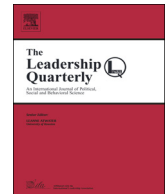




Contents lists available at ScienceDirect

## The Leadership Quarterly

journal homepage: [www.elsevier.com/locate/leaqua](http://www.elsevier.com/locate/leaqua)

# CEO humility, narcissism and firm innovation: A paradox perspective on CEO traits☆☆☆☆

Hongyu Zhang<sup>a,\*</sup>, Amy Y. Ou<sup>b,1</sup>, Anne S. Tsui<sup>c</sup>, Hui Wang<sup>d</sup>

<sup>a</sup> CUF Business School, Central University of Finance and Economics, China

<sup>b</sup> NUS Business School, National University of Singapore, Singapore

<sup>c</sup> University of Notre Dame, USA, Peking University and Fudan University, China

<sup>d</sup> Guanghua School of Management, Peking University, China

## ARTICLE INFO

## Article history:

Received 22 April 2015

Received in revised form 16 December 2016

Accepted 17 January 2017

Available online xxxx

## Keywords:

Firm innovation

Humility

Narcissism

Paradox

Socialized charisma

## ABSTRACT

We examine how two seemingly contradictory yet potentially complementary CEO traits—humility and narcissism—interact to affect firm innovation. We adopt a paradox perspective and propose that individuals can have *paradoxical traits* and that, in particular, humility and narcissism can coexist harmoniously, especially among the Chinese, whose philosophical tradition embraces paradoxical thinking and behaving. CEOs that are both humble and narcissistic are hypothesized to be more likely to have socialized charisma, to cultivate an innovative culture, and to deliver innovative performance. Two studies using multisource data involving 63 CEOs, 328 top managers, and 645 middle managers in Study 1 and 143 CEOs and 190 top managers in Study 2 support the hypotheses and point to new directions for studying CEO traits and their effects on firm outcomes.

© 2017 Elsevier Inc. All rights reserved.

Innovation, or the processes and outcomes of firms in developing and producing new products, services, markets, methods of production, and/or management systems, is “widely regarded as a critical source of competitive advantage” for firm survival and success (Crossan & Apaydin, 2010, p. 1154). Chief executive officers (CEOs) are essential for driving innovation. Steve Jobs, CEO of Apple was publicly lauded for successfully leading innovation, whereas Olli-Pekka Kallasvuo, CEO of Nokia, was dismissed for failing to do so. What differences might allow CEOs to successfully promote innovation? Perhaps the driving force is proactive personality (Kickul & Gundry, 2002), overconfidence (Galasso & Simcoe, 2011), quest for gaining future attention (Yadav, Prabhu, & Chandy, 2007), or self-directive values (Berson, Oreg, & Dvir, 2008). However, as shown in a recent meta-analysis, the leadership – innovation relationship is highly heterogeneous, leading Rosing, Frese, and Bausch (2011) to propose that a combination of leadership styles, rather

☆ We thank Marianne Lewis's comments on the earlier versions of this paper, and Yanling Lian's help in data collection.

☆☆ This work was supported by National Natural Science Foundation of China [grant number 71032001, 71502186], Singapore Ministry of Education Academic Research Fund Tier 1 Under WBS R-317-000-114-112 and Program for Innovation Research in Central University of Finance and Economics.

★ Disclaimer: Any opinions, findings, and conclusions or recommendations expressed in this material are those of the author(s) and do not necessarily reflect the views of the Ministry of Education of the People's Republic of China and Singapore Ministry of Education.

\* Corresponding author.

E-mail address: [zhanghongyu@cufe.edu.cn](mailto:zhanghongyu@cufe.edu.cn) (H. Zhang).

<sup>1</sup> The first two authors contributed equally to this work.

than any particular one, might be more predictive of innovation. Building on that idea, we examine whether two seemingly contradictory yet potentially complementary CEO traits, humility and narcissism, may interact to affect a CEO's ability to drive innovation.

Research on CEO humility and CEO narcissism has largely evolved along parallel but independent paths. Humility is grounded in a self-view of subordination to a greater power and is behaviorally manifested as self-awareness, appreciation of others, and openness to self-improvement (Morris, Brotheridge, & Urbanski, 2005; Ou et al., 2014; Owens, Johnson, & Mitchell, 2013). Humble CEOs tend to empower top and middle managers, prefer pay parity, use ambidextrous strategies, and deliver sustainable firm performance (Collins, 2001; Ou, Waldman, & Peterson, *in press*; Ou et al., 2014). Yet, they may lack charisma and may fail to perform in dynamic industries (Chatterjee & Hambrick, 2007; Collins, 2001).

Extreme narcissism is a serious psychological disorder (American Psychiatric Association, 2000), but subclinical narcissism—often in the form of grandiose narcissism—is increasingly recognized as a normal personality trait (for reviews, Emmons, 1987; Grijalva, Harms, Newman, Gaddis, & Fraley, 2015). In line with the leadership literature, we focus on the grandiose form of narcissism in which individuals have inflated self-views and crave affirming recognition (Chatterjee & Hambrick, 2007; Galvin, Lange, & Ashforth, 2015; Zhu & Chen, 2015). CEOs that possess grandiose narcissism tend to prefer dynamic strategies and extremely risky investments. They can quickly recapture firm performance after crises, but their performance often fluctuates extremely; they pay less attention to objective performance cues and more attention to social praise (Chatterjee & Hambrick, 2007; Zhu & Chen, 2015). Humility and narcissism may both have positive and negative organizational consequences, but could they be complementary in a way that enhances their benefits, suppresses their drawbacks, and fosters innovation? We explore that possibility by adopting a paradox perspective (Smith & Lewis, 2011).

Although humility and narcissism might seem unlikely to coexist in one individual, the paradox perspective suggests that two conflicting states can coexist and that the combination may promote greater creativity and productivity (Eisenhardt, 2000; Lewis, 2000). Owens, Wallace, and Waldman (2015) recently confirmed that followers are highly engaged and perform well when their supervisors have both humility and narcissism. Numerous anecdotal examples also show that many innovative CEOs are both humble and narcissistic. Apple's late CEO Steve Jobs was able to temper his narcissism with humility during his second reign and consequently led the history-making innovation of the iPhone (Owens et al., 2015). Similarly, Jack Ma, who founded Alibaba and revolutionized China's e-commerce, was humble enough to allow his customers to share the glory of ringing the opening bell for the historic IPO (Picker, 2014), but is also known for entertaining his employees by wearing lipstick and wild wigs on stage (MacLeod, 2014), – an attention-grabbing behavior often associated with narcissism. In interviews, he has shared audacious plans for the company but has also cautioned against ego inflation, leaving the media to describe him as “crazy” yet “charmingly humble” (MacLeod, 2014).

We explore whether, how, and why CEO humility and narcissism can coexist and influence firm innovation. First, we use the paradox perspective and provide theoretical and empirical support showing that humility and narcissism can coexist and that the combination can be beneficial. The traits are complex self-based traits that consist of contradictory cognitive, motivational, and behavioral components (Chatterjee & Hambrick, 2007; Ou et al., 2014). Their coexistence aligns with research on multiple self-concepts (Markus & Wurf, 1987; McConnell, 2011), dual motivations (Garcia & Crocker, 2008), and behavioral complexity (Denison, Hooijberg, & Quinn, 1995). Chinese cultural tradition further supports the possible coexistence of humility and narcissism among Chinese CEOs (Peng & Nisbett, 1999), the focus of our empirical studies.

Second, we propose that humility and narcissism can interact to enhance CEOs' ability to manage innovative culture and performance. Recognitions of possessing contradictory traits may risk arousing cognitive dissonance (Festinger, 1957), but the paradox perspective suggests that leaders who accept, confront, and transcend paradox will harvest its pluralistic potential (Smith & Lewis, 2011). We will explain the strengths and weaknesses of each trait and show how they complementarily create conditions for innovation.

Third, we propose that socialized charisma potentially mediates the relationship between a CEO's paradoxical traits and firm innovation. Charisma depends on followers' perceptions and attributions regarding leaders' behaviors (Conger & Kanungo, 1987; Waldman, Ramirez, House, & Puranam, 2001). When followers perceive that their leader articulates an inspirational idealized vision of collective interests, they will perceive that the leader has *socialized charisma* (House & Howell, 1992). Leaders who have socialized charisma have been shown to increase firm innovation (Jung, Wu, & Chow, 2008), but the literature has failed to determine whether socialized charisma may be associated with humility and narcissism. Instead, humble leaders are said to lack charisma (Collins, 2001), or that their charisma is “quiet” (Nielsen, Marrone, & Slay, 2010; Owens & Hekman, 2012). Combined narcissism and charisma has been observed in many American presidents (Deluga, 1997), but other research has found narcissism and charisma to lack a relationship (Galvin, Waldman, & Balthazard, 2010). Despite the conflicting literature, we propose that CEOs can have interacting humility and narcissism that generates socialized charisma and then enhance the ability to lead innovation.

Empirical results based on two multisource datasets largely support our hypotheses and contribute to three streams of research. We advance the upper echelon literature by extending the previous focus on independent effects of single CEO traits and adding a paradox perspective regarding trait combinations or configurations (Zaccaro, 2007). We contribute to the literature on the relationship between leadership and innovation by confirming that complementary leader traits affect firm innovation. Last, we resolve the theoretical puzzle regarding why humility or narcissism alone may fail to elicit socialized charisma.

Download English Version:

<https://daneshyari.com/en/article/5035190>

Download Persian Version:

<https://daneshyari.com/article/5035190>

[Daneshyari.com](https://daneshyari.com)