

## Narcissism

In management and organization studies, the labels *narcissism*, *narcissistic*, and *narcissist* are generally used to refer to individuals, groups, and organizations that exhibit particular kinds of traits and behaviors, notably extreme self-confidence, the denial of deficiencies, and self-aggrandizement. Though most attention has been focused on whether narcissistic personality types make effective leaders, there have also been several attempts to apply the concept of narcissism at the organizational level. Currently, the literature on narcissism in management studies is quite small, reflecting the relative lack of interest of organizational scholars in psychoanalytic and psychodynamic perspectives.

### Conceptual Overview

The concept of narcissism has its roots in the ancient Greek myth of Narcissus, who fell into an all-consuming love of his own reflection in a pool of water. Uses of the label *narcissism* in organization studies (and indeed modern psychoanalysis) have their origins in Sigmund Freud's essay, *On Narcissism: An Introduction*, written in 1914. Since then, the concept of narcissism has been subject to multiple reinterpretations so that the term is now often critiqued as lacking specificity and as the cause of much confusion. This said, it seems clear that, for Freud, narcissism referred to an infantile state of being the center of a loving world in which the individual could act spontaneously and purely out of desire. His theory suggests that, as adults, we project the possibility of our returning to this state through the creation of an *ego ideal* (i.e., our model of the person that we must become in order for the world to love us as it did when we were young). While no individual can in reality attain this ego ideal, we nevertheless strive to preserve a positive sense of ourselves, to maintain and enhance self-esteem—the degree of correspondence between our actual and ideal concepts of self.

Narcissism is most usually regarded as a personality type characterized by, for example, strong egocentricity, great self-confidence, exploitativeness, exhibitionism, vanity, and a highly developed sense of self-importance. Distinctions are sometimes made between healthy and unhealthy narcissists, and between those whose narcissism is robust and others whose narcissism is more fragile. While Freud's ideas are still a potent force in modern psychoanalysis and an important influence within personality psychology more generally, they have increasingly found new applications in other fields. Scholars in management and organization studies have drawn on these ideas in their efforts to understand and to theorize the behaviors of individuals, groups, and organizations, while sociologists have used the concept of narcissism to explore cultures and societies. Although some uses of the concept of narcissism owe more to popular conceptions of narcissists as self-centered egotists than to Freud, other studies have drawn on Freud's theories in quite sophisticated ways. The result is a literature that, although small, is one that is nevertheless marked by quite considerable differentiation and divergence of view.

Theories of narcissism have had most impact on the literature on leadership. Much of the debate here has focused on the pros and cons associated with narcissistic leaders. On the one hand, most authors recognize that every leader and manager needs a healthy degree of narcissism in order to deal with the vicissitudes of organizational life. Indeed, many theorists, notably Michael Macoby, suggest that the narcissistic personality type has many advantages that not only lead them to be successful as individuals, but which can benefit their organizations. Narcissism has been associated with having an impressive personality, being able to act as a

support for others, being prepared to take risks, and having the confidence to outline a new vision and to accomplish great change. Many authors have suggested that the personal qualities of charismatic leaders, such as the desire for power, self-sufficiency, and magnetic personality, are also narcissistic traits, and that charismatic leaders may often be narcissists. On the debit side, narcissistic leaders have been charged with being emotionally isolated, highly distrustful, prone to irrational behaviors, and conceited. This has led to assertions that there is a "dark side" to narcissistic-charismatic leadership, and to a range of efforts to distinguish between "productive" and "unproductive" and "constructive" and "destructive" narcissists and their implications for organizations.

Typifying this literature is Roy Lubit's paper published in 2002, which argues that many organizations harbor destructive narcissists whose grandiosity, devaluation of subordinates, exploitativeness, preoccupation with power and wealth, and arrogance damage organizations. The ability of destructive narcissists to rise through organizational hierarchies to occupy senior positions is said to be a function of their driving ambition, high apparent self-confidence, and willingness to engage in subterfuge. Once in positions of power, however, their destructiveness stems from, for example, their inability to develop good interpersonal relations, their lack of commitment to organizations, and their preoccupation with the pursuit of self-interest. Lubit is pessimistic about the prospects of an organization that is led by a destructively narcissistic team, arguing that such people tend to foster destructive narcissism at more junior levels, damage morale, generate development and retention problems, and undermine the long-term performance of business units. His recommendations to organizations keen to retain the services of skilled people with destructively narcissistic tendencies are to introduce 360-degree appraisal systems and to offer a mixture of confrontation, coaching, emotional support, and psychotherapy to the narcissists themselves.

There have been several major attempts to use the concept of narcissism to understand processes of organizing. The first of these was made by Howard Schwartz in 1990. He developed an argument rooted in the notion of narcissism in order to explore organizational totalitarianism, why members of organizations commit antisocial actions, organizational decay at General Motors (GM), and failings at NASA that in 1986 led to the space shuttle Challenger disaster. A second effort to deploy the concept of narcissism in a specifically organizational context, this time in order to explore further the scholarly literature on collective self-esteem, was made by Andrew Brown in 1997. More recently, Mark Stein outlined a theory of narcissism that helps to account for the collapse of the U.S.-based hedge-fund Long-Term Capital Management (LTCM).

In Schwartz's account of the psychodynamics of organizational totalitarianism, committed participants come to adopt their conception of an organization as their ego ideal (which Schwartz refers to as the *organization ideal*). Organizational wants may then become individual wants, and while the return to narcissism is always illusory—people always, to some degree, feel threatened and unloved—there are also always ready explanations as to why this is. Extreme organizational commitment is transmuted into organizational totalitarianism when participants come to believe that those of higher status in the hierarchy have attained a greater degree of the organizational ideal and have the right to impose their fantasy of their own perfection on others.

Schwartz applies his understanding of some organizations as totalitarian regimes to explain disastrous events at GM and NASA that he attributes to a narcissistic loss of reality. Schwartz describes how, in the 1970s, senior managers at GM came to regard themselves as incarnations of the organization's knowledge and virtues, made a series of catastrophic decisions, and then took refuge in fantasy. Similarly, Schwartz argues that rather than being the consequence of one poor decision, the shuttle Challenger disaster was overdetermined by processes of narcissistic decay that led to a commitment to poor decisions, the advancement of people on the basis of ideology, the discouragement and alienation of competent individuals, and an escape from reality among managers.

In Brown's framework, defined as a psychological entity, an organization or collective seeks to regulate self-esteem in similar ways to individuals. The argument draws on a considerable but disparate literature within

organization studies that identifies self-esteem as a key explanatory concept and seeks to integrate this work into a coherent perspective on organizations. The result is a theory of organizations as institutions for the regulation of collective self-esteem. Brown shows that groups and organizations have frequently been recognized to deny facts about themselves, provide rationalizations that post hoc justify their actions, make self-aggrandizing claims to uniqueness and superiority, and assume an entitlement to exploit people and resources. The idea that organizations may be appropriately regarded as systems for the regulation of collective self-esteem is used to outline a novel conception of organizational legitimacy, and, in a separate paper with Ken Starkey, to explain why organizations often fail to learn and how psychodynamic barriers to adaptation may be mitigated.

Mark Stein has developed a slightly different perspective on organizational narcissism that he uses to provide insights on the collapse of LTCM. While traditional explanations for such collapses suggest that organizations fail because of a lack of information or the capacity to process such information, Stein argues that LTCM was destroyed by its narcissistic tendencies. He shows how LTCM was from its conception designed to exhibit permanently a range of key narcissistic behaviors: hubris, assumptions of omnipotence, claims to omniscience, dismissiveness (of other organizations, people, and information), and triumphant contempt. The result was that senior partners at LTCM became insulated from market realities and were encouraged to engage in unmerited risk-taking activity with disastrous consequences. Stein's practical recommendation for organizations is that they should deepen their understanding of their emotional climate, perhaps by commissioning trained consultants, and to appoint senior executives whose natural inclination is to question irrational narcissistically inspired decisions.

### **Critical Commentary and Future Directions**

Use of the concept and theories of narcissism in the scholarly psychoanalytic literature and the literature on personality psychology is likely to continue unabated. The deployment of notions of narcissism in the literature on leadership also seems relatively assured. It is a convenient term for describing particular sets of traits and associated behaviors and for labeling some kinds of leaders. It is far less clear how the concept of narcissism can be developed further in order to broaden and deepen our understanding of leaders and leadership. Attempts to use the idea of narcissism to analyze organizations have been rather more sporadic, and there may yet be more scope for scholars to employ theories of narcissism to enlarge our understanding of organizations and processes of organizing.

The broader point here is that narcissism is a concept and set of theories located in a psychoanalytic/psychodynamic tradition that is in some ways peripheral to mainstream theorizing and research in management and organization studies. Scholars working in other traditions have often found it hard to appreciate the value of studies of individual and collective narcissism or to integrate findings of psychodynamic studies into their research agendas. As a result, narcissism is always likely to remain a minor theme in management and organizational research.

—Andrew D. Brown

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### **Further Readings**

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