

Corporate Psychopath – Meaning, Signs, Effects and Amelioration Approaches

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Corporate Psychopath

There have been musings on why organizational performance is declining, or why employees, especially key employees are leaving. On a wider note, there can also be preponderances on why head of states are managing their countries poorly. One of the multiple reasons can be the presence of a “psychopath” as the head of an organization or even as a head of state. In the context of an organization, this individual can be called as, among other terms, an industrial psychopath, executive psychopath, organizational psychopath or a corporate psychopath (Boddy, 2014, p. 107).

Corporate psychopath, as the term used here in the context of organizations warrant some discussion as organizational success or otherwise is partly or wholly contingent on the leadership or absence of it in an organization. If a chief executive or directors happened to be corporate psychopaths, then the organization’s performance will head southwards and this will cause agency conflict with the organization’s stakeholders and shareholders in particular. Therefore it is important to be aware of the presence of a corporate psychopath in the midst of a board of directors or taken in a wider context, in the presence of a cabinet of ministers running a country.

Psychopaths are those one per cent of the population who demonstrate no conscience and therefore adopt an egotistic and ruthless approach to living (Hare, 1994, 1999; cited in Boddy, 2014, p. 107). Psychopathy is a personality disorder characterized by behavioral, affective and interpersonal deficits including shallow emotions, reduced concern for social norms and a lack of guilt, remorse and empathy (Hare, 1993, cited in Walker & Jackson, 2017, p. 797).

Corporate psychopaths have been described simply as those

“working in the corporate sector, possibly attracted by the potentially high monetary rewards, prestige and power available to those who reach the senior managerial levels of large corporations (Babiak & Hare, 2006, cited in Boddy, 2014, p. 108)”.

The presence of corporate psychopath is important because of social learning theory that people learn vicariously by observing others’ behavior, especially when observing influential role models who may affect others’ behavior (Bandura, 1977 cited in Boddy, 2014, p.108). Hence when unethical managers such as corporate psychopath are present, then there will be a toxic culture in the firm and as result other detrimental work behaviors and acts may arise such as rudeness, conflict and bullying as these are learnt from a corporate psychopath ‘leader’, repeated and copied throughout the organization (Boddy, 2014, p. 108).

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Signs of corporate psychopath

Corporate psychopaths are reported to be highly manipulative individuals who charm their way into senior positions that are in reality above their ability and qualifications to undertake (Boddy, 2017, p. 149). Corporate psychopaths may result in the breaking of the psychological contract – the unwritten rules and mutual expectations between employees and their employing organization (Boddy, 2017, p. 150).

The psychopathy measure – management research version (PM-MRV) have identified corporate psychopaths as having the following traits – shallow, calculating and cold; glib and superficially charming; have a grandiose sense of self-worth; are pathological liars; good at conning and manipulating others; no remorse about harming others; callous and lacking in empathy and failing to take responsibility for their own actions (Boddy, 2014, p. 111).

Corporate psychopaths are low on guilt. Guilt is a “self-conscious” moral emotion that is interpersonal and is experienced subsequent to a transgression (Haidt, 2003 cited in Walker & Jackson, 2017, p. 800). Psychopaths are also low in regret. Regret pertains to intrapersonal faults. In addition, corporate psychopaths also show a lack of remorse. Corporate psychopaths also appear to be low on shame because of their low concern for social conventions. A corporate psychopath is also good in faking (Walker & Jackson, 2017, p.800). Intelligent psychopaths may be able to articulate what they believe to be socially desirable responses and may be able to fake such responses but are less likely to feel these emotions to gain advantage (Walker & Jackson, 2017, p.798).

Corporate psychopaths are also in general high in anger. A meta-analysis found psychopaths were high on the angry-hostility dimension (Decuyper *et al.*, 2009, cited in Walker & Jackson, 2017, p. 802). Related to anger but with a higher intensity is rage which was also prevalent in psychopaths. Sometimes these responses are faked by psychopaths to achieve their objectives.

Schadenfreude, i.e. the malicious pleasure regarding the misfortune of others has been reported to be higher in corporate psychopaths (James *et al.*, 2014, cited in Walker & Jackson, 2017, p. 804).

To summarize this section, it is appropriate to say that corporate psychopaths are adept at gaining an advantage in organizations (Ray & Ray, 1982, cited in Walker & Jackson, 2017, p. 805) and can manipulate their way to the upper echelons of an organization (Chiaburu *et al.*, 2013, cited in Walker & Jackson, 2017, p. 805).

Effects on employees and organizations in the presence of corporate psychopaths

Corporate psychopaths have empirically been shown to create a toxic workplace environment typified by conflict, bullying, increased workload, low levels of job satisfaction and higher than necessary organizational constraints (Boddy, 2010, p. 304).

The presence of psychopaths has resulted in employees experiencing higher workload, greater interpersonal conflict and abusive forms of leadership. Interpersonal conflict at work is behavior where people impose their will on others and this can be done through arguing, yelling and other forms of supervision bullying. Bullying can take the form of name calling, sexual harassment, making the victim a scapegoat and applying undue work pressure. In addition, bullying can also include humiliating

others, sarcasm, rudeness, over-managing, overworking an employee and threats and violence (Boddy, 2014, p. 110).

This constant conflict and bullying can lead to counterproductive work behavior such as wasting employers' materials and supplies, damaging equipment and properties, dirtying or littering the workplace, doing work incorrectly, working slowly when things are needed fast and intentionally failing to follow instructions (Boddy, 2014, p. 112).

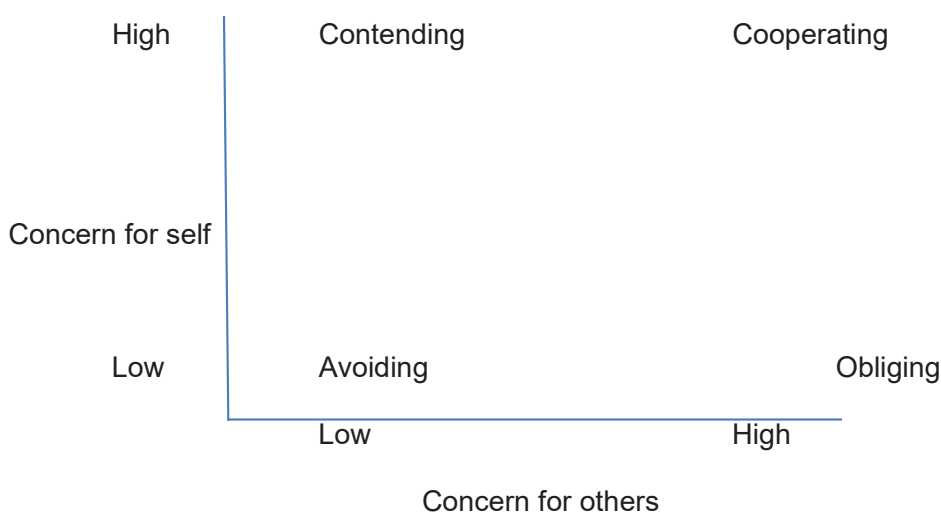
Moreover, the presence of psychopath in an organization will also affect employees' affective well-being such as being angry, anxious, uneasy, bored, not being calm, discontented, depressed and discouraged (Boddy, 2014, p. 113).

The culture of the organization, as mentioned earlier will become toxic and this may lead to other forms of negative behaviors, all resulting in losses to the organization (Boddy, 2014, p. 108) and there is also mounting evidence that the onset of the global financial crisis may have been attributable to dark leadership such as having corporate psychopaths in top management position and as a consequence of such dark leadership, employees lose their jobs, shareholders lose their investments and societies lose key parts of their economic infrastructure (Boddy, 2011, p. 255).

Amelioration approaches

To address the presence of corporate psychopaths, the organization will need to manage conflicts occurring in the work place, taking some practical courses of action and ultimately changing the organization's culture.

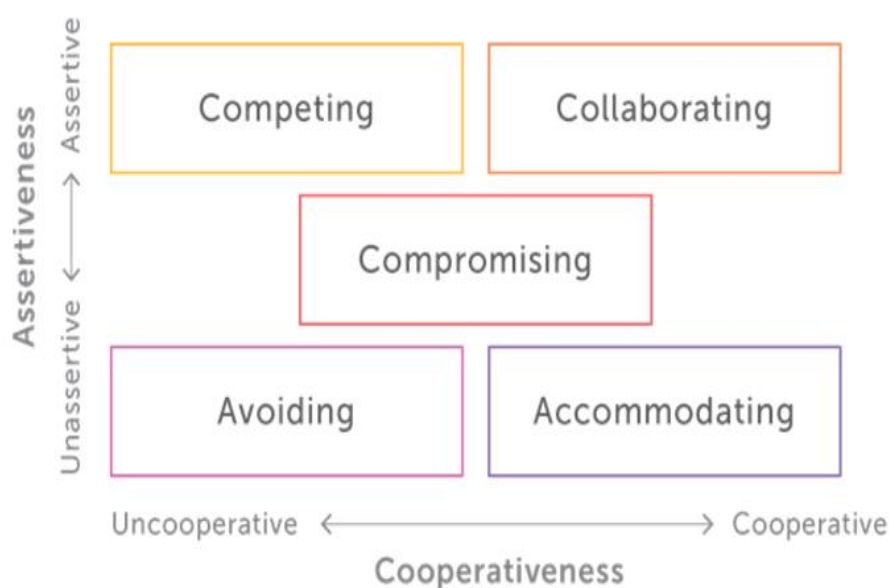
To manage conflict, there have been many frameworks being developed. Rahim and Bonoma (1979 cited in Boros, Meslec, Curseu & Emons, 2010, p. 540) specifies four conflict resolution styles as depicted below:



Another approach to addressing conflict can be third party intervention (de Dreu & van Vianen, 2001 cited in Boros *et al.*, 2010, p. 540).

The cooperating style is suitable when problems to be solved are complex and requires the integration of multiple resources or perspectives. The parties to the conflict must be open and willing to exchange information, examine existing differences and find effective solutions that are acceptable to both parties. People using the contending style are oriented to achieve their own goals or objectives and are not interested in expectations or the needs of other parties. This will lead to competition among the parties concerned to address the conflict. The avoiding style entails withdrawing or sidestepping situations that caused the conflict (Boros *et al.*, 2010, p. 541); it is envisaged that the avoidance may help to provide the parties with a cooling-off period to allow the parties to the conflict to regain their senses and to eventually address the conflict. The obliging method was not supported by factor analysis (Oetzel & Ting-Toomey, 2003, cited in Boros *et al.*, 2010, p. 540).

Another approach similar to the above to addressing conflict is competing, collaborating, compromising, avoiding and accommodating (Thomas & Kilmann, 2010, cited in Sharma & Mehta, 2017, p. 66). Thomas and Kilmann conflict mode instrument describe a person's behavior along two basic dimensions, i.e. assertiveness (the extent the individual attempts to satisfy his/her own concerns) and cooperativeness (the extent to which the individual attempts to satisfy the other person's concerns). This can be shown below:



Source: Thomas, K.W. & Kilmann, R.H. (2010), *Thomas-Kilmann conflict mode instrument – profile and instrument report*, CPP Inc.

Avoiding is unassertive and uncooperative. This approach tries to avoid the conflicting party until there is some cooling-off period. After this cooling-off period, it is envisaged that the parties involved will be more rational and other means of resolving or solving conflict can then be contemplated.

Competing is assertive and uncooperative. Competing with conflicting party may occur when there are limited resources and all parties to the resources are trying to attain the same resources. Competition involves clear defines polices and rules that have to be adhered to by the competing parties.

Compromising is an intermediate position of assertiveness and cooperativeness. Compromising adopts a win-win situation with the conflicting party and tries to seek a consensus and a give-and-take-approach with the conflicting party. Each party to the conflict has to sacrifice something to address the conflict.

Accommodating is a position that is unassertive and cooperating. It is the opposite of competition. In this position, the conflict is addressed by yielding in to the conflicting party, i.e. giving-in to the needs of the conflicting party.

Finally, collaboration is high in assertiveness and cooperativeness. This position tries to address conflict by getting the parties involved to see the “bigger picture” of things and to focus on the commonality of the parties involved in the conflict rather than the nitty-gritty issues and other annoying issues that caused the conflict. The bigger picture of things may be the firm’s mission and vision or the firm’s values, morals and principles. By focusing on the bigger picture, the conflicting parties may come to some form of mutual agreement and awareness that may eclipse the conflict. Of all the approaches to managing conflict, the collaboration approach may be best to overcome the conflict and bullying occurring in the midst of a corporate psychopath.

The corporate psychopath may be persuaded to analyse and focus on the firm’s mission, vision, values and principles or anything that the psychopath can agree upon that is also amenable to the firm’s major stakeholders. If a corporate psychopath can happen to agree upon such a superordinate goal, then there is a possibility to convince the psychopath that the actions taken by the psychopath will also do more harm than good to the psychopath. If the psychopath is in agreement, then there is a chance to stop or reduce these detrimental effects due to the presence of corporate psychopaths. However, it is a challenge to get the corporate psychopath to agree on the bigger picture of things and this approach of collaboration may be more effective if the toxic culture of the firm can be overcome.

Before discussing changes in organizational culture to address corporate psychopath, there are also a series of actions that can be taken to reduce victimization from corporate psychopaths. In simple terms, there are the following – knowing the enemy; reframing reality; playing by the rules and ending the game (Solas, 2015, p. 259).

Knowing the enemy involves identifying the victimizer or the corporate psychopath and enabling the colleagues and other staff of the firm to know the psychopath and label him/her as who he/she is, i.e. a corporate psychopath. Once the identity is made known, it may direct shame and other labels to such an individual and perhaps may reduce the corporate psychopath’s behavior. However, if the corporate psychopath is at the upper echelons, it may not be easy in labeling the psychopath.

Psychopathic managers will invariably seek to discredit those they single out. The victim ought to reframe him/herself in a more positive light. This reframing reality is important so that victims are able to rebrand themselves and everyone will know who actually should be discredited, i.e. the corporate psychopath. Digital technology can be used to rebrand the individual subjected to the harassment of the corporate psychopath. Technologies like social media networks and LinkedIn can be used to rebrand the individual and if the individual has portrayed a positive image in these platforms, others may make judgments on who ought to be discredited, namely the corporate psychopath.

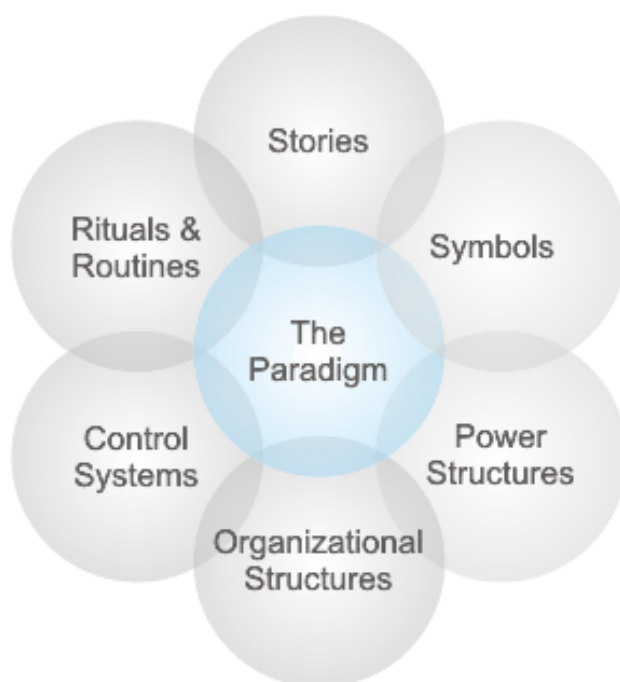
Psychopaths typically disdain rules and become frustrated being caught up in these rules. A victim of a corporate psychopath needs to know how playing by the rules can benefit them. The individual victim of a corporate psychopath should know how the organization’s rules work both for and against

the victim. Understanding these rules to outmaneuver the corporate psychopath may get the psychopath frustrated and stop harassing the particular individual.

Sometimes after all has been done by the victim of corporate psychopathy and no remedy seems to help, then leaving the organization may be a sound decision. Leaving the organization may provide the victim with the possibility of reinvigoration and introspection.

The earlier passages have mentioned that the presence of a corporate psychopath will create a toxic culture in the organization. Therefore, it is important to ensure a brand new culture to weed out future corporate psychopath and to identify current ones to be singled out and to mete out appropriate actions including dismissal. To ensure the installation of a new organizational culture, the framework/model as advocated by Johnson, Whittington, Scholes, Angwin and Regner (2017), i.e. the Cultural Web can be used. This model is shown below:

Figure 1: The Cultural Web



Source: Johnson, G., Whittington, R., Scholes, K., Angwin, D. and Regner, P. (2017), *Exploring Corporate Strategy* (11th ed.), Pearson, UK., pp. 175-177.

The stories told by members of an organization to each other, to outsiders, to new recruits, and so on my act to embed the present in its organizational history and also flag up important events and personalities. They typically have to do with successes, disasters, heroes, villains and mavericks. Stories can be a way of letting people know what is conventionally important in an organization. The author believes if a reputable and trustable board of director were to tell stories on the importance of teamwork, on the importance to overcome counterproductive work behavior, conflict/bullying and taking care of the affective well-being of employees so as to ensure continued performance of

organization, then these stories may be spread from one mouth to another, and soon becomes part of the fabric of a firm's organizational culture. Once this takes place, deviant behaviors in the form of corporate psychopaths can be identified as these psychopaths may go against the stories being told in the organization. Since the values being spread by these stories are so different from the behavior of such corporate psychopaths, they may not be at ease working in such an organization and they may depart from the firm whose directors discourage deviant work behaviors.

Power is defined as the ability of individuals or groups to persuade, induce or coerce others into following certain courses of action (Johnson *et al.*, 2017, p. 176). To discourage deviant work behaviors and corporate psychopaths, the author believes that a Chief Ethical Officer may be appointed to oversee all matters within and without a firm that involves ethics, morality, conflict/bullying and other inappropriate behaviors. This officer may draw up proper code of conduct/ethics, policies and procedure and other mechanisms to eradicate, among others, corporate psychopaths.

Routines refer to 'the way things are done around here' on a day-to-day basis. As indicated through the stories being told, all new recruits will have to listen to the stories about the disapproval of deviant work behaviors and to be ingrained into new recruits on what behavior is acceptable and what is not. This can be done during employee induction. Employees are also expected to read company handbook and other guidelines on what behavior is deemed appropriate and otherwise.

The rituals of organizational life are particular activities or special events that emphasize, highlight or reinforce what is important in the culture. An organization experiencing counterproductive work behavior or believes the presence of a corporate psychopath may bring in guest speakers, such as highly respectable and ethical people in the industry to give talks on the importance of virtue, integrity and morality. It is envisaged that these speakers may influence the employees in behaving in ways that are condoned and appropriate. The author believes that the constant dissemination of virtuous behavior may help to identify corporate psychopaths whose behavior is different from one that is being embraced by an organization. This may put the psychopath in the limelight for all the wrong reasons and to result in incompatibility between the corporate psychopath and the firm's values and beliefs, prompting the psychopath to leave the firm.

Organizational structures are the roles, responsibilities and reporting relationships in an organization. In relation to the presence of a corporate psychopath, an ethics committee or ombudsman can be created to help address problems faced by victims of psychopaths and perhaps also in advising the corporate psychopath and if the problem recurs, the committee can update the records of the victims and perpetrators involved. A whistleblowing channel can also be created to lodge the abuses of a corporate psychopath so that appropriate actions can be initiated (Solas, 2015, p. 259).

Control systems are the formal and informal ways of monitoring and supporting people within and around an organization and tend to emphasize what is seen to be important in the organization. Following from the whistleblowing channel, there can be a formal conflict resolution procedure in place. Organizations should maintain proper records of conflicts so that it can be presented to higher authorities for resolution on time (Sharma & Metha, 2017, p. 73). In addition, the policies, procedures, and other mechanisms created by the Chief Ethical Officer can be used to influence the behavior of employees and also to zoom into possible corporate psychopaths, so that the relevant actions such as discipline and dismissal may take place. Moreover, proper screening systems to identify potential corporate psychopath should be instituted as part of the firm's recruitment process and proper

references checked be made. The reference check, if permissible should also encompass the psychopath's social networks. This should be done based on permission from the candidate and prevailing laws available. Performance appraisal systems have to be changed to incorporate the occurrence of deviant work behavior and a 360 degree performance appraisal system can be considered so that all stakeholders of the staff will appraise the staff and the organization can get a holistic picture of the employee and hopefully to weed out corporate psychopaths. Proper rewards should also be given to employees that does not show deviant behavior and those that do based on performance evaluation conducted will see their rewards shrink and ultimately dismissed by following the proper channels. Psychiatrist can also be employed to help identify corporate psychopaths so that they can be reoriented or be singled out for dismissal through the proper employment laws and human resource polices of the firm.

Symbols are objects, events, acts or people that convey, maintain or create meaning over and above their functional purpose. The office layout of a firm can be changed to allow greater interaction and also to allow the identification of a corporate psychopath and the victims. With an open office layout, everyone can be the witness of conflict, bullying, counterproductive work behavior and also the existence of a psychopath. The mission statement of a firm can also be changed to reflect the importance of cooperation, productive work space, and the importance of respect and caring for one another. Words inscribed and placed on frames can be hung at strategic locations to emphasize teamwork, trust and maintaining the dignity of each employee.

Paradigm refers to the basic underlying assumptions and the taken for granted beliefs in an organization or employees. It is envisaged that if the above changes take place, employees' paradigm will be that their organization does not tolerate corporate psychopaths and will take steps to remove them. On the other hand, their firm values teamwork, cooperation, trust and productive work behavior.

Conclusions

The above article defines the meaning of psychopath and put it into the context of organizations and hence the term, "corporate psychopaths". In addition, the signs of the presence of a corporate psychopath were explained, followed by its effects on employees and organizations. This culminated with a discussion on how to mitigate and improve the situation in the midst of a corporate psychopath. This article provides some musings that corporate psychopaths may be in our midst and we need to identify them and take the necessary actions, otherwise, an organization may be heading southwards. Many a times an organizational downfall is blamed on leaders who should not be at the upper echelons of an organization. The existence of dark leadership may have led the onset of the global financial crisis (Boddy, 2011, p. 255) and therefore, an organization needs to be introspective and analyze people in the firm and people whom the firm may want to employ to filter out such dark leadership. This article thus hopes to create an impression that corporate psychopaths do exist and organizations need to be wary over them.

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