

NARCISSISTIC LEADERS:
THE APPEARANCE OF SUCCESS

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ABSTRACT

Many of the world's leaders have been said to possess narcissistic characteristics, for example Steve Jobs of Apple Computers or President Nicolas Sarkozy. It should be noted that the focus of this dissertation is on the grandiose form of sub-clinical narcissism found in general populations rather than the pathological form of narcissism as is defined in clinical psychology. At first glance, this does not seem surprising, as the narcissistic personality profile encompasses many prototypical leadership characteristics, such as confidence, perceived intelligence, extraversion, self-esteem and dominance. Implicit leadership theory states that we all have an implicit idea of what constitutes an effective leader (Lord et al., 1984; Offermann et al., 1994). But what if in addition to the above characteristics a person also lacks empathy, is exploitative and arrogant, and has sense of entitlement, as narcissists do? When and why would such a person be considered an effective leader? This is one of the questions I addressed in my dissertation. Furthermore, I investigated whether the perceptions of narcissists as leaders are actually aligned with reality, in terms of their impact on the performance of those they lead. In terms of methodology, Chapter 2 utilized an experimental paradigm with four-person groups which completed an interactive task. Chapter 3 employed two experimental studies, a scenario paradigm and a simulated interaction paradigm in which the participants believed they were interacting with other participants even though this interaction was simulated via a computer. Chapter 4 utilized two field studies, using different samples, in which responses were obtained from leaders within organizations as well as their followers. Finally, Chapter 5 used an experimental paradigm with three-person groups which engaged in an interactive group decision making task, namely a

hidden profile task. The results of the studies presented in my dissertation show that narcissists indeed emerge as leaders in group settings, and that there are certain conditions under which they individually perform better (highly interactive settings), are especially preferred as leaders (during crises), and are perceived to exhibit innovative behavior (dynamic environments). This dissertation also taps into a potential 'dark' side of narcissistic leaders and shows that people tend to make incorrect judgments when it comes to narcissistic leaders' capabilities. Because narcissistic leaders are characteristically self-absorbed and egocentric they actually inhibit the exchange of relevant information which is essential to high quality decision making and thereby diminish group performance.

Statement of Candidate

I certify that the work in this thesis entitled “Narcissistic Leaders: The Appearance of Success” has not previously been submitted for a degree nor has it been submitted as part of requirements for a degree to any other universities or institutions other than Macquarie University and University of Amsterdam.

I certify that the thesis is an original piece of research and it has been written by me. Any help and assistance that I have received in my research work and the preparation of the thesis itself have been appropriately acknowledged.

In addition, I certify that all information sources and literature used are indicated in the thesis.

The research presented in this thesis was approved by Ethics Committee from University of Amsterdam.

A handwritten signature in black ink, appearing to read 'Barbara Nevicky', with a stylized, flowing script.

Barbara Nevicky (30624444)

22/08/2012

CHAPTER 1

THE NARCISSISTIC LEADER:

AN INTRODUCTION

'Modern capitalist society not only elevates narcissism to prominence, it elicits and reinforces narcissistic traits in everyone. It does this in many ways: by displaying narcissism so prominently and in such attractive forms...'

– Lasch, 1991, p. 232

Introduction

Unwavering confidence, extraversion, dominance, high self-esteem and charm are all prominent characteristics of narcissists. If you were to meet someone who embodies all of these traits, your first impression is likely to be very positive. Individuals occupying these desirable characteristics draw others towards them like moths to a flame, and they enjoy basking in the limelight because it provides them with exactly the type of adulation that they seek. The image of narcissistic individuals renders others to perceive them as popular, entertaining, and interesting, which may lead narcissists to be elevated to prominent positions in society. Therefore, it is not surprising that many world leaders and CEOs have been ascribed with narcissistic characteristics (Deluga, 1997; Glad, 2002; Maccoby, 2000). Examples of these leaders range from dictators such as Napoleon, Adolf Hitler, Joseph Stalin and Saddam Hussein (Glad, 2002), to business leaders such as Steve Jobs of Apple Computers and Kenneth Lay of Enron (Kramer, 2003; Robins & Paulhus, 2001), and presidents like Nicolas Sarkozy (De Sutter & Immelman, 2008). Narcissists should be drawn to and thrive in high profile jobs, due to their unwavering desire for glory and the exhibition of their competencies (Wallace & Baumeister, 2002). The leadership role certainly provides them with an alluring stage from which they can show off their superiority to others.

However, the seemingly positive views of narcissistic individuals as leaders also bring about an interesting paradox because narcissists possess a host of

negative characteristics that affect their interpersonal domain, for example egocentrism, exploitativeness, lack of empathy, arrogance, superiority and a sense of entitlement (Morf & Rhodewalt, 2001). This two-sided face of narcissism begs several questions, the foremost of which is *why* narcissistic individuals might emerge as leaders and be perceived as effective leaders. Extant research suggests that whenever the behavior of a person matches the prototypical behavior of leaders as others implicitly conceptualize them, that person will be perceived as an effective leader (e.g. Keller, 1999; Lord, Foti, & DeVader, 1984; Offermann, Kennedy, & Wirtz, 1994). There is a large overlap between narcissistic characteristics and those of the prototypical leader as found in previous research, such as confidence, perceived intelligence, extraversion, self-esteem and generalized self-efficacy (Judge, Ilies, Bono, & Gerhardt, 2002; Paunonen, Lönnqvist, Verkasalo, Leikas, & Nissinen, 2006; Smith & Foti, 1998). This could explain why narcissistic individuals tend to be perceived positively in the leadership context (e.g. Brunell et al., 2008; Judge, LePine, & Rich, 2006).

On the other hand, narcissists are self-serving in the short-term at a long-term cost to others (Campbell, Bush, Brunell, & Shelton, 2005) and their unrealistic optimism and overconfidence in their own abilities could potentially be disastrous for organizations if they are placed in a leadership role (Judge, Piccolo, & Kosalka, 2009). For example, it has been found that narcissistic leaders tend to make large and risky investments which enhance the volatility of organizational performance (Chatterjee & Hambrick, 2007). Thus, a second question emerges from the aforementioned paradox regarding *when* narcissistic individuals might emerge as leaders and be perceived by others as effective leaders. It is possible that narcissistic leaders may be more appropriate in certain contexts where lack of empathy, egocentrism, and arrogance are not perceived to hinder the leader's potential suitability and effectiveness. For example, when narcissistic leaders were judged by fellow co-workers of a beach patrol, where one would

presume that empathy, warmth and caring are important characteristics, their performance was evaluated negatively. In contrast, students enrolled in a business management course, a context in which dominance and confidence are likely to be valued, rated high narcissists positively (Judge et al., 2006).

In addition to the question surrounding the circumstances in which narcissists are more likely to emerge as leaders and be perceived as effective, unambiguous links between narcissists and their objective leadership effectiveness have not yet been established. Thus, a third question arises from the narcissistic paradox: Do narcissistic leaders actually *improve* the performance of those they lead? It is important to shed more light on situations in which the positive aspects of narcissistic leaders might outshine their negative ones, the mechanisms through which others perceive narcissists to be effective leaders, and whether the positive image of narcissists as leaders is actually embedded in reality. Therefore, the current dissertation aims to examine the circumstances under which narcissistic individuals emerge as leaders (Chapter 2 and 3) and are perceived to be effective (Chapter 4). I also aim to elucidate the reasons why others perceive narcissists as (potentially) effective leaders in specific contexts (Chapter 3, 4 and 5). Finally, I examine whether the perceptions of narcissistic individuals as effective leaders are accurate representations of reality, in terms of their effect on group performance (Chapter 5).

Before presenting the specific studies within this dissertation, I will first describe narcissism in more detail and discuss its relationship with leadership. Second, I will review relevant research and elaborate on those issues that are pertinent to the research presented in this dissertation. This introductory chapter concludes with a brief overview of the empirical chapters that form the core of this dissertation.

Narcissism

Greek mythology describes the story of a beautiful young man called Narcissus, who became so besotted with his own reflection in a lake that he perished from languor. Narcissism as a personality style is defined as an affective and cognitive preoccupation with oneself (Westen, 1990) and it is characterized by overly inflated beliefs in one's capabilities. It should be noted that the research presented in this dissertation does not intend to focus on the clinical form of narcissism, i.e. the Narcissistic Personality Disorder as identified by DSM IV, but instead examines narcissism in general populations as has been done in prior research (see, e.g., Buffardi & Campbell, 2008; Judge et al., 2006; Wallace & Baumeister, 2002).

Narcissism as a personality style is multifaceted in terms of its characteristics, and prior research in narcissism in the general population has linked it with overconfidence (Campbell, Goodie, & Foster, 2004; Robins & Beer, 2001), arrogance (Paulhus, 1998), a sense of uniqueness (Emmons, 1984), grandiosity (Morf & Rhodewalt, 2001), entitlement (Exline, Baumeister, Bushman, Campbell, & Finkel, 2004), an exaggerated sense of self-importance, lack of empathy (Watson, Grisham, Trotter, & Biderman, 1984), dominance and power (Carroll, 1987; Emmons, 1989), self-efficacy (Watson, Sawrie, & Biderman, 1991), approach motivation (Foster & Trimm, 2008), risk taking propensity (Campbell et al., 2004), egocentrism (Westen, 1990) and extraversion (Miller & Campbell, 2008). Below I will further elaborate upon the narcissistic personality in the intrapersonal and interpersonal domain.

Narcissism in the intrapersonal domain: Narcissists' self-perceptions

"I have a God given energy and passion that people don't mind seeing. So I guess I've subconsciously traded on that. People come along just for the energy. And generally when they've been immersed into something new they've thought shit that wasn't so bad. You know, I'm glad I'm here. And as a result of that they're never quite the same, and that's the part I love most. People aren't quite the same."

– Anonymous quote from CEO¹

At the core of narcissism lies a pervasive sense of uniqueness, grandiosity and a continuous desire to align the real self with an ideal self (Emmons, 1984). Narcissistic individuals believe that they are better than others and that they possess superior skills and qualities across disparate domains. For example, narcissistic individuals believe that they are superior to others with regards to intelligence (Gabriel, Critelli, & Ee, 1994; Campbell, Rudich, & Sedikides, 2002), physical attractiveness (Buffardi & Campbell, 2008), individual performance (Farwell & Wohlwend-Lloyd, 1998), creativity (Goncalo, Flynn, & Kim, 2010), leadership potential (Judge et al, 2006) and their contribution to group discussions (John & Robins, 1994). This overconfidence is not well anchored in reality and narcissists' actual capabilities do not seem to coincide with this idealized notion of the self (e.g. Campbell et al., 2004; Goncalo et al., 2010, Robins & Beer, 2001).

However, narcissists appear to be very apt at generating an image of excellence and competence. For instance, prior research found that narcissistic

¹ At the commencement of this dissertation project I conducted thirteen face-to-face interviews with Chief Executive Officers (CEOs) from various industries in order to gain a richer insight and understanding into the phenomenology (or lived experience) of prominent leaders. These interviews, in conjunction with extant literature, assisted me in developing my research questions.

individuals were perceived to be more creative than others, even though their ideas were not objectively judged to be any more creative (Goncalo et al., 2010). In addition, despite not being found to be more intelligent, narcissistic individuals were perceived to be more intelligent (Paulhus, 1998). Insofar as physical attractiveness of narcissists is concerned, the story is more complicated. For example, it has been found that higher narcissism in users of social network websites causes others to perceive them as more attractive, because these individuals pay more attention to their visual self-presentation (Buffardi & Campbell, 2008). The question remains whether higher narcissists are innately more attractive than lower narcissists or whether the perception of greater physical attractiveness by others is the result of narcissists' greater attention to self-presentation, as suggested by Buffardi & Campbell (2008), for example by purchasing more trendy clothes or just taking better care of their appearance. Whilst earlier research found that narcissistic individuals were objectively not more attractive than others (Gabriel et al., 1994), a meta-analysis by Holtzman and Strube (2010) found there to be a positive correlation between narcissism and attractiveness. There is an indication that, in their desire for attention, narcissists are indeed preoccupied with their appearance which manifests in a neat, organized appearance, flashy, revealing clothing, greater adornment (e.g., makeup), and expensive, stylish clothes (Vazire, Naumann, Rentfrow, & Gosling, 2008). Thus, the key to narcissistic success appears to lie in impression management tactics that engender positive perceptions in others, which is well captured by the following quote: *"Nothing succeeds like the appearance of success"* (Lasch, 1991, p. 59).

The narcissistic individual's grandiose sense of self, despite their ostensible overconfidence, contains an inherent vulnerability which leads to an insatiable pursuit of affirmation from the external world and a strong need to assert one's superiority over others (Morf & Rhodewalt, 2001; Wallace, Baumeister, & Vohs,

2005). It has been suggested that narcissistic individuals do not have a stable sense of self and require constant shoring up and reinforcement from other people (Morf & Rhodewalt, 2001). This instability of self stems from narcissists' fragile self-esteem and this in turn is caused by the discrepancy between their high explicit (i.e., conscious feelings of self-liking, self-worth, and acceptance) and low implicit self-esteem (i.e., self-evaluations that may be non-conscious, automatic, and overlearned; Zeigler-Hill, Myers, & Clark, 2010). While several studies have shown there to be a relationship between narcissism and high explicit/low implicit self-esteem (e.g. Gregg & Sedikides, 2010; Jordan et al., 2003; Zeigler-Hill, 2006) and thus seem to support the fragility self-esteem view, others have failed to show such results (e.g. Bosson et al., 2008). These inconsistencies indicate that the relationship between narcissism and self-esteem does not appear to be that clear cut and we may need to venture beyond the classic conceptualization of narcissism (Zeigler-Hill & Jordan, 2011). The reason for these discrepancies could be due to the multifaceted nature of implicit self-esteem itself or the existence of multiple forms of narcissism (Zeigler-Hill et al., 2010), namely the grandiose (overt) and vulnerable (covert) narcissists.

It should be noted that the present dissertation deals with overt or grandiose narcissists as has been described earlier. While overt narcissists experience a grandiose sense of self, which leads to a direct expression of exhibitionism, self-importance, and preoccupation with receiving attention and admiration from others, covert narcissists, on the other hand, have unconscious feelings of grandeur, feel profoundly inferior to others, are hypersensitive to others' evaluations, are anxious and generally dissatisfied, but on close contact surprise observers with their grandiose fantasies (Hendin & Cheek; 1997; Rose, 2002; Wink, 1991). Although both forms of narcissism share a common core, covert narcissists are more vulnerable, sensitive and report lower self-esteem and satisfaction with life than overt narcissists. Thus, the covert narcissists who suffer

from hypersensitivity and do not seem to possess the overconfidence, exhibitionism, and social allure of the overt narcissists, whilst at the same time harboring grandiose and superior beliefs about themselves, may also experience a more fragile self-esteem.

Another dichotomy that has been introduced by researchers involves adaptive and maladaptive aspects of narcissism, and this suggests that the grandiose form of narcissism as measured by the Narcissistic Personality Inventory (NPI; Raskin & Terry; 1988) is multidimensional and can be further divided into more adjusted and maladjusted components (e.g. Pincus et al., 2009; Tamborski, Brown and Chowing, 2012). For example, it was found that especially the exploitative/entitlement dimension of narcissism, but not the grandiose dimension, led to more unethical decision making, in other words an interpersonal self-promotional strategy that advances the self at the expense of others (Tamborski et al., 2012). The exploitative/entitlement dimension was associated with the most maladaptive outcomes such as antisocial tendencies, exploitativeness, devaluing of others, entitlement rage, lack of agreeableness (Ackerman et al., 2011), negative academic behavior such as skipping class (Holtzman, Vazire, & Mehl, 2010) and enhanced stress for males as exhibited by higher cortisol levels (Reinhard, Konrath, Lopez, & Cameron, 2012). Thus, it could also be the case that within the grandiose (or overt) form of narcissism, individuals who are higher on the more adaptive dimensions such as grandiosity and authority/leadership have more stable self-esteem than those who are higher on the more maladaptive dimensions of narcissism, namely exploitative/entitlement.

In order to display their superiority and solicit the admiration that they seek, overt narcissists are continuously scanning situations which provide them with such an opportunity to self-enhance (Wallace & Baumeister, 2002). Narcissistic individuals are perpetually engaged in self-construction, in order to

align the real self with the ideal self (Morf & Rhodewalt, 2001). However, such a reconstruction is analogous to building a house upon sand: With each approaching wave the entire narcissistic structure is threatened to topple. Consequently, narcissists develop various defensive techniques in order to avoid the reality that surreptitiously lurks below the surface. For example, narcissists will attribute successful outcomes to stable characteristics of themselves, but if they are unsuccessful they will not accept any of the blame (Stucke, 2003). Instead, they will self-handicap and distort their recall of prior events (Morf & Rhodewalt, 2001). Therein lies the apparent contradiction of individuals who are very self-absorbed, egocentric and inclined to inflate their abilities: They suffer from an excessive vulnerability to criticism and a high, but fragile, self-esteem which fluctuates with the barometer of external affirmation.

Narcissism in the interpersonal domain: Narcissists' perceptions of others

"Most people that have worked with me are a little different (changed) for the experience."

– Anonymous quote from CEO

For a narcissist, social interactions represent settings for the enactment of social manipulations and self-presentations (Morf & Rhodewalt, 2001). Narcissistic individuals crave admiration and are relentlessly concerned with how well they are doing and how favorably they are regarded by others. They need constant validation from the external world and require an audience in order to construct and maintain their grandiose self (Morf & Rhodewalt, 2001). The role of an audience is, therefore, integral to their sense of self and the social arena provides the narcissist with a stage upon which they can prove their worth, show their superiority (Wallace et al., 2005) and receive the acclaim which they seek.

Narcissists have a tendency to name drop (e.g. offhandedly mention their association with important people) as opposed to engaging in blatant bragging in order to elicit admiration without explicitly asking for it (McWilliams & Lependorf, 1990) and they tend to show off in front of others (Buss & Chido, 1991). Thus, in the interpersonal domain, narcissists do not desire relationships on the basis of intrinsic satisfaction of interacting and establishing a connection with others, but tend to perceive others as mere instruments to provide them with the external affirmation (Elliot & Thrash, 2001). For example, they seek relationships to specifically enhance their status and positive self-views (Campbell, 1999). As a result, narcissistic individuals do not tend to form long-term romantic attachments but rather exhibit a game playing love style (Campbell et al., 2002).

Narcissists are inherently self-centered which can be seen from their excessive use of personal pronouns when communicating (e.g. I, or, me; Raskin & Shaw, 1988). It should be noted that this study has not been replicated, however, narcissists were found to fail to listen attentively to others (Kernis & Sun, 1994) which suggests a more self rather than other focused orientation. Kernis and Sun (1994) further argue that narcissists exhibit a tendency to utilize language for the purposes of maintaining their self-esteem, authority and wellbeing rather than for communicating, listening to others or understanding. Thus, the primary role of relational others, from the perspective of a narcissist, is to enact a continuous feedback role which would allow the narcissist to demonstrate normative competence. Narcissists' proclivity to self-promote and their self-absorption interfere with their ability to empathize with others and to be able to perceive another's point of view (Watson et al., 1984). This is also reflected in narcissists' interpersonal exploitativeness, for example by taking credit from others for a successful outcome (Campbell, Reeder, Sedikides, & Elliot, 2000) or consuming shared resources for personal gain at the long-term costs to others (Campbell et al., 2005), or cheating in academic tests (Brunell, Staats, Barden, & Hupp, 2010).

Their sense of entitlement stems from the aforementioned feeling of uniqueness and superiority (Exline et al., 2004). All a narcissist needs is a stage and to stand in the limelight, irrespective of interpersonal costs to their relationships. The role of an audience is merely to fulfill the narcissistic need of external affirmation. Yet, how do other people perceive narcissists?

Given the negative relational aspects of narcissistic individuals it is not surprising that narcissists are perceived by others as annoying, arrogant and even hostile in the long term (Paulhus, 1998). However, in the short-term narcissistic confidence, charisma, enthusiasm, assertive mannerisms and positive self-presentation can cause others to perceive narcissists more positively (Back, Schmukle, & Egloff, 2010; Buffardi & Campbell, 2008; Galvin, Baldman, & Balthazard, 2010; Paulhus, 1998). These more positive narcissistic characteristics may illuminate the reasons why many world leaders have been ascribed with narcissistic characteristics (Deluga, 1997; Maccoby, 2000) and why narcissists tend to emerge as leaders in leaderless group discussions (Brunell et al., 2008). In the next section I will review the literature on narcissistic leaders.

Narcissistic Leaders

“Narcissism ‘lies at the heart of leadership’ to such an extent that a solid dose of narcissism is a prerequisite for anyone who hopes to rise to the top of an organization”

– Kets de Vries (2004, p. 188)

Recent interest in the study of narcissistic leadership stems from the seeming prevalence of narcissistic characteristics in many of the world leaders (Deluga, 1997; Glad, 2002; Maccoby, 2000; Post, 1993; Rosenthal & Pittinsky, 2006). One of the reasons for this prevalence could be that modern

individualistic societies tend to increasingly value and reinforce narcissistic characteristics, as suggested by an inflation of narcissism as a personality trait over time (Twenge, Konrath, Foster, Campbell, & Bushman, 2008). Furthermore, narcissists' unwavering desire for glory and exhibition of their competencies would lead them to seek high profile jobs which contain opportunities for self-enhancement (Wallace & Baumeister, 2002). The leadership role in particular provides narcissists with an alluring stage from which they can show off their superiority and demonstrate their leadership qualities. Thus, it is not surprising that many leaders seem to possess narcissistic characteristics.

However, an interesting paradox emerges because the narcissistic leader profile is a mixture of both positive and negative characteristics. On the one hand, narcissistic leaders espouse bold visions (Galvin et al., 2010), are perceived as charismatic (Deluga, 1997), and have been touted as visionary innovators who can motivate the masses with their rhetoric (Maccoby, 2000; Post, 1993). On the other hand, narcissists are exploitative, overly sensitive to criticism, arrogant, egocentric, possess a sense of entitlement and lack empathy towards others (Rosenthal & Pittinsky, 2006). It has been suggested that narcissistic leaders are potentially toxic for organizations because their blatant disregard for the viewpoints of others, and their insatiable need for glory could lead them to pursue unrealistic projects and risky investments (Padilla, Hogan, & Kaiser, 2007). Indeed, narcissistic CEOs were found to make riskier decisions that generated volatility in organizational results (Chatterjee & Hambrick, 2007). Furthermore, their lack of empathy, and self-serving attitudes could lead narcissistic leaders to abuse their power and mistreat followers. It is this combination of dark and bright sides of narcissism that has led research to grapple with the questions of whether narcissistic leaders actually constitute an asset or a liability to organizations (for reviews see, e.g., (Campbell, Hoffman, Campbell, & Marchisio, 2011; Judge et al., 2009; Rosenthal & Pittinsky, 2006).

Despite these questions, research on narcissistic leaders has remained scant. To date little is known, for example, about why narcissistic individuals tend to rise to prominent leadership positions. Moreover, the conditions under which narcissists emerge as leaders, and are perceived as effective leaders, have not yet been identified. Do narcissistic individuals emerge as leaders under all circumstances and more so in specific ones? Also, clear links between narcissistic leaders and their actual effectiveness, insofar as group or organizational performance is concerned, have not yet been established. Are people accurate in their positive perceptions of narcissists as leaders?

In this dissertation I will argue and show that narcissistic individuals tend to rise to leadership positions, are particularly chosen as leaders in the context of a crisis and they are perceived as innovative in a dynamic organizational environment. However, such positive perceptions of narcissists as leaders tend to be at discord with reality, insofar as group performance is concerned. In the subsequent sections I will discuss these issues in greater detail.

Implicit leadership theory

Early research on people's recognition of others as leaders, known as implicit leadership theory (Lord et al., 1984; Lord & Maher, 1991; Offermann et al., 1994), states that observers match the leader's behavior against their own implicit schema of what a leader should be like. An implicit theory is basically a tacit assumption regarding the social world (Ashmore & Del Boca, 1979) and it simplifies the organization of one's expectations about the behavior of others (Lord & Shondrick, 2011). In other words, in their minds, people have an implicit leader prototype, which they utilize as a point of reference in assessing whether or not a person exemplifies their notion of a leader and whether or not he or she will be an effective leader. The greater the level of overlap between the leader prototype and a person's behavior or assumed characteristics, the more

likely it is that others will perceive this person as an effective leader. The characteristics that have been consistently associated with a prototypical leader include confidence, dominance, high self-esteem, generalized self-efficacy, intelligence, extraversion and empathy (Judge et al., 2002; Kellett, Humphrey, & Sleeth, 2006; Paunonen et al., 2006; Smith & Foti, 1998). With the exception of empathy, there is a great level of overlap between the characteristics of narcissism and the general leader prototype. Narcissists may, therefore, have a tendency to rise to leadership positions. However, the question is whether they do so regardless of the situation or more so in specific contexts.

The Role of Context

The connectionist-based model of leadership prototype generation (Lord, Brown, Harvey, & Hall, 2001) has extended implicit leadership theory by adding a dynamic component to prototype activation. The theory argues that leadership prototypes are not static but adjust to various situational constraints, such as followers' characteristics or features of the environment. Thus, perceptions regarding a prototypical leader are subject to change depending on a specific context, in that different contexts can correspondingly activate the need for different leadership traits.

Extant literature suggests that narcissistic leadership emergence and effectiveness may be contextually dependent. For instance, in an educational setting Judge and colleagues (2006) found that narcissism was positively related to classmates' ratings of leadership. However, in another setting involving members of a beach patrol, this effect was not observed and team members did not rate narcissistic individuals more positively. This discrepancy in research findings points to the possibility that the emergence, and perceived effectiveness, of narcissistic individuals as leaders may be contingent on a specific context.

However, this premise has received little attention in research on narcissistic leadership to date. In the following sections I will identify different contexts that are important to the perceived leadership emergence and effectiveness of narcissistic individuals.

Levels of Interaction

Prior research has shown that in their attempt to self-enhance, narcissistic individuals perform better when the situation contains the possibility of audience evaluation (Wallace & Baumeister, 2002). Thus, for example, a highly interdependent and interactive team setting would provide narcissistic individuals with an opportune context in which they can exhibit their leadership talents. Furthermore, such a context would also enhance the visibility of their leadership characteristics to others. Finally, high levels of interaction and visibility will also improve the individual performance of narcissists because they have an opportunity to exhibit their superior talents with respect to the specific group task. The extent of reward interdependence within a team has been shown to affect the intensity of intra-group interaction, communication, and coordination (Beersma et al., 2003; De Dreu, 2007; Deutsch, 1949; Stanne, Johnson, & Johnson, 1999). High reward interdependence occurs when team members are rewarded for the group outcome, whereas low reward interdependence means that team members are rewarded for their individual performance (Beersma et al., 2003; Wageman & Baker, 1997). In addition to the fact that narcissistic individuals will be more motivated to perform well in a highly interactive context, this context will also enhance the need for a leader, thereby activating the implicit leader prototype. In Chapter 2, I will argue that narcissistic individuals emerge as leaders, and perform better, in a highly interactive setting as defined by high reward interdependence, rather than in a low interactive setting as given by low reward interdependence.

Crisis

A crisis is another example of a context in which implicit leader prototypes are particularly likely to shift and the appeal of narcissists as leaders may therefore be enhanced. For example, it has been found that implicit leader prototypes seem to be strongly activated in a crisis and individuals who are submitted to a crisis attribute the leader with more leadership characteristics than in a non-crisis context (Emrich, 1999). As crises trigger uncertainty, ambiguity and are potentially threatening to individual interests (Pearson & Clair, 1998), it is likely that such a context would activate a different leadership prototype than a stable context. Indeed, the presence of a crisis instigates greater activation of leadership traits that correspond to a leader who signals a swift resolution of the situation (Madera & Smith, 2009), and can restore order and certainty (Shamir & Howell, 1999). For example, when people are confronted with a crisis they expect their leaders to provide guidance, reinstate order, and project a sense of clarity and certainty in their decisions (e.g., Boin, Hart, Stern, & Sundelius, 2005; Klann, 2003; Williams, Rajnandi, Lowe, Jung, & Herst, 2009; Yukl & Howell, 1999). Furthermore, when people feel threatened or insecure they are more willing to accept assertive leadership to restore their sense of security (Madsen & Snow, 1991; Padilla et al., 2007). Finally, when people feel fearful they prefer leaders who are high on agentic attributes (e.g., confidence, status, power, decisiveness) rather than communal attributes (e.g., civility, warmth, empathy, helpfulness; Hoyt, Simon, & Reid, 2009).

From the above it follows that in times of crisis, people long for someone who seems powerful, confident, who has a clear sense of direction and help reduce their uncertainty (e.g., Shamir & Howell, 1999). Therefore, in Chapter 3 of this dissertation I propose that a narcissistic leader is more likely to match a crisis-specific leadership schema, and will be therefore perceived as someone who

can effectively reduce the uncertainty which is brought on by the crisis. I expect this to occur despite the negative relational traits of narcissists, such as lack of empathy, exploitativeness and egocentrism and as such, I propose that highly narcissistic individuals will emerge more often as leaders than low narcissists, especially in a crisis context.

Environmental dynamism and innovation

“They said (about me) he’s the only person I’ve ever met in my life who expects and seems to facilitate the changing of an environment around him rather than him change.”

– Anonymous quote from CEO

Narcissists have been shown to be very apt at convincing others that their ideas are creative, due to the enthusiasm and confidence with which they pitched their ideas (Goncalo et al., 2010). The promotion of ideas is an integral aspect of innovation (Scott & Bruce, 1994) and thus narcissistic individuals should be particularly skilled at promoting innovative changes, gaining their acceptance and thereby facilitating their successful implementation. Moreover, it has been suggested that narcissistic leaders’ strong desire for glory and admiration may be the source of bold organizational innovations (Maccoby, 2004; Rosenthal & Pittinsky, 2006), which can be illustrated by a quote of Steve Jobs (CEO of Apple computers): “I want to put a ding in the universe”.

The importance of innovation for organizational effectiveness and competitiveness has been cited frequently throughout the literature (e.g., Mumford, 2000; Oldham & Cummings, 1996; Scott & Bruce, 1994; Shalley, 1995; West, Hirst, Richter, & Shipton, 2004; Woodman, Sawyer, & Griffin, 1993). The leaders’ efforts in the innovative process are vital to the successful

adoption of innovations (Jung, Wu, & Chow, 2008), and through role modeling leaders' apparent innovativeness may spur innovativeness of the followers who come to emulate their behavior (Jaussi & Dionne, 2003). Thus, if narcissistic leaders are perceived to be engaging in innovative endeavors, their followers may follow suit which will have a positive effect on organizational innovativeness. However, as narcissists' efforts appear to be strongly influenced by the extent to which a particular context offers them an opportunity to self-enhance and show off their skills (see Wallace & Baumeister, 2002), in Chapter 4 of this dissertation I propose that narcissistic leaders will only be perceived as innovative in contexts where innovative behavior symbolizes success.

A context that particularly fits this description is one of high environmental dynamism, which refers to the rate of change and the degree of instability of the environment (Dess & Beard, 1984). Such a dynamic organizational context creates a need for innovations because an organization must respond to the fluctuating external demands, such as customer preferences, in order to remain competitive (Amabile, 1988; Mumford, 2000; Scott & Bruce, 1994; West, 2002). Thus, exhibiting innovative behavior in such an environment will be considered diagnostic of success and narcissistic leaders should quickly detect the opportunity to show off their innovative skills.

Perceptions versus performance

Despite earlier findings on the positive perception others have of narcissistic individuals as leaders (e.g. Judge et al., 2006; Brunell et al., 2008), we know little about the effect of narcissistic leaders on the actual performance of those they lead. Prior research has found that people interpret a leader's behavior in a way that matches their implicit leadership prototype. For example, when participants were told at the outset that the leader was effective, they also interpreted the subsequent behavior of that leader as effective, even though this

was not necessarily correct (Lord & Maher, 1991). Another study found that dominant individuals were perceived by others to be highly competent and influential even though this was not related to the actual competence levels of the individual (Anderson & Kilduff, 2009). This suggests that people's perceptions of narcissistic leaders' effectiveness may not necessarily be in line with reality in terms of actual effectiveness.

At present, systematic research into narcissistic leaders' effect on actual group or organizational performance remains scant, and shows mixed results. For instance, self-reports by others showed that narcissists tend to overestimate their own performance (John & Robins, 1994; Judge et al., 2006). However, these studies did not measure actual group performance and thus the distortion or congruence between the perceptions that others have of narcissists' effectiveness and the real impact on group performance could not be ascertained. Furthermore, narcissistic CEOs were found to enhance the volatility of organizational performance, yet the performance under a high narcissist was found to be neither better nor worse than for a company with a low narcissistic CEO (Chatterjee & Hambrick, 2007).

None of these prior studies have examined the influence of narcissistic leaders on group dynamics, such as communication and information exchange, which are central determinants of group decision making, group performance, and organizational performance (e.g., De Dreu, Nijstad, & Van Knippenberg, 2008; Zaccaro, Rittman, & Marks, 2001). The leader's role in the group decision making process is of pivotal importance because their position allows them greater latitude to extract relevant information from the other group members and stimulate the sharing of ideas (e.g. De Dreu et al., 2008; Larson, Christensen, Franz, & Abbott, 1998; Reiter-Palmon & Illies, 2004; Zaccaro et al., 2001).

In Chapter 5 of this dissertation, I propose that due to their self-absorption and egocentrism, narcissists will not be motivated to extract information from

other people. Furthermore, narcissists' characteristic overconfidence will prevent them from seeking additional information as they assume that they can arrive at the best decision without the help of others. I will argue that, despite being perceived as effective leaders, narcissists will in fact inhibit information exchange and thus negatively affect group performance.

Summary and Overview

Many of the world's leaders appear to possess narcissistic characteristics (e.g., Deluga, 1997); yet prior work has failed to identify the specific contexts that may enhance the appeal of narcissistic leaders, the underlying reasons for their perceived effectiveness, and whether the perceptions of narcissists as leaders correspond with the reality in terms of group performance. The current dissertation attempts to fill this void and elucidate the reasons for narcissists' seeming appeal as leaders.

In the remainder of this dissertation I will present the results of multiple experimental and field studies to further examine narcissists in leadership positions. Chapter 2 focuses on whether and why narcissistic individuals are chosen as leaders and how they perform. Prior research has suggested that leadership emergence and performance of narcissistic personalities may depend on contextual factors. Of particular interest are those contextual factors that pertain to the interdependence of work relationships, because narcissists typically tend to "shine" in social settings where they can influence others and exhibit their superiority (Wallace & Baumeister, 2002). Therefore, Chapter 2 investigates the leadership emergence and performance of narcissistic individuals in low versus high reward interdependent teams that participated in an interactive team task. I will show that narcissists emerge as leaders irrespective of the team's level of reward interdependence and their individual performance. Yet, high narcissists

perform better in high reward interdependent situations than in low reward interdependent situations. Furthermore, groups in which narcissists emerge as leaders report lower verbal communication and less individual decision making potential, suggesting that narcissists tend to dominate discussion and shift attention towards themselves.

Despite the fact that narcissists possess a host of negative characteristics, prior research and the findings from Chapter 2 suggest that narcissists tend to be regarded by others as appealing leaders. Building on earlier work which shows that narcissists perform better in contexts that provide them with self-enhancement opportunities (Wallace & Baumeister, 2002), Chapters 3 and 4 aim to identify contexts that particularly enhance the appeal of narcissistic leaders, namely crisis situations and when organizations face high environmental dynamism. Chapter 3 reports the results of two experimental studies to show that crisis enhances the appeal of narcissistic leaders. Since a crisis instigates uncertainty, anxiety and ambiguity, people seek strong and dominant leaders who can quickly dissolve the crisis (Madera & Smith, 2009). Such desired leadership characteristics match those of a narcissistic leader. In Study 3.1 I will show that high narcissists are chosen more often as leaders than low narcissists, especially in crisis rather than non-crisis contexts, due to their potential to reduce uncertainty. Furthermore, in Study 3.2 I will show that when people directly experience crisis and uncertainty about the future, high narcissists are more often chosen as leaders than low narcissists. Taken together, results from Chapter 3 reveal the importance of contextual crisis in understanding the allure of narcissistic leaders. It seems that when people experience the threat of a crisis they overlook the negative narcissistic traits such as arrogance, egocentrism and exploitativeness and focus on the narcissistic overconfidence, toughness and confidence to take away their uncertainty and fear of the future.

As narcissists are preoccupied with searching for opportunities that allow them to exhibit their superior skills and show themselves as more competent than others, displaying innovative behavior would serve their purpose in obtaining attention. Chapter 4 argues that narcissistic leaders will only be motivated to exhibit innovative behavior in a context where innovative efforts are considered to be an indicator of success, namely in an environment characterized by dynamism and shifting preferences. Using multisource data from two field studies, I will show that narcissistic leaders are perceived to exhibit innovative behavior, but only in a dynamic organizational environment. Furthermore, in Study 4.2 I will show that leaders' individuation, i.e. behavior that is aimed at differentiating oneself from others, mediates this relationship.

Narcissists maintain overinflated beliefs about their capabilities across various domains, yet these beliefs are often unfounded. There does appear to be one exception to this rule, and that refers to their leadership capabilities. Narcissistic individuals tend to rise to leadership positions because they appear to match other people's implicit prototypes of an effective leader. As can be gauged from the research reported in Chapters 2-4, narcissistic individuals are particularly apt at radiating an image of an effective leader, and in certain contexts they are found to especially emerge, for example during a crisis, or perceived as effective, for example in a dynamic environment when their innovative behavior becomes apparent. What remains unclear, however, is whether the positive perceptions that others have of narcissists as leaders actually translate into positive outcomes for groups or organizations. Therefore, Chapter 5 examines the incongruence between perceptions of narcissistic individuals as effective leaders and their real effectiveness as reflected by group performance in a hidden profile task. I will show that narcissistic individuals are perceived to be effective leaders in a group context due to their displays of authority, which is consistent with the results reported in Chapters 2-4. However, the presence of a narcissistic leader

inhibits information exchange between group members which actually leads to lower group performance. It seems that the very characteristics that cause people to perceive narcissists as effective leaders, namely their confidence and dominance, actually inhibit group performance.

Finally, Chapter 6 integrates the findings from Chapters 2-5 and discusses the implications of these findings for theory and practice regarding narcissists as leaders. I will suggest that narcissistic individuals may be *expected* to be effective in certain contexts, for example when there is a crisis, uncertainty, ambiguity or high rate of change, however, that these expectations are not necessarily correct. I propose that most of narcissists' success as leaders stems purely from the attribution of success by others. In other words, narcissistic individuals are very skilled at impression management, and their inherent overconfidence elicits an image of competence and persuades others to adopt this image when choosing a leader or assessing the effectiveness of narcissists in leadership positions. Therefore, people should be careful in elevating narcissists to leadership positions and should not presume that a narcissist's overconfident image is necessarily a good indicator of their leadership aptitude.²

² It should be noted that Chapters 2-5 were written as independent research articles, and thus there may be overlap in the theoretical introductions.

CHAPTER 2

ALL I NEED IS A STAGE TO SHINE:

NARCISSISTS' LEADER EMERGENCE AND PERFORMANCE

Many of the world's leaders appear to possess narcissistic characteristics (e.g., Deluga, 1997). This begs a question as to whether and why narcissistic individuals are chosen as leaders and how they perform. Prior research has suggested that leadership emergence and performance of narcissistic personalities may depend on contextual factors. Of particular interests are those contextual factors that pertain to the interdependence of work relationships, because narcissists typically tend to "shine" in social settings where they can influence others. Therefore, the present study investigated the leadership emergence and performance of narcissistic individuals in low versus high reward interdependent teams that participated in an interactive team simulation task. We found that narcissists emerged as leaders irrespective of the team's level of reward interdependence and their individual performance. Yet, high narcissists performed better in the high reward interdependent condition than in the low reward interdependent condition.

This chapter is based on Nevicka, B., De Hoogh, A. H. B., Van Vianen, A. E. M., Beersma, B., & McIlwain, D. (2011). All I need is a stage to shine: Narcissists' leader emergence and performance. *Leadership Quarterly*, 22, 259-279.

'It is probably not an exaggeration to state that if individuals with significant narcissistic characteristics were stripped from the ranks of public figures, the ranks would be perilously thinned.'

– Post, 1993, p. 99

Statements such as these stir our interests and make us wonder if leadership and narcissism indeed go hand in hand. Overconfidence, extraversion, dominance, high self-esteem and superficial charm are precisely the right ingredients that people look for in a leader, and narcissists possess these in abundance. This may be the reason why many of the world leaders and CEOs have been ascribed with narcissistic characteristics (Deluga, 1997; Glad, 2002; Maccoby, 2000). It has been suggested that narcissists are drawn to and thrive in high profile jobs, due to their unwavering desire for glory and to exhibit their competencies (Wallace & Baumeister, 2002). The leadership role may provide them with an alluring stage from which they can show off their superiority to others. A social stage in particular allows leadership behavior to become more visible to others and offers narcissists an opportunity to show off their leader like qualities and excellent performance. A stage does not necessarily require a podium or a large audience; it suffices if narcissists perceive the presence of a few others to demonstrate their competence and superiority (e.g., Wallace & Baumeister, 2002), as would be the case in a team-based setting.

Indeed, preliminary evidence indicates that narcissistic individuals tend to emerge as leaders (e.g. Brunell et al., 2008; Judge, LePine & Rich, 2006). Yet, narcissism has been suggested to incorporate a dark side that can be harmful (Hogan, Raskin & Fazzini, 1990). Narcissism is accompanied by a sense of entitlement and egoism, which may lead to unethical, exploitative behavior (Maccoby, 2000; Rosenthal & Pittinsky, 2006). Thus, identifying the specific

contexts in which narcissistic individuals rise to leadership positions and show their competencies is important.

Since narcissists are particularly preoccupied with seeking a social stage upon which to show off their superiority, the role of a social context seems to be very important in affecting their leader emergence. It is hence surprising that this has not been investigated in prior research. Furthermore, greater levels of interdependence and interaction, that may constitute the social stage in a team-based setting, may also make the leader qualities and performance of any one team member more visible. Since narcissists possess many of the prototypical leader qualities (Smith & Foti, 1998), their aptitude as leaders should be even more prominent. Thus, a highly interdependent and interactive team setting, such as one of high reward interdependence, would be expected to impact leadership emergence of narcissists and the processes involved. Individuals in high reward interdependent teams have to coordinate their activities and exchange information much more (Beersma et al., 2003; De Dreu, 2007; De Dreu, Nijstad, & Van Knippenberg, 2008; Deutsch, 1949; Stanne, Johnson, & Johnson, 1999) than those in low reward interdependent teams since the collective team performances, rather than individual performances, are rewarded.

Another related issue which has received little attention in prior research is the performance of narcissists in a team-based setting. Does the strength of narcissistic individuals lie merely in their leadership qualities or are they also superior performers, as they themselves are inclined to believe? Research into the area of narcissistic performance has revealed somewhat inconsistent results (e.g., Chatterjee & Hambrick, 2007; Farwell & Wohlwend-Lloyd, 1998; Gabriel, Critelli, & Ee, 1994; John & Robins, 1994; Raskin, 1980; Robins & John, 1997). The source of these inconsistencies has been linked to contextual factors, such as the amount of task challenge, situational pressure, and the presence of an evaluative audience, all of which provide opportunities for self-enhancement

(Wallace & Baumeister, 2002). Narcissistic individuals' need for self-enhancement should also be well served in conditions where they are able to influence the behaviors of others, such as in team settings where team members have to coordinate their individual contributions and communicate with each other in order to be rewarded for the team's performance. In such a high reward interdependent context narcissistic individuals are provided with an opportunity to exhibit their superiority.

In the current study we examine the leader emergence and individual performance of narcissistic individuals in teams under conditions of high versus low reward interdependence. To date, this is the first study that examines leader emergence and the individual performance of narcissists in an interactive team setting, whilst manipulating the context. With our study we fill the void in research on the presence of narcissistic individuals in group settings (e.g., Brunell et al., 2008; Campbell, Bush, Brunell, & Shelton, 2005; Paulhus, 1998). Below, we first summarize the relevant literature with respect to narcissism. Based on extant theories and empirical findings, we then propose hypotheses about the leadership emergence and individual performance of narcissists in teams with high or low reward interdependence.

Narcissism

In Greek mythology there was a young man called Narcissus who became so enamored with his own reflection in a pool he eventually perished due to his own self-absorption, dying of languor. The main characteristics of narcissism include grandiosity, an exaggerated sense of self-importance, exploitativeness of others, lack of empathy, sense of entitlement, self-centeredness, and a feeling of

superiority and vanity (Campbell, Goodie, & Foster, 2004; Emmons, 1984; Morf & Rhodewalt, 2001).³

Narcissistic individuals crave admiration and are relentlessly concerned with how well they are doing and how favorably they are regarded by others. They need constant validation from the external world and require an audience in order to construct and maintain their grandiose self (Morf & Rhodewalt, 2001). It is this narcissistic grandiose sense of self-importance which leads them to believe they are extraordinary performers relative to others. Prior research has found that narcissists significantly overestimate their performance (Farwell & Wohlwend-Lloyd, 1998), their leadership potential (Judge et al, 2006) and their contribution in comparison to how they are rated by others (John & Robins, 1994). They also tend to overestimate their level of (physical) attractiveness (Buffardi & Campbell, 2008) as well as their intelligence (Gabriel et al., 1994), and they amplify their positive personality characteristics (Paulhus, 1998). Given that narcissists are so preoccupied with proving their superiority in front of others they would relish an opportunity to enter highly interdependent and interactive social settings where they can exhibit themselves. Thus, for a narcissist, social interactions represent settings for the enactment of social manipulations and self-presentations (Morf & Rhodewalt, 2001).

Stemming from their underlying need to exhibit superiority (Morf & Rhodewalt, 2001), narcissistic individuals will be preoccupied with seeking a social stage upon which to perform. This process allows them to confirm their own grandiose and idealized views. In fact inherent within the concept of narcissism is the notion that other people function as members of an audience, through whose admiration the narcissistic individual bolsters his or her own self-image (Rosenthal & Pittinsky, 2006). It is through the interaction with other

³ The present study focuses on sub-clinical narcissism found in general populations rather than the pathological form of narcissism as is defined in clinical psychology (cf. Buffardi & Campbell, 2008; Judge et al., 2006; Twenge & Campbell, 2003; Wallace & Baumeister, 2002).

people that narcissistic individuals can be recognized as leaders and show their leadership qualities.

Conversely, individuals low on narcissism may not regard a social stage as a necessary requirement for performing, because they do not possess the narcissist's obsessive need to continuously seek external validation. Indeed it was found that low narcissists performed consistently irrespective of whether their performance was made public, whereas high narcissists needed public evaluation to engender higher performance (Wallace & Baumeister, 2002). Given that the social arena is much more essential to the self-construction of narcissists than non-narcissists, a stage would be an indispensable element for narcissistic individuals to perform. This will also translate to narcissistic leaders, whose obsession with being on the social stage in front of an audience of admiring followers would far outweigh that of non-narcissistic leaders.

Narcissists' Leader Emergence

People seem to share a set of general beliefs about the characteristics related to leadership in varied situations (Smith & Foti, 1998). If a particular individual matches the leadership prototype they are more likely to be viewed as a leader by others. Thus, leadership emergence depends upon this fit between people's beliefs about what traits comprise a successful leader and the presence of these traits in a particular individual. Some of the chief characteristics synonymous with leadership emergence include intelligence, dominance, high self-esteem, extraversion, confidence and generalized self-efficacy (Judge, Bono, Illies, & Gerhardt, 2002; Paunonen, Lönnqvist, Verkasalo, Leikas, & Nissinen, 2006; Smith & Foti, 1998). Narcissists have been found to be high on dominance and power (Carroll, 1987; Emmons, 1989), confidence (Campbell et al., 2004; Robins & Beer, 2001), self-esteem (Emmons, 1984), self-efficacy (Watson, Sawrie, &

Biderman, 1991) and extraversion, and they are perceived as being more intelligent by others (Paulhus, 1998). Thus, narcissistic individuals do possess most of the prototypical leadership traits, which suggests that they are likely to emerge as leaders across situations. It is highly probable that other people will consistently perceive a narcissistic individual as someone who is of leadership caliber.

Only few studies on leadership emergence in teams have focused on the presence or absence of narcissistic traits in individuals that emerge as leaders (Brunell et al., 2008; Judge et al., 2006). Brunell et al. (2008) conducted a study on leader emergence in leaderless group discussions and found that narcissistic individuals in these groups emerged as leaders. We, therefore, expect a similar mechanism in teams where team members have to work on a specific goal directed team task.

Hypothesis 1: Individuals high in narcissism will be more likely than individuals low in narcissism to emerge as leaders in the team.

In the few prior studies that examined leader emergence of narcissistic individuals (e.g., Brunell et al., 2008), the effect of context was not taken into consideration. This is unfortunate, as narcissists' need for self-enhancement through external validation (Morf & Rhodewalt, 2001) suggests that the specific team context could play an important role. In the current study we seek to fill this void by examining the specific contexts in which narcissists are more likely to emerge as leaders. Specifically, we propose that higher interdependence and thus social interaction among team members may amplify members' visibility and thus increase opportunities to better observe the leader-like qualities of certain team members.

The Role of Team Context

Extant literatures suggest that narcissistic leadership emergence may be contextually dependent. In an educational setting, Judge et al. (2006) found that narcissism was positively related to classmates' ratings of leadership. However, in another setting involving members of a beach patrol, this effect was not observed and team members did not rate narcissistic individuals more positively. This discrepancy in research findings points to the possibility that leadership emergence is dependent on the specific context. However, this premise has received little attention in research on narcissistic leadership to date.

The leadership emergence of narcissistic individuals will likely depend on the level of reward interdependence within the team since this team characteristic tends to be strongly related to the intensity of team members' interactions. There is high reward interdependence within the team if the team is rewarded for the group outcome, whereas there is low reward interdependence within the team if team members are rewarded for their individual performance (Wageman & Baker, 1997). Teams that need to work interdependently in order to achieve a group reward have to exchange more information, interact and share knowledge about their performance (Beersma et al., 2003; De Dreu, 2007; De Dreu et al., 2008; Deutsch, 1949; Stanne et al., 1999). Such a reward structure also requires greater levels of planning and communication in order to coordinate tasks (Strauss, 1999).

Thus, high reward interdependence will stimulate greater interaction and collaboration among the team members since they are required to work together and interact in order to achieve a performance that will allow them to receive the group reward. Consequently, such a context asks for a leader who coordinates individual contributions and communicates the team efforts in order to attain an optimal group performance. As such, especially in a high interdependence

context, team members will be motivated to seek out an individual to become a leader to guide them whereas this motivation will be less in a low interdependent context where team members will tend to work more on their own.

The greater interdependence, interaction and need for coordination in a high interdependent context would also make leader like qualities of individual members more easily observable. Given that leader emergence is concerned with the degree to which an individual is viewed by others as a leader (Judge et al., 2002), greater social visibility would allow the leader qualities of any one individual to be more readily apparent to other team members. Thus, when an individual displays leader like qualities, other team members are more likely to identify that member as a potential leader when there is high interdependence.

Since narcissists possess many of the qualities that are associated with a prototypical leader (Smith & Foti, 1998) they will likely emerge as leaders, especially in high reward interdependent settings. In such settings, narcissistic individuals may be more likely to act in a leader-like manner and show off the traits that are prototypically associated with a leader, such as confidence, dominance and self-efficacy, because they have an audience to elicit these exhibitionistic displays (cf. Emmons, 1984; Raskin, Novacek, & Hogan, 1991). As stated, narcissists need a social stage to be able to show off their superiority, and due to their overconfidence in seeing themselves as a suitable leader (Judge et al., 2006) they will likely flaunt their leadership skills in such a context. An interdependent context also provides the opportunity to exert power and influence over other people and, according to trait activation theory (cf. Tett & Burnett, 2003), may thus activate dominance and leadership tendencies inherent to narcissistic individuals. All in all, due to the greater need for a leader and the visibility of leader like qualities in a high reward interdependent team setting, together with the greater opportunity for narcissistic self-enhancement, we expect

narcissists to more likely emerge as leaders in a high rather than low reward interdependence context. We hypothesize:

Hypothesis 2: Individuals high in narcissism will more likely emerge as leaders in high rather than low reward interdependent team settings.

Performance of Narcissistic Individuals

Given that narcissistic individuals are likely to emerge as leaders, it would be interesting to know whether they are also superior performers on the team task, in accordance with their over inflated beliefs. Narcissism has been previously studied as a potential antecedent of performance, but these studies have led to conflicting results. For example, Raskin (1980) found that narcissism positively correlated with creativity. However, other researchers (Brunell et al., 2008; John & Robins, 1994) could not establish a relationship between narcissism and performance or showed that narcissists' performance oscillated between extremes due to their tendency to take bold and risky actions (Chatterjee & Hambrick, 2007).

Wallace and Baumeister (2002) assumed that these inconsistencies in performance outcomes could stem from varied contextual conditions. They tested this proposition by conducting four experiments in which they altered the conditions for self-enhancement opportunity. The findings of these experiments indeed show that narcissists perform better in situations that afford them with opportunities for self-enhancement such as those that contain pressure, challenging tasks and an evaluative component. Thus, narcissism does appear to be positively linked with performance, yet it is contextually dependent. This study did not, however, examine the effect of context on narcissistic performance in an interactive group setting.

The present study builds upon this prior research in order to identify the types of conditions that are more amenable to improved narcissistic performance. To date, the dynamic interplay between individuals in an interactive team setting has not been studied whilst manipulating the context. This is the first study to observe the performance of narcissistic individuals in interactive team settings operating under different conditions. We, specifically, expect that the level of reward interdependence will affect narcissistic individuals' performance in a similar way as proposed for their leadership emergence.

When narcissists find themselves in an interactive setting, such as one of high reward interdependence which demands greater coordination and information exchange among the team members (Beersma et al., 2003; De Dreu, 2007; De Dreu et al., 2008; Deutsch, 1949; Stanne et al., 1999), they have a greater opportunity to show themselves as superior performers in front of others. Given that narcissists actively seek to demonstrate their competence relative to others (Wallace & Baumeister, 2002), a high reward interdependent setting will thereby provide them with more possibilities to self-enhance and to observe the immediate impact of their performance. Furthermore, since narcissists perceive themselves as superior performers and possess extreme overconfidence and arrogance, they may naturally believe that other team members require their excellence to perform well as a group. If the group performs well, as will be revealed publicly, narcissistic individuals likely attribute this success to their own superior performance and leadership skills. Because narcissistic individuals are driven by their desire to exhibit their talents to others, they will be relatively less motivated by individual rewards. It appears that self-referential feedback is not that important to them (Wallace & Baumeister, 2002). Hence, in a low reward interdependent context when nobody is aware of each other's individual performance, narcissistic individuals will be less motivated to excel. In contrast, the self-enhancement value of high performance will increase with public

evaluation and the possibility of other people being aware of the narcissist's input, which is most likely in a high reward interdependent context.

Due to their highly exhibitionistic tendencies (Buss & Chiodo, 1991), narcissistic performance may also be enhanced by the effects of social facilitation. It was found that extraverts experienced improved performance when they were in front of an audience (Graydon & Murphy, 1995; Uziel, 2007). Thus, since narcissism has been consistently linked to extraversion (e.g., Carroll, 1987; Campbell, 1999; Miller & Campbell, 2008; Raskin & Hall, 1979) the greater visibility of a narcissistic individual in a high interdependence setting will energize them and improve their performance.

In addition, trait activation theory (Tett & Burnett, 2003) can be used to argue that the narcissistic personality features may become even more pronounced in the reward interdependent condition as it would afford opportunities for expressing their particular spectrum of personality traits, namely a desire to assert their superiority and competence over others, hence to perform better. The narcissistic individual may want to show off their talents as well as provide a strong model for superior performance to other members. As such they will focus on performing well in the task. Finally, narcissism has been linked to inter-group ethnocentrism (Bizumic & Duckitt, 2008), which means that narcissistic individuals tend to identify with their own group as long as this is not contrary to their self-interest. As such, their affiliation with the group will motivate them to perform better under conditions where the group has to compete with other groups.

Thus, since narcissistic individuals are driven by their underlying desire to exhibit their superior talents and competencies to others, an interactive setting where their qualities are more visible, such as one of high reward interdependence, would be expected to enhance their individual performance. We hypothesize:

Hypothesis 3a: Individuals high in narcissism will perform better in high rather than low reward interdependent team settings.

However, there is literature that points to an alternative proposition in that it suggests negative effects of narcissism on performance, especially in a high reward interdependent context. First of all, an alternative possibility has been suggested by work on the detriments of chronic pursuit of self-esteem (Crocker & Park, 2004). It may be that narcissists' incessant pursuit of self-esteem will hinder performance. When people possess self-validation goals and strive for validation in tasks, then mistakes, failures, criticism, and negative feedback are self-threats rather than opportunities to learn and improve (Covington, 1984; Deci & Ryan, 2000; Dweck, 2000). Secondly, narcissists' constant preoccupation with conveying themselves as competent and extraordinary performers may lead to a loss of task focus. Self presentation efforts, particularly in situations when an individual is strategically attempting to express a particular image may have the effect of draining self regulatory resources (Vohs, Baumeister, & Ciarocco, 2005). Thus, the narcissistic individual may be placing so much effort and concentration into self-presentation that it could have a detrimental effect on task performance. Thirdly, narcissists also possess an array of defensive strategies in order to buffer themselves against failure, one of which includes self-handicapping in uncertain situations (Rhodewalt, Tragakis, & Finnerty, 2006). By hampering their performance at the outset, these handicaps allow for discounting of subsequent failure and potential amplification of success. Such behavior may also have negative repercussions on narcissistic performance, especially in a context of high reward interdependence where there is greater visibility and pressure to perform. Therefore, we offer the following alternative hypothesis:

Hypothesis 3b: Individuals high in narcissism will perform worse in high rather than low reward interdependent team settings.

Method

Participants and design

Two hundred and thirty-six undergraduate psychology students at the University of Amsterdam were organized into 56 four-person work teams. Data are reported for 221 participants (132 females and 89 males) after excluding some participants due to technical difficulties. In return for their participation, participants earned class credit or €20, and were also eligible for cash prizes (€10 per student) based upon their performance (see "Reward structure" under "Manipulations and Measures," below). Groups were randomly assigned to one of two conditions (high versus low reward interdependence) of a between-subject design.

Procedure

We first administered the Narcissistic Personality Inventory (NPI; Ames, Rose, & Anderson, 2006) to assess participants' level of narcissism. Subsequently, each participant was randomly assigned to a four-person team, and then the teams were randomly assigned to one of two reward interdependence conditions (see 'Manipulation of reward interdependence'). The teams were trained together for approximately 90 minutes in order to familiarize themselves with the task (see 'Task'). Since rewards can only work if people have feedback and knowledge of results, we focused the team members on the relevant scores (individual scores in the low reward interdependence condition and team scores in the high reward interdependence condition) throughout the training. The teams then performed the task for the experimental session, with each team receiving 30 minutes. At the conclusion of the task the participants ranked each other on leadership and responded to the process measures.

Task

Participants engaged in a dynamic and networked computer simulation. The task was a modified version of a simulation developed for the U.S. Department of Defense for research and training, Michigan State University Distributed Dynamic Decision Making (MSU-DDD). The version of the task used here was developed for individuals with little or no military experience and has been utilized in prior research (e.g. Beersma et al., 2003; Ellis et al., 2003; Hollenbeck et al., 2002, Moon et al., 2004).

The nature of the DDD task is such that it allows for substantial interaction between team members, the degree of which is expected to vary between the conditions. The individual team members were encouraged to verbally share information with each other about what they were seeing on the screen and what vehicles would be needed to deal with a particular target, since no single member was capable of viewing the entire geographic space. Furthermore, team members were seated behind computers whilst facing each other at one table, which allowed for face to face interaction. Prior studies that have utilized the DDD task in group research also found that the nature of the task allowed for significant interaction (i.e. information sharing, asking for assistance or other ways of communicating) among team members (e.g. Beersma et al., 2003; DeRue, Hollenbeck, Johnson, Ilgen, & Jundtet, 2008).

As we were interested in leader emergence, we did not specify a priori leader and follower roles, thus enabling the development of leadership during the task (Judge et al., 2002). Within the DDD task, as in many real-life organizational settings, team members had to make decisions and take independent actions while coordinating their plans and actions with their team mates and interacting with them (see e.g., Beersma et al., 2003). As such, during the task, team members had ample opportunities to demonstrate their leadership characteristics and could

obtain perceptions about the leader qualities of other team members; for example, how active and assertive other team members were, whether they took over decision making, dominated discussion, and enhanced team coordination or whether they were passive. We will explain the task in more detail below.

The geographical space and mission. Figure 2.1 depicts the grid used in MSU-DDD. This grid was partitioned in several ways. First, four geographic quadrants of equal size (NW, NE, SW, SE) were defined, and each area was assigned to one team member, who was called a "decision maker" (hence the abbreviation "DM" in Figure 2.1). The grid was also divided into three zones that varied on the extent of protection from penetration by unfriendly forces they needed. The regions were labeled "neutral," "restricted" (a 12-by-12 grid in the center), and "highly restricted" (a 4-by-4 grid in the center of the restricted zone). The team's mission was to monitor this air and ground space, keeping unfriendly forces from moving into the restricted areas, while at the same time allowing friendly forces to move about freely. Radar representations of these forces moving through the geographic space monitored by the team were known as "tracks."

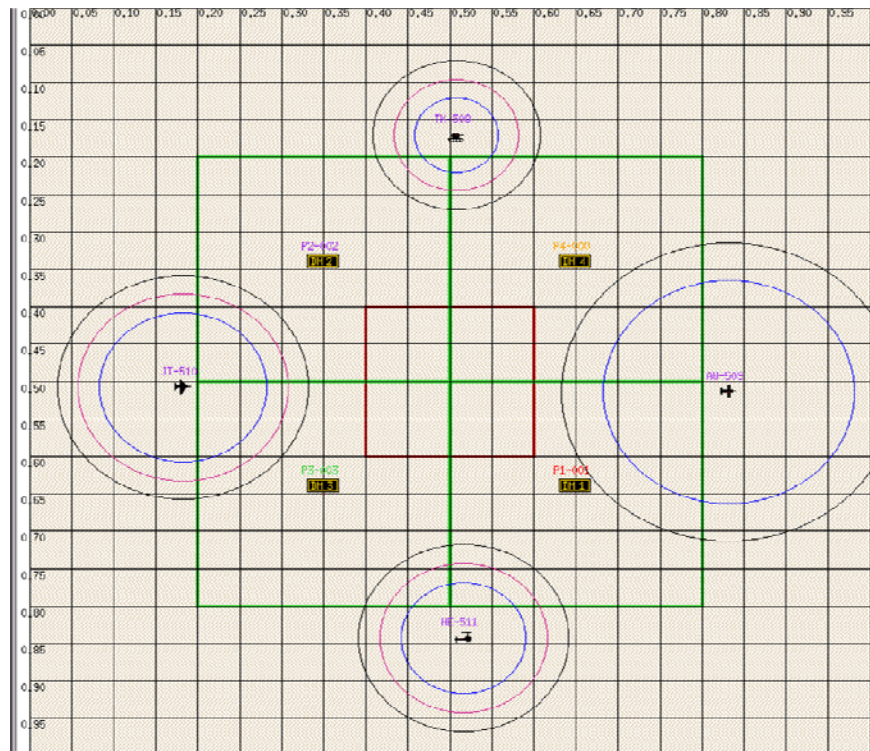


Figure 2.1. The DDD-MSU Grid Providing a Snapshot That the Participants Viewed

Each decision maker's base had a detection ring (base DR in Figure 2.1) radius of roughly six grid units to use in monitoring the geographic space. The decision maker could detect the presence or absence of any track within this detection ring. Each base also had an identification ring (base IR in Figure 2.1) radius of roughly four grid units. A team member could discern whether a track was friendly or unfriendly once it was within this range. Any track outside the DR was invisible to the team member from the base. A team member who wanted to determine the nature of a track outside the identification ring had two options: ask teammates to share that information, or launch a vehicle and move it near the track. Since each vehicle had its own detection and identification rings and could be moved anywhere on the screen, all participants could detect and identify any track anywhere on the screen, but it took more effort to engage tracks outside of one's personal region.

Each team, regardless of condition, experienced the same number, nature, timing, and sequence of tracks. Thus, the task was identical for all the teams. A total of 76 tracks appeared during the experimental session, and each participant experienced 19 tracks that originated in his or her quadrant. The tracks never stayed within the quadrant they originated in; instead, they crossed from one team member's area to another.

Vehicles. Each team member had control of four vehicles that could be launched and moved to different areas of the screen. These vehicles could automatically perform certain functions (follow designated tracks, return to base to refuel, and so forth), and hence each team member was the manager of semi-intelligent agents. Each team member had one AWACS plane, one tank, one helicopter, and one jet. These vehicles varied in their capacities on four dimensions: range of vision, speed of movement, duration of operability, and weapons capacity.

An asset that was high on one dimension tended to be low on another, meaning each asset had its own unique advantages and disadvantages. For example, the tank had high weapons capacity but a short range of vision, whereas the AWACS had low weapons capacity but a wide range of vision. Thus, the various vehicles constituted a complex set of assets that ranged widely in their capacities. A symbol for each vehicle appears in Figure 2.1, along with the ranges of vision that characterized each vehicle (depicted by the largest ring surrounding each vehicle). A team member could operate any or all of the vehicles concurrently, but it took more effort to simultaneously operate multiple vehicles. For example, when a track appeared, a person could simply launch one vehicle and move it to engage the incoming track. Alternatively, the same person could work quickly to launch all four vehicles, move them to various areas of the geographic space, in anticipation of incoming tracks, and intercept them as soon

as they crossed over into the restricted zone. Because of the variation in the four vehicles' capacities, it required a great deal of cognitive effort to effectively have all four vehicles out at once and then use them efficiently, but doing this did increase the speed with which tracks were engaged.

Identifying and engaging tracks. All tracks originated from the edge of the screen and proceeded inward. It was important for team members to identify tracks quickly and differentiate them along two dimensions: (1) friendly versus unfriendly and (2) standard versus novel. When a track was close enough to be detected but not close enough to be identified, it was represented by a question mark followed by a unique identification number set above a diamond (see the bottom right portion of Figure 2.1 for an example). Once the track came within the identification range of either the base or a vehicle, the team member could identify it. Once identified, the symbol representing the track changed from a diamond to a rectangle with a letter-number combination in it (see the middle of Figure 2.1). The letter indicated whether the track was in the air or on the ground. The number indicated whether the track was friendly or unfriendly, and if it was unfriendly, the amount of power needed to disable it. The team member who made the identification was the only one who could see this information, although he or she could share this information with other team members.

If a track within the restricted zones was identified as being unfriendly, team members needed to disable it. There were two requirements for successful disabling. First, the track had to be close enough, meaning that it had to be within the attack ring of the vehicle engaging it. Second, the vehicle needed to have as much power as the track (as indicated by the number in the rectangle), or more power. If a team member attempted to engage a track that was too far away or for which he or she had insufficient power, the track continued on

unimpeded. If the track was successfully engaged, it disappeared from the screen. The attacking vehicle then had to return to base to reload and refuel.

There were eight types of "standard tracks" that were known a priori to have specific characteristics, and these were taught in the training session prior to the start of the task. There were also four types of "novel tracks" that were not encountered during training. Thus, team members did not know whether the novel tracks were air-based or ground-based, or friendly or unfriendly, or powerful or not powerful. Trial-and-error experience gained from the simulation was the only source of this knowledge. Thus, determining the nature of the novel tracks was a complex deductive exercise in which some behaviors were more diagnostic than others (better for supporting or refuting specific hypotheses about a track). This complexity created an opportunity for decision-making errors to occur, and thus the performance of team members could be evaluated not just in terms of their successful attacks, but also in terms of errors that they committed in executing these attacks. Thus, a team's objective was to disable enemy tracks as fast as possible while not disabling any friendly tracks.

Manipulation of reward interdependence

We manipulated reward interdependence as a proxy for frequency of interaction. Teams were randomly assigned to either a high or a low reward interdependence context. Participants assigned to the high reward interdependence condition were informed that the top 3 performing teams would receive a reward of €40, which would be split evenly among the team members. Participants in the low reward interdependence condition were informed that the top 12 performing individuals of all teams would each receive a reward of €10, regardless of how well their teams performed as a whole. They would receive the information about a possible reward, as a group or individually, respectively, after all teams involved had worked on the task. Teams in the high reward

interdependence condition would have a greater incentive to work together and interact in order to reach the team outcome and obtain the reward, whereas teams in the low reward interdependence condition would have an incentive to work more independently in order to obtain the individual reward.

Measures

For testing our hypotheses, we measured participants' narcissism as the independent variable, and leadership emergence and performance as dependent variables. In addition, with the aim of further deepening our knowledge of the underlying processes, we also measured several process variables such as: team members' perceptions of individual decision making, information transfer, and team member assistance during the task. The latter two measures are objective indicators of team coordination. Finally, we incorporated control variables such as: gender, computer skills, and computer mouse skills.

Independent measures

Narcissism was measured using the short 16-item version of the Narcissistic Personality Inventory (NPI; Ames, Rose, & Anderson, 2006). This measure is based on the original 40-item NPI (Raskin & Hall, 1979, 1981) which has been extensively used in prior research as a self-report measure of narcissism (e.g. Brunell et al., 2008; Rhodewalt & Morf, 1998; Wallace & Baumeister, 2002). Ames et al. (2006) reported a correlation of .90 between scores on this measure and the full 40-item NPI and showed that the measure had notable face, internal, discriminant, and predictive validity. The NPI-16 has been shown to have good reliability in prior research (e.g. Konrath, Bushman, & Tyler, 2009; Witt, Donnellan, Blonigen, Krueger, & Conger, 2010). It has a forced choice format and examples of some of the items are: "I am apt to show off if I get a chance" as a narcissistic response or "I try not to be a show off" as the non-narcissistic

response. The NPI score was computed as the mean across 16 items, with narcissism-consistent responses coded as 1 and narcissism-inconsistent responses coded as 0. One item was dropped due to an insufficient ($< .30$) corrected item-total correlation. The scale proved to have good reliability ($\alpha = .70$).

Dependent measures

Manipulation checks. We used several measures to check the adequacy of the manipulation. We assessed participants' low and high reward interdependence orientation and the amount of communication among the team members. Reward interdependence orientation was measured with an eleven-item low reward interdependence orientation scale and a six-item high reward interdependence orientation scale (1 = "strongly disagree" and 7 = "strongly agree"). A sample item used to measure low reward interdependence orientation was "My individual performance was more important to me than the functioning of the team". A sample item used to measure high reward interdependence orientation was "During the task it was important to get as many points as possible for the team." The eleven low interdependence items formed a reliable scale ($\alpha = .77$), as did the six high interdependence items ($\alpha = .78$).

Communication among the team members was measured in order to ascertain whether the manipulation of reward interdependence affected the level of interaction in the teams. We utilized a nine-item scale ranging from 1 = "strongly disagree" to 7 = "strongly agree". A sample item was "We talked a lot about what should happen in the task". The scale had a good reliability ($\alpha = .81$).

Leadership emergence was measured using a ranking score of other group members as per Smith and Foti (1998). Group members completed the following statement: "If you were asked to meet a second time with this exact group to work on an identical type of task, please rank in order, your preference for a leader.

Please include yourself in the rating.” Based on these rankings and in line with previous research (Smith & Foti, 1998), we identified the number of times that an individual was ranked as number one by the other group members. Self-ratings were not included in the ranking. Therefore, an individual’s leadership ranking could range from 0 in instances where no other group members chose them as the leader to 3 where all three other group members chose them as the leader. This measure has been successfully implemented in prior studies (e.g. Gershenoff & Foti, 2003; Smith & Foti, 1998).

Individual Performance on the interactive task was obtained directly from the automatic output recorded by the MSU-DDD program and, thus, constitutes an objective measure of performance. This output included the individual offensive score that was computed by adding 5 points for each successful elimination of the enemy target and subtracting 25 points for each error. These errors are comprised of either attacking a friendly vehicle or attacking a target outside the zone of engagement. We believe this measure adequately reflects the performance of individuals since the main goal of the DDD task was to disable enemy targets while trying to avoid disabling friendly targets. These types of performance measures have been utilized in prior studies using the DDD task (e.g. Beersma, 2003; Beersma et al., 2009; Ellis et al., 2003; Hollenbeck et al., 2002).

Process measures

Individual decision making. To measure the extent to which team members perceived that they had to make decisions we asked them one question on a seven-point scale ranging from 1 = “strongly disagree” and 7 = “strongly agree”. The item was “While working on the task I often had to make many decisions”.

Information transfer. This team process level variable was provided by automatic output recorded by the MSU-DDD program. It includes the number of times that the option of transferring information about unidentified vehicles to other players was used. This is a measure of non-verbal sharing of information about the task.

Team member assistance. Behavioral coordination refers to the process of orchestrating the sequence and timing of interdependent actions (Marks, Mathieu, & Zaccaro, 2001). Coordinating efficiently means that team members mutually adjust their actions in order to align the pace and sequencing of their contributions such that this leads to effective performance. Team members showing effective coordination support and facilitate each other's task accomplishment via workload sharing. They make sure that the task is approached in such a way that the right person is at the right place at the right time. Within the DDD-task, this means that if there are many targets that need to be attacked in one team member's quadrant, other team members should venture into this quadrant to help with the attack. In the current study, we therefore operationalized team coordination, via team member assistance, as the number of times that team members used their vehicles to venture into other team member's quadrants to assist with attacking targets there. This team process level variable was also automatically generated by the MSU-DDD program.

Controls

We included three control variables in our study: gender, computer skills and computer mouse skills. We included gender because, generally, males have been found to be more narcissistic than females (Tschanz, Morf, & Turner, 1998) and it has become a common control variable in research on narcissism. Computer skills and computer mouse skills were controlled for since this was a

computer task. Our measure of computer skills was obtained with a 7-point response scale and the specific item “I am skillful at using computers”, and similarly for computer mouse skills with the item “I am skillful in using the computer mouse”.

Results

Descriptive statistics and manipulation checks

Table 2.1 presents the means, standard deviations, and correlations for the variables of interest. The NPI scores were significantly correlated with gender, showing that males were more narcissistic than females. Therefore, gender was controlled for in the subsequent analyses. Computer skills and computer mouse skills were significantly positively correlated with gender. Since individual performance was measured as an offensive score from computer output, we controlled for computer skills and computer mouse skills when testing Hypothesis 3.

Table 2.1

Means (M), Standard Deviations (SD), and Intercorrelations Among Variables

	M	SD	1	2	3	4	5	6
1. Gender ^a	0.40	0.49						
2. Computer Skills	5.19	1.09	.29**					
3. Computer Mouse Skills	5.90	0.97	.20**	.60**				
4. Narcissism ^b	0.53	0.50	.24**	.10	.08			
5. Individual Performance	229.66	40.76	.11	.15*	-.01	.00		
6. Leadership Emergence	0.70	0.83	.12	.09	.06	.16*	-.01	
7. Reward Interdependence ^c	0.49	0.50	-.10	-.07	-.07	-.01	-.03	-.05

Note. $N = 221$.

^a 1 = male, 0 = female; ^b 1 = high narcissists, 0 = low narcissists; ^c 1 = low, 0 = high.

* $p < .05$, ** $p < .01$.

Analysis of variance (ANOVA) of high versus low reward interdependence showed that the manipulation was successful. Teams working with high reward interdependence had a greater reward interdependence orientation, and saw themselves as working towards a team goal ($M = 4.98$, $SD = 0.44$) than teams in the low interdependence structure ($M = 3.74$, $SD = .32$), $F(1, 54) = 129.27$, $p < .001$, $\eta^2 = .71$. Also, teams with low reward interdependence had a lower reward interdependence orientation and saw themselves as working more independently ($M = 4.67$, $SD = 0.43$) than teams with high reward interdependence ($M = 3.43$, $SD = 0.59$), $F(1, 54) = 86.25$, $p < .001$, $\eta^2 = .59$.

In order to ascertain the effect of the manipulation of reward interdependence on levels of interaction between team members, we conducted a one-way ANOVA on the amount of communication among the team members. Teams working under high reward interdependence communicated significantly more ($M = 5.02$, $SD = 0.40$) than teams under low reward interdependence ($M = 4.35$, $SD = 0.69$), $F(1, 54) = 20.28$, $p < .001$, $\eta^2 = .27$.

Leadership Emergence

Hypothesis 1, which stipulated that narcissism would be linked to leadership emergence, was tested by conducting an ANOVA⁴ (e.g. Bushman, Bonacci, Van Dijk, & Baumeister, 2003) in which we controlled for gender. A median split was used to identify high versus low narcissists. High narcissists emerged as leaders more often, and thus received a higher leader emergence score, ($M = 0.83$, $SD = 0.90$) than low narcissists ($M = 0.56$, $SD = 0.72$), $F(1, 216) = 4.58$, $p < .05$, $\eta^2 = .02$. This confirms the main effect of narcissism on leadership emergence. When controlling for group membership, the results remained significant, $F(1, 215) = 4.78$, $p < .05$, $\eta^2 = .02$.

In order to further examine team processes in which high, as opposed to low, narcissistic individuals emerged as leaders, we conducted 2 x 2 ANOVAs on team member's perception of communication and individual decision-making, respectively. From here on we will refer to teams in which high narcissistic individuals emerged as leaders as those with a high narcissistic leader, versus a low narcissistic leader. We found a main effect of the leader's narcissism on team communication, $F(1, 52) = 7.00$, $p = .01$, $\eta^2 = .12$. Inspection of means revealed that groups with a high narcissistic leader reported being less verbal and communicative ($M = 4.49$, $SD = 0.67$) than groups with a low narcissistic leader ($M = 4.91$, $SD = 0.57$). Furthermore, results showed that teams with a higher

⁴ Regression analysis may have been used instead of an ANOVA in this instance, however, this method of analysis is also consistent with other research on narcissism (e.g. Bushman et al., 2003).

narcissistic leader experienced lower individual decision making ($M = 3.35$, $SD = 0.91$) than teams with a low narcissistic leader ($M = 3.81$, $SD = 0.61$), $F(1, 54) = 4.87$, $p < .05$, $\eta^2 = .08$.

These findings could be attributed to the fact that narcissistic individuals are much more dominant and authoritative (Rosenthal & Pittinsky, 2006) and as such would take control of group decision making. This would have the effect of taking away decision making opportunities from other team members, which would explain our findings. Taken together with the fact that team members reported being less verbal, this suggests that narcissistic individuals took the lead and thereby decreased interaction and also members' individual decision making.

Hypothesis 2 proposed that high narcissists would more likely emerge as leaders in a high rather than a low interdependence context. This hypothesis was tested using a 2×2 ANOVA predicting leader emergence. Gender was entered as a control variable. The results showed that beyond the significant main effect of narcissism on leadership emergence, there was no significant interaction of narcissism with reward interdependence, $F(1, 216) = .09$, *ns*. The means are reported in Table 2.2.

Table 2.2

Means (M), Standard Deviations (SD) of Leader Emergence of High and Low Narcissists

	Reward Interdependence			
	High		Low	
	M	SD	M	SD
High Narcissism	0.90 _a	1.00	0.76 _{ac}	0.82
Low Narcissism	0.58 _b	0.71	0.53 _{bc}	0.74

Note. $N = 221$.

Means not sharing a subscript differ at $p < .05$.

Hypothesis 2 was, therefore, not confirmed. In other words narcissistic individuals were more likely to be chosen as leaders by their group members regardless of whether they were in a high or low reward interdependence setting. It is, however, interesting to note that the effect of narcissism in a high reward interdependence setting was in the expected direction. High narcissists under high reward interdependence had a higher leader emergence score than under low reward interdependence. When we also controlled for individual performance in addition to gender, the results showed that the relationship between narcissism and leadership emergence remained significant $F(1, 215) = 4.53, p < .05, \eta^2 = .02$. This illustrates that narcissistic individuals emerged as leaders above and beyond the influence of their individual performance.

Individual performance

To test our hypothesis that individuals high in narcissism will perform better in a high rather than a low reward interdependence context (Hypothesis 3a) we conducted a 2×2 ANOVA on the individual performance score. Gender, computer skills and computer mouse skills were controlled for. No main effects were found, so narcissism, by itself, was unrelated to individual performance. The results showed a significant two-way interaction between narcissism and reward interdependence, $F(1, 214) = 5.97, p < .05, \eta^2 = .03$. When controlling for group membership, the results remained significant, $F(1, 213) = 5.56, p < .05, \eta^2 = .03$. This interaction is plotted in Figure 2.2. Results from moderated regression analysis, treating narcissism as a continuous variable, yielded the same pattern of results.

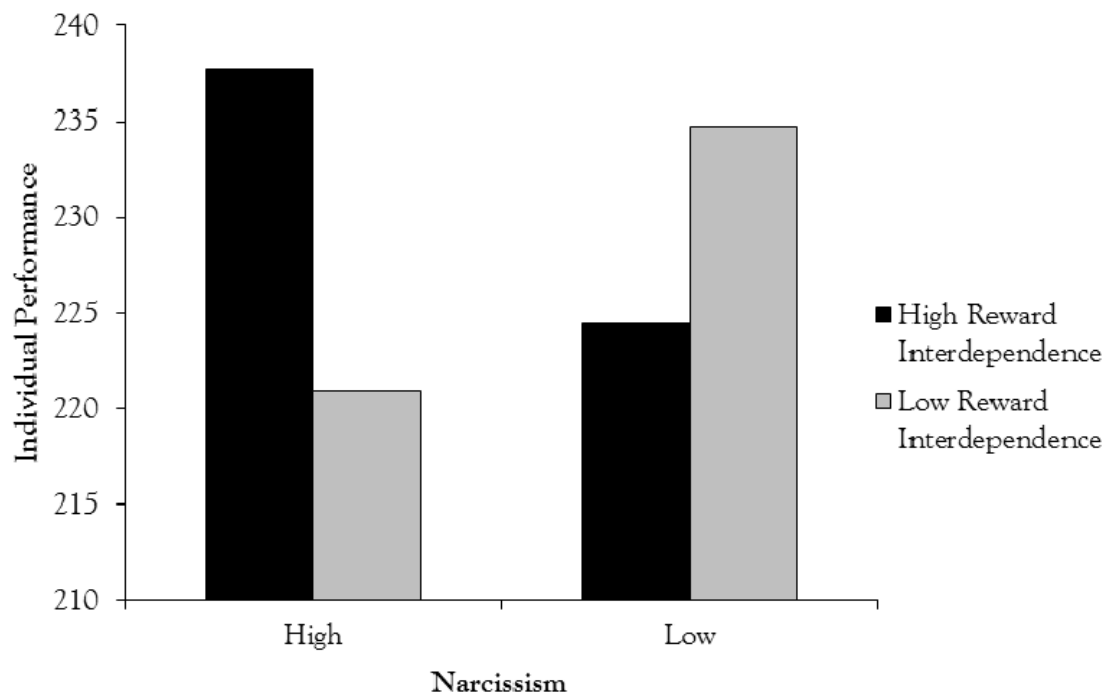


Figure 2.2. Interactive Effects of Reward Interdependence and Narcissism on Individual Performance.⁵

Simple effects analysis revealed that high narcissists performed significantly better under high ($M = 237.73$, $SD = 36.42$), rather than low reward interdependence ($M = 220.90$, $SD = 41.36$), $F(1, 220) = 4.55$, $p < .05$, $\eta^2 = .02$, whereas no significant difference was found between the two conditions for low narcissists ($M = 224.48$, $SD = 43.33$ for the high reward interdependence condition and $M = 234.74$, $SD = 40.30$ for the low interdependence condition), $F(1, 220) = 1.87$, *ns*. These results are summarized in Table 2.3. Thus, high narcissists under high reward interdependence scored, on average, 16.83 points higher than under low reward interdependence. Hypothesis 3a was, thus confirmed.

⁵ High narcissists and low narcissists were separated using a median split.

Table 2.3

Means (M), Standard Deviations (SD) of Individual Performance for Narcissism and Reward Interdependence

	Reward Interdependence			
	High		Low	
	M	SD	M	SD
High Narcissism	237.73 _b	36.42	220.90 _{ac}	41.36
Low Narcissism	224.48 _{bc}	43.33	234.74 _{bc}	40.30

Note. $N = 221$.

Means not sharing a subscript differ at $p < .05$.

As a side note, there were no significant differences found on the performance of high ($M = 237.73$, $SD = 36.42$) and low narcissists ($M = 224.48$, $SD = 43.33$) under high reward interdependence, $F(1, 220) = 3$, $p = .085$, or under low reward interdependence ($M = 220.90$, $SD = 41.36$ for high narcissists and $M = 234.74$, $SD = 40.30$ for low narcissists), $F(1, 220) = 3.05$, $p = .082$. This is likely due to the relatively high variances in the scores.

Team level processes

In order to further explore the effect of narcissistic leadership on team level processes we conducted a 2 (narcissistic leadership: high vs low) \times 2 (reward interdependence: high vs low) ANOVA on the information transfer by team members. The results showed a significant two-way interaction between narcissistic leadership and reward interdependence, $F(1, 52) = 10.75$, $p < .01$, $\eta^2 = .17$. Simple effects analysis revealed that teams with a high narcissistic leader

transferred more (non-verbal) information under high ($M = 13.20$, $SD = 5.96$), rather than low reward interdependence ($M = 7.25$, $SD = 4.83$), $F(1, 53) = 10.00$, $p < .01$, $\eta^2 = .16$, whereas no significant difference on information transfer was found between the two conditions for low narcissists, $F(1, 53) = 2.34$, *ns*. We additionally conducted a 2 (narcissistic leadership: high vs low) \times 2 (reward interdependence: high vs low) ANOVA on team member assistance. The results likewise showed a significant two-way interaction between narcissistic leadership and reward interdependence, $F(1, 52) = 6.64$, $p < .05$, $\eta^2 = .11$. Simple effects analysis revealed that teams with a high narcissistic leader assisted each other more under high ($M = 1.61$, $SD = 0.72$), rather than low reward interdependence ($M = 0.72$, $SD = 0.44$), $F(1, 53) = 11.84$, $p < .01$, $\eta^2 = .18$, whereas no significant difference on team member assistance was found between the two conditions for low narcissistic leaders, $F(1, 53) = 0.04$, *ns*.

All in all, under high reward interdependence, narcissistic individuals performed better, and the teams in which narcissists emerged as leaders showed more coordination in that they transferred (non-verbal) information and team members assisted each other.

Discussion

This is the first study that examined leader emergence and performance of narcissistic individuals in an interactive team setting, whilst manipulating the context. Our purpose was to investigate whether the leadership emergence of narcissistic individuals as well as their performance depends on specific interactive group contexts. We, therefore, looked at whether leadership emergence and performance were influenced by the team's high versus low reward interdependence, since narcissistic individuals appear to shine in highly

interactive social settings and reward interdependence tends to strengthen interaction between individuals.

With respect to our expectations regarding the link between narcissism and leadership emergence, we found that narcissistic individuals emerged as leaders irrespective of the context. Therefore, our supposition that narcissistic individuals will more likely emerge as leaders in a high reward interdependence context was not supported. Even though not significant, there was an indication that high narcissists received slightly higher scores in the context of high rather than low reward interdependence, so the relationship was in the expected direction. It has been suggested that one of the contextual factors that might be important to the emergence of narcissistic leaders is the state of crisis or non-crisis in an organization (Rosenthal & Pittinsky, 2006). The DDD task utilized in this study has been found to simulate a realistic team decision making context in which the team members must make decisions under time pressure and threat (Porter et al., 2003). In view of the fact that the task itself evokes a high pressure stress situation this could explain the reason why narcissistic individuals emerged as leaders across both of the conditions, and irrespective of reward interdependence.

These findings are, nonetheless, interesting because the appeal of narcissistic traits as leadership worthy seems to prevail even in instances where they are less dependent on other team members, as in the low reward interdependence condition. It was also found that narcissistic individuals emerged as leaders even when individual performance was taken into account, which indicates that the allure of a narcissistic leader prevails despite their performance. This lends support to the extant research on narcissistic leadership (e.g., Brunell et al., 2008) that these individuals do indeed appear to possess certain characteristics that are aligned with the prototypical leader.

Furthermore, we found that teams in which a narcissistic individual emerged as a leader, reported being less verbal and having less individual

decision-making. This could be an indication of the narcissist's dominance and authoritativeness (Rosenthal & Pittinsky, 2006), as a narcissistic leader would strive to take over the decision making and direct the discussion on the account of their high need for power (Emmons, 1989). It is also consistent with their exhibitionism as the attention of the team appears to have become more centralized when a narcissistic individual emerges as a leader. Consequently, the team members felt that they were being less verbal and made fewer individual decisions. These findings can be related to research on production blocking that has been found to occur in groups. It was shown that when one person dominates the discussion, others are inhibited from sharing information and ideas (Nijstad, Stroebe, & Lodewijkx, 2003; Nijstad & Stroebe, 2006). Our findings are interesting as they point to the presence of narcissists' leader-like behaviors.

Additional analyses examining team level processes revealed that teams in which a high narcissist emerged as a leader, transferred more non-verbal information between the individual team members as well as engaged in greater team member assistance, specifically under high reward interdependence. Both of these team process variables are examples of coordination, with the aim of getting the right member in the right place at the right time. The fact that teams who end up choosing a high narcissistic leader appear to have greater coordination in the team, under high reward interdependence, suggests that context is very important for narcissistic leaders. The results show that team coordination increases under high reward interdependence in instances when a narcissistic individual emerges as a leader of the team. Narcissistic leaders appear to become more activated under this context and stimulate greater coordination. This is consistent with the results found at the individual level where narcissistic individuals performed better under conditions of high reward interdependence. The context is important both for the narcissistic individual as well as leadership behavior.

Insofar as narcissistic performance is concerned, the results of our study indicate that it does indeed appear to be contextually dependent, as in line with our expectations. High narcissists performed better in the high rather than low reward interdependence setting. This suggests that the higher level of reward interdependence creates a context which complements the narcissistic personality and compels a narcissistic individual to perform better. This could be due to several reasons. Firstly, it has been shown that high reward interdependence strengthens cooperation and interaction between group members (Wageman, 1995). Thus, enhanced visibility in the highly interdependent setting may trigger in the narcissist a desire to show themselves as superior to others. The context presents narcissistic individuals with an opportunity for self-enhancement in greater view of others and to bask in the limelight, which is consistent with prior findings by Wallace and Baumeister (2002). However, our study is the first to show this phenomenon in an interactive team setting. Secondly, narcissists are highly exhibitionistic (Buss & Chiodo, 1991) and a high reward interdependent context will be more likely to prompt their need to garner attention, perhaps via superior performance in the task. Thirdly, stemming from their underlying need for power and dominance, the interdependent context provides them with greater opportunity to try and influence others. This in turn may energize them to perform better than in a low reward interdependence setting, where exerting power over others will be more difficult due to lower incentives for team members to cooperate with one another and thereby lower interaction. Finally, the high reward interdependence context will engender greater affiliation within the group and as such may create a fusion between the individual narcissist and the group itself as a result of intergroup ethnocentrism. Thus, the group is then perceived as an extension of the narcissistic person, and group success equates to individual success, particularly in instances where the individual had influence and control over group processes – driven by their underlying power motive. They may

perceive the situation as one in which they need to assert themselves and drive the group to success because if they do well the victory shall taste that much more sweeter if they were at the helm of the ship.

Consequently, support for the alternative hypothesis concerning a negative effect of narcissism on individual performance, particularly in a high reward interdependent setting was not found. This suggests that narcissists' preoccupation with exhibiting their superiority and competencies to others did not hamper their performance and did not curtail their task focus. Group reward structure seemed to have led to improved performance. Thus, individual rewards may not have a large impact on narcissistic performance because it is merely self-referential feedback. Narcissistic individuals do not tend to exhibit superior performance with this type of feedback as they are overconfident in their own abilities and merely seek to exhibit these abilities to the external world (Wallace & Baumeister, 2002).

Hence, the above suggests that frequent interactions do not seem to represent a threat of rejection for narcissistic individuals but rather than an opportunity for shining. This is in line with prior research which found that narcissistic individuals often have a high approach and low avoidance motivation and appear to be fuelled primarily by the prospective rewards (Foster & Trimm, 2008). They appear to be pursuing a maximal gain strategy, aimed at capitalizing on success, no matter how risky (Morf & Rhodewalt, 2001). Thus, even though it may appear paradoxical, narcissistic individuals would risk frequent interactions to create opportunities for self enhancement. There is evidence that narcissists are more focused on assertive self-promoting behavior, at the risk of greater loss or threat in the event of failure or rejection (Morf & Rhodewalt, 2001). Narcissists often report unrealistically optimistic beliefs about their abilities and prospects for success (e.g., Gabriel et al., 1994; Paulhus, Harms, Bruce, & Lysy, 2003; Watson, Sawrie, & Biderman, 1991). Thus, it could be argued that it is particularly due to

these beliefs that they do not enter social situations thinking about potential failure that such an interaction may generate but they deem them to be arenas for self enhancement.

Practical implications

With so many of the current leaders thought to exhibit narcissistic characteristics and with examples of narcissistic leaders in our historical past (Deluga, 1997; Rosenthal & Pittinsky, 2006), it is important to further explore the reasons for, and contexts within which narcissistic individuals emerge as leaders and are effective. To date, little is known about the underlying processes influencing the effectiveness of a narcissistic leader, or indeed whether they are more effective. It is particularly important to discern which situations elicit positive behavior from narcissistic leaders and lead to optimal outcomes for the performance of organizations. In particular situations a narcissistic leader may be maladaptive due to their negative characteristics such as exploitativeness, hypersensitivity to criticism, lack of empathy, sense of entitlement and arrogance. Since there is a prevalence of narcissistic individuals in leadership positions, it is important to unearth the situations in which the positive aspects of narcissistic leaders might outshine their negative personality attributes. Particular contexts, for example, may promote superior individual performance and collaborative coordination among followers.

This research has several practical implications. The findings of our study suggest that narcissistic people are more sensitive to the context in which they operate than non-narcissistic ones. Where the goals of the team are aligned with the goals of the individual, thus creating goal congruence, narcissistic people will perform well. In the context of high reward interdependence it will be in the narcissist's own interest to further the goals of the team, since the two are highly intertwined. Therefore, in order to enhance the performance of narcissistic

individuals in the workplace, such employees ought to be placed in groups with high reward interdependence as they would be motivated to perform better. In groups where narcissistic individuals experience low reward interdependence their performance may suffer. On a more general level, a notable implication would be that narcissistic individuals ought to be placed in organizational situations where there is a high level of interaction as they appear to perform well in a highly social context. However, for future research it is also important to study the timeframe under which this effect occurs. For example, do narcissistic individuals continue to exhibit superior performance in prolonged interactions? It would also be interesting to see what happens when the team has to deal with drawbacks or bad performance.

Next, the results of this study suggest that the perceived suitability of the narcissistic individual as a leader surpasses their individual performance. This shows that other employees perceive narcissistic leaders to have leadership qualities even though this does not necessarily reside in their performance. Hence, narcissistic individuals seem to have a greater chance to reach leadership positions. For this reason, it is useful to understand which context actually allows them to be more effective. We found that a context in which they are immersed in an interactive group, working towards a common goal, enhances their performance. Organizations ought to ensure that their incentive schemes for narcissistic leaders particularly highlight the goal alignment of their interests with the interests of the organization. Since one of the core dynamics of a narcissistic individual includes idealization (McWilliams, 1994), a stronger identification with the organization and its goals would ensure that the narcissistic leader's identity became suffused with that of the organization. As a result, it would be in their self-interest to ensure the viability of the organization at all costs since the success of the organization would equate with personal success. An organization could include the measure of narcissism in their routine assessments during personnel

selection and also in their developmental programs. As a result they would be cognizant of the fact that they have a narcissistic leader in their midst and, in turn, would be able to allocate such individuals to particular organizational contexts that meet their underlying need for self-enhancement. However, this need to self-enhance should be adequately harnessed to ensure it is also aligned with the interests of the organization.

Limitations and strengths

Although the present study enhances our understanding of narcissistic leadership emergence and narcissistic performance, it has some potential limitations. Firstly, the study is subject to the usual limitations of any experimental research in that there are issues of generalizability because of the use of a student sample in a laboratory setting, and the specific task (military task) being utilized. It has been argued that tasks such as the DDD task tend to diminish the gap between field and laboratory research by allowing for high levels of mundane realism without sacrificing experimental rigor (Humphrey, Hollenbeck, Ilgen, & Moon, 2004). Prior research has shown that participants who engage in the DDD task do find their task psychologically engaging (Porter et al., 2003). Moreover, they are aware of the financial bonuses that can be achieved by performing well during the task and realize that consequences associated with performance matter to them. Therefore, strength of the present study is that high "psychological realism" was achieved during the experiment (Berkowitz & Donnerstein, 1982). Nonetheless, in order to be able to extrapolate the findings into a wider population, future studies should replicate this study in a field setting, with different samples, tasks and contexts. However, one needs to keep the nature of the research question in mind when assessing the relevance of external validity. As there is no reason to think that the theories we utilized to form our hypotheses would fail to hold in the context of our experiment, this

context serves as a meaningful venue for testing our hypotheses. We were simply asking the "can it happen" question, which according to Ilgen (1986), is exactly the type of question that bears investigation in this type of a laboratory setting. Furthermore, the estimated correlation between the effect sizes obtained in the field and those obtained in the lab generally exceeds .70 (Anderson, Lindsay, & Bushman, 1999), which suggests that experimental findings do appear to reflect those in the field. It should be noted that the experimental design utilized in this study has a major advantage over a field setting in that we were able to randomly assign individuals to a particular reward context. This would be difficult to accomplish in the field since narcissists would most likely self-select themselves into contexts where they have the greatest opportunities for self enhancement and where their visibility would be most evident.

A second limitation is due to the fact that this is an examination of a one-off interaction between individuals, albeit quite a lengthy one as the entire experiment lasted three hours and, thus the participants would have had relatively long face to face contact time. Generally, it has been found that narcissistic individuals make very positive first impressions and that these impressions wane over time (Paulhus, 1998). However, the deterioration of the positive impression that others have of a narcissistic individual appear to be isolated to communal features, such as warmth and kindness, and these features are not prominent characteristics associated with leader emergence. People continue to perceive the narcissistic individual as high on agentic traits such as intelligence and confidence (Paulhus, 1998), which are the primary characteristics associated with leader emergence (Smith & Foti, 1998).

Finally, it needs to be noted that despite the interesting significant results found in this study, the magnitude of the effects for our hypotheses were relatively small as defined by Cohen (1988). Nonetheless, this does not detract from the

importance of the effects that were found in our study as small effect sizes can have considerable consequences (cf. Prentice & Miller, 1992).

One of the main strengths of our study is that it reduces the problem of common method bias as the dependent variable of performance and some of the process variables constitute automatic output from the interactive simulation task, and are in no way related to the questionnaires that the participants completed to measure the independent and other process variables. Another strength stems from the length of the experiment as the participants interacted face-to-face for three hours, which might somewhat lessen the potential effect of positive first impression that a one off social interaction with narcissistic individuals usually entails and allow the setting to better reflect a real world group interaction.

Future directions

The possibilities for future research in this area are numerous as it would be interesting to further elucidate the reasons as to why narcissistic individuals are chosen as leaders, and identify the perceptions of other team members as to their specific choice of a leader. It would also be interesting to see whether narcissists emerge as leaders even in situations when they are perceived to perform suboptimal, i.e. whether their leader-like qualities shine through despite their performance. The DDD task which was utilized in this study did not provide opportunities for individual team members to observe each other's individual performance in great detail. As such it was not surprising that we found individual performance not to have an effect on leader emergence. It would also be interesting to identify personality characteristics of the followers who chose a narcissistic leader.

Another interesting question would be to clarify how other people in a team are affected by the presence of a narcissist. For example, does it lead to greater intra-group conflict as narcissistic individuals attempt to make their claim

upon leadership of the group, being driven by their underlying power and dominance orientations? Narcissistic individuals also believe themselves to be worthy of leadership and as such feel that they are naturally entitled to this position.

Future studies could examine the leadership behaviors and performances of narcissistic people when leadership roles in the team are a priori assigned. This situation may better reflect the types of teams that operate in the daily reality of organizations where teams work under the supervision of a team leader who is responsible for the team coordination. Do highly interdependent teams in coordinate their activities better under high rather than low narcissistic team leaders? This question could be studied experimentally but also in the field in order to enhance the external validity of the study findings.

Furthermore, future research could explore other contextual factors that would likely improve the performance and leadership behaviors of narcissistic individuals. It has been suggested that narcissistic type leaders are often historically bound and intimately connected to crises (Rosenthal & Pittinsky, 2006). So perhaps in a stable environment a narcissistic leader may appear out of place, due to the inadequate opportunities for self-enhancement since they are not required to enact radical change but rather maintain the stability of the status quo. On the other hand, narcissists might rise to the challenge in times of pressure or crises, a situation in which they will be energized and thus perform well.

Conclusion

To conclude, narcissists do appear to shine when they are immersed in the limelight of an interdependent setting and when they can be at the helm of a ship whilst it sails into the port of victory. All they need is a stage upon which they can perform and exhibit their leadership characteristics, and then they will engage and

come out on top. Narcissistic individuals continue to intrigue us, and as such we keep them on the stage fervently asking for an encore.

CHAPTER 3

CRISIS ENHANCES THE EMERGENCE OF NARCISSISTIC LEADERS

Despite their negative characteristics, such as egocentrism and lack of empathy, many of the world's leaders appear to be narcissistic. Using two studies, we propose that a specific contextual factor, i.e. crisis, increases the emergence of narcissists as leaders. We hypothesized that high narcissists will emerge as leaders more often than low narcissists, especially in times of crisis when the characteristics of high narcissists (e.g., confidence, dominance, and toughness) match those of prototypical leaders. As expected, Study 3.1 showed that high narcissists were perceived to reduce uncertainty and were therefore more often chosen as leaders than low narcissists, especially in a crisis context. Also, Study 3.2 showed that when people directly experienced crisis and pessimism about future outcomes, high narcissists were more often chosen as leaders than low narcissists. Taken together, these results reveal the importance of contextual crisis in understanding the allure of narcissistic leaders.

This chapter is based on Nevicka, B., De Hoogh, A. H. B., Van Vianen, A. E. M., & Ten Velden, F. S. (2011). Crisis enhances the emergence of narcissistic leaders.

Nothing captures certainty and strength more than the supreme confidence, dominance and charm of a narcissist. These characteristics have become increasingly valued by individualistic Western modern societies (Foster, Campbell, & Twenge, 2003; Twenge, Konrath, Foster, Campbell, & Bushman, 2008), which tend to raise narcissistic individuals to prominent positions. It is therefore not surprising that many of the world leaders and CEOs are attributed with narcissistic characteristics (Deluga, 1997; Maccoby, 2000). Examples include business leaders such as Steve Jobs (Robins & Paulhus, 2001) and presidents such as Nicolas Sarkozy (De Sutter & Immelman, 2008).

At first glance, the seeming prevalence of narcissistic leaders is not unexpected. Narcissists possess many prototypical leadership traits, such as confidence, high self-esteem, extraversion and dominance (Judge, Illies, Bono, & Gerhardt, 2002; Paunonen, Lönnqvist, Verkasalo, Leikas, & Nissinen, 2006; Smith & Foti, 1998), which makes them more likely to be viewed as leaders by others (Lord, Foti, & DeVader, 1984; Offermann, Kennedy, & Wirtz, 1994). Indeed, narcissists have been found to emerge as leaders in team settings (e.g., Brunell et al., 2008; Nevicka, De Hoogh, Van Vianen, Beersma, & McIlwain, 2011) and are perceived as effective regardless of their actual negative effect on group performance (Nevicka, Ten Velden, De Hoogh, & Van Vianen, 2011).

However, narcissists also possess a host of negative qualities, such as arrogance, lack of empathy, egocentrism and exploitativeness (Morf & Rhodewalt, 2001; Rosenthal & Pittinsky, 2006; Watson, Grisham, Trotter, & Biderman, 1984), which makes their appeal as leaders paradoxical. Empathy, for instance, has been identified as an important and valued aspect of leadership (George, 2000; Kellett, Humphrey, & Sleeth, 2006). Thus, this two-sided face of narcissists begs a question as to *when* narcissistic individuals might emerge as leaders. Previous research suggests that leadership prototypes are not static but adjust to various situational constraints, such as environmental features (Lord, Brown,

Harvey, & Hall, 2001). In other words, individuals' perceptions regarding a prototypical leader are subject to change depending on the demands of a specific context. Thus, it is possible that narcissistic leaders may only be appropriate in contexts where lack of empathy, egocentrism, and arrogance are not perceived to hinder the leader's perceived potential effectiveness. Support for this premise can be inferred from research showing inconsistent ratings of narcissists as leaders (Judge, LePine, & Rich, 2006). When narcissistic leaders were judged by co-workers of a beach patrol, where empathy, warmth and caring would be important, their performance was evaluated negatively. In contrast, students enrolled in a business management course, a context in which dominance and confidence would be valued, rated high narcissists positively.

In their review of relevant literature, Campbell and Campbell (2009) suggested that narcissistic leaders would be particularly suitable in contexts that are characterized by instability and change. In the current research we build on this idea and propose that a crisis, defined as "*a low-probability, high-impact event that threatens the viability of the organization and is characterized by ambiguity of cause, effect, and means of resolution, as well as by a belief that decisions must be made swiftly*" (Pearson & Clair, 1998, p. 59), constitutes a context in which high narcissists are especially likely to be chosen as leaders because they match the crisis-specific leader prototype. Crises trigger feelings of uncertainty, insecurity, anxiety and stress (e.g., Bligh, Kohles, & Meindl, 2004; Staw, Sandelands, & Dutton, 1981) and this brings about an instinctive desire in people to eliminate such uncertainty or find ways to make it tolerable (e.g., Van den Bos, Poortvliet, Maas, Miedema, & Van den Ham, 2005; Weary, Jacobson, Edwards, & Tobin, 2001). As a result, crises trigger a need for leaders who can swiftly resolve the situation, restore order and reduce uncertainty (Madera & Smith, 2009; Shamir & Howell, 1999). Indeed, when people feel threatened or insecure they are more willing to accept assertive leadership (Madsen & Snow, 1991; Padilla, Hogan, & Kaiser, 2007),

prefer leaders who are high on agentic (e.g., confidence and decisiveness) rather than communal (e.g., warmth and empathy; Hoyt, Simon, & Reid, 2009) attributes and show a lower preference for relationship oriented leaders (Cohen, Solomon, Maxfield, Pyszczynski, & Greenberg, 2004).

We propose that in crisis contexts, which are characterized by uncertainty of the future (e.g., Cohen et al., 2004; Gillath & Hart, 2010), a narcissist will be perceived as someone who will reduce uncertainty. Thus, during crises the prototypical leadership traits of narcissists will supersede their negative relational traits, such as lack of warmth and empathy, which will enhance the appeal of choosing narcissists as leaders. We test this idea in two studies, using a scenario as well as a task in which individuals directly experience crisis, and expect that high narcissists will be chosen more often as leaders than low narcissists, especially in crisis contexts.

Study 3.1

In Study 3.1 we employ a scenario to test our main prediction. Participants read a description of a company that was facing a crisis or non-crisis, and were asked to choose between a high and low narcissist as leader. We hypothesized that high narcissists will more often emerge as leaders than low narcissists, especially in a crisis context, and this effect will be mediated by perceived reduction of uncertainty (Hypothesis 1).

Method

Participants and design

Forty-one students ($M = 22.83$ years; 17 men)⁶ participating for course credit, or 2 Euros, were randomly assigned to one of two conditions: Crisis versus non-crisis context.

Procedure and manipulations

Participants received written instructions stating that, as an employee of the organization, they needed to choose a leader out of two potential candidates for the CEO position of a company either facing a crisis or non-crisis. We modeled our *manipulation of crisis versus non-crisis* after prior research (Halverson, Murphy, & Riggio, 2004). In the crisis [non-crisis] condition, participants received a company description stating that “The company is currently finding itself in difficulty [a period of relative stability]”, “Its share price has plummeted [been stable]”, “The company has lost market share [has a constant market share]”, “The company has an unpredictable [predictable] work environment” and “Many employees feel a sense of stress spreading through the organization [experience little stress]”.

After reading the description, participants were asked to consider two candidates selected by head hunters (see ‘Leader profiles’) fill out a questionnaire assessing the candidates, and choose one as a CEO for the organization. Finally, participants filled out manipulation checks.

Leader profiles. We created two distinct leader profiles, one of a high and one of a low narcissistic candidate. Participants read that out of several applicants,

⁶ Controlling for gender and age in all analyses of both studies revealed the same patterns of results and identical conclusions. Thus, these variables are not discussed further.

two candidates with highly similar CV's and letters of reference were recommended for the job of a CEO, and that as the last part of the application process, the two candidates had filled out a questionnaire to assess certain characteristics. They were then provided with the two candidates' alleged answers. The questionnaire contained 18 items, fourteen of which were based on the Narcissistic Personality Inventory used to measure narcissism in general populations (NPI; Raskin & Hall, 1979; e.g., "I am a very unique person and better than other people"). Four items captured general leadership characteristics (Smith & Foti, 1998; e.g., "I am perceived as intelligent"; all 1 = "Completely disagree", 7 = "Completely agree").

The answers from the two candidates were presented such that a high narcissistic or a low narcissistic profile appeared for each candidate. For example, participants saw that the high narcissistic group member had answered "6" on the item "I am a very unique person and better than other people" whereas the low narcissistic group member had answered "2" on this item. On general leadership quality items both group members answered either a "6" or a "7", to ensure that overall, both group members would be seen as having similar general leadership qualities.⁷

Dependent measures

Manipulation checks. To check the *manipulation of crisis versus non-crisis*, participants were asked to fill out a five-item questionnaire (e.g., "The company is finding itself in a crisis"; $\alpha = .98$). In order to check the adequacy of the leader profiles we measured leader perceptions central to narcissism, participants indicated the extent to which they perceived the candidates to be "selfish", "arrogant", "manipulative", and "empathic". We also measured perceived general

⁷ We balanced the scores on the general leadership questions, such that both candidates showed the same average score.

intelligence in order to check that the profiles displayed similar general leadership capability (all 1 = "Completely disagree" to 7 = "Completely agree").

Leader emergence. We asked participants which of the two candidates they would prefer for the position of CEO in the organization.

Perceived reduction of uncertainty. For both candidates, participants completed four items developed for this study (e.g., "This candidate would reduce uncertainty in the company"; 1 = "Completely disagree" to 7 = "Completely agree"; $\alpha s > .78$).

Results

Manipulation check

Results revealed that participants in the crisis condition reported more crisis for the company ($M = 6.11$, $SD = 0.65$) than participants in the non-crisis condition ($M = 1.48$, $SD = 0.52$), $t(39) = 25.13$, $p < .001$, Cohen's $d = 8.05$. In order to confirm that the leader profiles were representative of a high or a low narcissistic candidate we conducted paired-samples t -tests, which revealed that participants perceived the high narcissistic candidate as more selfish ($M = 5.88$ vs. 2.12), arrogant ($M = 6.41$ vs. 1.73) and manipulative ($M = 6.71$ vs. 2.12), and less empathic ($M = 3.54$ vs. 5.31) than the low narcissistic candidate, all $t s(40) > 5.32$, $p s < .001$. Furthermore, there was no significant difference between the two candidates on their perceived level of intelligence ($M = 6.05$ vs. 6.12), $t(40) = .43$, ns .

Leader emergence

A Chi-Square analysis revealed, first of all, that high narcissists were in general more often chosen as leader (68%, $n = 28$ of 41) than low narcissists (32%, $n = 13$ of 41), $\chi^2(1, N = 41) = 5.49, p = .019, \phi = .37$. Second, and more importantly, there was a significant effect of context, $\chi^2(1, N = 41) = 8.50, p < .01, \phi = .46$. Participants in the crisis condition more often chose the high narcissistic candidate as a leader (90%, $n = 18$ of 20) over the low narcissistic candidate (10%, $n = 2$ of 20), $\chi^2(1, N = 20) = 12.8, p < .001, \phi = .80$. For participants in the non-crisis condition there was no difference (48%, $n = 10$ of 21 chose the high narcissistic candidate as a leader, and 52%, $n = 11$ of 21 chose the low narcissist), $\chi^2(1, N = 21) = 0.05, ns$.

Perceived reduction of uncertainty

A 2 (crisis versus non-crisis) by 2 (perceived reduction of uncertainty) repeated-measures analysis with perceived reduction of uncertainty answered for both candidates as the within-subjects factor revealed that participants more strongly perceived the high narcissistic candidate to reduce uncertainty ($M = 4.75, SD = 1.21$) than the low narcissistic candidate ($M = 4.09, SD = 1.21$), $F(1, 39) = 5.33, p = .026, \eta^2 = .12$. This effect was qualified by an interaction between condition and perceived reduction of uncertainty, $F(1, 39) = 6.67, p = .014, \eta^2 = .15$. As expected, high narcissistic candidates were more strongly perceived to be able to reduce uncertainty ($M = 5.31, SD = 0.90$) than low narcissistic candidates ($M = 3.88, SD = 1.26$), but only in a crisis context, $F(1, 39) = 11.68, p < .01, \eta^2 = .23$. In the non-crisis condition, this difference was not significant, $F(1, 39) = 0.04, ns$.

Mediation analysis

Hypothesis 1 stated that high narcissistic individuals would emerge more often as leaders than low narcissists, especially in a crisis context and that this would be mediated by perceived reduction of uncertainty. First, results showed that context (crisis versus non-crisis) had a significant effect on leader choice, $B = 2.29$, $SE = 0.86$, $Wald = 7.04$, $p < .01$. Second, context had a significant effect on perceived reduction of uncertainty, $B = 1.50$, $SE = 0.58$, $t(39) = 2.58$, $p = .014$. Third, the mediator had a significant effect on leader choice, $B = 0.91$, $SE = 0.29$, $Wald = 9.76$, $p < .01$. Finally, the effect of context was reduced to non-significance when the mediator was entered, $B = 1.89$, $SE = 1.01$, $Wald = 3.49$, $p > .06$, $Z = 1.87$, $p = .03$ (directional). Thus, mediation was established and Hypothesis 1 was confirmed.

Discussion and Introduction to Study 3.2

Results of the first study showed that crisis is an important contextual factor that influences the emergence of narcissists as leaders. In line with our expectations high narcissists, in contrast to low narcissists, were perceived to reduce uncertainty more in a crisis than a non-crisis context, and this led others to choose them as leaders more often. These findings suggest that during crises, the positive leadership characteristics of narcissists, such as confidence and extraversion, surpass their negative characteristics, such as arrogance, exploitativeness and egocentrism.

In Study 3.2 we built on these findings and investigated whether high narcissists are also chosen as leaders when people directly experience a crisis that threatens their personal interests. Furthermore, as results of Study 3.1 indicated that high narcissists were expected to reduce uncertainty more in times of crisis, we hypothesized that greater pessimism with regards to future outcomes would

prompt people to choose the high narcissist, rather than the low narcissist, as leader. We thus expected to replicate the results of Study 3.1, and predicted that in times of directly experienced crisis rather than non-crisis, high narcissists will emerge as leaders more often than low narcissists, and that this will be mediated by greater pessimism regarding expected future outcomes (Hypothesis 2).

Method

Participants and design

Ninety-five students ($M = 21.41$ years; 27 men) participated for course credit or 10 Euros. Participants were randomly assigned to one of two conditions (crisis versus non-crisis).

Procedure

Participants were informed that they were about to engage in a computer-mediated three-person group task, in which their group had to perform several tasks, one of which involved another three-person group. In reality, there were no other group members and the participants interacted individually with the computer in a simulated group task.

To facilitate the creation of leader profiles later in the experiment participants completed a "personality questionnaire" (see 'Leader Profiles'). After completing this questionnaire, the simulated group task commenced. At the end of the task participants chose a leader, and answered several questions.

Task and manipulation of crisis

Task. We adapted a computerized interactive task used in negotiation studies (e.g., De Dreu, Koole, & Oldersma, 1999; Van Kleef, De Dreu, & Manstead, 2004), in order to create a context that required participants to choose

a leader and within which we could manipulate crisis with strong psychological realism. Participants negotiated the sale of hybrid cars, and were instructed that they would be randomly allocated to one of three roles in either the sellers' or the buyers' group. In reality, all participants took on the role of representative of the sellers' group, and had to negotiate with a (simulated) representative from the buyers' group.

There was one issue to be negotiated—the price of cars. Participants could sell the cars for any price, ranging between €20 000 and €35 000 per car, but they received a financial incentive to try and obtain a price of at least €28 000 (see 'Manipulation of crisis'). Participants were informed that the buyer would make the first offer, that they could respond with a counteroffer, and that the negotiation would end when both parties agreed.

After participants read information about the cars, negotiation commenced. Over the first four negotiation rounds (phase 1) the buyer's proposed price increased at escalating increments. After round four, negotiation was momentarily interrupted and participants answered questions about the negotiation thus far. Furthermore, participants were told that they could send messages about their perception of the negotiation to the buyer. Next, we manipulated the context as either crisis or non-crisis (see 'Manipulation of crisis'), and negotiation resumed for another three rounds (phase 2).⁸

After round seven, negotiation was interrupted and participants answered the same questions as after the first negotiation phase. Next, participants were informed that their group would have to perform additional tasks, and that they should choose one of their fellow group members as leader to complete the current task and to lead the group during the subsequent tasks.

⁸ Four participants were removed from the analysis because they settled on a price before the end of round 6 (cf. Tripp & Sondak, 1992). However, including these participants in our analyses yielded identical results.

Manipulation of crisis. According to its definition (Pearson & Clair, 1998), crisis constitutes an unexpected change in the situation that creates uncertainty, and affects the interests of the individual as well as the group. Following this definition, our manipulation of crisis was twofold. First, after the first negotiation phase, participants in the *crisis* condition received sudden negative feedback from the buyer stating that they felt uncomfortable with the way that the negotiation was unfolding, and that the negotiation was difficult. The first element of crisis, in that it is an unexpected event which causes uncertainty, is captured by the suddenness of the negative feedback from the buyer. Thus, the purpose of this negative statement was to unexpectedly interrupt the stable negotiation that participants had experienced in phase one. This served as a catalyst for the second part of the crisis manipulation, which entailed a substantial decrease in the buyer's proposed offers during negotiation phase two. This is also likely to instigate uncertainty as it is not consistent with the previous rounds of negotiation and departs from it drastically.

Participants in the *non-crisis* condition received feedback from the buyer stating that they felt comfortable, and that the negotiation was proceeding as it should. In the second negotiation phase the buyer's proposed offers remained consistent with the trend of the first phase.

Because participants needed to negotiate at least 4 rounds to receive the crisis versus non-crisis manipulation, all participants received a financial incentive to prevent them from settling too early. They were informed that all members in the seller group would receive 2 extra euros if they negotiated a price of at least €28 000. This incentive also served to ensure that participants were adequately committed to the negotiation, and that failure to successfully finish negotiating would be perceived as threatening to their personal and group's interests (the second part of the definition of crisis; Pearson & Clair, 1998).

Leader profiles

The leader profiles (high versus low narcissistic group member) were similar to the ones used in Study 3.1. The only difference was that at the beginning of the experiment, participants were asked to complete a fake personality questionnaire containing all of the items (see also Steinel & De Dreu, 2004; Ten Velden, Beersma, & De Dreu, 2009). Thus, participants believed that all group members had completed this test. Prior to choosing a leader they received the questionnaires allegedly completed by the other two group members, with their answers manipulated in such a way that a high narcissistic or a low narcissistic profile appeared for each group member (see Study 3.1).

Dependent measures

Manipulation checks. The *manipulation of crisis* was checked with five items (e.g., "The negotiation can be described as a crisis"). In addition, two items measured experienced comfort after the first negotiation phase and after the second negotiation phase (e.g., "I felt comfortable during the negotiation"; all 1 = "Completely disagree" to 7 = "Completely agree"; both α s > .82).

As was done in Study 3.1, we checked the adequacy of our leader profiles by measuring the same leader perceptions central to narcissism (1 = "Completely disagree" to 5 = "Completely agree").

Expected future outcomes. Participants assessed, as a percentage, the probability of a successful negotiation outcome, with lower percentage indicating greater pessimism in future outcomes. This was measured at two periods, once after the first and once after the second negotiation phase.

Leader emergence. We asked participants to choose one of their group members as leader for the remainder of the experiment.

Results

Manipulation checks

Results revealed that participants experienced more crisis in the crisis condition ($M = 3.79$, $SD = 1.20$) than in the non-crisis condition ($M = 2.68$, $SD = 1.18$), $t(89) = 4.45$, $p < .001$, Cohen's $d = .94$. Furthermore, a 2 (crisis versus non-crisis) by 2 (comfort after phase 1 versus phase 2) repeated-measures analysis with comfort as the within-subjects variable revealed that participants experienced less comfort in the second phase ($M = 3.88$, $SD = 1.50$) than in the first phase ($M = 4.64$, $SD = 1.31$), $F(1, 89) = 24.50$, $p < .001$, $\eta^2 = .22$. This effect was qualified by an interaction between condition and comfort, $F(1, 89) = 51.90$, $p < .001$, $\eta^2 = .37$, see Figure 3.1. In the crisis condition, participants reported less comfort in the second negotiation phase, $F(1, 89) = 76.37$, $p < .001$, $\eta^2 = .46$. For participants in the non-crisis condition this difference was not significant, $F(1, 89) = 2.46$, *ns*. Taken together, these results indicate that our manipulation of crisis was successful.

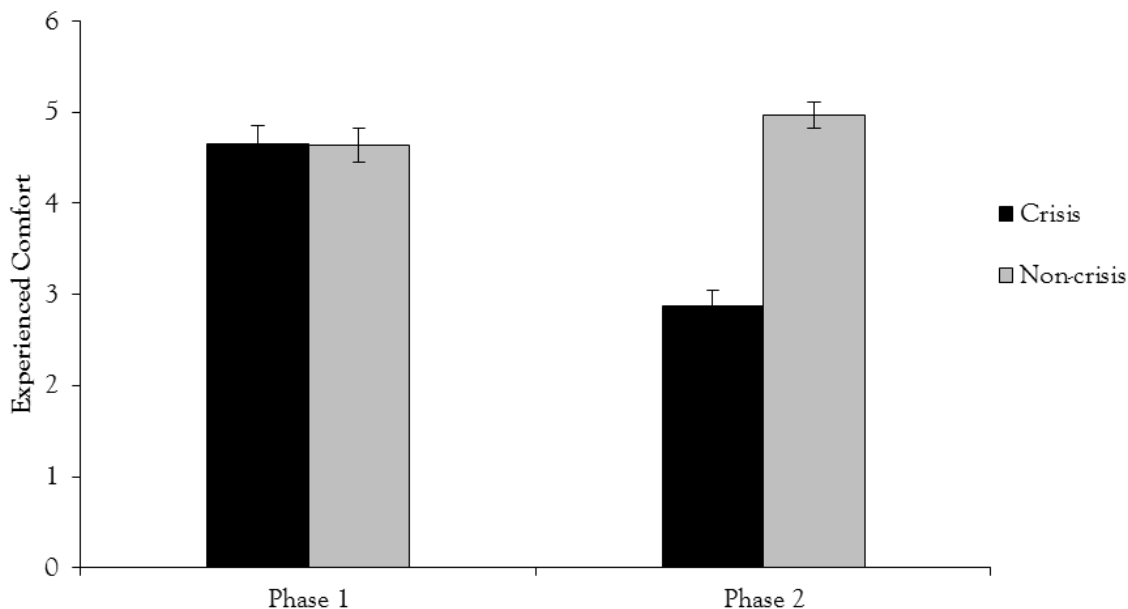


Figure 3.1. Experienced Comfort During Negotiation Phase One and Two as a Function of Crisis Versus Non-crisis.

Paired-samples t-tests revealed that participants perceived the high narcissistic group member as more tough ($M = 4.71$ vs. 1.91), arrogant ($M = 4.68$ vs. 1.48), manipulative ($M = 4.56$ vs. 1.82) and less empathic ($M = 1.95$ vs. 4.25) than the low narcissistic group member, all $t(90) \geq 13.02$, $p < .001$. This provides support for our presentation of the prospective leader profiles as either high versus low narcissistic.

Leader emergence

A Chi-Square analysis revealed that high narcissists were in general chosen more often as leaders (63%, $n = 57$ of 91) than low narcissists (37%, $n = 34$ of 91), $\chi^2(1, N = 91) = 5.81$, $p = .016$, $\phi = .25$. Second, and more importantly, the analysis revealed a significant effect of condition on leader choice, $\chi^2(1, N = 91) = 3.94$, $p = .047$, $\phi = .21$. Participants in the crisis condition more often chose the high narcissistic group member as a leader (72%, $n = 34$ of 47) than the low narcissistic group member (28%, $n = 13$ of 47), $\chi^2(1, N = 47) = 9.38$, $p < .01$, $\phi = .45$. For participants in the non-crisis condition there was no difference (52%, $n = 23$ of 44 chose the high narcissist as a leader, and 48%, $n = 21$ of 44 chose the low narcissist), $\chi^2(1, N = 44) = 0.09$, ns.

Expected future outcomes

A 2 (crisis versus non-crisis) by 2 (expected future outcomes after phase 1 versus phase 2) repeated-measures analysis with expected future outcomes as the within-subjects factor revealed, first of all, that participants experienced more pessimism about future outcomes (i.e. indicated a lower probability of success) after the second phase ($M = 55.56$, $SD = 23.10$) than after the first phase ($M = 64.43$, $SD = 19.56$), $F(1, 89) = 18.35$, $p < .001$, $\eta^2 = .17$. This effect was qualified by an interaction between condition and expected future outcomes, $F(1, 89) = 51.89$, $p < .001$, $\eta^2 = .37$, see Figure 3.2. In the crisis condition, participants

experienced greater pessimism regarding future outcomes after the second negotiation phase than after phase one, $F(1, 89) = 68.23, p < .001, \eta^2 = .43$. For participants in the non-crisis condition, this difference was reversed, $F(1, 89) = 4.13, p = .05, \eta^2 = .04$.

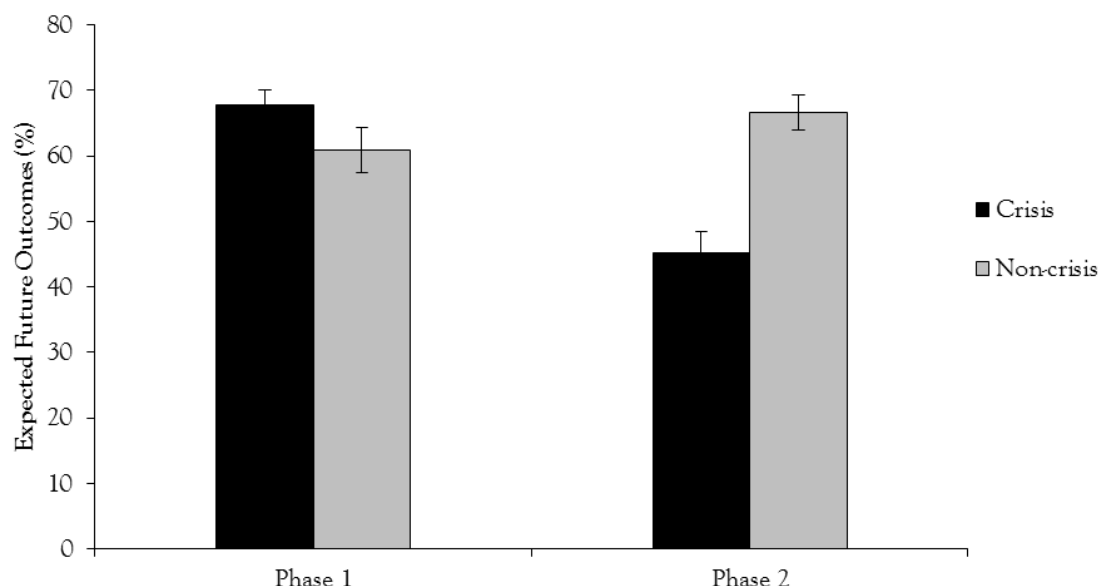


Figure 3.2. Expected Future Outcomes During Negotiation Phase One and Two as a Function of Crisis Versus Non-crisis.

Mediation analysis

We conducted mediation analysis to investigate whether the effect of crisis versus non-crisis on leader choice was mediated by participants' pessimism regarding future outcomes after the second phase, while controlling for phase one (Hypothesis 2). First, results showed that condition (crisis versus non-crisis) had a significant effect on leader choice, $B = 0.87, SE = 0.44, Wald = 3.84, p = .05$. Second, condition had a significant effect on the mediator expected future outcomes, $B = 25.50, SE = 3.64, t(88) = 7.00, p < .001$. Third, the mediator had a significant effect on leader choice, $B = 0.72, SE = 0.30, Wald = 5.88, p = .02$. Finally, the effect of condition was reduced to non-significance when the

mediator was entered, $B = 0.05$, $SE = 0.58$, $Wald = 0.01$, $p = .93$, $Z = 1.86$, $p = .03$ (directional). Thus, mediation was established and Hypothesis 2 was confirmed (see Figure 3.3).

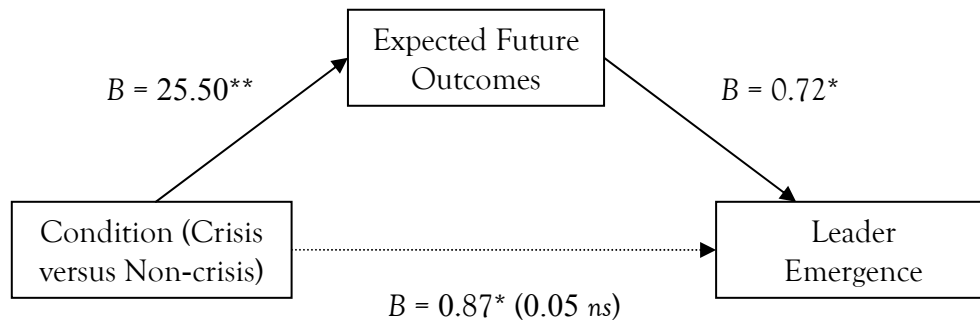


Figure 3.3. Effect of Condition (Crisis versus Non-crisis) on Leader Choice Mediated by Expected Future Outcomes.

General Discussion

Despite several negative interpersonal characteristics such as egocentrism, exploitativeness and lack of empathy, many of the world's leaders appear to be narcissistic. Building on work suggesting that narcissistic leaders may be better suited for unstable rather than stable contexts (Campbell & Campbell, 2009), we argued that a crisis (versus non-crisis) context would enhance the appeal of choosing narcissists as leaders. Indeed, results revealed that especially in a crisis context, high narcissists were perceived to reduce uncertainty more than low narcissists, and therefore were chosen more often as leaders (Study 3.1). Furthermore, high narcissists were chosen as leaders over low narcissists when people directly experienced the threat of a crisis (Study 3.2). The current research thus showed that people perceive a positive side to choosing a high narcissist as leader, particularly in the context of crisis as narcissists are perceived to reduce

uncertainty and pessimism about future outcomes. Across both studies high narcissists were found to be generally more often chosen as leaders than low narcissists. This is in line with prior research which found that narcissists tend to emerge as leaders in group contexts (Brunell et al., 2008; Nevicka et al., 2011).

Taken together, the results of the two studies presented in this chapter provide first time evidence that a crisis context significantly enhances the appeal of a narcissist as leader, which has been suggested in prior literature but not empirically tested (e.g., Campbell & Campbell, 2009; Galvin, Waldman, & Balthazard, 2010; Rosenthal & Pittinsky, 2006). It seems that in personally threatening contexts, such as crises, people prefer a leader who is high on agentic characteristics (cf. Hoyt et al., 2009) and the fact that narcissists are characteristically low on communal traits such as warmth and empathy does not curtail their emergence as leaders in such contexts. It should be noted that our results show that even though people were aware of the negative narcissistic traits, they still preferred high narcissists over low narcissists in a crisis context.

The research reported in this chapter makes several noteworthy contributions. First of all, the current research extends our knowledge on the rise of narcissists as leaders (e.g., Brunell et al., 2008; Judge et al., 2006; Nevicka et al., 2011) by demonstrating the importance of context for their leadership emergence. Furthermore, our research contributes to work on the role of personality in leadership (e.g., Judge et al., 2002; Lord et al., 1984) and extends the broader work on leadership in times of threat or crisis (e.g., Bligh et al., 2004; Cohen et al., 2004; Hoyt et al., 2009; Madera & Smith, 2009; Pillai & Meindl, 1998).

Finally, our research extends literature regarding individuals' responses to threatening and uncertain situations. For example, terror-management theory (Greenberg, Pyszczynski, & Solomon, 1986) postulates that when people are reminded of their death they cope with this threat by associating with individuals, groups and actions that bolster their self-esteem and serve as an anxiety buffer

(e.g., Solomon, Greenberg, & Pyszczynski, 2004). We show that when individuals feel threatened they wish to associate with a narcissistic leader who is perceived to reduce their uncertainty and pessimism regarding future outcomes and helps them deal with the crisis.

An interesting avenue for future research would be to examine how narcissistic leadership affects actual group performance during crises. High pressure contexts, such as crises, would be appealing to narcissistic individuals because the pressure magnifies the glory of success (Wallace & Baumeister, 2002). As narcissists persist in the face of failure (Wallace, Ready, & Weitenhagen, 2009) and show lower levels of stress and anxiety when faced with threat (Kelsey, Ornduff, McCann, 2001), it is possible that they could help reduce the anxiety of other team members in a crisis context.

Our research shows that in times of crisis, people tend to choose high narcissists as leaders. However, an additional possibility for the occurrence of narcissists in leadership positions might be that narcissistic individuals select themselves into crisis situations, such as organizations that are in difficulty. Such contexts would possibly provide them with a greater opportunity to shine. This is an interesting avenue for future research.

In two studies we consistently showed that the context of crisis enhances the emergence of narcissists as leaders, even though their negative characteristics are still acknowledged. When individuals find themselves in a state of crisis, with anxiety and uncertainty looming, they prefer a high narcissistic leader who exudes strength, overconfidence, toughness and arrogance, despite being egocentric, arrogant and exploitative. Thus, the positive side of narcissistic leaders appears to shine through particularly in times of crisis.

CHAPTER 4

STRIVING TO BE DIFFERENT:

INNOVATIVE BEHAVIOR OF NARCISSISTIC LEADERS IN DYNAMIC
CONTEXTS

Narcissism is often presumed to be a negative leadership trait, due to the arrogance and self-centeredness of these leaders, however, the narcissist's personal quest for glory and a desire to be different can motivate such leaders to exhibit innovative behavior in certain contexts. We argue that such a context would be one where the organizational environment is dynamic and subject to change, which generates a need for innovation. We propose and consistently find in two different samples, using multisource data (Studies 4.1 and 4.2) that leaders' narcissism is positively related to leaders' innovative behavior but only in dynamic contexts. Additionally, Study 4.2 also showed that leaders' individuation, i.e. behavior that is aimed at differentiating oneself from others, mediated this relationship. We discuss implications for theory and practice.

Recent interest in the study of narcissism in leaders, a personality characterized by self-absorption and overconfidence in one's abilities (Morf & Rhodewalt, 2001), stems from the seeming prevalence of narcissistic characteristics in many of the world leaders. Some prominent examples include Steve Jobs from Apple (Robins & Paulhus, 2001), Kenneth Lay of Enron (Kramer, 2003), President Nicholas Sarkozy (De Sutter & Immelman, 2008) and also some of the great tyrants of modern history, including Adolf Hitler, Joseph Stalin and Saddam Hussein (Glad, 2002). The leadership role provides narcissists with an alluring stage from which they can show off their superiority and demonstrate their leadership competencies. Yet, narcissism in leaders represents a paradox: although narcissists exude high self-confidence, dominance, extraversion, persuasiveness, independent thinking and persistence, which are all important leadership characteristics, they also possess a host of negative relational traits including arrogance, lack of empathy and egocentrism. Consequently, narcissistic leaders have been dubbed to have both a 'bright' and a 'dark' side to them (Judge, Piccolo, & Kosalka, 2009). For example, narcissistic leaders are likely to see opportunities for changes (Campbell, Hoffman, Campbell, & Marchisio, 2011), espouse bold visions (Galvin, Waldman, & Balthazard, 2010) and are perceived as charismatic by their followers (Deluga, 1997), yet their self-interest focus can lead them to pursue their own goals at long-term cost to others (Campbell, Bush, Brunell, & Shelton, 2005) and they fail to take into account the views of others (Padilla, Hogan, & Kaiser, 2007). When exactly leader narcissism would constitute an asset to organizations is, however, heretofore unknown.

In the current chapter we propose that narcissistic leaders may prove to be a potential asset for organizations through their innovative efforts. This idea stems from lab studies indicating that narcissists are particularly skilled in convincing others of the creativity of their ideas (Goncalo, Flynn, & Kim, 2010), which is an important aspect of innovative behavior. Furthermore, the superficial charm and

overconfidence of narcissistic leaders would also make them ideal candidates for promoting and implementing innovative and creative ideas. The importance of innovation for the competitiveness and survival of organizations has been persistently highlighted in the literature (see, e.g., Oldham & Cummings, 1996; Scott & Bruce, 1994), and the leader's efforts in this process are indispensable to the successful adoption of innovations (Jung, Wu, & Chow, 2008). In this chapter we argue that the potential 'bright' side of narcissistic leaders may involve their propensity to be innovative, however, this will only prevail in a specific context.

Recent research findings suggest that a critical determinant of narcissists' task effort is the opportunity to self-enhance and show that they are superior to others (Wallace & Baumeister, 2002). Thus, we argue that narcissistic leaders are likely to be only motivated to show innovative leader behavior in environments in which being innovative is considered an indicator of success, namely in dynamic contexts. In a dynamic organizational context (characterized by rapid change and instability, cf. De Hoogh, Den Hartog & Koopman, 2005; De Hoogh et al., 2004) organizations must respond to the changing external demands in order to remain financially viable (Amabile, 1988; Mumford, 2000; Scott & Bruce, 1994; West, 2002). Narcissistic leaders would be quick to perceive such an environment as an opportunity to show off their unique skills, and through innovation they would attempt to solicit attention, admiration and show that they are better and different than others.

Therefore, the present research examines environmental dynamism as a moderator of the relationship between leaders' narcissism and innovative behavior, and the role of leader individuation, i.e. a leader's attempt to differentiate from others, as a mediator in two field studies. In the first study we link the joint effects of leaders' narcissism and dynamism of the context to leaders' innovative behavior. In the second study we focus on leader individuation

as a mediator and replicate the findings of the first study in a different sample. The present research thus (a) attempts to uncover a potential ‘bright’ side to narcissistic leaders in terms of identifying the circumstances under which they are likely to exhibit innovative behavior; (b) extends earlier research on narcissism and creativity by focusing on innovative behavior of narcissistic leaders in an organizational context; and (c) extends the leadership literature by identifying dynamism of the context as a theoretically relevant boundary condition for the innovative behavior of narcissistic leaders and the increase or decrease of their individuation as an underlying process.

Narcissistic Leadership

Narcissism as a term goes as far back as Greek mythology which tells a story of Narcissus, a young man who became so enamored with his own reflection in a pool he eventually perished due to his own self-absorption. Narcissism as a personality style has been described as an affective and cognitive preoccupation with oneself (Westen, 1990).⁹ Narcissists have been found to be high on dominance and power (Carroll, 1987; Emmons, 1989), confidence (Campbell, Goodie, & Foster, 2004; Robins & Beer, 2001), risk taking propensity (Campbell et al., 2004), self-esteem (Emmons, 1984), self-efficacy (Watson, Sawrie, & Biderman, 1991), approach motivation (Foster & Trimm, 2008), and extraversion (Miller & Campbell, 2008). These characteristics correspond with prototypical attributes that people associate with leaders, such as extraversion, confidence, dominance, high self-esteem and generalized self-efficacy (Judge, Ilies, Bono, &

⁹ The primary characteristics of narcissism include grandiosity, an exaggerated sense of self-importance, exploitativeness of others, lack of empathy, sense of entitlement, self-centeredness, and a feeling of superiority and vanity (DSM IV; American Psychiatric Association, 1994). The present study focuses on sub-clinical narcissism found in general populations rather than the pathological form of narcissism as is defined in clinical psychology (cf. Buffardi & Campbell, 2008; Judge et al., 2006; Twenge & Campbell, 2003; Wallace & Baumeister, 2002).

Gerhardt, 2002; Paunonen, Lönngqvist, Verkasalo, Leikas, & Nissinen, 2006; Smith & Foti, 1998). If an individual is identified by others as matching this leadership prototype they are more likely to be viewed as a leader (Smith & Foti, 1998) and, thus, it is not surprising that narcissists have been found to consistently emerge as leaders in team based settings (e.g., Brunell et al., 2008; Nevicka, De Hoogh, Van Vianen, Beersma, & McIlwain, 2011).

Despite narcissists' seeming prevalence in leadership positions, it is difficult to establish whether narcissistic leaders would have a positive or a negative influence in an organizational setting due to the multi-faceted nature of narcissism. Since narcissism is a negatively laden term (Campbell, 2001), several arguments have been put forth with regards to the downside of narcissistic leaders (Rosenthal & Pittinsky, 2006). Their extreme overconfidence, feelings of superiority relative to others, sense of entitlement, egocentrism, arrogance, sensitivity to criticism, lack of empathy, exploitativeness, instrumental use of others, and their high need for power all suggest that a narcissistic leader would be destructive to any organization (Glad, 2002; House & Howell, 1992; O'Connor, Mumford, Clifton, Gessner, & Connelly, 1995; Rosenthal & Pittinsky, 2006). Moreover, narcissistic leaders' grandiose dreams of power and unlimited success might lead them to undertake risky ventures, without adequately taking into account the advice of others (Padilla et al., 2007), or without considering how their decisions may impact the organization. For example, narcissists were found to benefit themselves with respect to resource consumption at long-term cost to others (Campbell et al., 2005), and they exhibited counterproductive work behavior (Judge, LePine, & Rich, 2006).

However, on the bright side, narcissists are charismatic, energetic, socially confident, and charming (Campbell, Reeder, Sedikides, & Elliot, 2000), they are perceived as popular in early encounters (Back, Schmukle, & Egloff, 2010), they can convince others that their ideas are more creative (Goncalo et al., 2010), and

in a leadership context their grand visions, coupled with great charisma, have been said to lure in a throng of devoted followers (Maccoby, 2004). In discussing the bright sides of dark leadership traits, Judge et al. (2009) suggested that narcissistic leaders favor bold and aggressive actions that are likely to draw attention to their vision and leadership. Innovation is one avenue through which narcissistic leaders can obtain visibility and attention that they seek. We therefore argue that one of the assets of narcissistic leaders is their potential to be innovative which may prevail in dynamic organizational environments.

Innovative Behavior and Environmental Dynamism

Innovation is essential for organizations to remain competitive in today's rapidly changing and challenging environments, which are spurred on by globalization, shifting technologies and increasing customer demands (Jung, Chow, & Wu, 2003; Rauch & Frese, 2000). An organization's ability to innovate is seen as a key driver in adapting and responding to these changes (Amabile, 1988; Damanpour, 1991; Kanter, 1988; Mumford, 2000; Woodman, Sawyer, & Griffin, 1993; West, 2002). As a result, innovative behavior of individuals in the organization has been recognized as strategically important to the survival of the organization (Oldham & Cummings, 1996; Scott & Bruce, 1994; Shalley, 1995; West, Hirst, Richter, & Shipton, 2004).

Leaders in particular play an important role in the innovation process because the leadership position endows these individuals with greater influence, discretion and latitude than other organizational employees in promoting and implementing innovations (Jung et al., 2008; Mumford & Licuanan, 2004). Furthermore, leaders can stimulate greater innovative behavior in their followers through the process of role modeling, whereby the followers come to emulate the innovative efforts of their leader. To that effect prior research found that creative

behaviors of leaders contributed to greater individual and group creativity in their followers (Jaussi & Dionne, 2003). Thus, in examining the perceived innovative behavior of narcissistic leaders we can begin to uncover their potential 'bright' side for organizations.

Innovation has been defined as "the intentional introduction and application within a job, work team or organization of ideas, processes, products or procedures which are new to that job, work team or organization and which are designed to benefit the job, the work team or the organization" (West & Farr, 1990, p. 9). Creativity, i.e. the generation of ideas, constitutes the initial step necessary for innovation to occur and innovation encapsulates the entire process, including the adoption and successful implementation of these ideas (Scott & Bruce, 1994). Thus, for an individual to be considered innovative they must be able to gather support for their ideas and break down resistance within the organization in order to ensure the successful implementation of the innovation (Janssen, Van de Vliert, & West, 2004).

As narcissists are characteristically overconfident, self-assured, extraverted, superficially charming and persist in the face of obstacles, narcissistic leaders would be particularly skilled at persuading others to accept their ideas. However, it is important to take context into account because narcissists are only motivated to exert effort in situations that allow for potential glory (Wallace & Baumeister, 2002). For example, Nevicka et al. (2011) found that narcissists only performed better in a group task when the context provided them with an opportunity to shine, and underperformed when such an opportunity was not present. As narcissistic leaders are preoccupied with exerting their superiority and demonstrating their competencies to the external world (Campbell et al., 2000; John & Robins, 1994), they would be constantly scanning situations and interpreting them with respect to whether or not they contain prospects for showing off. Therefore, narcissistic leaders will exhibit innovative behavior only in

favorable circumstances, i.e. in conditions that ask for change and where the generation, promotion and realization of new ideas is seen as indicative of success. We expect that a dynamic organizational environment will provide narcissistic leaders with precisely this opportunity to self-enhance and show off their innovative skills.

Environmental dynamism refers to the rate of change and the degree of instability of the environment (Dess & Beard, 1984) and as such dynamic organizational environments are frequently characterized by changes in technologies, variations in customer preferences, and fluctuations in product demand or supply of materials (Jansen, Van den Bosch, & Volberda, 2006). When an organizational environment is in a constant state of flux it is important for organizations to respond to these shifting external demands in order to remain competitive, and innovation, thereby, becomes crucial for organizational survival (Jung et al., 2008; West, 2002). Furthermore, when employees recognize their proximate environment as dynamic the need for innovation becomes more widely accepted and also the receptiveness to proposals for changing the status quo (Frambach & Schillewaert, 2002). Thus, innovative behavior in such a context will be considered an important indicator of good performance. We therefore expect that a dynamic environment will motivate narcissistic leaders to exhibit innovative behavior as it is an opportune way to demonstrate their competence and superior skills with great visibility potential. From the narcissistic leader's perspective, being perceived as innovative in such an environment will be analogous to success.

Conversely, stable organizational environments often offer more formalized and defined goals and structures (De Hoogh et al., 2005) and are not likely to motivate narcissistic leaders to exhibit innovative behavior because such contexts are less open to change and therefore contain fewer opportunities for self-enhancement. Furthermore, leaders who question the status quo and continually

seek improvements under steady state circumstances may be viewed negatively as they are too unsettling (De Hoogh et al., 2005; Howell & Avolio, 1993), rather than being viewed as successful or superior due to their innovative efforts. Thus, narcissistic leaders will only be motivated to show innovative behavior in dynamic organizational contexts.

Innovative Capabilities of Narcissistic Leaders

In addition to the greater motivation of narcissistic leaders to be innovative in dynamic environments, these leaders also possess the necessary innovative capabilities; they are particularly skilled in promoting an innovation and convincing others of its viability. We argue that narcissists can be characterized as idea champions, i.e. as someone who overcomes resistance and inertia with respect to the creative idea, and promotes this novel idea actively and rigorously through informal networks to ensure the success of the innovation (e.g., Howell & Higgins, 1990). Idea champions are willing to take risks (Schon, 1963), display persistence even in the face of failure, and show extraordinary confidence in themselves and their mission (Barron & Harrington, 1981; Howell & Higgins, 1990). Narcissistic leaders would be very apt at undertaking this role of innovation promotion because of their extreme overconfidence (Judge et al., 2006), their charm (Back et al., 2010), their independent thinking, risk taking and their bold visions (Galvin et al., 2010). For instance, narcissistic individuals were found to be very skilled at persuading others in seeing their ideas as very creative and their art of persuasion seemed to stem from the overconfidence and enthusiasm with which they pitched their ideas (Goncalo et al., 2010). Thus, if narcissists need to convince others to accept their idea they should be very capable of accomplishing this, precisely what is required of an idea champion in pushing an innovation through. Furthermore, an idea champion needs to be able to

persist despite obstacles and resistance within the organization (Howell & Higgins, 1990), and narcissists have been found to be very persistent despite setbacks (Wallace, Ready, & Weitenhagen, 2009). Thus, an avenue via which narcissistic leaders can exhibit innovative behavior is through their ability to inspire, influence and persuade others to accept their innovation, and hence break down the resistance and inertia to change.

In summary, a dynamic environment provides an opportunity for narcissistic leaders to show off their innovative talents. Such a context will stimulate narcissistic leaders' role as idea champions because it creates urgency for innovativeness, and thereby allows narcissistic leaders to utilize their persuasiveness. Given the above arguments we hypothesize the following:

Hypothesis 1: Leader's narcissism will be positively related to the leader's innovative behavior when an organization's environment is dynamic.

Study 4.1

Method

Participants and procedure

The participants comprised of 61 team managers (leaders) and their respective subordinates (followers) from 33 different organizations operating in the Netherlands. A combination of pen and paper, as well as Internet questionnaires was utilized to gather the data. The paper questionnaires were first sent to the leader and, based on an arbitrary method of using numerical birth day order, distributed to three followers. The questionnaires were completed anonymously and returned to the researchers in sealed envelopes. The leaders who participated via Internet received a link to the Internet questionnaire via email. The leader completed the questionnaire and provided email addresses of three followers to the researcher. Subsequently, the followers were sent a link to

the Internet questionnaire. All participants were guaranteed that their responses would be treated with full confidentiality.

In total 221 leaders were contacted and sent the questionnaires, with 71 leaders (32%) agreeing to participate. After deleting incomplete and unmatched questionnaires, our final sample comprised of 61 leaders (28%) and 159 followers, with 2.6 followers per leader on average. The leaders ($M = 43.12$ years, $SD = 7.99$; 79% men) had an average tenure of 9.45 years, and 92% held a university degree. The followers ($M = 36.73$ years, $SD = 9.51$; 56% men) had an average tenure of 6.70 years and 73% held a university degree.

Measures

Two different questionnaires were used in this research to gather survey data: one for the leaders and one for the followers, allowing us to have multi-source data to test our predictions. Leader's narcissism was determined by self-report measures of the leader, whilst environmental dynamism and leader's innovative behavior were derived from the ratings of multiple followers.

Leader's narcissism was measured using the Narcissistic Personality Inventory (NPI; Raskin & Hall, 1979) which was completed by the leaders. The NPI consists of 40 forced-choice dichotomous (*true/false*) items and has shown repeated evidence of construct validity and internal consistency as a measure of narcissism in general populations (e.g., Brunell et al., 2008; Raskin, Novacek, & Hogan, 1991; Raskin & Terry, 1988; Wallace & Baumeister, 2002). Some example items include: "I know that I am a good person because everybody keeps telling me so;" and "I want to amount to something in the eyes of the world". As done in prior research, the NPI score was computed as the mean across 40 items, and the scale was shown to have a good reliability (Cronbach's $\alpha = .85$).

Environmental dynamism. In order to measure environmental dynamism, the followers completed a three item scale developed by De Hoogh et al. (2005). An example item is: "I perceive my environment as dynamic". Answers were given on a seven point scale ranging from 1 = "Not at all" to 7 = "Very much so". The scale was shown to have a good reliability (Cronbach's $\alpha = .87$).

Leader's innovative behavior was measured using Janssen's (2001) nine item scale for individual innovative behavior in the workplace, which was completed by the followers. Small adaptations were made in order to allow followers to assess their leader's display of innovative behavior. Example items include: "My leader creates new ideas for difficult issues" and "My leader searches out new working methods, techniques, or instruments." The items were rated on a five-point scale ranging from 1 = "Never" to 5 = "Always". The scale was shown to have a good reliability (Cronbach's $\alpha = .90$).

Control variables. In order to rule out any confounds, we included possible relevant variables as controls. The leader's tenure was included as prior research suggests that tenure may negatively affect innovation as people come to accept the status quo (Hülshager, Anderson, & Salgado, 2009). We also included span of control because prior research suggests it can influence leadership perceptions made by the followers (Gittell, 2001; Spreitzer, 1996).

Data aggregation. To assess the appropriateness of aggregating individual scores to the team level, we calculated within-team agreement (r_{wg} ; James, Demaree, & Wolf, 1993), intraclass correlations (ICC[1]), and reliabilities of the means (ICC[2]; Bliese, 2000). These tests yielded sufficient support to aggregate our data to the team level of analysis (dynamism: ICC[1]=.42, ICC[2]=.65, $r_{wg} = .79$; leader's innovative behavior: ICC[1]=.36, ICC[2]=.60, $r_{wg} = .85$, Klein &

Kozlowski, 2000). The ICC (1) values were within the normal range found in organizational research (Bliese, 2000; Klein & Kozlowski, 2000) and the ICC (2) were satisfactory given that there was a mean of only 2.6 raters per leader and the ICC(2) index is dependent on the number of raters per group (Bliese, 2000). Furthermore, the high within-group consensus as demonstrated by the r_{wg} values, suggested that data aggregation was justifiable (Bliese, 2000; Klein & Kozlowski, 2000; Wu, Tsui, & Kinicki, 2010). Thus, the follower-rated variables, namely dynamism and leader's innovative behavior, were aggregated based on the mean.

Results

Table 4.1 displays the means, standard deviations, and inter-correlations of the variables included in the study. As can be seen, leader's tenure correlated negatively with leader's innovative behavior, and span of control correlated positively with dynamism. In prior studies that measured narcissism in general populations, narcissism was found to significantly correlate with gender, and thus it was necessary to control for its effect in subsequent analyses (Wallace & Baumeister, 2002). As can be observed in Table 4.1 there was no correlation between gender and narcissism in our sample. Including gender in our analyses did not alter our results, thus, gender was not included as a control variable.

Table 4.1

Means (M) Standard Deviations (SD), and Correlations Among Variables

	M	SD	1	2	3	4	5
1. Leader's gender ^a	1.20	0.40					
Leader's tenure							
2. (years)	9.45	8.50	-.25*				
3. Span of control	42.73	94.47	-.15	-.01			
4. Leader's narcissism	0.49	0.17	.06	-.23	-.25†		
5. Dynamism	5.33	0.97	-.20	-.05	.29*	.08	
6. Innovative behavior	3.57	0.51	-.10	-.28*	.06	.24†	.38**

Note. N = 61.

^a male = 1, female = 2.† $p = .10$, * $p < .05$, ** $p < .01$.

Hypothesis 1 stated that the leader's narcissism would be positively related to leader's innovative behavior in a dynamic environment, and this was tested using hierarchical regression analysis. The independent variables were centered and standardized prior to being entered into the regression model (Aiken & West, 1991). First, the control variables were entered into the model, then in step two leader's narcissism and environmental dynamism, and finally in step three the interaction term was added. Table 4.2 presents the results of this analysis. Environmental dynamism was positively related to leader's innovative behavior ($\beta = .38$, $p < .01$). Furthermore, in accordance with Hypothesis 1, we found a significant interaction of leader's narcissism and environmental dynamism on leader's innovative behavior ($\beta = .25$, $p = .048$), $F(5, 54) = 5.01$, $p < .01$, $\Delta R^2 = .05$. This interaction is depicted in Figure 4.1. Simple slope tests (Aiken & West, 1991) revealed that in a high dynamic environment there was a significant positive relationship of leader's narcissism with leader's innovative behavior ($\beta = .48$, $t = 2.47$, $p = .017$). Thus, in a highly dynamic environment, high narcissistic

leaders exhibited more innovative behavior than low narcissistic leaders. There was no significant relationship between leader's narcissism and leader's innovative behavior in a low dynamic environment ($\beta = -.05$, $t = 0.31$, ns). Therefore, Hypothesis 1 was supported.

Table 4.2

Results of Moderated Regression Analysis for Leader's Narcissism and Environmental Dynamism Explaining Leader's Innovative Behavior

Variables	β	R^2	ΔR^2
Step 1			
Leader tenure	-.28*		
Span of control	.05	.08	.08
Step 2			
Leader tenure	-.22		
Span of control	.02		
Leader's narcissism	.17		
Dynamism	.39**	.27**	.19**
Step 3			
Leader tenure	-.26*		
Span of control	.08		
Leader's narcissism	.22		
Dynamism	.38**		
Leader's narcissism \times Dynamism	.25*	.32**	.05*

Note. $N = 61$. * $p < .05$, ** $p < .01$.

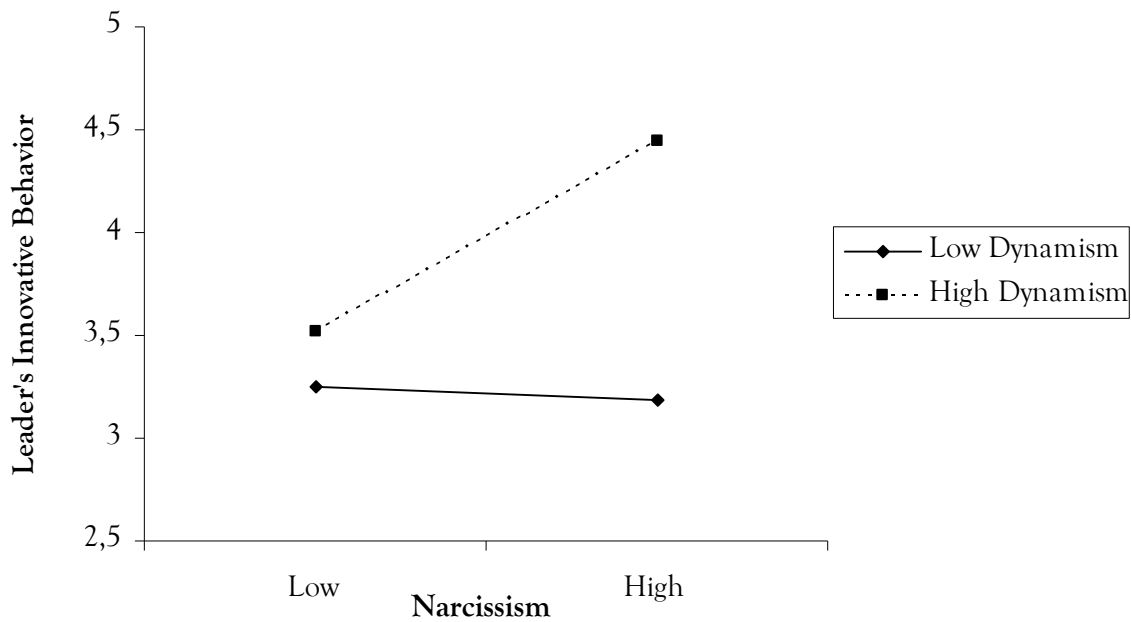


Figure 4.1. The Moderating Effect of Environmental Dynamism on Leader's Narcissism and Leader's Innovative Behavior.¹⁰

Discussion and Introduction to Study 4.2

Our findings in Study 4.1 confirmed Hypothesis 1 and showed that the leader's narcissism was positively related to leader's innovative behavior, but only in a dynamic environment, suggesting that such a context does elicit narcissists' innovative behaviors. In Study 4.2, we first aimed to replicate this finding using a different sample. Second, we investigated the process which underlies greater perceived innovativeness of narcissistic leaders in a dynamic environment, namely their attempts at differentiating themselves from others, a concept known as individuation (Whitney, Sagrestano, & Maslach, 1994).

¹⁰ High and low narcissism was calculated as either 1 *SD* above or below the mean.

Individuation as a link to innovative behavior

Behaving in a distinctive and unique way is a universal psychological phenomenon (Brewer, 1991), which is fundamental in developing one's identity, and is evident in the perception and interpretation of information of every individual. For example, self-distinguishing information is better memorized (Leyens, Yzerbyt, & Rogier, 1997), individuals tend to identify more strongly with distinctive groups (Brewer & Pickett, 1999), and in-groups are rated by members as being more heterogeneous than by non-members (Brewer, 1993). Individuals differ in the extent to which they are willing to publicly differentiate themselves from others in a social setting (Maslach, Stapp, & Santee, 1985; Maslach, Santee, & Wade, 1987), with some people actively seeking to be seen as different and unique, whereas others avoid the spotlight altogether (Whitney et al., 1994). Individuation requires individuals to have high self-esteem and confidence if they are to express original ideas, controversial statements and divulge personal information to make themselves different from others (Whitney et al., 1994).

Narcissists perceive that they are different and unique in contrast to other people, which stems from their grandiose sense of self-importance (Morf & Rhodewalt, 2001). Essentially this is where their sense of entitlement comes from, the feeling that they should receive more resources, and are deserving of special treatment (Campbell et al., 2004; Exline, Baumeister, Bushman, Campbell, & Finkel, 2004). Thus, narcissistic individuals have a proclivity to differentiate themselves from others, and to show themselves as unique and special. Much of their behavior is aimed at preserving this sense of uniqueness (Emmons, 1984). For instance, narcissists have a higher self-focused attention (Emmons, 1989), a higher need for power and social influence (Kets de Vries, 2004), which has been linked to individuation (Whitney et al., 2004), they perceive their performance better than peers and observers do (John & Robins, 1994), they perceive themselves more strongly than others as being different (Morf & Rhodewalt,

2001), are sensitive to wearing the latest fashion and expensive brand labels (Vazire, Naumann, Rentfrow, & Gosling, 2008), they enjoy visibility in the spotlight (Young & Pinsky, 2006), are boastful and eager to talk about themselves (Buss & Chiodo, 1991), gain esteem from public glory (Wallace & Baumeister, 2002), and self-promote extensively on social networking websites (Buffardi & Campbell, 2008).

However, narcissistic leaders' individuation behavior is likely to be contingent upon context (Whitney et al., 1994). An organizational environment that is characterized by dynamism, uncertainty and change is more likely to promote individuation because there is a greater need for individuals to voice their ideas in order to be responsive to environmental changes (Howell & Higgins, 1990; West, 2002). Thus, such an environment would amplify and be more enabling of individuation. This would be especially likely to occur for narcissistic leaders. That is to say, narcissists' natural tendency towards individuation will, according to Trait Activation Theory (cf. Tett & Burnett, 2003), be activated in dynamic environments. Whereas dynamic environments provide an excellent opportunity to exhibit one's uniqueness and superiority, such differentiation behaviors are triggered less and rather seem out of place or excessive (Rosenthal & Pittinsky, 2006) in stable environments. Thus, narcissistic leaders will show individuation especially in dynamic organizational contexts. Therefore, we predict the following:

Hypothesis 2: The leader's narcissism will have a positive relationship with leader's individuation, especially when an organization's environment is dynamic.

Individuation may be important for a leader to be perceived as innovative as it is associated with higher creativity, and a willingness to express dissenting opinions (Maslach et al., 1987). Similarly, individualistic groups tend to be more creative than collectivist groups because of greater emphasis on uniqueness rather than cohesiveness and conformity with group norms (Goncalo & Staw, 2006).

Individuation is directed at becoming distinguished from the group and hence will motivate individuals to raise a new idea, disagree with the prevalent point of view, and break the existing paradigm (Whitney et al., 1994). This is consistent with research on innovation which found that minority dissent stimulated creativity and divergent thought in a team setting (De Dreu & West, 2001). Moreover, individuation behavior attracts more attention and therefore such individuals have a potential to yield greater influence and social impact (Whitney et al., 1994), which is particularly important in promoting an innovation and ensuring its successful implementation. Thus, we predict the following hypothesis:

Hypothesis 3: Leader's individuation will be positively related to the leader's innovative behavior.

We expect that narcissistic leaders exhibit greater innovative behavior in a highly dynamic environment due to their individuation. A dynamic environment offers narcissistic leaders with an opportunity to exhibit themselves as unique, special and different. This is accomplished through innovative behaviors, to show others that they are special and superior. Visible and tangible innovative behaviors would especially meet the need of narcissistic leaders to be distinctive and offer them the possibility to be different, gain visibility, attention and status (Maccoby, 2004). This would be particularly so if the innovation becomes implemented as their glory can be immortalized. Therefore, we expect that innovative behavior of narcissistic leaders in a dynamic environment is mediated by their individuation (see Figure 4.2 for a visual representation of the model).

Hypothesis 4: The leader's individuation will mediate the moderating effect of environmental dynamism on the relationship between the leader's narcissism and leader's innovative behavior.

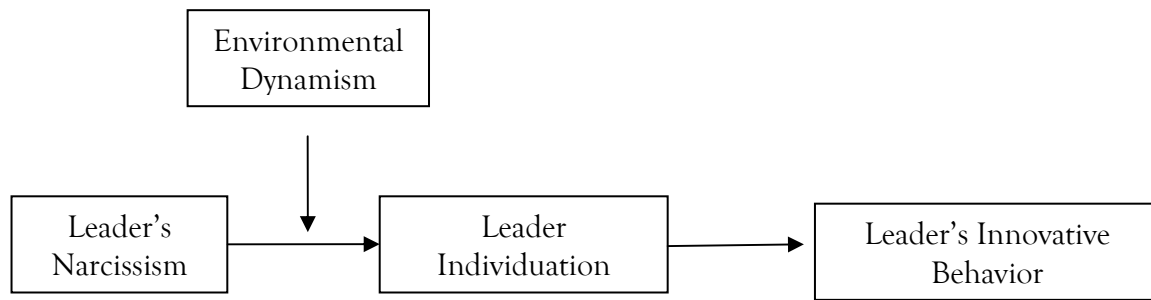


Figure 4.2. The Theoretical Model

Method

Participants and procedure

The participants comprised of shop managers (leaders) and their assistant managers (followers) of a large retail organization. The market segments these stores catered for were very diverse in terms of the proximate environment in which they operated, for example being located in urban versus rural areas, developing areas versus established neighborhoods, and with customers from disparate socio-economic backgrounds. The participants first received a general announcement introducing the study via newsletters from the head office. Afterwards, emails were sent with an individual invitation. The organizational intranet offered a specific feature which made it possible to send unique messages to specific users. Two reminders were sent by email and leaders were also contacted by telephone and approached informally to enhance participation. The participants were assured of confidentiality regarding their responses. Data was collected using an online survey tool, to which the participants obtained access through an individualized login code.

In total 305 leaders were contacted and sent the questionnaires, with 172 leaders (56%) agreeing to participate. After deleting incomplete and unmatched questionnaires, our final sample comprised of 100 leaders (33%) and 252

followers, with 2.5 followers per leader on average. The leaders ($M = 42.41$ years, $SD = 9.08$; 83% men) had an average tenure of 9.04 years, and 50% held a university or college degree. The followers ($M = 31.84$ years, $SD = 10.93$; 60% men) had an average tenure of 4.9 years and 31% held a university or college degree.

Measures

Similarly as in Study 4.1, two different questionnaires were used in this research to gather survey data: one for the leaders (i.e. shop managers) and one for the followers (i.e. assistant managers). Consequently, leader's narcissism was determined by self-report measures of the leader, whereas leader individuation, leader's innovative behavior and environmental dynamism were constructed by aggregating the ratings of multiple followers.

Leader's narcissism was assessed using the same measure as in Study 4.1, namely the Narcissistic Personality Inventory (NPI; Raskin & Hall, 1979). This was again completed by the leaders themselves. The scale proved to have a good reliability (Cronbach's $\alpha = .84$).

Environmental dynamism was measured in the same manner as in Study 4.1, using a three item dynamism scale (De Hoogh et al., 2005) which was completed by the followers. The scale was shown to have a good reliability (Cronbach's $\alpha = .82$).

Leader Individuation. In order to assess the leader's public differentiation of themselves from others, the followers completed an adapted individuation scale developed by Maslach et al. (1985). This measure has been shown to have good reliability and validity and has been used in prior research (Maslach et al., 1987;

Whitney et al., 1994). Example items include: "My shop manager would be likely to perform on a stage in front of a large audience" or "My shop manager would be likely to publicly challenge a speaker whose opinion clashes with their own". The scale consisted of four items, and was measured on a five-point scale, ranging from 1 = "Not willing to" to 5 = "Very willing to". The scale was shown to have a good reliability (Cronbach's $\alpha = .75$).

Leader's innovative behavior was measured using Janssen's (2001) nine item scale for individual innovative behavior in the workplace. As we also wanted to capture innovation in terms of improving extant products and processes, we added four items from a scale developed by Jansen, Vera and Crossan (2009). An example item is: "My manager regularly improves existing procedures, products or services". Thus, the complete scale consisted of thirteen items in total. Small adaptations were made to the items so that they could be applied to the shop manager level. Answers were given on a 5-point scale ranging from 1 = "Never" to 5 = "Always". The scale showed to have good reliability (Cronbach's $\alpha = .92$).¹¹

Control variables. We controlled for possible alternative explanations by including the same control variables as in Study 4.1, namely the leader's tenure and span of control.

Data aggregation. To assess the appropriateness of aggregating individual scores to the team level, we calculated within-team agreement (r_{wg} ; James et al., 1993), intraclass correlations (ICC[1]), and reliabilities of the means (ICC[2];

¹¹ Confirmatory factor analysis on leader's individuation and innovative behavior items showed support for a two-factor structure, with the individuation, and innovative behavior items loading onto separate factors. This two-factor structure fitted the data significantly better than the one-factor model (including all scale items), χ^2 two-factor model (116, $N = 269$) = 402.17, $p < .001$, NNFI = 0.95, CFI = 0.96, SRMR = 0.062, versus χ^2 one-factor model (117, $N = 269$) = 542.41, $p < .001$, NNFI = 0.93, CFI = 0.94, SRMR = 0.073; χ^2 diff = 140.24, $p < .001$ (cf. Hu & Bentler, 1999).

Bliese, 2000). These tests yielded sufficient support to aggregate our data to the team level of analysis (dynamism: ICC[1]=.20, ICC[2]=.41, $r_{wg} = .80$; leader's innovative behavior: ICC[1]=.36, ICC[2]=.60, $r_{wg} = .84$; leader individuation: ICC[1]=.25, ICC[2]=.47, $r_{wg} = .75$, Klein & Kozlowski, 2000). The ICC (1) values were within the normal range found in organizational research (Bliese, 2000; Klein & Kozlowski, 2000) and the ICC (2) were satisfactory given that there was a mean of only 2.7 raters per leader and the ICC(2) index is dependent on the number of raters per group (Bliese, 2000). Furthermore, the high within-group consensus as demonstrated by the r_{wg} values, suggested that data aggregation was justifiable (Bliese, 2000; Klein & Kozlowski, 2000; Wu et al., 2010). Thus, the follower rated variables, namely dynamism leader individuation and leader's innovative behavior, were aggregated based on the mean.

Results

Table 4.3 displays the means, standard deviations, and correlations of the variables included in the study. As can be seen, span of control correlated positively with environmental dynamism and with leader's tenure. Leader's tenure correlated negatively with gender. Similarly as in Study 4.1, there was no correlation between gender and narcissism in our sample. Thus, gender was not included as a control variable.

Table 4.3

Means (M) Standard Deviations (SD), and Correlations Among Variables

	M	SD	1	2	3	4	5	6
1. Leader's gender ^a	1.17	0.38						
2. Leader's tenure (years)	9.04	8.35	-.22*					
3. Span of control	136.6	53.29	-.12	.51**				
4. Leader's narcissism	0.55	0.16	-.04	-.03	.02			
5. Environmental dynamism	5.46	0.71	-.12	.09	.26**	.12		
6. Leader individuation	3.90	0.62	.03	.03	.09	.20*	.32**	
7. Innovative behavior	3.55	0.55	-.06	.02	.12	.17	.48**	.56**

Note. $N = 100$.^a male = 1, female = 2.* $p < .05$, ** $p < .01$.

Hypothesis 1 stated that the leader's narcissism would be positively related to leader's innovative behavior in a dynamic environment, and this was tested using hierarchical regression analysis, similarly as in Study 4.1, in order to replicate this relationship. Table 4.4 presents the results of these analyses. Environmental dynamism was positively related to leader's innovative behavior ($\beta = .48$, $p < .01$). In line with expectations, the results showed the expected significant interaction of leader's narcissism and environmental dynamism on leader's innovative behavior ($\beta = .19$, $p = .036$), $F(5, 92) = 7.08$, $p < .01$, $\Delta R^2 = .04$. This interaction is depicted in Figure 4.3. Simple slope analysis revealed that in a high dynamic environment there was a significant positive relationship with leader's narcissism and leader's innovative behavior ($\beta = .32$, $t = 2.44$, $p = .017$).

Thus, in a highly dynamic environment, high narcissistic leaders were found to exhibit more innovative behavior than low narcissistic leaders. There was no significant effect of leader's narcissism on leader's innovative behavior in a low dynamic environment ($\beta = -.05$, $t = 0.45$, *ns*). Therefore, Hypothesis 1 was again confirmed, this time with a vastly different sample.

Table 4.4

*Results of Moderated Regression Analysis for Leader's Narcissism and Environmental Dynamism
Explaining Leader's Innovative Behavior and Leader Individuation*

Variables	Leader's innovative behavior			Leader individuation		
	β	R^2	ΔR^2	β	R^2	ΔR^2
Step 1						
Leader tenure	-.05			-.03		
Span of control	.14	.02	.02	.11	.01	.01
Step 2						
Leader tenure	-.02			.00		
Span of control	.00			.02		
Leader's narcissism	.12			.17†		
Dynamism	.47**	.24**	.22**	.28**	.13**	.12**
Step 3						
Leader tenure	-.01			.01		
Span of control	.00			.02		
Leader's narcissism	.13			.19*		
Dynamism	.48**			.30**		
Leader's narcissism × Dynamism	.19*	.28**	.04*	.21*	.17**	.03*

Note. $N = 100$.

† $p = .10$, * $p < .05$, ** $p < .01$.

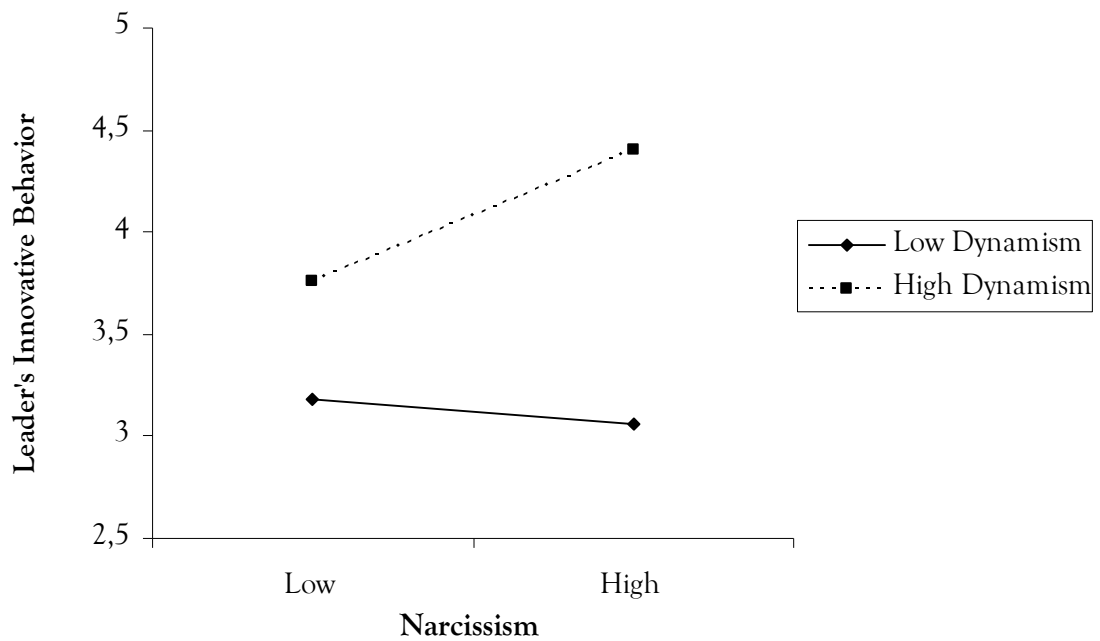


Figure 4.3. The Moderating Effect of Environmental Dynamism on Leader's Narcissism and Leader's Innovative Behavior¹²

In order to test the mediated moderation model pertaining to Hypothesis 4 we first conducted a hierarchical regression analysis to establish the presence of an interaction of the predictor variables on leader individuation (Hypothesis 2). The variables were entered into the model in the same manner as in the prior regression analysis, and the results are presented in Table 4.4. Leader narcissism and environmental dynamism were positively related to leader individuation ($\beta = .19, p = .049$; $\beta = .30, p < .01$). As expected, the results showed a significant interaction of leader's narcissism and environmental dynamism on leader individuation ($\beta = .21, p = .033$), $F(5, 92) = 3.71, p < .01, \Delta R^2 = .04$. This interaction is depicted in Figure 4.4. Simple slope analysis showed that in a high dynamic environment there was a significant positive relationship of leader's narcissism with leader individuation ($\beta = .40, t = 2.80, p < .01$). In other words, in

¹² High and low narcissism was calculated as either 1 SD above or below the mean.

a highly dynamic environment high narcissistic leaders were found to individuate more than low narcissistic leaders, which confirms Hypothesis 2. There was no significant relationship between leader's narcissism and leader individuation in a low dynamic environment ($\beta = -.01$, $t = 0.08$, *ns*).

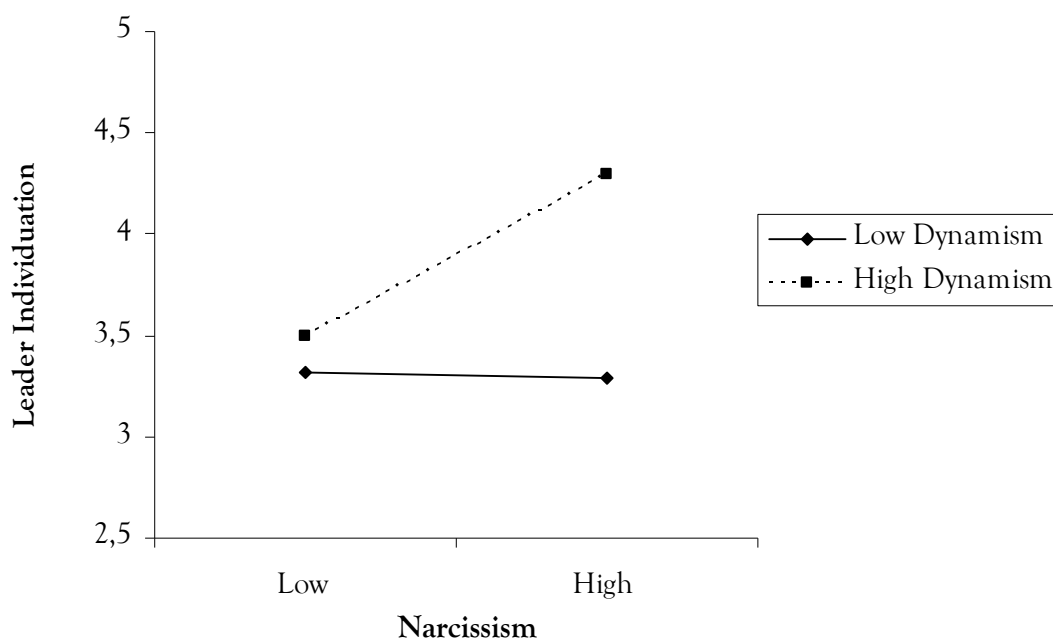


Figure 4.4. The Moderating Effect of Environmental Dynamism on Leader's Narcissism and Leader Individuation¹³

To analyze whether leader individuation would mediate the interaction of leader's narcissism and environmental dynamism on leader's innovative behavior (Hypothesis 4), we conducted mediated moderation analyses (Preacher, Rucker, & Hayes, 2007). Our analysis first revealed a significant effect of leader individuation on leader's innovative behavior, ($\beta = .56$, $t = 6.63$, $p < .01$), thus confirming Hypothesis 3. The 95% confidence interval obtained from this analysis ranged from 0.005 to 0.091, indicating that the mediated effect was significantly different from zero at $Z = 1.93$, $p = .05$ (1000 bootstrap resamples).

¹³ High and low narcissism was calculated as either 1 *SD* above or below the mean.

Thus, leader individuation mediated the relationship between the interaction we found earlier and leader's innovative behavior, such that high narcissistic leaders show greater individuation in a highly dynamic environment and this is associated with more innovative behavior. This confirms Hypothesis 4.

General Discussion

The seeming prevalence of narcissistic personalities in prominent leadership positions (Deluga 1997; Rosenthal & Pittinsky, 2006) posits a paradox as to whether their presence is beneficial or detrimental to organizations because narcissistic leaders possess both a 'bright' and a 'dark' side. Building on prior work which found that narcissists were perceived to be more creative (Goncalo et al., 2010), the current chapter aimed to uncover a potential 'bright' side to narcissistic leaders by focusing on their innovative behavior in an organizational context. Our studies consistently showed that, in a dynamic environment, narcissistic leaders exhibited innovative behavior. We further showed that this relationship was mediated by greater individuation of narcissistic leaders (Study 4.2). Narcissistic leaders also exhibited more differentiation behavior in general, which fits with their high need for uniqueness and being special (Morf & Rhodewalt, 2001). However, this behavior was accentuated in a dynamic environment. Taken together, the results of these two studies provide first time evidence of the relationship between narcissistic leadership and innovative behavior, within the boundary condition of high environmental dynamism.

The greater innovative behavior of narcissistic leaders is consistent with prior research which found that narcissistic individuals were perceived to be more creative by the person to whom they were pitching their idea (Goncalo et al., 2010). This suggests that the strength of narcissistic leaders stems from their ability to persuade others of the viability of their ideas. As innovation comprises

of not only idea generation but also idea adoption and implementation (Scott & Bruce, 1994), this is a very important skill for an idea champion if they are to have their innovation implemented and accepted by others.

Theoretical and Practical Implications

From a theoretical and applied perspective, the research reported in this chapter makes several important contributions. First of all, our research contributes to the leadership literature by identifying environmental dynamism as a theoretically important facilitating context for the innovative behaviors of narcissistic leaders. Our findings fit with the interactionist model of leadership, which suggests that situations are construed as psychological interpretations of reality and as such leaders assess specific contexts based on their cognitive proclivities (Schneider, 1983). This theory aims to merge the trait factors of leaders with situational factors to explain how their combination affects leadership effectiveness (Sternberg & Vroom, 2002). Narcissistic leaders are sensitive to contexts which contain opportunities for self-enhancement so as to show themselves as superior in contrast to others. The combination of environmental dynamism, which creates a need for innovation, and the narcissistic traits, causes these leaders to exhibit innovative behavior.

Furthermore, we extend the leadership literature by identifying an underlying process for the relationship between narcissistic leadership and perceived innovativeness, namely leaders' individuation. Our findings indicate that narcissistic leaders exhibit more individuation in general, however this behavior is much more pronounced in a dynamic environment and it is associated with greater perceived leader innovative behavior. Finally, our findings shed light on the positive side of narcissistic leaders, and help to reconcile the apparent paradox of narcissistic leadership. Thus, despite their negative characteristics such as lack of empathy, exploitativeness, arrogance and self-

centeredness, narcissistic leaders can benefit organizations in certain contexts through their innovative endeavors.

This research has several practical implications for organizations, especially as innovation is crucial for organizational competitiveness and survival. Organizations cannot affect the personality of narcissistic leaders; however they can identify the most facilitating contexts for innovation. Thus, our implications concern mainly selection and placement of narcissistic leaders in specific organizational roles. Narcissistic leaders would experience a better fit with an organization that has a dynamic and changing environment, which they need to react to through innovativeness. Such an environment would provide narcissistic leaders with greater motivation to show innovative behavior due to the possibilities of experiencing admiration and glory, especially if innovativeness is perceived as an indicator of success. Thus, organizations could include innovation as one of their key performance indicators in order to enhance the innovative behaviors of narcissistic leaders. Narcissistic leaders would also be very suitable for Research and Development departments in organizations and in persuading others of the viability of their innovations. However, their main strength appears to lie in persuasiveness and as such narcissistic leaders can also be utilized as idea champions so as to break down the initial inertia and resistance to proposed organizational changes and to make sure the innovation becomes implemented. Finally, if narcissistic leaders are perceived to exhibit innovative behavior, the perceptions themselves may be sufficient to motivate the followers to emulate this behavior and through role modeling it can enhance the innovation efforts in the organization.

Limitations and Suggestions for Future Research

A main strength of the present research is the replication of findings across two very different samples, with respect to expected relationship between

narcissistic leadership and innovative behavior in a dynamic context. This consistent pattern of findings is noteworthy given the acknowledged difficulty in detecting moderation within field settings (McClelland & Judd, 1993). Furthermore, there is a strong generalizability of our studies as the two samples were drawn from different organizations and yet we show consistent findings. Although the present research enhances our understanding of the potential bright side of narcissistic leadership, namely the display of innovative behavior, it does have some potential limitations that should be taken into consideration when interpreting the results. Firstly, as with any cross-sectional questionnaire data collection, there is a possibility for common method bias to occur, however, by using multiple sources to collect our data, namely the leaders and followers, this potential bias was reduced (see e.g., Podsakoff, Mackenzie, Lee, & Podsakoff, 2003). Furthermore, common method variance is unlikely to result in mediated moderation statistical interactions, which were the main focus of this research (Aiken & West, 1991).

Given the cross-sectional nature of our data, it is also difficult to determine the direction of causality, however, our theory provides a strong indication as to the presence of the proposed relationships. Innovative behavior of the leader was rated by the followers, which is a valid manner of assessing behavior in the innovation literature (cf. Janssen, 2001). Nonetheless, future research should also utilize more objective measures of innovativeness in order to determine whether narcissistic leaders are actually innovative. Another interesting avenue for future research could be to also examine further underlying processes of narcissistic leaders' innovative behavior, for example their risk-taking behavior or persistence.

Conclusion

The current research is the first to address the potential bright side of narcissistic leadership, despite their negative characteristics such as egocentrism

and arrogance. In two studies we consistently showed that narcissistic leaders exhibited innovative behavior in a dynamic organizational environment and this was associated with their greater individuation. Thus, when narcissistic leaders perceive the context as one in which they can exhibit their superior skills and abilities, i.e. when innovative behavior is diagnostic of success such as in a dynamic context, they are likely to attempt to individuate more and through this they may exhibit greater innovative behavior. It is in this context that we can glimpse the bright side of narcissistic leaders and harness their innovative strengths.

CHAPTER 5

REALITY AT ODDS WITH PERCEPTIONS:

NARCISSISTIC LEADERS AND GROUP PERFORMANCE

Although they are generally perceived as arrogant and overly dominant, narcissistic individuals are particularly skilled at radiating an image of a prototypically effective leader. As a result, they tend to emerge as leaders in group settings. Despite people's positive perceptions of narcissists as leaders, it was thus far unknown if and how leaders' narcissism is related to the actual performance of those they lead. In the current chapter we used a hidden profile paradigm to provide evidence for a discord between the positive image of narcissists as leaders and the reality in terms of group performance. We proposed and found that although narcissistic leaders are perceived as effective due to their displays of authority, leaders' narcissism actually inhibits information exchange between group members and thereby negatively affects group performance. Our findings thus indicate that perceptions and reality can be at odds, which has important practical and theoretical implications.

This chapter is based on Nevicka, B., Ten Velden, F. S., De Hoogh, A. H. B., & Van Vianen, A. E. M. (2011). Reality at odds with perceptions: Narcissistic leaders and group performance. *Psychological Science*, 22, 1259-1264.

Narcissistic individuals are chronic self-enhancers who consider themselves exceptional performers across disparate domains. For example, narcissists tend to overestimate their intelligence (Campbell, Rudich, & Sedikides, 2002), creativity (Goncalo, Flynn, & Kim, 2010), academic abilities (Robins & Beer, 2001) and leadership capabilities (Judge, LePine, & Rich, 2006). Generally, other people do not agree with narcissists' idealized self-image and perceive them as arrogant, egocentric, overly dominant, and even hostile (Paulhus, 1998). However, the context of leadership constitutes a notable exception in which narcissists tend to be judged positively. For example, narcissists receive higher leadership ratings (Judge et al., 2006), emerge as leaders in groups (Brunell et al., 2008; Nevicka, De Hoogh, Van Vianen, Beersma, & McIlwain, 2011), and higher narcissism in U.S. presidents is associated with positive leadership evaluations (Deluga, 1997). It is thus not surprising that many prominent leaders are ascribed with narcissistic characteristics, such as Nicolas Sarkozy (De Sutter & Immelman, 2008), or Steve Jobs (Robins & Paulhus, 2001).

At the root of the congruence between narcissists' self-assessment as superior leaders and others' positive perceptions lies the overlap between narcissistic characteristics and the prototypical attributes associated with effective leaders, such as authority, confidence, dominance and high self-esteem (Judge, Ilies, Bono, & Gerhardt, 2002; Lord & Maher, 1991; Smith & Foti, 1998). What remains unclear in extant research, however, is whether narcissistic leaders also positively affect the performance of those they lead. In the present study we therefore examine the effect of leaders' narcissism on both followers' perceptions and their actual performance as a group.

Prior research either found no effects of narcissistic leadership on performance (Brunell et al., 2008) or showed that organizational performance was merely more volatile due to narcissistic leaders' risky decision making, but no worse or better (Chatterjee & Hambrick, 2007). Unfortunately, neither of these

studies examined the effects of narcissistic leaders on group dynamics, communication and information exchange, which are of critical importance to group decision making (Stasser, 1999), group performance (De Dreu, Nijstad, & Van Knippenberg, 2008) and organizational effectiveness (Zaccaro, Rittman, & Marks, 2001).

In order to reach high quality decisions, groups need to exchange and use all problem-relevant information that is available to individual members (Greitemeyer, Schulz-Hardt, Brodbeck, & Frey, 2006). For example, when considering a candidate for a job opening, individual group members might possess unique information that, when discussed and combined, will lead to high quality decisions. The role of leaders during group discussion and decision making is particularly important because the extent to which a leader facilitates idea sharing and extracts relevant information from group members affects the quality of group decisions (De Dreu et al., 2008; Larson, Christensen, Franz, & Abbott, 1998). Indeed, generally, most leaders enhance information sharing by asking questions and repeating information (Larson et al., 1998). However, some leaders can have the opposite effect on group communication. For instance, highly directive leadership can undermine followers' independent and deliberate thinking and inhibit the flow of information (De Dreu et al., 2008).

In a similar vein, we suggest that narcissistic leaders, with their characteristic self-absorption and egocentrism, will be biased to focus on their own information rather than solicit the unique information from others. Research consistently shows that when groups fail to concentrate on unshared information, i.e. information that is not available to all group members, lower quality decisions are made (for a review see Stasser, 1999). As such, narcissistic leaders, despite embodying the leadership prototype, may actually stifle information sharing and have a negative effect on group decision quality.

To test our predictions, we used the Hidden Profile paradigm (Stasser & Titus, 1985) because it is particularly applicable in examining the quality of information exchange between group members and its effect on group decision making. Because narcissists seek to show off their superiority (Wallace & Baumeister, 2002), we expect that, once in a leadership role, their displays of authority will match the prototypical image of a leader and cause group members to attribute them with greater leadership effectiveness. Thus, we expect that the leader's authority will mediate the positive effect of the leader's narcissism on perceived effectiveness (Hypothesis 1). More importantly however, we predict that narcissistic leaders will inhibit information sharing between group members, and thereby hinder rather than advance group performance (Hypothesis 2). The present research thus aims to provide first-time evidence of a discord between the perceptions of narcissists' leadership effectiveness and their actual effectiveness as reflected by group performance.

Method

Participants

One-hundred-and-fifty students ($M = 21.93$ years; 47 men), randomly assigned to 50 three-person groups, participated for course credit or payment. Groups consisted of a randomly assigned leader (22 men) and two group members. Adding groups' gender composition or leaders' gender to the analyses revealed no significant main or interaction effects, and yielded identical results. Therefore, this variable is not further discussed.

Procedure

Participants were individually seated behind computers and read that they were about to engage in a group decision making task, and that one group

member would be randomly selected as leader. Next, one group member was randomly chosen by the computer to lead the group, and read that while the other two group members could be consulted and offer advice, the leader would be responsible for making the final decision. The other two group members read that one group member was randomly chosen as a leader, and that it was the leader's responsibility to make a decision, but that they could be consulted and offer advice. After reading their instructions, all three group members were placed in a room to work on the group task. After the group made a decision, participants individually completed questionnaires.

Group task

We adapted a hidden profile task from prior research (e.g., Greitemeyer et al., 2006; Scholten, Van Knippenberg, Nijstad, & De Dreu, 2007), which involved two stages. First, participants read descriptions of three candidates for a position of secret agent that each contained 15 items of information. The items were based on a pilot study (see Greitemeyer et al., 2006), in which 18 participants rated the desirability and importance of 65 items for the job of a secret agent. Based on these ratings, 45 attributes that were unambiguously positive (i.e., desirable and important, e.g., "The candidate can fly an F-16."), neutral (i.e., neither desirable nor undesirable nor important, e.g., "The candidate's shoe size is 41"), or negative (i.e., undesirable and important, e.g., "The candidate had anxiety disorder in the past.") were chosen. Second, participants met in three-person groups to discuss the information and choose the best candidate.

The aim of a hidden profile is to create a best alternative, in this case candidate A. However, information about each of the candidates is distributed among group members in such a manner that they cannot arrive at the correct solution unless they share information (cf. Greitemeyer et al., 2006; Scholten et

al., 2007). Thus, group members received only partial information about each candidate, with some information being shared with the other group members and some information being unique to them. We counterbalanced the information given to leaders and group members, such that leaders were rotated between the three different sets of information across groups.

Based on the shared information, a suboptimal decision alternative (candidate B) appeared to be best. However, when shared and unshared information was pooled, an alternative option (candidate A) emerged as a superior decision alternative (nine positive, three neutral and three negative attributes) whereas candidate B was the worst choice (six positive, three neutral and six negative attributes; Table 5.1).

Table 5.1

Distribution of Information About Each Candidate Before Group Discussion.

Information type and valence	Candidate		
	A	B	C
Shared information			
Positive	0	6	3
Neutral	3	0	0
Negative	3	0	3
Unshared information			
Positive	9	0	3
Neutral	0	3	6
Negative	0	6	0
Information available to each individual			
Positive	3	6	4
Neutral	3	1	2
Negative	3	2	3
Information available to the group			
Positive	9	6	6
Neutral	3	3	6
Negative	3	6	3

Independent measure

Leader's narcissism was measured using the Narcissistic Personality Inventory (NPI; Raskin & Terry, 1988), which measures non-clinical narcissism using 40 items (e.g., Brunell et al., 2008; Wallace & Baumeister, 2002; e.g., "I want to amount to something in the eyes of the world"; *true/false*; $M = 18.00$, $SD = 8.06$; $\alpha = .89$).

Dependent measures

Leader's authority. Group members completed a four-item scale about their leader's display of authority (e.g., "The leader had authority in my group"; 1 = "completely disagree", 7 = "completely agree"; $M = 3.98$, $SD = 0.98$; $\alpha = .86$; $ICC[1] = .31$, $r_{wg} = .78$).

Perceived leadership effectiveness. Group members rated their leader on four items (De Hoogh, Den Hartog, & Koopman, 2005; e.g., "I think that the leader was an effective leader"; 1 = "completely disagree", 7 = "completely agree"; $M = 4.62$, $SD = 0.80$; $\alpha = .92$; $ICC[1] = .22$, $r_{wg} = .70$).

Information exchange. We asked individual group members to indicate, after the group task, whether they knew each of the 45 items. Information was classified as exchanged when all three group members knew the item. Because unshared information was only known to one group member prior to group discussion, our measure adequately captures information exchange between group members (e.g. Scholten et al., 2007). The discussion of unshared information is more crucial to decision quality than shared information (Stasser & Titus, 1985), and therefore we calculated information exchange as the number of unshared items exchanged, divided by the total amount of unshared items ($M = 0.43$, $SD = 0.24$).

Additionally, we assessed group members' perceptions of information exchange using six items (e.g., "The quality of information exchange in our group was good"; 1 = "completely disagree", 7 = "completely agree"; $M = 5.26$, $SD = 0.62$; $\alpha = .74$; $ICC[1] = .21$, $r_{wg} = .88$). This measure was positively correlated with the direct measure of information exchange ($r = .34$, $p = .015$).

Group Performance. The group's decision quality was assessed as a dichotomous variable depending on whether the groups made a correct (candidate A; scored as 1) or incorrect choice (candidate B or C; scored as 0).

Results

Perceived leader authority and effectiveness

Results revealed that leaders' narcissism positively affected group members' perception of leaders' authority, ($\beta = .54$, $t = 4.48$, $p < .01$, $R^2 = .29$), and effectiveness ($\beta = .39$, $t = 2.94$, $p < .01$, $R^2 = .15$). Furthermore, the relationship between leaders' authority and perceived leadership effectiveness was significant ($\beta = .61$, $t = 5.34$, $p < .01$, $R^2 = .37$), and the 95% confidence interval ranged from 0.52 to 2.36, indicating that the mediated effect was significantly different from zero (1000 bootstrap resamples; Hayes, 2009; Preacher & Hayes, 2004). Thus, confirming Hypothesis 1, leaders' authority mediated the positive effect of leaders' narcissism on perceived leadership effectiveness (Figure 5.1).

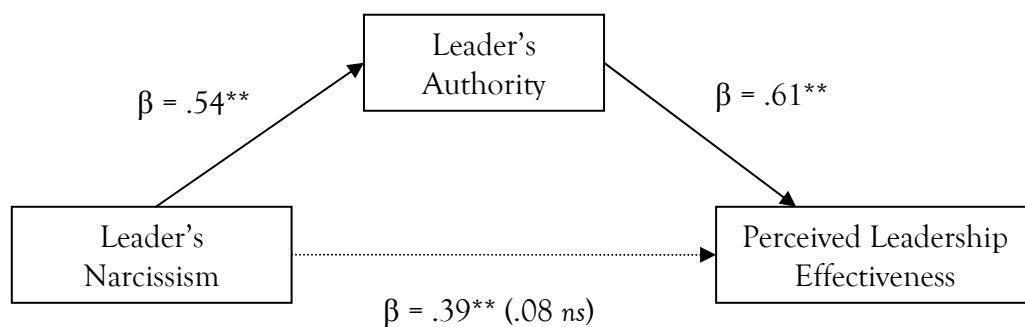


Figure 5.1. Effect of Leader's Narcissism on Perceived Leadership Effectiveness Mediated by the Display of Leader's Authority.

Information exchange

Results revealed a negative effect of leaders' narcissism on the exchange of unshared information ($\beta = -.32$, $t = -2.30$, $p = .026$, $R^2 = .09$) and consistent with this finding, on the self-report measure of information exchange ($\beta = -.39$, $t = -2.96$, $p < .01$, $R^2 = .15$). This further demonstrates that our direct measure of information exchange is consistent with the overall perception of information exchange by group members.

Group performance

We investigated whether the effect of leaders' narcissism on group performance was mediated by information exchange. First, logistic regression analysis revealed a negative effect of leaders' narcissism on group performance ($B = -3.33$, $SE = 1.63$, Wald $\chi^2(1, N = 50) = 4.15$, $p = .042$). Next, we found a positive effect of information exchange on group performance, ($B = 6.48$, $SE = 1.95$, Wald $\chi^2(1, N = 50) = 10.97$, $p < .01$). Finally, the 95% confidence interval ranged from 0.20 to 5.96, indicating that the mediated effect was significantly different from zero (1000 bootstrap resamples; Hayes, 2009; Preacher & Hayes, 2004). Thus, confirming Hypothesis 2, leaders' narcissism negatively affected group performance through reduced exchange of unshared information (Figure 5.2).

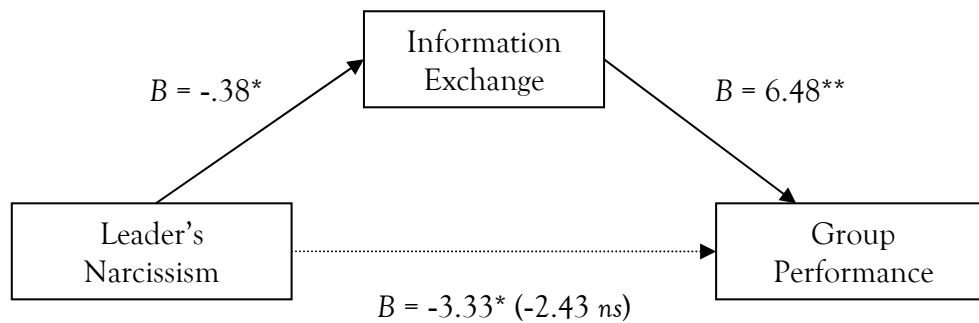


Figure 5.2. Effect of Leader's Narcissism on Group Performance Mediated by the Exchange of Unshared Information.

Discussion

Narcissists' extreme displays of confidence, dominance, and authority match a prototypical leader profile, which leads others to choose them as leaders in group settings (Brunell et al., 2008; Nevicka et al., 2011). The current study shows first time evidence that people's positive perceptions of narcissists as leaders are not an accurate reflection of their actual leadership effectiveness, as indicated by objective group performance. Although group members perceived leaders with higher narcissism as more effective because of their greater displays of authority, narcissistic leaders actually inhibited the exchange of unshared information within the group and thus diminished group performance by arriving at suboptimal decisions.

Prior research has hinted at a potentially negative effect of narcissistic individuals on group and organizational performance. For example, narcissists allocated more resources to themselves at the long-term costs to others (Campbell, Bush, Brunell, & Shelton, 2005). However, research thus far failed to provide a clear link between leaders' narcissism and group or organizational

performance. In the current study we aimed to breach this gap, and extend research on group dynamics and decision making by addressing a focal component of group performance: quality of group decision making. Generally, leaders have been found to enhance information sharing by asking questions and repeating information more than other group members (Larson et al., 1998). However, the current research shows that narcissistic leaders have the opposite effect, which is contrary to others' positive perceptions of their effectiveness.

We expect that our finding that narcissistic leaders impair group performance can be generalized beyond hidden profile tasks. For example, because narcissists are generally low on empathy (Watson, Grisham, Trotter, & Biderman, 1984), we expect narcissistic leaders to also inhibit group performance in tasks that require social sensitivity from the leader (cf. Woolley, Chabris, Pentland, Hashmi, & Malone, 2010). Alternatively, because narcissists perform better under pressure (Wallace & Baumeister, 2002), it is possible that narcissistic leaders facilitate group performance during conditions of high urgency or time pressure.

The present work extends prior research on competency perceptions based on explicit cues and personality traits (e.g., Anderson & Kilduff, 2009). We show that an individual's level of narcissism leads others to make attributions of competence in the domain of leadership that are in stark contrast to the leader's actual effectiveness. These findings fit the idea that through their extreme overconfidence, narcissists radiate an image of authority and competence, and persuade others to adopt this image. Indeed, past work showed that others perceived narcissists as highly creative, even though their ideas were objectively not any more creative than those of others (Goncalo et al., 2010).

We argued that people's implicit schemas or categorizations about what constitutes an effective leader cause them to perceive narcissistic leaders as effective. Because of limited cognitive capacity, making inferences about

leadership potential by matching a person to a predefined leader prototype simplifies information processing (Lord & Maher, 1991). However, our findings show that such simplifications lead to inaccurate inferences regarding an individual's capabilities, which can be disastrous for organizations. This is particularly relevant during, for example, selection interviews, a context in which narcissists would likely incite erroneous impressions of competence due to their positive self-presentation.

In the present study, group members were unfamiliar with each other. It is possible that over time, group members' positive impressions of narcissistic leaders decrease. Indeed, previous research showed that while positive at first, people's impressions of narcissists decline over time (Paulhus, 1998). Future research could explore whether our findings generalize to situations in which group members work together for a prolonged period of time.

To conclude, we have shown that narcissists are very skilled at conveying positive perceptions of leadership effectiveness. However, this is not aligned with reality and narcissistic leaders in fact hinder the processes essential for reaching high quality decisions, and as such diminish group performance.

CHAPTER 6

GENERAL DISCUSSION

In the introduction of this dissertation I presented a paradox to the seeming prevalence of narcissistic individuals in leadership positions. Narcissistic leaders have been dubbed to have a ‘bright’ as well as a ‘dark’ side to them. For example, on the one hand they are charming, confident, extraverted, risk-taking, yet on the other hand they are also arrogant, self-absorbed, exploitative, and lack empathy. In this dissertation I have attempted to unearth the circumstances in which, and the reasons why, narcissistic individuals appear to epitomize the image of an effective leader in the eyes of others. Furthermore, I investigated whether the perceptions of narcissists as effective leaders are actually aligned with reality, in terms of their effect on those they lead. Below I will discuss the core findings of this dissertation and explicate its theoretical and practical relevance.

Contextual influences

Levels of social interaction: visibility motivates performance

The connectionist-based model of leadership prototype generation (Lord, Brown, Harvey, & Hall, 2001) states that the extent to which a person is perceived as an effective leader varies with context. In other words, people adjust their notion of what a prototypical leader should be like in response to the given situation. Thus, throughout this dissertation I have suggested that there are specific contexts which may especially accentuate the appeal of narcissists as leaders. Chapter 2 of this dissertation took into account the basic premise that narcissistic individuals search for social evaluation in order to bolster their ego and assert their superiority (Morf & Rhodewalt, 2001; Wallace & Baumeister, 2002). As such, they would thrive in the spotlight and thus, an interactive group setting may constitute one context which particularly elevates the allure of narcissists as leaders. A highly interactive context would provide narcissistic individuals with an ideal stage from which they can exhibit their superior

leadership skills, and this would be readily apparent to others. Another question that was posited in Chapter 2 revolved around the individual performance of narcissists, whilst also taking into account the interdependence of the context. It was predicted that in addition to emerging as leaders in a highly interdependent and interactive setting, narcissists would perform better at an individual level as they would attempt to show off their skills and abilities.

These predictions were tested using an experiment with four-person teams that completed an interactive group task. Reward interdependence was manipulated as a proxy for the level of interaction, and indeed teams in the high reward interdependent condition (i.e. team members worked for a group reward) reported higher interaction than those in the low reward interdependence condition (i.e. team members worked for an individual reward). The results showed that narcissistic individuals emerged as leaders irrespective of the context, which did not support the initial hypothesis. This could be due to the large overlap between narcissistic characteristics and those of a prototypical leader, and it is plausible that this image of a quintessential leader comes through even at low levels of interaction. Furthermore, the group task invoked pressure in the participants, across conditions, and prior research has suggested that narcissistic leaders may be preferred in a crisis or a high pressure context (Rosenthal & Pittinsky, 2006). Interestingly, additional analyses of team level processes revealed that teams in which narcissists emerged as leaders reported being less verbal and having less individual decision-making opportunities. This inhibition of communication and decision making in other team members points towards the narcissist's dominance and a desire to divert attention to themselves. With respect to individual performance, the results were in line with the prediction and showed that narcissistic individuals performed better in a context of high rather than low reward interdependence. All in all, these results reveal that narcissistic individuals are considered, and emerge as, leaders even at low levels of

interaction, yet their individual performance is enhanced in a highly interactive context in which they can exhibit their skills and capabilities.

Crises amplify narcissists' appeal as leaders

As the level of interaction in a specific context did not appear to differentially influence the appeal of narcissists as leaders, Chapter 3 focused on the context of crisis as a likely condition which enhances the emergence of narcissists as leaders. A potential reason for why narcissistic individuals emerged as leaders in Chapter 2 is that the context itself was one of high stress, uncertainty and pressure, factors that are often invoked by a crisis. Prior research suggests that narcissists may be seen as particularly suitable in such a context because they exude confidence, decisiveness, dominance and toughness, which are the characteristics that people seek in a leader in times of crisis (Cronin, 2008; Galvin, Waldman, & Balthazard, 2010; Madera & Smith, 2009; Pillai & Meindl, 1998). When people experience uncertainty, stress and anxiety as a result of a crisis they turn towards a strong leader to guide them through. Thus, Chapter 3 aimed to test this proposition and examined whether narcissistic individuals indeed emerge more often as leaders in a crisis, rather than non-crisis context. As stated earlier, in spite of the fact that narcissists possess many prototypical leader characteristics, they also have a host of negative characteristics such as arrogance, egocentrism, exploitativeness and they lack empathy, an attribute which has been identified as important for leadership (Kellett, Humphrey, & Sleeth, 2006). I proposed that especially in times of crisis, highly narcissistic individuals would emerge more often as leaders than low narcissistic individuals.

The results of two experimental studies consistently showed support for this proposition. Findings of Study 3.1 revealed that high narcissists were perceived to reduce uncertainty more than low narcissists, especially in a crisis, and were thus chosen more often as leaders than low narcissists. Since Study 3.1

employed a scenario paradigm, participants merely imagined what kind of a leader would be appropriate for an organization in a crisis versus non-crisis context, rather than experiencing the crisis directly. Thus, Study 3.2 built upon these findings and investigated whether high narcissists would also be chosen as leaders when participants actually experienced the threat of a crisis. Study 3.2 employed a simulated group task in which participants were subjected to a state of crisis or non-crisis and were required to choose a member of their group as a leader, with the personality profile being manipulated to either reflect a high narcissist or a low narcissist. The results were in line with those of Study 3.1 and showed that when participants directly experienced crisis they more often chose high narcissists as leaders than low narcissists, whereas in a non-crisis context there was no difference in preferences between a high or a low narcissistic leader. The underlying process of why narcissistic individuals were perceived as more appealing potential leaders in a state of crisis was shown to be their perceived reduction of uncertainty about the future. This is also in accordance with Study 3.2 which showed that when people feel greater pessimism about future outcomes they seek narcissistic leaders. In sum, the results of Chapter 3 expand our knowledge about an amplifying context, namely a state of crisis, that enhances the appeal of choosing a narcissist as leader. Especially in such a context narcissists' negative relational characteristics, for example their lack of empathy, their exploitativeness, sense of entitlement and egocentrism, do not appear to deter people from choosing narcissistic individuals as leaders.

Environmental dynamism prompts innovative behavior

The findings from Chapters 2 and 3 highlight the importance of contextual factors in determining narcissists' individual performance as well as their appeal as leaders. It was found that narcissists' individual performance was enhanced in a highly interactive context and that they emerged more often as

leaders in the context of crisis. Another lens through which this dissertation wanted to look at narcissistic leader's effectiveness was via their innovative behavior. Prior literature has highlighted the importance of innovation to organizational viability and competitiveness, and a leader's innovative efforts are an essential component towards achieving organizational innovativeness (Jung, Wu, & Chow, 2008; Mumford & Licuanan, 2004). Through role modeling, followers can also come to emulate the leader's innovative behavior.

Being innovative represents an avenue through which narcissistic leaders could obtain glory and also portray how different they are from others. Chapter 4 proposed that a context that will motivate narcissistic leaders to display innovative behavior is environmental dynamism. If an organizational environment is highly dynamic this generates a need for innovation in order to respond to environmental changes (for example greater customer demands, or intense competition) and remain competitive in the market (Amabile, 1988; Mumford, 2000; Scott & Bruce, 1994; West, 2002). Thus, displays of innovative behavior in such an environment would be indicative of success.

The results of two field studies, which obtained responses from leaders as well as their followers, confirmed the predictions. In Study 4.1 I collected data from different organizations and found that, in a highly dynamic environment, leader's narcissism was positively associated with greater displays of innovative behavior. The question that remained was which underlying process spurred on narcissistic leaders' innovative behavior? Thus, the aim of Study 4.2 was to (a) replicate the results of Study 4.1, and (b) identify the underlying process that would explain the link between leader's narcissism and innovative behavior in a dynamic environment. At the core of narcissism lies their pervasive sense of uniqueness (Emmons, 1984), and therefore one mechanism that may drive narcissistic leaders' innovativeness is behavior directed at differentiating oneself from others, a concept known as individuation (Whitney, Sagrestano, & Maslach,

1994). Indeed, the results from Study 4.2 concurred with this idea and showed that, in addition to replicating the finding that in a highly dynamic environment leaders' narcissism is positively related to their displays of innovative behavior, this was mediated by the leader's individuation. It should be noted that narcissistic leaders exhibited more differentiation behavior in general, which fits with their high need for uniqueness and being special (Morf & Rhodewalt, 2001). However, this behavior was accentuated in a dynamic environment. Taken together, the results of these two studies provide first time evidence of the relationship between narcissistic leadership and displays of innovative behavior, within the boundary condition of high environmental dynamism. All in all, the results of both studies in Chapter 4 provide evidence for another contextual factor that influences the perceived effectiveness of narcissistic leaders, namely environmental dynamism, specifically with respect to innovative behavior.

Disparity between perceptions and reality: The two sides of narcissistic leaders

Although the results from Chapters 2 to 4 show that narcissistic leaders tend to be perceived in a positive light, for example in terms of being perceived as leaders during an interactive team setting, chosen as leaders in times of crisis and perceived as innovative in a highly dynamic environment, the question is whether these positive perceptions of narcissists as leaders also translate into better performance of those they lead, i.e. groups or organizations. Chapter 5 of this dissertation argued that the positive image of narcissists as leaders is at discord with reality in terms of group performance. Results of an experiment using three-person groups which engaged in a hidden profile task (e.g., Stasser & Titus, 1985) supported this proposition. It was revealed that despite being perceived as effective leaders by other members of the group, narcissistic leaders in fact inhibited the exchange of essential unshared information among group members. As a result groups with high narcissistic leaders made decisions of lower quality

than groups with low narcissistic leaders. Thus, although narcissists are very skilled at projecting a positive image of leadership effectiveness, there is an evident disparity between others' perceptions and the reality in terms of group performance, as they hinder the very processes that are essential for reaching high quality decisions.

It should be noted that across several studies, namely those found in Chapters 2 and 4, there is a possibility that the studies may have been underpowered as the main effects regarding narcissism were not found to be significant, despite the fact that an interaction effect emerged.

Overall Conclusion

As stated in the introduction of this dissertation, narcissists represent a paradox in exemplifying the prototypically effective leader. This stems from the fact that in addition to their positive qualities, such as confidence, extraversion, high self-esteem and dominance, they also possess a host of negative relational characteristics, such as egocentrism, arrogance, lack of empathy, sense of entitlement and exploitativeness. The view of narcissistic leaders as a paradox has also been voiced in prior literature, which suggested that they have both a 'dark' and a 'bright' side to them (Campbell, Hoffman, Campbell, & Marchisio, 2011; Judge, Piccolo, & Kosalka, 2009). More specifically, narcissistic leaders have been heralded as charismatic visionaries who can introduce bold and innovative changes (Maccoby, 2000). On the other hand however, the inherent self-absorption, sense of superiority, overconfidence and impulsivity of narcissists means that narcissistic leaders have a proclivity to undertake risky ventures, without heeding others' sound advice, serve their own self-interests at long-term costs to others, and bully their subordinates (Padilla, Hogan, & Kaiser, 2007; Rosenthal & Pittinsky, 2006). In this dissertation I have attempted to disentangle

this paradox by addressing the following questions: *Why* and *when* do narcissistic individuals emerge as leaders and are perceived as effective leaders? I hypothesized that context needs to be taken into consideration to understand the paradox, such that in specific conditions, narcissistic individuals especially emerge as leaders and are perceived to be effective. The results of this dissertation clearly support this idea.

In this dissertation, I also aimed to answer a third question: If narcissists are perceived as (potentially) effective leaders, are they actually able to *meet* these expectations? I predicted that despite being perceived by others in a positive light, insofar as their leadership competencies are concerned, narcissistic leaders will in fact hinder the performance of those whom they lead. The results presented in this dissertation provide convincing evidence for this proposition. Thus, an interesting conundrum rises to the surface, namely that narcissistic individuals are so skilled at portraying an image of a prototypically effective leader that others inaccurately judge their competencies. The reality, in terms of group performance, shows an entirely different picture and because narcissists are characteristically self-absorbed and egocentric, they inhibit essential information exchange and thereby diminish the quality of group decisions. I propose that the ‘bright’ side of narcissistic individuals stems primarily from the positive impressions of their leadership competencies as attributed to them by others. This is potentially dangerous for organizations as it suggests that narcissistic leaders’ competencies may be erroneous and greatly overstated.

I suggest that narcissistic leaders are exceedingly skilled at persuasion and self-presentation and it is in this manner that they manage to elicit positive affirmations from others. For example, as I have shown in Chapter 4, narcissistic leaders were perceived by their followers to be innovative in the context of high environmental dynamism. Recent research shows that narcissistic individuals were very persuasive at making others believe their ideas were creative, yet this was

objectively not the case (Goncalo, Flynn, & Kim, 2010). It was suggested that underlying this projection of a creative individual is the fact that narcissists are very persuasive and deliver their message in a confident and enthusiastic manner. Thus, narcissists possess the gift of persuasion and positive self-presentation. If narcissists are perceived as effective leaders, then this is how people will consider them, irrespective of whether this is an accurate view of the reality. Thus, the only potential positive flow-on effects from favorable perceptions of narcissistic individuals as leaders stem from the psychological reactions of their followers based on these perceptions. For example, the presence of a narcissistic leader in a crisis context may be sufficient to alleviate some of the fears, anxiety and uncertainty of the followers as they perceive such a leader as strong, tough and confident. Another example is that if narcissistic leaders are perceived to exhibit innovative behavior, the perceptions themselves may be sufficient to motivate the followers to emulate this behavior and through role modeling it can enhance the innovation efforts in the organization. Implications of these conclusions, as well as some limitations to the empirical evidence provided in the preceding chapters, will be discussed in the following section.

Implications for Leadership

The research presented in this dissertation makes several noteworthy contributions to the domain of leadership. First of all, the results from Chapters 2 and 3 are consistent with earlier findings that narcissists tend to emerge as leaders in leaderless group discussions (Brunell et al., 2008). As has been suggested throughout this dissertation, narcissistic characteristics, such as confidence, high self-esteem, extraversion and dominance, greatly overlap with those of a prototypical leader. Thus, people make attributions of leadership capabilities by matching their implicit leadership prototype with the visible cues that a particular

person exhibits (e.g. Epitropaki & Martin, 2005; Keller, 1999; Lord, Foti, & DeVader, 1984; Offermann, Kennedy, & Wirtz, 1994). As narcissists think very highly of themselves across many domains, including leadership, they would naturally gravitate towards the leadership role in any context that demands it, and thereby pronounce their leadership characteristics. This is also in line with Trait Activation Theory (cf. Tett & Burnett, 2003) which states that personality traits are expressed as responses to trait-relevant situational cues. Thus, a situation which demands leadership would trigger a greater activation of narcissistic traits that accentuate the outward display of leadership, such as confidence, dominance and extraversion, which is consistent with the leadership prototype. It is thus perhaps not surprising that many prominent world leaders have been ascribed with narcissistic characteristics.

A second contribution to leadership research stems from Chapter 3. The research presented in this chapter is relevant to work on contingency theory of leadership (e.g., House, 1996; Meindl, 1995) and supports the more recent connectionist model of leadership prototype generation (Lord et al., 2001) by introducing the crisis context as an amplifying condition for the emergence of narcissistic leaders. Thus it becomes evident that different leadership prototypes are activated depending on a specific context. The research presented in Chapter 3 is the first to address the emergence of narcissists in times of crisis, and as such extends work on leadership in times of threat or crisis (e.g., Bligh, Kohles, & Meindl, 2004; Cohen, Solomon, Maxfield, Pyszcynski, & Greenberg, 2004; Hoyt, Simon, & Reid, 2009; Hunt, Boal, & Dodge, 1999; Madera & Smith, 2009, Pillai & Meindl, 1998, Williams, Raijnandi, Lowe, Jung, & Herst, 2009). The results indicate that in times of crisis followers seek different qualities in their leaders and thereby a different leadership prototype than in times of stability, which leads them to more often choose high narcissists as leaders during crises. Narcissists' negative relational characteristics, such as lack of empathy, do not appear to curb

their emergence as leaders, especially not in a crisis context. Furthermore, the reason why narcissistic individuals are particularly preferred as leaders over low narcissistic individuals in the context of crises is that they are perceived to reduce uncertainty in their followers. Thus, a potential 'bright' side to narcissistic leaders may be gleaned from the diminished stress and anxiety of followers during crises.

The third contribution can be gleaned from findings presented in Chapter 4, which extend the leadership literature by identifying dynamism of the context as a theoretically relevant boundary condition for innovative behavior of narcissistic leaders and the increase or decrease of individuation behavior as an underlying process. Innovation has been established as a necessary ingredient for organizations to maintain their competitiveness in a world of globalization and rapid technological change. The role of leaders in this process has been identified as particularly important (Jung et al., 2008; Mumford & Licuanan, 2004), especially with respect to role modeling and the potential emulation of leaders' creative or innovative efforts by their followers (Jaussi & Dionne, 2003). Thus, the results reported in this dissertation add to extant literature and show that narcissistic leaders are perceived to exhibit innovative behavior, but only in a context that is subject to change. In a dynamic context the potential 'bright' side of narcissistic leaders stems, once again, only from the perceptions of the followers, because their leader's overt innovative efforts may motivate followers to also engage in innovative behavior.

Finally, Chapter 5 highlights the potential downside of highly dominant, overconfident and egocentric leaders, namely that they can have a negative effect on group performance by curtailing the exchange of relevant information. This is consistent with prior research which suggested that narcissistic leaders are at risk of pursuing their own agendas, and ignore advice of others. Narcissists in general are impulsive and tend to seek short-term gains (Vazire & Funder 2006), which in a leadership context can lead them to undertake unnecessarily risky ventures, or

impulsive managerial decisions (Padilla et al., 2007). What is more alarming, however, is that these leaders are still considered to be effective by their followers, and such erroneous assessments of a leader's capabilities can be disastrous for organizations.

The research presented in this dissertation specifically contributes to our knowledge on narcissistic leadership (e.g., Brunell et al., 2008; Campbell et al., 2011; Judge, LePine, & Rich, 2006; Rosenthal & Pittinsky, 2006) by (a) demonstrating the important role of context in influencing the emergence and perceived effectiveness of narcissistic leaders and (b) showing that despite the positive image of leadership effectiveness that they instill in others, narcissistic leaders actually diminish group performance. This dissertation, therefore, illuminates both the potential 'bright' side of narcissistic leaders, which I argue would be driven by the positive perceptions of followers and their responses to these perceptions, as well as their 'dark' side which is shown in terms of actual leadership performance. Specifically, the potential positive flow-on effects of followers' perceptions regarding narcissistic leaders can be seen by the fact that narcissistic leaders are perceived to reduce uncertainty in times of crisis. Therefore, their presence may suppress followers' negative emotions during crises, such as anxiety or uncertainty (Chapter 3). Furthermore, perceptions of narcissistic leaders as being innovative may stimulate greater innovative efforts on the part of the followers as they attempt to emulate the leader's behavior through role modeling (Chapter 4). However, perceptions aside, if we take a closer look at the effects of narcissistic leaders on objective group performance (Chapter 5), then their self-serving and domineering 'dark' side rises to the surface as they impede group information exchange, decision making opportunities and communication (Chapters 2 and 5).

The central reason for the positive attributions of leader effectiveness to narcissistic individuals that has permeated throughout this dissertation is the

extensive overlap between narcissistic characteristics and those of a prototypical leader. The reason why people utilize these implicit leadership schemas in order to assess the leadership potential of an individual based on his/her behavior or visible characteristics, is that people possess a limited cognitive capacity. Thus, making inferences about someone's leadership aptitudes through this matching process allows them to simplify information processing (Lord & Shondrick, 2011; Lord & Maher, 1991). However, the findings in Chapter 5 clearly show that such categorizations can lead us down the path of making inaccurate inferences regarding an individual's capabilities, which can be detrimental for organizations.

Implications for Narcissism

This dissertation extends the extant knowledge concerning narcissistic individuals in two important ways. First, Chapter 2 identifies a context which provides narcissists with greater opportunities for self-enhancement, and thereby improves their individual performance (cf. Wallace & Baumeister, 2002). The experiment presented in Chapter 2 is the first to show this phenomenon in an interactive team setting. Narcissists were found to perform better with high levels of interaction. This could be due to several reasons. For instance, greater levels of interaction in a group setting enhance the potential visibility of any one group member, and in narcissists this would likely trigger a desire to exhibit their superior talents and capabilities relevant to the specific group task. Narcissists are constantly scanning for opportunities to show themselves as superior performers relative to others and they are also highly exhibitionistic (Buss & Chiodo, 1991). Thus, a highly interactive context fits this specification and will allow narcissists to bask in the limelight of others' attention. Moreover, as narcissists have a strong need for power and dominance, a highly interactive group context would provide

them with greater latitude to try and influence others. This in turn may energize them to perform better.

Secondly, Chapter 5 suggested that narcissistic individuals are very skillful at projecting an image of competence. Thus, this dissertation also extends prior research on competency attributions based on explicit cues, such as eye contact and mannerisms (Mehrabian & Williams, 1969; Reynolds & Gifford, 2001) and personality traits such as dominance (e.g., Anderson & Kilduff, 2009). I propose that narcissistic individuals are particularly apt at eliciting signals of competence because they are self-promotional, overconfident and domineering in their interpersonal communication (Morf & Rhodewalt, 2001). Moreover, narcissists have been found to have very self-assured body language (Back, Schmukle, & Egloff, 2010), which may explain why others so easily adopt the image that the narcissist wishes to project, for example one of a competent leader or a creative individual. These behaviors should be even more accentuated when narcissists are assigned to a leadership role because it will activate their desire to show off and exhibit superior leadership skills in front of an audience of followers.

Recent work by Carlson, Vazire and Oltmanns (2011) demonstrated an interesting insight into the self-awareness of narcissistic individuals. They found that while narcissistic individuals do indeed have overly positive self-perceptions (e.g. intelligence, attractiveness), as consistent with prior research, they are also aware that other people see them less positively than they see themselves. This could help explain why narcissistic individuals tend to engage in self-promotional behavior such as bragging about their accomplishments and why they are motivated to self-enhance and show themselves as competent across various domains, also with respect to leadership. Carlson et al. (2011) suggest that this motive of narcissists to show their competence to others could be explained by the perceived discrepancy between how narcissists see themselves and how they others

see them. Narcissists are in essence trying to breach this gap between self and other perceptions.

This is in line with self-verification theory (North & Swann, 2009) which states that people seek to confirm their positive self-views. Consequently, whenever there is a discrepancy between self and other views they feel uncomfortable and employ various strategies to rectify the situation. This could explain why narcissists are so preoccupied with self-presentation, they want others to adopt the idealized view that they have of themselves. They want others to see them as capable as they themselves feel to be. This would also apply in terms of leadership. Narcissistic leaders would want others to see that they are very capable as leaders and therefore this is why they may be overly dominant and attempt to assert their leadership in group settings.

Two types of narcissism: Adjusted versus maladjusted

As specified in Chapter 1 of this dissertation, some researchers have begun to distinguish between the more adaptive and maladaptive aspects of grandiose (or overt) narcissism and the fact that these should also be taken into consideration when interpreting the behavior of narcissistic individuals (e.g. Ackerman et al., 2011; Pincus et al., 2009; Tambroski et al., 2012). Thus, someone who scores high on the more adaptive aspects of narcissism, such as authority, leadership or superiority might behave differently to someone who scores high on the more maladaptive aspects of narcissism such as exploitativeness and entitlement.

It is interesting to consider the results of this dissertation in the light of these differences. Because this dissertation contends that the success of narcissistic individuals lies in their ability to project a favourable self-image, in other words the successful use of impression management, it may be the case that especially those narcissists who are exploitative and have a sense of entitlement are more

capable of initially displaying a favourable image. This is consistent with findings by Back and colleagues (2010) who found that especially those narcissists who were high on the exploitativeness/entitlement dimension were considered popular, and thus assessed favourably by others purely in terms of first impressions at zero acquaintance. However, I do not believe that it was especially the exploitativeness/entitlement narcissism dimension that was driving the results of this dissertation. It could be the case that in the relatively short group interaction setting in the study of Chapter 5, in which narcissistic individuals had an opportunity to self-enhance and present themselves as capable leaders, the other group members might not have yet perceived the negative aspects of the exploitative/entitlement dimension and so narcissists who were higher on this dimension may have obtained better leadership ratings. However, in Chapter 2 study where the group members interacted for several hours and also in Chapter 4 where the employees would have worked with their narcissistic leader for an extended period of time, I would not think that the exploitativeness/entitlement dimension would have enhanced narcissists' favourable ratings as leaders or the positive perception of their innovativeness. These negative features are likely to be discovered over time (see Paulhus, 1998) and therefore, the high presence of exploitativeness/entitlement characteristics may have led to less positive perceptions of the leader by the followers. With respect to Chapter 3, where I merely looked at others' perceptions of the narcissistic profile, it seems that the participants were also aware of the maladaptive features such as exploitativeness and lack of empathy but irrespective of these chose narcissistic individuals as leaders during times of crisis. It could be the case that especially these features are desirable in a leader as they indicate toughness and an ability to make hard decisions, which are desirable leadership characteristics in a crisis context.

Implications for Group Decision Making

The results provided in this dissertation also have important implications for work on group decision making. As stated earlier, leaders constitute an important component in the process of group decision making because their position provides them with greater latitude to facilitate discussion and extract problem relevant information from other group members (De Dreu, Nijstad, & Van Knippenberg, 2008; Reiter-Palmon & Illies, 2004), thereby enhancing the quality of group decisions. However, some leaders can have a detrimental effect on group performance. For instance, highly directive leadership approaches can undermine the degree to which followers think independently and deliberately about their task and inhibit the flow of information (De Dreu et al., 2008; Yukl, 2002; Cruz, Dryden-Henningsen, & Smith, 1999). The group process results from Chapter 2 provide preliminary evidence to suggest that narcissistic leaders tend to dominate and centralize group discussion, and constrain prospects of others to contribute to group decision making. The results showed that groups in which narcissists emerged as leaders reported being less verbal and having less opportunity to make decisions. This is consistent with research on production blocking showing that when one person dominates group discussion, others are inhibited from sharing information and ideas (Nijstad, Stroebe, & Lodewijkx, 2003).

The results found in Chapter 5 build upon these findings and show that leaders who are high on narcissism stifle the exchange of relevant information, and thereby have a negative effect on group performance, despite being viewed positively by the other group members. One suggested reason is that narcissists are self-absorbed and egocentric, and thus they would be biased to focus on their own

information rather than be motivated to solicit information from others. Prior research shows that people are already generally predisposed to favor their initial preferences when entering a group decision making context (e.g. Gigone & Hastie, 1993; Winkvist & Larson, 1998), i.e. preferences about the decision alternatives that they make prior to entering group discussion, and in the case of narcissistic leaders, with their overconfidence and egocentrism, this tendency to favor one's own information and disregarding the views of others would be greatly accentuated.

Implications for Practice

The research presented in this dissertation has several implications for organizations, particularly as narcissistic individuals appear to be fairly rife in leadership positions, which can be gleaned from the many 'supposed' narcissistic leaders being identified by clinical psychologists and the media (cf. Campbell et al., 2011; Deluga 1997; Maccoby 2000; Rosenthal & Pittinsky, 2006).

The common thread that is evident throughout this dissertation is that narcissistic individuals are especially sensitive to the context in which they operate, and different contexts also enhance the appeal of narcissists as leaders. In general, narcissists seem to perform particularly well if the context provides them with opportunities to self-enhance, and show off their superior capabilities to others. In order to maximize the performance of narcissists in general, they ought to be placed in organizational situations where there is a high level of interaction between employees as they are more likely to perform at their maximum in a highly social context, where their efforts are clearly visible. Narcissists working alone are less likely to perform at their optimal unless their performance is assessed relative to others or is made public, because at the core of narcissism lies a need for continuous affirmation and visible favorable evaluation from others.

However, as was shown in this dissertation, organizations should be careful in giving narcissists a powerful role within the context of group decision making.

Furthermore, it should be noted that narcissists are very egocentric and will tend to look after their own interests at the cost of others, and thus it would be recommended that the organizational incentive compensation system is utilized effectively to align the individual goals with those of the group or organization. For example, organizations can use group rewards for good performance, i.e. employ high reward interdependence, or allow their employees a share of organizational profit, or issue organizational stocks to their employees. In essence what organizations can achieve through these incentive alignments is that the narcissistic employees will perceive that their success is reflected in the success of the group or the organization, and the two become suffused.

Another practical implication stemming from this dissertation concerns the manner in which narcissistic leaders are viewed in times of crisis. Crisis triggers great feelings of anxiety, stress, and uncertainty about the future, which can lead to lower well-being, mental distress, higher turnover intentions and lowered job satisfaction for organizational employees (Sverke & Hellgren, 2002). If an organization is facing a crisis, for example due to a hostile takeover, it is best to ameliorate these negative psychological effects. It seems that merely observing that a strong, dominant, tough, and confident leader is placed at the helm of the organization during a crisis, leads people to feel that the leader can take away their uncertainty and anxiety. Thus, if organizations want to minimize distress in their employees brought on by a crisis they should consider placing a narcissistic individual in a visible position in order to emanate an image of confidence that someone is in charge who can proactively deal with the crisis. For example, organizations can give narcissistic leaders the role of a communicator, or a spokesperson, i.e. one who conveys information to employees or organizational shareholders at general meetings, or interacts with the media.

Another way in which organizations can maximally utilize the positive perceptions of narcissistic leaders is by entrusting them to help promote and implement innovations. This dissertation highlighted that narcissistic leaders are perceived to be innovative in a dynamic organizational context and argued that their strength lies in persuading others of the viability of their innovations. Thus, it would be most advantageous for organizations to employ narcissists as idea champions so as to gather support for a particular organizational innovation and ensure that an innovation becomes implemented. For example a new database management system may have far reaching consequences on many employees, and people usually put up resistance unless they can be adequately convinced that the proposed change has benefits well above the status quo. The charm, enthusiasm, overconfidence and self-assured mannerisms of narcissists would make them very persuasive. However, it is important for the motivation of narcissistic individuals that they are made to feel that they are the owner of the idea, even though they did not come up with the original idea themselves.

Finally, organizations should be aware of the fact that whereas some people may radiate an image of competence, perhaps because of their self-assured body language, confidence, charm, high self-esteem and extraversion, this may not be an accurate reflection of their actual competencies and merely shows their aptitude in self-presentation. Thus, caution is warranted when making inferences about someone's competencies or effectiveness based on impressions. For example, narcissistic individuals would be very skilled at signaling competence in an interview context, and an organization may find out only much later that the person who was hired for the job under the presumption of certain skills and competence does not live up to the expectations. Thus, it is advisable for Human Resource Departments to incorporate various assessments into the interview process if organizations want to be assured that they are hiring the correct person for the job. Likewise, when assessing employees in their normal course of work,

any ratings based on impressions, for example supervisor ratings, should be corroborated with objective performance measures.

Future Directions

The studies presented in this dissertation utilized different methods, namely field studies and experiments, and also employed different experimental paradigms, which all contribute to the robustness and generalizability of the findings. This dissertation has attempted to elucidate the conditions under which narcissists are perceived as appealing leaders and why this is the case. It has uncovered specific conditions which amplify narcissists' individual performance, as well as their perceived leadership effectiveness. Furthermore, this dissertation has also shown that appearances of confidence, utilized as signals of competence, can be highly deceiving. While this dissertation has helped in answering the questions that have been posited by scholars, several questions remain, in particular with reference to narcissists' dark side and their instrumental or persuasion tactics. Narcissists are known for being apt at impression management, as can also be gleaned from the results reported in Chapter 5, and prior research has suggested that they possess a superficial charm that can cast its spell on those who surround the narcissist. Thus, future research could further uncover the influence tactics that narcissists use to persuade others. I suggested earlier that narcissistic individuals would be very skilled at promoting an innovation because of their power of persuasion and their enthusiasm (Goncalo et al., 2010), and this should be investigated further.

Furthermore, as narcissists have been touted as very instrumental, it would also be interesting to see the differences in how narcissists are perceived depending on who in the organizational hierarchy is assessing them. It has been suggested that narcissists would be ingratiating towards high status others and

derogate low status others (Baumeister & Vohs, 2001). I would also expect that narcissists are akin to social chameleons and thus, if they really need someone to serve their interests they can adjust their behavior accordingly to pacify and charm the other person. As they are very concerned with how they appear to others, narcissists would be high on self-monitoring. I anticipate that this is the key to their instrumentality.

With reference to innovation, future studies should investigate whether narcissists are really innovative and employ objective measures of innovativeness, for example number of successful innovations that were implemented, the time that it takes for a new product to be introduced into the market, Research & Development spending, etcetera. Furthermore, future research could employ an experimental paradigm and investigate how effective a narcissist is in getting someone else to adopt their idea as viable. On the one hand narcissistic individuals would be very skilled at promoting an innovation; however, on the other hand they may also suppress innovative ideas of others because they are likely to give preference to their own ideas. Narcissistic leaders may even be threatened by more creative ideas of their subordinates.

This dissertation highlights the potential 'dark' side of narcissistic leaders in the domain of group decision making, and shows how narcissistic leaders inhibit information sharing and communication and thereby the quality of groups' decisions. Other potential negative consequences of narcissistic leaders have been suggested by prior literature, for example bullying of subordinates, white collar crime, and loss of reality which can lead to disastrous investments and decisions (e.g. Padilla et al., 2007). Yet, thus far research concerning the dark side of narcissistic leaders has remained scant. It would be interesting to investigate narcissistic leadership in terms of their ethical stance. It has been suggested that narcissistic egocentrism, sense of entitlement and self-aggrandizement predisposes people to follow the slippery slope towards unethical and even illegal acts. For

example, organizational narcissism has been argued to be the main reason for Enron's demise (Duchon & Drake, 2009). The company became so admired and identified as a hallmark of success that it wanted to perpetuate that illusion at any cost. I would argue that narcissistic sense of superiority and uniqueness means that narcissists would feel they can rise above the moral or even legal standards. This can be exemplified by a quote of a wealthy American who was subsequently convicted of tax evasion: "*only the little people pay taxes*" (Duffield & Grabosky, 2001, p. 4). In line with these thoughts, future research should investigate how organizations can best utilize the 'bright' side of narcissistic leaders and suppress the 'dark' side. For instance, which organizational roles are they most adequate for?

Concluding Remarks

This dissertation set out to unravel the paradox of narcissists as leaders by positing the question of *why* and *when* narcissistic individuals emerge as leaders and are perceived as effective leaders. And if they are perceived as effective leaders, are they able to *meet* others' expectations of their leadership capabilities? The series of field and experimental studies presented in this dissertation show that narcissists indeed emerge as leaders in group settings, and that there are certain conditions under which they individually perform well, are preferred as leaders and are perceived to exhibit innovative behavior. In other words, this dissertation shows that narcissists are sensitive to contextual influences, and these need to be taken into account when assessing the suitability of narcissists as leaders and in motivating them to perform well at an individual level. Thus, the 'bright' side of narcissistic leaders appears to shine its light mainly in terms of how they are perceived by others, and in turn how these perceptions can have positive flow-on effects on followers. For instance, in the context of crisis narcissistic

leaders may help regulate their followers' emotions and help diminish the uncertainty, stress and anxiety that accompany crises. In highly dynamic contexts, the perceptions of narcissistic leaders as innovative may prompt their followers to emulate their innovative behavior and thereby help enhance organizational innovativeness.

This dissertation also uncovers the potential 'dark' side of narcissists in leadership positions and shows that people tend to make erroneous judgments when it comes to narcissistic leaders' capabilities. Narcissistic leaders actually inhibit essential decision making processes, namely the exchange of relevant information, and thereby diminish group performance. There is a cautionary message in these findings, because all is not as it seems, and despite their agility and skill at radiating an image of an effective leader, the capabilities of narcissistic leaders should also be taken with a grain of salt. Earlier in this dissertation I presented the following quote by Lasch (1991, p. 59) "*Nothing succeeds like the appearance of success*", and therein lies the secret of the narcissist and why modern Western societies tend to elevate them to positions of power and prestige. Narcissists project an image of competence so convincingly that others find it hard to resist. And after all, there is no better stage for a narcissist to brandish their skills than one of leadership.

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