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ORGANIZATIONAL CULTURE

Narcissistic Leaders: The Incredible Pros, the Inevitable Cons

by Michael Maccoby

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When Michael Maccoby wrote this article, which was first published in early 2000, the business world was still under the spell of the Internet and its revolutionary promise. It was a time, Maccoby wrote, that called for larger-than-life leaders who could see the big picture and paint a compelling portrait of a dramatically different future. And that, he argued, was one reason we saw the emergence of the superstar CEOs—the grandiose, actively self-promoting, and genuinely narcissistic leaders who dominated the covers of business magazines at that time. Skilled orators and creative strategists, narcissists have vision and a great ability to attract and inspire followers.

The times have changed, and we've learned a lot about the dangers of overreliance on big personalities, but that doesn't mean narcissism can't be a useful leadership trait. There's certainly a dark side to narcissism—narcissists, Freud told us, are emotionally isolated and highly distrustful. They're usually poor listeners and lack empathy. Perceived threats can trigger rage. The challenge today—as Maccoby understood it to be four years ago—is to take advantage of their strengths while tempering their weaknesses.

There's something new and daring about the CEOs who are transforming today's industries. Just compare them with the executives who ran large companies in the 1950s through the 1980s. Those executives shunned the press and had their comments carefully crafted by corporate PR departments. But today's CEOs—superstars such as Bill Gates, Andy Grove, Steve Jobs, Jeff Bezos, and Jack Welch—hire their own publicists, write books, grant spontaneous interviews, and actively promote their personal philosophies. Their faces adorn the covers of magazines like *BusinessWeek*, *Time*, and the *Economist*. What's more, the world's business personalities are increasingly seen as the makers and shapers of our public and personal agendas. They advise schools on what kids should learn and lawmakers on how to invest the public's money. We look to them for thoughts on everything from the future of e-commerce to hot places to vacation.

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There are many reasons today's business leaders have higher profiles than ever before. One is that business plays a much bigger role in our lives than it used to, and its leaders are more often in the limelight. Another is that the business world is experiencing enormous changes that call for visionary and charismatic leadership. But my 25 years of consulting both as a psychoanalyst in private practice and as an adviser to top managers suggest a third reason—namely, a pronounced change in the personality of the strategic leaders at the top. As an anthropologist, I try to understand people in the context in which they operate, and as a psychoanalyst, I tend to see them through a distinctly Freudian lens. Given what I know, I believe that the larger-than-life leaders we are seeing today closely resemble the personality type that Sigmund Freud dubbed narcissistic. "People of this type impress others as being 'personalities,'" he wrote, describing one of the psychological types that clearly fall within the range of normality. "They are especially suited to act as a support for others, to take on the role of leaders, and to give a fresh stimulus to cultural development or damage the established state of affairs."

Throughout history, narcissists have always emerged to inspire people and to shape the future. When military, religious, and political arenas dominated society, it was figures such as Napoléon Bonaparte, Mahatma Gandhi, and Franklin Delano Roosevelt who determined the social agenda. But from time to time, when business became the engine of social change, it, too, generated its share of narcissistic leaders. That was true at the beginning of this century, when men like Andrew Carnegie, John D. Rockefeller, Thomas Edison, and Henry Ford exploited new technologies and restructured American industry. And I think it is true again today.

But Freud recognized that there is a dark side to narcissism. Narcissists, he pointed out, are emotionally isolated and highly distrustful. Perceived threats can trigger rage. Achievements can feed feelings of grandiosity. That's why Freud thought narcissists were the hardest personality types to analyze. Consider how an executive at Oracle describes his narcissistic CEO Larry Ellison: "The difference between God and Larry is that God does not believe he is Larry." That observation is amusing, but it is also troubling. Not surprisingly, most people think of narcissists in a primarily negative way. After all, Freud named the type after the mythical figure Narcissus, who died because of his pathological preoccupation with

himself.

Yet narcissism can be extraordinarily useful—even necessary. Freud shifted his views about narcissism over time and recognized that we are all somewhat narcissistic. More recently, psychoanalyst Heinz Kohut built on Freud's theories and developed methods of treating narcissists. Of course, only professional clinicians are trained to tell if narcissism is normal or pathological. In this article, I discuss the differences between productive and unproductive narcissism but do not explore the extreme pathology of borderline conditions and psychosis.

Leaders such as Jack Welch and George Soros are examples of productive narcissists. They are gifted and creative strategists who see the big picture and find meaning in the risky challenge of changing the world and leaving behind a legacy. Indeed, one reason we look to productive narcissists in times of great transition is that they have the audacity to push through the massive transformations that society periodically undertakes. Productive narcissists are not only risk takers willing to get the job done but also charmers who can convert the masses with their rhetoric. The danger is that narcissism can turn unproductive when, lacking self-knowledge and restraining anchors, narcissists become unrealistic dreamers. They nurture grand schemes and harbor the illusion that only circumstances or enemies block their success. This tendency toward grandiosity and distrust is the Achilles' heel of narcissists. Because of it, even brilliant narcissists can come under suspicion for self-involvement, unpredictability, and—in extreme cases—paranoia.

Productive narcissists have the audacity to push through the massive transformations that society periodically undertakes.

It's easy to see why narcissistic leadership doesn't always mean successful leadership. Consider the case of Volvo's Pehr Gyllenhammar. He had a dream that appealed to a broad international audience—a plan to revolutionize the industrial workplace by replacing the dehumanizing assembly line caricatured in Charlie Chaplin's *Modern Times*. His wildly popular vision called for team-based craftsmanship. Model factories were built and publicized to international acclaim. But his success in pushing through these dramatic changes also sowed the seeds for his downfall. Gyllenhammar started to feel that he could ignore the concerns of his operational managers. He pursued chancy and expensive business deals, which he publicized on television and in the press. On one level, you can ascribe Gyllenhammar's falling out of touch with his workforce simply to faulty strategy. But it is also possible to attribute it to his narcissistic personality. His overestimation of himself led him to believe that others would want him to be the czar of a multinational enterprise. In turn, these fantasies led him to pursue a merger with Renault, which was tremendously unpopular with Swedish employees. Because Gyllenhammar was deaf to complaints about Renault, Swedish managers were forced to take their case public. In the end, shareholders aggressively rejected Gyllenhammar's plan, leaving him with no option but to resign.

Given the large number of narcissists at the helm of corporations today, the challenge facing organizations is to ensure that such leaders do not self-destruct or lead the company to disaster. That can take some doing because it is very hard for narcissists to work through their issues—and virtually impossible for them to do it alone. Narcissists need colleagues and even therapists if they hope to break free from their limitations. But because of their extreme independence and self-protectiveness, it is very difficult to get near them. Kohut maintained that a therapist would have to demonstrate an extraordinarily profound empathic understanding and sympathy for the narcissist's feelings in order to gain his trust. On top of that, narcissists must recognize that they can benefit from such help. For their part, employees must learn how to recognize—and work around—narcissistic bosses. To help them in this endeavor, let's first take a closer look at Freud's theory of personality types.

Three Main Personality Types

While Freud recognized that there are an almost infinite variety of personalities, he identified three main types: erotic, obsessive, and narcissistic. Most of us have elements of all three. We are all, for example, somewhat narcissistic. If that were not so, we would not be able to survive or assert our needs. The point is, one of the dynamic tendencies usually dominates the others, making each of us react differently to success and failure.

Freud's definitions of personality types differed over time. When talking about the erotic personality type, however, Freud generally did not mean a sexual personality but rather one for whom loving and above all being loved is most important. This type of individual is dependent on those people they fear will stop loving them. Many erotics are teachers, nurses, and social workers. At their most productive, they are developers of the young as well as enablers and helpers at work. As managers, they are caring and supportive, but they avoid conflict and make people dependent on them. They are, according to Freud, outer-directed people.

Obsessives, in contrast, are inner-directed. They are self-reliant and conscientious. They create and maintain order and make the most effective operational managers. They look constantly for ways to help people listen better, resolve conflict, and find win-win opportunities. They buy self-improvement books such as Stephen Covey's *The 7 Habits of Highly Effective People*. Obsessives are also ruled by a strict conscience—they like to focus on continuous improvement at work because it fits in with their sense of moral improvement. As entrepreneurs, obsessives start businesses that express their values, but they lack the vision, daring, and charisma it takes to turn a good idea into a great one. The best obsessives set high standards and communicate very effectively. They make sure that instructions are followed and costs are kept within budget. The most productive are great mentors and team players. The unproductive and the uncooperative become narrow

experts and rule-bound bureaucrats.

Narcissists, the third type, are independent and not easily impressed. They are innovators, driven in business to gain power and glory. Productive narcissists are experts in their industries, but they go beyond it. They also pose the critical questions. They want to learn everything about everything that affects the company and its products. Unlike erotics, they want to be admired, not loved. And unlike obsessives, they are not troubled by a punishing superego, so they are able to aggressively pursue their goals. Of all the personality types, narcissists run the greatest risk of isolating themselves at the moment of success. And because of their independence and aggressiveness, they are constantly looking out for enemies, sometimes degenerating into paranoia when they are under extreme stress. (For more on personality types, see the sidebar "Fromm's Fourth Personality Type.")

Fromm's Fourth Personality Type

Strengths of the Narcissistic Leader

When it comes to leadership, personality type can be instructive. Erotic personalities generally make poor managers—they need too much approval. Obsessives make better leaders—they are your operational managers: critical and cautious. But it is narcissists who come closest to our collective image of great leaders. There are two reasons for this: they have compelling, even gripping, visions for companies, and they have an ability to attract followers.

Great Vision.

I once asked a group of managers to define a leader. "A person with vision" was a typical response. Productive narcissists understand the vision thing particularly well, because they are by nature people who see the big picture. They are not analyzers who can break up big questions into manageable problems; they aren't number crunchers either (these are usually the obsessives). Nor do they try to extrapolate to understand the future—they attempt to create it. To paraphrase George Bernard Shaw, some people see things as they are and ask why; narcissists see things that never were and ask why not.

Consider the difference between Bob Allen, a productive obsessive, and Mike Armstrong, a productive narcissist. In 1997, Allen tried to expand AT&T to reestablish the end-to-end service of the Bell System by reselling local service from the regional Bell operating companies (RBOCs). Although this was a worthwhile endeavor for shareholders and customers, it was hardly earth-shattering. By contrast, through a strategy of combining voice, telecommunications, and Internet access by high-speed broadband telecommunication over cable, Mike Armstrong has "created a new space with his name on it," as one of his colleagues puts it. Armstrong is betting that his costly strategy will beat out the RBOC's less expensive solution of digital subscriber lines over copper wire. This example illustrates the different approaches of obsessives and narcissists. The risk Armstrong took is one that few obsessives would feel comfortable taking. His vision is galvanizing AT&T. Who but a narcissistic leader could achieve such a thing? As Napoléon—a classic narcissist—once remarked, "Revolutions are ideal times for soldiers with a lot of wit—and the courage to act."

As in the days of the French Revolution, the world is now changing in astounding ways; narcissists have opportunities they would never have in ordinary times. In short, today's narcissistic leaders have the chance to change the very rules of the game. Consider Robert B. Shapiro, CEO of Monsanto. Shapiro described his vision of genetically modifying crops as "the single most successful introduction of technology in the history of agriculture, including the plow" (*New York Times*, August 5, 1999). This is certainly a huge claim—there are still many questions about the safety and public acceptance of genetically engineered fruits and vegetables. But industries like agriculture are desperate for radical change. If Shapiro's gamble is successful, the industry will be transformed in the image of Monsanto. That's why he can get away with painting a picture of Monsanto as a highly profitable "life sciences" company—despite the fact that Monsanto's stock has fallen 12% from 1998 to the end of the third quarter of 1999. (During the same period, the S&P was up 41%.) Unlike Armstrong and Shapiro, it was enough for Bob Allen to win against his competitors in a game measured primarily by the stock market. But narcissistic leaders are after something more. They want—and need—to leave behind a legacy.

Scores of Followers.

Narcissists have vision—but that's not enough. People in mental hospitals also have visions. The simplest definition of a leader is someone whom other people follow. Indeed, narcissists are especially gifted in attracting followers, and more often than not, they do so through language. Narcissists believe that words can move mountains and that inspiring speeches can change people. Narcissistic leaders are often skillful orators, and this is one of the talents that makes them so charismatic. Indeed, anyone who has seen narcissists perform can attest to their personal magnetism and their ability to stir enthusiasm among audiences.

Yet this charismatic gift is more of a two-way affair than most people think. Although it is not always obvious, narcissistic leaders are quite dependent on their followers—they need affirmation, and preferably adulation. Think of Winston Churchill's wartime broadcasts or J.F.K.'s "Ask not what your country can do for you" inaugural address. The adulation that follows from such speeches bolsters the self-confidence and conviction of the speakers. But if no one responds, the narcissist usually becomes insecure, overly shrill, and insistent—just as Ross Perot did.

Even when people respond positively to a narcissist, there are dangers. That's because charisma is a double-edged sword—it fosters both closeness and isolation. As he becomes increasingly self-assured, the narcissist becomes more spontaneous. He feels free of constraints. Ideas flow. He thinks he's invincible. This energy and confidence further inspire his followers. But the very adulation that the narcissist demands can have a corrosive effect. As he expands, he listens even less to words of caution and advice. After all, he has been right before, when others had their doubts. Rather than try to persuade those who disagree with him, he feels justified in ignoring them—creating further isolation. The result is sometimes flagrant risk taking that can lead to catastrophe. In the political realm, there is no clearer example of this than Bill Clinton.

Weaknesses of the Narcissistic Leader

Despite the warm feelings their charisma can evoke, narcissists are typically not comfortable with their own emotions. They listen only for the kind of information they seek. They don't learn easily from others. They don't like to teach but prefer to indoctrinate and make speeches. They dominate meetings with subordinates. The result for the organization is greater internal competitiveness at a time when everyone is already under as much pressure as they can possibly stand. Perhaps the main problem is that the narcissist's faults tend to become even more pronounced as he becomes more successful.

Sensitive to Criticism.

Because they are extraordinarily sensitive, narcissistic leaders shun emotions as a whole. Indeed, perhaps one of the greatest paradoxes in this age of teamwork and partnering is that the best corporate leader in the contemporary world is the type of person who is emotionally isolated. Narcissistic leaders typically keep others at arm's length. They can put up a wall of defense as thick as the Pentagon. And given their difficulty with knowing or acknowledging their own feelings, they are uncomfortable with other people expressing theirs—especially their negative feelings.

Indeed, even productive narcissists are extremely sensitive to criticism or slights, which feel to them like knives threatening their self-image and their confidence in their visions. Narcissists are almost unimaginably thin-skinned. Like the fairy-tale princess who slept on many mattresses and yet knew she was sleeping on a pea, narcissists—even powerful CEOs—bruise easily. This is one explanation why narcissistic leaders do not want to know what people think of them unless it is causing them a real problem. They cannot tolerate dissent. In fact, they can be extremely abrasive with employees who doubt them or with subordinates who are tough enough to fight back. Steve Jobs, for example, publicly humiliates subordinates. Thus, although narcissistic leaders often say that they want teamwork, what that means in practice is that they want a group of yes-men. As the more independent-minded players leave or are pushed out, succession becomes a particular problem.

Poor Listeners.

One serious consequence of this oversensitivity to criticism is that narcissistic leaders often do not listen when they feel threatened or attacked. Consider the response of one narcissistic CEO I had worked with for three years who asked me to interview his immediate team and report back to him on what they were thinking. He invited me to his summer home to discuss what I had found. "So what do they think of me?" he asked with seeming nonchalance. "They think you are very creative and courageous," I told him, "but they also feel that you don't listen." "Excuse me, what did you say?" he shot back at once, pretending not to hear. His response was humorous, but it was also tragic.

In a very real way, this CEO could not hear my criticism because it was too painful to tolerate. Some narcissists are so defensive that they go so far as to make a virtue of the fact that they don't listen. As another CEO bluntly put it, "I didn't get here by listening to people!" Indeed, on one occasion when this CEO proposed a daring strategy, none of his subordinates believed it would work. His subsequent success strengthened his conviction that he had nothing to learn about strategy from his lieutenants. But success is no excuse for narcissistic leaders not to listen.

Lack of Empathy.

Best-selling business writers today have taken up the slogan of "emotional competencies"—the belief that successful leadership requires a strongly developed sense of empathy. But although they crave empathy from others, productive narcissists are not noted for being particularly empathetic themselves. Indeed, lack of empathy is a characteristic shortcoming of some of the most charismatic and successful narcissists, including Bill Gates and Andy Grove. Of course, leaders do need to communicate persuasively. But a lack of empathy did not prevent some of history's greatest narcissistic leaders from knowing how to communicate—and inspire. Neither Churchill, de Gaulle, Stalin, nor Mao Tse-tung were empathetic. And yet they inspired people because of their passion and their conviction at a time when people longed for certainty.

In fact, in times of radical change, lack of empathy can actually be a strength. A narcissist finds it easier than other personality types to buy and sell companies, to close and move facilities, and to lay off employees—decisions that inevitably make many people angry and sad. But narcissistic leaders typically have few regrets. As one CEO says, "If I listened to my employees' needs and demands, they would eat me alive."

Given this lack of empathy, it's hardly surprising that narcissistic leaders don't score particularly well on evaluations of their interpersonal style. What's more, neither 360-degree evaluations of their management style nor workshops in listening

will make them more empathic. Narcissists don't want to change—and as long as they are successful, they don't think they have to. They may see the need for operational managers to get touchy-feely training, but that's not for them.

There is a kind of emotional intelligence associated with narcissists, but it's more street smarts than empathy. Narcissistic leaders are acutely aware of whether or not people are with them wholeheartedly. They know whom they can use. They can be brutally exploitative. That's why, even though narcissists undoubtedly have "star quality," they are often unlikable. They easily stir up people against them, and it is only in tumultuous times, when their gifts are desperately needed, that people are willing to tolerate narcissists as leaders.

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Distaste for Mentoring.

Lack of empathy and extreme independence make it difficult for narcissists to mentor and be mentored. Generally speaking, narcissistic leaders set very little store by mentoring. They seldom mentor others, and when they do they typically want their protégés to be pale reflections of themselves. Even those narcissists like Jack Welch who are held up as strong mentors are usually more interested in instructing than in coaching.

Narcissists certainly don't credit mentoring or educational programs for their own development as leaders. A few narcissistic leaders such as Bill Gates may find a friend or consultant—for instance, Warren Buffet, a superproductive obsessive—whom they can trust to be their guide and confidant. But most narcissists prefer "mentors" they can control. A 32-year-old marketing vice president, a narcissist with CEO potential, told me that she had rejected her boss as a mentor. As she put it, "First of all, I want to keep the relationship at a distance. I don't want to be influenced by emotions. Second, there are things I don't want him to know. I'd rather hire an outside consultant to be my coach." Although narcissistic leaders appear to be at ease with others, they find intimacy—which is a prerequisite for mentoring—to be difficult. Younger narcissists will establish peer relations with authority rather than seek a parentlike mentoring relationship. They want results and are willing to take chances arguing with authority.

An Intense Desire to Compete.

Narcissistic leaders are relentless and ruthless in their pursuit of victory. Games are not games but tests of their survival skills. Of course, all successful managers want to win, but narcissists are not restrained by conscience. Organizations led by narcissists are generally characterized by intense internal competition. Their passion to win is marked by both the promise of glory and the primitive danger of extinction. It is a potent brew that energizes companies, creating a sense of urgency, but it can also be dangerous. These leaders see everything as a threat. As Andy Grove puts it, brilliantly articulating the narcissist's fear, distrust, and aggression, "Only the paranoid survive." The concern, of course, is that the narcissist finds enemies that aren't there—even among his colleagues.

The Rise and Fall of a Narcissist

Avoiding the Traps

There is very little business literature that tells narcissistic leaders how to avoid the pitfalls. There are two reasons for this. First, relatively few narcissistic leaders are interested in looking inward. And second, psychoanalysts don't usually get close enough to them, especially in the workplace, to write about them. (The noted psychoanalyst Harry Levinson is an exception.) As a result, advice on leadership focuses on obsessives, which explains why so much of it is about creating teamwork and being more receptive to subordinates. But as we've already seen, this literature is of little interest to narcissists, nor is it likely to help subordinates understand their narcissistic leaders. The absence of managerial literature on narcissistic leaders doesn't mean that it is impossible to devise strategies for dealing with narcissism. In the course of a long career counseling CEOs, I have identified three basic ways in which productive narcissists can avoid the traps of their own personality.

Find a trusted sidekick.

Many narcissists can develop a close relationship with one person, a sidekick who acts as an anchor, keeping the narcissistic partner grounded. However, given that narcissistic leaders trust only their own insights and view of reality, the sidekick has to understand the narcissistic leader and what he is trying to achieve. The narcissist must feel that this person, or in some cases persons, is practically an extension of himself. The sidekick must also be sensitive enough to manage the relationship. Don Quixote is a classic example of a narcissist who was out of touch with reality but who was constantly saved from disaster by his squire Sancho Panza. Not surprisingly, many narcissistic leaders rely heavily on their spouses, the people they are closest to. But dependence on spouses can be risky, because they may further isolate the narcissistic leader from his company by supporting his grandiosity and feeding his paranoia. I once knew a CEO in this kind of relationship with his spouse. He took to accusing loyal subordinates of plotting against him just because they ventured a few criticisms of his ideas.

It is much better for a narcissistic leader to choose a colleague as his sidekick. Good sidekicks are able to point out the operational requirements of the narcissistic leader's vision and keep him rooted in reality. The best sidekicks are usually productive obsessives. Gyllenhammar, for instance, was most effective at Volvo when he had an obsessive COO, Håkan Frisinger, to focus on improving quality and cost, as well as an obsessive HR director, Berth Jönsson, to implement his vision. Similarly, Bill Gates can think about the future from the stratosphere because Steve Ballmer, a tough obsessive president, keeps the show on the road. At Oracle, CEO Larry Ellison can afford to miss key meetings and spend time on his boat contemplating a future without PCs because he has a productive obsessive COO in Ray Lane to run the company for him. But the job of sidekick entails more than just executing the leader's ideas. The sidekick also has to get his leader to accept new ideas. To do this, he must be able to show the leader how the new ideas fit with his views and serve his interests. (For more on dealing with narcissistic bosses, see the sidebar "Working for a Narcissist.")

Working for a Narcissist

Indoctrinate the organization.

The narcissistic CEO wants all his subordinates to think the way he does about the business. Productive narcissists—people who often have a dash of the obsessive personality—are good at converting people to their point of view. One of the most successful at this is GE's Jack Welch. Welch uses toughness to build a corporate culture and to implement a daring business strategy, including the buying and selling of scores of companies. Unlike other narcissistic leaders such as Gates, Grove, and Ellison, who have transformed industries with new products, Welch was able to transform his industry by focusing on execution and pushing companies to the limits of quality and efficiency, bumping up revenues and wringing out costs. In order to do so, Welch hammers out a huge corporate culture in his own image—a culture that provides impressive rewards for senior managers and shareholders.

Welch's approach to culture building is widely misunderstood. Many observers, notably Noel Tichy in *The Leadership Engine*, argue that Welch forms his company's leadership culture through teaching. But Welch's "teaching" involves a personal ideology that he indoctrinates into GE managers through speeches, memos, and confrontations. Rather than create a dialogue, Welch makes pronouncements (either be the number one or two company in your market or get out), and he institutes programs (such as Six Sigma quality) that become the GE party line. Welch's strategy has been extremely effective. GE managers must either internalize his vision, or they must leave. Clearly, this is incentive learning with a vengeance. I would even go so far as to call Welch's teaching brainwashing. But Welch does have the rare insight and know-how to achieve what all narcissistic business leaders are trying to do—namely, get the organization to identify with them, to think the way they do, and to become the living embodiment of their companies.

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Get into analysis.

Narcissists are often more interested in controlling others than in knowing and disciplining themselves. That's why, with very few exceptions, even productive narcissists do not want to explore their personalities with the help of insight therapies such as psychoanalysis. Yet since Heinz Kohut, there has been a radical shift in psychoanalytic thinking about what can be done to help narcissists work through their rage, alienation, and grandiosity. Indeed, if they can be persuaded to undergo therapy, narcissistic leaders can use tools such as psychoanalysis to overcome vital character flaws.

Consider the case of one exceptional narcissistic CEO who asked me to help him understand why he so often lost his temper with subordinates. He lived far from my home city, and so the therapy was sporadic and very unorthodox. Yet he kept a journal of his dreams, which we interpreted together either by phone or when we met. Our analysis uncovered painful feelings of being unappreciated that went back to his inability to impress a cold father. He came to realize that he demanded an unreasonable amount of praise and that when he felt unappreciated by his subordinates, he became furious. Once he understood that, he was able to recognize his narcissism and even laugh about it. In the middle of our work, he even announced to his top team that I was psychoanalyzing him and asked them what they thought of that. After a pregnant pause, one executive vice president piped up, "Whatever you're doing, you should keep doing it, because you don't get so angry anymore." Instead of being trapped by narcissistic rage, this CEO was learning how to express his concerns constructively.

Leaders who can work on themselves in that way tend to be the most productive narcissists. In addition to being self-reflective, they are also likely to be open, likable, and good-humored. Productive narcissists have perspective; they are able to detach themselves and laugh at their irrational needs. Although serious about achieving their goals, they are also playful. As leaders, they are aware of being performers. A sense of humor helps them maintain enough perspective and humility to keep on learning.

The Best and Worst of Times

As I have pointed out, narcissists thrive in chaotic times. In more tranquil times and places, however, even the most brilliant narcissist will seem out of place. In his short story *The Curfew Tolls*, Stephen Vincent Benét speculates on what would have happened to Napoléon if he had been born some 30 years earlier. Retired in prerevolutionary France, Napoléon is depicted as a lonely artillery major boasting to a vacationing British general about how he could have beaten the English in India. The point, of course, is that a visionary born in the wrong time can seem like a pompous buffoon.

Historically, narcissists in large corporations have been confined to sales positions, where they use their persuasiveness and imagination to best effect. In settled times, the problematic side of the narcissistic personality usually conspires to keep narcissists in their place, and they can typically rise to top management positions only by starting their own companies or by leaving to lead upstarts. Consider Joe Nacchio, formerly in charge of both the business and consumer divisions of AT&T. Nacchio was a supersalesman and a popular leader in the mid-1990s. But his desire to create a new network for business customers was thwarted by colleagues who found him abrasive, self-promoting, and ruthlessly ambitious.

Two years ago, Nacchio left AT&T to become CEO of Qwest, a company that is creating a long-distance fiber-optic cable network. Nacchio had the credibility—and charisma—to sell Qwest's initial public offering to financial markets and gain a high valuation. Within a short space of time, he turned Qwest into an attractive target for the RBOCs, which were looking to move into long-distance telephony and Internet services. Such a sale would have given Qwest's owners a handsome profit on their investment. But Nacchio wanted more. He wanted to expand—to compete with AT&T—and for that he needed local service. Rather than sell Qwest, he chose to make a bid himself for local telephone operator U.S. West, using Qwest's highly valued stock to finance the deal. The market voted on this display of expansiveness with its feet—Qwest's stock price fell 40% between last June, when he made the deal, and the end of the third quarter of 1999. (The S&P index dropped 5.7% during the same period.)

Like other narcissists, Nacchio likes risk—and sometimes ignores the costs. But with the dramatic discontinuities going on in the world today, more and more large corporations are getting into bed with narcissists. They are finding that there is no substitute for narcissistic leaders in an age of innovation. Companies need leaders who do not try to anticipate the future so much as create it. But narcissistic leaders—even the most productive of them—can self-destruct and lead their organizations terribly astray. For companies whose narcissistic leaders recognize their limitations, these will be the best of times. For other companies, these could turn out to be the worst.

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