

# 17 Basic Syndromes of Dysfunction

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Psychiatrists and psychologists have a handbook, titled the *Diagnostic and Statistical Manual*, which exhaustively lists and explains the full inventory of human maladjustments. In the consulting business, we also have a "DSM," although a somewhat less formal and rigorous one. We recognize the same kinds of organizational disorders recurring across all industries, all types of organizations, and indeed all national cultures.

While collective sanity tends to involve relatively simple and consistent patterns, craziness is entertainingly diverse. The range of primary organizational disorders is both broad and varied. I've identified some seventeen primary patterns, or syndromes, of organizational dysfunction. Some organizations have more than one; some have many. They all impose significant entropic costs on the resources of the enterprise.

1. **ADD: Attention Deficit Disorder.** Senior management cannot seem to focus on any one primary goal, strategy, or problem long enough to gain momentum in solving it. Typically, the CEO or the top team will hop around from one new preoccupation to another, often reacting to some recent event, such as a hot new trend, a key move by a competitor, or a change in the marketplace. A variation of this syndrome, the "too many irons in the fire" syndrome, involves a whole raft of programs, or "initiatives," most of which squander resources and dilute the focus of attention.
2. **Anarchy: When the Bosses Won't Lead.** A weak, divided, or distracted executive team fails to provide the clear sense of direction, momentum, and goal focus needed by the extended management team. A war between the CEO and the board, or a major battle among the members of the top team can leave the organization without a rudder. Lacking a clear focus and a set of meaningful priorities, people begin to scatter their efforts into activities of their own choosing. Without a sense of higher purpose, unit leaders put their own priorities and political agendas above the success of the enterprise.
3. **Anemia: Only the Deadwood Survives.** After a series of economic shocks, downsizings, layoffs, palace wars, and purges, the talented people have long since left for better pastures, leaving the losers and misfits lodged in the woodwork. They have more at stake in staying put, so they outlast the more talented employees. When conditions start to improve, the organization typically lacks the talent, energy, and dynamism needed to capitalize on better times.
4. **Caste System: The Anointed and the Untouchables.** Some organizations have an informal, "shadow" structure based on certain aspects of social or professional status, which everybody knows about and most people avoid talking about. Military headquarters organizations, for example, tend to have three distinct camps: officers, enlisted people (or, as the British call them "other ranks"), and civilian staff.

Hospitals tend to have very rigid caste systems, with doctors at the top of the heap, nurses in the next lower caste, and non-medical people toward the bottom.

Universities and other academic or research organizations tend to have very clearly defined categories of status, usually based on tenure or standing in one's field.

These castes never appear on the organization chart, but they dominate collective behavior every day. Caste categories usually set up de facto boundaries, promote factionalism, and tempt the in-group members to serve their own social and political needs at the expense of the organization and to the detriment of the lower castes.

5. **Civil War: The Contest of Ideologies.** The organization disintegrates into two or more mega-camps, each promoting a particular proposition, value system, business ideology, or local hero. The split can originate from the very top level, or it can express profound differences between subcultures, e.g. engineering and marketing, nursing and administration, or the editorial culture and the business offices. In some cases, the dynamic tension between ideologies can work to the benefit of the enterprise; in other cases it can cripple the whole operation.
6. **Despotism: Fear & Trembling.** A tyrannical CEO or an overall ideology of oppression coming from the top causes people to engage in avoidance behavior at the expense of goal-seeking behavior. A few episodes in which people get axed for disagreeing with the chief, or for questioning the lack of ethics and leadership, and everybody soon learns: keep your head down and don't draw attention to yourself.
7. **Fat, Dumb, and Happy: If It Ain't Broke...** Management guru Peter Drucker once observed, "Whom the gods would destroy, they first grant forty years of business success." Even in the face of an imminent threat to the basic business model, the executives cannot muster a sense of concern, and cannot come to consensus on the need to reinvent the business.
8. **General Depression: Nothing to Believe In.** Sometimes things get really bad, such as during an economic downturn or a rough period for the enterprise, and senior management utterly fails to create and maintain any kind of empathic contact with the rank and file. Feeling abandoned and vulnerable, the front line people sink into a state of discouragement, low morale, and diminished commitment.
9. **Geriatric Leadership: Retired on the Job.** When a CEO has had his or her day, either for reasons of physical health, psychological arthritis, or personal obsolescence, he or she may hang on to the helm too long, refusing to bring in new blood, new ideas, and new talent. This syndrome can extend to the whole top team, whose members may have grown old together, committed to an obsolete ideology which once made the enterprise successful, but which now threatens to sink it.
10. **The Looney CEO: Crazy Makes Crazy.** When the chief's behavior goes beyond the merely colorful and verges on the maladjusted, the people in the inner circle start behaving in their own crazy ways, in reaction to the lack of an integrated personality at the top. This begins to look like a kind of syndicated craziness to the people down through the ranks, who find themselves perpetually baffled, bemused, and frustrated by the increasing lack of coherence in executive decisions and actions.

11. **Malorganization: Structural Arthritis.** A defective organizational architecture works passively and unremittingly against the achievement of the mission. Departmental boundaries that don't align with the natural processes of the operation or its work flow, conflicting responsibilities and competitive missions, and unnatural subdivisions of critical mission areas impose high communication costs, inhibit collaboration, and foster internal competition.
12. **The Monopoly Mentality: Our Divine Right.** When an organization has long enjoyed a dominant position in its environment, either because of a natural monopoly or a circumstantial upper hand, its leaders tend to think like monopolists. Unable or unwilling to think in competitive terms, and unable to innovate or even reinvent the business model, they become sitting ducks for invading competitors who want their piece of the pie.
13. **The One-man Band: Clint Eastwood Rules.** A "cowboy" type of CEO, who feels no need or responsibility to share his or her master plan with subordinates, keeps everybody in the organization guessing about the next move. This creates dependency and learned incapacity on the part of virtually all leaders down through the hierarchy, and renders them reactive rather than potentially proactive.
14. **The Rat Race: They Keep Moving the Cheese.** The culture of the enterprise, either by design or by the style of a particular industry or business sector, burns out its most talented people. A prevailing notion that one must sacrifice his or her personal well being in order to get ahead, possibly in pursuit of big financial rewards, definitely creates a goal focus, but at the expense of cooperation, *esprit de corps*, and individual humanity. A reduction in the commissions or other elements of the financial cheese creates a sense of victimization and resentment, not a sense of shared fate.
15. **Silos: Cultural & Structural.** The organization disintegrates into a group of isolated camps, each defined by the desire of its chieftains to achieve a favored position with the royal court, i.e. senior management and the kingmakers at the top. With little incentive to cooperate, collaborate, share information, or team up to pursue mission-critical outcomes, the various silos develop impervious boundaries. Local warlords tend to serve their individual, parochial agendas, and evolve patterns of operating that favor their units' suboptimal interests at the expense of the interests of the enterprise. These silo patterns tend to create fracture lines down through the organization, polarizing the people who have to interact across them.
16. **Testosterone Poisoning: Men Will Be Boys.** In male-dominated industries or organizational cultures such as military units, law enforcement agencies, and primary industries, the rewards for aggressive, competitive, and domineering behaviors far outweigh the rewards for collaboration, creativity, and sensitivity to abstract social values. In non-"coed" organizations, i.e. those with fewer than about 40% females in key roles, executives, managers and male co-workers tend to assign females to culturally stereotyped roles with little power, influence, or access to opportunity. This gender-caste system wastes talent and often stifles innovation and creativity.

**17. The Welfare State: Why Work Hard?** Organizations that have no natural threats to their existence, such as government agencies, universities, and publicly funded operations, typically evolve into cultures of complacency. In a typical government agency, it's more important not to be wrong than it is to be right. Lots of people have "no-go" power, i.e. the power to veto or passively oppose innovation, but very few people have "go" power, or the capacity to originate and champion initiatives. Welfare cultures tend to syndicate blame and accountability just as they syndicate authority: you can't take risks, but if anything goes wrong you get to blame the system.

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