Psychopathy & ITSM

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11.00 am
Stream 1, Session 1

#LEADit
Introduction

• Disclaimer
• Premise
• Corporate Psychopathy
• Examples
• Recommendations
• Discussion and Questions
Disclaimer

• I am not a psychopath
• I am not saying anyone else is psychopathic
• Diagnosis requires testing by trained professionals
• We are discussing a theoretical proposition
THE PREMISE
New Customs IT cargo system fails to deliver

Air Force scraps massive ERP project after racking up $1 billion in costs

Anatomy of an IT disaster: How the FBI blew it

Manufacturer sues IBM over SAP project 'disaster'

$89M down the state drain

ERP disaster costs Ansell millions

WA to abandon shared services

Qld Health payroll debacle to cost $1.2b
Traditional causes of failures

• Lack of:
  – Management Support
  – Governance
  – Change Management
  – Project Management
  – Risk Management
  – User Involvement
  – Communication
  – Resources

• Too much of:
  – Politics
  – Complexity/Size
  – Scope/Spec changes
  – Customisation
  – Cutting Corners
Hands up who knew that already?
Premise

• Cobbs Premise:
  “We know why projects fail; we know how to prevent their failure—so why do they still fail?”
  Martin Cobb, 1995

• Poon, 2002:
  – Tendency that when projects go wrong, everything is done wrong. When projects go well, everything is done well
Meta-factors

**Meta-factors**
- CEO/CIO/PM Personality
- Org Culture
- Org History
- Team Culture
- Past Success
- PM Competence
- Etc

**CSF’s**
- Management Support
- Project Management
- Governance
- User Involvement
- Communication
- Etc

**Project Outcomes**
- Time
- Budget
- Functionality
- Quality
- Satisfaction
- Adoption
- Credibility
- Etc
CORPORATE PSYCHOPATHS
“If I wasn’t studying psychopaths in prison, I’d do it at the stock exchange.”
-Dr Robert Hare
Clinical Characteristics

- **Predatory**
  - Glib and superficial
  - Emotionless
  - No conscience; guilt or remorse
  - Confident and charming
  - Unrelenting sense of entitlement
  - Never responsible
  - Very controlling

- Pathological lying
- Conning and manipulativeness
- Parasitic lifestyle; lazy
- Poor behavioral controls, Impulsivity
- Past history
- Easily bored/need for excitement
Corporate Psychopath Success

- Being a psychopath is a ticket to success in climbing the ladder:
  - Personal Characteristics
  - Organisational Requirements
  - Organisational Dynamics
Personal Characteristics

• Psychopaths are finely tuned for success
• Laser like focus on success, wealth and power
• Predatory in nature
  – can identify a victim by the way they walk
  – target people and organisations
• Masters of impression management
• Intelligent, creative, quick thinkers etc
• Cool and calm under pressure
Organisational Requirements

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<tr>
<th>Psychopathic Traits and Corporate Labels (Wexler, 2008)</th>
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<table>
<thead>
<tr>
<th>Trait Description</th>
<th>Organisational Requirement</th>
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<tr>
<td>No Conscience</td>
<td>Gets the hard jobs done</td>
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<tr>
<td>Aberrant self-promoter</td>
<td>Makes an excellent first impression</td>
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<tr>
<td>Lies and schemes</td>
<td>Strategically-minded</td>
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<tr>
<td>No fear</td>
<td>Shows courage and steadfastness</td>
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<tr>
<td>Thrill-seeking</td>
<td>Risk-taker</td>
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<td>Feels no guilt or remorse</td>
<td>Can live with tough decisions</td>
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<tr>
<td>Grandiose self-image</td>
<td>Confident, knows self-worth</td>
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<tr>
<td>Cold-hearted</td>
<td>Objective, analytical</td>
</tr>
<tr>
<td>Glib and superficial charm</td>
<td>Networks well</td>
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<td>Severs ties with those who no longer benefit them</td>
<td>Move up the hierarchy without being slowed down by loyalties</td>
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<td>Promises the sky</td>
<td>Visionary</td>
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Organisational Dynamics

• Even when discovered, organisations rarely move on corporate psychopaths:
  – Initial problems – death by a thousand cuts
  – Staff will not report problems due to retaliation
  – Initial good first impressions
  – Problems easily attributable to other causes – personality conflicts, misunderstandings
  – Cover up with lattice of lies and excuse
Organisations as Psychopaths

• Idea that organisations become psychopathic
• Psychopathy becomes infectious as psychopaths promote pawns or patsies
• Create the organisation in their own likeness
Psychopathy Impact on Projects

- Fraud/Corruption
- Breach of contract
- Failure to fulfill promises
- No allocation of responsibilities
- No commitment, care or concern
- Focus on impression
- Sense of entitlement
- Failure to communicate bad news
- Past History
- Bullying
- Sexual Harassment
- Declining Productivity
- Staff Turnover
- Stress/Burnout
QUEENSLAND HEALTH PAYROLL IMPLEMENTATION
Conversation

• Consultant:
  I don’t think they were psychopathic … but they were certainly criminal.

• Me:
  What do you see as the difference?

• Consultant:
  Good Point.
Queensland Health Payroll

- 87,000 employees; 17 hospitals
- Complex payroll - very complex award system
- Previously used LATTICE systems which vendor was ceasing support – needed a replacement
- Corrupted and rushed purchasing process resulted in IBM selected as primary vendor
Outcomes

- Scoped at $6M, final cost estimated $1.2billion
- Within 3 weeks, 300 staff received little or no pay
- 1200 underpayments, $90m+ in overpayments
- Workers went on strike over pay bungles
- Nurses and other health professional stop working for Qld Health and flood to private sector
- Helped bring down the Labor Government
- IBM was banned from Qld Government
DIAGNOSIS OF QUEENSLAND HEALTH PAYROLL
Glib and Superficial

• RFP was a one page email
• No scope or requirements analysis
  – “QH was passive perhaps lazy in the identification of its requirements”
  – “IBM content for scope to remain vague”
• Major decisions based on gut feel or political expediency e.g. scope acceptance; go-live
  – “No party could have been under any misunderstanding that this was an inevitable result”
Glib and Superficial

- Appearance of governance through bureaucracy
- Reclassification of defects
- Staff training by DVD
- No contingency plans even though big bang cutover that was known not to be able to work.
- Staff selection based on personal relationships
Grandiosity

- Corptech – executives who played believed they had the capacity to manage … but never did any management
- Consultant – “a stranger to self doubt”
- Appointment of a Prime Contractor- because seen as “too big a job” for one firm
- Qld Govt/IBM staff ignored warnings from Bidders, Vendors, Contractors, Management, Staff, Unions, Consultants, IT industry
Pathological Lying

- IBM bid promises never materialise – resources, PM, QM etc.
  - IBM: “The sky will go black with IBM’ers”
  - Health: ” There was no eclipse”
- IBM says “defects” are “changes”
- Public servants don’t tell truth to Minister
Pathological Lying

- Health CEO is told the problems are being managed – no substance
- Senior managers “cannot recall” vital evidence/Junior staff have detailed and specific recollection
- Workarounds for defects turn out to not actually work
Conning and Manipulativeness

- Excluding people from “the loop”; backstabbing from the beginning
- Promise of one bidding round, turned into two -- second round based on Accenture first round
- Re-assessment requested when Accenture winning
- IBM gets details of Accenture bid; coaching, search of G: drive
Conning and Manipulativeness

- Scope change request approved before documentation received
- Suppression of bad news
  - Staff who did not toe the line were moved on or bullied
  - Communications were altered or never passed on
- IBM actively seeks to discredit testing reports
Lack of Empathy

- Many staff left destitute/high stress
- Underpaid staff told to contact charities
- Staff offered one free coffee as apology
- Lack of concern for payroll staff – Payroll Manager resigns and accuses senior management of classic case of workplace bullying
- 200+ staff investigated by Police for fraud
Failure to accept responsibility

• QH blames IBM; IBM blames QH
• Health CEO never actually checked what he was being told even after disaster
• Two senior public servants were sacked for their role/ re-employed by Queensland Health as consultants within 12 months
• IBM says it fulfilled contractual obligations
Lack of Guilt or Remorse

- IBM seeks to impose their poor design on Health.turns defects into changes
- IBM says the system failed because Health changed scope and incorrect data entry
- Deliberately target ambiguous situation and use to advantage – predicted by Accenture
- Re-employed consultants -- can’t see problem as they are not working on the payroll system
Parasitic Lifestyle

- Going through the motions – lots of meetings, few attendees; no actual results
- IBM always has its hand out - $25m travel claim; paid for delays of its own making
- Senior management held a party to celebrate a successful implementation
- Re-employment of sacked staff as Consultants
Past History

• QH - string of IT failures going back more than a decade
• Jayant Patel Case -- Treatment of the whistle-blowers
• QH considered sociopathic by Tony Morris QC -- reputation considered more important than patient deaths
• Joel Morehu-Barlow case – stole $16m
Past History

• Accenture view of how IBM operates – go in cheap, generate scope/requirements changes

• IBM under investigation for numerous cases of corruption and bribery in Europe, Asia and Africa

• law suits for failed implementations
Need for stimulation/Prone to boredom

• Hard one to assess
• In general terms, corporate psychopaths create crisis because it is exciting, and they get to star
• Get pleasure watching everyone run around trying to deal with bomb/crisis
• “Everyone becomes an actor in their psychodrama”
Poor Behavioral Controls/Impulsivity

• Can’t find any direct evidence
• Indirect evidence in self censorship/anecdotal stories
Psychopathy Impact on Projects

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Summing Up

• Failure not an issue of not knowing what to do – almost all recommendations ignored
• Death by a thousand cuts – everyone of which has a plausible explanation
• Evidence in total indicates “psychopathic” behaviour on part of many players
DEALING WITH PSYCHOPATHY
Recognising a Psychopath

- Gut feel
- Vague on details; vague language, non-specific
- Lies to look good/get what they want
- Rarely keeps promises
- Dismissive of others opinions/degrading
- Bullies and threatens behind closed doors
- Lazy/steals credit
- Checkered job history/relationship history
Individual Defence

- Identification/Knowledge
- Get a psychologist
- Leave
- Suck Up
- Document, Document
- Make complaint/ Prepare for war
- Pursue legal options
Just to be Clear

• Psychopaths, and other personality disordered people DO NOT CHANGE - part of the disorder
• They can modify their behaviour in their own self interest but this requires authority/threat.
• Victims often try to modify their behaviour in hope of changing perpetrator
• Psychopath will find that amusing/ intermittent reinforcement
Management Level Defence

• Filter out at recruitment
  – Check all details in CV’s, answers
  – Psych testing
• Vigilance in enforcing ethical standards
• Independent 360 degree reviews
• Unambiguous behavioural guidelines
• Uncover and deal with rumour, discrepancies between staff and management perceptions
Client Defence

- Unambiguous contracts
- Supervision of Sales/Business Relationship Management
- Balanced view of staff versus client view
- Line in the sand – in or out
- Work it to advantage – take away the detail for payment
- Stand up – respect/not a target
“…the subject is so important, and with such vast implications for society …
The damage that psychopaths do to the global economy, and human civilization in general, is incalculable.”

-- Dr Robert Hare
Where to from Here

• Think about IT project failure and management in a different way i.e. root cause versus symptoms
• Not just psychopathy – dark triad, moral and ethical behaviour, normative influences etc.
• Increase in psychopathic or narcissistic tendencies in management/younger generation
Additional Resources

• Babiak & Hare – Snakes in Suits
• John Clarke – Working with Monsters
• Phillip (Dr Phil) McGraw – Life Code

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