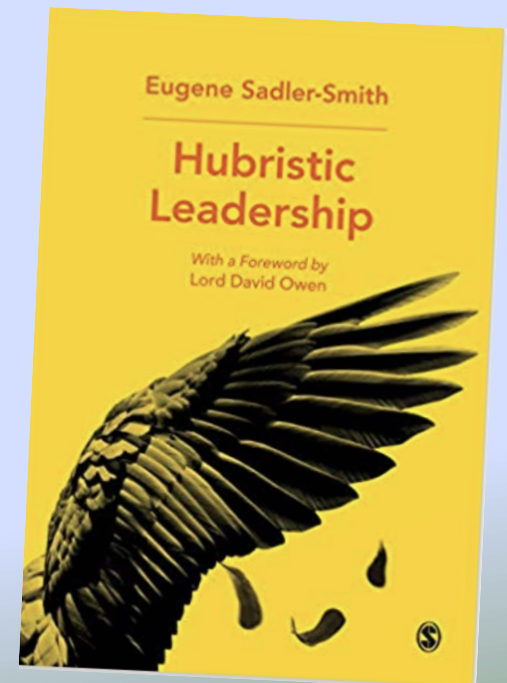
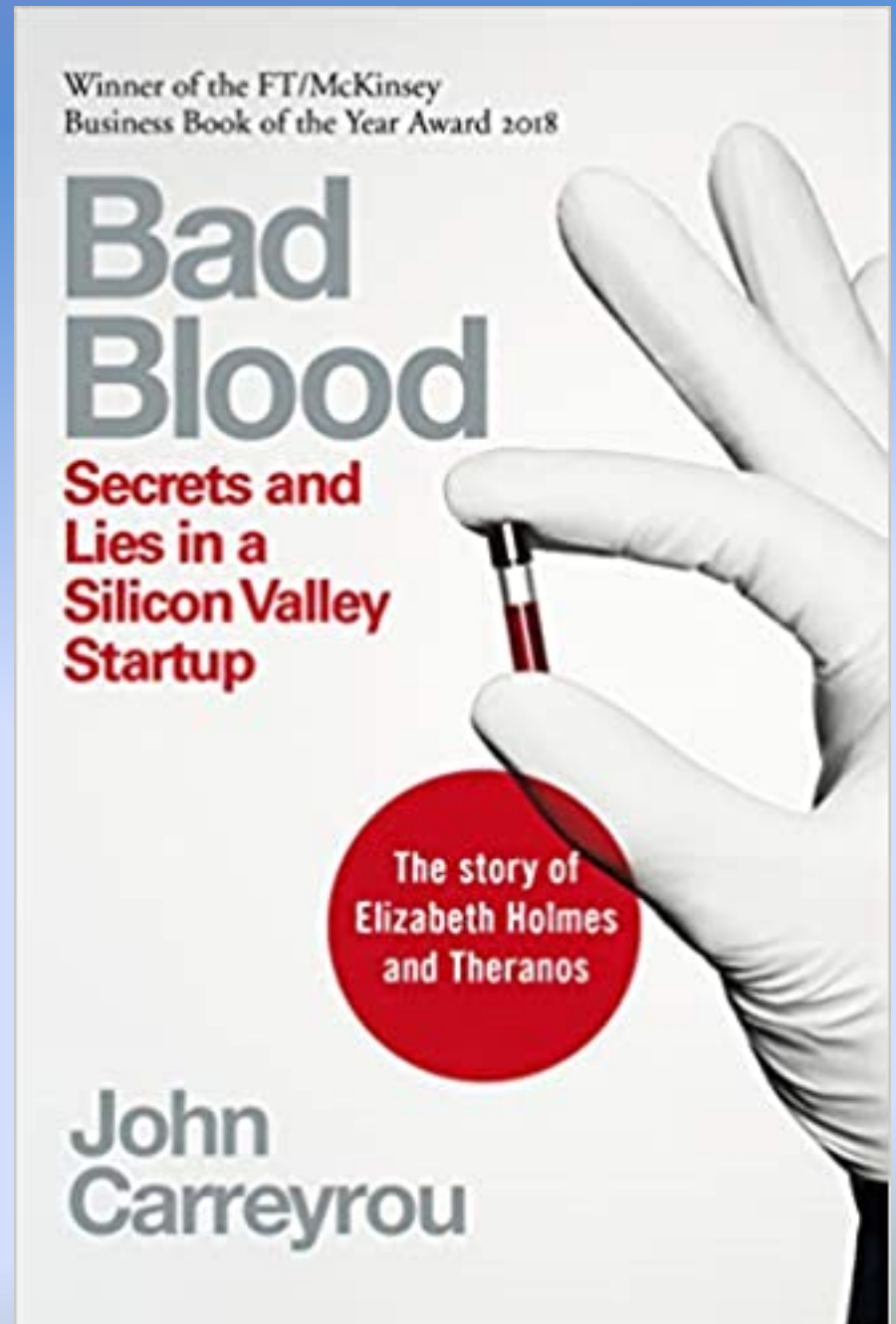
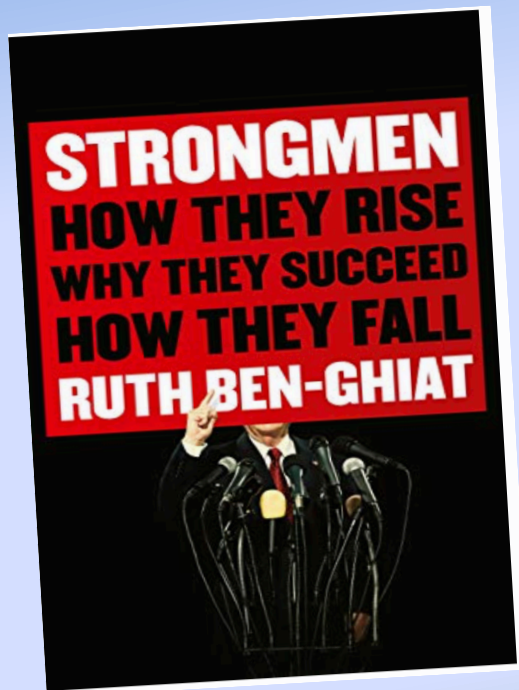
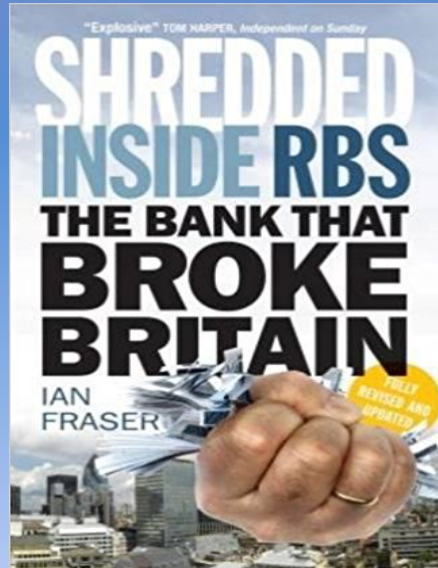


THE DARK SIDE OF LEADERSHIP

- Hubris and its effects
- Traits of dysfunctional leadership
- How toxic leaders exercise coercion
- The example of Theranos





WHAT IS HUBRIS?

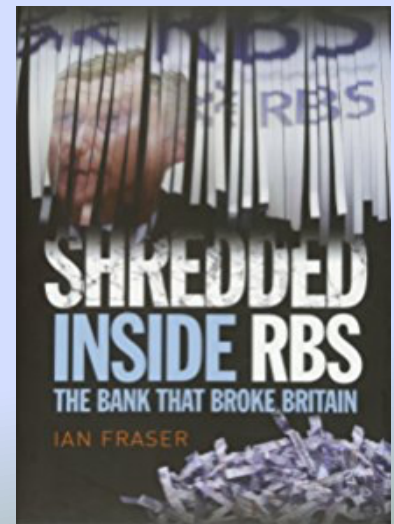
- **Over-confidence**
- **Taking in positive information in uncritical fashion**
- **Untenable faith in ability to achieve goals**
- **Exaggerated decisiveness**
- **Impulsivity/ need for power**
- **Spontaneous risk taking**
- **Denial of reality**
- **Pursuit of simplistic formulas for success**

Picone et al, 2014



HUBRIS EFFECTS

- **Exaggerating advisability of acquisitions**
- **Over-paying for potential assets**
- **Overambitious visions**
- **Financial misreporting**
- **Over-estimating one's own talents and abilities**



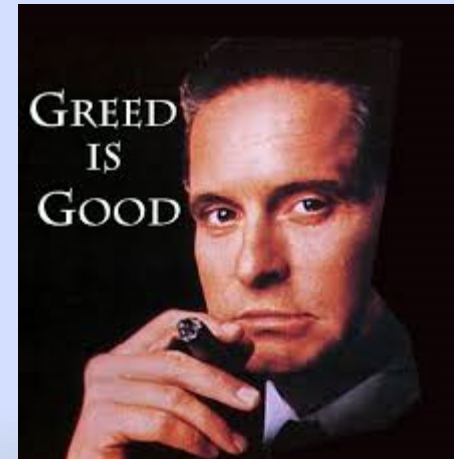
WHAT IS HUBRIS?



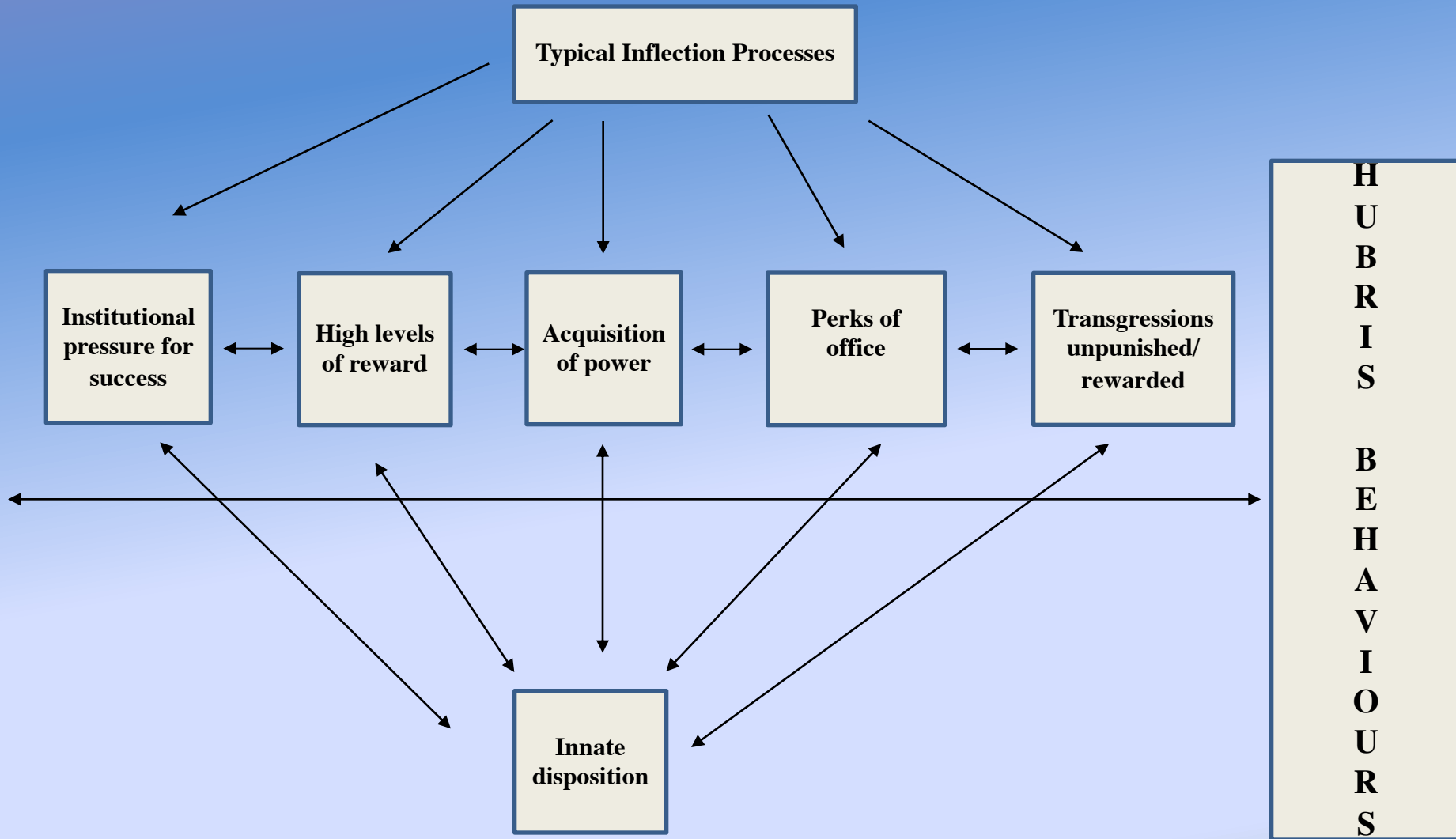
"Now I'm better, and maybe I'm immune": Trump's controversial return to the White House



HUBRIS IN BANKING

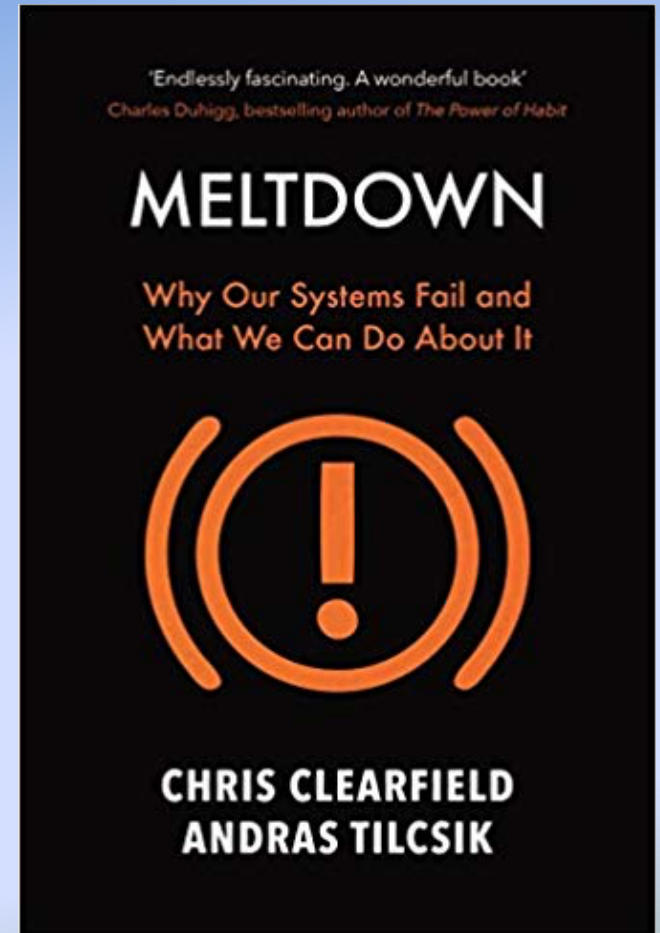


THE FLOW OF HUBRIS



HUBRIS IN BANKING

- Banks that have Boards with a greater percentage of bankers are **MORE** likely to fail!
- Diverse boards with 'strangers' and 'non-experts' less inclined to 'groupthink' and more inclined to ask critical and 'idiotic' questions



SOME IMPLICATIONS

- **Encourage dissent**
- **Share decision making power**
- **Distrust consensus**
- **Promote diversity**
- **Involve 'strangers'/ outsiders**

**WHAT
ELSE?**



VALUED LEADERSHIP TRAITS

- 1. Charismatic leadership**
- 2. A compelling vision**
- 3. Promotion of common culture**



DANGERS OF OPTIMISM AND COMPELLING VISIONS

- Elizabeth Holmes promoted a compelling organisational vision.

THUS:

- Exaggerated claims common
- Image of uniqueness projected
- Negative information restricted (positive information maximised)



SOME CONSEQUENCES

- There is only one 'Truth'
- Dissenters are misinformed/ don't understand the organization's best interests
- They need to be silenced/ overcome (*NOT* persuaded)
- Dissent is

DANGEROUS



Theranos and Power

- Holmes held 99.7% of the voting shares
- 'We never took any votes at Theranos. It was pointless. Elizabeth was going to decide whatever she decided.'

George Shultz, Board member

- Leader charisma quelled suspicion

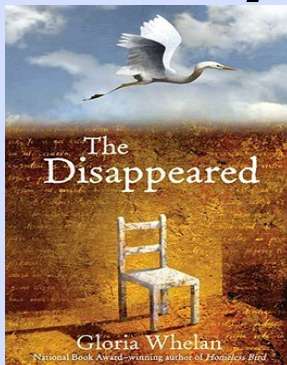


HEGEMONY

- **'(Holmes)told... employees that she was building a religion. If there were any among them who didn't believe, they should leave.'**

Carreyrou, 2018

- **Surveillance**
- **Secrecy/ deception**
- **Elimination of dissent**
- **Work the only thing that matters**



ONE OUTCOME....

- **'When I was at GE, we used to tell people GE's the kind of place you could have a bad marriage and never know you're having it because you won't get to be home long enough to find out.'**

Steve Kerr, 2017



DOES THIS MAKE IT BETTER?

'Nine out of 10 people say: "Get away from me I am not interested in this type of lifestyle." The 10th person says, "That sounds good to me." Now, you can't populate a society like that, but we didn't need a society at GE. We needed a relatively small number of people at GE who would respond positively to the notion that if you do well, you will get wealthy. Alternatively, if you do poorly, you'll likely be fired, possibly in a humiliating manner. If you don't like this type of arrangement, don't come.'

LEADER EFFECTS

- **Hubris/ narcissism**
- **A messiah complex**
- **Entrepreneurial vertigo**



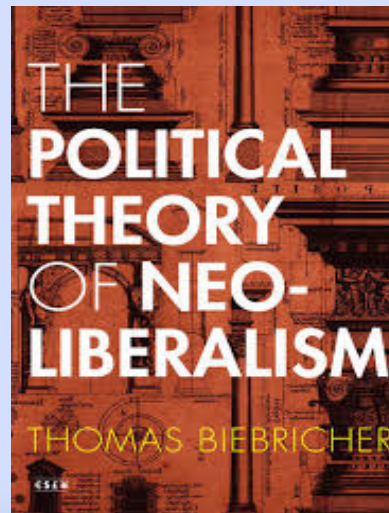
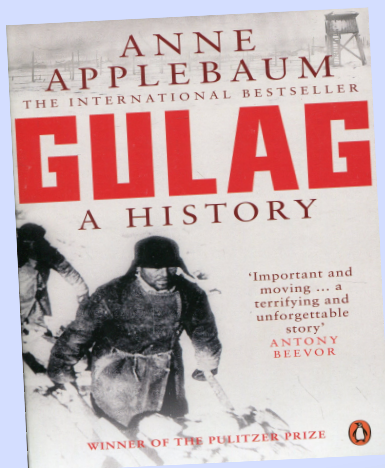
THE TOTALIZED CORPORATE CITIZEN

- A true believer
- Devoted to work – recall Steve Kerr
- Participates in conformist rituals

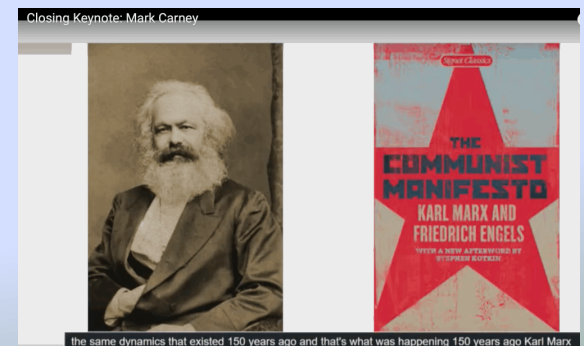


SOME CONSTRAINTS

- Porous organizational boundaries
- Limited totalist power of ideology
- Constraints on coercive power



Tyler Shultz



WHY IT ALL MATTERS

- 'Being the CEO of a sizable corporation today is probably the closest thing to being king of your own country, and that's a dangerous title to assume.'

Sydney Finkelstein, Tuck University



Jeff Bezos



Mark Zuckerberg



Tim Cook

- Only 37 out of 500 Fortune top company CEOs are women – **Fortune Magazine, May 2020**

SOME BOOKS ARE **BETTER THAN OTHERS**

