-analysis of war in and among corporations

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"War is now placed  
Where War belongs  
Among the trades and artisans."

Herman Melville

Despite the daily reality of war in the media – and indeed in many people's political and social lives – it would seem, that it is not considered part of the business world, organisations or the world built around them. We are consistently led to believe that the economy of war and warfare refers to the gains derived from the production of war equipment, the maintenance of military forces (both in times of war and peace), and the repair work and reconstruction necessary after battle is done.

The absence of bloodshed or casualties in business organisations invites us to assume that the frequent reference made to war is merely metaphorical. In organisation or management theory it is seldom acknowledged that extreme violence, sadism, pain and loss – experiences and dynamics characteristic of every war – are typical of the contemporary business world. It has become almost impossible to unveil the reality of business enterprises hidden behind the rhetoric of free markets and unrestricted competition typical of contemporary neo-liberalism.

This paper attempts to contribute towards an understanding of

capitalist competition as ongoing warfare in and among corporations. The psychotic dimension of war, i.e., the paranoid alienated elaboration of mourning, finds its expression by unrealistically projecting into others the cause of the loss of the love object or its destruction. This line of thought will be pursued by considering Volkswagen, one of Germany's leading car manufacturers, as a case example. Founded during the Third Reich, Volkswagen provides convincing evidence that its original support for a megalomaniac military mobilization still has an effect on the micro-politics of the corporation and its market activities today. Converted to serve the peaceful economy of post-war Europe, economic warfare has remained a constituent dynamic of the corporation's ongoing attempt to lead world markets. My hypothesis is that similar dynamics are found throughout the automobile industry and have a major impact on the business strategies of many, if not most, corporations in their desperate longing to gain or maintain a predominant role as global players.

### *Introduction*

It sometimes seems that we in the (so-called) Western world have become so used to the experience of peace, which has now lasted for more than half a century, that we assume that war and the tragedy it brings are experiences only others have to go through. Such others may be those 'poor' nations, for example, recently visited by and still suffering the consequences of military conflict (Bosnia, Kosovo, the Gulf region and several African states, are a few of the current victims). True to the ancient saying that you are to count yourself lucky if the *other* is met by the arrow, we, survivors and unaffected, are not very concerned about the killed or injured.

Furthermore, it would seem that the displacement of war and the destruction, suffering, despair and death it causes, serves to nurture the double illusion that we in the 'civilized' world are not only living in a war-free zone, but are generally untouched by the industry of death. Although explicit references to war and warfare are common in the large-scale international corporations and in the battles in increasingly globalized markets, the apparent brutality which competition demands and enforces is invariably brushed aside by assurances that the references to war are

meant exclusively in a metaphoric sense. Resorting to the metaphor is socially permissible by virtue of an apparent absence of bloodshed or casualties in action.

It is also striking that in comparison to the almost archetypal importance of warfare as a theme in literature (mythology, fiction and drama) throughout the ages (Aichinger 1975, p. VII), it is either nonexistent or merely metaphorical in contemporary writing on management and organisation. Insofar as it is taken for granted that business is a game of monopoly, the Wall Street credo that 'greed is good' and 'market equals war' become significant expressions of the predominant rhetoric and, presumably, of the predominant belief system which accompanies it (cf. McDowell 1998).

There is enough evidence to indicate that our daily exposure to warfare and its victims in the media has led to insensitivity to the violence, sadism, pain and loss entailed in war. However, it seems to me that the use of war metaphors in organisations also confirms and encourages the displacement of the underlying cruelty, violence and annihilation in the broader society. From a psychoanalytic perspective, the common reference to war in the business world and its competitive nature appear in a different light. The metaphorical reference to war in contemporary business and economics can be interpreted as a euphemism which serves to deny and to hide the actual experience of, and the unconscious phantasies about, the brutality with which the battles of life and death in economic competition are actually fought. For most of us, this interpretation is hard or even impossible to bear, regardless of whether we perceive ourselves as actors or as victims in the (battle)field.

Assuming that many contemporary battles fought in the name of economic competition are actually based on unconscious dynamics of war, this attempt at a deeper understanding uses the following working hypothesis. This is, that the metaphor of war does not simply refer to quarrels for scarce resources, customers, the maximization of profits, or dominance in world markets. I would like to expose the euphemistic metaphor by postulating that it is an attempt to veil both the desire for and the fear of real destruction and annihilation. To regard competition per se as war may at first sight seem to be exaggeration. Nonetheless, such

descriptions of competition serve to disguise the cynical view, held by chief rationalizers and enforcers of violence, that anything and anyone can be sacrificed for the sake of a corporation's competitiveness and survival (Stein 1997a, p. 246; 1995, 1997b, 1998). Contrary to the widespread assumption of today's neo-liberalism that the battles fought in (global) markets are primarily an expression of economic rationality and interests which ultimately enhance the wealth of the world, a psychoanalytic view of war offers a different set of images.

The following thoughts assume that because contemporary enterprises, particularly large-scale corporations, are unable to acknowledge their own destructiveness to themselves or their competitors, they are left with no other choice than to perpetuate and displace this destructiveness into endless warfare against enemies whom they themselves create and sustain. To the extent that the responsibility and guilt for this destructiveness is denied by corporations the actual experience of destruction and annihilation can only be explained as caused by the environment, i.e., by competitors or by the generally unavoidable brutality of business and its markets. This kind of displacement of guilt can, as Fornari (1975) suggested, be interpreted as a perverse or alienated elaboration of mourning. Instead of acknowledging guilt for the destruction and love for what has been lost, organisations defend themselves against guilt and loss by resorting to paranoid mechanisms. As the destruction is said to have been caused by an enemy, it is the enemy, the actual or potential attacker, who becomes, through a process of projection, the object of hate and represents the unacknowledged guilt of those who experience attack or fear being attacked. Inauthentic elaboration of mourning of this kind will often reflect both an enterprise's or a corporation's current denial of destructiveness, its unacknowledged guilt from the past, its time of origin and its founding myths. Though the following reflections are intended to make sense of my own limited experience with a particular company, I believe that the insights gained from a socio-analysis of this case (Bain, 1999; Sievers, 1999c, 2000) will have more far-reaching implications both for the industry in which this company operates and for most contemporary corporations.

## *War and the corporation*

The following thoughts have two points of departure: (i) my ongoing concern for a better understanding and more adequate conceptualization of rational madness in organisations (Sievers 1990, 1994, 1995, 1996, 1999a/c), and (ii) an attempt on my own behalf to put a perspective on my recent encounters with a major global player in the automobile industry.

In particular, these reflections are the result of recent experience in an international corporation, the Volkswagen Group, which is one of Germany's leading car manufacturers. I have been working there with some managers in organisational role analysis (Reed 1976; Beumer & Sievers, 2000) for some time now. On the occasion of a recent visit to the headquarters and main plant at Wolfsburg, I felt I was being somehow treated as an unfriendly intruder by security staff at the company's gates. My host interceded, dropping the spontaneous remark that the people at the entrance still represented the spirit of the SS (the '*Schutz-Staffel*', i.e., the 'protective squadron') who more than half a century ago controlled the plant's boundaries with the outer world (Nelson 1966, p. 72). Later, in her office, a garden gnome which was carefully poised on her desk with a dagger in its back brought us back to the company's early history and the obviously still virulent dynamics of warfare. My host told me that installations which had apparently been used for torture were found recently during reconstruction work in the basement of an old building not far from where we sat. They had been used to destroy the thoughts and identities of forced labor during World War II (Amati 1987). The torture instruments were discovered during construction work on the new "auto-city", Volkswagen's contribution to the world exhibition 'Expo 2000'. On my next visit to the plant, this lady's office had been temporarily moved into one of the old huts in which the foreign workers employed as forced labor during the company's early history are said to have lived.

These episodes and the specific company history confront the sensitive visitor almost inescapably with the megalomaniac part of the enterprise's founding myth (McWhinney & Batista 1988), which was itself an expression of the Nazi ideology. The encounter made me deeply aware

of what might actually be hidden behind the warfare metaphor so often used in organisational practice and theory. It soon became obvious to me that this particular company is a prominent and probably unique example for the study of the inter-relatedness of competition and war. The company has been heavily involved for decades in the war for dominance of the global automobile market. Its uniqueness lies in the specific historical-political circumstances of its founding during the Third Reich. The corporation Volkswagen provides convincing evidence of how its original support for a megalomaniac military mobilization still has an effect on the micro-politics of the corporation and its market activities today. Though the corporation was converted to serve the peaceful economy of Europe after the war, economic warfare has remained a dynamic of the corporation's ongoing attempt to dominate world markets.

Unlike countless other German corporations which also cooperated with the Nazi Regime and profited as industrialists of World War II, Volkswagen was explicitly a 'wanted child' of the Third Reich, and of Hitler himself. The firm, founded in the heyday of the Third Reich (Shirer 1961, p. 258), explicitly served Hitler's grandiosity. The Volkswagen, 'the beetle' as it came to be known soon after the War, was Hitler's 'best work' and his 'favorite thought'. The project was from its very beginning considered to be unparalleled 'in the history of mankind' and was not only intended to surpass Ford's plants in Michigan (Nelson 1966, pp. 81, 98, 104), but to soon command leadership in the world's markets (Roth 1990, p. 82). The promise of creating the capacity for private transport for the mass of German workers was intended to increase mobility and strike power in preparation for the planned attack and occupation of eastern Europe. Though the promise of private mass-transportation did not actually come true till the end of the War (Heidermann 1958), everything that was produced in the plant of the newly founded town of Wolfsburg was used for war supplies till 1945 (Mayer-Stein 1993).

As shown by Mommsen and Grieger (1996) the company also employed a large number of foreigners up to the end of World War II: first, in the period up to 1939, the equivalent of West Germany's later 'guest workers', then, from the beginning of the War, prisoners of war, and later, in 1944/45, the inmates of concentration camps. Although the employment

of prisoners of war and concentration camp inmates was widely practiced, particularly in enterprises serving the arms industry and controlled by the Nazi regime, and, although almost universally accepted at the time, the employment of these people as a major part of the workforce had a special significance and impact on Volkswagen, which was founded in 1938 and only started production at the beginning of the Second World War.

The *Zwangsarbeiter* (forced laborers) were treated like animals and were subjected to unimaginable horror, subjugation, deprivation, torture and murder. The extremely high death rate of the *Zwangsarbeiter* directly reflected implementation of the racist concept of 'extermination by labor' propagated by Hitler (Kaiser & Knorn 1966, pp. 137-8; cf. Brückner 1998). Grieger (1998, p. 55), for example, describes the exploitation of concentration camp workers at Volkswagen as 'scrapping':

Under the conditions of the National Socialist system, in which restricting factors went astray or remained ineffective, the company's personnel policy slipped from the exploitation of forced labor to downright technocratic barbarity. The dehumanization of foreign serfs into a workforce which was basically treated as a mass of inanimate production resources brought an increasing segregation of labor and reproduction in its wake. The return of death into the factory appears to me as possibly the most worrying aspect of the brutalization of industrial work relations (Grieger, 1998, pp. 56-7).

The re-established company started to produce and to flourish in 1948, a time when not only its management and employees, but also the German people in general, demonstrated an extreme inability, individually and collectively, to mourn the loss of their former love object represented by the Third Reich and Adolf Hitler (Mitscherlich & Mitscherlich 1967/1975). On the collective level, and this particular company was no exception, a more mature depressive elaboration of mourning was lacking, and it may be assumed that during the period of industrial reconstruction and economic recovery the underlying guilt was primarily dealt with in a manic mode. The impressive export figures for the beetle and the extension of production facilities at Wolfsburg, including new plants, seem to be evidence for this assumption. Like the history of German recovery in general, Volkswagen's reconstruction from the ruins was guided by a total break with the past, expressed poignantly, early in 1949 by Nordhoff, the first top executive of the company after the War (from 1948 to 1968):

We have come to the end of looking backwards, we have a target in front of us, we do not dream of the past, we are working for the future (Nordhoff 1992, p. 92).

The logic of Nordhoff's famous dictum that the 'future only begins when one has cut off all relationship to a lost past' (Nelson 1966, p. 10) reflected the situation of most German entrepreneurs of the time. These people, together with a heavily reduced, starving and disoriented workforce, had to face a new beginning and the rebuilding of severely damaged production facilities and markets. The despair inherent in these opinions is at the same time an expression of the manic dynamic with which the enormous loss, above all the loss of a past, was denied. The decisive and explicit encouragement to forget the past and to keep from awareness the actual loss incurred is not only an attempt at deadening memory, but (above all) a defence against mourning. On the social and political level, Nordhoff's call to renounce the lost past can be understood as an encouragement of social amnesia and anesthesia, a demand to surrender memory and emotion relating to the past.

Despite a general realization among the workforce that the political megalomania of the Third Reich and the Nazi regime had been an illusion that had ended in disaster and despair, Nordhoff succeeded in utilizing the immense technical, organisational and economic challenge of rebuilding the plant, along with starting up and increasing car production, to reactivate the company's founding myth. This unconscious link to the company's past gigantism quickly became a substitute for meaning among Volkswagen's entire workforce.

Heinrich Nordhoff played an eminent role in the reconstruction and ensuing prosperity which persisted into the sixties. This was comparable only to the influence of Ferdinand Porsche during Volkswagen's founding phase and after the War until his death in 1951. Until the end of the War, Nordhoff had previously been plant manager at Opel's truck factory, a former subsidiary of General Motors, which before World War II had been the biggest car manufacturer in Germany and Europe (Hauser 1937, p. 193).

The conviction with which Nordhoff addressed the employees' assembly time and time again in the early years reads like a forecast of the

coming decades. That is, belief in the company, in its success and technology, intensified the longing for omnipotence and immortality in the desperate attempt to overcome

the initiated and lost War, the destruction of our cities, ... the death of millions of men in their best years, .. the loss of tens of thousands of valuable machines and factories, of unimaginable treasures of raw materials, the destruction of our currency and savings, .. the emaciation of our fields and the terrible tearing apart of our fatherland into large and small scraps of which nobody knows how they will ever come together again (Nordhoff 1992, p. 64).

The desire to lead 'a totally hopeless and despairing workforce which was facing the drift of the plant into an inevitable catastrophe' (ibid., p. 112) overwhelmed any awareness of guilt and shame for the unimaginable destruction Nordhoff and other employees had been involved in during the Third Reich and the War, i.e., the destruction of foreign cities and factories, and the death of millions of men, women, and children who were either regarded as the enemy, or simply as subhuman. 'Suffering of the other side is seldom honored' (Volkan, 1988, p. 172).

In contrast to the more recent consciousness at Volkswagen, which has gradually allowed acknowledgement of the role the company played during the War, Nordhoff was never able to refer to it in his countless announcements. Referring to the demand for reparation payments for the time before the new beginning, in 1953 he even expressed the conviction that Volkswagen could reject without reservation responsibility for the 'corpse, exhumed from the past' (Nordhoff 1992, p. 159). In the economic environment which Volkswagen faced after the War, the previous horror and devastation appeared almost meaningless and was forgotten. The lost War was readily turned into a new challenge of aggressiveness and of victories yet to be won. As Nordhoff (ibid., p. 190) stated in 1956:

The battle for world markets has only just begun, it is fought with relentless violence, costing all our energy - because to maintain our position in these contested markets is for all of us a question of survival which cannot be taken seriously enough.

The *tabula rasa* which Nordhoff had attempted to create by the ignorance of the past thus was turned into a 'gameboard for the next campaign of the will for power' (Wollschläger 1998).

Whether he was aware of it or not, Nordhoff's 'new' rhetoric was exactly the same rhetoric that characterized Volkswagen before and during the War. From its very beginning, the new car was declared to be a solution to the 'peaceful' problems of reducing unemployment and answering the transport needs of the masses. This was already expressed in Hitler's original choice of a name for the car: '*Kraft-durch-Freude-Wagen*' (the 'strength through joy car'). And as Hitler had already postulated at the 1937 automobile exhibition, motorization of the people, again, was proof of a free economy's right to exist (Holzapfel 1968, p. 30).

Despite Nordhoff's repeated assertion that the destruction of the Volkswagen plant had been caused exclusively by the irresponsibility of the Nazi government, there is little doubt that (like countless other German managers and entrepreneurs) at Opel during the War, he had acted in a purely technocratic sense, allowing ideologically motivated prejudices to carry less weight than the achievement of production targets set by the political leadership (Streit 1978, p. 393; cf. Virilio & Lotringer 1984, p. 24). That Nordhoff in his former top executive role was actively involved and affected by the manic dynamic of attempting to gain final victory in a war which, in its last phase, turned into total loss and disaster further reinforces the hypothesis that during the time of reconstruction and new beginning at Volkswagen after the War, he continued to enact the former manic dynamic. And as Volkswagen's former management, in particular Ferdinand Porsche and his son-in-law Anton Piech, were equally active accomplices of the previous regime (Mommensen 1998, p. 51), the breeding-ground and the spirit of this dynamic were still there. The shift from a war economy to one of peace which Nordhoff (1992, pp. 46-7) propagated in his very first speech to the workforce at Volkswagen on January 5th, 1948, encouraged perpetuation of the still manic defences against post-war anxieties and despair.

Though there is increasing agreement that Nordhoff's leadership style at Volkswagen was that of a complete autocrat, whose personal opinion and lonely decisions were always regarded and accepted as the only authority, it is obviously unsatisfactory to explain his leadership role exclusively in terms of personal character traits. Nordhoff's leadership was not just largely compatible with his predecessor's, Ferdinand Porsche

(Porsche & Bentley 1976, p. 175; cf. Mommsen 1998, p. 49). In view of the fact that every public authority was utterly compromised in Germany after the War (Mitscherlich & Mitscherlich 1967, p. 22) Nordhoff must have, right from the very beginning in 1948, represented an indescribably intense hope for Volkswagen's desperate workforce. His previous directorship of Germany's largest and most efficient truck plant in Brandenburg and his membership on Opel's Board were irrefutable proof that he represented excellence in the technical and economic aspects of the car business.

In so far as his leadership became a welcome substitute for the loss of the *Gröfaz* (*Größter Feldherr aller Zeiten* – greatest commander of all times) and compensated for the trauma which went along with that loss, Nordhoff as a new leader figure not only contributed to the general defence against guilt, shame and anxiety (Mitscherlich & Mitscherlich 1967, p. 34) but replaced the lost phantasized ego-ideal which Hitler had represented. The new identification which he offered as a leader must have greatly helped to relieve the suffering of his subordinates' egos, narcissistically identified as they still were with their failed leader (*ibid.*, p. 79). In face of the all too evident existential collapse caused by war, and the despair, helplessness and hopelessness which accompanied it, Nordhoff must have appeared as a new and strong father and hero figure who stood for a worthwhile future and resurrection. He was somewhat like a phoenix from the ashes (cf. Elias 1989, p. 522).

Interpretation of Volkswagen's early history and of Nordhoff's professional career from today's perspective and at a distance of some fifty years allows us to postulate that both the company itself and its top executive (who to a large degree represented the company's entire management) were caught in a collusion dedicated to the reconstruction of the plant and the company and to the creation of a new, prosperous future, at the expense of a major splitting off and negation of the past (with all its loss) in order to avoid the inherent feelings of guilt, shame, grief and deprivation. It also seems that the unparalleled reconstruction and subsequent success, in which Nordhoff played a dominant role, further served the purpose of rewriting Volkswagen's early history during the War, reframing the role Ferdinand Porsche played as the company's technical initiator and its first executive manager. It is hardly surprising that the

legends about Porsche and his hagiography after the War were largely shaped, both consciously and unconsciously, by his immediate successor, Nordhoff. We are given the impression that Porsche had been too naive and 'unpolitical' to realize how much he had been deceived and abused by Hitler and his government.



**Laying the founding stone, 1938**

The inability to deny Volkswagen's early past and to make room for a new beginning (and another understanding of the end as the object for this new beginning) was recently expressed symbolically in an almost ironic coincidence. As *Der Spiegel* (36, 1998, p. 19) reports, construction workers found Volkswagen's original founding stone, which had gone missing when the main administration was rebuilt in the fifties. At that time, a clerk of the works had taken the old founding stone (which had been laid by Hitler himself in 1938) home with him and put it in his backyard. After using it as a watering-place for birds for many years, he finally decided to bring it back, and secretly buried it again on the works premises. A burst pipe revealed the secret that the single most significant artifact had been placed underneath the paving-stones of the entrance to the main administration building. Because of the uncertain date of its

replacement, we cannot know whether Nordhoff himself crossed the founding stone on his way to his office, but even if he didn't, all his successors will have done so, thus unconsciously reconfirming the strength of the connection to the lost utopia of the company's past, a past that would seem in this respect to be still quite alive.

The episode of the re-found founding stone and its hiding place also throws further light on the dilemma in which Volkswagen was caught under the directorate of Nordhoff. Whereas, Nordhoff made every effort to dissociate the rebuilt corporation from the politics of Hitler and its early history, he hardly ever missed an opportunity to remind his listeners that the car itself and the Volkswagen auto-works represented and would continue to represent Porsche's genius as an inventor. Though steadily increasing production and sales of the Volkswagen may have encouraged employees and customers to believe that it had only been by accident that the car was originally developed during the Nazi regime, there can be no doubt that the corporation and its management continued the original mobilization of the masses, and that the transition in this respect went very smoothly. All that seemed to be required was to exchange the swastika (former national Volkswagen emblem) for a dove of peace, thus leaving the former spirit of mobilization and the determination to achieve victory totally unaffected.

Given Volkswagen's predominant dynamic of denying a major part of its history, it can be assumed that the re-found founding stone confronts the corporation with quite a dilemma. On the one hand it symbolizes the early beginning of the company, and its explicit intent to take a leading role among its competitors in the automobile industry worldwide. On the other hand, it represents what Bion (1957, 1962) calls a 'bizarre object', revitalizing a persecuting and terrifying history and mobilizing deep psychotic anxieties and reactions. Such reactivation, like psychosis in general,

blocks the historical recovery of the [organisation's] truth. Psychotic time absorbs historical linearity and annihilates reciprocal understandings of consensual reality (Glass 1995, p. 13).

## *Facing the future*

As elaborated here in the case of Volkswagen, the probability is quite high that the insight that contemporary economic war reflects the dynamics of the former War (kept in oblivion) will be ignored and denied.

Warlike competitiveness recently reached a new climax in the business policy pursued by Ferdinand Piech, the present CEO of Volkswagen. With the main competitors on the domestic market - Mercedes-Benz, BMW and Opel - already beaten as far as annual sales are concerned, Volkswagen decided to move into the home ground of the first two manufacturers by entering the luxury sector with the help of Rolls Royce and Bentley. Through its acquisition of the highly prestigious brand names of Lamborghini and Bugatti, Volkswagen made further attempts at repositioning itself and its reputation. The fact that Volkswagen aims to remain among the three or four leading car producers of the world is rationalized (as in most other international markets) by the need for survival. As the recent acquisition of Chrysler by Daimler-Benz all too vividly demonstrates, the increasing trend towards mergers in the automobile industry seems to be less legitimated by rationalization, or even by synergy; growth has become an end in itself in a business in which magnitude and continuous success are all that count (cf. Sievers 1999b, pp. 599 – 605).

It seems that Volkswagen, especially its current top executive, is caught in a further psychotic dynamic as far as its defense against guilt is concerned. In Ferdinand Piech, a grand-son of Ferdinand Porsche, the corporation seems preoccupied by a significant process of splitting. Whereas Hitler claimed political and ideological fatherhood for the company and its products during the Third Reich, Ferdinand Porsche, a genius of an engineer but a political simpleton (Nelson 1966, p. 135), can be regarded as the inventor and the technological father of the Volkswagen.



**Swastica as emblem**

The company's early political history and the ultimate disaster it stands for are still split off as a bad object and almost totally ignored, but the legacy of the good object represented by Ferdinand Porsche is kept alive. This is expressed, for example, in the urgency and persistence with which Piech 'wants to prove both to himself and to the world that he is the only legitimate successor to Ferdinand Porsche' (N.N. 1998, p. 93). It is further maintained through latent participation in the image of Porsche, the world famous sport car producer, in which Piech, a multibillionaire, is said to hold some ten percent of the shares. The splitting finds contemporary symbolic expression in the fact that Piech is widely regarded and apparently regards himself as someone who knows nothing about people, but everything about cars. This technocratic self-image is an expression of orthodox models of strategic management (Colari 1998, p. 295). It strongly suggests an 'inability to tolerate, hold or moderate unacceptable psychic content within himself' (Moses 1990, p. 211), and an extreme lack of awareness about his relatedness to others and about what is projected into him as leader.

From a systemic point of view, it can be assumed that Piech, as the corporation's currently most influential leader, reactivates the psychotic disposition inherent in the corporation since its origin. By creating and responding to an extreme climate of warfare both inside the company and towards its competitors in the markets, he protects it from depressive suffering by paranoid maneuvers. As a journalist recently put it, the distrustful Piech feels permanently surrounded by enemies, he always imagines himself at war – against competitors, the Japanese and, for that matter, anyone else. And there is no fight without winners and losers. As he states himself, 'I intend to be the winner' (N. N. 1998, p. 93). To recognize the military fanaticism of such a position as a defense against impotence (Fornari 1975, p. 231) may be relatively easy for an outside observer.

As much as Volkswagen's founding myth supports Piech's phantasy and desire, it would not have the predominant impact on the corporation's policy and appearance that it currently has, if his longing did not parallel an unconscious desire on the part of the majority of Volkswagen's management and employees. The possibility of identifying

oneself with the most gigantic project in the history of mankind nurtures at least the illusion, if not the conviction, of belonging to the chosen ones, to be more capable and important than the average. The previously held belief in the immortality of the Volkswagen, recently revitalized in the 'New Beetle', has now been assimilated and become an official part of the corporation's public image.

Already in 1948, at the time of Volkswagen's new beginning, Nordhoff (1992, p. 64) told workers that no one could be sure of his position unless he was committed to contributing to the company with his full capacity of performance. Today, Piech confronts his workforce even more unreservedly. As in his previous top executive role with Audi, Piech emphasizes at Volkswagen his conviction that nobody should feel secure anymore, neither in his or her current job, nor in the company as a whole. Though a conviction like this can be readily explained and legitimized in rational terms by reference to the brutal competition currently taking place in the international car market and the enormous overcapacities worldwide (making for a fundamental uncertainty among all car manufacturers as to whether they will be among the survivors of the current producers), the position still cannot hide its defensive reaction against the underlying persecutory and depressive anxieties. As in a military war among nations, the alienated guilt is projected into the competitors, who are regarded and treated often enough as enemies. Thus it is the violent aggressiveness of competitors which leaves Volkswagen with no other choice but to face and maintain a global war.

Thus far, the description of Volkswagen's early history has focused on the impact of the two founders (Hitler and Porsche) and the first and present top executives (Nordhoff and Piech). The reader might by now have gained the impression that I am favoring a kind of Kets de Vriesian (Kets de Vries 1979, 1980, 1990; Kets de Vries & Miller 1984) understanding of organisational psychoanalysis, basing the neurosis of an enterprise primarily on its top executive's neurosis. However, even if Volkswagen proves to be an excellent case to substantiate this perspective, my intention is to emphasize a somewhat different point of view.

I would prefer to focus on the idea that Hitler, Porsche, Nordhoff and Piech acted as protagonists for the predominant thinking at

Volkswagen during several critical phases of its relatively short history over the last six decades. This is contrary to proving a point about the individual personality or character traits of a 'leader' (Stiens 1999). By focussing on these protagonists in role, I am not negating or devaluing their specific individual impact on the enterprise and its development. My main interest, however, is to elaborate the extent to which these protagonists can be understood as 'incarnations' of the ideologies, myths, and the 'spirit' of the broader socio-political historical constellation in Germany (in the context of world markets) and of the 'technology' involved, i.e., the mass production of automobiles. It has often been pointed out that in the case of Volkswagen these two dimensions – the socio-political historical constellation and the technology – have always interfered with one another in the sense that the mass production of Volkswagens has always followed the predominance of war or peace in society.

It would appear that Volkswagen, because of its founding myth (which cannot be separated from Nazi ideology with its inherent will for power and domination of large parts of the world), has ever since been caught, unconsciously or explicitly, in the politics of war. The apparent emphasis on peace and an economy of peace would seem to be primarily, if not exclusively, the continuation of a policy of war using other weapons.

Compared with all other contemporary German car manufacturers founded before the Third Reich and the Second World War, Volkswagen, both in its early history and since the beginning of the 'economic miracle' after 1949, has been caught in and dominated by a spirit of mobilization. As already elaborated above, the Wolfsburg plant was founded in 1938, when the invasion of Czechoslovakia was pending and general mobilization for the Second World War had already begun. Despite Hitler's repeated promise that the Volkswagen was intended to provide transport and freedom (as a luxury) to the masses of German workers, the military cars and equipment produced served as a 'superweapon' to National Socialism (Bastian & Theml 1990, p. 129). Hitler's promise later became reality in the Federal Republic of Germany when Heinrich Nordhoff achieved the general civil mobilization of Volkswagen. Based on the conviction that the reconstruction of Germany would not happen without

a car industry in which Volkswagen played a predominant role, Nordhoff, at his very first address on January 5th, 1948, only a few days after he had taken over the management at Wolfsburg from the British occupying forces, called upon his employees to turn the plant into 'a pace-setter of peace and rebuilding' for Germany and the German economy (Nordhoff 1992, p. 47). He soon revitalized the original ambition of turning Volkswagen into one of the world's leading car manufacturers by achieving first European and later World dominance. The fact that the Volkswagen, which had been promised to the German people by Hitler, invaded the autobahn soon after the end of the War was regarded as evidence of the new beginning in Germany (Bastian & Theml 1990, p. 61). At least for the time being, proof was available that this battle had been won when Volkswagen, still under the direction of Nordhoff, produced the ten millionth car in 1965. It was 'proof of the greatest industrial world-wide success of the post-War period ... [and] the symbol of Germany's new rise to power and influence, unattained at the height of its strike power' (Schenzinger et al. 1969, p. 7).

### *Competition as war*

The guiding hypothesis of these reflections is that contempt for humanity was a major part of Volkswagen's early history, that it was reactivated when the company started anew after World War II, and that it continues to be part of its legacy. In face of the evidence presented here the question may be raised as to why this relatedness never became an issue of broader awareness and public debate within the corporation. This requires further explanation as to why Volkswagen's early history and the continuing impact of its past cannot be publicly acknowledged by the corporation. It can be assumed that the founding myth is unconsciously excluded from and unreachable by the company's way of thinking, and that it cannot for this reason become part of official public discourse. Both literally and metaphorically, the language of contempt, expansionist warfare, annihilation of the enemy and deep-rooted violence at Volkswagen till the end of the Third Reich remains without translation (Biran 1998, p. 96), because the related concepts and emotional experiences of loss, pain and shame have no meaning. The company's early history has

become a "thing-in-itself" (Bion, 1957), largely symbolized by Ferdinand Porsche's beetle. The way the knowledge about this past is dealt with has become an 'unthought known' (Bollas 1987, 1989). The early past and the emotional experience it stands for therefore remain undigested; they build a psychotic core. Because it cannot be openly acknowledged, addressed and reflected upon, this core is enacted by the company's top management in warlike competition.

From this perspective, Nordhoff's early and persevering attempt to commit Volkswagen's employees to an economy of peace (Nordhoff 1992, pp. 46-7) for which 'the export of industrial goods is a matter of life and death' (ibid., p. 70) and the effort to gain and maintain world dominance by his successors can be seen as large-scale lies. These lies are not constructed and maintained by any conscious intent, but rather as a means of avoiding memory of a traumatic early past and the emotional experience of that past. The trauma and tragedy of the past are veiled by the ingenuity and the heroics of Ferdinand Porsche's and Heinrich Nordhoff's images, which are today among the most important guiding metaphors for Volkswagen's top executive, Ferdinand Piech. Piech, one of Porsche's grandsons, seems irreversibly and incessantly intent on proving to the world what a genius he is in developing new cars and getting them sold across the globe.

In the permanent and insatiable hope of ensuring that Volkswagen and its brands are the most widely distributed cars, the recent acquisition of Rolls Royce and further acquisitions yet to come (including luxury cars to compete with DaimlerChrysler's offerings) reduces the company's past to its early aspirations for world leadership. The tragic dimension of the early past is in this way kept 'outside the scope of the collective thought' (Biran 1998, p. 99). It cannot be grasped, because it cannot be phrased in a metaphor, it cannot be thought, named, or put into an idea. The company predominantly would seem to be in a psychotic state, trapped between the paranoid-schizoid and the depressive position. The concern that Volkswagen's image (and thus its market share) would be severely damaged by acknowledging and attempting to understand the unthought known relating to its role during the Third Reich prevents the organisation from giving meaning to the emotional dimensions encapsulated in the

early past via mourning. It is highly probable that the apparent inability to decode the language of violence creates and sustains within the corporation what Bion has called a 'nameless dread'. It would appear at present most unlikely that the reverse course, i.e. that of acknowledging the knowledge that is psychotically avoided, will be favored. The proposition that this 'would make a difference to the life of the organisation' (Lawrence 1999) cannot even be imagined.

Although Volkswagen's top management has played an important role in the ongoing maneuvers to have the early past remain a 'thing-in-itself', it would be too simple to assume that they have been and still are the only or the principal agents in maintaining this unconscious strategy. The ongoing making of untruths, as Lawrence (1999) postulates, has to be perceived as 'a collusive process that is based on the joint evasion of getting to grips with the uncomfortable, unspeakable aspects of reality'. Following Hoggett's (1998) suggestion, this collusion can be understood as having been initiated and maintained by an 'internal establishment'. In Volkswagen, as in many other organisations,

the establishment operates as an invisible, secretive and reactionary force which patrols the frontier of a section of the [organisation's] .. "unthought known" - a known that threatens the [organisation's] ... illusion (ibid., p. 9).

In its attempt to master the internal destructive force of the nameless dread, this 'internal establishment' or the 'hidden committee' most probably converts the internal terror, which is one of its major components, through projection into an external and unidentifiable threat.

For the corporation, the expulsion of the threat of internal terror almost inescapably creates a vicious circle. The conviction that the competitors in the market leave Volkswagen with no other choice than to conduct warlike maneuvers can be understood as a projection of the unacknowledged internal terror of the company's early 'childhood' during the Third Reich and World War II. The fact of having been deeply involved as a warrior in the execution of war, both during the War and in the subsequent economic warfare for peace, gets lost in its ascribing blame to competitors. These then seem to leave the corporation no choice other than to undertake an equally or even more aggressive and destructive defense than the onslaught it experiences. The terror that is constantly re-

experienced in the markets is considered to have been created by the bad, ever-persecuting competitors. The conclusion is reiterated that the terror thus encountered simply has to be met and outdone. In this way, Volkswagen dissociates itself from its own internal terror, which thus is acted out in the present and which is maintained as an 'unthought known' from the early past.

As stated above, Volkswagen's war of competition may not differ much from that of its main competitors, at least not in terms of the means and targets pursued. Moreover, it is probable that they, too, maintain psychotic strategies in their attempts to rid themselves of their nameless dread and internal terror. What characterizes this particular corporation and exemplifies the thesis more neatly than in other cases, however, is the fact that from its very beginning, Volkswagen was a 'child' procreated and born, at a time of impending war, and that its 'parents' fully intended their offspring to become a warrior in the struggle for final victory. Following this metaphor further, it could be stated that since the end of the War, Volkswagen has been preoccupied with dissociating itself from the paternity of one of its fathers, i.e. Hitler, and from the terror which the other one, Porsche, the technocrat, so dominantly and effectively engineered. In order to perpetuate the hagiography of the latter as a genius, knowledge of his involvement in the National Socialist Regime of terror had to be kept as unthought. Just as was the thought of Hitler, promoter of the car, who, by externalizing his own inner terror and destructiveness, so appallingly colluded with the vast majority of the German people for more than a decade. The contempt for humanity which the War and the Holocaust inflicted on countless enemies and people of non-Aryan origin, cannot today be acknowledged because its expression might cast such a shadow on the company and its products that irreparable market losses would ensue. In regarding itself as guardian of the economic war for peace and prosperity, the underlying, well-known truth that competition in the car market, as in many other markets, actually is war, cannot be thought, much less expressed.

In a paradoxical sense, it would seem that the increasing use of war metaphors in the car and other industries is primarily intended to keep unthought the known truth. That is, that both in many corporations and in

major sectors of the global economy the world is in a state of ongoing and ever intensifying war. The lie is embedded in the belief that despite appearances, competition is not actually war at all. That this lie hides the known as well as the unthought underlying reality is exemplified by the paradox that, as a member of a corporation or as a consultant, one is often confronted by the fact that whereas many if not most of the organisation's role holders will openly confirm their emotional experience in the organisation as being at war, this truth will not and cannot be acknowledged or even expressed publicly. Reference to organisational warfare is banned from all ongoing business processes and meetings, and does not play a part in business administration, which one might expect to be most equipped to reveal and deal with this unthought known part of organisational and societal reality. Most of the major international corporations and their 'internal establishments' have induced social and global thinkers into nurturing the lie that the world is a global village where everyone lives in peace.

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### *Endnote*

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