

The intoxication of power

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The conference will examine the effects that the projected fantasies of subordinates have on managers when the latter begin to believe in them. Credit: 01228 by Victor 1558 from Flickr

Why are so many companies brought down by an excess of self-confidence, and rash decision-making by out-of-control egos at the top? A Cambridge conference aims to explain why power corrupts, and whether corporate leaders could learn a few lessons from the humble crow.

They say that pride comes before a fall, but in business, it also often triggers the collapse. History is littered with examples of corporate giants who were, according to subsequent post-mortems, felled by bad decision-making, brought on by excessive self-confidence, [arrogance](#), and pride.

In the final analysis, the word "hubris" crops up again and again.

Now [board directors](#) and [senior managers](#) from around the country are being invited to find out why. A conference in Cambridge this week will explore the perennial problem of hubris in leadership, and attempt to offer some tips designed to school the participants out of repeating others' past mistakes.

Entitled "The Intoxication Of Power: Leadership and Hubris", the event will involve presentations from experts in business, management and academia, all of whom have examined what it is about leadership that distorts a person's thinking and character, inflates their ego, and frequently causes them to make rash and damaging decisions as a result.

It will include analysis of the relationship between senior executives, and the mechanics of sycophancy in the workplace. There will also be a presentation of [psychological research](#) which suggests that humans may be hard-wired to make dubious decisions about the future, and that CEOs could learn a thing or two from crows, which are much better at forward planning.

In addition, there will be a workshop inviting the participants to contemplate and discuss the implications of hubris both for their companies and for themselves.

The conference, on Thursday, 19 September, is being organised by Cambridge Judge Business School - part of the University of Cambridge - and the Daedalus Trust. The latter is dedicated to the cause of trying to understand problems of hubris, and was set up "to raise awareness and understanding of the changes in individuals, groups and whole organisations that can come with the exercise of power".

"Hubris is not a mental disease - it is the result of psychological reactions

to power and status to which we are all subject," Professor Christoph Loch, Director of Cambridge Judge Business School said.

"In healthy people, it serves to enable confidence and reduce stress, but in some, it creates a perception of oneself as a giant and others as minions. This distorts the individual's sense of goals and decisions. It's this effect that makes hubris a highly relevant risk-management issue for businesses."

The decline of numerous companies has been attributed to moments when those responsible for leading the firm began to make poor judgements based on previous successes, with the result that they failed to respond to changes in the market and fell behind their rivals.

The Cambridge event will attempt to show participants how to assess themselves and their colleagues to make sure that their own companies do not suffer from the same causes and effects. It will also examine how business leaders can harness the energies and passions of their staff, without at the same time allowing a culture of hubris to develop.

Speakers will include the former British Foreign Secretary, Lord David Owen, who has authored a book on The Hubris Syndrome; Martin Taylor, former chairman of Syngenta AG and former CEO of Barclays Bank; Professor Manfred Kets de Vries, an authority on leadership development; and Professor Nicola Clayton and Clive Wilkins, from the Department of Psychology at Cambridge.

De Vries argues that hubris starts to lead companies astray when senior executives stop recognising that many of their subordinates are lying to them - even if they don't realise it. Most corporate leaders, he suggests, are surrounded by people who tell them what they want to hear. The danger occurs when they start to believe in this, and to enjoy it.

This breeds more than a sycophantic culture - in some cases, "intoxication and intimidation go hand in hand". "Subordinates become intimidated by the power of office and leaders become the vessels of their projected fantasies," de Vries' synopsis for the conference says. The accoutrements of this are things like "large, impressive offices, chauffeur-driven cars, private jets, fawning secretaries - all adding to a climate of awe that surrounds many leaders. Power leads to dependency reactions, and even physical illness in others. Many top executives don't realise, however, the extent to which people project their fantasies on to them."

Nicola Clayton, Professor of Comparative Cognition, and Clive Wilkins, who is currently artist in residence, both in the Department of Psychology at Cambridge University, meanwhile offers an intriguing take on the relationship between hubris and the human brain's capacity - or lack of it - to plan ahead. Their presentation will argue that our brains suffer from a natural shortsightedness about the projection of self in time, which makes envisaging the future rather difficult.

The phenomenon is referred to as "temporal myopia". "We assume that what we feel as we imagine the future is what we will experience when we get there," Clayton and Wilkins explained. "In fact, our sensations as we imagine it are often our response to what is happening right now."

If we want to find a way to get round this hard-wiring, the unlikely subject of crows might just offer some answers. Surprisingly, crows do not succumb to the same failings. Clayton and colleagues have studied how these birds hide food for the future, and her research shows that they can anticipate accurately what they will want when they come to recover it in the future.

In other words, crows appear to be more capable of disengaging from their present motivational state when choosing for what may lie ahead.

"It's a skill that every CEO in the land ought to have," Clayton and Wilkins added.

The Intoxication Of Power - Leadership And Hubris, will run at Judge Business School, Cambridge, on Thursday, 19 September, 2013. For further information, visit www.jbs.cam.ac.uk/events

Provided by University of Cambridge

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