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### Narcissistic leaders: the appearance of success

Nevicka, B.

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# CHAPTER 1

## THE NARCISSISTIC LEADER: AN INTRODUCTION

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*'Modern capitalist society not only elevates narcissism to prominence, it elicits and reinforces narcissistic traits in everyone. It does this in many ways: by displaying narcissism so prominently and in such attractive forms...'*

– Lasch, 1991, p. 232

## **Introduction**

Unwavering confidence, extraversion, dominance, high self-esteem and charm are all prominent characteristics of narcissists. If you were to meet someone who embodies all of these traits, your first impression is likely to be very positive. Individuals occupying these desirable characteristics draw others towards them like moths to a flame, and they enjoy basking in the limelight because it provides them with exactly the type of adulation that they seek. The image of narcissistic individuals renders others to perceive them as popular, entertaining, and interesting, which may lead narcissists to be elevated to prominent positions in society. Therefore, it is not surprising that many world leaders and CEOs have been ascribed with narcissistic characteristics (Deluga, 1997; Glad, 2002; Maccoby, 2000). Examples of these leaders range from dictators such as Napoleon, Adolf Hitler, Joseph Stalin and Saddam Hussein (Glad, 2002), to business leaders such as Steve Jobs of Apple Computers and Kenneth Lay of Enron (Kramer, 2003; Robins & Paulhus, 2001), and presidents like Nicolas Sarkozy (De Sutter & Immelman, 2008). Narcissists should be drawn to and thrive in high profile jobs, due to their unwavering desire for glory and the exhibition of their competencies (Wallace & Baumeister, 2002). The leadership role certainly provides them with an alluring stage from which they can show off their superiority to others.

However, the seemingly positive views of narcissistic individuals as leaders also bring about an interesting paradox because narcissists possess a host of negative characteristics that affect their interpersonal domain, for example egocentrism, exploitativeness, lack of empathy, arrogance, superiority and a sense of entitlement (Morf & Rhodewalt, 2001). This two-sided face of narcissism begs several questions, the foremost of which is *why* narcissistic individuals might emerge as leaders and be perceived as effective leaders. Extant research suggests that whenever the behavior of a person matches the prototypical behavior of

leaders as others implicitly conceptualize them, that person will be perceived as an effective leader (e.g. Keller, 1999; Lord, Foti, & DeVader, 1984; Offermann, Kennedy, & Wirtz, 1994). There is a large overlap between narcissistic characteristics and those of the prototypical leader as found in previous research, such as confidence, perceived intelligence, extraversion, self-esteem and generalized self-efficacy (Judge, Ilies, Bono, & Gerhardt, 2002; Paunonen, Lönnqvist, Verkasalo, Leikas, & Nissinen, 2006; Smith & Foti, 1998). This could explain why narcissistic individuals tend to be perceived positively in the leadership context (e.g. Brunell et al., 2008; Judge, LePine, & Rich, 2006).

On the other hand, narcissists are self-serving in the short-term at a long-term cost to others (Campbell, Bush, Brunell, & Shelton, 2005) and their unrealistic optimism and overconfidence in their own abilities could potentially be disastrous for organizations if they are placed in a leadership role (Judge, Piccolo, & Kosalka, 2009). For example, it has been found that narcissistic leaders tend to make large and risky investments which enhance the volatility of organizational performance (Chatterjee & Hambrick, 2007). Thus, a second question emerges from the aforementioned paradox regarding *when* narcissistic individuals might emerge as leaders and be perceived by others as effective leaders. It is possible that narcissistic leaders may be more appropriate in certain contexts where lack of empathy, egocentrism, and arrogance are not perceived to hinder the leader's potential suitability and effectiveness. For example, when narcissistic leaders were judged by fellow co-workers of a beach patrol, where one would presume that empathy, warmth and caring are important characteristics, their performance was evaluated negatively. In contrast, students enrolled in a business management course, a context in which dominance and confidence are likely to be valued, rated high narcissists positively (Judge et al., 2006).

In addition to the question surrounding the circumstances in which narcissists are more likely to emerge as leaders and be perceived as effective, unambiguous links between narcissists and their objective leadership effectiveness have not yet been established. Thus, a third question arises from the narcissistic paradox: Do narcissistic leaders actually *improve* the performance of those they lead? It is important to shed more light on situations in which the positive aspects of narcissistic leaders might outshine their negative ones, the mechanisms through which others perceive narcissists to be effective leaders, and whether the

positive image of narcissists as leaders is actually embedded in reality. Therefore, the current dissertation aims to examine the circumstances under which narcissistic individuals emerge as leaders (Chapter 2 and 3) and are perceived to be effective (Chapter 4). I also aim to elucidate the reasons why others perceive narcissists as (potentially) effective leaders in specific contexts (Chapter 3, 4 and 5). Finally, I examine whether the perceptions of narcissistic individuals as effective leaders are accurate representations of reality, in terms of their effect on group performance (Chapter 5).

Before presenting the specific studies within this dissertation, I will first describe narcissism in more detail and discuss its relationship with leadership. Second, I will review relevant research and elaborate on those issues that are pertinent to the research presented in this dissertation. This introductory chapter concludes with a brief overview of the empirical chapters that form the core of this dissertation.

### **Narcissism**

Greek mythology describes the story of a beautiful young man called Narcissus, who became so besotted with his own reflection in a lake that he perished from languor. Narcissism as a personality style is defined as an affective and cognitive preoccupation with oneself (Westen, 1990) and it is characterized by overly inflated beliefs in one's capabilities. It should be noted that the research presented in this dissertation does not intend to focus on the clinical form of narcissism, i.e. the Narcissistic Personality Disorder as identified by DSM IV, but instead examines narcissism in general populations as has been done in prior research (see, e.g., Buffardi & Campbell, 2008; Judge et al., 2006; Wallace & Baumeister, 2002).

Narcissism as a personality style is multifaceted in terms of its characteristics, and prior research in narcissism in the general population has linked it with overconfidence (Campbell, Goodie, & Foster, 2004; Robins & Beer, 2001), arrogance (Paulhus, 1998), a sense of uniqueness (Emmons, 1984), grandiosity (Morf & Rhodewalt, 2001), entitlement (Exline, Baumeister, Bushman, Campbell, & Finkel, 2004), an exaggerated sense of self-importance, lack of empathy (Watson, Grisham, Trotter, & Biderman, 1984), dominance and

power (Carroll, 1987; Emmons, 1989), self-efficacy (Watson, Sawrie, & Biderman, 1991), approach motivation (Foster & Trimm, 2008), risk taking propensity (Campbell et al., 2004), egocentrism (Westen, 1990) and extraversion (Miller & Campbell, 2008). Below I will further elaborate upon the narcissistic personality in the intrapersonal and interpersonal domain.

*Narcissism in the intrapersonal domain: Narcissists' self-perceptions*

*“I have a God given energy and passion that people don't mind seeing. So I guess I've subconsciously traded on that. People come along just for the energy. And generally when they've been immersed into something new they've thought shit that wasn't so bad. You know, I'm glad I'm here. And as a result of that they're never quite the same, and that's the part I love most. People aren't quite the same.”*

– Anonymous quote from CEO<sup>1</sup>

At the core of narcissism lies a pervasive sense of uniqueness, grandiosity and a continuous desire to align the real self with an ideal self (Emmons, 1984). Narcissistic individuals believe that they are better than others and that they possess superior skills and qualities across disparate domains. For example, narcissistic individuals believe that they are superior to others with regards to intelligence (Gabriel, Critelli, & Ee, 1994; Campbell, Rudich, & Sedikides, 2002), physical attractiveness (Buffardi & Campbell, 2008), individual performance (Farwell & Wohlwend-Lloyd, 1998), creativity (Goncalo, Flynn, & Kim, 2010), leadership potential (Judge et al, 2006) and their contribution to group discussions (John & Robins, 1994). This overconfidence is not well anchored in reality and narcissists' actual capabilities do not seem to coincide with this idealized notion of the self (e.g. Campbell et al., 2004; Goncalo et al., 2010, Robins & Beer, 2001).

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<sup>1</sup> At the commencement of this dissertation project I conducted thirteen face-to-face interviews with Chief Executive Officers (CEOs) from various industries in order to gain a richer insight and understanding into the phenomenology (or lived experience) of prominent leaders. These interviews, in conjunction with extant literature, assisted me in developing my research questions.

However, narcissists appear to be very apt at generating an image of excellence and competence. For instance, prior research found that narcissistic individuals were perceived to be more creative than others, even though their ideas were not objectively judged to be any more creative (Goncalo et al., 2010). Another study found that higher narcissism in users of social network websites causes others to perceive them as more attractive, because these individuals pay more attention to their visual self-presentation (Buffardi & Campbell, 2008). However, prior research found that narcissistic individuals were not more attractive than others (Gabriel et al., 1994). In addition, despite not being found to be more intelligent, narcissistic individuals were perceived to be more intelligent (Paulhus, 1998). Thus, the key to narcissistic success appears to lie in impression management tactics that engender positive perceptions in others, which is well captured by the following quote: "*Nothing succeeds like the appearance of success*" (Lasch, 1991, p. 59).

The narcissistic individual's grandiose sense of self, despite their ostensible overconfidence, contains an inherent vulnerability which leads to an insatiable pursuit of affirmation from the external world and a strong need to assert one's superiority over others (Morf & Rhodewalt, 2001; Wallace, Baumeister, & Vohs, 2005). Narcissistic individuals do not have a stable sense of self and require constant shoring up and reinforcement from other people. Thus, narcissists are continuously scanning situations in which they can self-enhance and which would provide them with opportunities to display their superiority and solicit the admiration that they seek (Wallace & Baumeister, 2002). Narcissistic individuals are perpetually engaged in self-construction, in order to align the real self with the ideal self (Morf & Rhodewalt, 2001). However, such a reconstruction is analogous to building a house upon sand: With each approaching wave the entire narcissistic structure is threatened to topple. Consequently, narcissists develop various defensive techniques in order to avail themselves of the reality that surreptitiously lurks below the surface. For example, narcissists will attribute successful outcomes to stable characteristics of themselves, but if they are unsuccessful they will not accept any of the blame (Stucke, 2003). Instead, they will self-handicap and distort their recall of prior events (Morf & Rhodewalt, 2001). Therein lies the apparent contradiction of individuals who are very self-absorbed, egocentric and inclined to inflate their abilities: They suffer from an

excessive vulnerability to criticism and a high, but fragile, self-esteem which fluctuates with the barometer of external affirmation.

*Narcissism in the interpersonal domain: Narcissists' perceptions of others*

*“Most people that have worked with me are a little different (changed) for the experience.”*

– Anonymous quote from CEO

For a narcissist, social interactions represent settings for the enactment of social manipulations and self-presentations (Morf & Rhodewalt, 2001). Narcissistic individuals crave admiration and are relentlessly concerned with how well they are doing and how favorably they are regarded by others. They need constant validation from the external world and require an audience in order to construct and maintain their grandiose self (Morf & Rhodewalt, 2001). The role of an audience is, therefore, integral to their sense of self and the social arena provides the narcissist with a stage upon which they can prove their worth, show their superiority (Wallace et al., 2005) and receive the acclaim which they seek. Narcissists have a tendency to name drop (e.g. offhandedly mention their association with important people) as opposed to engaging in blatant bragging in order to elicit admiration without explicitly asking for it (McWilliams & Lependorf, 1990) and they tend to show off in front of others (Buss & Chido, 1991). Thus, in the interpersonal domain, narcissists do not desire relationships on the basis of intrinsic satisfaction of interacting and establishing a connection with others, but tend to perceive others as mere instruments to provide them with the external affirmation (Elliot & Thrash, 2001). For example, they seek relationships to specifically enhance their status and positive self-views (Campbell, 1999). As a result, narcissistic individuals do not tend to form long-term romantic attachments but rather exhibit a game playing love style (Campbell et al., 2002).

Narcissists are inherently self-centered which can be seen from their excessive use of personal pronouns when communicating (e.g. *I*, or, *me*; Raskin & Shaw, 1988). They tend to utilize language for the purposes of maintaining their self-esteem, authority and wellbeing rather than for communicating, listening or understanding (Kernis & Sun, 1994). Thus, the primary role of relational others,



from the perspective of a narcissist, is to enact a continuous feedback role which would allow the narcissist to demonstrate normative competence. Narcissists' proclivity to self-promote and their self-absorption interfere with their ability to empathize with others and to be able to perceive another's point of view (Watson et al., 1984). This is also reflected in narcissists' interpersonal exploitativeness, for example by taking credit from others for a successful outcome (Campbell, Reeder, Sedikides, & Elliot, 2000) or consuming shared resources for personal gain at the long-term costs to others (Campbell et al., 2005), or cheating in academic tests (Brunell, Staats, Barden, & Hupp, 2010). Their sense of entitlement stems from the aforementioned feeling of uniqueness and superiority (Exline et al., 2004). All a narcissist needs is a stage and to stand in the limelight, irrespective of interpersonal costs to their relationships. The role of an audience is merely inert for a narcissistic need of external affirmation. Yet, how do other people perceive narcissists?

Given the negative relational aspects of narcissistic individuals it is not surprising that narcissists are perceived by others as annoying, arrogant and even hostile in the long term (Paulhus, 1998). However, in the short-term narcissistic confidence, charisma, enthusiasm, assertive mannerisms and positive self-presentation can cause others to perceive narcissists more positively (Buffardi & Campbell, 2008; Galvin, Baldman, & Balthazard, 2010; Paulhus, 1998). These more positive narcissistic characteristics may illuminate the reasons why many world leaders have been ascribed with narcissistic characteristics (Deluga, 1997; Maccoby, 2000) and why narcissists tend to emerge as leaders in leaderless group discussions (Brunell et al., 2008). In the next section I will review the literature on narcissistic leaders.

### Narcissistic Leaders

*"Narcissism 'lies at the heart of leadership' to such an extent that a solid dose of narcissism is a prerequisite for anyone who hopes to rise to the top of an organization"*

– Kets de Vries (2004, p. 188)

Recent interest in the study of narcissistic leadership stems from the seeming prevalence of narcissistic characteristics in many of the world leaders (Deluga, 1997; Glad, 2002; Maccoby, 2000; Post, 1993; Rosenthal & Pittinsky, 2006). One of the reasons for this prevalence could be that modern individualistic societies tend to increasingly value and reinforce narcissistic characteristics, as suggested by an inflation of narcissism as a personality trait over time (Twenge, Konrath, Foster, Campbell, & Bushman, 2008). Furthermore, narcissists' unwavering desire for glory and exhibition of their competencies would lead them to seek high profile jobs which contain opportunities for self-enhancement (Wallace & Baumeister, 2002). The leadership role in particular provides narcissists with an alluring stage from which they can show off their superiority and demonstrate their leadership qualities. Thus, it is not surprising that many leaders seem to possess narcissistic characteristics.

However, an interesting paradox emerges because the narcissistic leader profile is a mixture of both positive and negative characteristics. On the one hand, narcissistic leaders espouse bold visions (Galvin et al., 2010), are perceived as charismatic (Deluga, 1997), and have been touted as visionary innovators who can motivate the masses with their rhetoric (Maccoby, 2000; Post, 1993). On the other hand, narcissists are exploitative, overly sensitive to criticism, arrogant, egocentric, possess a sense of entitlement and lack empathy towards others (Rosenthal & Pittinsky, 2006). It has been suggested that narcissistic leaders are potentially toxic for organizations because their blatant disregard for the viewpoints of others, and their insatiable need for glory could lead them to pursue unrealistic projects and risky investments (Padilla, Hogan, & Kaiser, 2007). Indeed, narcissistic CEOs were found to make riskier decisions that generated volatility in organizational results (Chatterjee & Hambrick, 2007). Furthermore, their lack of empathy, and self-serving attitudes could lead narcissistic leaders to abuse their power and mistreat followers. It is this combination of dark and bright sides of narcissism that has led research to grapple with the questions of whether narcissistic leaders actually constitute an asset or a liability to organizations (for reviews see, e.g., Judge et al., 2009; Rosenthal & Pittinsky, 2006).

Despite these questions, research on narcissistic leaders has remained scant. To date little is known, for example, about why narcissistic individuals tend to rise to prominent leadership positions. Moreover, the conditions under which

narcissists emerge as leaders, and are perceived as effective leaders, have not yet been identified. Do narcissistic individuals emerge as leaders under all circumstances and more so in specific ones? Also, clear links between narcissistic leaders and their actual effectiveness, insofar as group or organizational performance is concerned, have not yet been established. Are people accurate in their positive perceptions of narcissists as leaders?

In this dissertation I will argue and show that narcissistic individuals tend to rise to leadership positions, are particularly chosen as leaders in the context of a crisis and they are perceived as innovative in a dynamic organizational environment. However, such positive perceptions of narcissists as leaders tend to be at discord with reality, insofar as group performance is concerned. In the subsequent sections I will discuss these issues in greater detail.

### *Implicit leadership theory*

Early research on people's recognition of others as leaders, known as implicit leadership theory (Lord et al., 1984; Lord & Maher, 1991; Offermann et al., 1994), states that observers match the leader's behavior against their own implicit schema of what a leader should be like. An implicit theory is basically a tacit assumption regarding the social world (Ashmore & Del Boca, 1979) and it simplifies the organization of one's expectations about the behavior of others (Lord & Shondrick, 2011). In other words, in their minds, people have an implicit leader prototype, which they utilize as a point of reference in assessing whether or not a person exemplifies their notion of a leader and whether or not he or she will be an effective leader. The greater the level of overlap between the leader prototype and a person's behavior or assumed characteristics, the more likely it is that others will perceive this person as an effective leader. The characteristics that have been consistently associated with a prototypical leader include confidence, dominance, high self-esteem, generalized self-efficacy, intelligence, extraversion and empathy (Judge et al., 2002; Kellett, Humphrey, & Sleeth, 2006; Paunonen et al., 2006; Smith & Foti, 1998). With the exception of empathy, there is a great level of overlap between the characteristics of narcissism and the general leader prototype. Narcissists may, therefore, have a tendency to rise to leadership positions. However, the question is whether they do so regardless of the situation or more so in specific contexts.

## The Role of Context

The connectionist-based model of leadership prototype generation (Lord, Brown, Harvey, & Hall, 2001) has extended implicit leadership theory by adding a dynamic component to prototype activation. The theory argues that leadership prototypes are not static but adjust to various situational constraints, such as followers' characteristics or features of the environment. Thus, perceptions regarding a prototypical leader are subject to change depending on a specific context, in that different contexts can correspondingly activate the need for different leadership traits.

Extant literature suggests that narcissistic leadership emergence and effectiveness may be contextually dependent. For instance, in an educational setting Judge and colleagues (2006) found that narcissism was positively related to classmates' ratings of leadership. However, in another setting involving members of a beach patrol, this effect was not observed and team members did not rate narcissistic individuals more positively. This discrepancy in research findings points to the possibility that the emergence, and perceived effectiveness, of narcissistic individuals as leaders may be contingent on a specific context. However, this premise has received little attention in research on narcissistic leadership to date. In the following sections I will identify different contexts that are important to the perceived leadership emergence and effectiveness of narcissistic individuals.

### *Levels of Interaction*

Prior research has shown that in their attempt to self-enhance, narcissistic individuals perform better when the situation contains the possibility of audience evaluation (Wallace & Baumeister, 2002). Thus, for example, a highly interdependent and interactive team setting would provide narcissistic individuals with an opportune context in which they can exhibit their leadership talents. Furthermore, such a context would also enhance the visibility of their leadership characteristics to others. Finally, high levels of interaction and visibility will also improve the individual performance of narcissists because they have an opportunity to exhibit their superior talents with respect to the specific group task. The extent of reward interdependence within a team has been shown to

affect the intensity of intra-group interaction, communication, and coordination (Beersma et al., 2003; De Dreu, 2007; Deutsch, 1949; Stanne, Johnson, & Johnson, 1999). High reward interdependence occurs when team members are rewarded for the group outcome, whereas low reward interdependence means that team members are rewarded for their individual performance (Beersma et al., 2003; Wageman & Baker, 1997). In addition to the fact that narcissistic individuals will be more motivated to perform well in a highly interactive context, this context will also enhance the need for a leader, thereby activating the implicit leader prototype. In Chapter 2, I will argue that narcissistic individuals emerge as leaders, and perform better, in a highly interactive setting as defined by high reward interdependence, rather than in a low interactive setting as given by low reward interdependence.

### *Crisis*

A crisis is another example of a context in which implicit leader prototypes are particularly likely to shift and the appeal of narcissists as leaders may therefore be enhanced. For example, it has been found that implicit leader prototypes seem to be strongly activated in a crisis and individuals who are submitted to a crisis attribute the leader with more leadership characteristics than in a non-crisis context (Emrich, 1999). As crises trigger uncertainty, ambiguity and are potentially threatening to individual interests (Pearson & Clair, 1998), it is likely that such a context would activate a different leadership prototype than a stable context. Indeed, the presence of a crisis instigates greater activation of leadership traits that correspond to a leader who signals a swift resolution of the situation (Madera & Smith, 2009), and can restore order and certainty (Shamir & Howell, 1999). For example, when people are confronted with a crisis they expect their leaders to provide guidance, reinstate order, and project a sense of clarity and certainty in their decisions (e.g., Boin, Hart, Stern, & Sundelius, 2005; Klann, 2003; Williams, Rajnandi, Lowe, Jung, & Herst, 2009; Yukl & Howell, 1999). Furthermore, when people feel threatened or insecure they are more willing to accept assertive leadership to restore their sense of security (Madsen & Snow, 1991; Padilla et al., 2007). Finally, when people feel fearful they prefer leaders who are high on agentic attributes (e.g., confidence, status, power, decisiveness)

rather than communal attributes (e.g., civility, warmth, empathy, helpfulness; Hoyt, Simon, & Reid, 2009).

From the above it follows that in times of crisis, people long for someone who seems powerful, confident, who has a clear sense of direction and help reduce their uncertainty (e.g., Shamir & Howell, 1999). Therefore, in Chapter 3 of this dissertation I propose that a narcissistic leader is more likely to match a crisis-specific leadership schema, and will be therefore perceived as someone who can effectively reduce the uncertainty which is brought on by the crisis. I expect this to occur despite the negative relational traits of narcissists, such as lack of empathy, exploitativeness and egocentrism and as such, I propose that highly narcissistic individuals will emerge more often as leaders than low narcissists, especially in a crisis context.

### *Environmental dynamism and innovation*

*“They said (about me) he’s the only person I’ve ever met in my life who expects and seems to facilitate the changing of an environment around him rather than him change.”*

– Anonymous quote from CEO

Narcissists have been shown to be very apt at convincing others that their ideas are creative, due to the enthusiasm and confidence with which they pitched their ideas (Goncalo et al., 2010). The promotion of ideas is an integral aspect of innovation (Scott & Bruce, 1994) and thus narcissistic individuals should be particularly skilled at promoting innovative changes, gaining their acceptance and thereby facilitating their successful implementation. Moreover, it has been suggested that narcissistic leaders’ strong desire for glory and admiration may be the source of bold organizational innovations (Maccoby, 2004; Rosenthal & Pittinsky, 2006), which can be illustrated by a quote of Steve Jobs (CEO of Apple computers): “I want to put a ding in the universe”.

The importance of innovation for organizational effectiveness and competitiveness has been cited frequently throughout the literature (e.g., Mumford, 2000; Oldham & Cummings, 1996; Scott & Bruce, 1994; Shalley, 1995; West, Hirst, Richter, & Shipton, 2004; Woodman, Sawyer, & Griffin,

1993). The leaders' efforts in the innovative process are vital to the successful adoption of innovations (Jung, Wu, & Chow, 2008), and through role modeling leaders' apparent innovativeness may spur innovativeness of the followers who come to emulate their behavior (Jaussi & Dionne, 2003). Thus, if narcissistic leaders are perceived to be engaging in innovative endeavors, their followers may follow suit which will have a positive effect on organizational innovativeness. However, as narcissists' efforts appear to be strongly influenced by the extent to which a particular context offers them an opportunity to self-enhance and show off their skills (see Wallace & Baumeister, 2002), in Chapter 4 of this dissertation I propose that narcissistic leaders will only be perceived as innovative in contexts where innovative behavior symbolizes success.

A context that particularly fits this description is one of high environmental dynamism, which refers to the rate of change and the degree of instability of the environment (Dess & Beard, 1984). Such a dynamic organizational context creates a need for innovations because an organization must respond to the fluctuating external demands, such as customer preferences, in order to remain competitive (Amabile, 1988; Mumford, 2000; Scott & Bruce, 1994; West, 2002). Thus, exhibiting innovative behavior in such an environment will be considered diagnostic of success and narcissistic leaders should quickly detect the opportunity to show off their innovative skills.

### *Perceptions versus performance*

Despite earlier findings on the positive perception others have of narcissistic individuals as leaders (e.g. Judge et al., 2006; Brunell et al., 2008), we know little about the effect of narcissistic leaders on the actual performance of those they lead. Prior research has found that people interpret a leader's behavior in a way that matches their implicit leadership prototype. For example, when participants were told at the forefront that the leader was effective, they also interpreted the subsequent behavior of that leader as effective, even though this was not necessarily correct (Lord & Maher, 1991). Another study found that dominant individuals were perceived by others to be highly competent and influential even though this was not related to the actual competence levels of the individual (Anderson & Kilduff, 2009). This suggests that people's perceptions of

narcissistic leaders' effectiveness may not necessarily be in line with reality in terms of actual effectiveness.

At present, systematic research into narcissistic leaders' effect on actual group or organizational performance remains scant, and shows mixed results. For instance, self-reports by others showed that narcissists tend to overestimate their own performance (John & Robins, 1994; Judge et al., 2006). However, these studies did not measure actual group performance and thus the distortion or congruence between the perceptions that others have of narcissists' effectiveness and the real impact on group performance could not be ascertained. Furthermore, narcissistic CEOs were found to enhance the volatility of organizational performance, yet the performance under a high narcissist was found to be neither better nor worse than for a company with a low narcissistic CEO (Chatterjee & Hambrick, 2007).

None of these prior studies have examined the influence of narcissistic leaders on group dynamics, such as communication and information exchange, which are central determinants of group decision making, group performance, and organizational performance (e.g., De Dreu, Nijstad, & Van Knippenberg, 2008; Zaccaro, Rittman, & Marks, 2001). The leader's role in the group decision making process is of pivotal importance because their position allows them greater latitude to extract relevant information from the other group members and stimulate the sharing of ideas (e.g. De Dreu et al., 2008; Larson, Christensen, Franz, & Abbott, 1998; Reiter-Palmon & Illies, 2004; Zaccaro et al., 2001).

In Chapter 5 of this dissertation, I propose that due to their self-absorption and egocentrism, narcissists will not be motivated to extract information from other people. Furthermore, narcissists' characteristic overconfidence will prevent them from seeking additional information as they assume that they can arrive at the best decision without the help of others. I will argue that, despite being perceived as effective leaders, narcissists will in fact inhibit information exchange and thus negatively affect group performance.

### **Summary and Overview**

Many of the world's leaders appear to possess narcissistic characteristics (e.g., Deluga, 1997); yet prior work has failed to identify the specific contexts that



may enhance the appeal of narcissistic leaders, the underlying reasons for their perceived effectiveness, and whether the perceptions of narcissists as leaders correspond with the reality in terms of group performance. The current dissertation attempts to fill this void and elucidate the reasons for narcissists' seeming appeal as leaders.

In the remainder of this dissertation I will present the results of multiple experimental and field studies to further examine narcissists in leadership positions. Chapter 2 focuses on whether and why narcissistic individuals are chosen as leaders and how they perform. Prior research has suggested that leadership emergence and performance of narcissistic personalities may depend on contextual factors. Of particular interests are those contextual factors that pertain to the interdependence of work relationships, because narcissists typically tend to "shine" in social settings where they can influence others and exhibit their superiority (Wallace & Baumeister, 2002). Therefore, Chapter 2 investigates the leadership emergence and performance of narcissistic individuals in low versus high reward interdependent teams that participated in an interactive team task. I will show that narcissists emerge as leaders irrespective of the team's level of reward interdependence and their individual performance. Yet, high narcissists perform better in high reward interdependent situations than in low reward interdependent situations. Furthermore, groups in which narcissists emerge as leaders report lower verbal communication and less individual decision making potential, suggesting that narcissists tend to dominate discussion and shift attention towards themselves.

Despite the fact that narcissists possess a host of negative characteristics, prior research and the findings from Chapter 2 suggest that narcissists tend to be regarded by others as appealing leaders. Building on earlier work which shows that narcissists perform better in contexts that provide them with self-enhancement opportunities (Wallace & Baumeister, 2002), Chapters 3 and 4 aim to identify contexts that particularly enhance the appeal of narcissistic leaders, namely crisis situations and when organizations face high environmental dynamism. Chapter 3 reports the results of two experimental studies to show that crisis enhances the appeal of narcissistic leaders. Since a crisis instigates uncertainty, anxiety and ambiguity, people seek strong and dominant leaders who can quickly dissolve the crisis (Madera & Smith, 2009). Such desired leadership

characteristics match those of a narcissistic leader. In Study 3.1 I will show that high narcissists are chosen more often as leaders than low narcissists, especially in crisis rather than non-crisis contexts, due to their potential to reduce uncertainty. Furthermore, in Study 3.2 I will show that when people directly experience crisis and uncertainty about the future, high narcissists are more often chosen as leaders than low narcissists. Taken together, results from Chapter 3 reveal the importance of contextual crisis in understanding the allure of narcissistic leaders. It seems that when people experience the threat of a crisis they overlook the negative narcissistic traits such as arrogance, egocentrism and exploitativeness and focus on the narcissistic overconfidence, toughness and confidence to take away their uncertainty and fear of the future.

As narcissists are preoccupied with searching for opportunities that allow them to exhibit their superior skills and show themselves as more competent than others, displaying innovative behavior would serve their purpose in obtaining attention. Chapter 4 argues that narcissistic leaders will only be motivated to exhibit innovative behavior in a context where innovative efforts are considered to be an indicator of success, namely in an environment characterized by dynamism and shifting preferences. Using multisource data from two field studies, I will show that narcissistic leaders are perceived to exhibit innovative behavior, but only in a dynamic organizational environment. Furthermore, in Study 4.2 I will show that leaders' individuation, i.e. behavior that is aimed at differentiating oneself from others, mediates this relationship.

Narcissists maintain overinflated beliefs about their capabilities across various domains, yet these beliefs are often unfounded. There does appear to be one exception to this rule, and that refers to their leadership capabilities. Narcissistic individuals tend to rise to leadership positions because they appear to match other people's implicit prototypes of an effective leader. As can be gauged from the research reported in Chapters 2-4, narcissistic individuals are particularly apt at radiating an image of an effective leader, and in certain contexts they are found to especially emerge, for example during a crisis, or perceived as effective, for example in a dynamic environment when their innovative behavior becomes apparent. What remains unclear, however, is whether the positive perceptions that others have of narcissists as leaders actually translate into positive outcomes for groups or organizations. Therefore, Chapter 5 examines the

incongruence between perceptions of narcissistic individuals as effective leaders and their real effectiveness as reflected by group performance in a hidden profile task. I will show that narcissistic individuals are perceived to be effective leaders in a group context due to their displays of authority, which is consistent with the results reported in Chapters 2-4. However, the presence of a narcissistic leader inhibits information exchange between group members which actually leads to lower group performance. It seems that the very characteristics that cause people to perceive narcissists as effective leaders, namely their confidence and dominance, actually inhibit group performance.

Finally, Chapter 6 integrates the findings from Chapters 2-5 and discusses the implications of these findings for theory and practice regarding narcissists as leaders. I will suggest that narcissistic individuals may be *expected* to be effective in certain contexts, for example when there is a crisis, uncertainty, ambiguity or high rate of change, however, that these expectations are not necessarily correct. I propose that most of narcissists' success as leaders stems purely from the attribution of success by others. In other words, narcissistic individuals are very skilled at impression management, and their inherent overconfidence elicits an image of competence and persuades others to adopt this image when choosing a leader or assessing the effectiveness of narcissists in leadership positions. Therefore, people should be careful in elevating narcissists to leadership positions and should not presume that a narcissist's overconfident image is necessarily a good indicator of their leadership aptitude.<sup>2</sup>

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<sup>2</sup> It should be noted that Chapters 2-5 were written as independent research articles, and thus there may be overlap in the theoretical introductions.