



The Psychopath in the C-Suite

Corporate genius or psychopath? It's a thin line that divides them. Most people who work in companies run afoul of such a person at least once during their career. Some rise to astonishing heights, and they can cause enormous damage. Dealing with them can be tricky, but here are some tips.

In Costa-Gavras's film *Le Capital*, an unscrupulous banker sends his bank's shares crashing in an insider-trading scam. Does he get fired? Not a bit of it! An adulating board re-confirms him as chairman, applauding him as he pledges to go on stealing from the poor to enrich the wealthy.

Sounds preposterous? Well, the movie is indeed a bit over the top. But real life often comes close to imitating fiction. From Enron to the LIBOR interest-rate fixing scandal that saw the demise last July of Barclays CEO Bob Diamond, corporate annals are packed with individuals whose sense of what's right and what's wrong differs starkly from that of most ordinary people.

Some walk off with hefty bonuses. A few end up in jail. Others poison the workplace long-term, putting the health of both companies and their staff at risk.

In an article entitled "[The Psychopath in the C Suite](#)", **Manfred Kets de Vries**, INSEAD's Raoul de Vitry d'Avaucourt Chaired Distinguished Clinical Professor of Leadership Development and Organisational Change defines a type of personality that he calls SOB, for Seductive Operational Bully. Without going so far as to commit murder or arson, but unburdened by the pangs of conscience that

moderate most people's interactions with others, such people qualify, he argues, for the label of "psychopath lite".

No sense of shame

"SOBs can be found wherever power, status, or money is at stake," he writes. "Outwardly normal, apparently successful and charming, their inner lack of empathy, shame, guilt, or remorse, has serious interpersonal repercussions, and can destroy organisations."

For their own self-preservation, companies should do more to guard against them, either by identifying them and weeding them out or by avoiding hiring them in the first place, Kets de Vries told INSEAD Knowledge in an interview. "To have an SOB in your company can be very costly."

Greed, ambition and selfish disregard for others are nothing new in business. **Bob Sutton**, a professor of management science and engineering at Stanford University, has been writing for years about corporate types that he calls assholes. "Based on what I've seen in law firms, corporate America, and Silicon Valley start-ups," he observed in a 2007 interview with *Inc.* magazine, "there's no danger

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that companies are going to stop hiring assholes.” Nearly six years later, he is still busy analysing the bad behaviour of American executives and advising on how to deal with their excesses.

While typical assholes are difficult to ignore, however, Kets de Vries’ SOBs can be hard to spot, due to their manipulative personalities.

“Ironically,” he observes, “many of the qualities that indicate mental problems in other contexts may appear appropriate in senior executive positions.” That is particularly the case, he says, in “organisations that appreciate impression management, corporate gamesmanship, risk taking, coolness under pressure, domination, competitiveness, and assertiveness.” SOBs have no sense of conscience or of loyalty to their colleagues or their organisation, Kets de Vries explains in his paper. Kets de Vries is also a psychoanalyst and has been a member of the Canadian Psychoanalytic Institute since 1982. They often do long-term damage to both through their deceitful, abusive, and sometimes fraudulent behaviour. Because of the way they operate, however, they are often “hidden in plain sight”.

Emotional poverty

Exactly what makes a psychopath is still open to discussion. According Kets de Vries, both inherited factors and upbringing can lead to psychopathic tendencies, and those of the ‘lite’ variety often gravitate towards business. “Estimates vary, but approximately 3.9 percent of corporate professionals can be described as having psychopathic tendencies,” he asserts.

Even traits that reflect a severe lack of human feeling or emotional poverty, such as a lack of remorse, guilt, and empathy, can be used to advantage by SOBs. They shine in situations that call for “tough” and unpopular decisions such as to lay off staff. The financial sector has become a playground for such people, says Kets de Vries, because “that’s where the money is.”

So what can be done to prevent such people can causing havoc? Ideally, says Kets de Vries, organisations should fine-tune their recruitment procedures in order to avoid hiring them in the first place. To help managers recognise them, Kets de Vries sets out a checklist of clues.

Does the person come across as too glib and too charming? Is he or she very self-centred? Lacking in empathy? Sexually promiscuous? Able to lie? If the answer is yes to more than a few such questions – and the list goes on – then the chances, says Kets de Vries, are that you are dealing with an SOB.

Some lines of defence

If you haven’t yet hired the person, there is still time to avoid trouble. Take a closer look at the résumé and scrutinise it for inconsistencies. Try putting the candidate through multiple interviews. SOBs have a tendency to tell interviewers what they think they want to hear, and different interviewers can elicit different, sometimes contradictory, responses.

If a candidate is fawning to a senior interviewer but condescending to someone more junior, he or she should be watched carefully. Such behaviour, says Kets de Vries, corresponds exactly to what you should expect from a psychopath “lite”.

But what if the SOB is already on your staff? The best line of defence then, says Kets de Vries, is “a coaching culture where trust and openness prevail and where people can speak their mind.”

First of all, you need to identify the SOB. Watch out for behavioural clues. If you see talented people leaving a project or a company, find out why. They may have been driven away by bullying or other kinds of misbehaviour of which you are not aware.

Then you need to take corrective action. To ensure accountability, try introducing key performance indicators clearly tied to outcomes. Psychopaths typically don’t like to be called to account.

Encourage team work, as that’s something that psychopaths don’t feel comfortable with. And take steps to develop a culture in which junior employees can feel able to express concerns about their colleagues and superiors without fears of recrimination.

Finally, if you are so unfortunate as to have an SOB as your boss or even as CEO of the company, recognise that you are unlikely to be able to get him or her to change. Trying to oust the SOB is likely to be difficult and attempts to do so might jeopardise your own career.

His advice? Don’t stick around. “Cut your losses, preserve your self-esteem, and move on.”



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