Self-Esteem, Tenure, and Narcissistic Leader’s Performance

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ABSTRACT

This study investigates the associations between the narcissistic leader and performance and the moderating effect of a leader’s tenure and self-esteem. The hypothesis were studied with Pearson correlations and stepwise hierarchical multiple regression analyses (n=203). The moderating effect of leader’s tenure on the relationship between narcissism and leader performance was confirmed. The narcissistic leader’s performance tends to be positively evaluated only because the leader has held the position for a very short period. Self-esteem exhibited a very strong correlation to leader performance. The results support the view that narcissism is a personality dimension, albeit one that is not necessarily pathological. The results of this study suggest it would be wise to add Rorschach Comprehensive System (RCS) to the tools available in the personnel assessment situation.

Keywords: Leader, narcissism, performance, self-esteem, tenure.

JEL Codes: M51, M54.

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1.0 INTRODUCTION

The term narcissism is almost 120 years old but remains very topical. Some researchers (e.g., Twenge & Campbell, 2009) argue that the prevalence of narcissism has increased over the years and that might be one reason why the scholarly discussion on narcissism remains very active. The second reason might be that narcissism is a complex concept with many unresolved aspects, including the very definition of the concept; whether narcissism is an advantage or a disadvantage; whether there is good and bad narcissism; and whether it affects performance or not.

Researchers have been particularly interested in the connection between leadership and narcissism (e.g., Nevicka, De Hoog, Van Vianen, Beersma & Mcllwain, 2011) and some seem to think that a good performance and narcissism go hand in hand. However, researchers have reported contradictory results concerning the correlation between narcissism and performance. While some researchers (e.g., Raskin, 1980; Deluga, 1997; Maccoby, 2000, 2004) have found a narcissistic personality to have positive consequences, others have recorded negative consequences (e.g., Rosenthal & Pittinsky, 2006; Blair, 2007).

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Hoffman & Helland, 2008), and still others have found no association between narcissism and performance (e.g., Chatterjee & Hambrick, 2007; Brunell, Gentry, Campbell, Hoffman, Kuhnert, & DeMarree, 2008; John & Robins, 1994; Hogan, Curphy & Hogan, 1994).

From the organizational point of view, it is very difficult to select good leaders, for example, narcissists often make a very good first impression (Paulhus, 1998), but a narcissistic leader can prove costly for an organization because such leaders often become unpopular after a short period of time (Paulhus, 1998). The selection of a good leader is further complicated because even psychologists have very limited tools to evaluate traits like narcissism early in the personality assessment process. Recently, narcissism has mainly been measured by using the Narcissistic Personality Inventory, or NPI (Ames, Rose & Anderson, 2006; Chen, Ferris, Kwan, Yan, Zhou & Hong, 2013; Nevicka et al., 2011). The NPI, however, does have its weaknesses and at least when it comes to those personality characteristics that involve patterns of overt behavior. Kolar, Funder, and Colvin (1996) suggest that the accuracy is higher if ratings are submitted by others rather than self-reported measures used. It is also important to recall that most individuals are only moderately capable of self-assessing even the most stable personality traits because of self-enhancement, social desirability, and a lack of self-knowledge (Morgeson, Campion, Dipboye, Hollenbeck, Murph, & Schmitt, 2007; John & Robins, 1993). This might be particularly important when evaluating narcissism, since there is evidence that narcissism is associated with overstating desirable behavior (Gosling, John, Craik, & Robins, 1998). Past studies support the view that the performance-based personality assessment methods, like the Rorschach Comprehensive System (RCS), may be the only reliable way to acquire this kind of information (e.g., Levinson, 1994).

The scholarly discussion on narcissism and leaders has focused primarily on the personality trait level and the argument has mainly addressed whether a narcissistic personality confers an advantage or a disadvantage. Therefore the purpose of this study is to outline the differences between aspects of the narcissism and also to suggest a way to measure narcissism that goes beyond the typical trait approach. This study suggests that the contradictory results concerning the correlation between narcissism and performance indicate that there might be some other important variables, like self-esteem and tenure, which moderate the relationship between narcissism and leader performance. The associations between the narcissistic leader and performance and the moderating effect of a leader’s tenure and self-esteem is studied with Pearson correlations and stepwise hierarchical multiple regression analyses (n=203). This study suggests that because the accuracy of self-reported methods has been challenged, at least when evaluating narcissism in the recruitment process, the use of the RCS might potentially offer more reliable results.

### 1.01 NARCISSISM

Havelock Ellis established the term narcissism in 1898 to describe the condition of perverse self-love. Later Freud (1931, 1950) proposed that a narcissistic personality type is characterized by outwardly unflappable strength and confidence. Otto Kernberg (1967, 1989) and Heinz Kohut (1966) developed Freud’s and also Horney’s (1939) theories and proposed that narcissism is a personality disorder. However, Kohut (1966) proposed that there are pathological and healthy forms of narcissism. The healthy form of narcissism could produce positive behaviors such as humor and creativity. According to Kohut (1966) the pathological form exists when the individual cannot integrate the idealized beliefs with reality. Many definitions of narcissism have followed depicting narcissism as a personality disorder. For example, the definition of narcissism in DSM IV (American Psychiatric Association, 1994, 2000) defines narcissism as including characteristics like grandiosity, an exaggerated sense of self-importance, exploitation of others, lack of empathy, a sense of entitlement, self-centeredness and a feeling of superiority and vanity. Many researchers have followed these guidelines in their definitions. According to Judge, LePine and Rich (2006) narcissism reflects the extent to which a person seeks to maintain an unrealistically positive self-view. Morf and Rhodewalt (2001) point out that narcissistic people desire self-enhancement and this leads them to view themselves in an uncritically positive fashion. Therefore, narcissists tend to see themselves as highly intelligent and attractive. They also tend to overestimate
their attractiveness to others. According to Rosenthal and Pittinsky (2006), arrogance, self-absorption, self-love, entitlement, and hostility are features of the personality of a narcissistic individual.

However, the definition of narcissism varies. Some researchers see narcissism as just an extreme form of self-confidence (Post, 1993, Baumeister, Campbell, Krueger, & Vohs, 2003; Campbell, 2001) and that all people are more or less narcissistic (Maccoby, 2000). There are also different forms and frameworks for narcissism, such as productive narcissism (Maccoby, 2000, 2004), constructive narcissism (Kets de Vries & Miller, 1997), charismatic narcissism (Post, 1993) and reparative narcissism (Volkan & Itzkowitz, 1984).

In this study, the definition of narcissism will be based on Exner’s work. The presence of reflection answers (Fr or rF) in the RCS data signifies a tendency to overvalue personal worth, which is considered a narcissistic feature that affects perceptions of and transactions with other people (Exner, 2003). According to Exner (2003), if a person achieves success or recognition, it reduces the likelihood that self-centeredness will lead to pathology or maladjustment. The failure to maintain high self-value very often leads to frustration and negativism. In such situations the person uses defense mechanisms like rationalization, externalization, and denial—an approach that can lead to pathology and maladaptive behavior. Exner (2003) also points out that the narcissism or the reflection answers are common in the groups that are normally labeled high success groups, like surgeons or the clergy, indicating that the presence of a narcissistic-like feature may not automatically signal pathology or maladjustment. On the other hand, Exner (1969) also found earlier that a reflection answer appeared in over 75% of the records of antisocial groups, whereas there were no reflection answers among the depressive group and only 3% in non-patient protocols.

2.0 PRIOR LITERATURE AND HYPOTHESIS

2.01 THE RORSCHACH COMPREHENSIVE SYSTEM (RCS)

The Rorschach Inkblot Method and the associated Comprehensive System, which is used for coding and interpretation (Exner, 2002), is a performance-based personality test (Meyer, Finn, Eyde, Kubiszyn, & Moreland, 1998; Kubiszyn, Meyer, Finn, Eyde, Kay & Moreland, 2000) that focuses on perceptual, cognitive, and decision-making tasks, so it is not the associative or projective method it was originally.

The Rorschach Inkblot Method and Comprehensive System have been criticized over the years (e.g., Garb, Wood, Lilienfeld, & Nezworski, 2005; Lilienfeld, Wood, & Garb, 2000; Wood, Nezworski, & Lilienfeld, 2003), but a considerable body of research confirms their validity, interrater reliability (Maccoby, 1997, 2004; Meyer, Mihura, & Smith, 2005), retest reliability (Grønnerød, 2003, 2006), construct validity (Hunsley & Bailey, 1999; Lilienfeld et al., 2000; Weiner, 1997), and clinical utility (Meyer & Archer, 2001; Viglione & Hilsenroth, 2001; Weiner, 2001). Many studies also confirm the contrast between the self-report instruments and performance-based test scores (Rorschach) (Archer & Krishnamurthy, 1993a, 1993b; Bornstein, 2002; Meyer, 1996; Viglione, 1996; Ganellen, 1996, 2001). The method has also received support, with Hunsley & Bailey (1999) arguing, “the Rorschach has the dubious distinction of being, simultaneously, the most cherished and the most reviled of all psychological assessment tools” (p. 266). In addition, Viglione & Hilsenroth (2001) argued that one would need some 50 other methods to replace the Rorschach. It is also important to notice that many clinicians have continued to use Rorschach despite the criticism of it because it can reveal information that they cannot elicit from other assessment techniques (Weiner, 1999). However, as Weiner (1997) has pointed out, the RCS is a method that the researcher can use to gather information concerning personality states, traits and motivations. These objectives are not dissimilar to those of other personality tests such as the Sixteen Personality Factor Questionnaire (Cattell, Cattell, & Cattell, 1993), but the methodology is different.
Earlier studies suggest that the Rorschach test is especially helpful when trying to evaluate how the individual will perform in unpredictable, unstructured, and unfamiliar situations (Dies, 1995; Finn, 1996) and many studies support the view that the Rorschach has the ability to predict future behavior (e.g., Exner, 2003; Smith, Baity, Knowles & Hilsenroth, 2001; Viglione, 1999; Hiller, Rosenthal, Bornstein, Berry, & Brunell-Neuleib, 1999). Researchers suggest that RCS could be a suitable tool to aid personnel selection (Del Giudice, 2010; Kottke, Olson, & Schultz, 2010; Zacker, 1997; Ganellen, 1996; Güntert & Nascimento’s, 2000; Hartmann & Grønnerød, 2009).

2.02 RORSCHACH AND NARCISSISM

John Exner (1995) started to create the narcissism measure in 1966 using 80 records from four groups of 20 subjects. The groups included homosexuals, diagnosed sociopaths or psychopaths, depressed inpatients, and a control group of college students. Exner found that reflection responses appeared very frequently in the groups of homosexuals and those diagnosed as sociopaths or psychopaths. Subsequently, Exner separated the reflection answers from the dimensional responses and created a specific score for those (Fr+rF). Exner found that reflection answers (or their absence) were very stable even after 18 months of treatment (Exner & Andronikof-Sanglade, 1992; Weiner & Exner, 1991).

Another interesting variable in the RCS is EGOI (Egocentricity Index). Some researchers have argued that the EGOI was the first index of narcissism (e.g., Hilsenroth, Hibbard, Nash, & Handler, 1993) but Exner himself denied that. The EGOI is more a measure of experienced self-esteem (Greenwald, 1990) than the narcissism index. Exner (1978, 2003) described the EGOI as an estimate of self-concern, self-attention, or self-esteem. Lower than average results usually indicate that the subject estimates his or her personal worth negatively (Exner, 2003), something associated with depression. An above average result indicates that the person might be more self-absorbed than most. A high EGOI value does not necessarily mean that a person has narcissistic characteristics, but the ideal is that a person has an egocentric balance and does not focus too much or too little on themselves (Exner, 2003).

2.03 NARCISSISM AND PERFORMANCE

Researchers have been very interested in the connection between a leader’s narcissism and performance. However, many articles on the topic have been theoretical (e.g., Brown, 1997), and based on self-assessment methods, and have used different definitions of the concept of narcissism. As Rosenthal (2005) pointed out, it is a challenging task for the researcher to differentiate normal self-esteem and self-confidence from grandiosity, because most theories, research or methods do not do so.

Wallace and Baumeister (2002) suggested that narcissists will get high profile jobs because of their desire for glory and determination to demonstrate their competencies. Some researchers have studied leaders and noticed that many have been ascribed narcissistic characteristics (Deluga, 1997; Glad, 2002; Maccoby, 2000). According to Exner (2003) in the sample of 600 non-patient adults, reflection answers appeared in about 8% of the protocols. The proportion is usually higher among patient groups (Exner, 2001) and there are also some differences between occupations (Exner, 2003), for example, reflection answers appeared in 29% of the protocols of subjects in the clergy and 24% of the protocols of surgeons (Exner, 2003). Therefore, based on these earlier findings it is assumed that:

H1: There are more than the average 8% of the protocols where the reflection answers are over zero because the study group consists of leaders.

The traditional perspective on narcissism has been negative, reflecting the view that narcissism is a negative personal characteristic (Hogan, Raskin & Fazzini, 1990), one which may lead to unethical behavior (Maccoby, 2000; Rosenthal & Pittinsky, 2006) because there is an association between the psychological needs of a narcissistic leader and his/her actions (Kets de Vries & Miller, 1997). Narcissistic leaders may be willing to do anything to secure their leadership position, even if they are underqualified for it (Hogan, et al., 1990), and might for instance use manipulation and deception to establish their skills.
According to Blair, et al., (2008), narcissism is negatively associated with integrity and ratings of interpersonal performance. Judge, et al., (2006) also found that others view narcissistic leaders negatively. Narcissistic leaders are found to be over involved and abusive leaders (Hogan et al., 1994). They also take the credit for the successes and blame others for the failures (Hogan, et al., 1990). Therefore based on these earlier findings we could assume that narcissistic leaders would perform badly. Nevertheless, there is evidence that narcissism may have a positive association with performance. Deluga (1997) analyzed the personalities of presidents of the U.S.A and suggested that narcissistic entitlement and self-sufficiency is related to charismatic leadership and ratings of executive performance. Paulonen, et al., (2006) also found that the best-rated military leaders demonstrate high levels of egotism and self-esteem. Many positive features of narcissistic leaders have focused on their innovativeness, creativity and boldness (Maccoby, 2000, 2004; Raskin, 1980). Maccoby (2000, 2004) strongly defended narcissistic leaders and stressed that a hectic and chaotic world needs “productive narcissists” who are visionaries and innovators, and ready to change the world. Moreover, narcissistic leaders can be charmers who inspire people and gather devoted followers (Maccoby, 2000). Organizations face a difficult situation because naturally they need charismatic, innovative and bold leaders, but are aware that narcissistic leaders have a negative side too, as narcissistic leader can be hypersensitive to criticism, poor listeners, lacking empathy, unwilling or unable to mentor or be mentored, and intensely competitive (Maccoby, 2000). Based on these earlier contradictory findings it is assumed that:

H2: There is an association between narcissism and leader performance

Maccoby (2000, p.77) went on to assert that narcissistic leaders can spur positive outcomes if they have the self-knowledge to understand this part of their personality, in which case their visions and plans are likely to be based on reality, and went on to offer some advice to the narcissistic executive: “productive narcissists have perspective and are able to detach themselves and laugh at their irrational needs…. A sense of humor helps them maintain enough perspective and humility to keep on learning.”

Exner (2003) shared similar thoughts to Maccoby (2000) but pointed out the effect of self-esteem (EGOI) should be considered when analyzing narcissism. When reflection (Fr+rF) and high self-esteem (EGOI) are present in the same protocol, it indicates that the person tends to make favorable judgments concerning the self. Moreover this indicates that the narcissistic-type feature has a strong influence on the psychology of the person. The same research asserts that it is very rare to find a person who gave reflection answers who would register a below average score on the EGOI. However, if that happens, it can indicate problems with self-image and self-value. Many researchers have also found that narcissists have high levels of confidence (Campbell, Goodie, & Foster, 2004; Robins & Beer, 2001), self-esteem (Emmons, 1984) or self-efficacy (Watson, Sawrie, & Biderman, 1991). Based on the earlier studies it is assumed in this study that:

H3: Self-esteem (EGOI) is associated with narcissism (Fr+rF) and performance.

H4: Self-esteem (EGOI) moderates the association between narcissism (Fr+rF) and performance.

At their best, narcissistic leaders can be charmers who inspire people and gather devoted followers (Maccoby, 2000). Narcissistic people can make a very good first impression and are often selected for demanding positions, but the good first impression may not last as they come to be disliked by their colleagues after a relatively short period of time (Paulhus, 1998). Narcissists’ desire for self-enhancement means they can be prepared to take major actions to avoid situations threatening their self-image (Chen et al., 2013), which means they might be tempted to act unethically (Maccoby, 2000; Rosenthal & Pittinsky, 2006).

Chatterjee and Hambrick (2007) evaluated the narcissism of 111 CEOs over a 12-year period and found no difference in the performance of firms led by narcissistic leaders and those led by less self-aggrandizing leaders. However, they noticed that in the early years of a CEO’s tenure the results in many companies were significantly positive with regard to company outcomes and that CEOs’ narcissism had an association with large annual fluctuations in accounting returns. Thus it appears narcissism might lead either to good performance if the leader has been in his/her position for a short period and has been able
to make a good impression, or to poor performance if he/she has been in place for a long time and the
good first impression has evaporated. Therefore based on the earlier findings the current research
assumes that:
H5: Leader tenure is associated with leader performance.
H6: Leader tenure moderates the association between narcissism (Fr+rF) and performance.

3.0 METHODS

Data (n = 203) were collected in Finland during 2010–2011 from employees of a global manufacturing
organization. All but two lower and middle level leaders participated in the research. For each leader
(n=51) between three and six subordinates were randomly selected to evaluate the leader’s performance
using the WOPI 360 tool. Five subordinates had either retired or were on long-term sick leave, so those
employees next on the list replaced them. 97 % of the leaders were male and 3 % were female. The mean
age was 46 years.

3.01 METHODS AND STUDY VARIABLES

First the internal consistencies were computed for the scales. The value of Cronbach’s alpha was 0.99 for
the WOPI360 tool results comfortably exceeding the required criterion. The study involved 51 Rorschach
protocols completed by people in a managerial position. According to John Exner (1995), some 20% to
25% of all protocols should be randomly selected to be recoded by an independent professional. In this
study, 20 randomly selected protocols were recoded by the clinician and researcher Tuula Ilonen. The
intraclass correlations can be found in Table 1 below.

| Table 01: Internal reliability: Intraclass correlation coefficients |
|-----------------------------|-----------------------------|-----------------------------|
| Variable | Intraclass coefficients (n = 20) | p |
| Dd | 1 | < .001 |
| S | .98 | < .001 |
| DQo | .99 | < .001 |
| DQv | .95 | < .001 |
| Dets | .98 | < .001 |
| Non F | .97 | < .001 |
| FQo | .92 | < .001 |
| FQ | .96 | < .001 |
| (z) | .99 | < .001 |
| Cont | .99 | < .001 |
| P | .95 | < .001 |
| Zf | .98 | < .001 |
| Sum6 | .76 | < .001 |
| Sum6 & NoSum6 | 1 | < .001 |
| Other SpSc | .88 | < .001 |
| Other SpSc+OtherSpSc | .98 | < .001 |
| SpSc | .80 | < .001 |
| SpSc & NoSpSc | .98 | < .001 |

- Dependent variable (Performance): Leader performance was measured by 203
subordinates via the WOPI360 tool (Niitamo, 2010). WOPI360 is a multi-rater tool for appraisal of
competence resources and deficits (Niitamo, 2010). Leader behavior was appraised via 45 standard
questions. Questions were answered on a 6-point Likert scale anchored with not at all descriptive (0) and
very descriptive (6). This study used only one rater group, the managers’ direct subordinates, with
between 3 and 6 rating each manager.

- Independent variable (Narcissism): Narcissism was measured with the RCS (Exner, 1993,
2000). There are ten inkblots in the test, five of them are black, and the other five contain at least some
colored ink. The subject is asked to respond to the question “What might this be?” for each card (Exner,
1993). The test data falls into five clusters: 1) stress tolerance, 2) interpersonal perception, 3) information processing, 4) cognitive mediation, and 5) self-perception. This study focuses on the self-perception cluster and more specifically on the variables Fr+rF and EGOI (Exner, 2003). If the RCS is administered, coded, and interpreted according to Exner (2003) equivalent reliability, and validity ratings to self-report measures have been established (Society for Personality Assessment, 2005).

According to Exner (2003) when the reflection (Fr+rF) and high self-esteem (EGOI) are present in the same protocol, it indicates that the person tends to make favorable judgments with regard to the self, and that the narcissistic-like feature has a strong influence on the psychology of the person. Accordingly this study utilizes one variable (Fr+rF and EGOI) to isolate only those leaders who offered reflection answers and demonstrated high self-esteem.

- **Moderator variable (Self-Esteem and Leader Tenure):** Self-esteem was measured with the RCS variable EGOI (Exner, 1993, 2000). Leader tenure was determined simply by asking, “How many years you have been in your current position?”.

- **Control variables (Gender, Intelligence).** Earlier studies propose that gender might have an effect on narcissism (e.g., Nevicka et al., 2011; Foster, Campbell & Twenge, 2003; Watson & Biderman, 1994) as might intelligence (e.g., Paulhus & Williams, 2002), which leads to those variables being controlled in this research. Intelligence was measured with the Wechsler Adult Intelligence Scale, Third Edition, WAIS-III (Wechsler, 1997). The battery can be used in full or in part (Taylor & Heaton, 2001). The current research utilizes only the information part that includes 28 questions on a range of information in Finnish culture.

First, descriptive analysis was conducted to establish how many protocols included reflection answers. The associations between narcissism, leader performance, self-esteem, and leader tenure were examined through Pearson correlation and with hierarchical regression analysis. A stepwise hierarchical multiple regression analysis tested the interaction effect of EGOI and leader tenure on the relationship between narcissism and leader performance. The gender and intelligence controls were implemented in the first step of the analysis, the one for narcissism in the second step, tenure or the EGOI in the third step, and the interaction variable in the fourth step.

### 4.0 RESULTS

The leaders had held their current positions for around three years (mean = 2.59, median = 3.0, Std.Deviation = 1.06). Most of the leaders had an average level of self-esteem (mean = 0.32, median = 0.32, Std.Deviation = 0.13). Most of the leaders’ protocols (73%) included no reflection answers (mean = 0.55, median = 0.00, Std.Deviation = 1.00), and of those that did, 8% had one, 9% two, and 10% had three or more reflection answers. Therefore, 27% of the leaders surveyed had at least one reflection answer in their protocol, a figure above the average of 8%.

### 4.01 THE CORRELATIONS BETWEEN NARCISSISM, PERFORMANCE AND SELF-ESTEEM

Table 2 presents the correlations among the variables. Narcissism (Fr+rF) had a statistically meaningful negative association with work experience (r = -0.29, p < .001) and a positive association with self-esteem (EGOI) (r = 0.45, p < .001) and leader performance (r = 0.15, p < .05). The more reflection answers the leader’s responses contained the less experience in the current position the leader had, and the higher the self-esteem (EGOI) and the better the performance. Narcissism had no correlation to either gender or intelligence. The variable Fr+rF and EGOI had a negative association with work experience (r = -0.70, p < .001) and a meaningful positive association with leader performance (r = 0.79, p < .001). The more the leader demonstrated narcissism and the higher the self-esteem, the less work experience the leader had and the better was the performance. The variable Fr+rF and EGOI had no association with intelligence. It proved impossible to calculate any correlation to gender as there was no female leader who recorded reflection answers and an above average EGOI rating.
Performance was related to gender ($r = 0.15, p < .05$) and the subordinates were more pleased with the female leaders’ performance than with that of the male leaders. Performance had no meaningful association to tenure or intelligence.

Table 2: Correlations between the leader performance, narcissism and self-esteem

| Variables | Mean | 1 | 2 | 3 | 4 | 5 | 6 | 7 |
|-----------|------|---|---|---|---|---|---|---|
| Gender (1 = male, 2 = female) | 1.03 | 1 | -18** | 1 | -19** | .06 | 1 | -40*** | -53*** |
| Tenure | 2.59 | -1.18** | 1 | .04 | -29*** | .06 | 1 | .45*** | 1 |
| Intelligence | 11.20 | 1 | .19** | 1 | .06 | 1 | 1 | 1 | 1 |
| Fr+rF | 0.32 | 1 | .04 | 1 | .09 | .09 | 1 | .15* | 1 |
| Performance | 4.03 | .15* | 1 | .04 | .09 | .09 | 1 | .15* | 1 |
| Fr+rF and EGOI | 1.90 | 1 | -70*** | .32 | -53** | .99*** | -79*** | 1 | 1 |

4.02 THE ASSOCIATION OF NARCISSISM, TENURE AND SELF-ESTEEM ASSOCIATION WITH LEADER PERFORMANCE: REGRESSION ANALYSIS

To examine the hypothesis on the effect of narcissism, self-esteem and tenure, hierarchical multiple regression analyses were performed. The first step assessed the control variables gender and intelligence. The predictor variables were entered in the second and third steps and the interaction variables in the last steps. The results concerning the hierarchical regression analysis are presented in Table 3.

The moderating effect of tenure on the relationship between narcissism and leader performance was examined first. Table 3 shows that narcissism ($\beta = 0.62$, $p < .001$) has a significant impact on leader performance, after controlling for gender and intelligence. In addition, tenure ($\beta = 0.20$, $p < .05$) had a significant impact on performance. The interaction term tenure ($\beta = -0.51$, $p < .01$) with narcissism had a significant effect on leader performance and added significant incremental variance at Step 4. The interaction term explained 10% of leader performance.

The moderating effect of self-esteem on the relationship between narcissism and leader performance was not confirmed. The coefficient was not significant and the model did not add significant incremental variance.

Table 3. Hierarchical regression analysis predicting performance of the narcissism model

| Independent variables | Performance | Tenure | EGOI |
|-----------------------|-------------|--------|------|
| Gender                | $\beta$     | $R^2$  | $\Delta R^2$ | $\beta$ | $R^2$ | $\Delta R^2$ |
| Step 1                | -13         | .02    | .02  | .02 | .02 |
| Intelligence          | .07         | 1      | 1    | 1   | 1   |
| Step 2                | Fr+rF       | .62***  | .05* | .02* | .05* | .02* |
| Step 3                | Tenure / EGOI | .20*  | .05  | .00  | .05  | .01  |
| Step 4                | Interaction | -.51**  | .10** | .06** | .07  | .02  |

**$p < .001$, *$p < .01$, *$p < .05$**

$\beta$ = standardized coefficient on the last step., $\Delta R^2 = R^2$ Change

5.0 DISCUSSION

The present study conducted among leaders was designed to investigate the association between narcissism and performance. More specifically this study examined whether tenure and self-esteem has a moderating effect on the relationship between the narcissism and leader performance. Most of the
hypotheses were supported by the results of correlations and a series of multiple hierarchical regression analyses.

For the purpose of this study it was assumed that there would be more reflection answers in the leaders’ protocols than the average 8%. This hypothesis was confirmed because 27% of leaders had at least one reflection answer in their protocol.

Narcissism was positively associated with leader performance. This means that the more narcissism present, the better the leader’s performance was. Narcissism was also associated with work experience and self-esteem. It seems that the more reflection answers the leader recorded, the higher was the recorded level of self-esteem. Moreover, the more reflection answers the leaders recorded, the less time they had served in their current position. When only those leaders who recorded reflection answers and high self-esteem were studied, the results were similar as with the narcissism variable but the associations were stronger. The more the leader exhibited signs of narcissism and the higher the self-esteem, the less experience the leader had in the current position and the better the performance was. Subordinates were more pleased with the performance of female leaders than with that of men. The moderating effect of a leader’s tenure on the relationship between narcissism and leader performance was confirmed. This means that narcissistic leaders’ performance might be good only because the leader has been in position for a very short period and had made a good first impression. On the other hand, the narcissistic leader might offer a weak performance if he or she has been in position for a long time.

It should also be noted that although self-esteem did not moderate the relationship between narcissism and leader performance, it had very strong correlations, especially when only those leaders with reflection answers and high self-esteem were selected. Therefore, self-esteem may play an important role in explaining the differences between healthy narcissism and pathological narcissism.

5.01 LIMITATIONS AND FUTURE STUDIES

When generalizing these results there are some limitations that should be noted. The study is cross-sectional and therefore we cannot draw conclusions about the direction of causality. Moreover, most of the participants were male, so these results best represent the situation in manufacturing industries, and it is possible that narcissism might have more beneficial or harmful effects in different environments, industries, countries, or cultures. Therefore, there is a need for further studies taking these issues into consideration. While the sample size (N = 203) is at a level that offers statistically significant results, it should also be noted that there might be some internal correlations since there were only 51 Rorschach protocols but 203 performance evaluations. On the other hand, the survey response rate was extremely encouraging, with only two leaders and five subordinates unable to participate in the study. It should also be noted that none of the variables used in this study were based on self-assessment.

5.02 CONCLUSION AND POLICY IMPLICATIONS

The results of this study highlight some important implications. First the results confirm that narcissism is a complex concept that is very easily misunderstood. Prior research on narcissism offers no consensus on whether it is a good or bad thing to have narcissistic leaders, or on whether narcissism and leadership go hand in hand. However, narcissism is defined in the literature in very different ways, and we cannot be certain researchers are always talking about the same thing. Some researchers clearly refer to just extensive self-confidence (e.g., Campbell, 2001) whereas others refer to a personality disorder (APA, 2000). Secondly this study suggests that above all narcissism and self-esteem are different concepts. Finally, the results seem to support the view that narcissism is a personality dimension, but not necessarily a pathological one.
The results of this study suggest it would be wise to add RCS to the tools available in the recruitment and personnel assessment situation. The time involved in using RCS (approximately 2–3 hours of work per candidate) is low compared to the personnel and economic advantage that organizations might receive by selecting better leaders and avoiding issues that affect performance. However, practitioners should exercise caution when analyzing reflection findings in the personnel assessment process. It is important to note that one or more reflection answer in the protocol does not imply that the subject is suffering from a narcissistic disorder or that the narcissism indicated is necessarily pathological. Practitioners should always favor multi-method tools, and consider using RCS as one such tool rather than as a standalone method.

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