

Snakes in Suits – dealing with psychopaths in the workplace and the boardroom

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- What is psychopathy
- Psychopaths in the workplace
- Implications for governance
- Strategies for avoiding and managing psychopaths

What do you think of when I say “psychopath”?



What is psychopathy?

4 “domains” of psychopathy

Psychopaths have large numbers of characteristics in each domain.

Interpersonal Glib Grandiose Callous, Manipulative Pathological lying	Affective Lack of remorse Shallow affect Lack of empathy Failure to accept responsibility
Lifestyle Stimulation seeking Impulsive Irresponsible Parasitic Lack of realistic goals	Antisocial Poor behavioural controls Early behaviour problems Delinquency Revocation of conditional release Criminal versatility

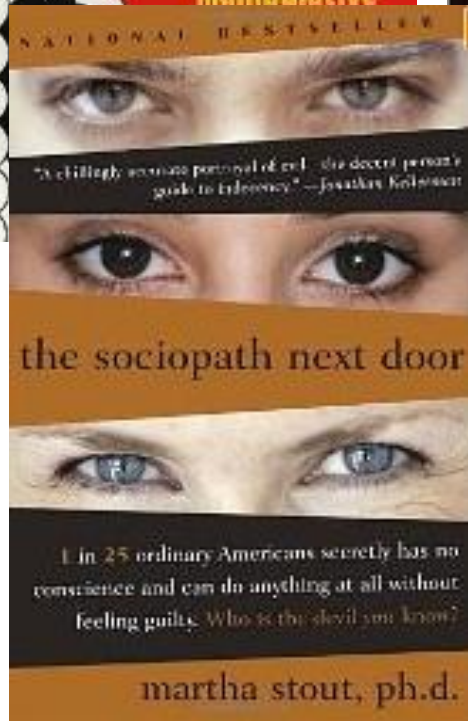
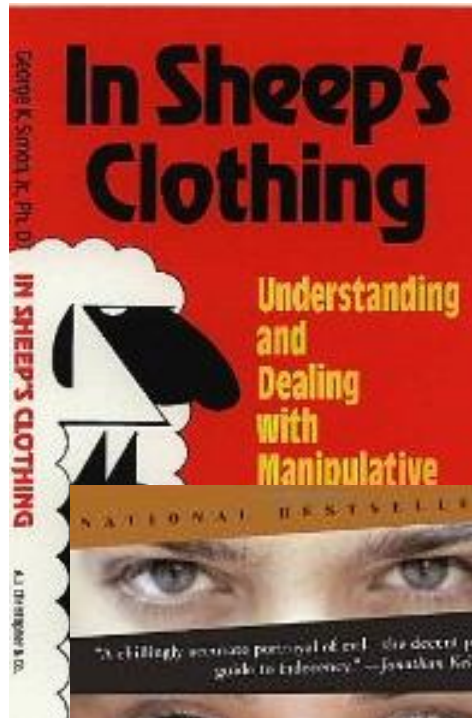
The Psychopath Next Door

- Not all psychopaths are serial killers or even criminals.
- Studies estimate the prevalence of psychopathy in the general population at 1%
- Many of these may be considered “successful” psychopaths:
 - “Successful psychopaths are people with psychopathic personality disorder patterns but without the characteristic history of arrest and incarceration” Lynam et al (1999)

How can Psychopaths be Successful?

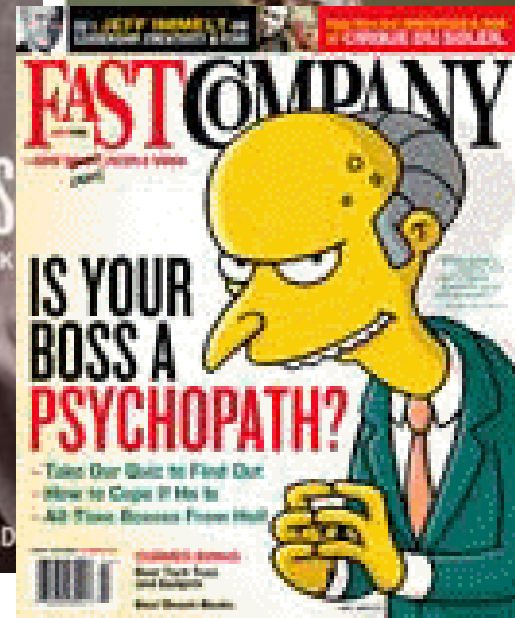
- Psychopaths do not display the “usual” symptoms of mental illness
- Under most circumstances they seem perfectly normal
- They may even display desirable human characteristics such as charm, self-confidence, sociability and charisma

Media Hype



Working with Monsters

How to identify and protect yourself from the workplace psychopath



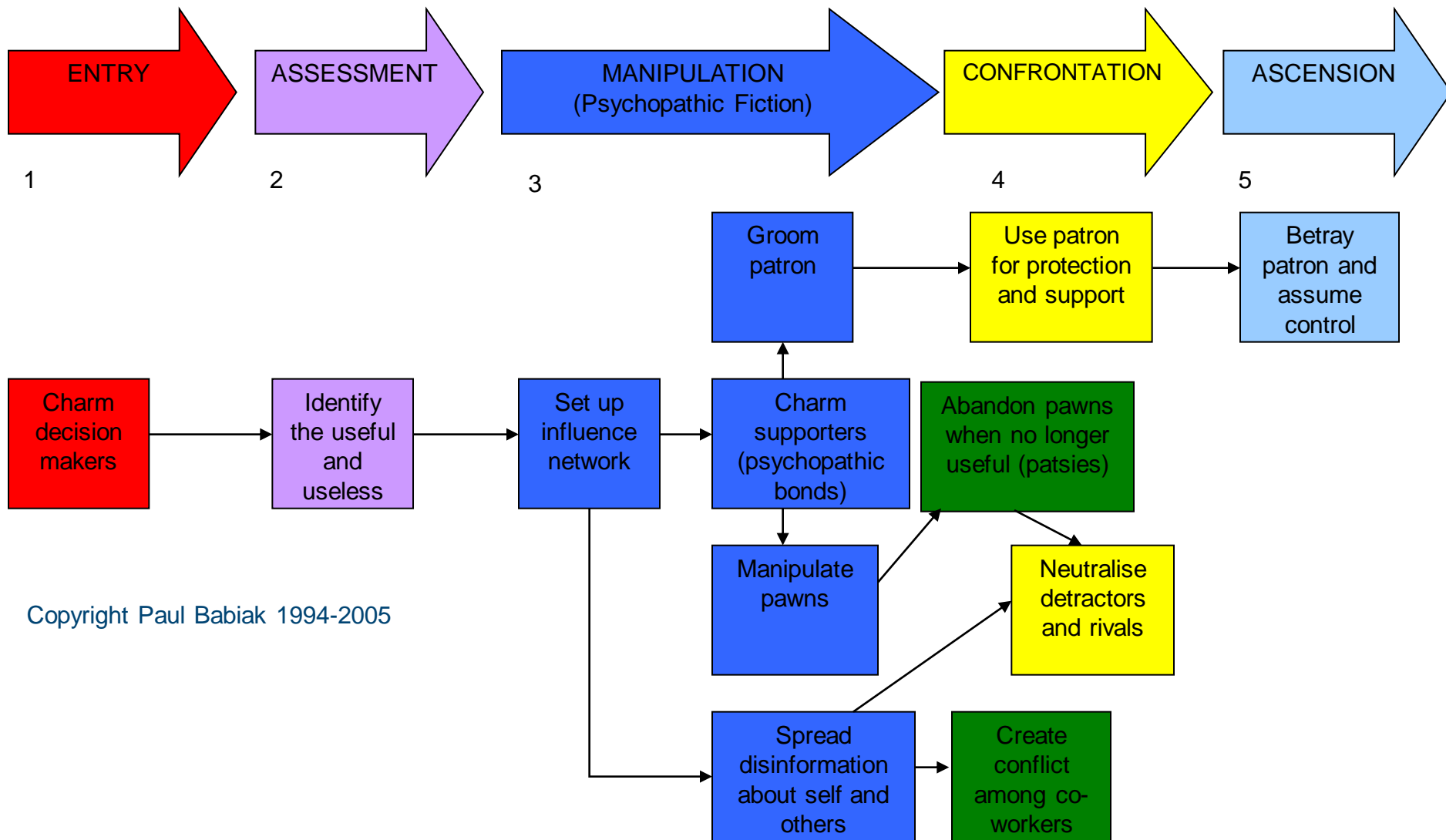
A Psychopath has Gotta Make a Living

- Psychopaths prosper in organisations
- Several studies have found high levels of psychopathy in executives
 - Babiak & Hare (2006) found of 200 high profile executives, 3.5% fit the profile of the psychopath
 - Board & Fritzon (2005) found comparable and in some cases higher levels of the “emotional” components of psychopathy in senior managers than in psychiatric and forensic samples
 - Babiak & Neumann (2010) higher level of psychopathy in corporate than community samples. Psychopathy associated with style but not performance.

A Psychopath has Gotta Make a Living

- Babiak (1995, 1996). Presents case studies of industrial psychopaths operating successfully in an employment setting
- PCL:SV used to measure psychopathy
- In organisations undergoing chaotic change psychopaths use their skills to manipulate people and progress their own career

The Process Model of Psychopathy



The Ideal Leader

Leadership Trait	Psychopathic Trait
Charismatic	Superficial Charm
Self-Confidence	Grandiosity
Ability to influence	Manipulation
Persuasive	Con Artist
Visionary Thinking	Fabrication of intricate stories
Ability to take risks	Impulsive
Action oriented	Thrill seeking
Ability to make hard decisions	Emotional poverty

A Psychopath's Paradise

- Transitional organisations can be seen as ideal “feeding grounds” for psychopaths
 - Fewer constraints and rules allow the psychopath freedom in acting out their psychopathic manipulation
 - The fast changing environment provides stimulation for the psychopath whilst serving to cover up their failings
 - There is the potential for large rewards in terms of money, power, status and control

Implications for Governance

Key elements of good corporate governance principles include honesty, trust and integrity, openness, performance orientation, responsibility and accountability, mutual respect, and commitment to the organization

In particular, senior executives should conduct themselves honestly and ethically, especially concerning actual or apparent conflicts of interest, and disclosure in financial reports

(Wikipedia, 2010)

The Psychopath in the Boardroom



Poor people management

**Risky decision making
and poor planning**

Unethical or illegal
behaviour

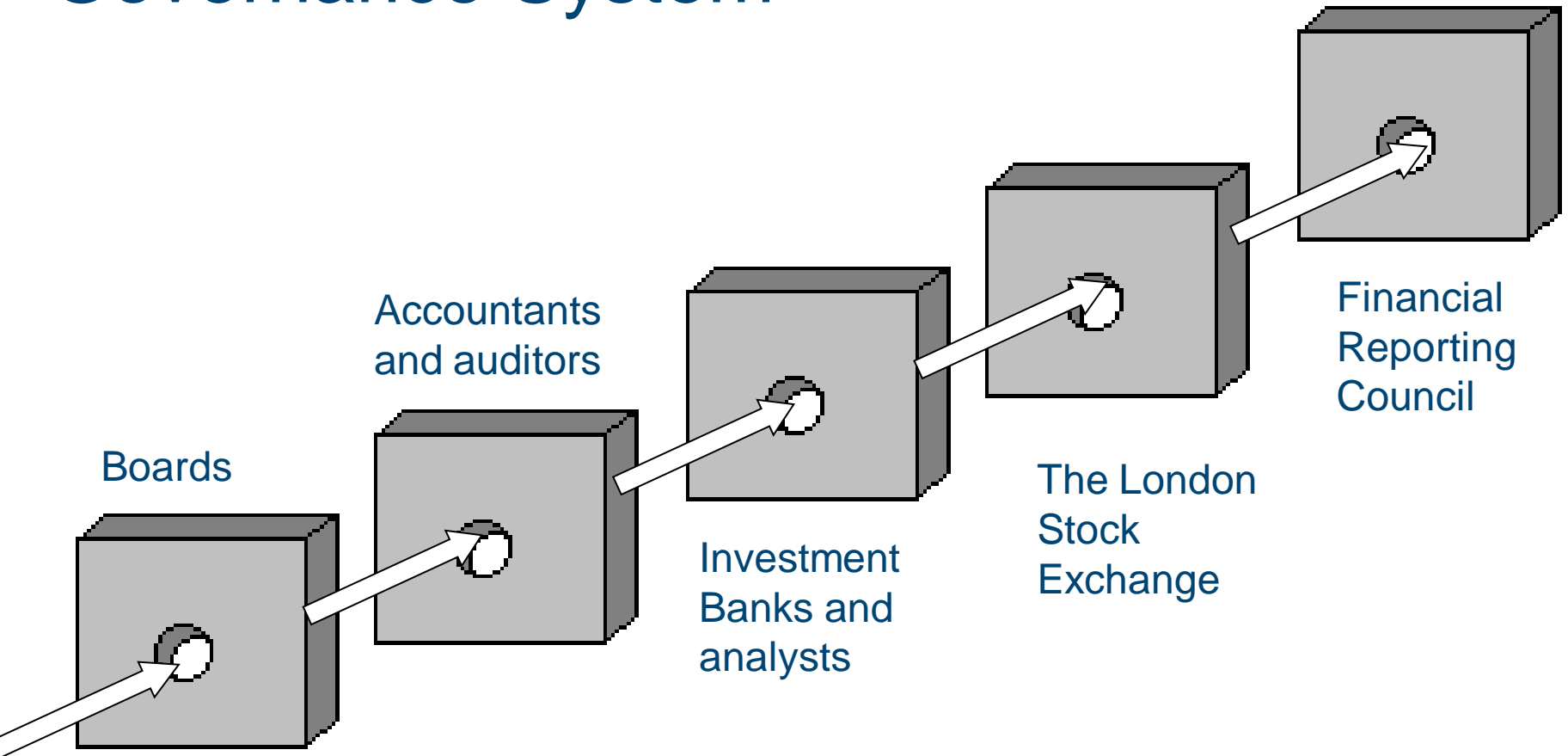
No loyalty to company or
stakeholders

Perpetuation of negative
behaviour

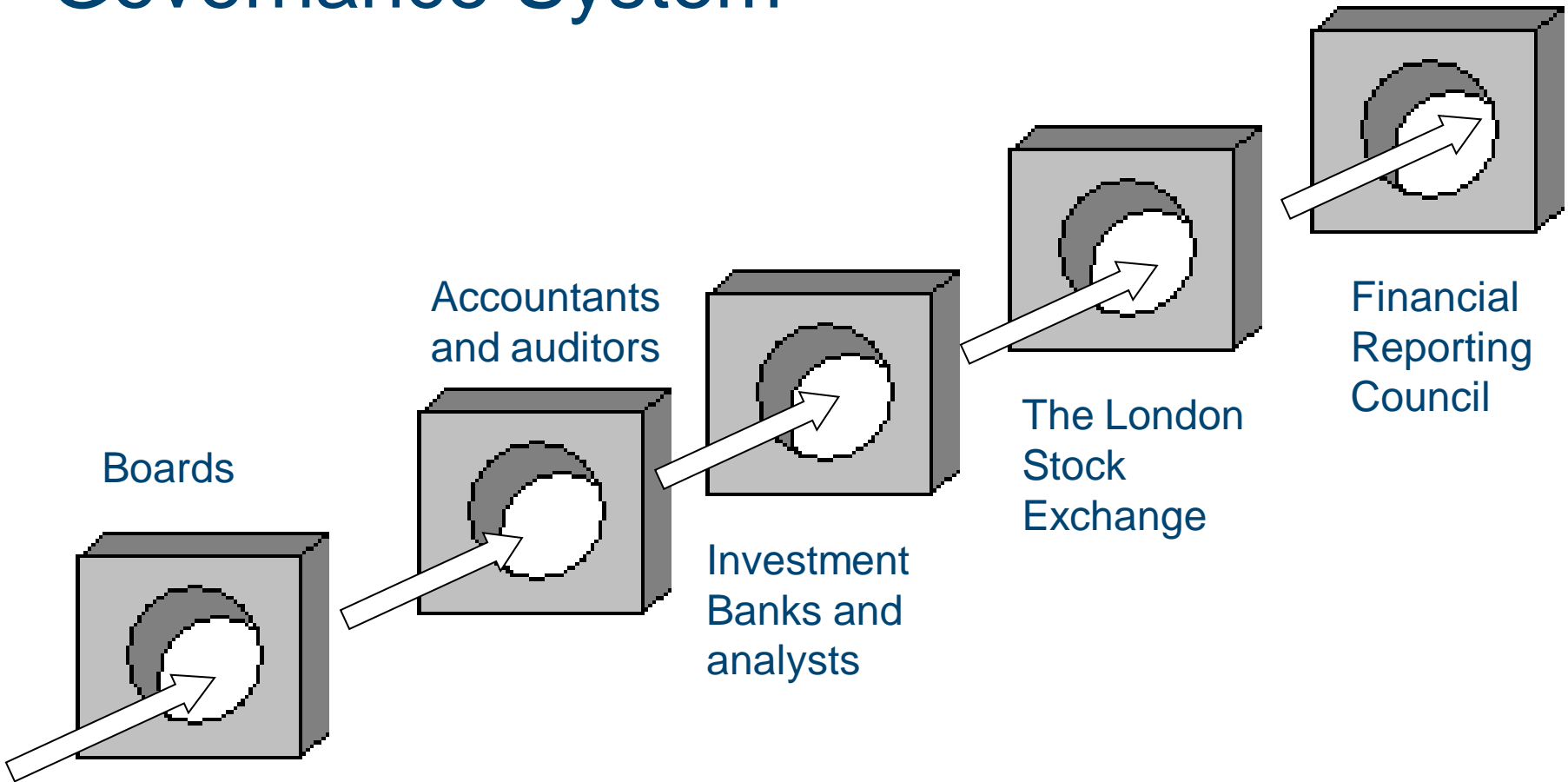
Psychopaths and Risk Appetite

- Engaging in risky behaviour one of the key behaviours seen in psychopaths
- Studies have shown that once focused on a goal, psychopaths are not good at attending to cues that suggest their current course of action is likely to lead to failure
- Seems to be an inability/refusal to learn from past mistakes
- Focus on immediate gratification regardless of long-term consequences

Psychopathy and Risk in the Corporate Governance System



Psychopathy and Risk in the Corporate Governance System



Protect Yourself and Your Organisation

There are 2 lines of defence against the corporate psychopath

- Recruitment
- Selection

Psychometric Measures

Hogan Development Survey

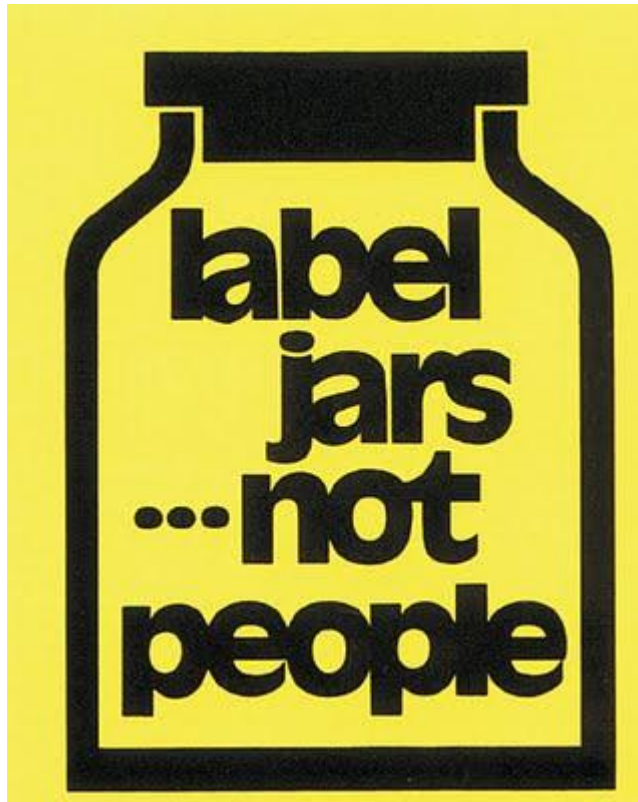
B-Scan



Managing Psychopaths

- 360 degree appraisal
- Counter “sidekick”
- Policies and procedures
- Organisational culture

Practical, Legal and Ethical Considerations



- Identifying psychopaths
- Discrimination
 - Disabilities and discrimination act
- Ethics of labelling

Questions?

Key Readings

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