Shining a Light on the Dark Side: How the Global Financial Crisis Exposed the Dark Side of Leadership

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Overview

What is the issue?
Introducing psychopathy in the workplace
Where do psychopaths work?
What is the impact of workplace psychopaths?
What can we do about it?
What is the issue?
Destructive leadership

- 50% of leaders fail (Hogan et al., 2010)
- Failure is not necessarily attributed to not having enough of the ‘good’ stuff; Failure is often due to possessing traits which fall into the ‘dark side’ of personality (Hogan, 2009; Hogan & Hogan, 2009; Spain et al., 2013).
- Such traits are implicated in a host of issues for organisations including poor staff morale and satisfaction, bullying, poor levels of productivity, high staff turnover, unethical behaviour and even white collar crime (see Spain et al., 2013 for a summary).
What is psychopathy?
What is psychopathy?

- 3 factors of psychopathy (Cook & Michie, 2001)
- Clinical psychopaths have large numbers of characteristics in each factor
- Evidence suggests the disorder is dimensional

**Factor 1: Arrogant and Deceitful Interpersonal Style**
- Glib
- Grandiose
- Conning/manipulation
- Pathological lying

**Factor 2: Deficient Affective Experience**
- Shallow affect
- Callous lack of empathy
- Lack of remorse
- Failure to accept responsibility

**Factor 3: Impulsive and Irresponsible Behavioural Style**
- Need for stimulation/proneness to boredom
- Irresponsible
- Impulsivity
- Parasitic lifestyle
- Lack of long-term goals
Psychopaths in the workplace

- Boddy (2010), Boddy et al. (2010a, 2010b) Empirical studies showing that others report working with psychopathic individuals.
- Board & Fritzon (2005) High levels of psychopathy in British CEOs
- Show evidence of individuals with high levels of psychopathic traits working within organisations.
Looking on the bright side of the ‘dark side’

“Organisational Psychopaths” Publications from 1960-2015

Year

Average number of publications per year

1960-2007
2008-2015

1960-2007

2008-2015

0
5
10
15
20
25
30

1960-2007

2008-2015
Where do psychopaths work?

• Little research identifying what kinds of organisations psychopaths work for.
• Boddy (2011) implicates psychopaths in the global financial crisis
• Boddy (2010) found that highest numbers of psychopaths are working within finance, insurance, banking and communications companies and the lowest numbers in retail, wholesale, accommodation and transport companies.
• Lilienfeld et al. (2014) found higher levels of psychopathy in business roles compared to psychology and mental health.
Holland’s RIASEC model

- Enterprising
- Conventional
- Social
- Realistic
- Artistic
- Investigative
Research methodology

• Quantitative survey of alumni of UK Universities
• Self-report measures of psychopathy and occupational choice
• Logistic regression used to assess whether Egotism, Callousness and Antisocialism predict the general occupational theme of occupational choice
Results

FIRST GRADUATE ROLE

CURRENT GRADUATE ROLE
So what does it mean?

ENTERPRISING AND CONVENTIONAL

REALISTIC
Psychopaths in the boardroom and organisational risks

- Financial risk from poor decisions, self-promoting behaviour and lack of loyalty
- Reputational risk from exposure of negative behaviours and culture
- Sustainability risks from losing or failing to develop talent
What can be done?

- Recruitment
- Selection
- Talent Management
Questions?
References