



HOGAN |

Humility

Objectives of the Talk

- 1. Define charisma and humility**
- 2. Propose that charisma is related to narcissism**
- 3. Suggest that charismatic leaders can be destructive**
- 4. Suggest that humble leaders can be effective**
- 5. Distinguish between emergence and effectiveness**
- 6. Suggest that charisma is to emergence as humility is to effectiveness**

Charisma vs Humility

Charisma is “a compelling attractiveness that can inspire devotion in others...”

Humility is “freedom from pride or arrogance: the quality or state of low self-preoccupation...”

Charisma and Narcissism

Charisma and narcissism are correlated in leadership samples

Charismatic narcissists:

- **won't accept responsibility for failure**
- **take more credit for success than is fair**
- **won't listen to feedback/can't learn from experience**
- **feel entitled to leadership positions**
- **ruin companies as CEOs**

Charismatic CEOs

- In the 1970s, activist investors began pushing companies to find CEOs who would generate better financial results.
- This led to “Agency Theory”—i.e., paying CEOs based on their financial results.
- Companies began hiring CEOs who guaranteed better results; narcissists always guarantee better results.
- Organizations think they need charismatic leadership but charisma often brings narcissism.

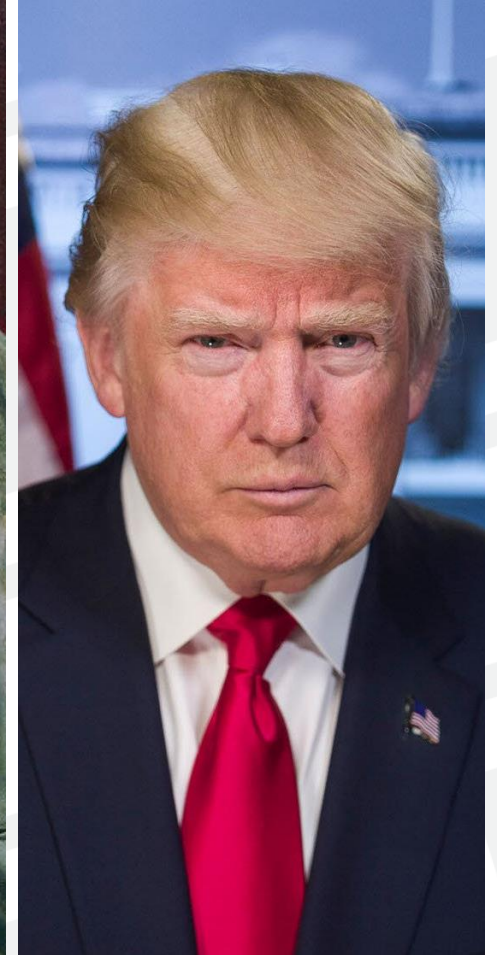
Charisma Invades the Culture of Business

**Indeed.com lists
224,526 jobs
requiring charisma**

**Indeed.com lists
3,342 jobs requiring
humility**

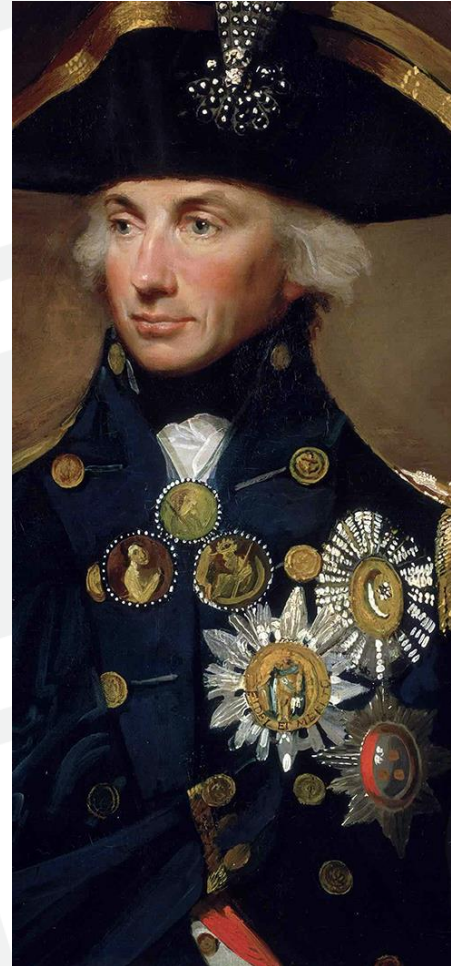
Charisma has consequences: Napoleon and Trump

- Both rose to the top of their country's political hierarchy based on charisma
- Both were self-serving narcissists
- Both enjoyed limited but dedicated support
- Both created mixed legacies

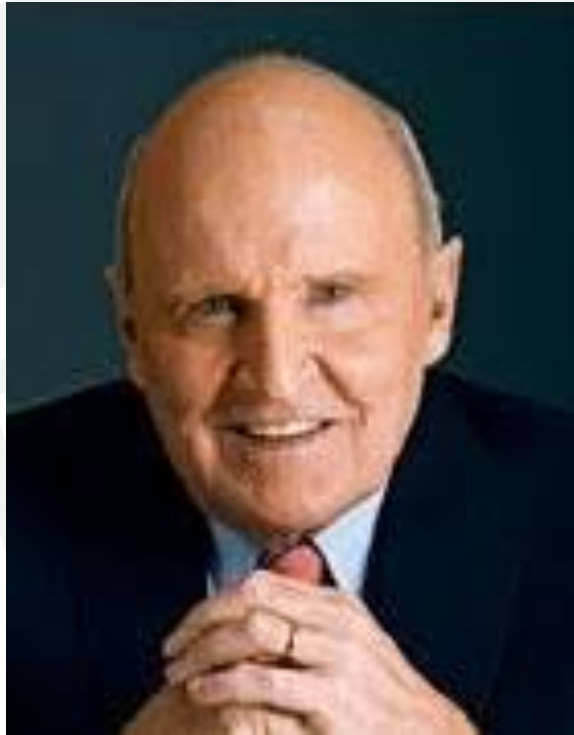


Humility has consequences: Nelson and Grant

- Both men rose to the top of their country's political hierarchy based on their performance.
- Both were dedicated to serving their country.
- Both men were humble and admired by their subordinates
- Two of the greatest military leaders in history



Narcissism and Humility in Business



“All of management is about self-confidence.” Jack Welch

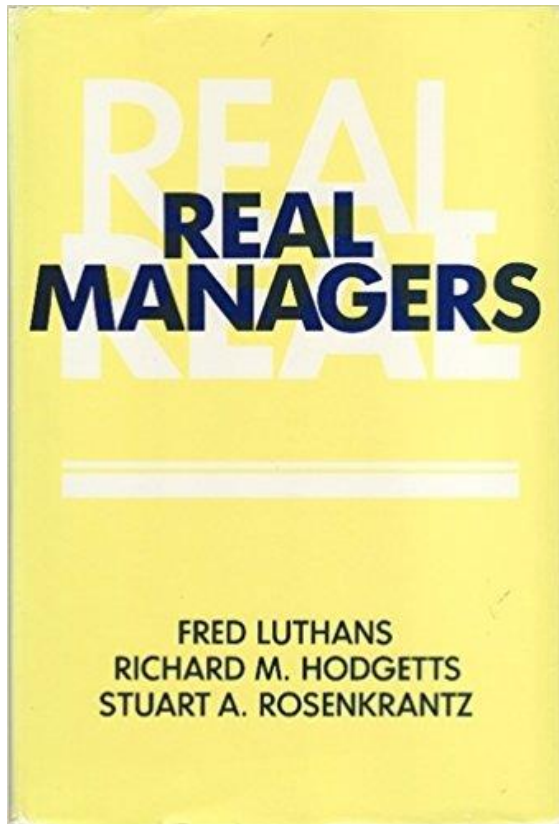


“I never stopped trying to be qualified for my job.” Darwin Smith

Emergence and Effectiveness

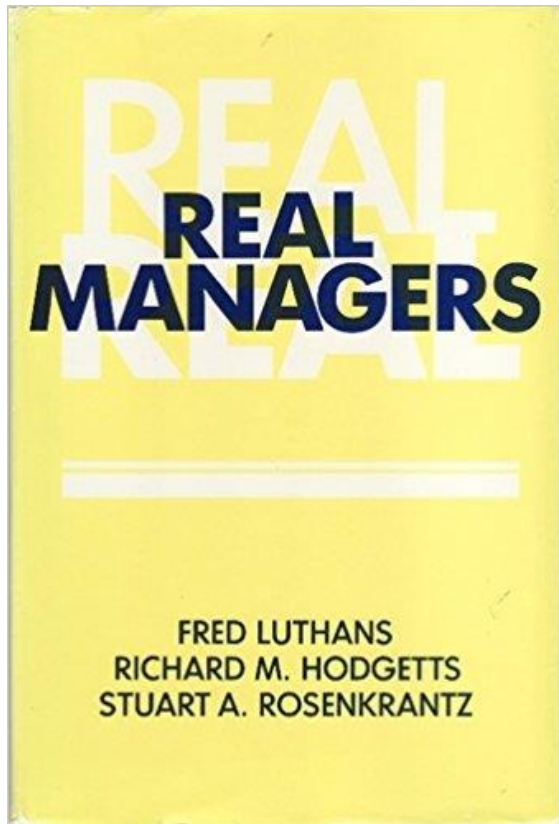
- Who are the high profile people in organizations?
- What is the relationship between being high profile and being an effective leader?
- This brings up the distinction between emergence and effectiveness.
- And this brings up Luthans' book...

Real Managers: Emergence vs. Effectiveness



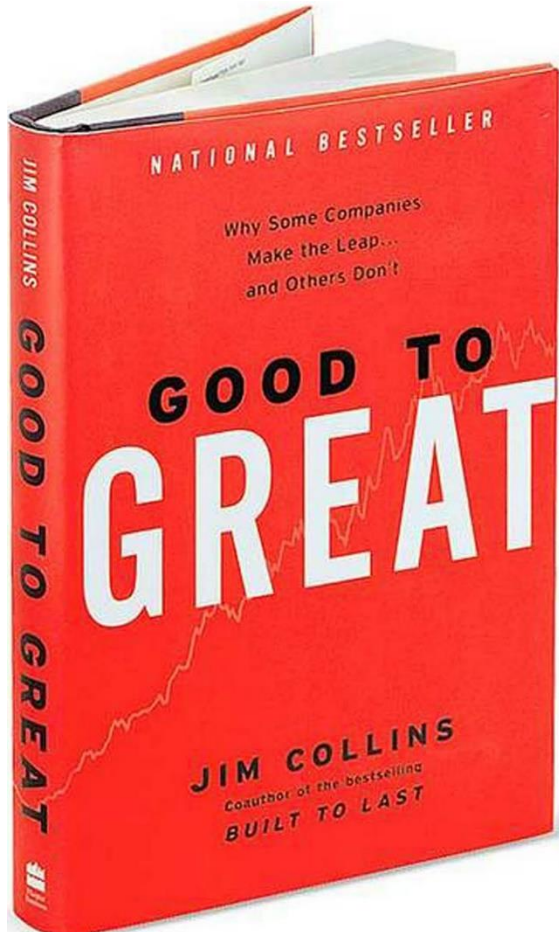
- Luthans' landmark research is often ignored.
- Studied 457 managers from different organizations over 4 years.
- Used assessments, interviews, ratings, and behavioral observations.
- Gathered performance data at end of study.

Real Managers: Emergence vs. Effectiveness



- Found two groups of high performers: (1) Those who advanced rapidly; (2) Those whose teams performed well.
- There was a 10% overlap in the groups ($r = .30$).
- Those who advanced rapidly spent their time networking. These people are high ***Emergence***.
- Those whose teams performed well spent their time working with their teams. These people are high ***Effectiveness***.

Jim Collins: *Good to Great*



- Concerns leader *Effectiveness*.
- Found 11 Fortune 1000 companies with 15 years of mediocre performance and then 15 years of superior performance.
- The CEOs of the companies with superior performance were humble and competitive—not high emergent or charismatic.
- Say goodbye to the myth of charismatic leadership.

Problem-Driven Leadership

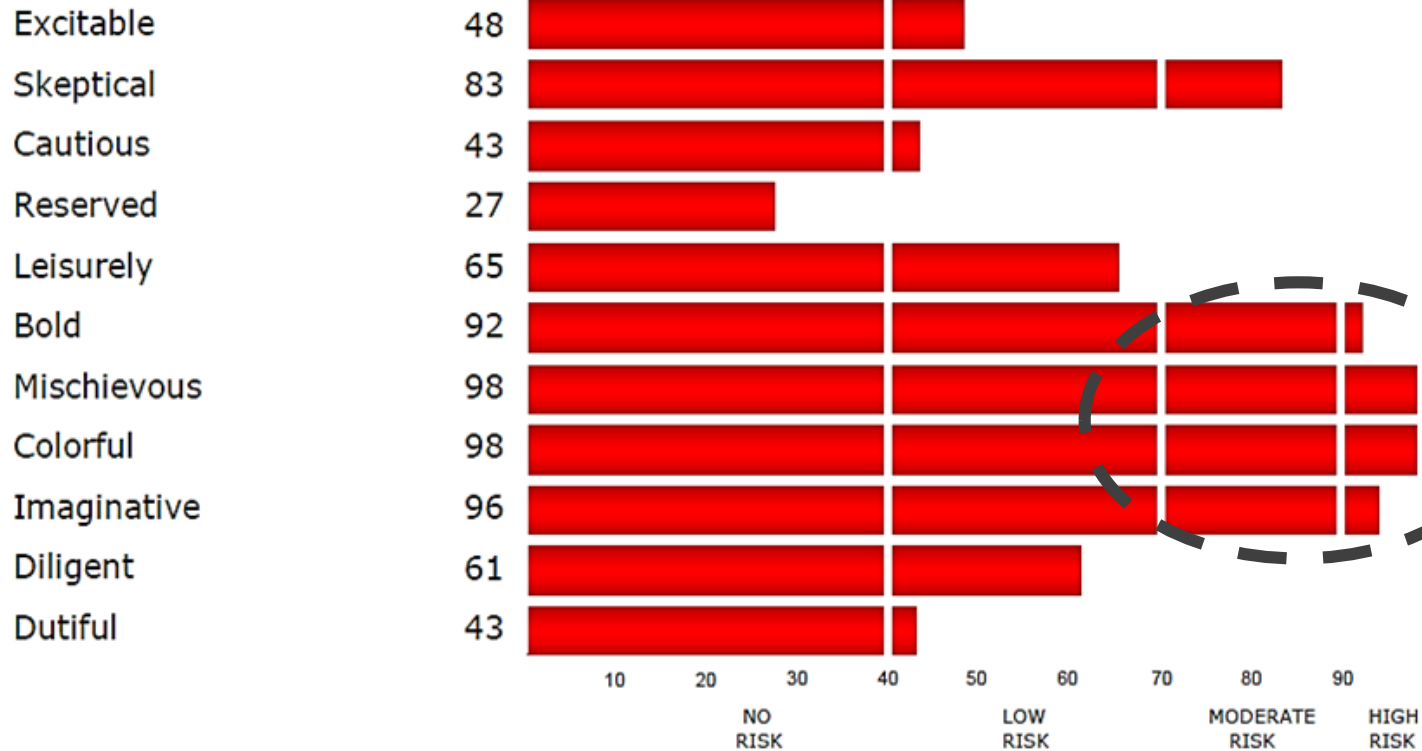
- A 2017 MIT study supports Collins' findings.
- MIT graduates have started 30,200 businesses with 4.6 million employees and \$1.9 trillion in annual revenues.
- Annual revenues behind Russia but ahead of India.
- MIT leadership is problem-focused, technically competent, open-minded, data driven, apolitical, collaborative, and avoids trappings of leadership (corner office, etc.)
- Well-known exemplars are Sergio Marchionne (Fiat-Chrysler), Hubert Joly (Best Buy), and Alan Mullaly (Ford).

Characteristics of Effective Leaders

- **Quiet self-confidence: Expect that others will realize their talent in time**
- **Ambitious and competitive**
- **Driven to improve performance: feel they have something to prove**
- **Real competence in their chosen discipline**

How to Define Charisma

HDS Scales

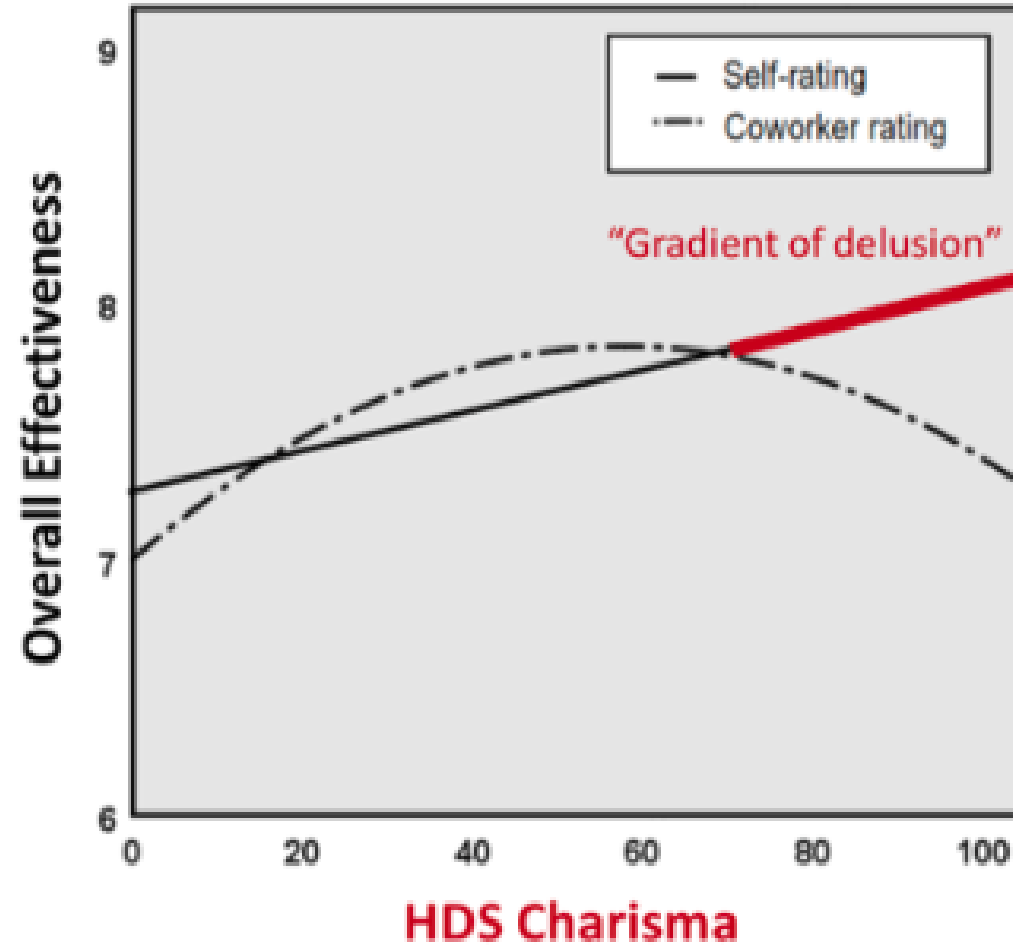


- BOLD
- MISCHIEVOUS
- COLORFUL
- IMAGINATIVE

Charisma Cluster

BOLD	Socially poised, arrogant, and entitled
MISCHIEVOUS	Charming, manipulative, and impulsive
COLORFUL	Smart, interesting and self-dramatizing
IMAGINATIVE	Creative, impractical, and eccentric

Performance: Self vs Others



Humility

Humble individuals tend to:

- **Acknowledge their mistakes and limitations**
- **Spotlight others' contributions**
- **Listen to and learn from others**
- **Make fun of themselves**
- **Not feel entitled**
- **Have egalitarian values**

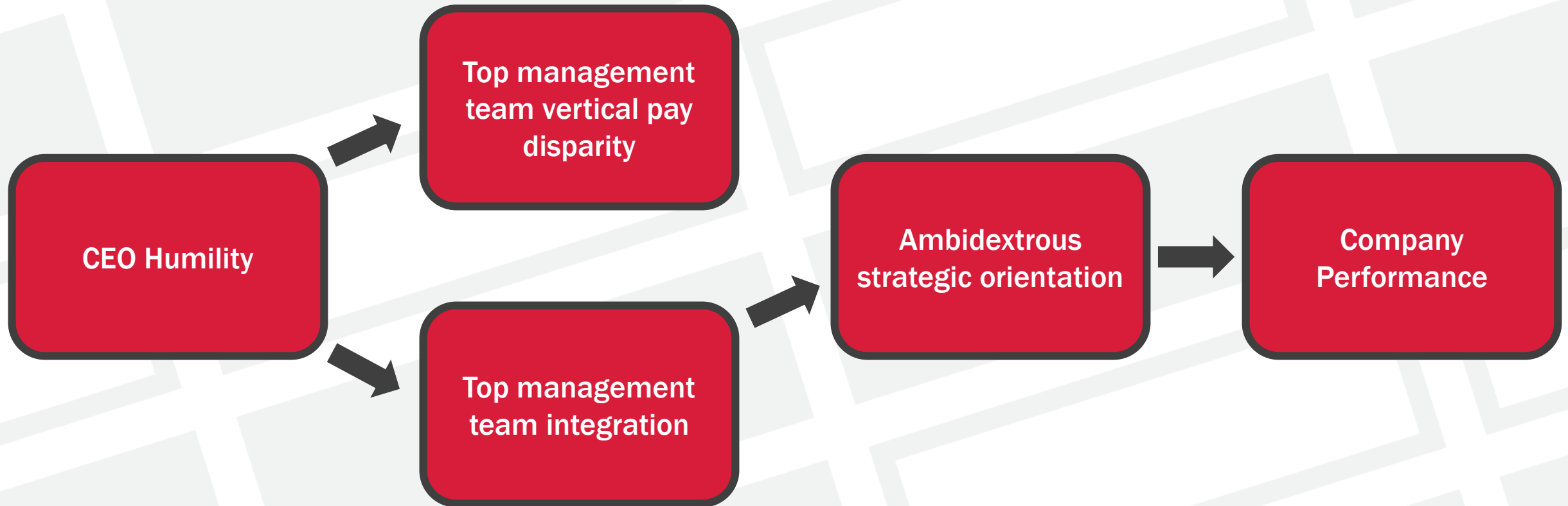
What Humble Leaders Do

- **Focus on team performance, not their individual performance**
- **Channel ambition back into the organization vs for personal gain**
- **Foster a culture of development by encouraging learning and personal development**
- **Build a culture of openness, trust, and recognition**

Correlates of Hogan Humility scale

- In-role performance (Positive)
- Organizational citizenship behavior (Positive)
- Counterproductive work behaviors (Negative)
- Affective well-being of staff (Positive)
- Job satisfaction of staff (Positive)
- Engagement of staff (Positive)
- Turnover intentions of staff (Negative)

Humility and Company Performance



Source: Ou, AmyY., Waldmon, David A., Peterson, Suzanne J. (2015). Do Humble CEOs Matter? An Examination of CEO Humility and Firm Outcomes. *Journal of Management* Vol. XX No. X, Month XXXX 1–27

Developing Humility

- **Actively recognize others' achievements**
- **Actively work to understand your limitations**
- **Be willing to acknowledge mistakes**
- **Ask for and listen to feedback; accept that your way is not the only way**
- **Work to earn the respect of your colleagues; don't assume you are entitled to it**
- **Monitor your self-promoting behaviors**

Final Thoughts

- Charismatic leaders focus on themselves
- Humble leaders focus on the team and organization (Drucker's mirror and window analogy)
- Charisma destroys engagement
- Humility creates engagement
- Organizations that value charisma often overlook their most effective leaders
- The next generation of effective leaders may be hidden in plain sight

**When you think you really are *somebody*,
that's when you're not.**

- Ella Fitzgerald, 1979