

AN EXAMINATION OF CORPORATE PSYCHOPATHY AND THE INFLUENCE OF
NEGATIVE LEADERSHIP BEHAVIORS ON ORGANIZATIONAL PERFORMANCE AND
EMPLOYEE WELL-BEING

by

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ABSTRACT

This study develops a better understanding of corporate psychopathy and the impact of negative leadership behaviors exhibited by an executive on overall firm performance and employee well-being. The level of psychopathy, narcissism, and Machiavellianism present in the leadership of a company has a direct impact on the firm's performance and the well-being of the employees directly supervised by the executive. This study looks into the research previously conducted in this area, specifically at the Dark Triad Theory, develops hypotheses, and conducts a survey method of research for executives and direct subordinates. Correlations were made between the actions of the leadership and the presence of destructive leadership behaviors with firm performance and the employees' well-being.

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Introduction

Negative leadership behaviors are known for creating hostile work environments for employees and affecting firm performance under the decisions made by the leadership of the corporation. A psychopath is generally identified by the characteristics of individuals who exhibit a lack of conscience, are egotistical, and approach life ruthlessly and unemotionally in pursuit of a personal gain (Boddy, 2012). The universal population is made up of approximately 1% of individuals who exhibit psychopathic personality traits; however, when studying the business environment and its population, psychopathic individuals make up approximately 3.5-4% of senior level corporate workers and, more specifically, CEO's (Boddy, 2013). Corporate psychopaths are individuals exhibiting psychopathic personality traits who work in the corporate sector (Boddy, 2010). The high representation of psychopaths in the corporate sector can be explained by various factors that encourage psychopathic personality type individuals to be attracted to working for a business corporation. For example, success and power, attributes that often lead to high monetary rewards, are typically attractive characteristics to individuals who aim to or reach senior level management positions (Boddy, 2012). The nature of corporations and their primary objective for business - to achieve the highest value possible for shareholders excluding all other considerations - encourages psychopathic individuals to climb the ladder of success (Lee, 2005). Psychopaths can easily survive and very often perform successfully in a corporate environment, likely without any detection by the corporation (Babiak & O'Toole, 2012). Corporate psychopaths may also account for a disproportionately large amount of destructive and unethical business behavior. Studies have shown correlations in the general population revealing individuals with psychopathic personalities are responsible for violent and criminal behavior (Boddy, 2010). Research indicates corporate psychopaths possess the ability to

“wreak havoc” on businesses and cause negative impact on the performance of companies (Babiak & O’Toole, 2012). Where in some instances a psychopath in an executive position can bear positive performance, his/her presence in the company may also create numerous problems.

Research thus far looks into the personality traits that drive corporate psychopaths behavior exhibited in their careers and the influence these behaviors have on the company itself and the employees. The Dark Triad Theory includes Machiavellianism and narcissism along with psychopathy in studying negative leadership behaviors present in executives. Understanding the traits psychopathic, narcissistic, and Machiavellian individuals exhibit, especially in the work environment, will lead people to better identify these leaders within their company. Narcissistic individuals are concerned with their own appearance and success, regardless of how that affects the corporation altogether. Machiavellian individuals are primarily focused on the ends, in a corporation this would be gaining maximum profits, regardless of the means used to reach the ends whether or not they are legal and ethical.

This study proposes to survey individual executives in the corporate sector to identify the impact that individuals engaging in negative leadership behaviors have on firm performance and employee well-being. My research is directed towards identifying if the executive possesses negative leadership personality traits or not, specifically focusing on corporate psychopathy, and extent to which these individuals can have impact on the firm’s performance and employees well-being. Using performance measures of the companies, it can be identified if individuals exhibiting psychopathic personality traits lead companies to perform better or worse than their competitors. The levels of the behaviors exhibited by the executive will be correlated with the employee well-being found at the firm, including burnout, turnover, and satisfaction rates. Due to the sensitivity of these data and the reputation of the executives being surveyed, the

information collected has remained completely confidential and has only been used to make connections between the leadership of the company and the company's performance and employee.

Dark Triad Theory

Research has been conducted to understand why certain people engage in destructive leadership behaviors; some of this research has focused solely on the individuals' personality. Corporate psychopathy, narcissism, and Machiavellianism create the Dark Triad theory generated through a study done by Paulhus and Williams in 2002, a theory describing the dark side of leadership (Gudmundsson & Southey, 2011). Leadership is often discussed as positive and good, but there is evidence of a darker side of leadership, which can lead to wasted resources, ruined careers, and organizational collapse (Boddy et al., 2010). Goldman (2006) identified that in order to take down a corporation it generally takes one bad leader, so it is important to research the darker side of leadership and the negative effects of this leadership on an organization and its employees (Boddy et al., 2010). Destructive leadership is described as “a systematic and repeated set of behaviors by a leader that have a significant negative impact on organizational and/or employee outcomes” (Gudmundsson & Southey, 2011, page 20). Poor management and leadership behaviors create a wide variety of negative consequences in an organization and often create psychological distress in its employees (Mathieu et al., 2012).

Psychopathy is a personality disorder, noted by traits including superficial charm, deceitfulness, impulsivity, lack of remorse, lack of empathy, and many others, often landing a psychopathic individual in prison for committing criminal acts (Andrews & Furniss, 2009; Hare 1991). Of all personality disorders, individuals considered to be psychopaths are one of the most

studied groups, specifically by psychologists and psychiatrists (Boddy, 2010; Furniss, 2009). Many people misinterpret psychopathy to be a mental illness, when it is in fact a personality disorder; essentially these individual's minds are organized differently and the traits associated with psychopathy are part of this personality and difference from those who do not possess psychopathic traits (Credit Union Management, 2007). Functional magnetic resonance imaging (fMRI) research has proven that psychopaths do not experience the basic human emotions and feelings of guilt, remorse, or empathy; often leaving them to only display emotions in order to mimic others and manipulate them for their own benefit (Babiak & O'Toole, 2012).

The general population of organizational employees has about 1% of employees exemplifying psychopathic behaviors and traits and associated deviant behaviors; the higher up the corporate ladder, the greater the percentage of psychopaths, reaching about 3.5-4% (Boddy et al., 2010). Many individuals exhibiting these characteristics of psychopathy are likely to be deemed by colleagues as untrustworthy and "back-stabbers," or more generally ambitious individuals, but few are identified as dangerous corporate psychopaths possessing the ability to seriously affect the corporation's performance (Andrews & Furniss, 2009).

Psychopaths are "attracted to fast-paced, transitional organizations that can offer high potential for rewards, a stimulating environment and cover for their dubious actions" (Andrews & Furniss, 2009). Another behavior of psychopaths is "their ability to portray themselves as benevolent and charming" making it more difficult to discern who truly is a psychopath or not (Bakan, 2008, p. 26). Cleckley (1976) proposes that psychopaths can operate successfully in organizations without detection because they appear normal and can appear to possess desirable qualities (Andrews & Furniss, 2009). There is even more cause for consideration to research this topic because psychopaths are likely to be found at upper level management and senior level

organizational positions, and as leaders and managers, they have the ability to influence other employees more greatly than their peers (Boddy, 2013). The very idea that the behavior of business leaders could be linked with traits inherent in psychopathic individuals gives rise to the need for a better understanding of this profile, especially in a corporate context (Gudmundsson & Southey, 2011).

A corporation by definition is a self-serving entity, deemed to act as a person by its ability to own property, enter into contracts, etc. (Bakan, 2008). Promoting and allowing behavior consistent with the main goal of the corporation to achieve success could lead to damaging conduct and undesirable consequences (Gudmundsson & Southey, 2011). There is a theory, which tries to explain this phenomenon, stating that when individuals become employed by a corporation and play by a different set of rules, their behavior changes potentially leading them to act in ways that before joining a corporation they would never consider acting (Bakan, 2008). Corporate law and rules constitute the public corporation acting as a psychopathic entity (Lee, 2005). Corporate psychopaths “are motivated by a desire to win, a desire for power and a desire to gain wealth and prestige” (Boddy, 2010, page 308). The term “corporate psychopath” is used to define the individuals exhibiting psychopathic traits working in the corporate sector. Corporate psychopaths have also been called “successful psychopaths” because they have successfully evaded contact with legal authorities and mental health institutions, not committing violent and criminal acts, unlike their criminal psychopath counterparts (Boddy et al., 2010). The attraction to work that involves wealth and power may factor into the concentration of psychopaths in certain sectors of the economy, such as financial institutions and corporate banking (Boddy, 2013, 2011). These individuals aim to get at the top of organizations for the power and financial rewards of being in such a position, the idea that acting in certain ways to

achieve these gains could lead their psychopathic tendencies to become more apparent (Boddy, 2010; Clarke, 2007). Ultimately, they will achieve these high level positions because they will act in their own interest rather than in the long-term interests of their employees, society, and the environment as a whole (Boddy, 2013).

Machiavellianism describes a ruthless and selfish approach to management, sharing commonalities with corporate psychopathy because “it has no reference to moral standards, promotes the idea that the end justifies the means... and it advocates the use of force if deemed necessary to achieve desired ends (Boddy, 2010, page 301). Machiavellianism is a personality disorder by which the individual is cynical and gives high priority to competition, money, and power (Pilch & Turska, 2014). Machiavellianism was coined such because it was supposedly advocated by Niccolo Machiavelli in his treatise, “The Prince” (McGuire & Hutchings, 2006), describing the type of leadership which Machiavellianism now explains (Boddy, 2010). The Machiavellian type of leadership includes characteristics of individuals being described as cold and manipulative of others (Gudmundsson & Southey, 2011). Machiavellianism is also associated with higher levels of bullying in the workplace between employees and Machiavellian individuals participating in a large portion of unethical behavior within the corporation (Pilch & Turska, 2014).

Narcissism was an idea originally developed by Freud (Boddy, 2010; Freud, 1914). The concept of narcissism comes from “the myth of Narcissus, a beautiful young man who, spurning the affection of various nymphs, was fated by a goddess to fall into unrequited love” (Boddy, 2010; Home, 1981). Narcissus spent his life looking at his reflection in the water, eventually starving to death by his own misfortune (Boddy, 2010; Home, 1981). Since this myth, a narcissist has been defined “as being someone who loves themselves too much for their own

good” (Boddy, 2010, page 302). Narcissists can be so concerned with their own talent, brilliance and desire to be acknowledged of their accomplishments and admired to the exclusion of others around them (Boddy, 2010; Goldman, 2006). The main difference between psychopaths and narcissists specifically is that narcissists have a conscience and thus are bothered by their own behavior, whereas psychopaths controlled by a lack of emotion and conscience are generally not concerned in any way by their own behavior (Boddy, 2010; Nadis, 1995; Stout, 2005; Tamayo & Raymond, 1977). Narcissists tend to gain access to leadership positions because of their extraverted nature and natural ability to set themselves apart in a positive light but can be damaging to their leadership effectiveness once they reach an executive position (Grijalva et al., 2015).

The Psychopathic Process

In his research, Babiak (2007) identifies a psychopathic process model outlining psychopathic individuals career paths in a business setting (Andrews & Furniss, 2009). First, psychopaths “infiltrate” an organization using a façade acting as the model employee, climbing their way up the ladder by manipulating individuals within the company with the most power by making relationships with these people and exploiting those relationships (Andrews & Furniss, 2009). Psychopaths easily compartmentalize their lives, making it difficult to identify and weed these individuals out of corporations and especially avoiding hiring them altogether. Corporations work to recruit individuals who exhibit certain attractive characteristics, many of which are exhibited by psychopathic individuals who create the ideal image of a perfect employee; they make a distinctively positive first impression and easily manipulate the recruiters in the interview process with their charm and energy (Boddy et al., 2010). Many psychopaths use

their keen lying abilities to create fictitious résumés and work experiences, while fabricating performance awards and references to help them succeed in getting a job (Babiak & O’Toole, 2012). Even more noticeable, “psychopathic traits can be observed to a greater or lesser degree when promotion opportunities arise – individuals...may suddenly display what might be described as psychopathic behavior, in order to draw positive attention to themselves” (Andrews & Furniss, 2009, page 24). Psychopaths are more likely to act charmingly to individuals in positions of power, and to exploit and act ruthlessly towards others who are their peers and subordinates (Andrews, 2006). Finally, “psychopaths will discard individuals once their utility is spent and these people may also come to oppose the psychopath”, changing the work environment through the disruption of these relationships (Andrews & Furniss, 2009, page 23). Once reaching a high level of management, psychopaths in leadership often create an organization where a few people are in charge while everyone else in the organization finds themselves abandoned, out of a job, and often without a company to work for (Boddy, 2010; Ullman, 2006).

Implications for Organizational Performance

There is evidence to show that corporate psychopaths, narcissists, and Machivellians are destructive to the organizations they work for and to the people they work with (Boddy, 2010). These individuals and their behaviors are parasitic, divisive, and disruptive, as such they are the enemies of productivity and efficiency in the workplace (Boddy, 2010). This evidence is inconclusive though because through the little research surrounding this topic, some findings suggest that the Dark Triad traits are related to both negative and positive organizational outcomes (Henning, Wygant, & Barnes, 2014).

Empirical research has shown implications that these individuals create a toxic workplace for others including conflict between employees, bullying of others, low levels of job satisfaction, and numerous organizational constraints (Boddy, 2010). Clarke's (2005) research showed that the presence of psychopaths in the organizational sphere affects organizational development and specifically the junior colleagues, due to their disruption in the workplace (Boddy, 2010). This is especially important because as explained through social learning theory, people identify and mimic behaviors of others, specifically of influential role models such as a boss or a manager; if individuals influenced by these negative leadership traits are leading organizations, their subordinates may be more inclined to act in similar ways viewing their behaviors as successful and rewarding (Boddy, 2013; Bandura, 1977).

The Dark Triad traits create an environment where conflict, counterproductive work behavior, bullying, and many other negative work environment characteristics are accepted and promoted (Boddy, 2013). It is managers and executives in business corporations who make the moral decisions for a company and influence the culture of the business environment (Boddy et al., 2010). Boddy (2013) identified a positive correlation between the presence of corporate psychopaths and an increase in conflict and bullying; this means that corporate psychopaths are key indicators of these attributes in a workplace and even further, lead to low employee affective well-being and high counterproductive work behavior. These positive correlations support Babiak (2006), Hare (2006), and Clarke's (2005) earlier theories of corporate psychopaths being major organizational instigators of this type of work environment and culture, allowing these negative attributes to flourish under their leadership of organizations (Boddy, 2013).

The environment of an organization can help with positive or negative affective well-being in the organization's employees; when corporate psychopaths were present in this study, employees

were significantly more likely to experience anger, anxiety, boredom, depression, and discouragement, and less likely to feel at ease, calm or content in the workplace (Boddy, 2013). In Hare's (1999) study, power, prestige, and money factor in as elements of an organization that corporate psychopaths are more attracted to joining, so it would seem logical for a corporate psychopath to be attracted to a larger organization where there is a clear career path up the corporate ladder to achieve this power, prestige, and money (Boddy, 2010). It is important for employers to protect their workforce from harm, including the negative effects of working with psychopaths in this damaging culture (Boddy et al., 2010; Clarke, 2005). When negative leadership behaviors are present in an organization in the form of leadership of the company, they create greater constraints for employees by causing chaos and confusion in the workplace inducing bullying and other negative behaviors in others (Boddy, 2010). This creates an ethical dilemma for employers to identify executives with negative leadership traits in order to eliminate potential harm to its employees and an environment where conflict and bullying thrive.

Hypotheses

Organizational Performance

Hypothesis 1A: Organizations with psychopathic individuals in leadership positions have stronger firm performance. A positive correlation between leader psychopathy and firm performance: the higher the score of psychopathy in the executive, the more likely the firm will have strong performance.

Hypothesis 1B: Organizations with narcissistic individuals in leadership positions have stronger firm performance. A positive correlation between leader narcissism and firm

performance: the higher the score of narcissism in the executive, the more likely the firm will have strong performance.

Hypothesis 1C: Organizations with Machiavellian individuals in leadership positions have stronger firm performance. A positive correlation between leader Machiavellianism and firm performance: the higher the score of Machiavellianism in the executive, the more likely the firm will have strong performance.

Employee Well-Being

Hypothesis 2A: Organizations with psychopathic individuals in leadership positions have a higher likelihood of low employee well-being. A negative correlation between leader psychopathy and employee well-being; the higher the score of psychopathy in the executive, the lower the employee well-being.

Hypothesis 2B: Organizations with narcissistic individuals in leadership positions have a higher likelihood of low employee well-being. A negative correlation between narcissistic leadership and employee well-being: the lower the score of narcissism in the executive, the higher the employee well-being.

Hypothesis 2C: Organizations with Machiavellian individuals in leadership positions have a higher likelihood of low employee well-being. A negative correlation between narcissistic leadership and employee well-being: the lower the score of narcissism in the executive, the higher the employee well-being.

Method

Procedure

This study presented a survey to executives and CEO's through the Qualtrics Survey System. The survey was not limited to a specific type of organizational structure or type of C-Suite executive, but we controlled for conditions the participants had to meet. These conditions included working for a for-profit firm and having at least five to seven (5-7) direct reports with whom they work closely throughout the regular course of business. This survey included not only CEO's, but also extended to other members of the top management team (e.g. CTO's, CIO's, CFO's...). Each executive that completed the survey was asked to provide the names and emails of his/her direct subordinates. These subordinates were then sent a separate survey, which prompted questions regarding their perception of the firm, their commitment to the firm in terms of whether or not they were happy with their work environment, and some general perceptions of their direct supervisor. The subordinates were asked to answer the items based on the last year of working for the identified executive. The survey is the only requirement for participation for each of the executives and the subordinates involved. The survey took approximately 10-15 minutes maximum when completed with full participation. Individuals who participated in this survey remain completely anonymous and their names will not be used in the discussion of the findings to protect the identities of these executives and the reputations of firms for which they work.

Sampling

The sample for this survey was made up of mostly personal networked connections. I gathered lists from my personal network and the network of my close professors, family

members, and friends who had connections to high level executives that would be willing to participate. Once identifying and communicating with my personal network, I asked each individual who agreed to participate in the survey to “snowball” the survey to executives in their personal network, in hopes that the survey would spiral out through the executive community.

The executive sample was comprised of thirty-four (34) participants. These individuals ranged from twenty-eight (28) years of age to fifty-eight (58) years of age. There were twenty-eight (28) males and six (6) females. The firms the individuals worked for or owned had between twelve (12) employees and twenty thousand (20,000) employees, both privately and publicly owned companies based in the United States.

The subordinate sample was comprised of sixty-seven (67) participants, ten (10) surveys were excluded from the subsequent statistical analyses due to ambiguity in responses regarding which supervisor the participant was rating. Of all the executives and employees who participated in the surveys, seventeen (17) executives were matched with employee response data. There were on average three (3) employees participants per executive, the minimum was one (1), and the maximum was five (5).

Executive Survey

Variables & Measures

All measures in the executive survey used a Likert response scale ranging from 1 (strongly disagree) to 5 (strongly agree).

The Dark Triad

I assessed the executives' tendency towards narcissistic, Machiavellian, and psychopathic leadership traits as described by the Dark Triad theory (Jonason & Webster, 2010). A fourth category, which is undergoing research, was added to this survey for better understanding of the executive, sadism. Executives answered four (4) measures per each of the three (3) traits in the Dark Triad theory providing a self-ascriptive rating of their perception of their behavior. Sample items include "I tend to lack remorse" and "I tend to manipulate others to get my way."

Self-Awareness

In order to better understand the executives' perceptions of their leadership traits and abilities, I asked questions to measure the amount of self-awareness exhibited by the participant. This section was used as a filler so the participant was not loaded with questions regarding negative leadership traits and behaviors. The participants answered survey items created by Walumbwa et al. such as "I can list my three greatest strengths" and "My morals guide what I do as a leader." By asking these questions, I can better assess whether or not the executive is self-aware enough to answer the questions honestly and correctly based on his/her perceptions. This section was used as filler to better understand the executive as a whole and was not used in the correlations for the following results.

Relational Transparency

This section of the survey asked the executives questions to understand the nature of the relationships with their coworkers and direct subordinates. This section was also used as a filler so the participant was not loaded with questions regarding negative leadership traits and behaviors. The questions asked the executives about their transparency with others in the form of

questions created by Walumbwa et al. such as, “I let others know who I truly am as a person” and “I rarely present a ‘false’ front to others.” This section was used as filler to better understand the executive and his/her relationships with the employees and was not used in the correlations for the following results.

Firm Performance

For the purpose of this research and the correlations to be made, I asked the executives to answer questions about the performance of their firm in comparison to other companies in similar industries and environments with which they are competing. This section included five (5) questions, such as “Our market share is growing more quickly than it is for our competitors” and “Our firm’s overall reputation is improving more quickly than it is for our main competitors.”

Subordinate Survey

Variables & Measures

All measures in the subordinate survey used a Likert response scale ranging from 1 (strongly disagree) to 5 (strongly agree).

Leader-Member Exchange

In addition to the executive survey, I surveyed the participants’ direct subordinates. The first aspect I studied involved the leader-member exchange between the leader and the employee respondent. These items included questions measuring affect of the supervisor in the eyes of the employee, loyalty of the supervisor, contribution by the employee to the work of the company,

and professional respect displayed in the company. Items included questions like “My supervisor is the kind of person one would like to have as a friend” and “I admire my supervisor’s professional skills.”

Employee Well-Being

The subordinate survey measured four (4) aspects that made up the overall employee well-being score. First, we measured for employee commitment to understand the level of commitment each employee felt to the company and its leadership. These items included questions such as “I am proud to tell others that I am a part of this organization.” Next, the subordinate survey measured the satisfaction of employees in terms of the leadership of the company and the work the individuals are performing at the company. These measures asked the subordinates to rate items such as “I find real enjoyment in my work.” Thirdly, the survey asked questions such as “I intend to remain with this organization indefinitely” and “I often think about quitting my job at this organization,” in order to understand the employees turnover intentions. Last, we measured the level of burnout felt by the employees underneath the leadership in the company. These items included questions such as “I am emotionally drained from my work” and “I feel fatigued.”

Results

Table-1 Correlations between executive survey results of the Dark Triad theory traits against firm performance.

	Psychopathy	Narcissism	Machiavellianism
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Performance	.040	.003	-.171
Profits	-.067	.289	-.099
Efficiency	.025	-.008	-.073
Sales Growth	-.052	.019	-.059
Market Share	.153	-.059	-.077
Reputation	.080	-.206	-.405*

PC = Pearson Correlation

Sig = Significant figure (2-tailed)

*Correlation is significant at the 0.05 level (2-tailed)

**Correlation is significant at the 0.01 level (2-tailed)

Table-2 Correlations between executive survey responses signifying Dark Triad traits and employee response averages regarding employee affect towards their work and the leadership above them.

	Psychopathy	Narcissism	Machiavellianism
LMX	-.027	-.356	-.741**

Commitment	.084	-.214	-.580*
Satisfaction	-.105	-.174	-.629
Turnover	.107	-.015	.038
Burnout	-.139	.090	.641**

PC = Pearson Correlation

Sig = Significant figure (2-tailed)

*Correlation is significant at the 0.05 level (2-tailed)

**Correlation is significant at the 0.01 level (2-tailed)

My first hypothesis suggested that organizations with psychopathic, narcissistic, and Machiavellian individuals in leadership positions lead firms with stronger overall performance. Though the measures were not significantly correlated and small in magnitude, they were in the direction to support my hypotheses 1A and 1B. Part A hypothesized a positive correlation between leader psychopathy and firm performance: the higher the score of psychopathy in the executive, the more likely the firm will have strong performance. Correlating the data between firm performance and leader psychopathy resulted in a negative correlation of $-.052$ and $-.067$ between leader psychopathy with sales growth and profits, meaning the more psychopathic the leader is, the worse their firms did in terms of profits and sales growth. On the other hand, there was a positive correlation between leader psychopathy and firm reputation of $.080$. Narcissism provided similar results to psychopathy in the direction that I predicted, resulting in a positive correlation with overall performance of $.003$. Narcissism most positively correlated with firm

profits at .289. Interestingly, Machiavellianism is negatively correlated to each measure of firm performance, resulting in an average $-.171$ of overall performance, indicating that Machiavellian leadership decreases overall firm performance through every category measured. This is opposite of what hypothesis 2C predicted.

My second hypothesis suggested that organizations led by individuals exhibiting psychopathic, narcissistic, and Machiavellian personality traits and behaviors have a higher likelihood of low employee well-being. Again though most of the correlations were not significant figures, they were in the direction I predicted in my hypotheses for 2A, 2B, and 2C. I predicted a negative correlation between leader psychopathy and aspects of employee well-being; the higher the score of psychopathy in the executive, the lower the overall employee well-being. Table-2 illustrates the correlations between leader traits influencing behaviors and employee well-being. There is in fact a negative correlation of $-.105$ and $-.139$ between executive psychopathy and employee satisfaction and burnout respectively, but there is a positive correlation of $.107$ and $.084$, between executive psychopathy and employee turnover and commitment, in that order. These results indicate that the higher the executive scored on the scale of psychopathy, employees were less satisfied and more likely to leave the company, but the less employees' experience burnout and the more employees were committed to the work. These correlations suggest that psychopathic executives drive commitment within their employees, whether by force or by idealism, to do their work to the best of their ability, but the more likely their employees are to seek another job. It also suggests that these employees are less satisfied with their jobs, even though they are not necessarily burnt out. The overall leader member exchange between psychopathy and employee well-being was a negative correlation, indicating that individuals led by psychopathic leaders scored lower on well-being. Narcissism

was negatively correlated with all factors making up well-being, excluding burnout, also indicating the higher level of narcissism displayed by the leadership of the company, the lower the scores for employee well-being. Machiavellianism was negatively correlated with the factors of leader member exchange making up overall well-being; however, Machiavellianism was significantly positively correlated with burnout experienced by employees at .641 with a significance at the .001 level. This indicates that Machiavellian leaders activate burnout in the employees working for them through their leadership styles. The statistical differences do not however definitively prove one way or the other the direct correlations between these measures. Machiavellianism is the only factor, which produced statistically significant correlations with employee commitment, burnout and leader member exchange.

Discussion

This study aimed to broaden the understanding of the influence that negative leadership behaviors have on a firm's overall performance. A fascinating piece of evidence is that of the charm and deception used by these leaders to get his/her way, especially within a corporate world. In my research, this translates directly into firm performance and the reputation of the company, which the executive is managing. The positive correlation between psychopathy levels in the executive and firm reputation shows that psychopaths are very good at charming the public into supporting their ideas and their work. Leaders with high psychopathy levels produce stronger reputations within their companies, as suggested in readings, and they are influential, visionary leaders who will take any step necessary to achieve their goals. On the other hand, narcissistic and Machiavellian leaders have negative correlations with reputation. These individuals are more concerned with themselves and the final ends than creating a positive

reputation for the company. Machiavellian leaders showed negative firm performance in each measure indicating that leaders with Machiavellian tendencies do not benefit the firm, and the ends do not always justify the means when it comes to positive firm performance.

This study delved further into the research previously existing regarding destructive leadership behaviors and developed a better understanding of the effects a psychopathic, narcissistic, and Machiavellian individual in a leadership position has on the firm and its employees. The results show that leaders engaging in behaviors driven by these characteristics create less satisfied employees, but vary in the results regarding commitment to the organization, turnover intentions, and feelings of burnout. Overall employee well-being was negatively affected by each of the three destructive leadership behaviors studied. Previous research has proven that these leaders create a toxic work environment and a damaging company culture that results in low employee satisfaction. With the negative correlation in the results found through this study relating psychopathy, narcissism, and Machiavellianism to employee well-being, I have furthered the research indicating that these individuals lead companies with less satisfied employees. Similarly, the Dark Triad traits are known for influencing behaviors causing leaders to use each individual around them for personal gain and then discard them when the utility is used, this is highly related to the sense of burnout that employees tend to feel within these companies influencing their turnover intentions.

Another interesting area for discussion is the fact that philosophers are now debating the issue of holding psychopathic individuals accountable for their actions; some claim that psychopaths do in fact have knowledge of what they are doing and can therefore be held legally responsible for their actions, others say the lack of choice in being a psychopath means they cannot be responsible for actions committed that are due in part to their very nature (Boddy et

al., 2010; Matravers, 2008). The current consensus is that psychopaths do possess a rational knowledge of their actions and what they are doing, enough to be held legally accountable for them; and thus, cannot claim an insanity defense for their actions in a court of law. It can be argued that though psychopaths know the social norms of society, they choose not to follow or respect those norms (Boddy et al., 2010). There is no clear evidence showing that psychopaths have lower moral reasoning skills than non-psychopaths (Blair et al., 2005). When looking into legal cases involving the PCL-R, researchers have stated the presence of a high score indicating psychopathy does not meet standards of legal insanity. Psychopathy alone does not rule out the presence of other factors, which could impair a person's personality and behaviors leading to the wrongfulness of their actions, and therefore on its own cannot be used to explain behavior that is against the law (Boddy et al., 2010).

The following table shows the correlations between firm performance and employee affect survey responses indicating firm performance related to employee well-being within the company. Though this was not included in the original hypotheses, this information is interesting to note due to the fact that firm performance may be affected by employee well-being and vice versa. For example, if employees on average are very satisfied with their work and committed to the organization, the correlations were positive with the firm performance measures. This is an example to show that employees who are more committed may affect the firm's performance in a positive way, and the positive firm performance may lead employees to work harder and be more satisfied with their jobs. This allows for a better understanding of the overall data, an individual leader has an impact on firm performance and employee well-being, but they are not the only factor affecting the measures.

	Profits	Efficiency	Sales Growth	Market Share	Firm Reputation
Commitment	.319	.188	.381	.268	.329
Satisfaction	.171	.167	.241	.118	.462
Turnover	-.015	.058	-.136	.015	-.086
Burnout	-.189	-.173	-.165	-.054	-.378
LMX	.034	-.111	.055	-.053	.231
Profits	1	.237	.638**	.559**	.282
Efficiency	.237	1	.547**	.622**	.586**
Sales Growth	.638**	.547**	1	.857**	.624**
Market Share	.559**	.622**	.857**	1	.534**
Reputation	.282	.586**	.624**	.534**	1

PC = Pearson Correlation

Sig = Significant figure (2-tailed)

*Correlation is significant at the 0.05 level (2-tailed)

**Correlation is significant at the 0.01 level (2-tailed)

Limitations and Future Implications

Because of the sensitivity of this topic and the busyness of the individuals my research targeted, the biggest limitation I had in the writing of this thesis was in accumulating a large number of executive participants to create a mass amount of data to prove my hypotheses one way or the other. Executives are often not willing to participate in a time-consuming research survey for lack of interest or lack of incentive. I managed to acquire a number of executives through my personal network and the snowballing method, but did not receive as many responses as I had hoped in order to secure a more statistically significant answer to my hypotheses.

After reaching out to the number of executives who agreed to participate in the survey, I needed subordinate participants for each executive in order to collaborate the data and create significant correlations. Some executive participants not submit the names and emails of their direct subordinates when they were prompted, some executives forwarded the subordinates the executive survey and thus the subordinate completed the wrong survey, and some subordinates filled out the survey about a different executive than who was intended. These were unforeseen problems when I ran the surveys, and due to a discrepancy in the resulting data were unusable surveys.

For future researchers, this data is difficult to acquire. For the most part, the results were as I expected them to be regarding the direction of the relationships between the Dark Triad traits and firm performance and employee well-being. This research can be extended to many other executives in a wide range of corporate structures. It would be interesting to identify if there is a

higher level of psychopathic leadership in the technology industry over, say, the manufacturing industry. To separate and look into the various types of corporations versus non-profits would have fascinating research and data to analyze. Contributions can be made to this field of research in many different ways, there is little research conducted so far and any addition may further the knowledge of corporate psychopaths and the negative leadership styles of executives.

Conclusion

My findings further the research of corporate psychopaths, narcissists, and Machiavellians and the impact negative leadership traits and behaviors have on employee well-being and firm performance. This research shows that a correlation between the leadership of a company and its performance and employee affect exists and can be damaged through the presence of a psychopathic or otherwise immoral leader. Understanding the negative styles of executive behavior and how to identify these behaviors can prevent employees from suffering these damaging consequences from working under a psychopath. It is hoped that this research brings to light the negative effects of leadership characteristic on others and the impact a psychopath can have on an organization in a leadership position.

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