MEDIOCRITY MACHINERY

How a world that never punishes the inept ends up run by them

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Preface

I spent thirty-one years as a forensic accountant, which is to say I spent thirty-one years arriving after the fact. Somebody would telephone — a chairman, a receiver, once a nervous head of a pension fund — and by the time they did, the money was gone and the meeting that lost it was a year in the past. I came with a laptop and a box of files and reconstructed, from the paper, who had decided what, and when, and who had paid for it. That was the work. It sounds forensic and grand. Mostly it was reading, and the reading taught me one thing so thoroughly that I have spent this book trying to say it plainly.

In a failing organisation, the money and the blame travel in opposite directions. Follow both, patiently, and they bring you to the same person: the one who kept the upside and signed for none of the downside. Almost always the same kind of person. Almost never the same trick twice. I expected, when I started, to spend my career catching fraud. Fraud turned out to be the rare case. The ordinary case — the man who games the number promoted over the woman who does the work — broke no law at all. It was not a bug in the system. It was the system, working as built.

This book exists because I could never, while I was working, answer the question that the whole thirty-one years kept asking. I could always tell you who won. The files told me that. What they would not tell me, and what I never had time to work out because the next wreck was always waiting, was why the thing had been built so that they would. Why does an organisation, staffed by ordinary and mostly decent people, reliably hand its authority to exactly the people who should be nowhere near it? That is the question I retired with, and this book is the answer, written after, by a man who is finally not too late.

There are a great many books about mediocrity, decline, and the failure of institutions, and I have read enough of them to know what I did not want to write. I did not want to write the book that tells you the system is rigged and you are right to be angry, and then stops, because being told you are right to be angry changes nothing. And I did not want to write the book that tells you the fault is yours, that you have not optimised your morning or built your brand or hustled hard enough, because that is the machine's favourite outcome — a workforce busy blaming itself will never look at the structure. There was a gap between those two books, and it is the gap where the actual mechanism lives, and no one seemed to want to stand in it and name the thing. So I have.

What I found, in the end, was a single mechanism, simpler than the mess it produces. I call it the cut wire: the severance of an action from its consequence. Cut that wire — between the decision and the loss, the reward and the risk, the person who decides and the person who pays — and you have not removed the consequence. You have only chosen who it lands on. And a system that rewards the people who are best at standing on the right side of a cut wire will, over time, fill its command with exactly them: the unaccountable, not the skilled. Everything else in the book — the diffused decision, the gamed metric, the socialised loss, the costume of competence, the infinite forgery that machines have just made free — is that one cut, made in a different place.

I have tried, throughout, to state the mechanism and let the ledger make the argument, and to be honest about the cost — both the cost the machine imposes on a civilization, which is enormous and mostly hidden, and the cost of resisting it, which falls on the few who keep their own wire connected and are rarely thanked for it. Those few are the reason anything still works. The book ends with them, and with the one wire you fully govern, which is between your own work and your own name.

I am not interested in your outrage, and I am not going to feed it. I am interested in the mechanism, and in whether you can learn to see it once it has been named. That is the whole of what I am offering. Not a revolution, not a programme. Sight. The machine, made visible, in a light steady enough that you can no longer pretend not to see it — and then one small, difficult, entirely available thing you can do about it, in the only place the machine cannot reach.

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Part I

The Machine

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The Wrong People Won

I have spent thirty-one years arriving after the fact. Somebody would telephone — a chairman, a receiver, once or twice a nervous head of a pension fund — and by the time they did, the money was gone and the meeting that lost it was a year in the past. I would come with a laptop and a box of files and reconstruct, from the paper, who had decided what, and when, and who had paid for it. That was the work. It sounds forensic and grand. Mostly it was reading.

And in thirty-one years of reading I found the same thing so often that I stopped being surprised by it, which is the most dangerous thing that can happen to a man in my trade. The thing was this: in a failing organisation the money and the blame travel in opposite directions, and if you follow both, patiently, they bring you to the same person. The one who kept the upside and signed for none of the downside. Almost always the same kind of person. Almost never the same trick twice.

This book is about that person, and about the machine that keeps handing them the wheel. It is not a book about villains, though you will meet a few. It is a book about a mechanism — a specific, boring, repeatable mechanism — that selects, out of all the people in a room, for exactly the ones who should be nowhere near the decision. You have watched it your whole working life. You have watched the careful one passed over and the confident one raised, and you have been told, in so many words, that you were imagining it, or bitter, or not a team player. You were not imagining it. There is a shape to it, and the shape can be named, and once it is named you cannot stop seeing it.

That is the whole promise of this book. Not comfort. Sight.

The Promotion That Made No Sense

The promotion was announced on a Thursday, in an email that went out at 5:40 in the afternoon, which is the hour organisations choose when they would prefer the news to be read alone and slept on rather than discussed in a corridor. I know the hour because it was in the file. A year and some months later I sat in a windowless room two floors down from where that email was sent, with the division's accounts in front of me, and I read it the way you read a suicide note after the fact — knowing the ending, looking for the moment it became inevitable.

The man who was promoted I will call Aldous, because the file called him something else and it does not matter. He was made head of the division. He was, by every account I later gathered, warm in a meeting, quick with a phrase, and generous with credit for work that had gone well — a generosity that cost him nothing, because he was rarely close enough to any actual work for its failure to reach him. The woman who was passed over I will call Priya. She had built the thing that the division was, in fact, still running on. She knew where every weakness in it was, because she had put most of them there herself in the early years and then spent a decade quietly repairing them. She was, everyone agreed, difficult. By difficult they meant that she said, in meetings, when a number was wrong, that the number was wrong.

I have sat in a great many rooms where a decision like that was taken, though never at the time — always afterward, in the paper. And what strikes me, every time, is not the injustice of it. Injustice is loud and it fades. What strikes me is the room's quiet. Nobody in that room was outraged. Nobody thought a crime had been done. The people who chose Aldous were not stupid and were not, in any ordinary sense, corrupt. They looked at the two of them and they chose the one who felt like safety, and the one who felt like safety was the one who had never, in twenty years, been visibly attached to a result that went wrong. That is not the same as competence. It took me a career to learn that it is very nearly the opposite of it.

You know the type without my describing it, because you have one. The manager who arrives, reorganises, launches, presents the launch, is promoted on the strength of the presentation, and is gone — to a better title, a better firm — before the launch is anywhere near old enough to have failed. The wreckage surfaces two years later on someone else's watch, and by then the reorganisation is ancient history and the man who did it is a case study in his own LinkedIn summary. He broke everything upward. That is the phrase I use for it in my own head: he broke everything upward, so the pieces landed on the people below him and the credit floated up to him, and he rode the credit out the door before the pieces were counted. He is not rare. He is not even, particularly, hiding. He is simply faster than the consequence, and the whole of this book is about why the system was built to let him be faster.

Let me give you the fuller version, because the one-line manager is easy to nod at and easy to forget. This one I spent four months inside.

The division hit its number for six years running. Six years. In a business where nobody hits the number six years running, this division hit it every quarter, and its head — Aldous, still Aldous — was promoted twice on the strength of it, the second time into a role senior enough that his name was on a strategy nobody could later unpick. When I was called in, it was because the seventh year had not merely missed. It had opened a hole the size of the previous six years of profit, all at once, as if a floor had given way.

It took me a fortnight to find it and it was not clever. Each quarter, a loss that should have landed in that quarter had been carried forward into the next — reclassified, provisioned differently, described in a footnote that was technically true and completely misleading — and each following quarter the same loss, now slightly larger, was carried forward again, with a fresh quarter's real loss folded in behind it. It is the oldest move there is. You are not making money. You are moving the same growing pile of not-making-money one quarter to the right, forever, and calling the gap between where it should be and where you have put it a profit. It works precisely until it doesn't, and when it stops working it stops all at once.

Here is the part I want you to hold. Aldous did not, as far as I could ever prove, understand the accounting. He was not a fraudster in the courtroom sense. He had simply made it very clear, for six years, that he wanted the number hit, that he did not want to hear how, and that the person who brought him a reason the number could not be hit was a person with a bad attitude. Everything else followed from that, downward, through people who each did one small defensible thing. And there was a junior — there is always a junior — who had written it down. A careful memo, eighteen months before the collapse, laying out exactly what was happening and what it would cost. I have a copy. It is a good memo. The junior was managed out within the year for, and I

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Nobody Decided

I have reconstructed a great many decisions from the paper they left behind, and the strangest thing I ever found, more than once, at the exact centre of a ruinous one, was nothing. Not a villain. Not a rogue. Not even a fool. An absence — a place where the decision should have been, where a person should have stood who made it and owned it, and instead a kind of hole, ringed by initials, signed by everyone and authored by no one. I would sit with the file open and follow every thread inward toward the man who decided, the way I had learned to, and the threads would not converge on a person. They would converge on a meeting. And a meeting is not a person, and cannot own an outcome, and cannot be brought before anyone, and this — the loss with no owner, the decision with no author — turned out to be not the rare case but, at scale, the ordinary one. This chapter is about that hole, and about how carefully, and how invisibly, it is built.

Everyone Agreed, No One Decided

The last chapter showed you the wire cut by a single hand — one decider, one pair of shears, one traceable cut that an auditor could follow home. This chapter shows you the wire dissolved by many hands, frayed strand by strand across a whole room, until it parts and no single hand is guilty of having cut it. It is the same severance. It is simply distributed, and distribution is the machine's cleverest disguise.

The boardroom, the morning after. Not literally the morning after — months after, when the loss had surfaced and I had been called in — but that is how the room felt when I finally sat in it and read what had been said. Twelve people had approved the thing that failed. I interviewed most of them, and every one of them, without exception and without any sign of dishonesty, told me the same thing in slightly different words. That they had had concerns. That they had assumed the concerns were covered elsewhere. That they had relied on the analysis, which was not theirs. That the decision had been, as one of them put it in a phrase I wrote down and have never forgotten, something ”we all felt was the right direction at the time.”

We all felt. Listen to the work that sentence does. It has no subject that can be held — ”we all” is precisely nobody, a fog of a pronoun — and no verb of decision, only the passive weather of a feeling that settled over the room like damp. Nobody proposed it; it emerged. Nobody owned it; it was shared. Nobody decided it; they all felt it. And when it failed, there was no one for the feeling to land on, because a feeling that everyone had is a feeling that no one is responsible for, and the loss, needing somewhere to go, went looking for an owner and found only the fog. I have sat in that room, in one form or another, a dozen times, always afterward, always reading the same sentence in the same fog, and it took me years to understand that the fog was not an accident of memory. It was the product. The room had been run, whether anyone intended it or not, so that this exact sentence would be the only one anyone could later say.

Here is the fuller case, and it is the one I promised you at the end of the last chapter, the board that signed off on an exposure not one person in the room understood.

The paper ran to more than two hundred pages, and the decision it asked for was genuinely complex — a structured position whose risks lived in the interaction of several things, each of which a different specialist understood in isolation and no one understood together. And here is the crucial architecture, the thing that made the disaster not a failure of the system but a perfect expression of it: understanding the decision whole was no one’s job. The risk officer owned the risk section and had reviewed the risk section, competently, and signed for it. The legal officer owned the legal section and had done the same. Finance owned finance; the modellers owned the model; the business head owned the commercial case. Every one of them had discharged their piece with genuine diligence, and not one of them had done — because the structure required it of no one — the single thing that would have caught the disaster, which was to hold the whole decision in one head and ask whether, as a whole, it made sense. The chairman asked if there were objections. There was a silence, and everyone in the room experienced that silence as agreement, when it was in fact the sound of twelve people each assuming that the understanding they personally lacked was safely held by someone else at the table. The decision passed on that silence. Eighteen months later it detonated, and the loss — the whole of it, real, enormous, final — belonged to a pension fund whose members had never heard of any of them, and to no one who had signed. When I asked, at the end, who had decided it, I got twelve honest answers, and every one of them was a section, and none of them was the decision, and the decision itself had been made by the room, which is to say by no one, which is to say by exactly the structure that had been built, without anyone quite intending it, to ensure that no one would ever have to have made it.

Scale is the machine's favourite blade, and it is a strange one, because it does not cut the wire cleanly. It frays it. It spreads a single decision across a hundred hands until the connection between the decision and any responsible person is not severed at a point but thinned everywhere, until it parts under its own distribution, and no one can say where.

I want to reframe "no one decided," because you almost certainly hear it as an excuse — a thing people say after a disaster to escape the blame — and it is much more interesting and much more damning than an excuse. It is not offered after the fact. It is achieved in advance.

An excuse is retrospective: the decision was made by someone, and afterward they scramble to disown it. What I am describing is prospective: the decision is *structured*, before it is ever made, so that it will have no owner — so that when it is examined afterward, however hard, the examination will find no author, because there genuinely was none. This is the difference between a criminal fleeing the scene and a scene built to record no criminal. The board that approved the exposure did not decide it and then cover their tracks; they operated inside a structure that had been arranged, meeting by meeting, so that the tracks would never exist — so that responsibility would be pre-emptively spread across enough hands that it would weigh nothing at any of them. "No one decided" is not a lie told after the loss. It is a true statement about a decision that was deliberately, if often unconsciously, engineered to be ownerless from the start. And a thing engineered to be ownerless is far harder to fight than a thing merely disowned, because there is nothing to expose. The absence is real. The absence was the design.

"But committees exist for good reasons — to share judgement, to

You have watched it your whole working life: the careful one passed over, the confident one raised, the wrong person handed the job while everyone quietly agrees not to notice. You were told you were imagining it, or bitter, or not a team player. You were not imagining it.

Malcolm Reeve spent thirty-one years as a forensic accountant, arriving after the collapse to trace where the money and the blame had gone — always in opposite directions, always meeting at the same person: the one who kept the upside and signed for none of the downside. Mediocrity is not rising by accident. A world that never charges anyone for being wrong will always, in the end, be run by the people who were wrong the most and paid for it the least.

This is not a book about villains, and not a rant about decline. It is the cold diagnosis of a machine — the single mechanism that severs what people do from what it costs them, and quietly selects the unaccountable to run everything. It ends with the one wire you still govern, and the only move the machine cannot counterfeit: sign your name to your work, and mean it.

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