

Life with a narcissistic manager

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All about me: Meryl Streep as the domineering magazine editor Miranda Priestly in the film *The Devil Wears Prada*

Narcissism has received a bad business press over the years. The self-obsessed chief executive with a volatile temper who both charms and intimidates staff, takes all the credit for success while shifting the blame for failure on to others, has been a recurring character in corporate dramas.

Compelling, charismatic, colourful, such people can initially draw people under their spell until difficulties and discord arise, when their deeper, darker personality begins to emerge.

Such individuals tend to be at the extreme end of narcissism, which is best understood as a personality trait along a wide continuum, rather than a pathological state. These people have an insatiable appetite for control, status and praise, which explains why many strive for and gain the top jobs.

But it is also true that such people bring qualities that are essential to the growth and success of a business. These include ambition, optimism, visionary thinking, a willingness to take risks and an ability to convince others to follow their lead. Their intelligence, aspiration and drive can be a huge asset that needs to be accompanied by a capacity for self-reflection, some ability to manage their selfish needs and a knowledge of when to seek advice.

If a person is at the extreme end of the narcissistic spectrum, however, and particularly if market circumstances become unfavourable, his or her thinking can become so irrational as to cause immeasurable damage.

Mark Stein, professor of leadership and management at Leicester university in the UK, has studied the benefits and drawbacks of narcissism to companies. He cites [Dick Fuld, who was head of Lehman Brothers](#) at the time of its collapse, as an example – someone whose character at first brought success but then allowed catastrophe to strike.

“Lehman had been a fraught and highly fractured place to work, and when Fuld was appointed, he set about – in a somewhat militaristic and brutal manner – stamping out the dissent and pulling people together,” Prof Stein says.

Approaching the financial crisis, Mr Fuld’s narcissistic traits “became entrenched in a persecutory view of the world according to which the organisation’s [problems were entirely attributable to others](#)”, he adds.

“Finally, the only way out was for Lehman to be sold off, but Fuld’s overinflated view of the worth of the company prevented him from doing this. The catastrophic collapse of Lehman, that levered us into the global credit crisis, resulted from this.”

New chief executives may find themselves in a bind as the commendable narcissistic traits – such as self-confidence, fierce ambition, a grand vision and compelling personality – that enabled them to reach the pinnacle suddenly have the potential to become a liability. Can they put their selfish impulses aside and put the company’s interests first?

Kerry Sulkowicz, a psychoanalyst and founder of the Boswell Group, a New York business consultancy, thinks this is a tall order and says: “In my experience, the narcissism – healthy or otherwise – that drives some executives to achieve positions of leadership remains on display once they reach the top. Try as they might to suppress these traits, it doesn’t work.”

One example of this was a chief executive who was highly ingratiating, paid false compliments and charmed people with his good looks, smooth delivery and an ability to make everyone feel they had a special relationship with him. He was extremely religious and often began senior team meetings with a prayer.

When he became CEO, the share price of the company soared, in part because initially he changed and developed the business, but also because he worked his charm on Wall Street analysts. Eventually, though, his colleagues began to see his disingenuous and manipulative side. By that time, however, the company’s performance had begun to dip, he had sold most of his shares and then proceeded with a planned retirement from the company while leaving his successor to inherit a mess.

Prof Stein explains how this comes about. “One of the biggest problems with narcissistic managers is their extreme feelings of omnipotence and their deluded thinking that they can shift the market and know the future. As a consequence, and in the face of clear and stark warnings from others, they may take on extreme and unnecessary risks that endanger the future of the organisation.”

The constant craving for affirmation and drive for perfection is best understood as a psychological defence. Behind this veneer is a person struggling to protect himself against deep feelings of inadequacy, insecurity and vulnerability.

The need for affirmation may be driven by an unconscious attempt to repair earlier traumatic experiences where he may have been neglected or hurt badly in some way. Children often internalise these experiences, so instead of feeling angry at their parents, they see the fault in themselves. Criticism, and indeed any unpleasant feelings, become intolerable.

It is difficult to change such leaders. Those with enough capacity to listen and learn can be helped by a good coach or a trusted colleague. But for those with deeper emotional damage, the process can be lengthy and difficult even with professional help.

This was the case for one successful entrepreneur who sought help because of personal relationship problems. His early childhood was marked by neglect. When he was six his father left, leaving him with a depressed mother.

He survived his own feelings of loss by escaping into his vivid imagination. There he created exciting stories that provided an alternative to the grim atmosphere at home. People became immensely attracted to him and his tales, and thereby began his subsequent business career of convincing people with his visionary thinking.

Yet beneath this success was a man who was insecure and unable to sustain intimate relationships. In-depth therapy helped him make the links between his extreme need for affirmation at work and his childhood.

He came to understand that the attention his success had brought helped distance him from a sad childhood and attain the praise he desperately missed from his father. Once he understood this, he was able to work more collaboratively with his staff and learn to tolerate his own experiences and feelings.

Research by Donald Hambrick, professor of management at Penn State University, has found that companies led by more narcissistic CEOs have more extreme fluctuations in terms of results.

“Narcissistic CEOs, who tend to pursue dynamic and grandiose strategies, also tend to generate more extreme performance – more big wins and big losses – than their less narcissistic counterparts,” he says.

“They do not generate systematically better or worse performance. In particular, they engage in substantial strategic change and considerable acquisition behaviour.”

Prof Hambrick also believes that narcissistic leaders are more beneficial in dynamic industries, citing entertainment, high tech and cosmetics as sectors that are more suited to such characters.

Perhaps the most useful conclusion to draw is that narcissism needs to be both understood and managed. We tend to condemn narcissism in others while failing to see it in ourselves. The writer Gore Vidal put it succinctly when he defined a narcissist as “someone who is better looking than you are”.

The writer is a psychotherapist and this article is based partly on her clinical experience.