



A. C. Macris Consultants

UPDATE

Vol 1 Issue 03-03

Highlights

We define two fundamental types of subversive leadership – Benevolent and Malevolent.

Benevolent subversive leadership is when an organization's legitimate leadership is ineffective, incompetent, corrupt or just too busy, those who are responsible for getting the work done change their approach. If the organization's management is lucky, the employees recognize the leadership's ineffectiveness, but become motivated to do something about it, generally running the organization through the informal networks that exist in every workplace.

Malevolent subversive leadership is when people in the organization attempt to subvert the legitimate leadership in an effort to disrupt legitimate business outcomes, and possibly to depose the legitimate leaders and fill those positions themselves. These people believe the incumbent leadership should be displaced and that they can do a better job themselves.

This and future issues of Update develop the concept of subversive leadership.

UPDATE is published quarterly by A.C. Macris Consultants. UPDATE's charter is to provide interesting articles, on timely topics, authored by people in industry, academia, or business.

Please contact us at the following:

Telephone: 860.572.0043

Toll Free: 888.225.4963

FAX: 860.446.1882

E-mail: ACMPC @ acmacris.com

U.S. Mail: P.O. Box 535, Mystic, CT 06355

Subversive Leadership

by

A. C. Macris, Steven L. Clark, Robert Care

Leadership (noun): guidance, direction: *The business prospered under the leadership of the new president*

Subversive (adjective): Intended or serving to subvert, especially intended to overthrow or undermine an established government

The American Heritage Dictionary of the English Language, Fourth Edition, copyright © 2000 by Houghton Mifflin Company.

In this article, we define Subversive Leadership as providing leadership around the formally established system of rules or regulations in place within an organization.

The one fundamental assumption we want to establish at the beginning of this article is that when people come to work for a company, they come to work motivated to do the best job they can. It is highly unusual to find situations where a person starts a job with the intention of being lazy, non-productive, subversive to the existing structure, or even seditious. However, when employees must spend more time dealing with ineffective, incompetent, corrupt, or overly busy and distracted leadership, their focus necessarily shifts from simply getting the work done to working around the leadership to accomplish the task at hand or tasks they rate as more important. If they are able to succeed in achieving their tasks, they will continue working around the leadership. If they are blocked, then they may become disenchanted with their work, unmotivated, or even lazy. Having established that fundamental assumption, the issue of subversive leadership can take on one of two forms, and both can occur within an organization simultaneously. Those two forms are benevolent and malevolent, and it is a function of many factors to determine which of the two forms subversive leadership takes.

This article is just the beginning of an attempt to create a structure such that senior leadership of corporations can better recognize and address the context in which employees may feel it necessary to behave in a subversive manner. It is important to understand that addressing the issue of subversive leadership may not only distinguish actions on the part of senior leaders, but also suggest introspection and personal change on the part of these leaders. So here we go.

What is Subversive Leadership?

Subversive leadership can be defined in several ways. It is exercised through the informal network within an organization that gets things done, bypassing the rules to accomplish outcomes that should be the goals of the organization. This first definition of subversive leadership exemplifies its benevolent context. A simple example might be bypassing a time-consuming and possibly unnecessary quality

control process in order to meet an important customer’s deadline. The person making the decision to bypass the process puts himself at some risk, but has ample confidence in the integrity of the deliverable, and knows that getting it to the customer is the right thing to do.

In the malevolent context, subversive leadership is when people in the organization attempt to subvert the legitimate leadership in an effort to disrupt legitimate business outcomes, and possibly to depose the legitimate leaders and fill those positions themselves. On the one hand are those who arguably have the best interests of the incumbent leaders at heart yet feel the need to intervene on behalf of the organization. On the other hand are those people who believe the incumbent leadership should be displaced and that they can do a better job themselves.

A specific form of malevolent subversive leadership can also be termed ‘malicious obedience,’ that is, following orders one knows will cause harm or damage business prospects.

Why do people believe Subversive Leadership is necessary?

When an organization’s legitimate leadership is ineffective, incompetent, corrupt, or just too busy, those who are responsible for getting the work done change their approach. If the organization’s management is lucky, the employees recognize the leadership’s ineffectiveness, but become motivated to do something about it, generally running the organization through the informal networks that exist in every workplace. If this attempt fails, becomes too difficult, or if employees initially feel disenfranchised from the company they work for, they will likely sit back, do just what they are told to do, stay out of trouble, and slowly grow into what we refer to as “dead wood.” In the former sense, we must accept that the employees are performing benevolent subversive leadership. They continue to work for the good of the organization. The latter cannot be considered subversive leadership, rather just giving up and accepting a bad situation.

There is another situation when individuals within an organization have a specific goal and desire to displace the legitimate leadership irrespective of the leadership’s competence or effectiveness. This type of subversive leadership is highly malevolent and becomes seditious.

How does Subversive Leadership manifest itself?

In its benevolent context, subversive leadership can manifest itself as breaking rules that really don’t matter at the end of the day, or when senior staffers do things outside company policies to protect the senior executive(s) from themselves.

A specific form of malevolent subversive leadership can also be termed ‘malicious obedience,’ that is, following orders one knows will cause harm or damage business prospects. Such action is often born of frustration at being ignored over a long period or having one’s professional advice disregarded.

The seditious context of subversive leadership is manifested though intentionally circumventing the legitimate chain of command or

subverting the senior leadership. This subversion is accomplished by taking control of events and/or situations and discrediting the legitimate leaders, believing that the subverters are exposing the leader’s incompetence and moving towards their eventual demise. The following case study explores this type of situation.

A Malevolent Case Study

The Situation: A small service company was operating out of three different geographical locations. Each location had a resident company officer. Functionally, the organization did the bulk of the work in one location (the Working Office), Marketing and Financial divisions were in another location, and Technical development and direction in the third. This distribution of responsibilities had a specific rationale: that the resources to do the work were resident and functioning. The particular location of the Working Office was well-suited to support both existing and future clients. The marketing and administrative offices, including the financial division, were located about 200 miles away in what was expected to be a good location for commercial and governmental marketing. Finally, the third office was located in the Washington, DC area, to support governmental work and allow an easy commute to existing clients. The concept appeared to be sound and initially worked as expected.

Developing Conditions: In the first eight months this small company booked well over one million dollars in contracts. The Working Office grew quickly and the remotely located officers were traveling extensively to support the client base. Managing and completing the work increasingly became a bigger challenge, but it was accomplished. However, when the company began growing too rapidly, maintaining client satisfaction became an issue. The Working Office had the interaction with one of the company’s most important clients. But that client began expressing dissatisfaction, complaining that the support from the other two locations was sporadic.

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These complaints were leading to a defining moment for key people in the Working Office. The client expressed their concerns specifically in terms of discipline support from the other two offices, and computer hardware and software compatibility with their configuration.

The other two officers were off on new challenges and marketing, and providing little leadership to their respective offices in the areas of support required by the client. However, in the Working Office, little could be done without the consent of the other two.

The Subversive Strategy: With these circumstances getting worse, it became apparent to the key people in the Working Office that to preserve the relationship with the client and continue to receive follow-on work, something had to be done. Trying to meet the client's expectations and requests would mean that the Working Office leadership had to make some changes. Those changes involved hiring additional expertise and upgrading equipment to be compatible with the client's.

The Working Office leadership knew it would be difficult. In a small company where the decision-making is based on consensus of three, faced with two primary leaders who appeared to be unwilling to accept the feedback given them, one alternative was for the single officer of the Working Office to subvert the other two. But how could that happen when all the money and payroll was coming from another office? After all, there was no congruency to the recognition or understanding of the issues at hand, and no expectation that this situation would improve.

It is important to note that the chosen strategy created a classic win-lose situation. The concept was to gain control of the money, reinforce the relationship with the client, and secure the follow-on work with conditions established by the Working Office leadership and the client. Because the company was small, the other two officers would have to go along. Battle lines were drawn and the power play was set to go.

Some very confidential discussions were held between the client and the Working Office leadership. All agreements were in order; the necessary people with the requisite qualifications had employment offers contingent upon securing the contract. The necessary equipment was identified and staged to be purchased. The terms and conditions of a modified contract were negotiated that stipulated all invoicing and payment would be controlled out of the Working Office to

assure integrity of the charges. All payment would be in the company's name, but it would be forwarded to the Administration Office. However, all control of the contract and interactions with the client would reside with the leadership of the Working Office. What this did was strip power from the two remote officers and force the organizations accountability to the client to the officer in the Working Office.

The outcome: All these plans seemed to create a strong package for the client. However, when the contract was prepared and delivered to the two remote officers, because all the arrangements had been made without their interaction or involvement, they did an

unexpected thing: they cancelled the contract! Never did the Working Office leadership expect that a small company with an office full of people positioned to do very specialized work would reject a \$260,000 contract. But that is exactly what happened. Plus, the officer of the Working Office was fired.

So what happened in this example of subversive leadership gone wrong, and what can we learn from this? Well, the client lost because they needed the company to perform the work. The officer from the Working Office lost because he became unemployed. And because of direct and indirect issues in the Working Office related not only to the firing of their officer, but also to the loss of the contract, a group of key people were let go or left the company. In fact, within 18 months, the Working Office closed operations. Even the two officers who cancelled the contract lost out in unearned revenue from the potentially lucrative contract. In fact, the only winners in this situation were the egos of the two remaining officers, and arguably, their power base.

The Lessons Learned: The legitimate leadership of the organization in this case study was neither clear nor responsive. The things that motivated the Working Office to attempt to subvert the other two officers involved a lack of openness and accountability for finances, and other practices taking place in remote locations. But the relationship with the client resided with the Working Office, and not with the remote locations. Not only did the key people in the Working Office feel compelled to follow a subversive route within the organization, they completely misread the resolve of the other officers to exercise their "two to one" influence. When their power was challenged, rather than compromise their positions for the benefit of

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the company as a whole, they chose to fight back, leading to irreparable damage to the company.

This example shows how unawareness and lack of responsiveness on the part of an organization's leadership can lead to situations in which damaging attempts to subvert leadership can arise. Were the other two leaders aware and accepting of the difficulties faced by the client and the Working Office and had then chosen to act positively on those issues, the situation could have ended entirely differently.

As we indicated earlier, the topic of Subversive Leadership is broad and complex. In this article, we showed you how subversive leadership went wrong, and led to significant destructive events within an organization. As part of the structural presentation of this interesting leadership topic, we expect to prepare future articles that will explore additional aspects of this issue and focus on selected facets in more depth, with results that are not always so negative.

We're pleased to have Steve Clark and Dr. Robert Care joining us in this edition of Update.

Steve brings his background in the electric utility and railway industries where he has experienced many different companies, corporate environments, and leadership styles. Steve's more recent engineering focus has been on helping railways manage problems related to the vehicle-track interface. He's worked on railways in Australia, North America, South America, and more recently Europe where he joined up with Dr. Care to help the British and Dutch railways develop and manage solutions to the problem of rolling contact fatigue. Please recall our 2001 Update Autumn where Steve and I co-authored "Real People + Real Objectives + Real Teams = Real Results." In this issue of Update we presented an approach that stimulated open thinking and open dialogue based on experience from some of the world's best experts in the field of railway Rolling Contact Fatigue (RCF). Therefore, the results yielded a validation of a process and its findings along with comments and suggestions that further enhanced the ultimate strategy to address and correct RCF.

Robert brings 30 years of engineering experience, primarily in the private sector. From a civil engineering background Robert has worked on a wide range of projects and in different countries. Responsibly for major projects and organizations has refined Robert's leadership skills. His prime focus over the last ten years has been troubleshooting for major clients, including facilitation both organizationally and technically.

Steve can be contacted at: steve.clark@sclark.com, Robert at: Robert.Care@arup.com



P.O. Box 535 Mystic, CT 06355
www.acmacris.com