ELSEVIER

Larger than life:
Narcissistic organizational identification in leadership ☆

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Examples of corporate executive fraud present an interesting paradox: why would a founder, CEO or executive do anything to harm the organization from which he/she derives much of his/her personal identity? John Rigas, the former CEO of Adelphia, serves as an example of this puzzle: he started his family company on a $300 loan in 1952, watching it go from a small-town business to America's 5th largest cable provider. The company came crashing down in 2002 when it was revealed that John had used the publicly-traded company as collateral for family loans and had used company funds for private expenditures. Such behavior is initially perplexing: why did a man who cared for his family business for 50 years contribute to its spectacular failure?

Such enigmatic behavior may in part be due to society's tendency to view certain high-profile leaders as extensions of their organizations. For instance, Elon Musk is often society's immediate association with Tesla, as Richard Branson is for the Virgin Group. In such cases, the organization's identity can become absorbed within the identity of its head, an absorption that can be so thorough that the CEO himself/herself cannot contemplate how the organization would survive without him/her. Gary Bloom, a former executive at Oracle Software, said of Larry Ellison (the founder and CEO) in an interview for Bloomberg's Game Changers series, "I have a theory that Larry's succession plan for Oracle is trying to figure out a way, that when he's six feet under in a grave, where he can still run Oracle." Under certain circumstances, such executives see themselves not solely as an important element of their organization, but as the organization *itself*, with everyone and everything therein being a simple reflection of their own personal identity. This article attempts to understand this phenomenon through the lens of two concepts. The first is the social-psychological concept of "organizational identification" and the second is the personality type of narcissism.

Organizational identification occurs when a person's identity is tied closely to the organization of which he or she is a part. For instance, when talking to someone about his/her company, simple personal pronouns can be indicative of identification: referring to the company as "we" might indicate higher identification, while a simple "they" may betray lower identification. Research indicates that individuals who highly identify with their organizations show greater organizational commitment, work more cooperatively with other employees, exhibit higher work effort, and are less likely to quit.

Narcissism, the other attribute referred to in this article, is more widely recognized by society. Narcissism is often reflected in behavior that is grandiose, self-loving, entitled, and self-centered, punctuated by a general feeling of superiority over others. High levels of narcissism are associated with a variety of outcomes in organizational leaders, such as a proclivity to seize power and authority, a compulsive need to enforce their own opinions and ideas, and a tendency to use organizations as platforms to draw attention to themselves. Research has shown that narcissism is prevalent in leaders in general. This prevalence spikes when talking about business leaders, especially founders and CEOs, in part because these high-level positions feed narcissists' hunger for power and influence, and provide opportunities to demonstrate their superiority over others.

What connection is there between narcissism and organizational identification? Building upon previous research in this area, we theorize the existence of a "dark side" of organizational identification that reveals itself in the presence of high narcissism. Many founders, CEOs, executives and leaders have high organizational identification, deriving key elements of their personal identity from the companies

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that they lead. However, when identification intermingles with the narcissism that is somewhat common among high-ranking leaders, the opposite becomes true; high-ranking leaders begin to perceive that the organization derives much of its identity from *them*, so much so that the identity of the organization is subsumed within *their own* identity. This phenomenon is referred to as *narcissistic organizational identification*. Under its influence, CEOs, founders, executives and organizational leaders can intuitively believe that self-serving behavior (e.g., arranging ego-boosting acquisitions of other companies, using the organization's resources for personal gain) is indistinguishable from organization-serving behavior, operating under the assumption that their personal identity essentially constitutes the organization's identity.

The goals of this article are threefold. First, to describe the antecedents of organizational identification, and how the effects of narcissism can lead to the formation of narcissistic organizational identification. Second, to clarify the detrimental effects of narcissistic organizational identification on organizations, using real-world examples to shed light on the damaging consequences of maintaining narcissistically organizationally identified leaders at an organization's helm. Finally, to illustrate steps that the practitioner can take to rein in the effects of narcissistic organizational identification in his/her own organization or an organization he/she is advising. The ultimate aim of this article is to help the practitioner recognize these tendencies (in themselves and/or others) and deal with them—before they impede or even destroy an organization.

BEING ONE WITH THE ORGANIZATION

At its core, organizational identification is a positive attribute. An anonymous employee of Facebook states on the website GlassDoor, "I have always wanted to work in a company where I wasn't the proverbial square peg, and after nearly 30 years in the work force, I believe that I have found the company that complements my ideology for how a company should operate." An anonymous former employee of Bain & Company describes on GlassDoor his/her experience working at the company: "the best part is you can't fail. Because after all, what [is always reinforced] is that a Bainie never lets another Bainie fail."

These quotes reveal what organizational identification looks like in practice: organization members who so highly identify with the mission and attributes of their organization that they begin to at least partially define themselves by their membership in that organization. The semantics of the Bain & Company comment are illuminating. Rather than stating, "consultants don't let other consultants fail" or "Bain & Company is great, because they don't let their consultants fail," the quote reflects the employee's identification with the company, in effect saying, "I'm a 'Bainie'; my company preaches loyalty and teamwork, which are principles that I personally define myself by." When employees feel this way, the positive outcomes noted earlier, such as greater organizational commitment, tend to follow.

Many well-known executives seem to identify strongly with the organizations they lead. Elon Musk appears to care deeply about the visions of his companies SpaceX and Tesla:

SpaceX exists to help humanity colonize Mars and Tesla strives to help humanity reduce its reliance on fossil fuels. Musk talks with gusto about these passions, which lends credence to the idea that his job as CEO constitutes much of his own personal identity. Mary Kay Ash was known for a management style that demonstrated commitment to the organization and honoring and respecting members of her organization that did the same. To her, the principles of honor and service appear to not have been simply corporate boilerplate posted in the lobby of HQ, they were values, espoused by the company, that composed much of her own personal philosophy.

An entire organization, with members and leaders highly attuned to the organization's identity, is, by all accounts, a goal of any employer. However, in instances in which high levels of organizational identification mix with narcissism, many of the positive outcomes can be extinguished by arrogantly self-serving behavior.

LOVING YOURSELF

Though leaders vary drastically from organization to organization, narcissism often shows itself in at least one of the following four ways. The first is power mongering and a need for control. Narcissistic leaders often operate under the assumption that consolidation of power and control under them will lead to more positive and efficient outcomes. While having a leader with high levels of control can lead to quick and effective decision making, the narcissistic need for power and control can precipitate self-serving behavior as it clouds the judgment of leaders who have become enamored with their own management decisions.

Second, narcissism often manifests through grandiosity. Not content with being merely another member of the organizational leadership hierarchy, narcissistic organizational leaders may use their organizations as a podium, magnetically drawing to themselves attention initially directed at the organization. Their position gives them a pedestal from which to grab media headlines, make grand acquisitions of former competitors, and prioritize decisions that will generate significant amounts of attention.

Third, narcissists tend to exhibit self-love and egocentrism. Narcissistic executives may be captivated with their own personal qualities and leadership styles, which can lead them to overestimate the positive impact of their own interventions while underestimating the positive impact of others' contributions.

Finally, narcissists often act in an entitled manner. The concept of narcissism is tied strongly to the notion of believing oneself to be more deserving of praise, privileges, and rewards than others. Many executives' reward systems are skewed by the assumption that others, compared to them, contributed relatively little to organizational success.

Although we have painted a dark picture of narcissism, given the right situation with the proper network of safeguards against abuses of power, a moderate narcissist at the helm has the potential to be a boon to some organizations. Research has shown that narcissists are uniquely capable of taking big risks that others refuse; garbed in audacity and confidence, they are willing to stake their reputation on ideas that are capable of transforming entrenched para-