

# Dark Leadership, Charisma and Trust

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## ABSTRACT

*Trust, charisma and bad leadership are central concepts in the managerial psychology. The aim of this paper is try to put forth shortly some ideas to research these phenomena, and connections between them, empirically. Charismatic leaders have the power and the ability to manipulate and misguide people. To prevent this misbehaving, it is important to promote processes of transformative ethical leadership. Thus, commitment, value-congruence, and communality are in the play a key positions. Charismatic leaders could be weak persons with destructive narcissist power. Good management and leadership are also central factors influencing these processes. Destructive and narcissistic leaders are, on the other hand, negative dark forces causing damage and harm in organizations. So, it is an important task to research these elements. The nature of the paper is exploratory. A conceptual analysis is conducted in order to set up a conceptual framework for empirical studies. The next phase of the research will be to gather relevant empirical material: interviews, company documents and participatory observation experiences.*

**Keywords:** Charisma, Leadership, Management, Ethics, Psychology

## 1. Introduction

We have seen that people live in a more and more complicated, post-modern and globalized world. This tendency of modernization and post modernization still presents growing challenges for leaders in organizations. The dilemma of narcissism is one of the most acute problems in leadership behaviour in the Western world. Why do bad and destructive leaders with or without charisma exist? How is this evilness produced and reproduced in organizational behaviour? The culture of trust is said to be the most important factor behind wellness and wellbeing in organizations. Commitment is an inevitable part of this culture. Good management and leadership are also central factors influencing these processes. Destructive and narcissistic leaders are, on the other hand, negative dark forces causing damage and harm in organizations. So, it is an important task to research these elements.

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## 2. Previous Research on the Dark Side of Leadership

Charisma, in the sense used by Max Weber [1], literally

means “*the gift of grace*”. It is used by Weber to characterize self-appointed leaders followed by people who are in distress and who need to follow the leader because they believe him to be extraordinarily qualified [2]. The actions of charismatic leaders are enthusiastic, and with such extraordinary enthusiasm, fraternization and exuberant community sentiments can be pursued. For this reason, charismatic heroes and prophets are viewed as truly revolutionary forces in history [3]. Weber characterized charisma as ‘specifically outside the realm of everyday routine and the profane sphere, a direct antithesis of rational and traditional authority. Inherently transient, volatile, and evanescent, charisma in its pure form ‘exist(s) only in the process of originating. It cannot remain stable, but becomes either traditionalized or rationalized, or a combination or both [1].

According to Washburn and Clements [4], Kets de Vries [5] has identified several of those shadows that leaders fail to recognize.

1) Mirroring is the tendency among leaders to see themselves as their followers perceive them and to feel they must act to satisfy the projections or fantasies of the followers. A certain amount of mirroring is part of human existence. Our understanding of the world will always reflect some shared perceptions of what is real. But in a crisis, even the best of us is likely to engage in distorted mirroring. The impact of mirroring distortion is most serious when leaders use their authority and power

to initiate actions that have serious, negative consequences for the organization.

2) Narcissism in leaders reflects a distorted view of the self. Narcissists need power, prestige and drama, and they enjoy manipulating others. These qualities draw them to positions of leadership, but, at more extreme levels, the results are disastrous. They can become intolerant of criticism, unwilling to compromise and frequently surround themselves with sycophants. While these people appear to be ideal choices for leadership positions, they may fall victim to the distortions of their narcissistic tendencies that are reinforced by their positions.

3) Leaders can suffer from an inability to differentiate and verbalize emotion, or what can be called emotional illiteracy (or “alexithymia”). These individuals do not respond to their emotions, and are easy prey for the distortions of others’. “In the case of these individuals, the general human tendency toward mirroring seems to have been carried *ad absurdum*” [5]. Emotional illiterates closely resemble the stereotypical bureaucrat of “organization man”. They may be viewed within certain organizations as ideal candidates for leadership positions. While they are controlled, structured and dispassionate, they lack the emotional abilities to empathize, energize, foster creativity and respond appropriately to conflict. They contribute to a mediocrity that drives out excellence.

4) Leaders at times fall victim to the fear of letting go, even though they know they no longer fit the demands of the job. This may result from strong ego identification with a leadership position. In this case, the loss of position and power suggests a condition of nothingness, which is countered by great intentness, single-mindedness and persistence. Another factor contributing to the fear of letting go is the “Talion Principle,” or the fear of reprisals. While in leadership positions, individuals are at times forced to make decisions that have unpleasant consequences for others. People who give vent to the paranoid fear of retaliation hang on to power and even resort to pre-emptive action against others [4].

The fear of nothingness can lead to the “edifice complex.” The fear that their legacy will be destroyed motivates them to hold on to power as long as possible and may be expressed in generational envy, inducing them to block younger people’s careers. All of these foster actions, which are potentially destructive to organizations and their members. It is important to realize that not all these counterproductive behaviours emanate from leaders. Contrary to what might be suggested by transformational leadership theory, inspired and empowered followers can take actions that produce decidedly negative consequences for the leader. For example, followers who have strongly authoritarian personalities are likely to conform unquestioningly or they may react to the charismatic

qualities of the leader by mimicking or idealizing. Additionally, followers may seek to ingratiate themselves with leaders in order to be valued and rewarded. Such reactions can deprive leaders of important feedback and alternative perspectives [4].

### 3. The Features of the Narcissistic Leader and Trust

Burke [6] sees that focusing on two basic categories of bad leadership, ineffective and unethical, identifies seven types of bad leaders that are most common. Type, here, refers to a pattern of leader and follower behaviour that is maintained over time:

- 1) Incompetent – lacks the will or skill to create effective action or positive change
- 2) Rigid – stiff, unyielding, unable or unwilling to adapt to the new
- 3) Intemperate – lacking in self-control
- 4) Callous – uncaring, unkind, ignoring the needs of others
- 5) Corrupt – lies, cheats, steals, places self-interest first
- 6) Insular – ignores the needs and welfare of those outside the group
- 7) Evil – does psychological or physical harm to others

The first three types of bad leaders are incompetent; the last four types are unethical. Incompetent leaders are the least problematic (damaging) while unethical leaders are the most problematic (damaging). One must also consider both means and ends. Ineffective leaders fail to achieve the desired results or to bring about positive changes due to a shortfall in means. Unethical leaders fail to distinguish between right and wrong. Ethical leaders put followers needs before their own, exhibit private virtues (courage, temperance) and serve the interests of the common good [6].

Narcissistic leaders are vulnerable to these kinds of dangers. The organizational and social contexts here should be understood as regulative to the extent that they provide (symbolic, discursive, material, etc.) input that in various ways affects identity work. In psycho-dynamically oriented literature it is often suggested that individuals defend their identity against threatening aspects of the social context. Through a variety of defensive mechanisms, perceptions of reality are distorted or deflected, leaving a valued identity unaffected by actual social interactions. The point here is not to elaborate on various defensive mechanisms, but rather to highlight that self-identity in some instances can become loosely connected to actual social interactions. Based on this we suggest that self-identity may assume characteristics of fantasy; that is, an idea or a belief that is not significantly affected by actual behaviour [7].

Choi characterizes the qualities of the narcissistic leader as follows. For the narcissistic leader, the world

revolves on the axis of self, and all other people and issues closely orbit them. They present various combinations of intense ambitiousness, grandiose fantasies, feelings of inferiority and overdependence on external admiration and acclaim. Narcissistic leaders also tend to overestimate their own achievements and abilities while stubbornly refusing to recognize the quality and value of the same in others. Another characteristic is their tendency to exploit in interpersonal contexts, in which others are taken advantage of in order to indulge their own desires. Because narcissistic leaders tend to use others to advance their own goals, they are notorious for being unable to empathize with those they lead. This enables them to pursue their own ends without restraint [8].

Tourist and Vatica [9], in their ENRON study, have argued that many of the dynamics found within Enron resemble those of organizations generally regarded as *cults*. In particular, it described the existence and the downsides of charismatic leadership – a compelling and totalitarian vision, intellectual stimulation aimed at transforming employees' goals while subordinating their ethical sense to the needs of the corporation, individual consideration designed to shape behaviour, and the promotion of a common culture which was increasingly maintained by punitive means. The one exception is that, as the general literature testifies, cult members donate most of their money and possessions to their chosen cause. They endure great hardship. Enronians, by contrast, were well paid, with the promise of much greater wealth to come. On the other hand, most saw their retirement savings wiped out in Enron's collapse, lost everything they had invested in its shares and received nothing more than a US\$ 4000 severance payment when it filed for bankruptcy, while top managers were paid exceptionally generous retention bonuses. Overall, the organizational culture strongly resembles that of many well-known cults, as does the behaviour of Enron's leaders. There have been many attempts to portray the Enron scandal as a one-off or at least a rare occurrence.

Arnott [10] put forth that trust, which is a belief in the reliability of a third party, particularly when there is an element of personal risk, lies at the heart of the marketing concept. Any successful relationship, from friendship and marriage to partnerships and business transactions, is dependent to a greater or lesser extent upon the degree of trust between the parties. The interest of management researchers in the topic only began in the mid-1980s with investigations into the interpersonal relationships between buyers; although, published work on trust was still running at less than five papers per year. This changed with the works of Moorman *et al.* [11] on the trust relationship between businesses and marketing research agencies, Morgan and Hunt [12] with their commitment-trust model of relationship marketing, and McAllister [12], who categorized trust on the basis of two dimen-

sions: 1) the cognitive; and 2) the affective [9].

One can present empirical data that demonstrates that trust is present in all *psychological* contracts, but that it may differ in nature, and this has implications for the transactional or relational nature of the psychological contract. Understanding the bases of trust that operate in the psychological contract and the implications of their manner of operation may well have practical implications for the management of the employment relationship. For example, an employer is unlikely to be able to develop and benefit from affective trust if there are frequent breaches of cognitive trust. Cognitive trust and transactional obligations appear to operate as hygiene factors that must be adequate before the relationship can move to a more relational/affective level [14].

Shamir and Lapidot [15] state that the social-psychological literature on trust in organizational superiors implies that it is an interpersonal phenomenon, based on the superior's behaviours and on the subordinates' perceptions of the superior's behaviours and qualities. The sociological literature, in contrast, implies that trust in a superior is a property of the system in which the superior-subordinate relationship is embedded. They see that trust is both an interpersonal and a collective phenomenon and focus on the linkages between three levels of trust: the system level, the group level, and the individual level. They use a longitudinal quantitative analysis of cadets' trust in their team commanders and a qualitative analysis of critical incidents of trust building and erosion to develop and support three propositions. First, trust in a superior reflects the subordinates' trust in the system that the superior represents. Second, subordinates employ criteria derived from systemic properties such as collective identities and values to evaluate the trustworthiness of their superior. Third, team processes play a major role in the social construction of trust in a superior and in translating systemic considerations into criteria for evaluating the trustworthiness of superiors. They continue that for all these reasons, it seems reasonable to suggest that future studies of trust in organizations, and especially of trust between leaders and subordinates, should pay more attention to the *collective* aspects of the phenomenon. Theoretical models of trust should be extended beyond the current emphasis on interpersonal processes to include systemic considerations and group-level processes as well.

#### 4. Conclusions

The brief presentation set forth above suggests several points. The dark side of charisma and managerial failures stigmatize organizational life nowadays. Therefore, it is more and more important to try to develop means to give us concrete devices for improving leadership practices. Fear, threats, egoism, narcissism, brutality and cultism are such things that will cause fatal damage to organiza-

tional trust and commitment. Leaders who betray their followers may miss out on opportunities to be trustworthy forever. Leaders can lose trust only once. However, in work-organizations employees act to earn their living, and thus affective or emotional commitment may lay more in the background compared with other social or private life organizations, such as in the family. A human being is a gregarious actor, and trusting on his companions is fundamental to survival.

Signals of trust could be:

- altruism
- benevolence
- fairness
- respect

These elements could pave the way to ethical leadership.

According to Valumbwa *et al.* [16], *authentic* leadership theory likewise contains distinctive components that are not considered by ethical leadership theory. Specifically, the focus on self-awareness, relational transparency and balanced processing all represent features of authentic leadership not captured in operational definitions of ethical leadership. As is the case with ethical leadership, there is some conceptual overlap between authentic and transformational leadership. Transformational leadership is composed of five components: attributed charisma, idealized influence, inspirational motivation, intellectual stimulation and individualized consideration. However, attributed charisma has been described as representing the leadership's impact and reflecting follower attributions, and not necessarily leader behaviour. Leaders with idealized influence tend to place follower needs over their own needs, share risks with followers, and demonstrate devotion to a set of underlying principles and values. Such leaders are "role models for followers to emulate; can be counted on to do the right thing; and display high standards of ethical and moral conduct" compared to values of efficiency and professional integrity and may require change efforts.

Charismatic leaders have the power and the ability to manipulate and misguide people. To prevent this misbehaving, it is important to promote processes of transformative ethical leadership. Thus, commitment, value-congruence, and communality are in the play key positions. Charismatic leaders could be weak persons with destructive narcissist power [17]. Maybe, for example, models of authentic/servant leadership and care-ethics are the right means for better life in organizations. I agree with Choi who put forth that taken together, charismatic leadership is not equally applicable to all situations. Some situations have a higher degree of receptivity to charismatic leadership, which in turn, raises the concerns of the fit between charismatic leadership and contextual factors. Thus, an awareness of the contextual influences on the effectiveness of charismatic leadership has impor-

tant implications for leadership practices [8]. The contexts should be taken into account carefully in the decision of the placement of leaders who have charismatic characteristics [17]. In addition, the training of charismatic leaders should also be guided by the consideration of contextual factors [18]. Therefore, the consideration of contextual factors will allow organizations to reap greater benefits from the motivational effects of charismatic leadership.

Charismatic leadership [8] is comprised of three components: envisioning, empathy, and empowerment. These key components stimulate the followers' needs for achievement, affiliation and power. These motivational effects of charismatic leadership then act to improve the followers' role perceptions, task performance, job satisfaction, sense of collective identity, group cohesiveness, organizational citizenship behaviour and self-leadership. In addition, the motivational effects of charismatic leadership will be moderated by various contextual factors [8].

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