Abstract

The literature on narcissism in organizational contexts is reviewed. We begin by describing the context of narcissism and several relevant theoretical approaches to understanding it. We next describe research on narcissism in a range of organizational topics, from leadership to meta-organizational issues. We conclude by highlighting several reoccurring themes involving the role of narcissism in organizational contexts, with an emphasis on articulating directions for future research.

Research Highlights

► Narcissism has important consequences for behavior in the workplace. ► Several of the consequences are described. ► Implications for organizations are discussed.

Keywords

Narcissism; Organizations; Human resources

Narcissism has been used with increasing frequency to describe behavior in organizations, most notably in the process of explaining the destructive behaviors of CEO's and politicians. This increase in public attention has coincided with an increase in research attention on narcissism from those in organizational behavior as well as industrial–organizational and social-personality psychology. Hampering this increase in research interest, however, is confusion about the construct of narcissism. This confusion stems from the fact that narcissism is (a) complex and (b) the purview of several disciplines who do not engage in significant cross-talk. Our goal is thus to present an empirical and theoretical multidisciplinary integration of research on narcissism in organizations. We begin by defining narcissism, as well as the models used to describe it. We then address several organizational issues involving narcissism, starting with the historically important area of leadership, continuing with some of the key areas of interest in human resource management such as work performance, decision making, and generational issues, and ending with the role of narcissism as a meta-organizational issue.

1. What is narcissism?

1.1. Basic definition

Narcissism is a relatively stable individual difference consisting of grandiosity, self-love and inflated self-views (For reviews see Campbell et al., 2006 and Morf and Rhodewalt, 2001). It is useful to think of narcissism as containing three components: the self, interpersonal relationships and self-regulatory strategies. First, the narcissistic self is characterized by positivity, "specialness" and uniqueness, vanity, a sense of entitlement and a desire for power and esteem. Second, narcissistic relationships contain low levels of empathy and emotional intimacy. In their place, there are (often numerous) shallow relationships that can range from exciting and engaging to manipulative and exploitative. Third, there are narcissistic strategies for maintaining inflated self-views. For example, narcissists seek out opportunities for attention and admiration, brag, steal credit from others, and play games in relationship. When narcissists are successful at this, they feel good—they report high self-esteem and positive life satisfaction (Sedikides, Rudich, Gregg, Kumashiro, & Rusbult, 2004). When they are unsuccessful, they evidence aggression and sometimes anxiety and depression (Bushman and Baumeister, 1998 and Miller et al., 2007).
1.2. Social-personality versus psychiatric approaches

Narcissism is a construct that appears widely in both the social-personality literature and the clinical psychology and psychiatric literature. The social-personality literature conceptualizes narcissism as a trait that is normally distributed in the population and for which there is no qualitative cut-off (taxon) for elevated narcissism (Foster & Campbell, 2007). Narcissism is related to other "normal" variables like self-esteem, Machiavellianism and (subclinical) psychopathy (Paulhus & Williams, 2002).

The clinical and psychiatric literature conceptualizes narcissism as a personality disorder (NPD). NPD refers to an enduring and inflexible character structure associated with grandiosity, a lack of empathy and a desire for admiration. The DSM-IV lists 9 specific symptoms of narcissism (e.g., “Shows arrogant, haughty behaviors or attitudes”; “Believes that he or she is ‘special’ and unique and can only be understood by, or should associate with, other special or high-status people [or institutions]]) (American Psychiatric Association, 2000). To be diagnosed as having NPD, an individual must have 5 of 9 of these traits. Importantly, however, the narcissism must also cause distress or impairment. An individual can be haughty, lack empathy, exploit others, and have an inordinate sense of entitlement, but if he or she feels okay about him or herself, has reasonable relationships and is performing at work reasonably well, this would not be considered NPD. The result is that the point prevalence of NPD is relatively low, while the prevalence of those with narcissistic symptoms (but without the sufficient distress to cross the line into the clinical disorder) is much larger (e.g., Stinson et al., 2008). This pattern of characteristics is sometimes known as subclinical narcissism.

There is a good deal of debate regarding the relationship between trait narcissism and NPD. The latest research examining clinically assessed NPD and trait narcissism in both normal and clinical samples, however, shows that, at least at the level of personality structure, trait narcissism and NPD are very similar. Given this, we believe that it is best to focus on trait narcissism rather than NPD in the workplace. Certainly, there are those in organizations that cross the line into NPD, but holding to the bright line of clinical diagnosis might cause us to miss many of the more common occurrences of narcissism.

Finally, we want to note one caveat with our approach to narcissism in this article. The work described below is going to largely ignore the large body of work on narcissism and narcissistic personality disorder (NPD) in the psychoanalytic and psychodynamic area. Much of this work is engaging and even brilliant—Freud's views on narcissism, projection and charismatic leadership, for example, are fascinating—but this line of thought is a potential quagmire for many researchers. First, the terminology and models are both varied across writers and largely intractable to the uninitiated. Second, the scientific data are thin. Third, work in this area has declined significantly over the decades with the exception of a few top psychiatry departments where innovative clinical models and treatments are still being developed. Finally, we now have almost 30 years of empirical data and theory on trait narcissism from social-personality, I-O and clinical psychology on which to draw. For those interested in the psychodynamic approach to narcissism, a good source would be an edited volume like the Essential Papers on Narcissism (Morrison, 1986).

1.3. “Flavors” of narcissism

Part of the confusion in research and practice on narcissism stems from the existence of multiple “flavors” or forms of narcissism. The current research literature contains an emerging agreement on two primary forms of narcissism: grandiose narcissism (a.k.a. grandiose-agentic, phallic, etc.) and vulnerable narcissism (a.k.a. grandiose-vulnerable, hypersensitive, etc.). When one brings to mind the classic narcissist in the workplace, especially at the CEO level, one is likely to be thinking about a grandiose narcissist. Someone who is (over)confident, extraverted, high in self-esteem, dominant, attention seeking, interpersonally skilled and charming, but also unwilling to take criticism, aggressive, high in psychological entitlement, lacking in true empathy, interpersonally exploitative and grandiose or even haughty. In contrast, when one thinks of the narcissist who might intentionally seek psychotherapy, one is likely to think of a vulnerable narcissist: someone who is hostile, thinks the world is unfairly stacked against him/her, is high in psychological entitlement but also has low self-esteem, is depressed and anxious (Miller and Campbell, 2008 and Miller et al., in press).

Both of these forms of narcissism have different reported etiologies. The grandiose form seems to emerge in part from parental overvaluation; whereas the vulnerable form seems to emerge from parental coldness (e.g., Otway & Vignoles, 2006). Both also have different nomological networks. Grandiose narcissism is linked to antisocial personality and psychopathy; vulnerable narcissism is linked to borderline personality disorder. In the realm of impulsivity, grandiose narcissism is linked primarily to sensation seeking and approach orientation; whereas vulnerable narcissism is linked to a broad spectrum of impulse control problems.

Our review focuses primarily on grandiose narcissism. Grandiose narcissism is of particular concern to organizations, especially when discussing leadership and decision making. There is also far more data on grandiose narcissism. That said, we encourage researchers to separate and test these forms of narcissism in their research.

1.4. A quick note on assessment

The significant majority of research on narcissism in social-personality psychology uses the narcissistic
personality inventory (NPI; Raskin & Terry, 1988). The NPI is a self-report, 40-item forced choice measure with items like “If I ruled the world it would be a much better place,” “I think I am a special person,” and “I like to look at myself in the mirror.” The NPI is a psychometrically sound instrument but is also characterized by a very unstable factor structure, with arguments made for 7, 4, 3, and 2 factors. The NPI is considered a measure of grandiose narcissism. The NPI is also relatively long and thus inefficient to administer. As a consequence, a 16-item version has been developed and gained some traction for use when time is at a premium (Ames, Rose, & Anderson, 2006). Other self-report measures for assessing grandiose narcissism include the narcissism subscale of the California psychological inventory (CPI; Gough & Bradley, 1996; Wink & Gough, 1990). The narcissism index of the CPI includes 49 true–false items that assess authority, inflated self-views, and attention seeking. Robert Hogan has also validated a “bold” scale that captures narcissistic features as part of his larger assessment package. This assessment focuses on the agentic, extraverted aspects of narcissism (Hogan & Hogan, 2009). Vulnerable narcissism is also amenable to self-report. Common measures include the hypersensitive narcissism scale (HSNS; Wink & Gough, 1990) and the newer pathological narcissism inventory (PNI; Pincus et al., 2009).

For those interested in a more clinically grounded assessment, self-report measures are also available. These narcissism assessments are typically part of larger scales, and include the personality disorders questionnaire (PDQ-IV; Hyler, 1994), the Dimensional Assessment of Personality Pathology (DAPP-BQ; Livesley, 2006); and the Million Clinical Multiaxial Inventory-III (MCMI-III; Milton, 1994). For a structured clinical interview, the Structured Clinical Interview for DSM-IV-TR Axis II Personality Disorders (SCID-II; First, Gibbon, Spitzer, Williams, & Benjamin, 1997) is useful.

Finally, there is the option of computing NPD profiles from facet level NEO data using of existing profiles of NPD (see Miller et al., in press, for an example of this method). This approach is exciting in that any researcher with existing facet level NEO data from an organization can compute NPD profiles. Of the clinical measures, the MMCI, SCID-II and NEO NPD profile more clearly assess grandiose narcissism.

2. Theoretical models of narcissism

There is no clear “right” or “wrong” way to think about narcissism. Instead, there are several approaches or models that are useful for understanding narcissism. Each of these models will have utility for some research questions and/or when certain data are available. Our approach is to think of these models as lenses or focus settings: one can move back and forth in applying these models based on the nature of their question and the context of their research.

2.1. Personality trait models

The trait approach to narcissism considers narcissism to be a personality trait that can be described in terms of broader trait model such as the Big Five, Interpersonal Circumplex, Five Factor Model (FFM) or HEXACO. The most common description of narcissism (especially when assessed with the FFM or Big Five) is that grandiose narcissists are “disagreeable extraverts” (Paulhus, 2001). That is, narcissism is primary characterized by high scores on extraversion and low scores on agreeableness. There is some nuance to this description, however, in that the different measures capture slightly different constructs when assessing agreeableness. As a result, the correlations with agreeableness assessed by the BFI are smaller than those assessed with the NEO-PI (Miller & Maples, in press).

One of the many advantages of the personality approach is that it allows us to compare different flavors of narcissism using the same metric (e.g., the FFM). Using this approach, for example, vulnerable narcissism is characterized by disagreeableness but also neuroticism, making them best thought of as “disagreeable neurotics” (Miller et al., in press). The FFM is especially useful in that the facet level data allow even more fine grained analysis.

2.2. Self-regulation models

Self-regulation models of narcissism focus on how various components such as the narcissistic self, motivations, relationships and self-regulatory strategies interact in a dynamic way to drive narcissistic behavior. These models have been developed primarily for grandiose narcissism at this point. The narcissistic self is typically inflated; that is, narcissists think that they are better than they are. The pattern of this inflation, however, is such that it is primarily in agentic domains (e.g., power, status, physical attractiveness, and creativity) rather than communal domains (e.g., caring, empathy and concern; Campbell et al., 2007 and Campbell et al., 2002). The primary motivators of narcissistic behaviors include self-enhancement (i.e., the desire to increase or maintain the positivity of the self), a sense of entitlement (Campbell, Bonacci, Shelton, Exline, & Bushman, 2004), a need for power (Carroll, 1987) and approach orientation (Foster & Trimm, 2008). This later motivation suggests that narcissists are focused more on approaching success or sensation seeking than avoiding failure or minimizing anxiety. Self-regulatory strategies are used by narcissists to self-enhance, maintain a sense of entitlement, keep power and social status, etc. There is a vast array of narcissistic self-regulatory strategies. As noted, examples include attention seeking and bragging (Buss & Chiodo, 1991), also fame seeking (Young & Pinsky, 2006), acquisition of trophy romantic partners (Campbell, 1999), and self-serving biases (Campbell, Reeder, Sedikides, & Elliot, 2000).
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Typical to most self-regulatory models is an affective or emotional component. Narcissism can be associated with pride, esteem or excitement when self-regulatory goals are met (e.g., Sedikides et al., 2004 and Tracy et al., 2009), and with anger and aggression when self-regulatory goals are thwarted (e.g., Rhodewalt & Morf, 1998).

Also key to self-regulatory models is a feedback mechanism. This might be more easily seen in an example: John thinks he is special and talented, so he seeks fame and attention in his local business community. He is successful and this feels good. He becomes more confident and socially prominent. He then leaves his current spouse and marries a younger and more attractive wife (his related lack of empathy for his significant others makes this relatively easy to do). When he attends business functions with his trophy spouse, he feels a sense of power and excitement. This status is apparent to others in the business community who both admire and want to associate with him. John also feels entitled to a special life consistent with his status. To this end, he begins to embezzle money from his company and has a series of romantic affairs. When confronted by his spouse about this, he tries manipulation and charm. When that doesn’t work he becomes angry and abusive. This dynamic, of course, can continue to feedback in a variety of ways.

Two prominent self-regulation approaches are the agency model (e.g., Campbell, Brunell, & Finkel, 2006) and the dynamic self-regulatory model of narcissism (e.g., Morf & Rhodewalt, 2001). These vary in some ways (e.g., the agency model focuses on agentic self-conceptions, approach orientation and social skills; whereas the dynamic self-regulatory model looks at more cognitive, affective, and protective processes). Nevertheless, they share a basic conceptualization of narcissism as a self-regulatory process that is very useful for conceptualizing a host of narcissistic behaviors.

2.3. Other models

There are several other models of narcissism that are useful under certain contexts. First, the contextual reinforcement model (Campbell & Campbell, 2009) focuses on narcissism as a trait that is adaptive in certain contexts; we will discuss this model in more detail later in the article. Second, the addiction model (Baumeister & Vohs, 2001) conceptualizes narcissism as an addiction to attention, status and positive feedback. We have found this model useful when discussing narcissism with individuals who are both narcissistic and successful but have some awareness that the rush they experience from public attention is addictive and will ultimately be destructive. Third, the chocolate cake model of narcissism (Campbell, 2005) focuses on the experience of starting relationships with narcissistic individuals. While developed for romantic relationships, it applies well to selecting leaders, employees or coworkers. Relationships with narcissistic individuals are like eating chocolate cake. They are appealing and exciting, and initially far better than relationships with non-narcissists. Over time, however, these exciting leaders/workers/partners turn out to be dishonest, controlling, and not concerned with your interests. In the same way, chocolate cake makes you feel sluggish, depressed an unhealthy 20 min after you eat it. In contrast, eating healthy food—like picking morally decent work partners or leaders, doesn’t have all the upfront excitement, but results in a much better long term outcome. Finally, we should mention that there are a growing number of sophisticated evolutionary approaches to narcissism (e.g., Holtzman & Strube, in press) that might be useful for organizational researchers who are interested in evolutionary theory. These models typically focus on short-term mating strategies as the core of narcissism, and then derive other social behaviors from those strategies. This might seem irrelevant to an organizational environment, but the relevance becomes apparent when one contemplates the number of leaders who have been destroyed by their predilection for infidelity and short-term relationships.

3. Organizational issues and narcissism

Despite voluminous literature investigating narcissism, coverage of this construct is somewhat spotty in the organizational sciences. Furthermore, most research is theoretical in nature, with very little empirical work addressing this topic. To be sure, some areas have developed a literature base on narcissism (e.g., leadership); yet, in most content areas existing research does not reveal what, if any, role narcissism plays in organizations. Accordingly, this review relies on existing organizational research, when possible, but also pulls heavily from the accumulated literature on narcissism stemming from the broader psychological literature. In doing so, we hope to shed light on the role of narcissism in organizations by outlining key trends in existing organizational research, discussing suggestive findings stemming from other disciplines, and ultimately, we hope, providing a starting place for organizational researchers interested in the potential influence of narcissism on organizational functioning. Although the topics we cover are in no way exhaustive, they do represent a reasonable cross section of organizational topics including those that, in our view, reflect the areas that narcissism has or most naturally can be linked.

3.1. Leadership

The link between narcissism and leadership has long been recognized, with early psychological treatments of narcissism linking narcissism and leadership (Freud, 1950). Indeed, narcissists are likely to be perceived by others as self-confident and outgoing, two characteristics that occupy a prominent place in the perception of leadership (Lord, Fodi, & DeVader, 1984). As noted by Kets de Vries and Miller (1984):
Narcissistic personalities ... are frequently encountered in top management positions. Indeed it is only to be expected that many narcissistic people, with their need for power, prestige, glamour, eventually end up seeking leadership positions. Their sense of drama, their ability to manipulate others, their knack for establishing quick, superficial relationships serve them as well. (p. 32)

Yet, despite clear conceptual overlap between the characteristics of narcissists and those commonly associated with leaders, leadership research has traditionally focused on the positive characteristics of leaders, with far less attention to the role of negative characteristics (cf., Hoffman, Woehr, Maldegan, & Lyons, 2010). However, amid the high profile ethical scandals in American businesses over the past decade (Corporate Fraud Task Force, 2008), researchers have begun to piece together the complex interplay between narcissism and leadership (Campbell and Campbell, 2009, Hogan and Hogan, 2001 and Rosenthal and Pittinsky, 2006). Below we summarize existing evidence linking narcissism to leadership, but first we start by highlighting one of the longest running issues regarding narcissism and leadership: Is narcissism good or bad?

3.1.1. Bright side, dark side or both?

It is common to identify narcissism at the top of organizations. The list of powerful CEOs that allegedly have fit the "narcissistic profile" is long; Jack Welch, Michael Eisner, Larry Ellison, and Bob Nardelli have all been labeled narcissistic CEOs by the popular business press (Gladwell, 2002; Maccoby, 2000; Race, 2002; Taylor, 2008). This is where the complexity emerges. On the one hand, these CEOs have been praised because of their passion, vision, and innovation; on the other hand, they have been condemned for their lack of empathy and for being oversensitive to criticism. This question is often framed in terms of "bright" or good side and "dark" or destructive side of narcissistic leadership; Hogan & Kaiser, 2005).

One approach to this schism has been to divide the construct of narcissism itself into a "bright side" piece and a "dark side" piece. This approach has its roots in clinical psychology (e.g., healthy and unhealthy narcissism). For example, the components of narcissism linked to positive self-esteem are described as healthy or bright and the ones linked to entitlement are deemed unhealthy or dark (e.g., Paunonen, Lönqvist, Verkasalo, Leikas, & Nissinen, 2006). The problem with this approach is that it misses the larger issue—that the same personality configuration can contain both a bright and dark side. For example: "... people with high scores on the Bold scale (narcissism) initially seem confident and charismatic. Over time, however, these features turn into a sense of entitlement and an inability to learn from mistakes." (Hogan & Kaiser, 2005, p. 176). This is also consistent with Maccoby's view of the productive narcissist (who is successful because of risk taking and the charm he/she has over followers) who can easily turn non-productive when they are overcome with feelings of grandiosity and paranoia (Maccoby, 2003). This makes the problem of narcissism and leadership much less tractable, because the bright side of narcissism is easy to spot and manifests in initial interactions, but the dark side typically appears later.

The approach to narcissism that we advocate is consistent with Hogan's bright and dark side model. Narcissism is a "mixed blessing" or "trade-off" (Campbell and Campbell, 2009 and Paulhus, 1998). That is, narcissism is linked to outcomes for the self and the social environment that can be both positive and negative. In general, narcissism predicts outcomes that are good for the narcissist (especially in terms of feeling good about the self) but bad for those who are close to the narcissist (e.g., Miller et al., 2007). Narcissism also causes negative outcomes for the narcissist in the longer run such as the loss of relationships, failure caused by inability to learn from mistakes, or the destruction of resources needed for long term success (e.g., Campbell, Bush, Brunell, & Shelton, 2005).

The contextual reinforcement model (Campbell & Campbell, 2009) formalizes this pattern of findings in more detail by (a) describing the areas where narcissism will be effective and ineffective, and (b) describing the consequences for the narcissist and the others involved with the narcissist (e.g., employees). According to the contextual reinforcement model, narcissism is beneficial in the "emerging zone." This includes new leadership positions and leadership in chaotic situations. In contrast, narcissism is harmful in the "enduring zone." This includes long-held leadership positions and leadership in stable situations. The benefits and costs to others close to the narcissist loosely parallel those of the narcissist but are more extreme and more negative. For example, when a narcissist bankrupts a company, he or she will suffer personally, but the employees will suffer much more.

Implicit in the contextual reinforcement model is a simple but powerful dynamic: Emerging situations become enduring. The confident and hard charging new CEO becomes the longtime leader. The narcissism has the typical negative effects in the long term (e.g., a big public risk fails and the company is in trouble). In this case, the best thing for the narcissistic leader to do is move into another leadership position where his strengths will pay-off. The employees of the damaged company are often not as adept at making a jump to a new organization. In the end, the narcissistic leader does well for himself, but leaves a wake of destruction behind him.

We now turn to some of the specific leadership findings.
3.1.2. Emergence

Leadership positions are a natural venue for achieving narcissists' needs for self-enhancement and superiority (Campbell & Campbell, 2009). Toward this end, narcissists seem to be prevalent in leadership roles in modern organizations, an observation supported by preliminary research linking narcissism to leader emergence. For instance, Brunell and colleagues found that narcissists tend to emerge as leaders in leaderless group discussions (LGDs) and that narcissism explains variance in emergence beyond five factor model indicators (Brunell et al., 2008). Importantly, Brunell and colleagues showed that these findings generalized across two undergraduate samples and an EMBA sample in three different LGD tasks with three different indexes of emergence. Consistent with these findings, Paunonen et al. (2006) found that egotism (used as a surrogate for “bright side” narcissism) was related to peer ratings of leadership. Interestingly, manipulativeness (used as a surrogate for the “dark side” aspect of narcissism) was unrelated to peer evaluations of leadership. These studies show that both in the short term and among familiar coworkers, narcissists are more likely to be viewed as leaders.

However, is there evidence that these findings will generalize from lab studies and student samples to organizations? Although no hard numbers exist on the number of organizational leaders with elevated levels of narcissism, there appears to be several avenues that could explain a concentration of narcissists in leadership roles. First, Schnure (2010) demonstrated that experienced interviewers in a personnel selection interview actually evaluated narcissists’ applications for a managerial job more favorably. Similarly, one of Brunell and colleagues’ three samples included ratings by trained assessors in the context of a managerial assessment center. Consistent with the Schnure’s results, trained experts in managerial assessment evaluated narcissists more favorably in the LGD component of the AC. Thus, two of the most frequently used tools in the selection of organizational leaders are susceptible to the selection and promotion of narcissists to positions of power in organizations. Interestingly, there is initial evidence that the pipeline to modern organizations further perpetuates the emergence of narcissistic organizational leaders. Sautter, Brown, Littvay, Sautter, and Beames (2008) compared levels of narcissism across different university majors and found that business majors are characterized by higher levels of narcissism. These findings are consistent with Campbell and Campbell's (2009) suggestion that narcissists seek out leadership positions in organizations. Together, narcissists have been shown to emerge as leaders in laboratory, military, educational, and business. Although the evidence clearly points to the emergence of narcissists to leadership roles across settings, theoretical and empirical work is less clear with respect to what happens after narcissists ascend to positions of power.

There is also at least the theoretical possibility that leadership positions will increase individual narcissism. This “acquired situational narcissism” has not been tested in leadership settings, however.

3.1.3. Effectiveness

A wide variety of theoretical (Campbell and Campbell, 2009, Rosenthal and Pittinsky, 2006 and Sankowsky, 1995) and a handful of empirical studies (Chatterjee and Hambrick, 2007 and Resick et al., 2009) have sought to understand the influence of narcissism on leader effectiveness. For instance, using biographical indexes of professional baseball team CEO's narcissism, Resick et al. (2009) found that narcissism was unrelated to team performance. It should be noted that Resick and colleagues acknowledge the questionable construct validity of their measure of narcissism. In contrast, Deluga (1997) used biographical measure of presidential narcissism and found that narcissism was related to increased perceptions of presidential effectiveness. Chatterjee and Hambrick (2007) investigated the influence of CEO narcissism and firm performance using a novel measure of narcissism based on publically available information (e.g., CEO use of first person pronouns in interviews). Their findings revealed a complex picture of the influence of narcissism on effective leadership. Specifically, Chatterjee and Hambrick found that, although CEO narcissism was unrelated to mean firm performance, narcissistic CEO's lead firms characterized by financial volatility and extreme levels of performance in both directions. In other words, narcissistic leaders are a force for change in organizations; however, this change can either lead organizations to unprecedented success or abject failure. On aggregate, existing research paints a complex and inconsistent picture of the influence of narcissism on leader effectiveness, with some studies finding a positive relationship, another finding no relationship, and still another finding evidence of no direct effect but an effect on performance variability. Given these conflicting findings, a more explanatory approach to isolating the influence of narcissism on effectiveness is needed. The picture begins to come into focus through an examination of the behaviors tendencies of narcissistic leaders.

3.1.4. Ethical leadership

Ethical leadership entails “the demonstration of normatively appropriate conduct through personal actions and interpersonal relationships, and the promotion of such conduct to followers through two-way communication, reinforcement, and decision making” (Brown, Treviño, & Harrison, 2005, p. 120). The lack of empathy and a propensity to exploit others in an effort to achieve personal gains associated with narcissism are closely aligned with the theoretical underpinnings of unethical leadership. In addition, according to Roberts (2001), narcissists, in particular, seem to lack moral sensibility due to their constant preoccupation with the self. Narcissism, researchers argue, gets in the way of ethical goals and visions such that instead of
working for the company, narcissistic leaders “work for themselves” (Hornett & Fredericks, 2005). Preliminary support for these propositions was provided by Blair, Hoffman, and Helland’s (2008) finding that narcissism was negatively related to supervisor ratings of leader integrity. Despite this preliminary evidence, research directly examining the linkages between narcissism and ethical leadership is needed.

3.1.5. Charisma and transformational leadership

Over the past two decades, visionary/charismatic approaches to leadership have been a central path in leadership research. Collectively, these theories posit that a leader with (a) a bold or even audacious vision of the future that defies the status quo and (b) the social skills necessary to influence others to accept the vision will lead organizations to accomplish great things (Bass, 1985 and Conger and Kanungo, 1998). As noted by Rosenthal and Pittinsky (2006), “narcissists have the charisma and vision that are vital to effective leadership” (p. 617). Despite the proposed linkage between narcissism and charisma, preliminary research on the interplay between narcissism and transformational/charismatic leadership has yielded mixed results. On one hand, Deluga (1997) content analyzed speeches delivered by former Presidents of the United States for themes related to narcissism and found that people perceive narcissistic presidents to be more charismatic. On the other hand, Khoo and Burch (2008) found that individuals high on narcissism (operationalized using the HPI “Bold” factor) were rated as less transformational.

What could explain the apparent inconsistencies? Khoo and Burch (2008) reported correlations between narcissism and dimensions of transformational leadership and consistent with Deluga (1997) narcissism was positively related with the “charisma” aspect of transformational leadership. Narcissism, however, was also negatively related to the “individualized consideration” aspect of transformational leadership. Consistent with this pattern of results, Judge, LePine, and Rich (2006) found that leader narcissism was positively related to peer ratings of transformational leadership in a sample of MBA students. Yet, inconsistent with the presumed effect, narcissism was negatively related to supervisor ratings of transformational leadership in sample of Beach Patrol workers. In both samples, narcissism explained variance in leadership beyond the five factor model. Finally, there are unpublished data showing a positive association between narcissism and self-reported charisma of students (Campbell et al., 2008). Together, it appears that although narcissism has significant associations with visionary/charismatic aspects of leadership, the nature and sometimes the direction of this relationship is contingent on a variety of factors including perhaps the specific dimension of charismatic/transformational leadership.

Indeed, this proposition is consistent with recent thinking on the existence of two different types of charisma, “socialized” and “personalized.” Broadly speaking, socialized leaders use their power in the service of others by articulating a vision that considers the good of the collective, focusing on the needs of their followers, and placing a premium on ethical business practices (House and Howell, 1992 and Howell and Avolio, 1992). In contrast, personalized leaders exploit their power for personal gain and articulate a vision based on their own individual values rather than those of the group. Likewise, personalized leaders do not consider follower needs or value followers’ perspectives and are not subject to external rules and ethical standards. Narcissism is arguably linked to personalized charisma, given narcissists’ general need for self-enhancement and recognition (e.g., Campbell et al., 2002) and the willingness to exploit others (e.g., Campbell et al., 2005). Consistent with this, Popper (2002) found evidence for the overlap between personalized charisma and narcissism in a student sample.

In sum, emerging evidence paints a complex picture of narcissism and transformational/charismatic leadership, with narcissism typically emerging as a key predictor of vision articulation and charisma but negatively related to follower-centered aspects of transformational leadership. Research is needed to tease apart the interplay between leader narcissism and leader charisma, with explicit focus on understanding the influence of narcissism on the various forms and dimensions of charisma.

3.1.6. Mentoring

Preliminary research is suggestive of the damaging influence of narcissism on organizational mentoring (Allen et al., 2009). Allen and colleagues focused on the personality of the protégé. Narcissistic entitlement in protégés was not related to seeking or attracting a mentor, but predicted a shorter duration relationship with the mentor. Likewise, narcissistic entitlement in protégés was associated with protégé reports of less career support, less psychosocial support, and overall more negative mentoring experiences. It appears that follower narcissism affects the behavior of leaders, a finding that could have key implications for the development of leader member exchange. In all, narcissism had a long term (but not short term) negative effect on mentoring. Future research extending these findings to the narcissism of the mentor, especially with respect to negative mentoring behaviors (Eby, Butts, Lockwood, & Simon, 2004), could be particularly interesting.

3.1.7. Politics

One area of leadership worth mentioning briefly is political leadership. Narcissism is a trait often used to describe political leaders. Furthermore, political leader's career trajectories often rest on the ability to win elections (the emerging zone) rather than the ability to govern (enduring zone). The data on this topic are very thin, however. Hill and Yousef (1998) found relatively elevated narcissism scores in a sample of state
3.1.8. Summary

There are natural links between narcissism and leadership, and evidence strongly points to the propensity for narcissists to emerge as leaders. However, it is unclear whether narcissists can lead effectively when they achieve these positions, as existing evidence points to either null effects (Resick et al., 2009), positive effects (Deluga, 1997), or extremely positive and extremely negative effects (Chatterjee & Hambrick, 2007) of narcissism on organizational effectiveness. A review of the behaviors associated with narcissism helps to explain these seemingly conflicting findings. It appears that narcissistic leadership is associated with both bright and dark side behaviors. From the bright side, narcissistic leaders have strong social skills and charisma (Khoo & Burch, 2008) needed to facilitate the effective influence of others. In addition, their positive effects on outcomes might be accounted for by their tendency to articulate audacious, change-oriented goals, facilitate work group creativity (O'Connor, Mumford, Clifton, Gessner, & Connelly, 1995), and tendency to take big risks in pursuit of meeting their goals (Chatterjee and Hambrick, 2007 and Foster and Trimm, 2008). From the dark side, in order to see these goals to fruition, narcissistic leaders are prone to exploit others (Khoo & Burch, 2008), have lower quality relationships (Blair et al., 2008), overvalue the potential gains from risky behavior (Foster & Trimm, 2008), and take short cuts or behave in unethical ways (Blair et al., 2008 and Judge et al., 2006). We urge researchers to avoid the temptation to view narcissistic leadership as an either–or phenomenon (good vs. bad, effective vs. ineffective, bright side vs. dark side) and work instead toward understanding the sometimes conflicting behaviors displayed by these leaders, the contexts in which narcissistic leaders thrive and in which they flounder, and the differential effects of these behaviors on various outcomes associated with leadership (Campbell & Campbell, 2009).

3.2. Performance

Compared to the topic of leadership, there has been relatively little research on the influence of narcissism on work performance. However, there is evidence stemming from other literatures that sheds light on this topic. We organize this section around the three broad domains found in the work performance literature: task performance, organizational citizenship behaviors, and counterproductive work behaviors. Given the potential for differentiated relationships with stakeholders occupying different organizational positions, we also emphasize differences in the source of the performance information and the influence of narcissism on self-other agreement.

3.2.1. Task performance

Consistent with the concept of inflated self-views, narcissism is often positively related to self-reported proficiency, but unrelated to more objective measures. For instance, although narcissists self-report higher GPA relative to others, their actual GPA does not differ (Gabriel, Crittelli, & Ee, 1994). This effect has received mixed support in the job performance literature. For instance, Soyer, Rovenpor, and Kopelman (1999) found that narcissism, measured with a clinical measure, was negatively related to self ratings of sales performance. In contrast, Judge et al. (2006) found that narcissism was unrelated to either self or supervisor ratings of task performance. This inconsistent pattern of results implies the possibility of situational moderators of these relationships.

For example, a key attribute of narcissism is the self-serving bias: the tendency to take credit for success from others, but to blame others for failure (Campbell & Sedikides, 1999). Narcissistic individuals report higher levels of the self-serving bias (Campbell et al., 2000). Additionally, the self-serving bias is typically constrained in the context of close relationships. For example, even if we tend to take credit from others, we are unlikely to do that from our friends or those close to us (Sedikides, Campbell, Reeder, & Elliot, 1998). Narcissistic individuals, however, are willing to take credit from close others (Campbell et al., 2000). This can be very destructive to the maintenance of relationships. Furthermore, in occupations that require the maintenance of close, interdependent personal relationships with others, narcissists’ exploitativeness and sense of entitlement may lead to problems with relationships and consequently, reduced levels of job performance. Accordingly, narcissism should be particularly detrimental when the job requires the maintenance of close interpersonal relationships and when the performance dimension is interpersonal in nature. In support of this suggestion, although Blair et al., 2008 and Judge et al., 2006 found that narcissism is unrelated to supervisor ratings of technical aspects of job performance, these studies also revealed negative relationships between narcissism and more interpersonally oriented aspects of performance. An additional potential moderator of the narcissism–performance relationships is the public or private nature of the task. In a series of lab studies, for example, Wallace and Baumeister (2002) found that narcissism predicted elevated performance on public tasks, but diminished performance on private tasks. The conclusion was that narcissists will perform at their best when there is an opportunity for “glory.” In this research, the tasks involved activities such as throwing darts or playing “operation”—clearly research in actual organizations is needed to confirm the generalizability of these findings. However, based on these preliminary findings, we expect the relationship between narcissism and performance to be stronger on high
profile tasks and weaker on more innocuous tasks or when others are not able to observe their performance. Finally, there are also some circumstances under which narcissists may be expected to perform less well. For instance, a growing body of research has indicated that narcissists give up or self-handicap in the face of challenging tasks (e.g., Rhodewalt, Tragakis, & Finnerty, 2006). That is, they purposely sabotage their performance so that they can explain away failure. This self-sabotage to goal accomplishment could yield lower levels of performance on very complex tasks. At this point in the literature, it is unclear whether narcissism has a main effect on job performance. We speculate that potential moderators of this relationship include the complexity of the task, the degree to which the job requires the maintenance of close personal relationships with coworkers and clients, and the extent to which the performance episode is public or private. Clearly additional research on the influence of narcissism on job performance and especially potential boundary conditions of these relationships are needed.

3.2.2. Organizational citizenship behaviors (OCBs)

OCBs are empirically distinct from task performance, encompassing behaviors that facilitate organizational functioning without directly contributing to the technical core and are not necessarily rewarded by formal reward systems (Hoffman, Blair, Meniac, & Woehr, 2007). Based on the social-personality psychology research — which shows that narcissism is negatively related to (a) agreeableness, (b) the willingness to alter self-enhancing behaviors in close relationships, (c) commitment, and related positively to interpersonal exploitativeness, (Campbell et al., 2006) — it seems reasonable that narcissism would be negative associated with OCBs. In support of these suggestions, Judge et al. (2006) found that narcissism was significantly and negatively related to supervisor ratings of OCBs and positively related to self ratings of OCBs. In addition, Blair et al.’s findings of a negative relationship between narcissism and relationships-oriented behavior indirectly support these relationships, given that interpersonal facilitation is often include as a dimension of citizenship behavior. Recent research has emphasized the importance of considering motives for engaging in OCBs (e.g., impression management versus genuine altruism) as a key determinant of how OCBs are evaluated and whether OCBs will be consistently performed (Bolino, 1999). In contrast to Judge’s findings, Bourdage, Lee, Lee, and Shin (2009) found that employees lower on the personality trait humility (akin to higher narcissism) were motivated to engage in OCBs as a form of impression management. In other words, although narcissists may display behaviors indicative of OCBs, they may only do so as a means to manage others’ impressions. Consequently, it is possible that those engaging in OCB for these reasons will be less likely to consistently engage in OCB or that they will only engage in OCB when it suits their needs. Future research directly investigating the links between narcissism, OCBs, and motives to engage in OCB could be illustrative of the situations in which narcissists do and do not engage in OCBs.

3.2.3. Counterproductive work behaviors (CWBs)

Distinct from task performance and OCB, CWBs include behaviors that are intended to harm organizations and organizational members, such as theft, overbilling one’s organization for hours worked, and behaving aggressively toward other employees (Penney & Spector, 2002). Of the primary performance domains, narcissism has the clearest links with CWBs. Narcissism has been shown to predict conflict, aggression and bullying across a variety of contexts outside of organizations. In terms of conflict, narcissism predicts lower levels of accommodation in relationships. That is, narcissistic individuals are more likely to respond to partner negative behaviors in ways that are destructive rather than constructive for the relationship (Campbell & Foster, 2002). Narcissism also predicts lower levels of forgiveness in close relationships (Exline, Baumeister, Bushman, Campbell, & Finkel, 2004) and aggression and violence against individuals (e.g., Bushman & Baumeister, 1998) and groups (Gaertner, Iuzzini, & O’Mara, 2008). Narcissistic violence is typically in response to some provocation such as ego threat (Bushman & Baumeister, 1998) or social rejection (Twenge & Campbell, 2003). Based on this research as well as past research linking narcissism to integrity and white collar crime (Bickie, Schlegel, Fassbender, & Klein, 2006), narcissism is proposed to be a significant predictor of CWBs.

We are aware of two studies that directly investigated the link between narcissism and CWBs. Penney and Spector (2002) found that narcissism is related CWBs (r = .27) and that this relationship is mediated by employee anger. Similarly, Judge et al. (2006) found that narcissism predicted supervisor ratings of CWBs (r = .24) and explained variance in CWBs beyond the five factor model of personality. Interestingly, the magnitude of these effects rival the (uncorrected) validity of integrity tests in the prediction of CWB-type behaviors (Ones, Viswesvaran, & Schmidt, 1993), signaling the possibility that narcissism might explain variance in CWBs beyond integrity tests. Future research examining this possibly could be beneficial for organizations seeking to reduce the harmful effects of CWBs. While there is no solid evidence we could find linking narcissism to sexual harassment, lab work shows a link with sexual coercion that is likely to be seen in the workplace (Bushman, Bonacci, van Dijk, & Baumeister, 2003), underscoring the possibility of a link between narcissism and sexual harassment.

3.2.4. Source of performance evaluation

Over the past thirty years, increasing evidence has supported that raters from different organizational levels have different, albeit valid perspectives on performance (Borman, 1974 and Hoffman, Lance, et al., 2010),
and recent evidence has revealed that personality characteristics are differently correlated with performance, depending on one's relationship with the rater (Hoffman & Woehr, 2009). One potential reason for the differential relationship between narcissism and ratings of performance is that performance has been measured using a variety of different sources.

Inflated self-views and over evaluation of one's performance relative to others is a hallmark of narcissism. Given this tendency, we expect narcissism to be more strongly related to self evaluations than to others' evaluations. To date only one study has directly compared narcissism and self and others ratings; Judge et al. (2006) found that narcissism is more strongly related to self ratings of leadership, CWB, and OCB, relative to peer and supervisor ratings. Given emerging evidence that self-other agreement is a key predictor of a variety of performance outcomes, (Ostroff, Atwater, & Feinberg, 2004), the systematic tendency of narcissists to overestimate their performance is one possible explanation for the observed negative effect of narcissism on performance and leader effectiveness.

In addition, the tendency toward inflated self-views should also result in elevated self-ratings and this elevation should be particularly pronounced when the evaluations involve more agentic, rather than communal constructs. This hypothesis is consistent with Khoo and Burch's (2008) findings that narcissism is negatively related to self ratings of individualized consideration and positively related to self ratings of charisma. Similarly, Judge et al. (2006) found that narcissism is positively related to self ratings of leadership and OCB. On the other hand, Soyer et al. (1999) found that narcissism was negatively related to self ratings of sales performance, and Judge et al. found that narcissism was unrelated to self-reports of task performance. Thus, despite the strong literature base indicating that narcissists will tend to over evaluate their performance, the evidence from the organizational literature is mixed.

Differences between different sources' ratings have also been observed. For instance, Judge et al.'s study found that narcissism was negatively related to supervisor ratings of leadership but positively related to peer ratings of leadership. Similarly, Blair et al. found that narcissism was negatively related to supervisor ratings on interpersonal dimensions of performance and integrity but unrelated to subordinate ratings of these constructs. Blair et al. speculated that followers' relationship with their supervisor is one with a natural power differential and that, at some level, followers may be unable to distinguish exploitative behaviors form those naturally occurring in a supervisory relationship. On the other hand, the negative relationship between narcissism and supervisor ratings across these two studies suggests that supervisors view narcissistic subordinates as detrimental to organizational functioning—a suggestion indirectly supported by Allen et al.'s (2009) findings regarding protégé narcissism.

Given observed differences in narcissism's relationship with different sources' ratings, it is important that narcissism researchers carefully consider the nature of the rater when designing studies. In addition, research expanding on the initial results summarized here by directly comparing different sources' ratings and investigating other sources of performance information (e.g., customer ratings) is needed.

### 3.3. Decision making

Narcissism has significant implications for judgment and decision making. Although most of the work in this area is done in lab or other research contexts, the implications for organizational decision making are clear.

Narcissism is associated not just with an inflated opinion of the self (e.g., Campbell et al., 2002) but also an inflated confidence in one's abilities. Work using the Georgia Gambling Task presented individuals with a series of questions and asks individuals to answer each questions and then estimate how confident he or she is in his or her answer. Subsequently, the individuals were given the chance to bet points on their answers. Narcissistic individuals were overconfident in their abilities, made risky bets, and as a result ended up losing points. Even so, the narcissistic participants still reported that they did better than other participants and predicted that they would do better than others in a similar task in the future (Campbell, Goodie, & Foster, 2004). This same pattern of risk taking and failure to learn from mistakes also results in narcissism predicting gambling related pathology (Lakey, Rose, Campbell, & Goodie, 2008). A similar and somewhat bizarre variant of overconfidence involves “overclaiming.” Narcissism predicts the willingness to claim knowledge of events and ideas that do not actually exist (Paulhus, Harms, Bruce, & Lysy, 2003). For example, narcissists would be more likely to claim that they knew who founded the (fictional) country of “Anglestan.” Given these distortions in decision making associated with narcissism, it is not surprising that we see the risk taking in leadership noted above (e.g., Chatterjee & Hambrick, 2007).

Relevant to behavior in organizations is investment decisions. Recent work has focused on how narcissists approach investment decisions (Foster & Trimm, 2008). As in the case of leadership, narcissism does not predict uniformly bad investment decisions. Instead, it predicts risky decisions (e.g., the purchase of high beta stocks). These risky investments carry more variance, and thus outperform in “bull markets” and underperform in “bear markets.” This same approach could be tested in a range of organizational decision making settings.

Finally, narcissism also predicts impulsivity across a range of behaviors (Vazire & Funder, 2006). Narcissistic impulsivity, however, is primarily associated with risk taking and sensation seeking rather than other avenues (e.g., responding in a dysregulated way when upset, or the simple inability to control desires) (Miller et al., 2009). Impulsivity, of course, can be beneficial at times because of the speed and willingness to...
3.4. Family business

Family businesses are the most prevalent form of organization in the world (e.g., Arregle et al., 2007, Lee, 2006 and Shanker and Astrachan, 1996). Indeed, family businesses are present in one-third of the S&P 500 and account for 18% of outstanding equity (Anderson & Reeb, 2003). Although family businesses very heterogeneous entities (Chrisman et al., 2005 and Westhead and Howorth, 2007), there is a consensus around two key ideas: (a) family firms' uniqueness arises from the integration of family and business life (Arregle et al., 2007) and (b) all family businesses include the interaction of three components—the business entity, the family unit, and its individual members (Habbershon & Williams, 1999). It is suggested that this interaction influences performance outcomes of the family business (Habbershon, Williams, & MacMillan, 2003). To this end, family businesses with strong connections between the individual, the family (e.g., parenting, marriage), and the organization are likely to be the most successful but also the most at risk for the negative consequences of narcissism.

The family business literature recognizes two major perspectives to describe the nature of family firms (Miller, Breton-Miller, & Schonlinck, 2008). The first, stewardship theory, suggests a negative impact of narcissism on family business. The stewardship theory highlights the positive aspects of family owned businesses by focusing on the deep connection between the family and the firm (Le Breton-Miller & Miller, 2009). Family business systems survive in the long run by passing the firm to the following generation (Ward, 1997) and having committed family shareholders providing patient capital (Zellweger, 2007). At the base of this commitment to continuity in the long term, there are family managers, especially founders, that tend to closely identify with the firm (Miller et al., 2008) and who experience satisfaction from sharing with, assisting and sustaining other cherished family members in the process (Handler, 1990). Based on the marriage and relationship literature that has associated narcissism with transient or low commitment relationships with romantic partners (Campbell & Foster, 2002) and subsequent lack of interest in offspring (Holzman & Strube, in press), we propose that the presence of a narcissistic family member can present a danger for the long term orientation of a family business by deteriorating the loyalty and commitment at the heart of the competitive advantage of family business. Family businesses also demonstrate stewardship towards external stakeholders by displaying an interest in developing stable and durable relationships with clients and suppliers of critical resources (Gomez-Mejia, Nuñez-Nickel, & Gutierrez, 2001). These external relationships are also likely at odds with a more narcissistic, exploitative style.

The second perspective of family business is known as stagnation theory. Stagnation theory suggests a more mixed role for narcissism. This model portrays a negative picture of family businesses, describing them as an inferior or weak form of business (Miller et al., 2008). According to this approach, family businesses are sentimental and conflict-ridden (Gersick, Davis, McCollom Hampton, & Lansberg, 1997), are characterized by resource restrictions, especially capital (Chandler, 1990; Grassby, 2000), have conservative strategies (Allio, 2004 and Poza et al., 1997) due to family needs of stability, resultant difficulties in growth and survival (Morck and Yeung, 2003 and Tagiuri and Davis, 1992), which are aggravated by family conflicts and succession difficulties (Levinson, 1971; Schulze, Lubatkin, & Dino, 2003).

Research on narcissism in these contexts would shed light on whether the presence of narcissistic family members is an antecedent of some of these weaknesses, such as family conflicts and succession difficulties. As a result of the high level of conflict inherent with family business (Boles, 1996 and Miller and Rice, 1988; Swartz, 1989), a narcissistic member can pose a central threat by increasing the conflict, pitting organizational members against one another, and introducing a dysfunctional conflict resolution style. In contrast, narcissism is likely to work against stagnation in some family contexts, where a narcissistic scion, for example, takes the family business in a dramatically new or expanded path. This might help the family to reduce the hypothesized threat of conservative, risk averse, and change resistant business strategies (Gersick et al., 1997; Hall, Melin, & Nordqvist, 2001; Jones, Makri, & Gomez-Mejia, 2008). Of course, it might also lead to disaster.

3.5. Ethics and integrity

In this section we wanted to touch on several issues involving ethics and integrity that were not mentioned earlier.

3.5.1. White collar crime

There has been a growing interest in white collar crime since the bout of ethical lapses that lead to the collapse of Enron—a situation that almost looks quaint in comparison to current criminal behavior by corporate and political leaders. While the data are scarce, the data we do have suggests that narcissism is linked to white collar crime (Blickle et al., 2006). Narcissism is also linked to violent crime and other destructive acts (Bushman and Baumeister, 1998 and Miller et al., 2009). Taken with the previously described research on narcissism and poor ethical decision making and CWB’s a picture emerges of narcissists not being the best organizational stewards.
3.5.2. Organizational perceptions

Although research has not examined the relationship between narcissism and work attitudes and perceptions, there is reason to believe that narcissists will have decreases perceptions of organizational justice and increased perceptions of psychological contract breach.

One of the key attributes of narcissism is a sense of entitlement, sometimes referred to as “psychological entitlement.” Entitlement should predict a range on organizational behaviors, from demanding more salary to taking more resources than a system can support (Campbell, Bonacci, et al., 2004 and Campbell, Goode and Foster, 2004). A parallel in the organizational literature is equity sensitivity, a personality-type construct that describes individuals with different preferences for equity. High equity sensitizes or “entitleds” are individuals who believe they should receive a higher input/output ratio relative to others. In other words, these individuals believe they deserve more positive outcomes relative to others who achieved the same level of performance (Huseman, Hatfield, & Miles, 1987). Narcissists’ sense of entitlement, beliefs that they deserve special treatment, and lack of empathy for others will result in frequent feelings of inequity. When their contributions are not “properly” acknowledged, they will suffer decreased perceptions of distributive justice. Their self-serving bias may also lead them to question the procedures used to make decisions, further exacerbating negative justice perceptions by causing perceptions of procedural justice to decrease. According to Fox and Spector, narcissism moderates employee reactions to job constraints, such that more narcissistic workers engage in more CWBs when constraints are high relative to their non-narcissistic counterparts. Similarly, we expect a key explanatory variable of the relationship between narcissism and CWBs is narcissists’ skewed perceptions of organizational justice; narcissists are especially prone to perceive deficiencies in equity, which would fuel reduced perceptions of organizational justice, and ultimately, in increased levels of CWBs.

Second, an important area to research is narcissists’ perception of psychological contracts with their employers. A psychological contract represents the beliefs, perceptions, and informal obligations between an employer and employee (Rousseau, 1990). Psychological contracts are often formed during recruitment and initial interview and may later be remembered as promises and thus give rise to expectations. Employees who perceive psychological contract breach are likely to become demotivated and resentful (Robinson and Rousseau, 1994 and Rousseau, 2001). Responses to a breach can include reduced loyalty, commitment, and organizational citizenship behaviors (Rousseau, 2001 and Zhao et al., 2007). Given narcissists’ sense of entitlement, it would not be surprising to see increases in perceptions of breach among narcissists, another mechanism potentially responsible for the influence of narcissism on reduced levels of OCB and increased level of CWBs.

3.6. Generational Issues

Recent meta-analytic work has shown that narcissism has risen steadily over the past 25 years (Twenge, Konrath, Foster, Campbell, & Bushman, 2008; cf. Roberts, Edmonds, & Grijalva, 2010; but cf. Twenge & Foster, 2010). These generational shifts in narcissism reflect broader cultural trends that encourage individualism broadly and narcissism more specifically (Twenge, Abebe and Campbell, 2010 and Twenge and Campbell, 2009). Such trends include the self-esteem emphasis in schools, a shift is parenting away from valuing obedience, the attention on celebrity and the associated emergence of the celebrity culture, new media such as social networking sites (Buffardi & Campbell, 2008), and the easy availability of credit (Twenge & Campbell, 2009). This increase in narcissism has several implications for organizations.

First, while society has done very well at raising expectations in the young, reality has not kept up (e.g., Reynolds et al., 2006 and Twenge and Campbell, 2008). The result is that young people entering the working force expect a very different workplace than the one where their parents worked (Twenge, Campbell, Hoffman, & Lance, 2010). Members of this generation have high expectations regarding salary. In a one poll, teens predicted that they would be earning, on average, $75,000 a year by the time they were 30, even though the average income of a 30-year-old that year was $27,000 (Reynolds et al., 2006). The increase in narcissism observed among Generation Y accompanied by previously proposed relationship between narcissism and justice variables/psychological contract, it is plausible that Generation Y will be more likely to perceive that their employer breached their contract. This might result in an increasingly inefficient and unhappy workforce; one that believes that their organizations have failed to deliver on what they perceive was promised.

Second, as a result of these social and workforce changes, many organizations have started to implement initiatives stemming from the perceived need to change organizational policies and practices to more effectively recruit and retain the younger generation of workers (Fortune, 2008). These range from increased flex-time to “celebration assistants” to highly individualized work environments (Zaslow, 2007). While the collapse of the credit bubble put a damper on the more extreme of these, they are still practiced in competitive hiring areas. Despite the emergence of such work practices, we know very little about their efficacy. A fundamental question is whether Generation Y tailored work practices are actually effective at attracting and retaining Generation Y workers.

Third, the increase in narcissism among Generation Y has implications for management education (Bergman, Westerman, & Daly, 2010). Professional skills such as effective communication and team
Narcissism in organizational contexts

A fourth and final issue involves the generational climate in the workplace. Today's workforce consists of four different generations working side by side at organizations across the U.S.: (a) the Traditionalists (a.k.a. the Veterans, the Silent Generation) who grew up during WWII and the 1950s, (b) the Baby Boomers who grew up during the Vietnam War and Watergate, (c) Generation X, who grew up with televisions, microwaves, computers and MTV, and (d) Generation Y (a.k.a. Generation Me, Millennials) who grew up with the Internet, iPods, and the threat of global terrorism. While this mixture of generations adds valuable diversity to the workforce, it also adds complexity for organizations in terms of organizational policies and procedures. The generations view career development, benefits, and work-life balance very differently. Indeed, a recent study that compared Baby Boomers, Gen X and Generation Y, found results that suggested that Generation Y valued increased outputs from the organization (e.g., increased extrinsic rewards) while simultaneously valuing fewer inputs from themselves (e.g., more leisure time; Twenge, Abebe and Campbell, 2010 and Twenge, Campbell, et al., 2010).

In light of the increase in narcissism among this younger generation, it should not be surprising that younger generations feel entitled to greater rewards for less work. What is especially difficult, however, is that we have a group of young workers who appear doubly narcissistic. That is, they are characterized by both the narcissism of their generation and also the narcissism that is typically associated with youth. In light of the expected influx of younger workers in the coming years, the potential impact of narcissism in the workplace should become more evident. Managers are going to need to both develop structures that can accommodate the needs and desires of all represented workers, but also devise methods to effectively socialize younger workers into established organizational practices. It is a difficult balancing act that demands much more research attention.

3.7. Meta-organizational issues

A final wrinkle to the story of narcissism in organizations is actually a meta-organizational issue. Organizations function in an environment with other organizations. While these organizations may be seen as “competitors,” the overall economic landscape is necessary for all organizations to survive. In this broader economic landscape, narcissism can lead organizations to short-term victories that are ultimately Pyrrhic.

This complex issue can be seen most simply in a commons dilemma. Imagine four corporations that are each in the timber business. They are able to harvest timber for a renewable forest, but if they overharvest the forest will be destroyed. Now, a narcissistic corporate leader in this situation will harvest more than other leaders. Thus, the narcissistic leader will “win” initially. However, this acquisitive behavior will cause all the other leaders to start harvesting more rapidly. As a result, the forest will be destroyed—the narcissistic leader will do better than the others, but all will ultimately suffer.

In a laboratory study of the tragedy of the commons, this paradigm was run scores of times with groups of four “corporate leaders” (Campbell et al., 2005). The results were conclusive. Narcissistic leadership resulted in short-term performance and greater performance than direct competitors. However—and this is the big catch—the more narcissistic the “corporate leaders” that were competing with each other, the less well each—and all—did. They cut down the forest so quickly that everyone suffered. Essentially, narcissistic leaders quickly kill the proverbial “golden goose.” They succeed in the short term, but destroy systems that they and others depend on to survive and thrive. This meta-organizational issue is often neglected when studying organizational performance and needs to be examined in the current economic environment. Much of the current destruction in the financial and real estate industry, for example, have the appearance of narcissistic damage at a meta-organizational level.

4. Implications of narcissism in human resource management

As demonstrated throughout this manuscript, narcissism has far reaching implications for human resource management. Three issues in particular come to mind when viewing narcissism from an HR perspective: recruitment, performance assessment and enhancement, and problems and pitfalls.

There appear to be many paths through which individuals with high levels of narcissism can enter and advance through organizations, and this represents a potential area of concern for HR functions such as...
recruitment, selection, and advancement. We described the findings from the leadership literature which showed that narcissism predicts emergent leadership. Recent research that has focused directly on personnel selection in an interview context (Paulhus et al., 2010) found that narcissism positively predicted interviewer evaluations (at least with European–American individuals). A key mechanism seems to be verbal quantity. That is, narcissists talk a good deal in interviews and this gives them an air of competence. When coupled with the findings that these individuals tend to be more positively evaluated by trained assessors in assessment center exercises (Brunell et al., 2008), it appears that HR functions are susceptible to the recruitment and selection of narcissists. To combat this possibility, recruiters, interviewers, and assessors should be trained to be on the lookout for behaviors indicative of narcissism. Of course, probationary employment periods are ideal to capture any behavioral or character issues that might go unnoticed in initial meetings. Most obviously, objective personality instruments, such as the NPI, might be especially useful in identifying narcissists. However, it is important to note that the use of standard personality assessments, such as the NPI, has the potential to yield higher scores for younger, male applicants, and also yield higher scores for African Americans and lower scores for Asian Americans (e.g., Foster et al., 2003 and Twenge and Foster, 2010). This is a potential impediment to the use of such measures in personnel selection contexts.

If narcissistic individuals are recruited into an organization, a comprehensive performance evaluation system might aid in preventing their continued advancement. In terms of assessment, it is advisable to focus on ethical, interpersonal, and various citizenship oriented behaviors. A clear picture is beginning to emerge that narcissism primarily impedes organizational functioning through its association with increased unethical behavior and decreased OCB. Likewise, gathering multiple perspectives on performance (supervisor, peer, and subordinate), in addition to objective metrics is important to identifying narcissistic employees. If you find that you have a narcissistic employee, there is no sure fire mechanism to reduce narcissism. In the lab, increasing the sense of connection to others seems to mitigate some of narcissists’ more destructive behaviors (Finkel et al., 2009 and Konrath et al., 2006). However, research has not addressed the viability of this approach in field settings. The other option, of course, is to find a setting in an organizational setting where the narcissistic employee can excel. Narcissistic individuals, for example, will do well in situations that require public performance or relationship characterized by a relatively brief duration. Placing a narcissistic individual in a role that fits his or her talents could be a win/win for the organization and employee.

Finally, narcissism has many problems and pitfalls that are directly relevant to HR practice. As we noted, narcissism predicts a range of CWBs. In particular, narcissism predicts aggression and bullying (e.g., Bushman & Baumeister, 1998). While there are certainly many risk-factors for workplace aggression (substance use, emotional instability, negative feedback), narcissism is likely to put one especially at risk for bullying other employees. Narcissism is also likely to be linked to an overly sexualized workplace. Narcissism predicts uncommitted sexual relationships, infidelity and sexual coercion, each of which has potentially destructive consequences in an organizational context (Bushman et al., 2003 and Foster et al., 2006).

In sum, narcissism is problematic in organizational contexts because it is both destructive in multiple ways but also attractive in the recruitment process. HR professionals need to be aware of this so as not to be seduced but ultimately disappointed by narcissistic employees.

5. Conclusions: emerging themes

We focused this review on a range of topics relevant to organizational research. We want to conclude, however, by highlighting several themes that are consistent across topics. First, narcissism is a best thought of as a trade-off; it will be positive in some contexts and from some perspectives and negative from others. This has several consequences for researchers, but a key implication is that the effects of narcissism might look small or varied unless critical moderators are assessed. As noted, narcissism will be predict positive outcomes primarily in novel or chaotic situations, and negative outcomes in stable, long term contexts and after threat. Second, many of the negative consequences will be seen in the area of damaged relationships (especially in the long term). Third, the complex structure of narcissism leads to significant concerns for selection. Selection processes that focus on short-term performance, likability, rapid leader emergence, self confidence, or public performance are likely to select for higher levels of narcissism. Just look at our current crop of politicians and you can see the results of this selection strategy.

Finally, from our perspective, the single most important theme in research on narcissism in organizations is that there is more research needed. We encourage researchers to examine the role of narcissism if it is theoretically interesting for their topics of interest. As we have shown here, preliminary evidence indicates a pervasive influence of narcissism on a wide variety of organizational processes. And more research is clearly needed to build a solid foundation of knowledge on narcissism in organizations.

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