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978-0-521-88880-6 - Destructive Leaders and Dysfunctional Organizations: A Therapeutic Approach

Alan Goldman

Excerpt

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Introduction: leaders and organizations in search of treatment

The paranoid top executive will seek out and promote others who share his obsessions. The histrionic leader will recruit only dependent, passive and second tier managers so that he himself can make all the key decisions. All of these selection biases maximize the impact of the neurotic styles of the top executives and allow them to endure.

(Kets de Vries & Miller, 1984a, p. 38)

CONSULTING WITH COMPANIES ON THE EDGE

Management consulting and executive coaching necessarily involves dimensions of psychotherapy and psychiatry. When leaders and organizations seek out external experts it is never an exercise in pure pragmatic problem solving. The enigmas and explosive nature of the mind and emotions of leadership are typically under question. Seemingly brilliant and successful leaders may secretly harbor excessive and debilitating fears, obsessions and histrionics. Besieged by grievances and pending litigation the executive board of a heart institute desperately searches for explanations of the erratic and abusive behavior of their renowned heart surgeon (see chapter 3).

In *Destructive Leaders and Dysfunctional Organizations: A Therapeutic Approach* I unveil both the external consultants' and the clients' narratives and interpretations of organizations and leaders on the edge. Who knocks on the consultant's door? Why do seven-figure leaders and CEOs send emails, call on their personal cells at 1 a.m., and request a candid meeting in the middle of the night? At stake is more than a behind-the-scenes look at the underbelly of business. What I disclose is a detailed view into what perplexes, ails and haunts movers and shakers. It is certainly not a case of revealing the dirt and scandals of politics or big business. This book is rather an opportunity to explore

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and examine cross-sections and prototypes of the darker, destructive side of outwardly successful companies and leaders.

In *Destructive Leaders* I present and interpret my cases in order to conjure up discussion and debate over the complexity of leaders and their companies. Excellent organizations and strong leaders are not particularly tolerant of their shortcomings and frailties. As experts themselves, they are not immune from seeking out specialists who can provide assessments and interventions for that which they cannot penetrate on their own. Oftentimes fully cognizant of the limits of logic and the rational mind, clients hope to unravel and find keys to better controlling intellect, emotions and the subconscious.

Why is it that a finely honed and chiseled approach to emotional intelligence unleashes extraordinary motivation and productivity while an inability to control frustration, hyperactivity, anger and fear destroys human capital? Acutely intelligent leaders seek out the key to what I sometimes term "internal operations management." Leaders seek antidotes to what undermines themselves and their companies. When a senior vice president sends an unanticipated email to an external expert it may signify the first step en route to a unique and privileged communication. Lurking beneath the surface issues and wedged in between the problems I have found a full range of existential drama and Shakespearean dilemmas. What is submerged under the carefully tailored suits and between the finely tuned PowerPoint slides of corporate clients can never quite be predicted.

OPENING PRIVILEGED DOORS OF LEADERSHIP

Destructive Leaders and Dysfunctional Organizations invites my readers into the chambers of decision makers who seek counsel. I open the doors to companies who have been unable to find solace or satisfaction from internal agents ranging from colleagues and human resource professionals to employee assistance counselors. Through referrals, default or otherwise, companies seek out the assessment of external consultants from diverse domains such as management science, leadership behavior and organizational therapy (e.g., see Schein,

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2005). Client companies present dysfunctional scenarios that submerge their best minds in complex human capital problems. Trained in organizational behavior and systems analysis, I have reached a point where I am no longer sucked into nebulous complexity. Despite the multiple plots, counterplots and subconscious dramas presented by a troubled client, there is always a need to simplify whenever possible. Is there a nexus? How can I locate the most pressing and urgent issue at the center of the questioning and organizational storm? Is there a leader going through family and emotional upheaval? Without a nexus there can be no deliverables.

Through this book you will see a movement toward singling out a smaller subset within the context of larger systems problems. In other words, I may scan, probe, question and assess the entire organization, but I will almost always settle down to a shorter-range, high-impact focus on a toxic individual leader or dysfunctional process. In some cases this entails a skill set that eludes internal consultants and human resource professionals in the form of detailed psychological evaluation and treatment. A DSM-IV-TR diagnosis (*Diagnostic and Statistical Manual of Mental Illness*) can be necessitated due to the fact that a leader may be going through a recurrence of life-long battles with depression, attention deficit hyperactivity disorder or recently discovered upheaval attributable to a separation anxiety or a borderline personality disorder (American Psychiatric Association, 2000). In other cases there is no semblance of a highly toxic, full-blown individual psychological disorder, but rather the recurrence of company-wide interpersonal and team stressors or workplace conflict stemming from ill-conceived formal policies, traumatic downsizings or other semblances of upheaval.

DISCLOSING CONFIDENTIAL CONSULTING NARRATIVES

Destructive Leaders and Dysfunctional Organizations places you in the middle of the action. Hopefully lessons will be learned from the consultation narratives with prototypes to be derived. The stories emerge from many walks of business and corporate life.

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- An international fashion couture group employs a leadership coach to attempt to penetrate the ongoing incivility and depression of their masterful head designer (see chapter 6).
- A Fortune 500 senior manager of an athletic wear company contracts with a consultant as part of his response to allegations against him alleging verbal and physical abuse (see chapter 7).
- Distraught and devastated by the destructive and bizarre behavior of the head of the research and development division, an aeronautical engineering corporation requests an evaluation and treatment for their billion dollar innovator, Dr. Josh Julia (see chapter 9).

Worth noting is the fact that in the above consultations no immediate assessment instruments or empirical data were sought by the consultants. Conditioned by their past experiences with metrics-driven, hit-and-run consultants, the client companies and executives were resistant, if not somewhat distressed. As a consultant and coach I was inundated with basic philosophy of science questions:

- How can you deal with our destructive leadership and the threat of litigation if you do not immediately administer assessment instruments to provide us with the hard data?
- Can we identify the good guys and the bad guys?
- Who is guilty of what?
- Have we erred in some of our company policies?
- How in the world can you determine whether we are dealing with a toxic leader or a dysfunctional system if you do not generate data on the front end?

The responses offered are inseparable from the philosophical axioms underlying the approach of *Destructive Leaders and Dysfunctional Organizations* to coaching, consulting and organizational therapy. To be too quick to engage in a quantitative approach can represent an attempt at shortchanging, rushing and providing metrics where there is no fundamental, rooted understanding of the organization and individuals in question. In other words, in the consultations presented in this book there was

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a need for observation, interviews, and immersion prior to, or in concert with, the administering of standardized assessment tools. If 360 degree feedback is deemed appropriate, that will most likely come at a later stage in the consultation.

“GORILLAS IN THE MIST” – ON-SITE
ANTHROPOLOGIST

It is no simple matter to have executives who are pumped up and committed to a fast lane and rapid-fire return on investment (ROI) pseudo-empiricism and instantaneous solutions do a turnaround and buy into an “old world” engagement of consultants. On one occasion a CEO blurted out that “I follow your anthropology approach to doing this consultation but your ‘gorillas in the mist’ technique is still a little hard for me to take. Goldman, you’re a little over the top ... but I still like you.” Apparently this executive was equating the participant observer consultant with an old Sigourney Weaver movie where she portrayed an anthropologist who learned about the gorillas by living with them and becoming a part of their family. The corporate client was not that far off the mark and he certainly made his point effectively. Ironically, I expressed my pleasure with his analogy.

Yes, Mr. Seymour, you get it. You are on target. I am the anthropologist who will swing through the corporate trees with your engineers.

Once we share bananas I’ll be able to better tell you what’s what.

Although it was not always possible to move the executive decision makers beyond a state of “healthy skepticism,” in all of the *Destructive Leaders* consultations the clients eventually became true believers as soon as they experienced desired outcomes. Once we received the initial green light from the upper echelon the road work began. We always went native and cohabited with the corporate gorillas. Immersed in the everyday organizational culture, the consultants spent long hours as observers in natural, everyday work settings. Numerous interviews and individual leadership coaching and psychotherapy provided further diagnostics and blueprints for interventions.

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Following a thorough and customized engagement with the highest-toxicity venues and individuals, there occasionally was a need to proceed with such quantitative measures as: the administering of 360 degree multi-rater feedback for leaders; emotional intelligence instruments; negotiation and conflict resolution measures; communication apprehension assessments; and organizational stress assessments.

In the final analysis I have been able to successfully convey and live by the motto that electronic communications and technology are a fast message and people and cultures are a slow message (Hall & Hall, 1994). Within an initial 100-day assessment and intervention phase, clients learn to be patient and accept that the real data may emerge in an incidental conversation in front of a Coke machine. Although this venue lacks the guise of empiricism, I gather data wherever it raises its head, particularly when the guard is down in naturalistic settings.

One afternoon, I spent a dollar and twenty-five cents on a Diet Coke and in the process learned that a frantic leader first discovered that he had ADHD when he was nine years old. Until the time of this informal confessional the employee assistance counselors were convinced that irrational and inhumane corporate production policies were driving the poor senior manager to the outer limits of stress. It was no such thing. Prior to this confessional at the Coke machine, the senior engineer had consistently and consciously withheld his case history from the employee assistance program (EAP) and corporate colleagues. The ADHD was a pre-existing condition necessitating psychotherapy, leadership coaching and appropriate medication (see chapter 2). Although workplace stressors can serve to aggravate, accelerate and bring out of remission old ADHD symptoms, it would be naïve and insufficient to construe the pressures of company life as sufficient cause for Jason Javaman's maniacal public behavior with subordinates. *Lacking an adequate skill set, previous consultants attempted to bypass the leader's psychological history.* Some twenty-five years after the breakthrough work of Kets de Vries and Miller (1984a,b), companies and consultants are still missing the boat. Rather than chasing your tail and attempting to find the nexus of hyperactive, frantic and

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inappropriate leader behavior within the organizational system at large, why not secure the assistance of a DSM-trained management specialist who recognizes ADHD when he sees it and runs a structured clinical diagnosis? Suffice to say that ignorance is the mother of toxicity. Moreover, there was little impetus for Javaman to reveal his ADHD until he felt that he was sufficiently involved in a caring dialogue and supportive relationship (e.g., see Buber 1965, 1970). The non-threatening approach of the organizational therapist and consultant working with Javaman in the day-to-day culture of the engineering firm helped to establish a “gorillas in the mist” familiarity (see chapter 2). In this relationship, serious self-disclosure was just another conversation and hardly constituted a confessional.

WILD CARDS

Lord knows that management consulting and executive coaching are imprecise arts and sciences. We are not dealing with strict axioms, clear presuppositions and formal geometric truths. At very best we are immersed in the realm of high and low probability, not unlike courtrooms marked by attorneys who present evidence for four versions of the same death-by-surgery malpractice case. I can assure you, however, that there are consulting firms that live or die based on their ability to render the highly improbable into the semblance of a clear and concise science. Masterful needs assessments and precise, itemized deliverables are the backbone of the “flock of seagulls” styled consulting businesses. The meter always appears to be running. Consulting teams are assigned to the clients. It must appear as if the intangibles are tangible and the tentative is quite precise. Take heed. The world of high-level consulting can be extremely exploitative with the client companies and leaders walking away from the fray with the illusion that they have found treatment from a true team of healers. This is the drama and showmanship that Pinault candidly revealed in *Consulting Demons: Inside the Unscrupulous World of Global Corporate Consulting* (2000).

Destructive Leaders does not offer a neat sanitized approach to assessing and treating the dysfunctional behavior and woes of either

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leader or company. The somewhat deceptive appearance of the seemingly floundering anthropologist-styled consultant is a constant. I offer testimony that the diagnostic phase of treating toxic leaders and companies necessarily involves much detective work. The slick corporate consultants are already running the numbers on their 360 degree feedback when the experts in *Destructive Leaders and Dysfunctional Organizations* are still moseying about. In this book, you will find that interviews, case histories and extensive observation take priority over premature attempts at quantification.

The wild cards emerge from consultant engagement. Divorced from the need to be distant and objective the consultants in this book are committed to being non-threatening, emotionally intelligent, trustworthy and entertain many of the communication attributes of the therapist in a helping relationship (e.g., see Maslow, 1971; Rogers, 1989) – or what Martin Buber once termed an “I-Thou” communication (1965, 1970).

Wild cards emerge from company narratives that provide context, texture and causality for dysfunctional behaviors and toxic leadership. Once the prospect of trust and a helping relationship is established with clients (not always possible of course), storytelling and self-disclosure increases. The emergence of thick, rich narratives provides data not usually available through mainstream “objective” assessment tools. Narrative provides much of the database. An initial narrative unfolds as the consultant observes behavior in the workplace. In addition, historical narratives are compiled from interviewees unveiling toxic interpersonal and leadership behavior. This is epitomized in the case addressing three failed mitral valve surgeries and the subsequent pending malpractice litigation (chapter 3). In chapter 4 the consultation depicts two executives who have a habit of hiring attractive senior managers while they are inebriated in their favorite strip club. Wild cards emerge in the confessionals of the CEO and vice president of Black Valley as they provide insight into the company’s poor track record with senior managerial hires and a toxic turnover rate.

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TEAR DOWN THE WALLS

As a professor of management who moonlights as a consultant, coach and therapist, I do not approach the work as a significant means of added income. I am committed to working with organizations and leaders much as I work with undergraduates and MBA students. I can offer in all sincerity that I have been more on a quest for truth, compelling narratives and extraordinary data than motivated by financial gain. I must admit that I have rather profited academically from my ability to write about my consulting work and won best paper awards from the Academy of Management (2005, 2007) and published a number of articles in academic journals in management, psychology, organizational behavior and leadership. In *Destructive Leaders and Dysfunctional Organizations: A Therapeutic Approach*, I am committed to relaying a few of the more fascinating consulting narratives that I have partaken in to incite dialogue and serve as a wake up call to both companies and corporate leaders as well as to academics and consultants. Toxicity is very much for real as the dark side is forever present in even the most successful leadership. Accurately diagnosing and treating toxic leaders and companies, however, is a troubled arena.

From where I now sit, tearing down the walls conveys an overriding objective marked by stimulating dialogue over how upper-echelon leaders and companies struggle to deal with the destructive and irrational side of doing business. In *Destructive Leaders* I open up the doors to a few of the more revealing consultations. Hopefully this will help to tear down the walls of corporate denial, resistance, greed, hubris and misinformation.

A WORK IN PROGRESS

Destructive Leaders and Dysfunctional Organizations: A Therapeutic Approach remains a work in progress. After it is published it will still be in the process of being written and rewritten. The enigmatic, mysterious elements of human behavior cannot be removed from company life – only better understood in all of their intricacies and complexity.

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I invite you to communicate with me and share your leadership and company narratives.

PRIVILEGED COMMUNICATION

The names of the leaders and companies have been changed due to the privileged communication and confidentiality requirements of my agreements with clients. Moreover, whenever deemed necessary, I have also altered elements of the storyline, facts and scenarios to protect the identities of client companies and leaders.