

# UNLIMITED POTENTIAL

Volume VI, No. II

Newsletter

## Narcissistic Leaders in Times of Uncertainty

In these unsettling times, large corporations are turning to strong leaders to create the future, rather than merely anticipating it. There's no substitute for strong personalities when it comes to taking charge and dealing with uncertainty as the only certainty.

But strong leaders often display a narcissistic personality style, with all of the strengths and weaknesses that come with it.

A close look at how CEOs' leadership styles and personalities have evolved over the last 50 years reveals a definite trend toward selecting narcissistic leaders, a personality type marked by visionary charisma and originally defined by Sigmund Freud.

For the most part, executives from the 1950s through the 1980s kept low profiles. When they did make comments, they were carefully vetted by corporate PR and legal departments.

Today's CEOs, however, emulate superstars like Bill Gates, Andy Grove, Steve Jobs and Jack Welch. They hire their own publicists, write books, give interviews and actively promote their personal philosophies.

Their faces appear on the covers of *BusinessWeek*, *TIME*, *The Economist* and *Fast Company*. They strive to become shapers of their unique brands of leadership style and management philosophy. They advise schools on what kids should learn and lawmakers on where to invest the public's money.

## Narcissists and Times of Crisis

The business world is experiencing enormous changes that call for visionary and charismatic leadership. Throughout history, narcissists have always emerged to inspire people and shape the future.

At the beginning of the 20th century, men like Andrew Carnegie, John D. Rockefeller, Thomas Edison and Henry Ford exploited new technologies and restructured American industry.



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Today, rapid changes in technology, the economy and the way business is conducted again call for robust leadership. To paraphrase Dickens, it is the best of times and the worst of times. While narcissistic leaders can be visionaries who engage their followers, there's a dark side worthy of examination.

## Narcissism Defined

**W**e are all somewhat narcissistic, or self-centered. If we lacked this tendency, we couldn't survive or assert our needs. "Healthy narcissism" allows us to lead a company and its people to greatness, and interesting accomplishments can occur.

Narcissists are independent, not easily impressed, and excel at innovating and thinking in original ways. They are driven to gain power and glory. Harvard anthropologist and psychoanalyst Michael Maccoby, PhD, called such individuals "productive narcissists" when he wrote "Narcissistic Leaders: The Incredible Pros, the Inevitable Cons" for the Harvard Business Review (January-February 2000).

Productive narcissists are experts in their fields and pose critical questions to learn everything that could possibly affect their companies and products. They want to be admired and respected, but not necessarily loved. They aggressively pursue goals and are less concerned with rules and "the way things have always been done."

Of all personality types, narcissists run the greatest risk of isolating themselves, especially during moments of success. Because of their independence and aggressiveness, they are constantly looking out for enemies and sometimes become paranoid when stressed.

## Strengths of the Narcissistic Leader

**N**arcissistic leaders often attain greatness. They can see what the future holds; they aren't analyzers or number crunchers who try to understand or explain it. They are focused on creating it.

Another compelling quality is their gift for attracting followers. Narcissistic leaders intuitively know how to inspire through their words, speeches and language.

This, however, is a double-edged sword. As much as narcissists crave adoration, this overdependence poses a danger: The need to be bolstered by adulation can feed and magnify one's insecurities.

## The Dark Side of the Narcissistic Personality

**A**s narcissists become increasingly self-assured through followers' admiration, they act more spontaneously. They feel free of constraints, and ideas flow. They believe they're invincible, which further inspires followers' enthusiasm and feeds into feelings of grandiosity and overconfidence.

But the adoration narcissists crave can have a corrosive effect. As their personalities expand, they tune out cautionary words and advice. Past successes create an exaggerated self-confidence. If anyone disagrees with them, they feel justified in ignoring them, creating further isolation. The result is flagrant risk-taking that can lead to catastrophe.

Narcissists selectively listen to the information they seek. They don't learn easily from others, as they're overly sensitive to feedback. They are vigilant for signs of disagreement, which are interpreted as betrayal.

They don't like to teach others, but prefer to indoctrinate or preach. They dominate meetings. The result for the organization is greater internal competitiveness.

Narcissistic leaders are uncomfortable with their emotions. Because they are so sensitive, they shun emotions as a whole and keep others at arm's length. They have walls of defense and generally want to avoid knowing what others think of them.

One serious consequence of such oversensitivity to criticism is failure to listen when they feel threatened or attacked.

## Lack of Empathy

**M**uch has been written about emotional intelligence and the importance of empathy for business leaders. While they crave empathy from others, narcissistic leaders are not known for returning the favor. Bill Gates and Andy Grove demonstrate one can be charismatic and successful without empathy.

Neither Churchill, de Gaulle, Stalin, nor Mao Tse-tung were empathetic, but each had the capacity to lead others because they were great communicators. They inspired followers with their passion and convictions at times when people longed for certainty.

In radical times, a lack of empathy may actually facilitate change. A narcissist finds it easier than

other personality types to buy and sell companies, close and move facilities, and lay off employees – decisions that inevitably make many people angry and sad. But narcissistic leaders are typically able to carry on with no regrets.

This explains why narcissistic leaders score poorly on interpersonal-skills evaluations. Neither 360-degree evaluations nor listening workshops make them more empathic. They resist change as long as they're successful or have no reason to yield.

## Street Smarts

**N**arcissists possess a kind of street-smart emotional intelligence. They are acutely aware of whether people are with them wholeheartedly. They know who they can use and can be brutally exploitative.

So, in spite of their “star” qualities, narcissistic leaders are often unlikable. They easily stir up people against them. But it's also true, in tumultuous times, that people are willing to tolerate narcissists as leaders when their gifts are desperately needed.

## Avoiding Narcissism's Traps

**T**here's little information available about how to avoid the pitfalls of narcissism. First, narcissists rarely look inward at how they might change; it's too painful. Second, when they are successful, they selectively listen to positive feedback and see little need to change or examine areas for improvement.

Not all narcissistic leaders, however, are so entrapped by their personalities that they can't be open to change and willing to learn. Maccoby's article identifies three basic ways to avoid common traps:

1. **Find a trusted sidekick.** Many narcissists can develop a close relationship with one person, who can act as an anchor and keep them grounded. But this person must be sensitive enough to manage the relationship. Narcissistic leaders trust only their own insights and view of reality.

Good sidekicks are able to point out the operational requirements of the leader's vision and keep him rooted in reality. The sidekick must convince the leader to accept new ideas, showing him how they fit with his views and serve his interests.

2. **Indoctrinate the organization.** The narcissistic CEO wants subordinates to think as he does

about business. He is skilled at converting people to his point of view.

One “hall of famer” was Jack Welch at GE, who had the rare insight and know-how to get the organization to identify with him, think the way he does and become the living embodiment of the company.

Narcissists not only build company culture through teaching; they indoctrinate managers with their own personal ideology through every means possible, including rewards and incentives.

3. **Seek therapy or executive coaching.** Narcissists are more interested in controlling others than in knowing and disciplining themselves. If they can be persuaded to undergo therapy or coaching, they can work through their rage, alienation and grandiosity. They can keep their strengths and diminish their weaknesses to overcome vital character flaws.

Narcissistic leaders who become self-reflective are likely to be more open and likable. They can detach themselves and laugh at their irrational needs. As leaders, they are aware of being performers. A sense of humor helps them maintain enough perspective and humility to keep learning.

## Narcissists Leading the Future

**W**ith the dramatic discontinuities in today's world, more large corporations are getting into bed with narcissists. They are finding there's no substitute for narcissistic leaders in an age that requires out-of-the-box innovation and fearless risk-taking.

But narcissistic leaders can self-destruct and lead their organizations terribly astray. Most of the major corporate scandals of the last 10 years were committed by narcissistic leaders who abused their power.

There can be untold rewards, however, for companies whose narcissistic leaders recognize their limitations.

## Dealing With a Narcissist Boss

**B**e prepared to look for another job if you cannot disagree with your narcissistic boss. Remember, the company is betting on his vision of the future – not yours.

## Here are a few tips on how to survive in the short term:

- **Empathize with your boss's feelings, but don't expect any reciprocal empathy.** Look elsewhere to boost your self-esteem. Behind his display of infallibility, your boss hides a deep vulnerability. Praise his achievements, and reinforce his best impulses – but be wise. An intelligent narcissist can see through flattery, preferring independent people who truly appreciate him.

Show that you will protect his image, inside and outside the company. Be cautious if he asks for an honest evaluation. What he wants is information that will help him solve an image problem. He will resent any honesty that threatens his inflated self-image, and he is likely to retaliate.

- **Give your boss ideas, but always let him take credit for them.** Find out what he thinks before presenting your views. If he is wrong, show how a different approach would be in his best interest. Take his paranoid views seriously, and don't brush them aside; they often reveal sharp intuitions. Disagree only when you can demonstrate how he will benefit from a different point of view.
- **Hone your management skills.** Narcissistic leaders often give subordinates many more orders than can possibly be executed. Ignore requests that don't make sense. Forget about them. He will. But be careful: Carve out free time for yourself only when you know there's a lull in the boss's schedule. Narcissistic leaders feel free to call you at any hour of the day or night. Make yourself available, or be prepared to get out.

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