

Hubris syndrome

Growing evidence shows that positions of power in politics and business may corrupt the ability of those in them to behave rationally. It's time for risk managers to take heed

..... BY LORD DAVID OWEN

The sicknesses that heads of government have either brought to office, or developed while occupying high office, and the consequences of being ill for the business of government are a fascinating study. But, as I argue in the most recent edition of my book *In Sickness and in Power*, within this category there is another interesting and far from uncommon phenomenon to which leaders in all walks of life are susceptible. That is how the very experience of holding office seems to develop into something that causes them to behave in ways which, on the face of it at least, seem symptomatic of a change in personality.

The phenomenon of something happening to a person's mental stability when in power has been observed for centuries and the causal link between holding power and aberrant behaviour was captured by Bertrand Russell in his reference to "the intoxication of power". Power is a heady drug, which not every leader has the necessary rooted character to counteract. To do so requires a combination of common sense, humour, decency, skepticism and even cynicism that treats power for what it is – a privileged opportunity to influence, and sometimes



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to determine, the turn of events.

Perhaps the most profound, though non-medical, study of this was made in the ancient world. The Greeks developed the notion of hubris to characterise and explore it. The most basic meaning was simply as a description of an act: a hubristic act was one in which a powerful figure, puffed up with overweening pride and self-confidence, treated others with insolence and contempt.

Such dishonouring behaviour was strongly condemned in ancient Greece. Nemesis is the name of the goddess of retribution, and often in Greek drama the gods arrange nemesis because a hubristic act is seen as one in which the perpetrator tries to defy the reality ordained by them. The hero committing the hubristic act seeks to transgress the

human condition, imagining himself to be superior and to have powers more like those of the gods. But the gods will have none of that, so it is they who destroy him. The moral is that we should beware of allowing power and success to go to our heads.

Occupational hazard

Hubris is almost an occupational hazard for leading politicians, as it is for leaders in other fields, such as the military and business, for it feeds on the isolation that often builds up around such leaders. The havoc which hubristic heads of government can wreak is usually suffered by the people in whose name they govern. The virtues of a representative democracy lie in the scope it gives elected leaders to

exercise real leadership and to show the decisiveness most voters prefer to hesitation, doubt and vacillation. But the exercise of that leadership needs to carry the trust of the electorate, which is usually lost when the leader crosses the borderline between decisive and hubristic leadership. What interests me is whether that borderline, marked as yet only by loose phrases – such as “power has gone to his head”, or “she’s lost all touch with reality” – can be defined more precisely and whether philosophers, the medical profession, psychologists and anthropologists could assist in defining it.

I have been exploring the hypothesis that there is a pattern of hubristic behaviour manifest in some leaders, particularly political leaders, which could legitimately be

deemed to constitute a syndrome where signs and symptoms are more often seen together than separately. I have called this hubris syndrome. Hubris is not always an easy diagnosis to recognise since the individual affected can appear completely normal in their social life. Even those in close contact with their decision-making may not pick up, in the early stages, a change of behaviour. Some psychiatrists believe that hubristic behaviour is systemic, a product of the environment in which the leader operates. On the other hand, this hubristic build-up gives the impression that it has become self-generating, that an individual is gripped by something which is no longer driven by outside factors but comes from within that individual. It is this element which comprises hubris syndrome (See *Symptoms of Hubris Syndrome*).

Hubris and risk

Having focused over the last decade on hubris in politicians, I am more concerned today about hubris in business. In the business world, the “hubris hypothesis” was first put forward by Richard Roll in 1986 in his study of corporate mergers and acquisitions, and managerial takeover behaviours. It is the most cited theory in business and management hubris research in relation to hubris-infected bidders paying too much for acquisitions.

In recent decades, risk and risk management have developed into a science. A profession with risk executives and board level risk committees has become widespread, as have regulatory requirements, particularly in the banking and insurance sectors. There have been many case studies from which one should be able to draw lessons – from WorldCom and Enron to prominent leaders of firms involved in the financial crisis (See the recent collection in *The intoxication of power*, edited by Peter Gerrard and Graham Robinson).

A study of major risk events by Cass Business School, *Roads to Ruin*, concluded that all the broad categories of “underlying risk” emanated from failings at board level and from board leadership. Better governance and an enhanced

THE SYMPTOMS OF HUBRIS SYNDROME

Proposed criteria for Hubris Syndrome and their correspondence to features of Cluster B personality disorders in DSM-IV

1.	A narcissistic propensity to see their world primarily as an arena in which they can exercise power and seek glory	NPD.6
2.	A predisposition to take actions which seem likely to cast them in a good light – i.e. in order to enhance their image	NPD.1
3.	A disproportionate concern with image and presentation	NPD.3
4.	A messianic manner of talking about what they are doing and a tendency to exaltation	NPD.2
5.	An identification of themselves with the nation, or organisation to the extent that they regard their outlook and interests as identical	UNIQUE
6.	A tendency to talk of themselves in the third person or using the royal ‘we’	UNIQUE
7.	Excessive confidence in their own judgement and contempt for the advice or criticisms of others	NPD.9
8.	Exaggerated self-belief, bordering on a sense of omnipotence, in what they personally can achieve	NPD.1 & 2
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	NPD.3
10.	An unshakeable belief that in court they will be vindicated	UNIQUE
11.	Loss of contact with reality; often associated with progressive isolation	APD.3 & 5
12.	Restlessness, recklessness and impulsiveness	UNIQUE
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	UNIQUE
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.	HPD.5

NPD = Narcissistic Personality Disorder only in DSM-IV; APD = Anti Social Personality Disorder in both DSM-IV & ICD-10; HPD = Histrionic Personality Disorder in both DSM-IV & ICD-10. Slide taken from Brain 2009: 132; 1396-1406 ‘Hubris Syndrome: An acquired personality disorder? A study of US President and UK Prime Minister over the last 100 years’ by David Owen and Jonathan Davidson.

role for risk professionals were recommended. One of the contributing authors to this report, Anthony Fitzsimmons, traces many of the root causes to individual and collective human behavior in his recent book *Rethinking Reputational Risk*. This is most certainly an area that must be given greater attention. As recently as May 2016, Andrew Bailey, Head of the FCA, spoke of the need for improving the culture of City firms and that “hubris” should be added to the list of risks firms face.

Traits

Hubris syndrome is now perhaps better seen as an acquired personality trait rather than as an acquired personality disorder, a classification which is being more and more dispensed with. It is acquired in leaders when in power – and usually only after they have been wielding power for some time – and may well abate once power is lost. In that sense, it is a syndrome of position as much as of the person and can manifest itself at any age. The position which is held clearly affects the likelihood that a leader will succumb to it. The key external factors would seem to be these: holding substantial power, minimal constraint on the leader exercising such personal authority, and the length of time they stay in power.

Possessing self-confidence is a requirement of every executive and supports the achievement of personal and organisational objectives. It assists entrepreneurs develop their ventures, and is invariably sought after in the attributes of potential leadership candidates. However, hubris marks a turning point in which confidence exaggerates into overconfidence, pride becomes excessive and clouds rational judgement, and arrogance emerges as contempt for opposing views and contrary information. A characteristic of hubris seems to be the combined influence of these factors.

Far too often board members fail to or are unwilling to recognize danger signs in an hubristic CEO. We need to be far better at putting up boundaries against runaway leadership; improving selection, education, and evaluation by board members, and offering coaching and



Above: “Enron” the play, at the Noël Coward Theatre in London’s West End. The play was based on the financial scandal and collapse of Enron, the American energy corporation, based in Texas.



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counseling to executives showing signs of hubris. There is also, in my view, an important role to be played by a mentor, trusted advisor or “toe-holder”, which would be different from that provided by a coach. It would entail someone of independence outside the company or institution, who can help by holding up a metaphorical mirror and encourage leaders to examine their reflections with a little objectivity.

Authors of doom

In the collection *The intoxication of power*, Manfred Kets de Vries writes that hubris syndrome can lead to a false sense of invulnerability and to a kind of self-imprisonment. “The truly hubristic person ignores every opportunity for moral counsel and shared judgement,” he says. “They become the authors of their own doom.” All too frequently, hubris – this dangerous mix of pride, ego, delusion, resistance to criticism, and (in the case of a company or institution) groupthink – can create a culture capable of just about any mistake in the name of “we know best”, he adds. Given the impact that people in the throes of hubris have on other people’s lives, it is important to understand what hubris is all about.

Identifying hubristic leaders and hubristic cultures and containing them presents, therefore, an immense challenge. Such leaders are often, when first appointed, well qualified and experienced and have not given any warning signs to their electors, in the case of politicians, or boards of directors, in the case of bankers and industrialists, that they could develop hubris syndrome. By definition I do not use the term hubris syndrome where there is a known history of psychiatric illness, or of long-standing behavioural problems. Such people may be very hubristic but it seemed better to settle for their medical diagnosis, for example Bipolar Disorder, and that such a disease may all be part of a spectrum that can change and develop in power into a different personality. It is in all our interests that we learn more about such people, their hubristic cultures and develop informal systems of peer review if we are to prevent the making of damaging decisions.

In 2011, I helped to establish



Left: Investigation of WorldCom in 2002 uncovered an accounting scandal where the company's total assets had been inflated by about \$11 billion. At the time it was the largest accounting fraud in history.

Image credit: ROGELIO SOLIS AP/Press Association Images

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the charity Daedalus Trust to raise public awareness of the dangers of personality change associated with the exercise of power, whether individual hubris or collective hubris in all walks of life – business, politics and the military – and the problems that presents in terms of its effect on decision making. The Trust’s work focuses on sponsoring research, holding conferences, publishing books and ensuring a high quality academic website resource, details of which can be found on the Trust’s website.

Two of the Trust’s advisory group members, Professor Eugene Sadler-Smith and Graham Robinson, based at the Surrey Business School, are actively working on *The hubris project* in collaboration with a wider network of senior practitioners producing proposals for three tools for the management and mitigation of hubris in business organisations. They are the first tentative steps in developing an Anti-Hubris Toolkit. They comprise the tools for empowering the board, listening to faint signals, and de-isolating and grounding the CEO – see the trust’s website for more.

Hubris is an urgent problem

for banking and business leaders, which they show few signs of recognising. Whilst a mass of new regulatory procedures have been put in place, as yet the role and importance of personality change is deliberately underplayed and even ignored. For all the money and time business spends on risk management, building complex models and using quantitative statistical methods, it needs to devote at least as much money and effort to biological, chemical and human resources research on personality and behaviour. ☹

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