"THE LEADERSHIP MYSTIQUE"

by

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THE LEADERSHIP MYSTIQUE*

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ABSTRACT

This article explores the way in which character traits and behavioral patterns affect leadership style. Some of the elements that make for successful leadership are presented. It is suggested that the personality of a top executive influences the strategy, corporate culture and even structure of his or her organization to such an extent that often organizations cannot perform successfully if no attention is given to a leader's intrapsychic world. A clinical approach is used in the article to analyze how behavior on the part of a leader which may seem completely irrational may on closer inspection have an explanation and deeper rationale. The process is described by which executives can explore their core conflictual relationship themes, or inner scripts, through self-examination and through studying the lives of well-known business leaders and their companies. The theme of psychological pressure of leadership emerges during this process. The problems of loneliness of command, envy, and "false connection" on the part of subordinates are discussed. To clarify why some leaders are more affected by this pressure than others, the shaping of personality is described in the context of narcissistic development, and the concepts of reactive and constructive narcissism are explored. A correlation is shown between individual pathology and organizational pathology which often results in neurotic organizations. Finally, the danger of leaders' uncontrolled narcissism and hubris is touched on.
Leadership is the ability to get men to do what they don't like to do and like it.
- Harry Truman -

Better to reign in hell than serve in heaven.
- John Milton -

We are all worms, but I think that I am a glow worm.
- Winston Churchill -

When we plunge into the organizational literature on leadership we quickly become lost in a labyrinth: there are endless definitions, countless articles and never-ending polemics. As far as leadership studies go, it seems that more and more has been studied about less and less, to end up ironically with a group of researchers studying everything about nothing. It prompted one wit to say recently that reading the current world literature on leadership is rather like going through the Parisian telephone directory while trying to read it in Chinese!

The proliferation of literature on effective leadership is amply reflected by the increase in the number of articles in its bible, Stogdill's Handbook of Leadership (Bass, 1981). While the old handbook, published in 1974, listed only three thousand studies, that number increased to five thousand within seven years, a pace of publication that has accelerated ever since. It is unfortunate, however, that the popularity of leadership research has not been equaled by its relevance. One of the problems has been that too many theories about organizations seem to have had their gestation in the ivory towers of academia. The titles of the theories -- new and old -- reveal the nature of their contents, plodding and detached, often far removed from the reality of day-to-day life.
These kinds of papers continue to appear; fortunately, however, some changes can be noted. An increasing number of scholars have become interested in going beyond the confinement of social science laboratory experiments to observe real leaders in action.

**Why Follow the Leader?**

What do leaders really do? What makes people follow leaders? Why are certain types of leaders more effective than others? Do effective leaders have certain characteristics in common?

Although effective leadership strongly depends on a complex pattern of interaction between leader, follower and situation, in general successful leaders fulfill two roles. One can be called the *charismatic* role, the other the more *instrumental* role. The first role encompasses the way in which leaders *envision, empower, and energize* in order to motivate their followers. At the same time, every effective leader has to fulfill the *instrumental* role and be an *organizational designer*, and *control and reward* behavior appropriately.

Coming back to the first dimension of the charismatic role, we all know that a primary part of the leadership role is to determine where a company needs to go and to build commitment to go in that direction. There can be no leadership without vision. Hopefully, everyone who comes within the leader's sphere of influence will align themselves behind this vision. It represents the leader's core values and beliefs, and enables him or her to define the guiding philosophy of the organization: the mission.

Furthermore, in order to arrive at some kind of vision, leaders need to have the knack of perceiving salient trends in the environment. They must be able to process many different kinds of information, and use their perceptions as a basis for judging the direction in which environmental forces are going. And in studying leaders closely, it
becomes clear that they are much better than other people at managing cognitive complexity. They are good at searching out and structuring the kind of information they need; their strength lies in making sense of an increasingly complex environment and then in using the data obtained in problem-solving. This talent manifests itself in their knack for simplification, of making highly complex issues very palatable. Carlo De Benedetti of Olivetti, and Percy Barnevik of ABB, are examples of individuals who have used this talent to good effect.

Moreover, if people are to be motivated, if they are to commit themselves to the prevalent vision, the mission statement derived from the vision also needs to be inspirational. To talk merely about increasing the shareholders' wealth, or to stress the company's style ("We want to be fast followers"), is not good enough. It is much more effective to find a niche in the market where one can be the best and say so. The mission statement should be simple, yet it should stretch the mind of all the company's executives.

People in the political arena are particularly good at developing visions and they often excel at articulating them. Such people are inspirational because, when there is dissatisfaction with the existing status quo, they recognize it, are able to present an acceptable alternative, and rally others around them to make it happen. For example, Mahatma Gandhi had a vision of an independent India where Moslems and Hindus would live together in peace. Martin Luther King had a vision of harmony between blacks and whites. John F. Kennedy, when he was president, had a very specific vision of wanting a man on the moon by the end of the sixties. Gorbachev had a vision of a more open Soviet society. Then there were the darker visions of Adolf Hitler's thousand year Reich. In the domain of business, we find Ingmar Kamprad of IKEA who wanted to make affordable furniture for the common man, while Mads Øvlisen, the president of the Danish pharmaceutical company NovoNordisk, emphasizes his company's desire to improve human life by preventing and treating diseases.
It also helps to have an enemy to focus on while enacting a mission. Doing so gets the competitive juices flowing. Moreover, it provides a focus, concentrating the mind. "Enemies" help in shaping the organizational identity. And successful companies watch their competitors very closely. They want to know everything about a competitor so that they can build a base of attack. Think about the Pepsi- and Coca-Cola wars. Remember Nike, Adidas and Reebok? Compaq and Dell seem to take pleasure out of destroying each other in their advertisements. And what about Honda, which once used the slogan: "We will crush, squash, and slaughter Yamaha." If something like that doesn't get you going, nothing will!

Another factor that differentiates leaders from ordinary mortals is their ability to get people involved. They know how to take advantage of the Pygmalion effect in management. Effective leaders are very good at building alliances and creating commitment so that others will share their vision. They possess great team building skills. They know how to get the best out of their people.

The term empowerment is often used in this context. Leaders make the empowerment of followers seem deceptively simple. The trick is to express high performance expectations. This shows employees that their leader has confidence in their ability to reach certain predetermined goals. Given the needed resources and a facilitating structure (the instrumental part of the leadership role), in most instances empowered employees will do their utmost to oblige. This is the obvious way to build commitment. By empowering people one enhances their self-esteem and feelings of self-confidence, often motivating them to perform beyond expectations. Catherine the Great already seemed to be familiar with the Pygmalion effect in business. Wasn't it she who said, "Praise loudly, blame softly"? And Napoleon declared that every French soldier carried a marshal's baton in his knapsack. This process of empowering may also work the other way: if you tell a person regularly that he is an idiot he may start
behaving like one. Unfortunately, however, empowerment is difficult for some leaders, given their addiction to power. It is hard for them to let go and push power down in the organization. They lack the perspective to realize that by empowering their followers in a positive way, they are in fact strengthening their organization and thus their own hold on power. In the domain of the psychology of power, the desire for short term gains tends to dominate the consideration of long term benefits.

Truly great leaders realize, however, that envisioning without empowerment leads to a poor enactment of the vision. They recognize that the art of leadership is to create the kind of environment where people have peak experiences, where in their excitement they become completely involved in what they are doing and lose their sense of time. Here, the empowerment process plays a major role, and this should be reflected in the design of the organization. Organizational structures have to be created in which people have a sense of control, a feeling of ownership in what they are doing. As General Patton used to say: "If you tell people where to go, but not how to get there, you will be amazed at the results."

Another key word in describing successful leaders is energizing. In every organization there is an enormous amount of free-floating aggressive and affectionate energy. Leaders know how to channel this energy in the right direction. Well channeled energy will positively influence the enactment process. One should never forget that a vision without action is a form of hallucination.

Here it is important for aggressive energy to be directed externally. People in the organization should not fight each other but fight the competition. As Jack Welch of General Electric used to say, "I don't want you to fight your neighbor at the next desk. If you are in plastics, I want you to fight Du Pont; if in electronics, I want you to fight Westinghouse."
The other part of the energy management process is to use affectionate energy appropriately. Every leader, at whatever level, is to some extent a kind of psychiatric social worker, a container of the emotions of his or her subordinates. The way he or she goes about creating this kind of holding environment distinguishes effective from ineffective leaders. Remember, the derailment of the CEO is seldom caused by his or her being insufficiently informed about the latest techniques in marketing, finance, or production, but rather by a lack of interpersonal skills, a failure to get the best out of the people who may possess this information.

In managing energy in organizations, empathy becomes critical. Interpersonal and intrapersonal sensitivity is a sine qua non for leaders. Closely linked to these qualities are the willingness to trust others and the ability to convince them that one is trustworthy. In this context, it is also essential to possess a sense of generativity, which basically means obtaining pleasure from helping the next generation. When leaders lack this quality and are envious of others, organizational learning will be stifled and the future of the organization will be endangered.

The envisioning, empowering and energizing facets of the charismatic role rest on the solid foundation of the instrumental role. The elements of the instrumental role -- organizational design, control and reward -- have been amply described in the leadership literature and so I will not expand on them here. I do want to emphasize, however, that the combination of the charismatic role with the instrumental role can be very powerful: the charismatic part of leadership becomes more concrete and focused, and the instrumental part becomes more flexible and human.

Obviously implicit in a number of the dimensions of the two main leadership roles are characterological issues (Kets de Vries and Perzow, 1991). Certain aspects of character make some leaders more suitable than others to taking on these roles. The
singularities in a person's cognitive, affective, and behavioral functioning affect the way a person adapts to the external environment.

Looking at the current literature on leadership traits we find that, although the quantity of this literature is overwhelming and often confusing, there is a certain amount of communality among the findings (Bass 1981; Barrick and Mount, 1991). Among the traits that have been discerned regularly among effective leaders (confirmed by my own observations) are conscientiousness (which includes dependability, achievement orientation and perseverance), extroversion, dominance, self-confidence, energy, agreeableness (meaning flexibility and sense of trust), intelligence, openness to experience (including a lack of ethnocentricism), and emotional stability. A closer look at many of these traits, however, makes it clear that each of them can be the subject of a heated polemic about its true meaning and its applicability to specific character types (Millon, 1981). In addition, particularly in the clinical literature, labels such as agreeableness and emotional stability may open an enormous can of worms. It can be argued that leaders will be more or less effective depending on the specific combination of these traits. To understand these building blocks of character, we have to go to the roots of leaders' developmental histories. (For an overview of the various aspects of effective leadership mentioned in the first section of this paper see Table 1.)

Table One about here

Deciphering the Roots of Leadership

Describing some of the behavioral patterns and traits that make for effective leadership is one thing, but to explain how they evolve we have to go beyond the obvious and ask deeper questions. Where does this vision and sense of mission come from? What is the source of charisma? How do these various traits develop? And more
pragmatically, what differentiates two powerful and visionary leaders like Jack Welch and Robert Maxwell? Why should one succeed while the other derails? How much of the credit or blame for their company's situation lies with them personally? My clinical work with executives has shown that the personality of a top executive influences the strategy, corporate culture and even structure of his or her organization to a much greater extent than most people, in particular executives themselves, are likely or willing to admit.

In organizations, people tend to seek the holy grail of the perfect business model managed by a logical, rational leader. There seems to be an obstinate survival of the myth of rationality. Many people cling to the reassuring notion that humans are logical decision makers, that irrational forces do not play a role in organizational life.

Of course there is a rational element to actions of senior executives. Leaders process large amounts of information; they look for strategic niches; they define the parameters of the corporate culture; they create the structures and set strategy. In spite of this preoccupation with rational data processing, however, even the best of leaders may be driven by motives that are less sensible and obvious than they seem. For example, was Henry Ford's introduction of the assembly line based on a rational analysis of the economic benefits of division of labor? Did he do an in-depth quantitative analysis of all the relevant economic factors? Or were there irrational elements that pushed him in that direction? Could one of his motivations for wanting to make cheap cars for farmers have been to redeem himself in the eyes of his own father, who was a farmer? Similar speculations can be made about the behavior of Walt Disney. How much had Disney's extraordinary vision to do with his own unhappiness as a child?

In the best of all worlds, a leader's vision is compatible with external forces in the environment. But in many instances that is not the case. As many of us have learned
the hard way, a CEO can be completely derailed by his hidden motives, and not only make life miserable for his staff but disrupt his organization's equilibrium enough to contribute significantly to its decline. As clinical investigation shows, the reasons why leaders have a particular outlook tend to be deeply rooted. All of them are driven and influenced by a very strong, vivid inner theater -- a specific script that determines a person's character. This inner theater is what drives them to externalize private motives and present them on a public stage. Consequently, transcending the model of the economic man and looking closely at the inner theater of the top executive will give us a unique perspective on the dynamics of an organization.

But how do we go about it? How do we arrive at insights about this inner theater? How do we decipher a person's character? What I have found is that putting executives on the couch (metaphorically speaking) proves to be a good way of analyzing the conflicts and motivations that occur within their organizations. It adds an additional dimension to understanding organizational dynamics.

I should explain here the basis of my clinical approach to management. The clinical paradigm, which takes concepts from psychoanalysis, dynamic psychiatry, family systems theory and cognition, rests on a number of premises. The first is that all behavior is somehow determined. What at first glance may seem completely irrational may on closer inspection have an explanation and a deeper rationale. Second, there is such a thing as the unconscious. We are not always aware of many of our wishes and fantasies; a considerable amount of our actions and behavior appears to be beyond conscious awareness. Furthermore, in order to understand behavior patterns it is important to realize that intrapsychic and interpersonal processes determine the way we act and make decisions. Patterns of behavior acquired in the past strongly influence present and future behavior.
All of us possess some kind of inner theater and are motivated by a specific inner script. Over time, through interactions with caretakers, teachers, and other influential people, this inner theater develops. The internalized core conflictual relationship themes which make up this inner theater form the core of an individual's personality and are the matrix on which behavior and actions are based (Luborsky et al., 1988). Our internal theater, in which the patterns that underlie our character come into play, influences our behavior throughout our lives and plays an essential role in the molding of leaders.

Setting the Stage

Clinical observation confirms that even the most successful organizational leaders are not exactly rational, logical, sensible, and dependable human beings, but in fact are prone to irrational behavior. That being the case, the application of the clinical paradigm will be helpful in providing insight into the underlying reasons for their behavior and action. Organizations cannot perform successfully if the quirks and irrational processes that are part and parcel of the leader's inner theater are ignored. This dimension of human action needs attention if one wants to engage in preventive maintenance and successful intervention.

In my teaching and consulting work, I push executives to open the curtains of their inner theater, to find the deeper meaning behind their actions. I want them to understand that they, and sometimes their organization, get into trouble because of unconscious processes they neither see, understand nor accept. I have learned from bitter experience, however, that it is very difficult for most executives to delve into the dark corners of their own psyche. In many cases they cannot do it alone; they need help. And it can be even harder for them to understand how strongly something as personal as their inner theater can affect their company.
Leadership Mystique

To facilitate the sometimes painful process of self-examination, in my MBA and executive classes I ask participants to become organizational detectives by studying well-known business leaders and their companies, to try to make sense out of their behavior and actions. Leaders such as Jack Welch, Percy Barnevik, Richard Branson, Carlo De Benedetti, and Ernest Saunders are the subjects of key case studies used in my classes. To set the investigative process in motion, I ask participants leading questions. For example, why did Henry Ford of the Ford Motor Company stick to the Model T for nineteen years in spite of changing market conditions and an enormous drop in market share? Why did he behave so strangely and erratically? When his engineers presented him with a slightly modified version of the Model T, he flew into a tantrum and kicked the car apart. Why? What made him so unwilling to change the car? What did the car symbolize to him? Why did he unleash a reign of terror in the company, employing henchmen like Harry Bennett, a person with close connections to the Detroit underworld? What lay behind his strange political activities, his isolationism and his anti-Semitism? Why did he consistently undermine his son Edsel's efforts to steer the company back on course? And what was it, despite all these quirks, that made him such a visionary? He was the first person to recognize the value of using the assembly line to make a mass-produced car at a time when consumer trends were pointing in the opposite direction. What were his anxieties, his defenses, his conflicts? What were his strengths and his weaknesses? What differentiated him from other people? What could be said about his character? What made him such an innovator?

Ford's personal history gives us insight into many of his seemingly bizarre actions. He was extremely close to his mother, whom he felt loved him unconditionally. Unfortunately, she died when Ford was thirteen. Ford's relationship with his father was very difficult. According to Ford, his father disapproved of Ford's mechanical bent, his wish to leave the farm, and his vision of the future of the automobile, although Ford's sister felt that their father was not nearly as opposed to his
son's ideas as Ford led people to believe. In any case, Ford's relationships with other men were never intimate, and he had few real friends. A quotation from the man who Ford hired to run the personnel department is very revealing:

"A judge of national repute once said to me, 'I have a great admiration for Henry Ford, but there is one thing about him that I regret and can't understand, and that is his inability to keep his executives and old time friends around him. The answer is that it is not a matter of inability, but disability. He can't help it. He is built that way' " (Marquis, 1923, p. 23).

Observing that "he is built that way" is not enough, however. The challenge of organizational detective work is to find the underlying reasons for his peculiar leadership style; to understand better the critical dimensions that made up his inner script. To arrive at deeper insight in our discussions, theories are introduced, and inferences are made, shot down and replaced by others. And while struggling with their confusion, participants gradually arrive at a better idea of what kind of person Ford really was, the nature of his interpersonal relationships, his defensive patterns, and how his style affected the organization. They begin to realize the extent to which his behavior in the Ford Motor Company was colored by his personal history. They realize how much Ford was a prisoner of his past.

Interestingly enough, class participants occasionally begin to see the symptoms of similar patterns of behavior and character traits in themselves. At times this may be frightening, but this process of recognition generally makes them think. My experience is that this process triggers self-reflection and growing insight. Fledgling and experienced consultants, entrepreneurs, investment bankers or industrialists all profit from this new way of looking at organizational dynamics. It gives them a better idea of how to master processes like power, authority, influence and control. It makes them realize how easily they themselves could get stuck in vicious circles and become
prisoners of their own past. Furthermore, they may become aware of the kind of organizations they should avoid, realizing the extent to which certain types of organization may adversely affect them mentally or even physically.

A play like Arthur Miller's Death of a Salesman or films such as Orson Welles' Citizen Kane or Ingmar Bergman's Wild Strawberries can provide further insight into these elusive phenomena. The right side of the brain, the part responsible for more intuitive processes, is not exactly nurtured in the daily routine of an organization. But that is even more reason to become sensitized to what makes a person or an organization really tick.

During this process of mutual exploration, many questions come up in my classes which I can not answer immediately and which lead to further investigation. Eventually, these deliberations lead to a kind of closure. My work with my patients has also been an important contributing factor to the understanding of executive behavior: many of their initially puzzling remarks have helped me greatly with the process of discovery and self-discovery.

In addition, an executive seminar which I have been teaching for a number of years at INSEAD has also helped me in clarifying issues associated with leadership. This very unusual program, different from all the others I participate in, focuses on the life case study. Spending three intensive weeks (spread out over a period of six months) working with twenty senior executives, discussing their lives, their major concerns, their fears, and their efforts to change their life, is an emotionally draining experience. This exercise of mutual problem solving, combined with a mirroring process in which participants are brought firmly up against the image others have of them, can be dramatically powerful. The discovery that people are not alone in facing a particular type of problem, that they are not that different from other people, can
counteract frequently intense feelings of isolation and give a sense of reintegration with the human race.

Of course, helping executives understand how their behavior affects their companies is not the same as psychoanalyzing a company. What I try to do in my seminars, in consultation, and in therapy, is to bring out the underlying dynamics of an individual executive's problems -- these core conflictual relationship themes or inner scripts that make up character -- and look at how they affect his or her organization. I want executives to face those themes and become aware that certain problems are deeply rooted, and cannot be resolved by merely introducing a new planning system, changing appraisal and reward systems, writing up new job descriptions, or tinkering with the organization's design. I want executives to face their weaker points, obtain deeper insights about their ways of functioning, understand their defensive structure and character traits, and recognize how their behavior affects their organization. I want them to recognize the psychological pressures leaders are particularly subjected to. And I want executives to become self-confident enough to create a culture of trust and fair play in their organization, in which one doesn't kill the messenger of bad news and one allows people to engage in contrarian thinking.

Creating this kind of company culture is much more easily said than done. Neutralizing the darker side of leadership can be quite difficult. Many leaders are not up to the challenge. Many of them prefer to remain blind and deaf to what is happening around them. Executives have to look beyond the superficial, however, and realize that in organizational change and development there is no such thing as a quick fix. They need to understand the extent to which they, and ultimately their organizations, are influenced by their own inner theater; they need to realize the deeper meaning of their actions.

Psychological Pressures on Leadership
What are some of the psychological themes that emerge when talking to leaders? What preoccupies them? What are the pressures that trouble them? Dealing with their inner world, we quickly recognize that making it to a top position is not necessarily a bed of roses. Along with the perks comes a great deal of pressure. First, there is the problem of the loneliness of command. The moment one becomes top dog, old relationships are going to be disturbed. The original support network changes. Every move leaders make has a great deal of symbolism attached to it. If they have to make critical decisions about people's future, they cannot be as close to old colleagues as they once were. Whether the new leader likes it or not, some distance has to be kept. This is not always easy. After all, leaders still have their own dependency needs, and who is going to take care of them? This can cause a considerable amount of stress and frustration.

Then there is the troublesome problem of envy. Many people look at the power and trappings of leadership and become envious. To some senior executives, the envy of others can be extremely disturbing and may cause a great deal of anxiety. There is the fear -- not always unreasonable -- that others will try to take away what has cost the leader so much to gain. The fear of losing the power of office, being the subject of envy, can put a debilitating strain on leaders. They become, ironically, afraid of success. Some may act accordingly and behave in a dysfunctional manner, snatching defeat out of the jaws of victory, through self-destructive behavior. Others may become depressed, and seemingly paralyzed by the demands of decision making. In certain instances, clinical investigation demonstrates that this dysfunctional behavior is based on the irrational, originally unconscious, fear of surpassing parents' accomplishments. Unconsciously, the person may believe that such a victory could have terrible consequences. They fear (correctly, in some cases) that it will cause an envious parent to withdraw affection, or even provoke a hostile reaction (Kets de Vries, 1993).
Another cause of depression for an executive who has finally made it to the top may be the sense of "what now?" The goals that the leader has worked for all his or her life have been accomplished; there is nothing else to strive for. One can call this sense of unease "the Faust Syndrome," the melancholia of having completed everything. Again, if these feelings are not dealt with, they may lead to irresponsible action as the individual tries to fight emerging depression.

A frequent problem is what Freud described as the phenomenon of a "false connection," meaning that followers may not perceive and respond to their leader according to the reality of the situation, but as if the leader is a significant figure from the past, such as a parent or other authoritative person (Breuer and Freud, 1892-1895). This misplaced attachment, known as transference in clinical terminology, is an ubiquitous element of the human condition, a way in which we process information and organize experience. It is a strange but nevertheless a very real process: the emotional legacy of the past pushes followers into displacing many of their historic hopes and fantasies onto the present leader. A frequent result of this process of displacement of person and time is that followers will try to do anything they can to please their leader.

In many instances, this need to idealize authority figures (a universal need that is part and parcel of our early developmental processes) is likely to meet with a very receptive response, particularly from leaders with strong narcissistic dispositions. Leaders of this type welcome the outpouring of applause and admiration. Even worse, they may arrive at the stage where they cannot function without this kind of emotional fix. Of course, it is possible for this kind of mutual admiration society to create a lot of energy in the system. It can be useful in aligning and energizing subordinates in order to enact a common vision. The leader's ability to transform what were once only fantasies into reality adds to the heady experience of being on top.
However, the danger of this form of interaction is that some leaders may find themselves in a hall of mirrors, only hearing and seeing what they want to hear or see. And, even worse, if people do not oblige — if followers are unwilling to share these leaders' distorted view of the world — they may throw an adult version of a tantrum, re-enacting patterns of childhood behavior. Such leaders will perceive non-compliance as a direct attack on the very essence of their personality, given their fragile sense of self-esteem. Past feelings of helplessness and humiliation may be revived, leading to blind rage. However, this time, given the power they wield, their tantrums make a great difference. The impact of their rage on their immediate environment can be devastating.

Predictably, such outbursts of rage will intimidate people and can lead to regressive, childlike behavior and a climate of dependency among followers. The dynamics of such leaders' lives are very simple: people are either for them or against them in a world of black and white. There is no room for nuances. Independent thinkers cannot survive; those who do not collaborate immediately become the new villains; deviants from these leaders' ideals are assigned an inferior, sub-human status and are targets for their anger.

Most people quickly fall in line and collude, either passively or actively, with the leader's victimization of those who are not prepared to conform. This is self-protective in two ways. First of all, it limits the possibility that one will become a victim of the leader oneself. Secondly, "identifying with the aggressor" is a way of resolving one's sense of helplessness and powerlessness in the face of totalitarianism. Feeling close to the leader -- becoming part of the system -- creates the illusion of being more powerful oneself (Freud, 1936).

Thus the individual, in this special form of identification with the aggressor (which does not necessarily happen on a conscious level), assumes the latter's
attributes and thus transforms him- or herself from threatened to threatening. It is
basically a defensive maneuver, a way of controlling the severe anxiety caused by the
perceived aggressor. The person in the one-down position hopes to acquire some of
the power that the other person possesses. The wish to obtain some of the dominant
person's power can explain why people hang in there, in spite of the abrasive behavior
of the aggressor. For example, this process may explain to some extent the kind of
group dynamics which prevailed in the companies run by the late Robert Maxwell.

This process of "identification with the aggressor," the inducement to participate
in a form of group think, is accompanied by certain rites of passage, the least subtle of
which is the pressure to participate in the violence directed towards the aggressor's
designated enemies. Sharing the guilt in this way becomes a sign of commitment which
the leader can feed with an endless supply of people to be made into villains. The
majority of followers, torn between love and fear of their leader, will submit to the
demands put upon them. They are presented with many handy scapegoats on which to
enact group revenge when things do not go the way the leader wants — tangible
entities on which to project everything of which they are afraid, everything that is
perceived as evil and threatening to the system. This kind of development can have
terrifying results. It can lead to the complete self-destruction of an organization or, in
the case of a national leader, the end of an entire nation.

These negative personality traits are present to a lesser degree in many
individuals, but as far as leaders are concerned, the pressure of their exposed position
can encourage extreme manifestations of their emotional disability. The question is
how do these traits develop, and why are some leaders more affected than others.

The Inner Theater of Leaders
The shaping of an individual's personality begins early in life. Child psychologists have pointed out that the first three years of life are particularly critical to development. These are the years during which the core patterns of personality are shaped; it is the period when we emerge as a person with a sense of our own body, gender identity, name, mind, and personal history. The foundations are laid for the kind of person we are going to be, and are likely to remain, for the rest of our life. Of course, this does not mean that later life experiences are of no importance, but these tend not to have the same impact as the ones we encounter early in life.

The clinical term for the changes that take place during these early years of life is narcissistic development. Narcissism is the engine that drives people. And narcissism and leadership are intricately connected.

A healthy dose of narcissism is essential for human functioning. It is the danger of excess, particularly in the case of leaders, which gives narcissism its often derogatory connotation. We may be amused by Oscar Wilde's statement that "to love oneself is the beginning of a life long romance," but when we consider how the word is generally used, narcissism evokes associations of egotism, self-centeredness, and exaggerated self-love. After all, who wants to be compared to that unfortunate young man, the Narcissus of Greek myth, who fell in love with his own reflection and pined to death?

Narcissism is a strange thing, a double-edged sword. Having either too much or too little of it can throw a person off-balance, and when that equilibrium is lost, instability may develop in the core of an individual's personality. We must remember that narcissistic elements help constitute the basis of self-esteem and identity.

Narcissism (when we go beyond the everyday usage of the word) refers to a stage of infantile development we all have to pass through, a stage during which the
growing child derives pleasure from his own body and its functions. And this early stage is a very delicate time in the child's life. The kind of treatment received during this critical period of development will very much color his or her view of the world right through to adulthood.

The role of parents or caretakers in the development of narcissism is obviously very important. Have they been supportive or inconsistent? Have family circumstances meant that the child has experienced a series of deprivations? The key question is whether the child received a large enough narcissistic supply. Was a solid foundation laid for positive self-regard and initiative in establishing stable relationships? Did the child have the opportunity to acquire a healthy dose of self-esteem? Unfortunately, of course, no parent is perfect. Becoming a person is not at all like that comfortable period of intra-uterine existence when everything was automatically taken care of. In most instances, growing up implies a certain amount of inevitable frustration. For normal development, however, frustration should occur in tolerable doses.

In an attempt to deal with this sense of frustration, the child tries to retain the original impression of the perfection and bliss of his early years by creating both a grandiose, exhibitionistic image of his self and an all-powerful, idealized image of his parents (the latter taking on the role of saviors and protectors). Psychoanalysts call these two narcissistic configurations the "grandiose self" and the "idealized parent image" (Kohut, 1971; Kohut and Wolf, 1978). Over time, if the child receives what we call "good enough" care, these two configurations which make up the bipolar self will be tamed by the forces of reality. Parents, siblings and other important figures in the child's life will modify his exhibitionistic displays, channeling grandiose fantasies of power and glory in proper directions, thus laying the foundation for realistic ambitions, stable values, well-defined career interests, and a secure sense of self-esteem and identity.
But not everyone is lucky enough to have a special bond, or to receive age-appropriate frustration. Many things can go wrong in the process of growing up. In some situations, prolonged disappointment due to parental overstimulation, understimulation, or highly inconsistent, arbitrary behavior can lead to problems of a narcissistic nature. And if violence and abuse are part and parcel of the package, the stage is set for an inner theater complete with malevolent imagery.

The cartoonist Matt Groening once drew an illuminating but very disturbing cartoon. In the drawing is an extremely unhappy, monstrous-looking little child who has been tied up and locked in a cell. Two pairs of eyes are looking through the cell-door windows, and the caption reads, "I hope you realize you're breaking our hearts." This cartoon, which portrays the alarmingly mixed signals given by some parents, is a good illustration of the kind of childrearing which contributes to one's not becoming a healthy individual.

Children who have been exposed to these types of parenting may come to believe that they cannot reliably depend on anyone's love or loyalty. As adults, they will act according to these convictions. These are people who, despite their claims to self-sufficiency, are troubled in the depth of their being by a sense of deprivation, anger and emptiness. In order to cope with these feelings, and perhaps as a cover for their insecurity, their narcissistic needs will turn into obsessions. Such individuals become fixated on issues of power, beauty, status, prestige, and superiority. They try continually to maneuver others into strengthening their shaky sense of self-esteem. They are also preoccupied with thoughts of getting even for the hurts (real or imagined) they experienced during childhood. And in the case of public figures, these scenes may be acted out on a world stage later in life.

Reactive and Constructive Narcissism
From many in-depth studies of leaders I have concluded that a considerable percentage of them have become what they are for negative reasons. On many occasions I have found that, due to hardships encountered in childhood, they are driven to prove the world wrong. After having been belittled and maltreated when young, they are determined to show everyone that they amount to something as adults. Some many even suffer from what may be called (after Alexander Dumas's novel) the "Monte Christo Complex": they have a very strong need to get even for the wrongs done to them at earlier periods in their lives.

Pierre Cardin, the French couturier, may be an example of the "Monte Christo Complex." Growing up as an Italian youngster in France, Cardin was teased by other children and called names like "macaroni," all of which hurt. Second class status is not easy to take. Cardin's family had lost most of their possessions during the war, and this had affected his father very badly (Morais, 1991). As a result his father drifted from job to job, adding to the sense of upheaval in the family. The young Cardin was kept going, in spite of all the turmoil around him, by the strong support of his mother. (This brings to mind Freud's famous statement that the child who has been the "mother's undisputed darling [will] retain throughout life the triumphant feeling, the confidence in success, which not seldom brings actual success with it.") We can speculate, however, that this whole experience left Cardin with a sense of having to get back at his tormentors, to show them that he amounted to something, to become the redeemer of the family. And he certainly did. Perhaps because once people had looked down at him and his family, he became a specialist in leveling. He democratized fashion and brought haute couture to the common man. At present, sales under his name amount to over a billion dollars. Almost two hundred thousand people work for his label through more than 840 licensing arrangements in 125 countries. He has put his name on everything. He even thumbed his nose at the French upper classes by buying the famous restaurant Maxim, once their favorite watering hole. But no longer: Maxim has been democratized. You can now eat there with salesmen from Cleveland!
Pierre Cardin's example illustrates that it is entirely possible for a person with a narcissistic disposition to be very successful. In some of my earlier writings, I made a distinction between people guided by this kind of reactive narcissism driven by a need to get even and to somehow come to grips with their past, and a type of constructive narcissism (individuals who are well balanced, have a positive self-regard, and a secure sense of self-esteem) (Kets de Vries and Miller, 1985; Kets de Vries, 1989, 1993). Thus, to summarize these two ways of dealing with the world, constructive narcissists have the capacity for introspection; they radiate a sense of positive vitality and are capable of empathetic feelings. Narcissists of this type can become the kind of excellent leader that I described at the beginning of this article. This contrasts with the reactive narcissists, who are continually trying to boost a defective sense of self-esteem and are preoccupied with emotions such as envy, spite, revenge, or vindictive triumph over others. (Some reactive narcissists, however, eventually overcome their original feelings of bitterness and are motivated by reparation, that is, trying to prevent others from suffering as they have.)

True reactive narcissists tend to have a grandiose sense of self-importance. They habitually take advantage of others in order to achieve their own ends. They also live under the illusion that their problems are unique. Then there is a sense of entitlement, the feeling that they deserve especially favorable treatment and that the rules set for others do not apply to them. Furthermore, they are addicted to compliments -- they can never get enough. They lack empathy, being unable to experience how others feel. Last, but certainly not least, their envy of others, and their rage when prevented from getting their own way, can be formidable (Kernberg, 1975).

Reactive narcissism is probably the most salient indicator of defective leadership. It is at the center of a host of characterological problems such as paranoid, schizoid, passive-aggressive, histrionic, and compulsive behavior patterns or "neurotic styles"
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(Kets de Vries and Perzow, 1991). What is already bad enough in an individual can, in an organizational context, lead to serious repercussions. The observation of senior executives shows that parallels can be drawn between individual pathology -- excessive use of one neurotic style, such as reactive narcissism -- and organizational pathology, the latter resulting in poorly functioning organizations, or what I have called elsewhere "neurotic" organizations (Kets de Vries and Miller, 1984). In these earlier writings, I illustrate how the "irrational" personality characteristics of principal decision makers can seriously affect the overall management process. At the head of a "neurotic" organization (especially one in which power is highly centralized) one is likely to find a top executive whose rigid neurotic style is strongly mirrored in the nature of inappropriate strategies, structures, and organizational cultures of his or her firm. If this situation continues for too long, the organization may self-destruct. A comparison of the most recent Fortune 500 list with the same list of twenty years ago is very revealing. A large number of the firms listed in the early 1970s are no longer in existence.

In classifying these various neurotic types, I have made a distinction between the dramatic, suspicious, compulsive, detached and depressive organization, each with its unique, salient features (Kets de Vries and Miller, 1987). (For a description of how -- among these various neurotic types -- inner scripts, personal styles, organizational types, culture, and strategy interrelate, see the summary in Table 2.)

Table Two about here

Struggling with the Demon

For leaders who are caught up in a web of irrationality at the head of a neurotic organization, escape is not easy. In most cases, they cannot break out of their self-constructed prison alone. They are the captives of their character and they will need
some kind of professional help to break the chains that restrict their behavior and lead to dysfunctional organizations. Leaders must recognize the potential destructiveness of their actions, and understand the extent to which past experiences can influence their present and future behavior. In talking to leaders, however, I am often struck by the number of them who fail to realize the continuity between their past, present and future. These people make the same mistakes over and over again because they are unable to recognize certain repetitive patterns in their behavior which have become dysfunctional. They are stuck in a vicious circle, and do not know how to get out. It makes one realize that mental health really comes down to having choices in life. The Danish philosopher Kierkegaard expressed the sadness and poignancy of this when he said that the tragedy of life is that we can only understand it backwards, but we have to live it forwards.

Freud once told the novelist Stefan Zweig that all his life he had been "struggling with the demon" -- the demon of irrationality. Wise leaders do the same. They realize the extent to which unconscious, irrational processes affect their behavior. They recognize the limits of rationality and become more aware of their own character traits. Leaders who fail to take their irrational side into account, however, are like captains who blindly plow their ships into a field of icebergs; the greatest danger is hidden below the surface.

Whatever happens to leaders, however enlightened they may be, it is important that they keep a check on their narcissism. The hubris of leaders is all too familiar, and narcissism and hubris go hand in hand. Glory is a great temptress and the pursuit of glory can be surprisingly self-destructive. All too often, insufficient heed is paid to its dangers. For leaders, the narcissistic pull is frequently too strong. As Napoleon (an expert on the topic) once said: "Glory is fleeting but obscurity lasts forever." In pursuing glory, many leaders end up as victims of hubris. Such an ending could be
avoided, however, if they paid attention to their intrapsychic life, and found help in exploring their blind spots.

In their interpersonal relationships, leaders who are wary of the dangers of hubris should bear in mind what I term the three H's of leadership: humility, humanity, and a good sense of humor. Such qualities help to prevent excessive organizational neurosis, and may contribute to emotional stability. As someone who obviously had some knowledge of leadership once said to me, "Any time you think you possess power as a leader, try ordering around someone else's dog!"
References


Table 1

Leadership in a Global World

![Diagram showing leadership roles and traits]

- **CCRT**
  - Self management
  - Managing cognitive complexity
  - Cultural relativity
  - Enactment

- **Charismatic Role**
  - Envisioning
  - Empowering
  - Energizing

- **Task-relevant knowledge**

- **Instrumental Role**
  - Designing
  - Controlling
  - Rewarding

- **Traits**
  - Conscientiousness
  - Extroversion
  - Dominance
  - Self-confidence
  - Energy
  - Agreeableness
  - Intelligence
  - Open to experience

- **Emotional stability**
<table>
<thead>
<tr>
<th>Type</th>
<th>Organization</th>
<th>Executive</th>
<th>Culture</th>
<th>Strategy</th>
<th>Inner Theater</th>
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<tbody>
<tr>
<td>Dramatic</td>
<td>Too primitive for its many products and broad market; overcentralization obstructs the development of effective information systems; second-tier executives retain too little influence in policymaking</td>
<td>Needs attention, excitement, activity, and stimulation; feels a sense of entitlement, has a tendency toward extremes</td>
<td>Dependency needs of subordinates complement &quot;strong leader&quot; tendencies of chief executive; leader is idealized by &quot;mirroring&quot; subordinates; leader is catalyst for subordinates' initiative and morale</td>
<td>Hyperactive, impulsive, venturesome, dangerously uninhibited, executive; prerogative to initiate bold ventures; diversifications and growth rarely consistent or integrated; action for action's sake; nonparticipative decision-making</td>
<td>Grandiosity: &quot;I want to get attention from and impress the people who count in my life.&quot;</td>
</tr>
<tr>
<td>Suspicious</td>
<td>Elaborate information-processing; abundant analysis of external trends; centralization of power</td>
<td>Vigilantly prepared to counter any and all attacks and personal threats; hypersensitive; cold and lacks emotional expression; suspicious, distrustful, and insists on loyalty; overinvolved in rules and details to secure complete control; craves information; sometimes vindictive</td>
<td>&quot;Fight-or-flight&quot; culture, including dependency, fear of attack, emphasis on the power of information, intimidation, uniformity, lack of trust</td>
<td>Reactive, conservative; overly analytical; diversified; secretive</td>
<td>&quot;Some menacing force is out to get me; I had better be on my guard. I cannot really trust anybody.&quot;</td>
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<tr>
<td>Detached</td>
<td>Internal focus, insufficient scanning of external environment, self-imposed barriers to free flow of information</td>
<td>Withdrawn and not involved; lacks interest in present or future; sometimes indifferent to praise or criticism</td>
<td>Lack of warmth or emotions; conflicts, jockeying for power; insecurity</td>
<td>Vacillating, indecisive, inconsistent; the product of narrow, parochial perspectives</td>
<td>&quot;Reality does not offer satisfaction; interactions with others will fail; it is safer to remain distant.&quot;</td>
</tr>
<tr>
<td>Depressive</td>
<td>Ritualistic; bureaucratic; inflexible; hierarchical; poor internal communications; resistant to change; impersonal</td>
<td>Lacks self-confidence, self-esteem, or initiative; fears success and tolerates mediocrity or failure; depends on messiahs</td>
<td>Lack of initiative; passivity, negativity, lack of motivation; ignorance of markets; leadership vacuum</td>
<td>&quot;Decidophobia&quot;; attention focused inward; lack of vigilance over changing market conditions; drifting with no sense of direction; confinement to antiquated &quot;mature&quot; markets</td>
<td>&quot;It is hopeless to change the course of events; I am just not good enough.&quot;</td>
</tr>
<tr>
<td>Compulsive</td>
<td>Rigid formal codes; elaborate information systems; ritualized evaluation procedures; thoroughness; exactness; a hierarchy in which status of individual managers derives directly from specific positions</td>
<td>Tends to dominate organization from top to bottom; insists that others conform to tightly prescribed procedures and rules; dogmatic or obstinate personality; perfectionist or obsessed with detail, routine, rituals, efficiency, and lockstep organization</td>
<td>Rigid, inward directed, insular; subordinates are submissive, uncreative, insecure</td>
<td>Tightly calculated and focused, exhaustive evaluation; slow, unadaptive; reliance on a narrow established theme; obsession with a single aspect of strategy, e.g., cost-cutting or quality, the exclusion of other factors</td>
<td>&quot;I don't want to be at the mercy of events; I have to master and control all the things affecting me.&quot;</td>
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