



# Book The Elephant in the Boardroom

## The Causes of Leadership Derailment

Adrian Furnham  
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## Recommendation

Psychology professor Adrian Furnham dissects bad leaders’ negative characteristics and reports on why many crash and burn, taking their employees and firms down with them. Furnham reports on the findings of hundreds of researchers who have examined maladjusted, incompetent, tyrannical, Machiavellian, narcissistic, sadistic, predatory and other dangerous leaders, including some who are just plain evil. *BooksInShort* recommends this comprehensive – if at times academic – rundown to those who would prefer not to recruit malevolent managers and to anyone who must coexist with a decidedly bad boss.

## Take-Aways

- Disturbed, destructive leaders often fail, costing their organizations dearly.
- “Toxic leaders” use “bad, sad and mad” leadership styles.
- Toxic leaders emerge amid toxic followers and toxic environments.
- The “dark triad” is composed of the three most common types of toxic leaders: “psychopaths” and “narcissists” triangulated with “Machiavellians.”
- Also beware of leaders who are schizoid, passive-aggressive, obsessive-compulsive, borderline, avoidant, dependent, self-defeating, sadistic, antisocial or destructive.
- Steer clear of those who are incompetent, malignant, tyrannical or just not smart.
- Poor selection and hiring processes put psychologically flawed leaders in place.
- Selectors seldom investigate potential leaders for signs of psychological trouble.
- Personal intelligence is the surest indicator of potential business success, but few employers test the intelligence of the senior executives they hire.
- The best security against maladjusted leaders is robust corporate governance.

## Summary

### “Bad, Sad and Mad” Leaders

Poor leaders are ubiquitous. They take many forms: destructive, twisted, malevolent, compulsive, incompetent, egocentric, psychopathic, vindictive, and more. Such leaders often fail, and when they do, they cost their organizations millions. As they go down, they cripple or even destroy the companies they’re supposed to lead. How do such bad leaders get hired? Why can’t corporate boards, CEOs or senior executives spot these candidates’ destructive tendencies before putting them in positions of power?

“Most of us will interact with a psychopath every day.”

The reason is simple: Most leaders who derail possess superlative résumés. Often they are charismatic, confidence-inspiring and impressive people with strong records of success. Some executives with personality disorders move up because of – not in spite of – their problems. As a result, selectors don’t spot their psychological, moral or behavioral problems. Indeed, selectors do not usually seek out negative aspects of a candidate’s personality, much less psychological disorders. Rather, they focus on experience, competencies and accomplishments.

“Two-thirds of existing managers are insufferable and half will eventually fail.” (Organizational psychologists Robert Hogan, Joyce Hogan and Robert B. Kaiser)

Leaders who derail often exhibit “too much of a good thing” as candidates. Their positive attributes can become oppressive extremes, turning a good thing into “too much of a bad thing.” For example, leaders who are detail-oriented may become micromanagers, or a careful manager can become a paranoid executive.

“The cost of management failure is high: It has been variously estimated at between one and two million pounds/dollars/euros per ‘senior manager’.”

Leaders who exhibit “dangerous behaviors,” called “toxic leaders,” fall into three loose categories: Sad leaders are incompetent and are unable to fulfill their roles. They lack good judgment and make faulty decisions. Bad leaders have a mean streak and are cruel to their subordinates and colleagues. Mad leaders are psychologically unstable, for instance, “rigid, intemperate, callous, corrupt, insular or evil.” Behavioral scientists use the following terms – among many others – to describe harmful, ineffective leaders:

- **“Aberrant leaders”** – These “deviants” act in unusual, unacceptable ways.
- **“Antisocial”** – This term can refer to self-centered people or individuals who are “delinquents.” The trendy term for “psychopath” is person with “antisocial personality disorder.”
- **“Derailed leaders”** – For various reasons, they just fall off the track. “Derailed” has a second meaning, “deranged,” which refers to an insane person.
- **“Despotic leaders”** – These dictators rule by fiat.
- **“Destructive leaders”** – Their harmful actions can ruin teams or companies.
- **“Incompetent leaders”** – Those who lack skills or qualifications required to perform their jobs effectively are incompetent.
- **“Malignant leaders”** – These people intentionally hurt others.
- **“Tyrannical leaders”** – They torment their followers and often treat people unfairly. Subordinates should never negotiate with tyrannical managers, who will always win. Senior executives should assign these managers positions where they will cause the least trouble.

## The Toxic Leader

When unstable leaders derail, they are often in the grip of a “toxic triangle” made up of their personal failings, the nature of their followers and their environment. Leaders can turn to the dark side if they have “toxic followers” who are “controlling, dependent, dramatic and self-defeating,” and if they operate in “toxic environments,” which enable dysfunction. Toxic leaders have some common traits: They are charismatic and narcissistic, and they lust for power. They have survived negative life experiences that have twisted their nature. They rely on coercion to get what they want. Most notably, they hate. This hatred may be self-disgust redirected toward others.

“IQ tests are as valid as medical tests like mammograms or home pregnancy tests.”

Three kinds of behavior disorders, labeled the “dark triad of personality,” show up most often when leaders derail. The term “dark triad” refers to two personality disorders – “psychopathy” and “narcissism” – triangulated with a Machiavellian personality. Now forewarned, beware of these three dark triad leaders:

### 1. The Successful Psychopath

Mentally imbalanced leaders exist on a continuum – a psychological spectrum from sane to mad that encompasses many degrees of sanity. One person on the spectrum may be mildly psychopathic, while another will be a hard-core psychopath. People on this spectrum tend to succeed in the work environment. Their bold behavior and charming ways can prove quite attractive in regular work situations. However, job stresses and tensions can propel them into destructive behavior.

“Bad leadership continues as long as bad followership exists.”

Hiring officers should conduct full biographical investigations of applicants for executive positions. Quite often, individuals with psychopathic tendencies will have had past trouble with authorities – for example, the police. Their former professional associates may be eager to discuss these leaders’ malignant behavior. If you suspect that an applicant for an executive position may have psychopathic tendencies, do a complete background check and get a full biography.

### 2. The Self-Absorbed Narcissist

Healthy individuals have high self-esteem, but egoism can ascend into an unhealthy realm. In the business world, managers with narcissistic tendencies may do well for their firms. Their strong self-confidence can be inspirational for their followers. These leaders are “bright-side narcissists.” Narcissism, like other psychological traits and tendencies, exists on a spectrum. The “dark-side narcissistic” executive – that is, a maladaptive individual who thinks he or she is the only person who matters and acts accordingly – can, when given a position of leadership, quickly derail. Under the proper circumstances and in an environment that moderates their narcissism, people with this psychological orientation can function effectively as leaders. However, maladjusted followers and enabling firms reinforce narcissistic tendencies, which can lead to disaster.

### 3. The Ruthless Machiavellian

Machiavellians, or “Machs,” as psychologists and other social scientists refer to them, adopt a Hobbesian view of life: It’s a dog-eat-dog world, so if you want to get ahead, be the toughest and most cynical, manipulative, guileful, double-dealing, exploitative dog on the block. A little Machiavellianism helps a young manager climb the ranks. The competitiveness that marks the Mach always proves useful in the take-no-prisoners world of business. Someone who is Machiavellian may win admiration for having street smarts, focus and toughness.

“Dependent people do not make good managers because they are too quick to be apologetic, submissive and self-deprecating.”

This egocentric personality type often adroitly disguises negative personality traits, but full-blown Machs are grossly unattractive. They use chicanery to manipulate their followers. They cheat and lie. Simply, their belief system leads to unethical behavior. Machs’ followers fear rather than respect their leaders. Because of their Darwinian nature, healthy Machs do not usually derail. Maladjusted Machs, on the other hand, can quickly run off the tracks.

### “The Cognitively Challenged Leader”

Corporate leaders must be good planners and strategists. They need to be able to read spreadsheets and quickly grasp new technology. They should be able to evaluate commercial situations and make intelligent decisions about the best strategies. They also must be adaptive and flexible in their thinking and should understand their company, industry and competition.

“The best single predictor of success at work (particularly in senior complex jobs) is intelligence.”

Sadly though, some leaders are simply not smart. Stupidity poses a big problem for a leader in any field, most notably in business. You can’t be a brainless CEO and thrive. Your day-to-day responsibilities will overwhelm you, and as they do, your company will suffer. Be wary of applicants who do not quickly pick up new concepts or who cannot see the big picture. They think in simple-minded ways. They learn slowly, and they cannot communicate effectively about complex issues.

“Every manager has a dark-side profile.”

Intelligence is the best predictor of personal success in business. Senior leaders need to be bright, but gauging intelligence without testing is difficult. Selectors should administer intelligence tests to potential CEOs and other high-level executives. These tests are reliable and accurate. Unfortunately, most companies do not administer IQ tests to incoming executives.

### Leaders to Avoid

Numerous other bad, sad or mad leader personality types are worth sidestepping:

- **“Schizoid”** – Emotionless, aloof, solitary, self-absorbed, detached, insensitive and distant, these leaders ignore their followers and have no use for teams. Always employ logic, not emotion, to communicate with them.
- **“Schizotypal”** – These mild schizophrenics can excel in academia. Usually, they are too eccentric to advance in the corporate world.
- **“Passive-aggressive”** – Seldom do individuals with this psychological orientation move to the very top in organizations. However, they often become department heads.
- **“Obsessive-compulsive”** – These leaders are perfectionists and expect perfection from their employees. Subordinates usually spot this common disorder quickly. Supervisors may rank obsessive-compulsive managers highly because they are detail-oriented to a fault. Subordinates should keep compulsive leaders well informed since they react badly to surprises.
- **“Borderline”** – These people bridge the demarcation between neurotic and psychotic thinking and behavior. They are impulsive and cannot manage interpersonal relationships. Do not react to their unstable moods.
- **“Avoidant”** – These managers are often socially withdrawn and overly sensitive. Reassure them as often as possible.
- **“Dependent”** – These leaders need to please, a trait typical of many CEOs. They fall victims to analysis paralysis. Never assume that the opinion they express to you is the same one they tell others.
- **“Self-defeating”** – Altruistic leaders can resent their followers if they feel ignored. Go out of your way to acknowledge this manager’s good works.
- **“Sadistic”** – These highly disciplined leaders love to see other employees suffer. Some good advice: Never get into a competitive contest with these individuals. Do your best not to push their buttons.

### Dealing with Derailment

Strong corporate governance is the best tool for dealing with leadership derailment. Board members and other corporate leaders need to establish firm rules and hold all leaders and employees strictly to those standards. For corporate boards, accountability is everything. However, many corporate boards can be as unstable as the troubled CEOs in charge. These organizations are in real danger.

### Careful Recruitment

The best way to mitigate the negative effects of derailment is to avoid it in the first place. One malevolent leader can destroy a company. When recruiting potential CEOs or other top executives, selectors should use as many leadership assessment tools as possible to determine the most psychologically sound candidate. Currently, most interviews evaluate “select-in” criteria – that is, skills and competencies – but not “select-out” criteria – that is, behavioral and psychological tendencies.

“Derailed leaders can destroy organizations and whole countries.”

Interviewers are inclined to focus on selecting the most accomplished candidates, not rejecting those who exhibit signs of potential derailment. Reverse these priorities. Closely examine senior executive candidates, not only for their achievements and capabilities but to uncover any potentially dangerous personality traits. Sound out individuals who know applicants well and can objectively report on their positive and negative qualities, including any dark side behaviors. When boards and other

selectors are lax in this crucial, underserved aspect of vetting, they will have trouble down the road.

“The forces of derailment trickle down.”

## About the Author

**Adrian Furnham** teaches psychology at University College London. An adjunct professor at the Norwegian School of Management, he has written more than 50 books and 800 journal articles.

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