Narcissistic business leaders as heralds of the self-proclaimed excellence

Abstract

Purpose: Narcissism constitutes a personality trait which is considered responsible for both positive and negative behavioral outcomes that impact decisions and actions. The paper investigates the relation of narcissism to leadership in business contexts and presents its impact on specific organizational variables, which are crucial for the pursuit of excellence.

Design/methodology/approach: The approach, by which this paper is structured, is theoretical and has been based on a literature review regarding narcissism (and more specifically narcissistic leadership) in business contexts.

Findings: Narcissism can have positive (mainly in the short term) and/or deleterious effects both for the individual and the organization. The self-proclaimed excellence of narcissists results from a combination of their beliefs about their extreme intelligence, abilities and leadership and their high motives for reassuring their supremacy. However, the behavior of narcissistic leaders impacts various organizational parameters which are preconditions for organizational excellence.

Research limitations/implications: The study at hand can be used as an input for further research on the effects of narcissism on quality performance variables.

Practical implications: The behavior of narcissists (and its positive and/or negative consequences) should be evaluated in relation to any specific organizational context and circumstances.

Originality/value: The study examines narcissistic leadership and attempts to examine its implications for factors that are crucial for the achievement of organizational excellence.

Keywords: Excellence, quality, narcissism, organizational performance

Paper Type: General Review
Background and Paper Objectives

The term “Narcissism” derives from the mythical Narcissus, a handsome masculine figure of the Greek mythology who despised love. In accordance with a version of the myth, Narcissus was punished by Nemesis because he disdained the love of a nymph (Echo). When Nemesis learned the story, she decided to punish Narcissus by luring him to a pool in which he saw and fell in love with his own reflection. After trying to kiss his own perfect and beautiful idol in the water with no success, Narcissus realized that his love would remain unfulfilled and committed suicide. When Echo saw her beloved Narcissus dead, she felt great pain and mourned. Moved by her crying and grief, Zeus transformed Narcissus to a beautiful white flower (Ovid).

It was the British physician and psychologist Havelock Ellis in 1898 that first referred to the myth of Narcissus so as to describe a situation of perverted self-eroticism, namely an individual’s lust for itself (Rijsenbilt and Commandeur, 2013; Chatterjee and Hambrick, 2007). Ellis credits Näcke for the first use of the term “Narcissus + ism” (Campbell and Miller, 2011). Nevertheless, Rank’s writings brought the issue of narcissism in the field of human development and suggested that narcissism is a synonym for vanity and self-admiration (not entirely sexual) (Campbell et al., 2011). According to Freud (1914), narcissism can be considered as an evolutionary stage of human development that reflects our basic need for love and reassertion and that is why, it is present in every human being.

Therefore, narcissism is a concept present in the social personality (trait that people possess at various levels, e.g. Foster and Campbell, 2007) and psychiatric literature (personality disorder) (e.g. Campbell et al., 2011). It is usually described as one of the three dark sides of personality (along with Machiavellianism and psychopathy) (Paulhus & Williams, 2002), and it is unveiled by an individual’s extremely positive view of itself (ego) and a tendency to maintain this positive view at any cost (Brunell, et al., 2008). However, narcissism can be theorized as a set of interacting individual characteristics and behaviors that highlight various degrees of a) passion and obsession of an individual for itself, b) interest/consideration or disregard for understanding others’ feelings and c) pursuit of personal gratification, dominance and ambition through the excessive admiration of personal capabilities (Kets de Vries, 2014; Campbell and Miller, 2011; Morf and Rhodewalt, 2001; Maccoby, 2000;). The measurement of narcissism is achieved through relevant instruments (e.g. Narcissistic Personality Inventory -Raskin and Terry, 1988; Five Factor Narcissism Inventory- Glover et al., 2012; Pathological Narcissism Inventory -Pincus et al., 2009) and can be broadly identified as healthy or unhealthy. Kets de Vries (2005) likens narcissism to Janus, the two faced god, as loving oneself is necessary for survival but it is excessive love that can lead an individual to self-destruction. While healthy narcissists exhibit creativity, humor, sufficient self-awareness and empathy, unhealthy narcissism results in personality disorders. More specifically (CZBZ, 2013):

a) healthy narcissism is related to the natural human need for love and admiration in accordance with an individual’s age and stage of development. People who are healthy narcissists are creative, empathetic and aware of the things they can accomplish as well as able to perceive the outcomes of their actions on other people (Kohut, 1971). It is precisely this factor that protects them from the higher (and potentially destructive) levels of narcissism. Their self-confidence and concern for others helps them in adjusting their behaviors.
so that they can overcome difficulties and respond as successfully as possible to the challenges of life.

b) \textit{productive/normal narcissism} is associated with passion, creativity and innovation. Productive narcissists are charismatic people that are able to persuade others to follow them. They are self-centered and emotionally detached people with a strong willingness for control and eagerness to risk (Maccoby, 2000; Harrison and Clough, 2006) so as to strengthen their self-esteem and improve. It is possible that productive narcissists may gradually fail to maintain contact with reality and this, if combined with limited self-awareness, can result in multiple negative outcomes for them and their contexts.

c) \textit{destructive narcissism} concerns destructive behaviors of an individual to itself and other people. Destructive narcissists do not hesitate to devalue and/or manipulate their colleagues or subordinates; they lack empathy and pursue power by any means and at all costs.

d) \textit{pathological/clinical narcissism} refers to extremely high levels of narcissism. These individuals suffer from paranoia, they behave antisocially, aggressively and sadistically towards other people. They are very ambitious for power, have a grandiose sense of themselves and they tend to project to others negative traits. It is highly likely that they resort to substances and alcohol abuse so as to cope with the demands of their role. The American Psychiatric Association (2000) has outlined that pathological narcissists i) display an exaggerated sense of self-importance, ii) have fantasies of unlimited success, power, brilliance, beauty, ideal love, iii) believe that they are unique, can be understood and should associate with high status and important people, iv) demand to be highly admired, v) are characterized by a sense of entitlement, vi) tend to exploit other people, vii) lack empathy, viii) are envious of others or believe others are envious of them, ix) show arrogant or disdainful behaviors and/or attitudes.

Narcissistic individuals tend to emerge as leaders (Brunell et al., 2008; Judge et al., 2006; Rosenthal and Pitinsky, 2006) in various contexts. There is no need to reiterate that the business context rewards managers and business leaders for their self-confidence, ambition, and high motivation for achievement. It is precisely these factors which, when combined with power, can lead to narcissistic behaviors (Furnham, 2008). This happens because those characteristics that can make business leaders successful can also make them susceptible to problematic behavior (greed, distorted thinking, feelings of grandiosity) and unethical conduct (e.g. Amerin and Craig, 2010) strengthened by the risks and pressure of their work as well as their success (in time). This further leads to multiple impacts on various organizational parameters (e.g. working climate, decision making).

The paper investigates theoretically the relation of narcissism to leadership in business contexts and presents its impact on specific organizational variables, which are crucial for the pursuit of excellence. Its purpose is not to summarize all narcissism related studies as this study is not a literature review on narcissism.
Leadership refers to the ability of an individual (leader) to influence (through a set of behaviors) a group of individuals in order to achieve a common goal (Northouse, 2004). Leaders are expected to possess certain characteristics such as the willingness to lead, dynamism, integrity, ethics, phronesis and synesis, self-confidence, creativity, innovation and change orientation. They should also portray flexibility, empathy, long term/strategic orientation and proactiveness, systemic thinking, vision, ability to motivate and collaborate (Schermersorn, 2011). It is also well known that business leaders are responsible, among others, for diffusing organizational vision, managing relationships to stakeholders, coordinating and developing organizational resources. Through their decisions and actions they exert influence on the organizational process of becoming of their units.

Narcissism describes activities, behaviors and experiences that support or strengthen the pompous self of some individuals (Morf and Rhodewalt, 2001), whose lack of self-esteem and self-confidence is substituted by a swollen image of their ego, significance and superiority (Rijstenhil and Commandeur, 2013; Nevieka et al., 2011; Judge et al., 2006; Campbell, et al., 2002). It can be deduced that narcissism is comprised of a cognitive parameter (beliefs of individuals of extreme intelligence and abilities) and a motivational parameter (high need of individuals to reassure their supremacy (Chatterjee and Hambrick, 2007; Wallace and Baumeister, 2002). Narcissism appears as a necessary ingredient for effective leadership and an “addictive drug” with serious aftereffects (Kets de Vries, 2014). Low narcissism may erode a leaders’ effectiveness while high narcissism may distort judgement and management ability (Amernic and Craig, 2010). Current research suggests that when humility alleviates narcissism, this fact impacts the perception of leader effectiveness and can have positive effects on followers (Owens et al., 2015).

The relationship between narcissism and leadership has been under systematic scientific study in the last 25 years (e.g. Higgs, 2009). Maccoby (2000) says that narcissists are closer to our idea of a leader because these people are able to articulate visions and exercise influence. Narcissistic leaders may be visionary and charismatic (not from a social perspective though as they are primarily motivated by personal interest) (Kieft, 2012). They are innovators, characterized by a strong will to know everything and a string drive for power, prestige and glory. Campbell et al., (2011) consider narcissists to be over confident, extraverted, dominant, attention seeking, interpersonally skilled and charming but they do not accept criticism easily, lack empathy, they display exploitative behavior and high entitlement. Additionally, they may undertake challenging tasks according to Rosenthal and Pitinsky (2006). Their effectiveness though is highly dependent upon the degree of their self-awareness, self-regulation and intelligence (Kieft, 2012). Maccoby (2000) mentions some of the negative characteristics of narcissistic leaders as well (sensitivity to criticism, inability to listen and understand when they feel threatened, lack of empathy, distaste for mentoring, intense desire for competition).

Leaders and executives are usually characterized by a high degree of self-motivation, self-confidence, ambition and a strong sense of ego. They have to address pressures, responsibilities and stress. When they are new to their position they concentrate their attempts to develop and cultivate relationships with colleagues and subordinates, as this offers them a strong contact with reality. Gradually, the more successful leaders
get, the less significance and attention they pay to other people's opinions and start believing in their own superiority and impression of invincibility, while it is likely to make decisions and implement high risk strategies (Morf & Rhodewalt, 2001). Hence, it becomes obvious that those qualities that are necessary for success are those that can create problems (but only if there is such an inclination).

It has to be noted at this point that some effective business leaders have normal levels of narcissism. Those are described as productive narcissists. They are characterized by charismatic eloquence, strong will for control, eagerness for risk taking and emotional detachment (Harrison and Clough, 2006; Maccoby, 2000). Productive narcissists are intelligent individuals, go after learning and admiration, they are highly sensitive to criticism, believe they are always correct, they are competitive, while the sense of freedom they feel leads them to do whatever they want without limitations. However, it is likely that they gradually lose contact with reality, if this is combined with limited self-awareness. Cautiousness is necessary so as productive narcissism is not mutated to pathological and lead people to paranoia.

Methodology

The study at hand focuses on narcissism and excellence in organizations. It aims primarily to concentrate on narcissistic behaviors of business leaders and organizational operation while reframing this relationship through the quality lens and identify potential further research issues. More specifically, the paper attempts to answer two specific questions: (a) How narcissistic leadership impacts organizational operation?, (b) How narcissism influences parameters (e.g. people, self-improvement) that contribute to the pursuit of organizational excellence? on the basis of an integrative approach of theoretical and empirical research works that investigate the impact of narcissism on specific areas of organizational operation.

Based on the aforementioned questions, related keywords were identified (e.g. excellence, narcissism and performance, narcissistic leadership) and used for the identification of studies (primarily published after 2000 and until 2016) in electronic databases (such as the Web of Science, Scopus and Google Scholar), citation searching, key journal search according to the association of business schools journal ranking and content relevance (e.g. Journal of Personality and Social Psychology, Human Resource Management Review, Harvard Business Review).

Bearing in mind the purpose of this paper, title and abstract analysis were performed and then it was decided which works would be included in the analysis, based on their methodological rigor, overall quality and relevance of findings. A draft matrix was created combining keywords and studies analyzed (theory, methodology, findings). This step was necessary in order to synthesize, present and re-conceptualize literature findings from a quality perspective, something that helped in the identification of further research issues.

The consequences of (unhealthy) narcissism for excellence

It is documented that business leaders’ narcissism influences a number of organizational parameters, such as task performance (Wallace & Baumeister, 2002), management practices (Blickle, et al., 2006; Bushman and Baumeister, 1998), decision making (Foster and Trimm, 2008; Chatterjee and Hambrick, 2007) and
leadership (Kets de Vries, 2014; Resick, et al., 2009; Brunell, et al., 2008; Rosenthal and Pittinsky, 2006). As a result, narcissism may seriously threaten a company’s journey to (sustainable) excellence through a number of parameters, such as people, self-improvement, customer orientation, values, decision making and performance.

**People**

A fundamental value in a quality environment is the orientation toward the human element of organizations. Teamworking, cooperation in a climate of mutual trust and empathy are only some of the well-known presuppositions for organizational excellence (e.g. Hellsten and Klefsjö, 2000). However, the questionable behavior of narcissistic leaders can have harmful consequences.

Narcissists have true feelings of inferiority (John and Robins, 1994). Due to these feelings, they have an insatiable need for recognition. While they pursue glory, they exhibit boldness and innovation by using all means they have at their disposal and by demanding loyalty from other people. They take care of their appearance because they want to be the center of attention and sustain a personal air of excellence so as to attract people to become their acolytes (Vazire et al., 2008; Gladwell, 2002).

Their relationships are often manipulative and exploitive and they devise strategies to boost their self-esteem and attract attention (Mathieu, 2013; Campbell et al., 2011; Brunell et al., 2008). Due to their need for entitlement, extreme grandiosity, selfishness and lack of self-esteem, they resort to the devaluation of their subordinates because this helps them to avoid envy. Moreover, they claim credit for others’ success and/or condemn them for failure. If great ideas are presented, they try to hide them or present them as theirs. As a result talented people are driven away from organizations, so as to eliminate the threat of someone better. Narcissistic individuals have difficulty in accepting other peoples’ suggestions and they portray excessive sensitivity to accepting criticism. Their lack of empathy raises a serious obstacle toward perceiving and understanding others rationale. As a result team working is harmed as individuals may experience overlooking of their contribution.

Lubit (2002) refers to a study in which it was found that narcissistic managers are week in providing clear expectations to employees, offering them the necessary support to perform, opportunities to do what they know best and very week at providing them with recognition and true concern. It is therefore logical to assume that performance will not be optimized. Consequently, it seems that narcissistic behavior act as a hindering factor for organizational excellence, when it comes to people. One issue for further research though would be the investigation of the impact of narcissistic behaviors of employees on the operation of people/interaction intensive contexts (such as services) in which empathy constitutes a crucial parameter for success, and in various cultures.

**Self-improvement**

The positive view that narcissists have for themselves can only have positive effects on them only and perhaps others, but there can be negative long term consequences depending on context and complexity (Campbell and Campbell, 2009). Their self-entrainment in a plasmatic idea of personal perfection prevents them for engaging in developing and improvement activities, which is a core element for anyone committed to excellence. As said earlier, their idea of superiority is reflected on their self
enhancement, namely the overly positive evaluation of oneself due to cognitive (information, expectations etc.) and motivational (maintain self-esteem, need for approval) reasons. Thus, they create an impression which gradually fades away or is finally refuted by reality. As a result when they start believing that their ego is threatened they become aggressive (Lubit, 2002), thus gradually corroding their leadership effectiveness. A suggestion for further research would be to examine how the compulsory participation of narcissistic leaders in training and development activities actually “adjusts” their management style and behavior and thus sets the foundations for improving performance.

Customer orientation

The service profit chain identifies internal service quality and employee satisfaction as necessary for customer satisfaction (Heskett, 1994). Gilbert et al., (2012) refer to a study by Oakley (2004) which proves that leaders’ behavior towards employees influences the way employees behave to each other, customers and other stakeholders. In order to have satisfied customers, leaders should primarily engage employees through motivation, inspiration and support (Gilbert et al., 2012). However, it is possible that highly narcissistic leaders possess personal characteristics that are incompatible with the customer service logic. Their arrogance and sense of grandiosity may limit their ability to create a customer centered culture (e.g. Lubit, 2002). In addition, they may pay more attention on their personal profile and the reputation of their companies than on the accomplishment of customer based goals (Resick et al., 2009). Researchers such as Chatterjee and Hambrick (2007) have shown that narcissists tend to generate more extreme and volatile overall company performance than non narcissists and that they do not generate systematically better (which should be the case for a company that strives for excellence) or worse performance. More research is needed however to document the impact of leaders’ narcissism on organizational customer orientation and customer-centered cultures.

Values

Narcissism is associated to materialism (Sedikides et al., 2011). Narcissistic leaders’ orientation to materialistic values offers them the means they need to highlight their unique competent and capable identity (Burroughs et al., 1991). Narcissists care more for pursuing wealth and social status than in pursuing social interests (Kasser and Ryan, 1996). It seems that narcissism act as an obstacle for ethics, empathy or other higher organizational objectives and/or values, such as excellence. It is not rare for narcissistic personalities to resort to negative behaviors such as violence, aggression, white collar crime (Bushman and Baumeister, 2008; Blickle et al., 2006; Lacey et al., 2006; Luhtanen and Crocker, 2005; Campbell et al., 2005) and morally questionable behavioral patterns.

The overall adoption of excellence primarily as a value would signify a transcendence of the mind, namely cognitive and mental leaps along with, nobility in thinking that follow deep learning and assure a new kind of perception and forming of reality. Excellence can be seen as quality (as a dominating value), in quality (present quality level) for quality (higher level of quality) (Anninos, 2007). An excellent organization is a result of people’s continuous pursuit of excellence that cares about the incorporation and management of externalities and practices ethics in every aspect of business activity. At the individual level it is highly dependent on the cultivation of
virtues, on knowing thyself and personal advancement. So, it is highly questionable if narcissistic leaders can promote excellence primarily as a value that would engage the whole organization in pursuing higher and higher performance levels. Nevertheless, an interesting topic for research would be to investigate how the degree of organizational citizenship of company leaders’ affects the strength of promoting excellence as a basic value of organizational operation.

**Decision making and Performance**

In order to reassure their perfection and impression of superiority, narcissistic leaders resort to the determination of unrealistic high goals. This action offers them an opportunity and a sense to reassure their uniqueness. In order to achieve these high goals they may lose contact with reality due to vanity, adopt unethical practices (by deceiving or committing financial statements frauds) (Chatterjee and Hambrick, 2007) and sometimes face absurdity (Rijsenbilt and Commandeur, 2013; Kets de Vries, 2005; Kramer, 2003; Glad, 2002; Horowitz and Arthur, 1988).

While narcissistic leaders often display organizational citizenship behaviors, they do so under certain circumstances which they believe that will be beneficial. Narcissism on the other hand has been found to relate to counterproductive work behaviors, namely those behaviors (e.g. aggression, bullying) that aim to harm organizations and its members (Campbell et al., 2011; Judge et al., 2006; Penny and Spector, 2002).

Narcissism is highly related to the adoption of dynamic and ambitious strategies as leaders display boldness and strong change orientation (Chatterjee and Hambrick, 2007). In addition, narcissists CEO enhance entrepreneurial orientation and the development (through innovation, risk taking and proactiveness) of the companies they lead (Wales, et al., 2013; Wiklund and Shepherd, 2011). The creation of a vision in unusual/unforeseen circumstances by narcissistic leaders can enhance cohesiveness and helpful temporarily (O’Reilly, et al., 2014; Rosenthal and Pittinsky, 2006). It happens often that employees believe in the extraordinary abilities of the leader, his vision, waiting for solutions (Padilla, et al., 2007). They may idealize their leader and in order to please him, they are willing to satisfy every caprice by saying yes which may have cost for the company (Kets De Vries, 2005). In the long term however, these leaders do not manage to create and maintain the appropriate organizational climate because their behavior has already destroyed systems and structures for something like that to happen (Campbell, et al., 2011; Maccoby, 2004; Maccoby, 2000).

Rose and Campbell (2004) point out that narcissism is linked to motivation toward high yield and immediate gains. Indeed, narcissistic leaders have the means and the abilities needed to turn their vision into reality (which can be deeply rooted in their personality). Their inflated self-view and self-confidence as well as their disinhibition and reward orientation impacts their decision making styles and predicts an inclination towards undertaking great risks and insisting on such a path, even if results prove that they may be wrong (Lakey et al., 2008; Paulhus et al., 2003). Campbell et al., (2005) have shown that narcissistic leaders have a tendency to use resources in a reckless way despite evidence that this leads to problematic consequences. This contrasts the fact based management principle of total quality management. Narcissism has been found to be related to impulsivity which is associated with risk
taking and sensation seeking (Miller et al., 2009). In times that quick decisions are needed, impulsivity may help but in other cases it may lead organization to unpleasant situations.

Conclusions

Narcissism is linked to positive elements such as charisma, creativity and vision as well as negative results for an individual and its context (such as failure to develop and maintain long term relationships with other people, cases of unethical behavior, obstructing communication). At the organizational level, high level narcissism is an indication of toxic leadership, while it is also connected to the abuse of power, non-productive culture and organizational collapse. Even it can be supported that there is also a bright side of narcissism or that narcissism may be useful in certain phases of organizational development, narcissistic behavior should be evaluated in relation to specific context and circumstances. In any case companies should be in a position to diagnose and eliminate problematic situations through appropriate mechanisms and policies (e.g. obligatory seminars for and discussions with highly ranked executives about self-awareness and the ability to diagnose personal weaknesses, utilization of employee evaluation data, careful fact and behavior based selection of executives for promotion, development of emergency succession plans) so that potential problems from narcissistic behaviors are prevented.

While narcissism presents an increasing trend among younger people (see for example Twenge et al., 2008), something that is a matter of concern for employers, this fact is also significant for higher education providers. Institutions should proceed to the necessary curricula changes so that to emphasize more on empathy and service provision to others (Westerman et al., 2012), and develop and implement relevant classroom strategies that enable feedback and peer cooperation (Bergman et al., 2010).

Truly, the relationship of narcissistic leadership and excellence offers numerous future research streams. Some examples would be i) to find out how quality orientation of organizations may or may not act preventively to the appearance of unproductive narcissistic behaviors and consequences, ii) to investigate the link among leaders’ narcissism levels and their consequences for organizational performance in organizations that have attained some kind of quality certification or have adopted quality techniques and methodologies (e.g. lean management, six sigma) in various contexts and cultures.
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