

## **Extreme Managers, Extreme Workplaces: HR Directors, Organizational Managers and Corporate Psychopaths**

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**"Extreme managers, extreme workplaces: Capitalism, organizations and corporate psychopaths".**

### **Abstract**

This paper reports on in-depth, qualitative research carried out in England in 2013 among five organizational directors and two senior managers who had worked with other senior directors or managers who were Corporate Psychopaths, as measured by a management psychopathy measure. The Corporate Psychopaths reported on in this research displayed remarkable consistency in their approach to management to the extent that they could be called "text book examples" of managerial psychopathy. They were seen as being organizational stars and as deserving of performance awards by those above them, while the Corporate Psychopaths simultaneously subjected those below them to extreme forms of behavior, including bullying, intimidation and coercion and also engaged in extreme forms of mismanagement; such as very poor levels of personnel management, directionless leadership, miss-management of resources and outright fraud.

### **Introduction**

Writers engaged in the serious study of organizations in society have called for a multiplicity of approach, diffusing disciplinary boundaries to enrich our analysis of organizations whereby ideas from other disciplines are not set aside as inappropriate but are integrated into a viewpoint encompassing the real world and its relevance to people in society in order to converge on and further the prospect of a better world (Burrell et al., 2003).

In line with such a viewpoint Winchester, (2012) comments that sociologists adopt a systems appraisal which is valuable but which does not sufficiently account for individual greed, fraud, theft and mismanagement. He reports that more individually oriented analyses do account for this and so deserve consideration (Winchester, 2012). Winchester finishes by reporting that sociology is uniquely capable of considering both systematic and individual aspects of events and thus of bridging perhaps one of the greatest divides in the approach to studying organizations and society; that divide between the sociological or situational view and the psychological or personality based view (Hogan & Kaiser, 2005).

In what may be seen as a “critical” approach relative to sociological orthodoxy (Parker & Thomas, 2011), this paper attempts to bridge the sociological and individual by demonstrating how individual managers can influence the work environment around them towards an extreme environment marked by poor management practices, confusion and conflict. Such bad management has been expected of Corporate Psychopaths, as noted in the clinically based speculations of psychologists (Clarke, 2005; Cleckley, 1941/1988) and as uncovered through the past research of psychologists and management researchers (Babiak, 1995; Babiak & Hare, 2006; Boddy, 2011b) as well as in the findings of this current research.

From the extant body of research into psychopaths at work, theories have arisen which attempt to explain how modern business has facilitated the emergence of the psychopathic manager who has in turn influenced capitalism in an extreme direction (Boddy, 2011a; Cohan, 2012; Spencer & Wargo, 2010).

In the current era of “casino capitalism” (Sinn, 2010; Strange, 1997), where middle managers are reported to be experiencing increasing, significant and progressively intense work pressures (McCann, Morris, & Hassard, 2008) including work overload and bullying (Boyle, Granter, & McCann, 2013); the research into the role of Corporate Psychopaths provides valuable insights. Corporate Psychopathy theory has provided a means of understanding the increasing rise of psychopathic managers as toxic and bullying leaders (Lipman-Blumen, 2004, 2005) within organizations in western capitalist societies (Boddy, 2011a; Boddy, 2012; Wexler, 2008).

With their conscience-free approach to management (Hare, 1999), Corporate Psychopaths are products of the system in that the increasing pace of western business has allowed them to emerge and prosper as never before. Further, western business has promoted psychopathic managers because of their ruthless willingness to “get the job done” at any cost. However, as they attain senior management positions Corporate Psychopaths have also become the architects of the ruthless culture found within modern western business as they act as important role-models for individual employees within it, creating a culture of extremes around them.

Their characteristics of being ultra-rational, financially oriented managers with no emotional concern for or empathy with other employees or their welfare (Boddy, Galvin, & Ladyshevsky, 2009), marks them as apparently useful to the style of “Chicago School” capitalism (Friedman, 1970) that is merely profit oriented. This role as agents of capitalism without a conscience marks Corporate Psychopaths as worthy of further investigation. As a part of such an investigation, this paper qualitatively examines the lived experience of HR directors and other organizational managers who reported working with individual psychopathic managers. The paper examines the extreme nature of the workplace that is created by these psychopathic managers and reports on some of the outcomes of attempting to deal with and manage these Corporate Psychopaths. Of the six Corporate Psychopaths investigated in these seven interviews, only one has been brought to account for his actions and jailed.

This research is important because there is still deemed to be a lack of research into the presence and prevalence of psychopathy within corporations and into what the implications of this presence may be and several calls for further research in this area have been made (Babiak, Neumann, & Hare, 2010; Boddy, 2006; Smith & Lilienfeld, 2013). Additionally, Corporate Psychopathy theory posits that changes in the speed of personnel turnover within corporations are making it easier rather than harder for psychopaths to thrive in business because there is not enough time for colleagues to recognize the destructive nature of their character traits (Boddy 2011a).

Indeed some psychologists seem to imply that as corporations may be using less formal, structured and longitudinal methods of personnel assessment, then this may facilitate the rise of Corporate Psychopaths even further within organizations, as these possible barriers to their promotion and advancement are removed to facilitate speed in today's fast moving corporate environment (Babiak, Neumann & Hare 2010). In such an environment the superficial charm of the Corporate Psychopath, together with their willingness to lie and ability to present a false persona of cleverness, competence and commitment, makes them appear to be ideal leaders. This is particularly the case with those above the Corporate Psychopaths who do not interact with them on a day to day basis and so do not know them well. This implies that there is a need to understand the effects of the presence of Corporate Psychopaths in organizations. This current research helps in furthering this understanding and thus it fills an important gap in the current literature. The next section of this paper gives a brief introduction to Corporate Psychopaths.

## **Corporate Psychopaths**

Psychopaths are people with a constellation of behavioral traits that marks them as uniquely ruthless in their parasitic and care-free, predatory approach to life (Boddy, 2006; Connelly, Lilienfeld, & Schmeelk, 2006; Hare, 1994). Psychologists have not reached a conclusion as to the causes of psychopathy but do recognize that there are patterns of brain dysfunction associated with the syndrome with particular impairment in the orbital-frontal cortex being evident (Blair, 2008; Blair, 2001; Perez, 2012). Causality is implied but not yet fully established and for example physical damage to this area of the brain can result in the sudden on-set of psychopathic type behavior (Blair & Cipolotti, 2000).

Some psychopaths are prone to instrumental violence in order to get what they want and these violent criminal psychopaths tend to end up in jail (Hare, 1994). Others may have better cognitive levels of executive functioning, for example in the orbital-frontal cortex of the brain, and may retain the ability to control their impulses enabling them to seek corporate rather than criminal careers (Mullins-Sweatt, Glover, Derefinko, Miller, & Widiger, 2010). Such psychopaths have come to be called Industrial Psychopaths, Executive Psychopaths, Organizational Psychopaths or Corporate Psychopaths to differentiate them from their more commonly known criminal peers (Babiak, 1995; Babiak & O'Toole, 2012; Boddy, 2006; Morse, 2004). The term Corporate Psychopaths has now been adopted as the usual term for such people (Babiak et al., 2012; Boddy, 2011d; Hare, 1999).

Some of these Corporate Psychopaths do cross the line into criminal activity and fraud is theoretically considered to be common among Corporate Psychopaths. Perri (2013) for example makes a persuasive argument that psychopathy is a risk factor for fraud. Further, Perri states that several frauds have involved CEOs and CFOs with psychopathic traits (Perri, 2013).

However, unlike their violent and well-studied criminal peers, Corporate Psychopaths have not been the subject of much research and so little is known about their lifestyles (Smith et al., 2013). This current study therefore contributes to knowledge and investigates how HR directors and other managers have experienced psychopathic managers during the course of their jobs.

## **Research Method**

One approach to studying psychopaths is to ask people if they have ever come across such personalities, confirming this with the use of a management psychopathy measure developed from psychology. This approach entails asking participants how those psychopathic managers behaved and how other people reacted to them. This was the approach adopted in a study by Mullins-Sweatt and her colleagues (2010) which identified successful psychopaths, defined as being those psychopaths who succeed in their exploitative approach to life. Boddy and his colleagues have also used this approach successfully (Boddy, Ladyshevsky, & Galvin, 2010a).

Mullins-Sweatt's study involved asking, via a postal questionnaire, psychologists, lawyers and professors if they had personally come across psychopaths and what the personality profile was of these psychopaths and how they behaved (Mullins-Sweatt et al., 2010). The psychopaths identified were described as being assertive, callous, unemotional manipulators of women and children, devoid of empathy, lacking remorse, arrogant and as being dishonest in business (Mullins-Sweatt et al., 2010). Following on from this approach this current research adopted a qualitative approach where instead of asking respondents to reply via a postal questionnaire they were approached in person using semi-structured in-depth interviews to solicit information about psychopaths they had known in business.

A series of in-depth, one-hour interviews was thus conducted with four HR Directors and three other managers in the UK from April to September 2013. The HR directors were a part of a HR directors group organized by an academic in London. Members of the group had seen a presentation on Corporate Psychopaths in March 2013 and at the end of the presentation and subsequent discussion they were asked whether they had ever worked with such psychopathic people. All of them bar one said that they had. Usually in such presentations around 40% of people claim to have worked with a Corporate Psychopath and similar figures have been found in quantitative research (Boddy, 2010a, 2013). Presumably the higher incidence of having come across Corporate Psychopaths among HR Directors reflects the nature of their role in recruiting and managing senior managers.

In light of this finding, the HR directors were re-contacted and asked if they would spend an hour talking about their experience and focusing on one potential psychopath (of their choice) in particular. Four out of seven agreed to be interviewed and networking identified three other managers who also agreed to talk about their own experience of Corporate Psychopaths in the workplace. The researchers who conducted the study were four academic researchers. These researchers used an in-depth interview guide to conduct the interviews which were voice-recorded (with the permission of the research participants) and subsequently transcribed.

Within the interview the research participants were shown a ten item psychopathy measure called the Psychopathy Measure – Management Research Version 2 (PM-MRV2) (see appendix) and asked which items on the measure applied to the potentially psychopathic manager they were referring to.

Any manager to whom at least eight of the items would definitely apply to was considered a Corporate Psychopath for the purposes of the research. This corresponds with the scoring applied to similar measures such as the Psychopathy Measure – Management Research Version (PM-MRV) which is used in quantitative research where any score over 12 (out of a possible maximum of 16) is taken to indicate a Corporate Psychopath (Boddy, 2011c). All of the six subjects of this research qualified as Corporate Psychopaths.

The main findings from this research are included in this paper. Because of the sensitivity of the material and the potential danger to interviewees, the names of exact industries involved, industry sectors and job titles may have been disguised or changed in this paper. Participants in the research – the interviewees – were particularly and understandably concerned about maintaining their anonymity.

## **Findings and Discussion**

Corporate Psychopaths, at one per cent of the adult population, theoretically exist in all large organizations. This research supports this view because nearly all the HR directors involved reported that they thought they had worked with a Corporate Psychopath. Furthermore, all of the six managers nominated by the HR directors as possible psychopaths did score highly enough on our management psychopathy measure to be called Corporate Psychopaths.

The Corporate Psychopaths investigated in this research reportedly created a variety of dysfunctional workplaces which could individually and collectively be described as extreme. For example, the HR Director involved in managing the psychopathic manager identified in interview 2 described the workplace involved as being extreme in a number of ways. Firstly was in terms of staff withdrawal behavior. Departmental staff turnover was twice the national average for the industry sector involved at about 40% per year rather than 20% and the reasons for leaving given by departing personnel were vague and marked by fear. One employee, in tears, would reportedly only say “it’s horrible, I cannot say how, but it’s all horrible” when giving in her resignation. In this case the departmental head (the Corporate Psychopath) handled most resignations personally, without involving HR, and reported that a high turnover was because of the stress of working in such a highly efficient department.

*“He (the Corporate Psychopath) ..., would say, ‘oh they’ve lost their drive.... (He’d say) I don’t think ‘x’ is performing very well; I am going to persuade them to go. Then of course his superiors would think, gosh he’s being proactive. He is really on top of his team”. (HR Director, interview 2)*

This was an explanation that was accepted by the highly education and professionally qualified principals (executive owners) of the professional services company involved. Secondly in the department headed by the Corporate Psychopath, the department’s level of cooperation with other departments, notably with Finance and HR, was extremely low.

Post-crisis examination (the presence of the Corporate Psychopath precipitated a crisis in the organization concerned) revealed that staff in the Corporate Psychopath’s department had been warned not to have dealings with HR and Finance other than through their departmental head (the psychopathic manager). This was to minimize the possibility of his fraudulent scheme coming to light. However, this lack of communication was what first alerted the suspicions of the HR director involved.

*“I had suspicions about the Head of (named department) from when I first joined because of the way that he interacted with people because of the way that he preferred to do things quietly on a one-to-one, how lots of people at a senior level in the firm sang his praises but there seemed to be a slight atmosphere where people in his department were clearly quite intimidated and had been specifically told not to communicate with people in other departments”. (HR Director, interview 2)*

Thirdly the department was managed via a culture of extreme fear, involving the bullying and intimidation of junior staff and the coerced resignations of those unwilling to unquestioningly obey the psychopathic manager concerned. Another key manager was manipulated, coerced, threatened with murder and then blackmailed by the Corporate Psychopath into cooperation with the fraud, and because of this she had a complete nervous breakdown. This direct link between psychopaths and murder to prevent disclosure of any fraud committed by the psychopath has been repeatedly made by Perri. Perri and Brody warn that psychopathy is a risk factor for fraud and further, that if a psychopath’s fraud is thwarted, then violence and murder may result from this (Perri, 2010, 2011; Perri & Brody, 2011, 2012). In this current research this link between fraud and the threat of lethal violence was evident in this case of managerial psychopathy investigated.

*“The man was vile but very clever, extremely good at managing upwards, so got promoted because everybody thought he was doing such a fantastic job and saving everybody so much money and he was crooked to the core and ruthless”. (HR Director, interview 2)*

The key manager embroiled by the Corporate Psychopath into the fraud believed that the lives of her family and her own life were in danger if she disobeyed the Corporate Psychopath, who had threatened to kill members of her family if she did not cooperate with the fraud.

That manager finally became, with the brave help of the HR director, a main witness in the eventual prosecution and imprisonment of the Corporate Psychopath. Other departmental members also eventually reported that they had been in fear of their lives.

Fourthly, and perhaps counter-intuitively to those unaware of the modus operandi of Corporate Psychopaths; prior to exposure the workplace was marked by extreme levels of top management support for the Corporate Psychopath who perpetrated the fraud. The top managers of the business regarded him as being an extremely able manager who was exceedingly efficient at running his department and at saving money for the professional services firm involved. This expertise at cost cutting was actually from another manager - the manager who had been coerced into the fraud by the Corporate Psychopath. Such claiming of the good work of others is thought to be typical of Corporate Psychopaths.

*“He managed the relationship in a charming fashion entirely and pretty much every one thought he was a star until you hit that middle management layer who were having to provide a service to him and they hated him”. (HR director, interview 2)*

This good reputation among superiors was so positive that when the HR director first brought forward the allegations of misbehavior, the allegations were met with total disbelief and denial by the main board members and accusations that the HR director was acting out of professional jealousy. Only when presented with specific concrete evidence did the top directors eventually bring in forensic accountants and fraud investigators. This latter experience is totally in line with the expectations raised in the literature on toxic leadership and Corporate Psychopaths. Corporate Psychopaths are described as being people who flatter those above them while manipulating their peers and abusing those who work under them (Babiak, 1995; Boddy, 2011c).

As an example, Reed describes toxic leaders as being malicious, malevolent self-aggrandizing, people who manage by controlling, bullying and instilling fear rather than uplifting their followers whilst simultaneously appearing to their superiors to be enthusiastic, impressive and articulate managers (Reed, 2004). Similarly Clarke and other psychologists describe Corporate Psychopaths as typically being recognized as being toxic leaders by their followers but not by their superiors (Babiak, 1995; Babiak et al., 2006; Boddy, 2011c; Boddy, Ladyshevsky, & Galvin, 2010b; Clarke, 2005, 2007), which is exactly how the Corporate Psychopath managers were regarded in this research among HR Directors.

An extreme level of top management support for the Corporate Psychopath in interview 1 was also evident because while those under the Corporate Psychopath judged him to be destroying the company from within by losing good staff, premises and clients and by eroding the reputation of the company resulting in what was judged to be an unsustainable business; the main board (based overseas) gave him an award for financial excellence. Similarly for the Corporate Psychopath discussed in interview 2, who was described as being charming and manipulative, which is in line with expectations from Corporate Psychopathy theory (Boddy, 2011a).

Here the directors of this global professional services organization were totally taken in by the apparent charm of the Corporate Psychopath while his bullying and fraudulent activities went unnoticed by those above him.

*“(He had).. Lots of superficial charm, lots of apparent intelligence, a smooth talker... everybody thought, gosh, hasn't he done well... the fact that he managed to get an MBA despite having next to no other qualifications and of course the MBA was completely fabricated! ....Extremely charming to superiors. The senior (directors) thought he was wonderful particularly as he was a rough diamond because most of them were public school educated or American Ivy League....., I think they liked the fact that he was more of a contrast to them and yet clearly had skills they didn't have”. (HR director, interview 2)*

### **Staff Withdrawal and Turnover**

In terms of staff turnover through resignations, firings and other withdrawal behavior this aspect of the influence of having a psychopathic manager was perhaps one of the most notable findings from this qualitative research. This was very evident from the discussion of the interview (2) given above as well as those discussed below. This finding represents a useful contribution to knowledge concerning the influence of Corporate Psychopaths on organizations. Corporate Psychopaths have been theoretically expected to influence turnover but there has been little empirical evidence to support this expectation. Boddy found that in the presence of Corporate Psychopaths employees are significantly more likely to withdraw in terms of leaving work early, taking longer breaks, coming to work late and claiming to be sick than they are under normal (non-psychopathic) managers (Boddy, 2011c) but there are no known quantitative findings on actual staff turnover.

In this research, high employee turnover was a commonly reported consequence of the presence of a Corporate Psychopath. For example, in interview 3 one HR director reported the firing of employees who would be relatively unproductive in the short-term (e.g. the training manager), as the principals of the company concerned concentrated on short term profitability before taking the company to a stock-market floatation. That HR director also reported that he himself decided to seek alternative employment from the very first day in that job when he realized the way in which employees were treated.

This is in line with the expectations from social exchange theory (Emerson, 1976; Nord, 1969) which are that employees engage in exchanges of reciprocal (Gouldner, 1960) positive or negative (Biron, 2010) behavior. In this current research this HR director came across negative supervisory behavior towards employees in the form of the dismissal of employees who would have been of long term benefit to the organization. This alerted the HR director to the probability that his own future with the organization would not include a mutual exchange of benefits and commitment and that therefore he would be better off working elsewhere. In other words there was going to be no positive psychological contract between the organization and its employee over and above the legal contract and so no compelling reason to stay with the organization.

This is in line with Turnley and Feldman's (1999) research which found that psychological contract violations result in increased levels of employee withdrawal. They also found decreased levels of loyalty to the organization where such psychological contract violations existed (Turnley & Feldman, 1999). In this current research the HR director reported that he eventually left in about two years, reporting that he stayed that long so that his employment with that organization didn't look too short on his CV.

*"I mean quite honestly as soon as that first incident with the apprenticeship issues came to light I suddenly thought well I ought to be planning my career move out of this establishment at the earliest opportunity which is what I set about doing". (HR director, interview 3)*

This HR director also reported that the organization had a high turnover rate because good employees in that geographic area and at that time had other opportunities to be employed and would not tolerate a poor quality working environment. This is in line with theories of conversion, brand switching and organizational attrition which hold that other things being equal, the presence of attractive alternatives influences people to move their loyalty or commitment to other alternatives, be they religions, brands or organizations (Boddy, 2010c; Tinto, 1988).

*"Well certainly in the factory managers' context turnover was high. ...We did have high turnover because we had regular redundancies and it was an area of high employment which meant that people didn't have to hang around. If they didn't like what they had in terms of the work experience they moved on to other organizations." (HR director, interview 3)*

This shows that the ruthless, money-oriented culture engendered by the presence of a Corporate Psychopath does affect individual turnover decisions. Firings for the sole purpose of short-term profitability do not go unnoticed by other employees who take note of the values and priorities displayed by top management.

Another interviewee reported that a Corporate Psychopath manager would get rid of any employees who he thought may prove to be a threat to his position or to his fraudulent activities.

*"If he didn't think he had complete, 100% loyalty within the juniors in his team, then he would basically lean on them to make them want to leave and hand in their resignation". (HR director, interview 2)*

The HR director in interview 3 also mentioned that the presence of a Corporate Psychopath manager jeopardized the discretionary extra effort that employees can put into a business that they are engaged in and so it is not just physical withdrawal that is influenced by the presence of Corporate Psychopaths but emotional withdrawal as well.

*"His selfish nature, his negativity around things that didn't suit his own particular agenda, his whimsical way in which he made decisions and people had to live with the consequences, the uncertainties of it all. All of that militated against a constructive business". (HR director, interview3)*

A rapid turnover of personnel in the department headed by a Corporate Psychopath in interview 4 was also reported. The research participant reported that he found out that his predecessors had all lasted about 18 months, whereas he lasted 14 months before resigning. This research participant also reported physically withdrawing from the particular environment as often as he could by finding work to do in other parts of the plant location.

In interview 1 the Corporate Psychopath's actions reportedly destroyed the morale and commitment of the entire advertising department and by the time of the interview, those who had not yet left were all planning to do so at the earliest available opportunity. This is in line with theoretical expectations because in the literature on employee withdrawal there is a clear link between commitment and intention to leave as evidenced by a meta-analysis of this literature (Tett & Meyer, 1993) as well as more recent literature on this subject (Falkenburg & Schyns, 2007).

The Corporate Psychopath had also reportedly divided the main (country level, UK) board and one board member had resigned in disgust leaving the Corporate Psychopath more in control than he had previously been.

Another example of an extreme form of staff turnover resulted from on the spot firings marked by an emotionless and uncaring attitude towards loyal and long serving staff. Corporate Psychopaths have been theorized to indulge in this kind of activity and this was indeed evident in this research. In interview 1 an 'on-the-spot' firing orchestrated by the Corporate Psychopath was reported to have had a poor influence on morale.

*"So basically it was 'your face no longer fits, you are gone.' That has never been the culture of this company. This company prides itself on its integrity. The one thing this company has is integrity. Then suddenly for people to be just disappearing like that is a big concern". (Advertising Manager, interview 1)*

The research participant in interview 6 reported on the influence of a Corporate Psychopath CEO in a not-for-profit organization. With less than 50 employees absenteeism was reported to have gone from a monthly occurrence to a daily one, after the appointment of a psychopathic CEO. Senior staff were reported to be absent for weeks due to stress and junior employees were reported to take regular days off due to illness. In terms of turnover 86% of the staff employed at the time of the CEO's appointment had left with all the remaining staff planning to leave shortly.

*"The thirtieth person handed her notice in two weeks ago.....He made her life like a living hell.....she left with no job to go to." (Interview 6, Middle manager)*

Morale in this organization was described as being at an all-time low. The research participant was reportedly planning to leave as soon as his final attempt to warn the board of governors of what was happening with the new CEO was complete. Success in this endeavor was not anticipated by the interviewee as the Corporate Psychopath CEO concerned had reportedly ingratiated himself with the head of the board of governors who had come to regard the Corporate Psychopath as a personal friend.

## Reports of Extreme Work Environments

In interview 3 the HR director reported that there was high turnover, regressive work practices, lack of long term planning and lack of any attempt to engender employee engagement in the business. When asked to place the company with the Corporate Psychopath in it on a scale from one (normal) to ten (extreme), this HR director reported it as an eight or nine and as the worst organization he had ever worked for.

*“I’ve never come across a company worse than that one and therefore I don’t know how bad bad would have to be but it would be in the lower reaches of eight or nine. Yeah. It was not the good experience that I was looking for, not the constructive, positive proactive type of role that I was hoping for”. (HR director, interview 3)*

Regressive work practices were also reported in other parts of this research when there was a Corporate Psychopath present and there was reportedly an emphasis in these environments on increasing short-term profits by cost cutting rather than by increasing longer term profits through investment in new production techniques and training.

*“The whole culture, well from my perspective it was very much what you would say was traditional British, ‘them and us’ type of manufacturing. Everything was about cost reduction, it was all about high volume, it was about quality but the investment really wasn’t being put in to get the high volumes and the quality because they wanted to keep the costs down. ...My own view is it was almost a stereotype of some of the worst films of management/worker relationships that you could think of”. (HR director, interview 4)*

Similarly in interview 3 the HR director reported that other senior managers were doing a good job and making progress with exports and advertising but that the Corporate Psychopath was like a cancer in the UK operations side of the business. It is notable here that commentators have noted that single bad leaders can have a disproportionately negative effect on the whole organization (Allio, 2007; Ferrari, 2006).

In this research it was found that the extent of the bad influence of the Corporate Psychopath depended on his position. At main board director or CEO level the malignant influence was organization wide whereas at departmental level the influence was more specifically located within that department but with important repercussions throughout the organization.

*“So it was a fascinating business with some very much larger-than-life characters who were doing an excellent job in their own part but you had this cancer, if you like, in this guy who was doing everything he could to screw what essentially was the operational side of the UK business which was very disappointing”. (HR director, interview 3)*

Interview 4 was the report from a HR director about another HR senior manager (who was a board member of the plant concerned) for whom the interviewee used to work as a more junior personnel officer. This was in a large manufacturing plant. The plant was reportedly under pressure to improve its financial performance but this pressure did not manifest as psychopathic behavior in any other manager apart from the Corporate Psychopath that the HR director reported on. The atmosphere generated by the Corporate Psychopath in the HR department was described as hostile, unpleasant and nasty.

*“So much of my life had been wasted there which was just miserable or unpleasant, it’s not even miserable, it was nasty. I think that is some of the difference. I think if something is unpleasant you can put up with it if you need to. If it feels just nasty and vicious then why stay, so I didn’t”. (HR director, interview 4)*

A particular strength of qualitative research is that it gives a more in-depth and profound understanding of a phenomenon than quantifications usually supply. For example it is known from the literature and from empirical research that employees are significantly more likely to withdraw from an organization when Corporate Psychopaths are present (Boddy, 2011c). However comments that research participants “hate” these situations “with a passion” give a greater depth of understanding as the comment below demonstrates.

*“Well me, personally, I hated the place with a passion. I started finding opportunities to get out as much from in the office and on to the production floor in to manufacturing just to hide from what was going on, to some extent. ...I was miserable. I didn’t enjoy the time there”. (HR director, interview 4)*

*“I would liken the (working environment) to the reign of terror in the French revolution”. (HR director, interview 3)*

The sense from the participants in this research was that the experience of working with a Corporate Psychopath was a harrowing one remembered long after the event and considered a unique, unrepeated experience. One participant reported dreaming about it for ten years afterwards and that his resignation from that company was the only fond memory of working there. Another participant found that they could not continue to talk about the experience at all because it was too painful to recall.

*“Actually I will be honest, for quite a few years afterwards there would be times that I would dream about being back there..... which that would have been for a good ten years or more afterwards I think.....It was really unpleasant working there....I’ve worked in quite a lot of different sectors. I’ve worked in construction which is a really hard-nosed industry at the best of times. I never saw anybody like him (the Corporate Psychopath) before or after”. (HR director, interview 4)*

Corporate Psychopaths are reported to be excellent manipulators of other people, good at organizational politics and skilled at causing divisions among their colleagues in order to make them disunited and easier to control (Babiak et al., 2006; Boddy, 2006; Clarke, 2005).

This was evident in one manufacturing plant where the unions were reported to be divided and where a multiplicity of different agreements were reported to exist regarding work practices.

*“He took a lot of pride that there wasn't a plant wide union agreement. There was something like about 30 and each of your operating lines had a separate arrangement and a separate deal negotiated and for me I think it was a divide and rule kind of strategy”. (HR director, interview 4).*

The literature on Corporate Psychopaths characterizes them as bullies (Boddy, 2011b) and this was evident in this current research where fear was endemic and public humiliations were reportedly both frequent and regular. Orders were issued via shouts or screams and normal everyday pleasantries were reportedly absent.

The atmosphere could be reasonably described as being extremely hostile. This was hostile to such an extent that one employee just walked out and never came back after one humiliation. Similarly in the seventh interview the psychopathic manager involved created an atmosphere of fear as described in the following comment. Such public belittlement of other employees in public has previously been reported to be typical of Corporate Psychopaths at work.

*“Amongst a very senior population there was a huge amount of fear around dealing with the individual. So everybody was trying to develop strategies to cope with what might come their way. It was never balanced and reasonable. ....It was provocative, it was undermining people, it was making a fool of them in public.”(HR Director, interview 7)*

This behavior is again in line with the expectations from the bullying literature, where there is a clear correlation between bullying and employee withdrawal (Lewis & Orford, 2005; Sliter, Sliter, & Jex, 2012).

*“He would never come in and ask somebody to come and see him, he would just sit there and scream and you had to get up and respond when shouted at. Typically, I would say three or four times a day, everybody went through a bit of a humiliating dressing down to an extent which was quite public as well. So the whole atmosphere was very, very hostile and unpleasant.....When he left in the evening he never said goodbye to anybody. You knew he had gone because the door had slammed”. (HR director, interview 4)*

Bullying was also evident in the other interviews and was reportedly used as a tactic to instill fear, obedience and confusion as illustrated by the comment below. Similarly the Corporate Psychopath who had resorted to fraud certainly used bullying to intimidate his own staff and keep them from questioning his activities.

*“I think his bullying tactic was the bit about him that was so unpredictable. So that you never knew what he was going to do”. (Advertising Manager, interview 1)*

Corporate Psychopaths have been found to fail to provide training and information needs for employees working under them (Boddy, 2010a). In this current research the findings extended this finding to uncover that research participants thought that they were being deliberately undermined in their jobs as part of, for example, organizational power plays by the Corporate Psychopaths involved. This is illustrated by the following comment.

*“Because people didn't trust people... It was unpleasant .You were undermined quite regularly as a young professional which I would have been in my mid 20's I suppose. There was no support..... He said 'I am a hard manager'. A hard manager is fine. I think somebody who actually has gone beyond being hard, hard and fair is OK but hard and completely contradictory and unpleasant and undermining is not OK”. (HR director, interview 4)*

A characteristic of psychopaths is their ability to lie convincingly and not be embarrassed and this was evident in interview 1 where the Corporate Psychopath board director flatly denied to the other members of the main UK board of directors that he had been advised of a business plan that was about to be implemented. This resulted in the plan being abandoned, after months of careful planning, on the day it was supposed to start and this resulted in a considerable amount of organizational confusion and personal emotional upset. This can best be understood in the words of the participant concerned in the incident.

*“An awful amount of work went in to this (business plan) involving lots and lots of people. We... briefed this (psychopathic) guy on what was going to happen... He went through it in detail with us and he said, yes, I am very happy. ....He was very supportive of it....So anyway (the day of implementation) came around and the Board sat down for a final meeting ...He said I know nothing about what you are talking about.... Other people in the room were saying, yeah we did because you talked to us about it. He was just adamant that...he knew nothing about it and he said you have to stop the whole thing. ...So huge trauma in the Board room about this, people in tears and all sorts because it really got very angry and feisty in this conversation with people saying 'but you know!'. He was adamant he didn't know anything about this. So they had to stop the whole thing.....So straightaway you could see he wouldn't take responsibility for things and he would just lie blatantly about things”. (Advertising Manager, interview 1)*

This interviewee also commented that the Corporate Psychopath involved would undermine other people's work, lie about his involvement or knowledge, and sit through presentations and criticize them but then later re-present the same presentations and ideas as his own work. The Corporate Psychopath would also make promises and business predictions to head office that he knew could not be met or were impossible to achieve. The interviewee was of the opinion that the Corporate Psychopath did not have the ability to do the job he was hired to do and had, for example, no grasp of strategy. Instead he stole the ideas of other people or got management consultants in to do his work.

This reported behavior of the Corporate Psychopath was so typical of textbook descriptions that during the interview the researcher asked the participant whether he had read any of the books on Corporate Psychopaths; he reported that he hadn't.

Interview number 5 was scheduled to be with another advertising manager who was a colleague of interviewee number 1 and concerned the same psychopathic senior manager. However, shortly after starting the interview and hearing the types of questions the research covered, the participant changed their minds about continuing. The interviewee reported that talking about the experience was bringing all the memories back and that it was too painful to continue the interview. They reported that they had forgotten how horrible the experience was and did not want to go through the experience again by recalling it. The interviewee was also worried about confidentiality and about the Corporate Psychopath discovering what they had said about him. The interview thus ended within minutes of it starting. However, the reaction of the interviewee demonstrates how emotionally upsetting and extreme the whole experience of working with a psychopathic manager must be.

### **Organizational Destruction**

In the literature on Corporate Psychopaths it has been theorized that their presence and influence will ultimately lead to organizational destruction and that an ethically bankrupt organization will eventually become a financially bankrupt organization (Boddy, 2010b, 2011c) but this has not been established empirically. This current research was not designed to establish this one way or the other but it nevertheless provided some evidence. In one case the fraudulent activities of a Corporate Psychopath cost the company over a million pounds in diverted revenue but did not lead to complete organizational destruction because of the overall size and profitability of the business.

In another case (interview 1) the Corporate Psychopath was reported to be in the process of destroying the company from within by causing good people to leave, by needlessly abandoning good business plans and by destroying the ethical reputation of the company. Service and product quality were reported to be deteriorating because of re-structuring and clients were said to be leaving as they noticed the decline. However at the time of this research that company was still reporting profits. The research participant in interview 1 was an advertising manager in the company he was talking about with reference to the presence of a Corporate Psychopath who occupied a main board position. This Corporate Psychopath reportedly had a devastating effect on the advertising department and advertising practices of the company, because the Corporate Psychopath, with no real experience, took over advertising within the company.

*“The first challenges started to come when my old boss, (the advertising director) who was a great creative, found that she was being put out of place by this guy coming in and saying he could do advertising and yet he had no real experience to do advertising. His experience was very shallow compared to the broad depth experience that she had and he was basically telling her that she was wrong in everything that she was doing”. (Advertising Manager, interview 1)*

This interference was so great that it caused the highly regarded advertising director to resign with no job to go to. The Corporate Psychopath then proceeded to get rid of, disregard or replace the plans, initiatives and advertising staff associated with the ex-advertising director until none of the original and previously highly successful advertising department was left. This included the product development team whose presence was considered by other employees to be key to the future success of the business. This new product development process, representing the innovativeness underlying the core competency of the organization, was then outsourced.

In the literature on strategy it is usually considered advisable to maintain the core competencies within the business and only to outsource non-essential elements of it and so outsourcing a key element, as happened here, demonstrates the lack of competence of the Corporate Psychopath involved. This has reportedly left other staff demoralized and disheartened.

Corporate Psychopaths are theorized to be promoted beyond their true abilities because of their capacity to present themselves well, manipulate others, lie about their abilities and claim the good work of other people as their own (Boddy et al., 2010b). Another example of this is that in interview 2 the claimed MBA from a world class university turned out to be completely bogus in the case of the Corporate Psychopath involved in the organizational fraud.

With the psychopathic CEO discussed in the sixth interview, the CEO would not permit any discussion at board meetings which were convened to agree with his position and policy papers, distributed before the meetings. This CEO was reported to cut-off any open discussion and thus to deny potentially positive and valuable contributions to the organization from experienced and long serving staff members. In the organization discussed in interview 6 the employees were described as having changed from being motivated, happy, innovative and driven to being directionless, unmotivated and uncommitted after the appointment of a new but psychopathic CEO.

*“Staff morale is just at an absolute low. When the guy walks in the office falls silent and it is worse than a morgue, I imagine, in our place.” (Middle manager, interview 6)*

In interview 4 the research participant was of the opinion that the HR director concerned, who in this case was the Corporate Psychopath, was instrumental in the eventual closure of the business and the sale of its premises.

*“If you look at that plant, the plant was sold and within about two to three years was closed down and flattened and it is now a housing estate. So, did he do a great job? In my opinion it was an appalling job otherwise that place wouldn't have failed”. (HR director, interview 4)*

In interview 1 the research participant was convinced that the Corporate Psychopath closed down one office merely because it was associated with being a success of and an initiative of the advertising director who had resigned. The particular office was described as being in a central location, convenient for clients and at a remarkably cheap rent.

Closing it down led to extra costs and lost clients for the company and was reported to have been a poor business decision and so could be classed as a partial destruction of the company concerned.

Similarly the research participant in interview 6 was of the opinion that the organization was being effectively destroyed from within. This destruction was reported to be through the influence of the Corporate Psychopath CEO involved in this not-for-profit organization.

*“We’ve got this situation where the finances are plummeting downwards; the staff are leaving on almost a fortnightly basis now.” (Middle manager, interview 6)*

The work ethic, involvement and commitment of the employees was reported to have been largely destroyed with staff taking days off, malingering, undertaking large amounts of non-organizational related activities in the workplace and lacking drive and purpose.

*“Well I think there were lots of issues.... grievances, people off sick, people having to move on to new roles very, very quickly, people getting damaged along the way, performance not being great, not positive behaviors permeating down the organization, lack of willingness to tackle what was becoming quite evident.(HR Director, interview 7)*

The research participant in interview seven also described a variety of ways in which the presence of a psychopathic manager affected the performance of the organization and of the employees within it. These included staff withdrawal and a lack of commitment towards tackling the problems that the organization was facing. Conclusions from this research are discussed below.

### **Limitations and Suggestions for Further Research**

The research was conducted in England, mainly in and around London and so findings may be subject to local cultural influences that do not operate in other countries. For example, Stout has suggested that collectivist cultures may present psychopaths with a more constraining influence than that imposed by individualistic countries such as the UK and USA (Stout, 2005). This may influence how their behavior manifests itself and this would be an interesting subject for further research.

### **Conclusions**

This research makes a useful and important contribution to the literature on extreme workplaces by demonstrating that ruthless individual managers in the form of Corporate Psychopaths do have a strong influence in generating such workplaces. The research makes a major contribution to corporate psychopathy theory because it demonstrates that in line with expectations, employees seek to leave or emotionally withdraw from the organizations or parts of organizations that are managed by Corporate Psychopaths. Further, that as expected, turnover is much higher in organizations under Corporate Psychopaths than it is for competitive organizations. Employees hate to work in these environments and seek to leave as soon as possible.

Although often regarded as stars and given awards for their short term or apparent financial performance by those above them, these research findings illustrate that the aims of Corporate Psychopaths as senior employees are not aligned with the medium to long term aims of the organizations that employ them. For example in line with theoretical expectations this current research found that Corporate Psychopaths will engage in fraud and are unconcerned with the organizational decay that they create.

The commonalities in the reports concerning the behavior of Corporate Psychopaths were notable and they appear to have a common modus operandi involving bullying, fear, control and manipulation. The research supports earlier findings from quantitative studies because yelling, shouting and the undermining of employees were all very evident among Corporate Psychopaths in this current research. Public humiliations and intimidation were also very evident from the Corporate Psychopaths in this research. Insights go beyond what has been established quantitatively because reports of several employees living in fear of their lives and of the lives of their families were reported.

This corresponds with the expectations and findings of Perri and Brody (2011, 2012) who have repeatedly warned that fraud and murder to prevent the exposure of fraud can be found among psychopathic fraudsters.

The research also supports the view that Corporate Psychopaths over-claim their qualifications and abilities, claiming bogus degrees from world class universities as well as claiming advertising and strategic management competencies that they just do not possess. Corporate Psychopaths also create chaos, use divide and conquer tactics to maintain control and jeopardize client service quality and therefore organizational outcomes through their capricious and ill-conceived management plans. Corporate Psychopaths rely on the good work of other managers, claiming their ideas, presentations and plans as their own or rely on management consultants to do their work.

This research finds that Corporate Psychopaths are extremely bad for the organizations that employ them. Employees are mistreated, good, loyal employees are fired or resign, resources are misallocated or stolen, business plans are capriciously rejected, management consultants are hired needlessly, internal intellectual resources are abused or unused, organizational confusion replaces a sense of direction, organizational ethics decline and corporate reputation suffers. In short, Corporate Psychopaths are extreme managers who create extreme workplaces.

Employees seek to withdraw from these extreme workplaces via claiming high levels of sick leave, leave due to stress and via seeking alternative employment. A minority even withdraw from the organization and the workforce by leaving with no other jobs to go to. Some employees are too traumatized to discuss their extreme experiences under Corporate Psychopaths while others have disturbing dreams for many years afterwards. It was evident that in the presence of Corporate Psychopaths, organizational destruction occurs at many levels. Nearly all the research participants reported that they had never experienced anything like the traumatic experience with their Corporate Psychopath again.

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## **Appendix: In-Depth Interview Guide**

**Introduction:** Thank you for agreeing to take part in this research concerning your experience of one manager you worked with who displayed the characteristics of a Corporate Psychopath. I'd like to talk to you about this particular manager and what influence they had on the organisation that you worked for and on you and the other employees. Your answers will be reported on anonymously and confidentially in that any names of people or companies including your name and any relevant dates will be changed to ensure the anonymity of the people concerned and the confidentiality of your answers and so that nobody will be able to identify the companies and people concerned. You will also be able to veto any material before it is published in academic journals or in material presented back to this HR Directors group. As an aid to my memory and in the interests of accuracy and validity, I would very much appreciate your consent to my tape-recording the interview – would that be acceptable to you? (If not then make extensive notes including verbatim responses).

Can you first tell me something about the company you were working for at the time you experienced the psychopathic manager. (Nature, size, geography, number of personnel, purpose). What was your position and that of the psychopathic manager? (Hierarchical nature of the working relationship).

What did they do that displayed a psychopathic personality? What impact did they have on you and their colleagues – the organisation – its other stakeholders?

How did you manage them? What successes/failures did you have in managing them? What were the outcomes for the organisation, its culture and the working environment? Were there any outcomes related to HR issues with the company? Were there any outcomes related to legal issues with the company?

What were the outcomes for you? What were the outcomes for other employees? What were the outcomes for corporate partners like suppliers, any advising consultants like advertising agencies or advertising consultants, and auditors?

On a range from normal to extreme how would you characterise the working environment when the psychopathic manager was operating? In what ways, if any, would you say the working environment was an extreme one? In what ways, if any, would you say the working environment was a normal one?

What advice would you give someone in your position if they knew beforehand that the manager they would be dealing with was psychopathic? Is there anything else you would like to say about the situation in which you worked with a psychopathic manager?

Thank-you very much for taking part in this research, I'll contact you again once the interviews are complete and all the material has been analysed.

Finally...Looking at this page describing Corporate Psychopaths is there anything this makes you remember about their behaviour that you haven't mentioned already? Also what elements do you think apply to the person we have been talking about – please tick all sections that apply to them and put a cross against all those that do not.

The PM-MRV2 (Psychopathy Measure – Management Research Version 2)  
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<p><b>1. Superficial Charm and Apparent Intelligence:</b> <i>The subject appears to be friendly and easy to talk to, agreeable, makes a positive first impression and is apparently a genuine person who is socially at ease.</i></p>	
<p><b>2. Untruthful and Insincere:</b> <i>The subject lies and is a convincing liar because of their apparent sincerity and honesty.</i></p>	
<p><b>3. A Cheating Personality:</b> <i>The subject cheats, fails to live up to promises, cons, seduces and deserts others. They are good at organizational politics, claim the good work of others as their own and would probably steal, forge, commit adultery or fraud if they could get away with it.</i></p>	
<p><b>4. Is Totally Egocentric:</b> <i>The subject is egocentric and self-centred, cannot love or care for others and can only discuss love in intellectual terms. They are totally indifferent to the emotions or fate of their colleagues.</i></p>	
<p><b>5. Has no remorse about how their actions harm other employees:</b> <i>The subject denies responsibility for their own poor behaviour and accuses others of responsibility for failures that they themselves cause. If they admit any fault then they do so without any regret or humiliation. They put their career advancement above their colleagues.</i></p>	
<p><b>6. Emotionally Shallow:</b> <i>The subject can readily demonstrate a show or display of emotion but without any true feeling. They cannot experience true sadness, woe, anger, grief, joy or despair and are indifferent to the troubles of others.</i></p>	
<p><b>7. Unresponsive to personal interactions:</b> <i>The subject doesn't respond to kindness or trust in the ordinary manner. They can display superficial reactions but do not have a consistent appreciation for what others have done for them. They are indifferent to the feelings of others and can openly make fun of other people.</i></p>	
<p><b>8. Refuse to take responsibility for their own actions:</b> <i>The subject initially appears to be reliable and dependable but can then act unreliably and with no sense of responsibility or regard for any obligations to others.</i></p>	
<p><b>9. Calm, poised and apparently rational:</b> <i>The subject does not display neurotic or irrational characteristics. They are always poised and not anxious or worried even in troubling or upsetting circumstances which would disturb or upset most other people.</i></p>	
<p><b>10. Lack of self-blame and self-insight about own behaviour:</b> <i>The subject blames their troubles on other people with elaborate and subtle rationalisations. They do not think of blaming themselves, even when discovered in bizarre, dishonest or immoral situations that would promote despair or shame in other employees.</i></p>	

Ask: How do the ones you have ticked resonate with your experience?