

Extension Material: Narcissistic leaders and their importance to organizations

In his work on narcissistic leaders, Maccoby (2000) draws upon one of three personality types identified by Sigmund Freud. Although commonly associated with leaders in the military, religious, and political fields, the world of business also has its share of narcissistic leaders. This was the case particularly during periods of upheaval and restructuring, for example, during the early twentieth century when business leaders such as John D. Rockefeller, Thomas Edison, and Henry Ford dominated the landscape. These men exploited new technologies and in so doing restructured American industry. From the 1950s to 1980s narcissistic leaders appeared in decline as business leaders preferred a lower profile.

However, in the late twentieth century, narcissistic leaders have once again become household names. These include individuals such as Microsoft's Bill Gates, Apple's Steve Jobs, and Amazon's Jeff Bezos, as well as GE's legendary leader, Jack Welch. Narcissists bring advantages as well as disadvantages to organizations. The advantages include unrivalled vision, and an ability to see how the industry landscape might unfold. As we have seen with Gates, Jobs, and Bezos, this allows them to restructure the rules of the competitive game. They are also gifted in attracting followers; this was especially the case with Steve Jobs. The disadvantages are that they can be poor listeners, insensitive to criticism, lacking in empathy, and ruthless in the pursuit of their desired goals.

In order to exploit their strength to the benefit of the organization, Maccoby argues that narcissists need to be aware of their shortcomings and endeavour to balance the disadvantages inherent in their own personalities. The decision by Steve Jobs in 2011 to temporarily relinquish his role at Apple for health reasons was seen as a blow to the organization. Bill Gates' decision to focus more of his energy on the Bill and Melinda Gates Foundation was also seen as a loss for Microsoft even though he has a capable foil in the person of CEO, Steve Ballmer. There exists a narcissistic leader whose contribution may be more destructive than constructive for organizations. However we will focus upon the productive narcissistic leader.

Maccoby identifies three basic ways that narcissists can avoid the traps of their own personality. (1) Find a trusted sidekick; (2) Indoctrinate the organization; and (3) Get into analysis. We can look at each of these in turn.

(1) Find a trusted sidekick

Here a narcissist is encouraged to develop a close relationship with a person who acts as ballast thereby keeping the narcissist grounded. The problem is that narcissistic leaders tend to trust only their view of reality and the balancing partner has to be seen to understand the narcissistic leader and what he is trying to achieve. As such the narcissist must feel that this person, or persons, is really an extension of themselves. At the same time that individual must possess the emotional intelligence to manage this complex and fraught relationship. Simply choosing a spouse as a balancing partner may not work since this tends to further isolate the narcissist. Maccoby argues that it is better to choose a colleague.

In the business arena we have seen many such examples of productive narcissistic leaders choosing a colleague to keep them from becoming too isolated and insular with their own ideas. In Sweden, we had Volvo's Chairman Pehr G. Gyllenhammer in a productive and successful business partnership with COO Hakan Frisinger, until the failed merger of Volvo and Renault caused serious rifts in their working relationship and Gyllenhammer resigned. At Oracle, the partnership between CEO, Larry Ellison, and president, Ray Lane, finally splintered in 2000. Ellison and Lane were a study in contrasts: Ellison is the epitome of a prototypical bad boy of a high-flying technology company; Lane was safe and steady operations guy. Despite persistent reports of tension, the unlikely pair created a winning formula that saw the company through turbulent times.

However, a problem arises when the partner for the narcissistic leader loses their trust and confidence. This was clearly the case at Oracle even though Lane's performance and loyalty might have suggested otherwise. Indeed, it is widely believed that Lane, once a trusted deputy who remained loyal to Oracle despite repeated advances from other companies, was side-lined over a number of months until he could no longer stand the humiliation of working for Ellison any longer. We might note that even here the relationship survived long enough for much productive work at Oracle to surface. In the UK, Archie Norman employed Allan Leighton, as deputy CEO, to balance his own prodigious skills and temperament when turning around ASDA without any adverse break in the relationship.

(2) Indoctrinate the organization.

The narcissistic CEO wants all their subordinates to think the way he does about the business. An example of this is GE's Jack Welch. Welch used financial robustness to build a corporate culture and to implement a single-minded business strategy, including the buying and selling of scores of companies. To achieve this Welch changed the corporate culture at GE to embody clear

strategic control systems to guide managerial behaviour in his desired direction. At GE, under Welch, managers had to either internalize his vision, or leave.

(3) Get into analysis.

The third method by which narcissists can avoid the traps of their own personality is if they can be persuaded to undergo therapy. Given the nature of narcissists this may be difficult to do since they are more prone to controlling others than knowing and disciplining themselves. Nonetheless, Maccoby believes the use of psychoanalysis may uncover issues that the narcissistic leader may not have adequately dealt with in their past.

Narcissistic leaders are necessary for the turbulent times in which we live. Their vision and insight is necessary for organizations to achieve a competitive advantage and, indeed, their unique skills are often a core competence for the organization. The difficulty is in channelling these talents to ensure that narcissistic leader remain productive. Where a narcissist possesses a sense of humour this can usually help them maintain sufficient perspective and the humility to keep on learning.

References:

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