Exposing Our Secret Passion for Failure

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Management literature is always ad dressed to those with high levels of aspiration. But surprisingly, a great many peo ple, to judge from their behavior, really don't want to succeed. Executives and supervisors-subconsciously, to be sure-often seem to choose the one road on which the signposts point to defeat. Such wayfarers may even be in the majority.

Sigmund Freud was among the first to recognize that many able people have a secret passion for failure. Sooner or later they turn their triumphs into disasters. When things go well they consider them selves unworthy of their good fortune and therefore strive to undo it. Frequently they accomplish their purpose by deliberately taking big risks for the most insignificant rewards.

We recently interviewed a cross section of executives who were willing, under cover of anonymity, to describe their own most serious failures. Viewed in one con text, their revelations' add up to a manual on how to fail: Even those who are still in tent on succeeding may find the following accounts useful on the theory that pathology provides material for instruction.

A surprising number of our respondents reported that their worst errors involved clinging too long to a product or service that obviously had seen its finest hour. Their infatuation with their product seemed to originate in a need to vindicate their past judgments. They would rather be right than successful. No matter how well they understood the excellent literature on "the life cycle" of products and services, they considered their own products to be immortal and immune to the vicissitudes of the marketplace. However, no executive can afford to put his love of a product above the, mandate of his market.

Product infatuation takes another form. One executive recalled ruefully how often his enthusiasm had led him to release a product before it was really ready. Some where along the line he had refused to look at problems of production flow and distribution- for instance, market research, packaging, planning an advertising campaign, and so on. The end result was an inventory that was completely out of control without sales to back it up.

Similar is the recent case of a computer company that went broke because it announced an improved model prematurely. Result: Potential customers passed up the current product and waited for what they knew would be a fine product, which, un fortunately, was not on line until long after the expected delivery date. Collapse was inevitable as cash flow slowed to a trickle and finally to nought.

Ignoring competitors is another sure road to failure. No matter how powerful a company, it is deliberately courting failure if it refuses to look over its shoulder to see who may be creeping up. And playing catch-up in the race is difficult even for the swift once they are off their pace. East man Kodak Co.'s too-snug executives finally learned that coasting is a down-hill process and that they need new products. Breathlessly they are now chasing the coattails of Polaroid Corp., Xerox Corp. and a score of floppy-disk manufacturers.

Judging by the frequency with which executives raised the subject, the area in which failure can-most easily be accomplished is personal relationships. You can de-motivate people, cripple their effective ness, and make enemies out of friends without really exerting yourself.

On reaching the top, self-destructive people conclude that they no longer need anybody else. One executive, confident that a healthy bottom line was an impenetrable shield, gave no thought to his relations with others. He acknowledges now. that it was not wise to keep his board of directors waiting on occasion rather than interrupt what he considered an important chore. Also he says he erred in failing either to win the trust of his subordinates or get rid of them. Finally, he was forced to step down despite his. record of achievements.

One method of ensuring failure, used by a surprisingly large number of executives, is to organize the opposition. The logic seems to be that once you've defeated an opponent, make sure he remains an opponent Former major league baseball manager Leo Durocher, an expert on the underworld of human relations, avoided this mistake. He once said of his team: "I never let the four guys who hate me get together with the five who are undecided."

Lyndon Johnson, on the other hand, had a more affirmative approach. If he lost to an adversary, he harbored no grudges and sought reconciliation. That's why, after contesting with John Kennedy for the presidential nomination, he could take second place on the ticket and eventually become president himself. When he was victorious, he knew the importance of bringing the defeated rival into camp. As he said of a potential adversary, "I'd rather have him inside the tent urinating out, than outside urinating in." (Of course, Johnson didn't use the polysyllabic term we've substituted for his; he had more colorful words at his disposal.)

Many executives have learned that one sure way to undermine their power is to refuse to share it with others. By insisting on exclusive control, the decision maker, no matter how experienced and brilliant, endangers his success.

A former chief executive officer in a food-distributing company, now in semi-re tirement, cites his worst flop as a youngplant superintendent His superior had given him full authority to make all key decisions. Enamored of a new product that he called Nut Yogurt, he did not bother to get the reactions of his sales staff "before producing carloads. He found his staff wouldn't touch it with a 10-foot spoon, and he and his family were eating it for years.

Another executive says his worst failures have been with people who didn't make the grade but who lingered on. He knew they would have to be let go but he kept deferring the moment of truth. Unfortunately, the incompetent don't quit, and the painful decision is not made until a major disaster occurs.

He says he has found a solution to this problem of "judgment inertia" by following what he calls the "Sy Syms theory of management.;' named after the apparel; merchant who systematically reduces the price of his wares in direct proportion to how long they have stayed on the rack. He describes his method as follows: "If a sub ordinate disappoints you once, you discount his credibility by 10%; if. he disappoints you twice, it goes down by 30%. The third time you sell out at any price."

Even the best and the brightest are likely to invite some failures. To be sure, the boundary between success and failure is not clearly drawn. It is not fixed like a Maginot line, and in any case it is easily outflanked. What is worse, the overconfident wayfarer may suddenly find he has wandered into the treacherous wastelands. And when that happens, the public is usually delighted. The Children of Israel must have cheered as the prophet pronounced the phrase, "How are the mighty fallen."

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