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Hubristic leadership:
Understanding the hazard and mitigating the risks

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INTRODUCTION

Hubristic leaders are powerful and successful individuals who become excessively confident and ambitious in their strategic decision choices. In doing so they show contempt for the advice and criticism of others. As a result, they often end-up over-reaching themselves and inflicting damage, both financial and reputational, on themselves and their organizations. Perhaps the highest profile recent example of hubristic leadership in management is Richard J. Fuld who helped build Lehman Brothers into one of the most formidable Wall Street trading businesses. His hubris contributed not only to his own and the company's demise but also to the 2007/2008 financial crisis, the effects of which are still being felt a decade on. Business is replete with examples of organizational failures which were linked to hubristic leadership. These include Long-Term Capital Management (which went into liquidation following its crash in 1998) and BP's Deepwater Horizon blow-out in the Gulf of Mexico (the costs of which are estimated at the time of writing to be $65billion). Hubristic leadership's damaging effects are not limited to business. In politics, George W Bush exhibited hubris in his decision to invade Iraq in 2003. President Trump shows many of the hallmarks of hubris.

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Given the scale of its destructive effects, it is surprising that compared to leadership topics such as narcissism and charisma, hubris has received comparatively little attention in management research. In this article we bring hubristic leadership to the attention of management scholars, practitioners and students by explaining its characteristics and causes and suggesting how its potentially destructive consequences might be combatted.

CHARACTERISTICS OF HUBRIS

Hubristic executives systematically and repeatedly make strategic decision choices that are over-confident and over-ambitious. They show contempt and arrogance towards the advice and criticism of others. As a result, they run the risk of over-reaching themselves and inviting unintended negative consequences.

The significance of hubris (Greek: *hybris*) has been recognized since Classical times. Greek mythology contains various tales of human hubristic excess and consequent divine retribution and punishment in the form of Nemesis. Perhaps the most famous example is the myth of Icarus and Dædalus. The father (Dædalus) and his son (Icarus) acquired, through Dædalus' craftsmanship, wings made with feathers and wax that gave them the God-like power of flight which they used to try to escape from Crete where they had been imprisoned by King Minos. In their attempt to escape:

> " . . . all this adventurous flying went to Icarus' head . . . he'd fallen in love with the sky, and soared higher and higher. The scorching rays of the sun grew closer and softened the fragrant wax which fastened his plumage. The wax dissolved; and···Icarus flapped his naked arms deprived of the wings which had caught the air that was buoying them upwards" (*Metamorphóses*, Book 8, lines 221–230).

Icarus was so intoxicated by his power of flight that he became impervious to his father's warning. Because of his hubristic excess, he plunged to his death. The moral of the story is often taken as 'don't fly too close to the sun', but Dædalus actually implored Icarus to fly neither too high nor too low. This reflects a general principle of classical Greek civilization: 'nothing in excess', as inscribed on the Temple of Apollo at Delphi. The metaphor alerts us not only to the dangers of hubristic excess, but also to the challenge for leaders of maintaining a balance between deficiency and excess with the right amounts of confidence and humility. Like Icarus, hubristic executives' behaviors, because of their inflated self-belief in their ability to bring about positive outcomes, can tip over into excess.

The main features of hubris have been captured comprehensively in the concept of 'hubris syndrome'. Hubris syndrome is defined in terms of a set of fourteen attributes which often occur together, are associated with holding significant positional power under conditions of largely unfettered discretion and following a period of considerable prior successes (Table 1). The consequences of these behaviors manifest as hubristic incompetence. The idea of a hubris syndrome first appeared in *The Hubris Syndrome* (2007) by David Owen (a politician by profession, Owen was UK Foreign Secretary in the late 1970s, he is a member of the House of Lords and a neurologist by training). Owen described the hubris syndrome as a disorder of position as much as of the person. In Owen's 'symptomology' for hubris syndrome over-confidence and over-ambition (Attribute 8 in Table 1) are accompanied typically by contempt for the advice and criticism of others (Attribute 7).

Whilst some of the diagnostic behaviors for hubris syndrome overlap with narcissism, hubris is distinct from narcissism in several ways. Narcissism is a personality trait characterized by self-absorption, grandiosity and a sense of entitlement. Narcissists believe that they are uniquely special and deserving of praise and admiration. They can become arrogant and hostile if their grandiose yet shallow and fragile self-concept, which they need to constantly maintain, is threatened. Hubris on the other hand is not a personality trait; it is a transitory state which develops in the wake of prior successes and the acquisition of significant power, and which may abate once power is lost. Narcissists are intoxicated with themselves, whilst hubrists are intoxicated with power and success.

Hubris figured prominently in the rise and fall of Hank Greenberg, former CEO of AIG. His fall illustrates the perils of 'flying too close to the sun' as recounted in Mathew Hayward's *Ego Check* (2007). Greenberg pushed constantly

Table 1 Behavioral Attributes of Hubris

1. A narcissistic propensity to see their world primarily as an arena in which to exercise power and seek glory
2. A predisposition to take actions which seem likely to cast the individual in a good light—i.e. in order to enhance image
3. A disproportionate concern with image and presentation
4. A messianic manner of talking about current activities and a tendency to exaltation
5. An identification with the nation, or organization to the extent that the individual regards his/her outlook and interests as identical
6. A tendency to speak in the third person or use the royal 'we'
7. Excessive confidence in the individual's own judgment and contempt for the advice or criticism of others
8. Exaggerated self-belief, bordering on a sense of omnipotence, in what they personally can achieve
9. A belief that rather than being accountable to the mundane court of colleagues or public opinion, the court to which they answer is history or God
10. An unshakable belief that in that court they will be vindicated
11. Loss of contact with reality; often associated with progressive isolation
12. Restlessness, recklessness and impulsiveness
13. A tendency to allow their 'broad vision', about the moral rectitude of a proposed course, to obviate the need to consider practicality, cost or outcomes
14. Hubristic incompetence, where things go wrong because too much self-confidence has led the leader not to worry about the nuts and bolts of policy

Source: Owen, D., & Davidson, J. (2009). Hubris syndrome: An acquired personality disorder? A study of US Presidents and UK Prime Ministers over the last 100 years. *Brain*, *132*(5), 1396–1406.

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against the boundaries of acceptability in corporate behavior until he finally over-reached himself. He resigned in 2005 in response to an accounting scandal in which AIG not only overstated the value of its assets and earnings, but also concealed losses. Hayward suggests that this was the culmination of a trail of over-ambition, false confidence and excess on Greenberg's part. He overestimated what he could achieve personally, and what he and the company could get away with. A hubristic excess of confidence and pride gave license to overconfident strategic choices and reckless over-ambition. Once these allegations came to light, New York district Attorney Elliott Spitzer filed charges of corporate misconduct against AIG. The company ended-up paying over a billion dollars in penalties and settlements. Greenberg resigned, with his reputation damaged severely because, in Hayward's analysis, his supreme confidence gave way to hubris.

As well as being over-confident, hubristic leaders are also contemptuous (Attribute 7, Table 1). Kenneth Lay was Chairman and CEO of Enron when more than 20,000 employees lost their jobs and investors lost billions of dollars. Lay was contemptuous not only of the financial rules in his 'cooking of the books', but also of the legal process. Throughout his trial Lay refused to accept responsibility for Enron's failings. He claimed that he had been left in the dark as to what was going on, and placed the blame at the door of Enron's CFE, Andrew Fastow. Prosecutors and the court begged to differ, claiming that Enron was a financial house of cards with elaborate accounting schemes dreamed-up by Lay and others in contempt of professional, legal and ethical codes. Right to the end, as reported in the press Lay remained scornful of the legal outcome: "I firmly believe that I am innocent of the charges against me, as I have said from day one. I still firmly believe that to this day".

The paradox of hubris is that leadership attributes such as confidence can be both a strength and a weakness (Attribute 14). Confidence can be highly beneficial in achieving results and motivating others. However, this is true only up to a point. Confidence in its extreme forms can manifest as recklessness and contempt. Hubristic leaders fail to calibrate the balance between a deficiency and an excess of a given leadership capability (such as confidence, ambition, etc.). These miscalibrations emanate from inflated self-beliefs that tip the balance towards hubris. For example, it is well documented that hubristic CEOs often over-pay for acquisitions (see the extensive literature around Richard Roll's 'Hubris Hypothesis' research first published in 1986). Over-confident CEOs typically behave as though they know it all and hence feel no need for advice. An instance of this is former Rubbermaid CEO, Wolfgang Schmitt. He was over-confident to the point of recklessness. He was also arrogant and contemptuous towards critical voices. One Rubbermaid insider commented that Wolf believed 'he knew everything about everything'. Unfortunately for Rubbermaid, Schmitt closed-down points of view other than his own. His brashly over confident decisions help to explain how the company went from being *Fortune Magazine's* 'Most Admired Company in America' in 1993 to being acquired in 1999 by Newell Brands following a controversial spat over pricing with Wal-Mart.

Contrast this with more grounded CEOs who seek trusted advisors and naysayers who are willing and able to challenge them. This is exemplified by Michael Dell. His rule of thumb is that every decision must be made by at least two people. This helps to guard against over-confidence in his business. In his autobiography, Dell described how he segmented his job role by bringing in another executive, Mort Topfer (1994—2002), to serve as a Vice-Chairman and counselor. Dell's decision was based on his self-evaluation of how limiting it would be for the business if he tried to pursue all opportunities himself: "We've come to know that two heads are better than one. Mort and I have complementary strengths so we each focus on areas where we can contribute the most value. It's a divide and conquer approach marked by constant communication and shared decision making which multiplies our individual capacities for success" (Michael Dell, *Direct from Dell: Strategies that Revolutionized an Industry*, 2004, p. 114).

CAUSES OF HUBRIS

Three categories of causal factors are associated with hubristic leadership: individual factors, situational factors, and relational factors.

Individual Factors

Several individual factors predispose a leader to hubris, including inflated self-beliefs and gender. Hubristic leaders have inflated ability expectations allied to inflated beliefs that their strategic choices will lead to successful outcomes. Strategic management researchers Nathen Hiller and Donald Hambrick have identified four components of inflated self-evaluation that predispose a leader to being over-confident and to make over-optimistic strategic choices: (1) self-esteem ('I am worthy'), (2) self-efficacy ('I can do this'), (3) internal locus of control ('Life's events are within my control') and (4) emotional stability ('I am not anxious'). Inflation of these four components of core self-evaluation (CSE), to the point of hyper-CSE, are likely to be associated with more intuitive decision processes and instinctive strategic decision making, together with greater control of decision making by the CEO. Hyper-CSE CEOs tend to consider themselves above average on positive characteristics, they attribute positive outcomes to their own actions and failure to bad luck. Further, highly competitive people often fix on those things that they succeed at, feeding their desire to succeed. As a result they are more likely to take reckless decisions and deride contrary voices.

Both men and women are prone to over-confident behaviors. But male leaders appear more inclined to hubris than females (which could of course be a glass ceiling effect). In male-dominated areas, such as financial markets, over-confident traders trade more and take more risks than females, and in doing so risk losing more money. A possible biological explanation for this effect is the role of testosterone. High levels of testosterone are associated with increased opportunity-seeking and risk-taking. This can create a self-reinforcing cycle. Winning results in testosterone release. This increases confidence levels that in turn pave the way for further successes and risk taking (a 'winner effect') until, in the words of neuroscientist and hubris researcher Peter Garrard of the University of London, the bubble of invinci-

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bility is suddenly and painfully burst by failure. Research by former Wall Street trader, now neuroscientist, John Coates and colleagues has shown that increased levels of testosterone can contribute to irrational exuberance. When hubristic exuberance infects a whole trading floor it can add to instability in financial markets and eventually contribute to a bull market becoming a bubble. This has prompted researchers to suggest that greater stability might be achieved in the finance sector, not only through much-needed better regulation, but by having more females on trading floors.

Situational Factors

A track record of organizational success can inflate executives' beliefs in their ability to control events. A presumption that success breeds success can also create the conditions whereby a leader's or organization's strengths paradoxically become weaknesses. This paradox of strengths-into-weaknesses was captured by Danny Miller in *The Icarus paradox: How exceptional companies bring about their own downfall*. Miller identifies four, 'time-bomb trajectories': (a) (over-)focusing: quality-driven, craftsmen-type organizations become rigidly controlled detail-obsessed tinkerers; (b) (over-)venturing: growth-driven, entrepreneurial builders become impulsive, greedy imperialists expanding their businesses helter-skelter into areas they know nothing about; (c) (over-)inventing: pioneers with unrivalled R&D capabilities and state-of-the-art operations become utopian escapists run by scientists and technologists who squander resources on fascinating but grandiose schemes; (d) decoupling: sales-type organizations with unparalleled branding and marketing become aimless bureaucratic drifters obsessed by a sales fetishism.

Miller illustrated the Icarus Paradox using the example of ITT. President and CEO Harold S. Geneen's previous successes in leading diversification and seemingly controlled decentralization became eventually a fanatical, all-consuming, end-in-itself way of life. This led the company into ever more ambitious, grandiose and sometimes hostile acquisitions. These were often further and further removed from the business' telecoms and technological core, including acquisitions such as Sheraton Hotels, Avis Car Rental and Continental Baking. These were just three out of one hundred of Geneen's acquisitions. With 375,000 employees across 80 countries, ITT became the largest conglomerate on earth. This is an example of a corporate venturing trajectory gone wrong. Geneen's hubristic leadership led ITT to amplify a sensible, measured expansion strategy into a senseless drive for diversification as an end in itself. As a result, product lines became neglected, different business units experienced major operating problems and returns fell sharply. ITT's very successes paved the way for excesses that led to the decline of a once outstanding company. In terms of Miller's trajectories, a highly successful 'Builder' morphed into a grossly gratuitous 'Imperialist'.

Hubris is compounded by a context in which an organization's successes are credited personally to the CEO rather than to a combination of efforts of the team or other, extraneous factors. Being lauded by the media as a business celebrity can foster a CEO's self-delusion of control and influence. The conditions for hubris to arise are amplified by failings of corporate governance and regulation, especially if the CEO also chairs the board. The situation is made worse when there is a high proportion of insiders on the board together with small levels of company stock being held by external members leading to the checks and balances that are in place being unfit for purpose.

The tone from the top of an organization is instrumental in creating a hubristic culture. This was suggested as a cause of leadership failures in NASA (Columbia disaster) and BP (Deepwater Horizon blowout). Needless to say banking and finance ten years on from the crash is still not immune. A senior Bank of England official, Andrew Bailey, in his last speech as Chief Executive of the Prudential Regulation Authority in 2016 observed that "there has not been a case of a major prudential or conduct failing in a firm which did not have among its root causes a failure of culture as manifested in governance, remuneration, risk management or tone from the top."

Relational Factors

Relational processes are concerned with the things that leaders bring to their interpersonal exchanges with peers and subordinates. The significance of differential relationships between a hubristic leader and members of the senior management team is illustrated by exchanges that took place within Lehman Brothers. In the lead-up to Lehman Brothers' eventual bankruptcy in 2008, the deteriorating economic situation of 2006–2007 led members of Lehman's top management team to arrive at conflicting interpretations of what they should do. Some executives sensed trouble ahead and urged caution. Others thought the signs indicated only a short-term problem, whilst still others interpreted the emerging problems as an opportunity for the firm. The hubris of the CEO, supported by his like-minded COO, meant that the two most senior executives were prepared only to hear positive messages that resonated with their like-minded interpretations of the situation Lehman Brothers faced. In their view, the firm had overcome similar problems in the past and would no doubt do so again. As the tidal wave of external dangers gathered, several senior managers urged a change of course but by then it was too late. Hubristic leadership had set off a train of events that took on a life of its own.

A valuable social exchange mechanism for a hubristic leader is possession of a 'toe-holder'. This is an individual who can, through mutual trust built-up through repeated interpersonal experiences, common values, beliefs, goals and attitudes, restrain a hubristic leaders' over-exuberance. This is also illustrated in the concept of the 'organizational fool' put forward by Manfred Kets de Vries' in *Leaders, Fools and Imposters* (1993). The fool is not stupid, quite the reverse. The fool is the guardian of reality who constantly reminds the leader of the transience of power in the hope of preventing hubristic actions on the part of his leader. The toe-holder provides an antidote to the CEO's inflated self-evaluations as well as to those of the sycophants whose constant admiration may bolster a hubristic leader's inflated self-evaluation. Recall that Michael Dell regarded it as important that he brought someone into the executive team with a different mindset from his own. Likewise the beha-

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vioral exchange between President Franklin D Roosevelt and his toe-holder Louis Howe helped to keep FDR in check.

CONSEQUENCES OF HUBRIS

Hubris has been found to have negative consequences in various aspects of business, particularly in relation to mergers and acquisitions, diversification, and entrepreneurship.

Mergers and Acquisitions

CEO over-confidence was first researched in the 1980s by the behavioral finance scholar Richard Roll. He proposed what he termed the Hubris Hypothesis arguing that, in corporate takeovers, hubristic bidding managers typically convince themselves that their estimated valuation of the target firm is correct and when challenged claim that it is the market, not they themselves, that fails to reflect the true economic value of the combined firms. However, the gains realized from the merged firm are frequently non-positive. The anticipated synergies fail to be realized. Hubristic over-confidence on the part of senior executives was an important factor in Datapoint's poor decision to acquire Inforex in 1980 only a year after Inforex had filed for Chapter 11 bankruptcy. Not surprisingly, Datapoint suffered a huge, 95%, reduction in net income shortly after purchasing Inforex. Similarly, Chrysler's acquisition of AMC is baffling given that AMC's problems of poor image, low market share, outmoded and unprofitable manufacturing plants and negative working capital were well known at the time. Falling prey to executives' hubristic over-confidence in the acquisition, Chrysler experienced significant production, labor and management problems, and its overall productivity plummeted. In M&As it is important that a firm examines its core competencies to see if they align with the new situation. In this situation reflexivity through introspection, if done properly, can be an antidote to hubristic M&A decisions.

Diversification

As with M&As, hubristic executives misjudge the benefits and costs associated with diversification decisions. As a result, they are likely to diversify beyond what is optimum. Buoyed up by over-confidence, executives often diversify beyond what is sensible. Costas Markides, writing in *Harvard Business Review* as far back as 1997, suggested that before firms decide to diversify, executives should ask themselves searching questions such as: what does our business do best; what assets are needed to succeed in a new market; can we realistically catch-up or leapfrog competitors at their own game; will diversification break-up strategic assets that need to be held together; will we be simply another player, or a winner in the new market; and what can we learn by diversifying?

Entrepreneurship

Why are so many new businesses started-up in the light of the well-known and punitive venturing failure rates? An estimated 25% of business start-ups fail within the first year. By year four, half have met their demise. The answer to this phenomenon often lies in the founder's hubris. Founders are usually well-aware of the chances of failure, but hubris may lead them to believe that *they* are the ones who can beat the odds. In one study, 81% of founders rated their chances of success at more than 70%, and about a third rated the likelihood of their succeeding at 100%! Founders' hubris emanates from inflated positive self-evaluations of their knowledge, skills and abilities, all of which may lead to over-confident venturing decisions. To make matters worse, over-confidence is amplified rather than buffered when tasks are difficult, complex and uncertain. It is often the case that founders' beliefs in their own capabilities are such that they may actually seek-out the challenge of a high-risk environment. Sadly, hubristic entrepreneurs may be drawn toward contexts where their hubristic tendencies are particularly likely to prove detrimental to their success, but are repelled by more familiar venture contexts where their hubris is likely to be least harmful.

CONTAINING HUBRIS

We propose four 'tools' for containing the emergence of the hubris in organizations: (1) high reliability organizing; (2) cooperative decision-making processes; (3) listening for faint signals; (4) diagnosing, grounding and de-isolating the CEO (Figure 1).

High Reliability Organizing

The High Reliability Organization (HRO) model is an approach to managing high-risk operations, such as on the flight decks of commercial aircraft, aircraft carriers and in nuclear power plants, that seeks to minimize the severity and frequency of disastrous outcomes. The HRO approach was pioneered by researchers who were interested in understanding how organizations can operate error-free and avoid catastrophic accidents while operating in high-risk environments for very long periods of time. HROs place reliability on an equal footing with performance. They do not try to hide failures. Instead they use them constructively as indicators of the health of the overall system. They are attuned to expecting unexpected, potentially catastrophic events. They defer to relevant expertise and empower frontline experts with decision making authority.

The development of the HRO concept followed a number of catastrophic incidents including those involving leadership errors on the part of the captains of civilian aircraft. Several tragic and fatal accidents were attributed to flawed decisions made by the captain despite other crew members having been aware of the potential consequences. Yet they were not prepared within a command-and-control culture to question or challenge the captain's authority and instructions. To rectify this, the international airline industry has introduced necessary checks and balances, including the right and duty of less senior crew members to query and/or challenge decisions on the part of senior colleagues when they believe them to be unsafe. Hubristic individuals can be resistant to learning from mistakes which can militate against the HRO principles proposed jointly by organizational

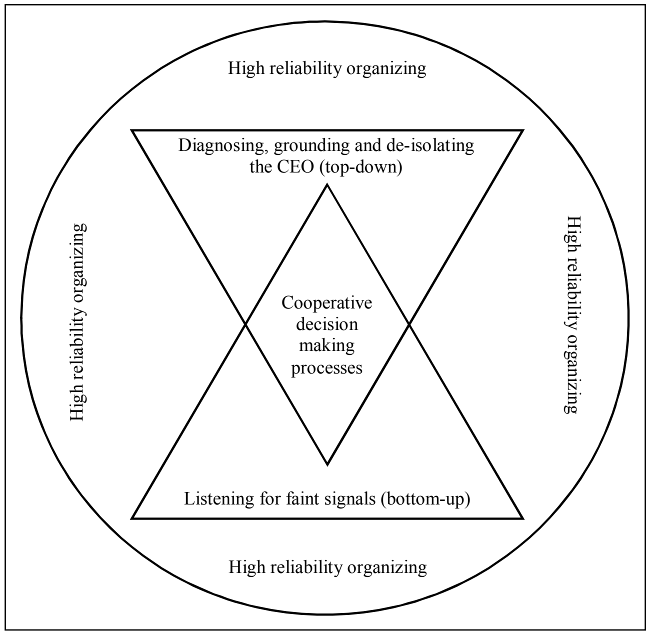

Figure 1 Tools and Techniques for Containing the Hubris Hazard

Table 2 HRO Principles for Mitigating Hubris

HRO principle	Description	Mitigates hubris by
Knowledge	All members of the organization actively seeking to know what they do not know and communicate openly with each other, especially in situations that seem odd, unusual, or problematic; they are expected to seek knowledge and get recognized for it. Deference to front-line expertise is respected.	Acknowledging the possibility of hard-to-predict events and being prepared for negative unintended consequences of over-confident/over-ambitious strategic choices.
Communication	Organization consistently and coherently communicates 'big picture' of what it exists for and what it is seeking to achieve; everyone in the business knows where and how they fit into the bigger picture	Avoiding silo-thinking; embracing systemic thinking; is aware of connectivity; anticipating knock-on effects of over-confident/over-ambitious strategic choices.
Reward and incentive	Organizations' reward and incentive systems should do not privilege anticipated short-run financial gains over long-run impacts. Such systems should be designed to encourage recognizing the costs of failures, the lesson to be learned, and the benefits of reliability and sustainability.	Taking the long-term view, and recognizing and rewarding individuals who challenge over-confident/over-ambitious or reckless strategic choices.

Sources: Roberts, K. H. & Bea, R. (2001). Must accidents happen? Lessons from high-reliability organizations. *The Academy of Management Executive*, *15*(3), 70—78

researcher Karlene H Roberts and civil engineering safety expert Robert Bea are documented in Table 2.

Cooperative Decision Making

The tone from the top of an organization affects its culture. An attitude from senior executives that is over-confident and contemptuous can cause hubris to spread throughout the organization. Cooperative decision making both within and beyond the board reduces the risks from CEO hubris and may also prevent a hubristic culture from developing within the organization.

Countering collective hubris at board-level may entail, for example, implementing governance rules for the minimization of unacceptable decisions, dialoguing amongst board members until an acceptable decision is reached, and avoiding carrying through decisions by simple majority voting, since the latter is susceptible to lobbying and collusion as well as to intimidation by a domineering or charismatic CEO.

An example of democratic decision-making process is the successful UK high street retailer, the John Lewis Partnership (JLP). John Lewis was named the UK's 'most-loved' shop in a 2016 national survey. It has, moreover, been lauded as a model of 'responsible capitalism'.

Table 3 Mitigating Hubris at the John Lewis Partnership (JLP) Through the Roles of Chairman and the Partnership Council

Role	Requirements of John Lewis Partnership's Constitution
Chairman	Actively seeks to share power with subordinates; delegates as much responsibility/encourages as much initiative as possible
	Retains personal responsibility for ensuring that decisions do not put at risk the long-term security of JLP and are consistent with JLP's democratic principles
	Accept, as fully as possible, recommendations of the Partnership Council (PC)
	Must consult the JLP Board before rejecting PC recommendations
	Maintains open communication with Partners at all levels
	Partners have duty to inform Chairman of anything s/he reasonably should know
Partnership Council	Represents Partners as a whole and reflects their opinion
	Shares responsibility for JLP's health with JLP Board and Chairman
	Holds the Chairman to account
	Discusses, influences and makes recommendations on the development of policy
	Shares in making decisions about the governance of the Partnership
	May ask the JLP Board or Chairman anything it wishes; they must answer unless doing so would damage JLP's interests
	Shares in decision-making through recommendations to Chairman on any subject
	At end of each trading half-year Chairman must attend meeting of Council to account for progress and leadership

Source: https://www.johnlewispartnership.co.uk/content/dam/cws/pdfs/about-us/our-constitution/john-lewis-partnership-constitution.pdf Accessed 26 03 2018.

The business is founded on a cooperative structure in which members have a role in enterprise governance and can hold senior executives accountable. A feature of JLP that makes consensual decision making possible is the fact that it has a written Constitution that sets out its principles, governance system and rules. The origins of this approach are traceable to the founder John Spedan Lewis (1885–1963). He signed-away his personal ownership rights in the business to allow future generations of employees ('members') to take forward his 'experiment in industrial democracy' that is not driven by the short-term demands of outside shareholders. JLP's senior leaders are accountable to the members of the organization for their decisions. All members of the organization (employees) work actively for the improvement of the business (see Table 3).

Listening for Faint Signals

Symptoms of incipient hubris on the part of an organization and its leadership are frequently observed, often discussed and usually widely-known both within and often outside the organization. But they fail to stimulate responses that might mitigate its negative effects because, perhaps, the organization is doing well and why 'rock the boat' in such circumstances? Moreover, exercising power by hubristic senior leaders frequently engenders a sense of powerlessness on the part of those who feel they cannot influence events. It is unlikely that organization members who believe that their boss is going too far, will challenge the same boss who exercises control over their employment and career prospects. The fate of whistle blowers attests to the risks involved in 'speaking truth to power'.

Traditional approaches to gathering employees' perceptions and opinions, such as staff surveys, have at least two limitations: (1) the information they glean is determined 'top-down' (in-built into the design of survey tools) rather than generated 'bottom-up'; (2) they are owned and/or designed by support functions (such as human resources who may not be affected directly) or external consultants (who can hold up a mirror to the organization but are unlikely to be in a position to effect deep-seated, longer-lasting change).

On the other hand, watercooler conversations and other instances of informal organizational communication provide valuable insights to the development of significant organizational risks even though the signals they offer may initially be weak. A more nuanced approach for spotting faint, 'bottom-up' signals from diverse sources within the organization provides early warning signs of the emergence of hubristic leadership. Faint in this context need not be confused with weak: a faint signal can be a strong indicator. As in the analogue of preventative medicine; picking up the faintest of early warning signs might make it easier to fix the problem rather than leaving it until disorder becomes incurable. The requirement is to take the trouble to look out for such signals.

Organizations are social systems that are communicatively constituted. They offer a wealth of untapped verbal and non-verbal information. Using information systems and/or social media to capture the 'micro-narratives' of day-to-day organizational life is an approach that has been used successfully to understand and manage staff engagement and organizational change processes. These might also be applied in developing novel ways to provide early warning signs of the emergence of hubristic leadership. Changes in language use may be associated with the emergence of hubris (see Table 1), and treating CEOs' lexical choices as a faint signaling mechanism may be useful, enabling emerging hubris to be identified at-a-distance. Detecting the linguistic markers of hubris is also amenable to machine learning through the automated analysis of evidence in speech patterns that can lurk in large volumes of linguistic data (Table 4).

Table 4 CEO Language and Hubris

Linguistic markers of hubris for Lord John Browne when CEO of BP
Researchers have used computational linguistics to explore links between hubris and a CEO language. In study of Lord John Browne of BP, who was identified previously (by Lord David Owen, politician and neurologist and originator of the hubris syndrome model, see Table 1) as having shown indications of hubris; researchers offered the following example to illustrate the hubristic tone in Browne's assessment of himself and his moral rectitude: "This then is my story . . . about the insights I gained as I transformed a company, challenged a sector, and prompted business and political leaders to change. My adventures included going toe-to-toe with tyrants, despots and elected leaders, while bringing them around to my way of thinking . . . " (Browne, 2010: 5)". Based on analysis of Browne's speeches when he was CEO of BP Craig and Amernic identified what they claim to be a preliminary diagnostic pattern for identifying CEO hubristic language: (1) scores above the normal range upper limit for 'tenacity', 'aggression', 'accomplishment', and 'centrality'; (2) scores below the normal range lower limit for 'communication' and 'human interest'. Owen noted that "collective hubris may well prove to be a contributing factor in the risk-taking behind the explosion on the Deepwater Horizon drilling rig" (p. 146).

Sources: Browne, J. (2010). *Beyond Business*. London: Weidenfeld & Nicolson; Craig, R., and Amernic, J. (2014). Exploring Signs of Hubris in CEO Language. *Communication and Language Analysis in the Corporate World*, 69—88; Owen, L. D. (2011). Psychiatry and politicians-afterword: Commentary on 'Psychiatry and politicians.' *The Psychiatrist*, *35*(4), 145—148.

Diagnosing, Grounding and De-isolating the CEO

A fourth suggestion relates directly to the CEO who, as the most powerful person in the organization, is also likely to be one of the loneliest and most isolated. Remoteness from and lack of calibration with the real-world fuels hubris. Problems arise when CEOs: (1) take the leadership strengths that led them to being appointed in the first place to extremes; (2) compare their personal day-to-day performance with those in their immediate orbit who may not be so capable or achieved as much. It is important to develop processes or mechanisms that monitor CEO behaviors, offer them a reality check against genuine peers and help bring them back down to earth when necessary.

Mitigating hubris is as much a function of understanding the unfolding process of leadership and how the CEO's behavior is changing over time in response to volatile and uncertain circumstances (the 'how' of leadership) as it is about CEO attributes and behaviors (the 'what' of leadership, such as establishing strategy, building the leadership team, delivering against financial objectives, etc.). Members of company boards tend to concentrate too much on snapshots of 'the what', overlooking the 'hows' and the 'whys' of leadership, including how the leadership process itself is changing and what the implications of such change might mean in the longer run, see Table 5.

For example, to address this issue the CEO of UK insurance group Equitable Life, Chris Wiscarson, has put in place systems and processes that keep track of his behavior. Equitable Life recognized that posing the right sorts of diagnostic questions to monitor changes in leadership processes is important because the CEO's role can be an isolated and lonely one. Equitable Life's CEO suggests that building resistance to hubris should be regarded as a joint responsibility of the Board and the CEO, while recognizing that there are things that CEOs can and should do to protect themselves from the risks associated with hubris. These could include finding a mentor or toe-holder and actively seeking feedback from trusted professional colleagues in neutral settings (e.g. alumni groups, professional bodies etc.).

CONCLUSION

Hubristic leadership is a relational and situational phenomenon, a process to which all leaders are potentially at risk. The hazard of hubris is more likely to be mitigated by a

Table 5 Diagnosing, Grounding and De-isolating the CEO

What	How
Diagnosing	What has changed in the past year; What and where has been the impact of such change; Are there examples of important situations in which the CEO can be said to have really listened; Has the CEO's style, especially of listening, changed and, if so, in what ways has it changed; What sources of stress upon the CEO have there been?
Grounding	Independent, well-informed and trusted confidante, able to hold a behavioral mirror and hold the toe of the CEO. Such individuals (e.g. alter ego, confidant, chief of staff or even organizational 'fool') with whom the CEO can let her or his guard down is a rare, high-value, and difficult-to-imitate asset. Toe-holders capable of grounding a CEO need to be chosen judiciously and wisely. They must be loyal, trustworthy and capable but also immune to sycophancy and prepared to resist, contest and protest, and 'speak truth to power.
De-isolating	Providing opportunities for CEOs to compare themselves to other CEOs rather than employees in general could have a healthy buffering effect on a CEOs' self-evaluation (for example, formal and informal CEO networks, professional bodies, conferences, coaching, etc.). Taking opportunities to meet regularly and informally with a trusted peer group within which the CEO can step out of role and discuss concerns, hopes and fears without compromising him or herself.

palette of solutions rather than a 'silver bullet'. The risks associated with hubris also require fixing systemic issues of regulation, legislation, responsibility, accountability and governance. A preoccupation with short-term shareholder gains has strong links to the emergence of hubris. Hence there needs to be increased accountability and responsibility on the part of stakeholders, including considerations of business ethics and organizational values. In the light of on-going events on the political, as well as the organizational, stage the subject of hubris could not be more topical or timely. The hubris of leaders raises important and thought-provoking questions, problems and challenges that warrant increased and urgent attention. It is only by understanding the characteristics, causes and consequences of hubris that the hazards that it poses can be combatted and contained.

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