



Humble Narcissists Make Great Leaders



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Narcissism gives executives the self-confidence to aim high, but greatness requires more humble behaviour.

In today's business environment of racing competition and the increasing complexities of management, leaders are frequently finding themselves having to do seemingly opposite things at once. 'Paradoxical management' often relates to how leaders act - their ability, for example, to focus on short-term and long term goals, or cost-cutting and investment in innovation. But it can also refer to their psychological behaviour.

Recent research examined leaders who were narcissistic yet humble (two seemingly oxymoronic traits) and found that not only could the two apparently contradictory personal attributes exist simultaneously in the same leader, but narcissistic executives who were able to temper, or counter-balance, their self-centered egocentricity with humility often proved

to be superior leaders.

Executives with a narcissistic dominance are often lone wolves, self-focused, driven and passionate about their ambitions for the company. Left unrestrained however, narcissistic leaders can crash and burn, and like captains of sinking ships, risk causing the demise of their organisations and their fast rising careers.

The vilification of an arrogant leader

Take Marcel Ospel, CEO of UBS, a man with **big ambitions for himself and his organisation**. Ospel had a grand vision to lead UBS in the conquest of Wall Street, and remodel the conservative, risk-averse Swiss company into a market-dominant, entrepreneurial, global organisation. Ignoring advice to take things slow he pushed ahead and, for a while, it looked like he had found the blueprint to make his vision a reality. By 2006 UBS was one of the fastest growing, high performing financial houses in the world. A year later the subprime meltdown hit, forcing the company to write down approximately \$50bn of mortgage related assets and lay off 11,000 people.

The Swiss public was aghast, vilifying Ospel, and his ego, for the bank's downfall.

Humility: the yin to narcissism's yang

Narcissism is not necessarily a bad thing, and is part of many leaders' (and entrepreneurs' and innovators') personality. Narcissists are more likely to espouse bold visions, and be passionate and persistent in bringing them to life. However they are also prone to potentially toxic behaviours: ignoring alternatives, dismissing challenges to their ambitions and having a tendency to become self-focused, using people as tools to meet their own aspirations. Great leaders recognise these self-induced traps and take steps to contain or regulate them by balancing the narcissism with humble behaviour.

Humility is not about modesty. A humble person knows their own strengths but recognises other people may be even stronger in other areas. They know that by seeking advice from people with a different perspective and cooperating with them, it is possible to achieve something even higher than what can be done alone. Ospel showed very little of these behaviours.

During his years as CEO at UBS his arrogance increased. He was blinded by his own passion and his own vision. Instead of embracing divergent thinking,

he got rid of those around him who questioned his direction and surrounded himself with investment bankers who were happy to execute his master plan. Rejecting the Swiss culture of risk analysis which he considered dysfunctional, Ospel went to the other extreme, pushing ahead with his dream to build a bank successful enough to rival Goldman Sachs and Merrill Lynch; appointing John Costas, a man who thought like he did, to head UBS's investment banking division in the U.S.

Between 2002 and 2004 his success was unparalleled - UBS's pretax profits grew 47 percent to US\$3.6 billion, making it the fourth biggest investment bank globally - confirming his belief that he alone knew what was best for the organisation. Success made him feel he was infallible; there was no-one powerful enough in the company or on the board to contain him and he pressured UBS's investment arm to grow even faster.

Just a glitch

In 2006 as the first cracks appeared in the subprime market and rival banks pulled back on their activities, UBS traders continued to stockpile collateral debt obligations under direction from Ospel who was convinced the downturn was a glitch and that time would once again prove him right.

This is typical narcissistic behaviour. When narcissistic individuals are promoted to powerful positions they take it as affirmation of their abilities and ambition, and their narcissistic behaviour can become even more extreme. Instead of surrounding himself with yes-men, Ospel should have brought in and encouraged individuals who would actively question his direction and not hesitate to give constructive, honest and, at times, unpleasant feedback.

As **Manfred Kets de Vries once noted**, the more powerful you become the more you are surrounded by "...walls, mirrors and liars." There is nothing to learn from people who agree with you. When all you hear from people around you is how great you are, this is a clear sign your derailment has begun.

Learn to be humble

People tend to see humility as an innate virtue. Either you were born with it or not. But **research** has shown it is something you can develop or lose over time.

A classic example of this is Steve Jobs. Jobs' narcissistic tendencies and refusal to see a different road for Apple other than the one he was intent on resulted in his dismissal as CEO in 1985. Twelve years later he returned to the company with a **markedly different management style**, more open to others' ideas and willing to acknowledge past mistakes.

Humility does not take away the quintessential aspects of being a leader, it buffers or counterbalances them from the extremes of narcissism. Humble leaders, like GM CEO **Mary Barra**, listen to their team, recognise good ideas don't necessarily come from the C-suite and are happy to share their organisation's success.

IKEA founder Ingvar Kamprad is another example of how humility can offset arrogant tendencies. A self-focused man who ignored industry pressure to conform, he imbued his organisation with a **philosophy** founded on "our humbleness before the task and on the simplicity of our behaviour".

Known for his fleet of luxury cars and appetite for the trappings of wealth, Ospel had little regard for the simple things. He was not receptive to learning or changing his course of action on advice from the bank's risk experts. He took risk but didn't see himself as a risk taker, attributing his success to his own vision and intelligence rather than to the temporary lucky situation, he acted on the unwavering and amplifying confidence in his own abilities.

Allow constructive traits to prevail

UBS was one of the biggest victims of the global financial crisis, due in no small part to Ospel's decision to continue trading in the subprime market despite warnings from the bank's Swiss risk assessors. Ospel was a talented banker – the best in Switzerland according to at least one employee – but he fell victim to his growing belief in his own infallibility.

Narcissistic leaders are not ultimately doomed to failure if they respect the yin and yang of humility and self-confidence. But as they move into positions of higher and greater power it is more important than ever that they adopt humble behaviours, to counterbalance any propensity towards arrogance and self-sufficiency; behaviours that help reduce the risk of executive derailment and sustain their constructive leadership over a long time.



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