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Unethical 20th century business leaders
Were some of them corporate psychopaths?
The case of Robert Maxwell

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Abstract

Purpose – The purpose of this paper is to present evidence to examine the possible psychopathy of Robert Maxwell, a notorious figure in UK business history.

Design/methodology/approach – This paper presents research which retrospectively applied a tool to measure whether leading figures in twentieth century business history could be classified as being corporate psychopaths. As background to this idea, psychopaths and corporate psychopaths are defined. A measure of corporate psychopathy is explored as an aid to identifying corporate psychopaths in business history. This measure is then used in relation to senior corporate executives who have been nominated as potential corporate psychopaths and to Robert Maxwell in particular.

Findings – The paper concludes that at least some ethical scandals and failures such as those at The Daily Mirror have been characterized by the presence of CEOs who scored highly on a measure of corporate psychopathy. Maxwell’s fraudulent raiding of corporate pension funds crossed ethical and legal borders. Furthermore, Maxwell’s fraudulent looting of those pension funds crossed generational boundaries; stealing from older people’s pension funds and thereby leaving younger people/investors with less to inherit. Maxwell also had an international business empire and so his fraud had effects which crossed geographic borders. The paper concludes that using an historical approach to the study of potential corporate psychopaths illuminates what types of organizational outcomes corporate psychopaths may eventuate.

Originality/value – The paper is the first to use an historical approach to the study of potential corporate psychopaths.

Keywords Business history, Fraud, Corporate psychopaths, Leadership, Toxic leadership, Ethics

Paper type Case study

Introduction

The benefits of an historical approach to organizational studies have been recognized (Clark and Rowlinson, 2004) and such an approach towards the study of those who have led and managed organizations may also provide valuable insights.

The existence (or absence) of a virtuous character or personality has been noted as being important in the study of ethics in business (Alzola, 2012; Hartman, 1998) with a degree of moral maturity being considered important for the development of ethics (Cavanagh, 2010). Some types of psychopathic personalities in leaders have been noted for their lack of moral development and ethical values (Boddy et al., 2010b). This is particularly the case because of the hugely consequential nature of organizational leadership in terms of performance and in terms of employee well-being (Hogan et al., 1994; Hogan and Benson, 2009).

Hogan and Kaiser review the empirical literature on leadership, personality and organizational effectiveness to make three major points. First, leadership is an immensely consequential phenomenon and conceivably the single most important
issue in the human sciences. Second, leadership is about the performance of teams, groups and organizations. Good leadership promotes effective team and group performance, which in turn enhances the well-being of the incumbents; bad leadership degrades the quality of life for everyone connected with it. Third, personality predicts leadership and this information can be used to select future leaders or improve the performance of current incumbents (Hogan and Kaiser, 2005; Hogan et al., 1994). Toxic (dark, dysfunctional, psychopathic) leadership is particularly destructive, whether at the organizational (Boddy, 2015b) or departmental level (Boddy and Croft, 2016) and so is worthy of investigation (Padilla et al., 2007; Hogan and Hogan, 2001; Hogan et al., 1990; Boddy, 2015a).

Toxic leadership in particular has not been given the importance or attention it deserves (Mehta and Maheshwari, 2014). Toxic leadership is important because such leaders put self-interest before organizational interest (Fennimore and Sementelli, 2016) and in so doing they cause severe harm to employees and to organizations (Goldman, 2006; Mehta and Maheshwari, 2013, 2014; Lipman-Blumen, 2005). Corporate psychopaths have been described as being archetypal toxic leaders (Boddy et al., 2015).

The aim of this paper is therefore twofold, first to identify, propose and use an empirically based analytic technique for investigating corporate psychopaths in business history. This is in line with the aims of business historians who set out to engage in empirical and measured studies of corporations in order to better understand them and their development (Tucker, 1972). This approach is also in line with calls for more empirical research into business ethics (Hosmer, 2000). Second the aim was to investigate the behavioural characteristics of some senior corporate executives in recent business history in order to see if corporate scandals and failures appear to be characterized by the presence of senior corporate executives who may have been corporate psychopaths. It was considered that if this proves to be the case then this will strengthen the case put forward by psychologists and management theorists, that psychopaths should be screened out of rather than into senior corporate roles (Deutschman, 2005; Boddy, 2006).

Business historians and ethics commentators have both expressed a concern with agency problems in business and how individual managers may potentially act in their own interests rather than those of the owners of the organizations they work for (Heath, 2009; Foreman-Peck and Hannah, 2013).

In relation to this, according to leading psychologists and some management theorists, many agency problems involving corporate scandals and failures could be prevented if corporations screened employees for psychopathy and managed psychopathic employees or did not promote them to the senior positions where they can damage the whole corporation (Deutschman, 2005; Boddy et al., 2010b). In writing about this work on psychopaths Deutschman rather presciently expressed a fear that rather than using a psychopathy measure to screen out psychopaths, some corporations may instead use such a measure as a recruitment tool and this appears to have happened in corporate banks (Basham, 2011) much to the apparent detriment of those banks and their customers as evidenced by the global financial crisis (Spencer and Wargo, 2010; Cohan, 2012; Boddy, 2012). Presumably this usage of a psychopathy measure by corporate banks to engage employees was initially planned to recruit suitably conscience-free employees who would deal with competitive banks with ruthlessness and ethical indifference. This fits with the conclusion of ethics researchers who found that being ethical and being seen as worthy of promotion, do not necessarily go together (Rubin et al., 2010).
Psychopaths

Psychopaths are the approximately 1 per cent of the adult population who have no conscience, no guilt and an inability to feel love for, care for, or empathize with, other people (Stout, 2005; Cleckley, 1941/1988; Hare, 1994, 1996, 1999).

This lack of emotion and conscience increasingly appears to be for reasons which are linked to neurobiological factors associated with irregular brain connectivity or chemistry, particularly in the areas of the brain known as the ventrolateral frontal cortex and amygdala (Blair et al., 1995, 2006; Blair and Cipolotti, 2000; Blair, 2008; Howard and McCullagh, 2007; Weber et al., 2008; Müller et al., 2008; Ciaramelli et al., 2007). This lack of conscience and of emotion makes psychopaths coldly intellectual, self-seeking and calculating, ruthless towards others and therefore a potential danger to the organizations that employ them, to their colleagues and to society in general (Viding, 2004; Brinkley et al., 2004). In a review of neuroscience and business ethics, commentators conclude that emotion plays a critical role in ethical decision making (Salvador and Folger, 2009) and as psychopaths have little or no emotion then this compromises their ability to make ethical decisions.

Diverse varieties of psychopath are reported to exist (Murphy and Vess, 2003). One sub-type called “successful psychopaths” by some authors (and there has not really been a common nomenclature in this area); appear more able to control their violent or anti-social tendencies. These psychopaths are reported to work relatively undetected and successfully in corporate society and these people have been called industrial psychopaths, organizational psychopaths, executive psychopaths or corporate psychopaths (Babiak, 1995; Boddy, 2006; Morse, 2004; Babiak and Hare, 2006).

In this current research they are referred to as corporate psychopaths. Corporate psychopaths are, therefore, simply those high functioning psychopaths who work in corporate environments. They are described in more detail below.

Corporate psychopaths

Corporate psychopaths thrive perhaps as the most significant threat to ethical corporate behaviour around the world (Marshall et al., 2014) and the study of corporate psychopaths opens an important new direction in leadership research (Gudmundsson and Southey, 2011) and in examining leadership fraud (Perri, 2013). They appear to be more adroit at getting to the top than other employees and may be four times more frequent in senior positions than they are in junior ones (Browning, 2013; Babiak et al., 2010).

The existence of white collar and professional psychopaths has been acknowledged since 1941, after the publication of Cleckley’s seminal book; *The Mask of Sanity*. Despite this, it was not until the last decades of the last century that psychopathy in corporations and in the managers of corporations was discussed in a series of papers from academics in psychology and management (e.g. Babiak, 1995; Boddy, 2005; Morse, 2004; Wylonis and Sadoff, 2008).

Findings from recent empirical research confirm previously expressed expectations. In line with predictions from theory, recent research has indeed shown that corporate psychopaths have a marked effect on employee withdrawal, workload, job satisfaction, conflict and bullying, corporate social responsibility and organizational constraints (productivity) in the workplace (Boddy, 2010, 2011a; Boddy et al., 2010a; Boddy and Taplin, 2016) as well as on the propensity to indulge in environmental offending in the form of the illegal dumping of toxic waste materials (Ray and Jones, 2011).

This empirical evidence of the effects of psychopathy in the workplace prompted a realization that corporate psychopaths must have existed in business throughout history and therefore a literature review was undertaken, using a psychopathy...
measure as a guide to identifying such psychopaths. This review uncovered several outstanding individuals as potential corporate psychopaths and these are discussed below. First a review of the literature on corporate psychopaths is made to enable an understanding of their characteristics and behaviour and to provide the background understanding of the measure used to identify them.

An aim of this paper is to examine cases in history where psychopaths working in business, or corporate psychopaths as they have now come to be called, may be evident. Using a psychopathy measure developed from the discipline of psychiatry, a comparison was made between behavioural evidence from historical documentary and biographic materials and commonly accepted indicators of psychopathy. Where substantial overlap occurs between reported behaviour and the measure of psychopathy used, then psychopathy at the individual level may be suspected. Furthermore this can contribute to the debate among psychologists and management researchers as to whether organizations should screen for psychopathy among senior managers so that the worst excesses can be avoided through careful management of these individuals. Commentators and researchers in the area of corporate psychopathy claim that corporate psychopaths find personal wealth and career success as extremely manipulative corporate executives who have a profound lack of care and empathy for others and no remorse for the harm they cause (Babiak and Hare, 2006).

Potential CEO psychopaths have recently been named in the press including Robert Maxwell, a twentieth century UK competitor to Rupert Murdoch and at one time a rival purchaser of the UK newspaper *The News of the World* (Clarke, 1992). Robert Maxwell was the disgraced British media tycoon who was found to have stolen enormous funds from his own company pension fund. Hare reportedly said “I’m not saying Maxwell was a psychopath […] but he sure had psychopathic tendencies” (BBC, 2004). Maxwell was so well known that made headlines in every single British newspaper when he died, as well as many others around the Western world (Clarke, 1992).

Cleckley, in his seminal book, describes a psychopath as someone who, in terms of first appearances, appears better and more attractive than average people do, and comes across in conversation as sound in judgement, ethics, morals, values and reasoning (Cleckley, 1941/1988). On the other hand Cleckley points out that these psychopaths cannot feel real love and can commit acts which have very negative consequences for those around them (adultery, fraud, theft, casual sexual encounters) while having no remorse or guilt of any kind for what they have done.

They are also capable of conning others as to their involvement or responsibility in these heinous acts and thereby talking themselves out of trouble and avoiding any consequences or prosecution (Cleckley, 1941/1988). Cleckley (1941/1988) identified 16 personality traits held by psychopaths and these traits have formed the basis of measures used to identify psychopaths in society. After Cleckley’s book prison psychologists became interested in the study of psychopaths and based on Cleckley’s list of traits, they devised their own measures of psychopathy. These measures were used extensively among psychopaths in prisons and eventually psychopathy and criminality became confounded in the popular imagination and among psychologists.

Nonetheless, the existence of organizational leaders with personality disorders slowly emerged as a subject of interest in the latter part of the twentieth century (de Vries, 1985). The potentially negative impact they may have on corporate life and organizational performance has been formally discussed in a series of papers from academics in psychology and management (Babiak, 1995; Boddy, 2006; Clarke, 2005; Morse, 2004; Wylonis and Sadoff, 2008).
Several books on the subject of psychopaths in organizations have been published since then (Babiak and Hare, 2006; Boddy, 2011a, b; Clarke, 2005, 2007). These books and papers have evolved from theoretical discussions through to an examination of case studies involving psychopathic individuals in management positions. This includes quantitative empirical studies and qualitative studies of psychopaths in organizations. More recently the conceptualization of the corporate psychopath has crystallized the nomenclature from the earlier papers and focussed the attention of researchers onto psychopaths within corporations. Findings from recent empirical research confirm the theoretical expectations that have been made. Corporate psychopaths have been found to have a negative influence across a range of organizational outcomes and their behaviour is the antithesis of ethical behaviour in business and of building and sustaining effective teams and well performing organizations (Babiak et al., 2010; Boddy et al., 2010a, b).

Research
There are various ways of identifying psychopaths and a number of formal measures exist to identify psychopaths in the population and these include the Comprehensive Assessment of Psychopathic Personality (Cooke et al., 2012; Cooke and Logan, 2015), the Psychopathy Checklist Revised and the Psychopathic Personality Inventory (Lilienfeld and Andrews, 1996; Hare, 1991; Widom, 1977; Vien and Beech, 2006). In this current research a measure was used that was previously developed from Cleckley’s book on psychopaths in society.

Historical figures in business were examined in the light of this measure to see if these business figures fulfilled enough of the criteria (typically three quarters or more of the criteria used in psychopathy measures) to be identified as corporate psychopaths. The measure used in this research is detailed below. Historical figures in business who displayed eight or more of these characteristics can be deemed to be corporate psychopaths and their behaviour examined as evidence for what effects corporate psychopaths may bring about in the future.

A considerable number of potential candidates for the title of corporate psychopath (or its synonyms) have been nominated (Deutschman, 2005). For example, in an article about sociopaths – a term commonly synonymous with that of psychopaths; Bernard Ebbers was mentioned in relation to his role in the $11 billion fraud at Worldcom. Similarly Ken Lay, Jeff Skilling and Andy Fastow were also mentioned in relation to the Enron scandal (Ferrari, 2006). Enron’s Skilling was mentioned as possessing the traits of a corporate psychopath being manipulative, glib, lying, bullying, egocentric and lacking in remorse (Perri, 2013). Fastow has also been described as displaying many of the traits of a corporate psychopath (Jarirdar, 2010).

As another example, Bernard Madoff, the ex-Chairman of Nasdaq, a competitor to the New York Stock Exchange, has been called a sociopath (Henriques, 2012) as well as a psychopath (Winarick, 2010). Other commentators have merely reported that Madoff shared many of the traits of a psychopath and was an affable, charismatic, greedy manipulator who did not care whom he hurt in the process of becoming extremely wealthy (Creswell and Thomas, 2009). Described as a terrific salesman and as a leading figure in financial circles Madoff was reported to show no remorse or regret when confronted with his crimes (Creswell and Thomas, 2009). Madoff ran the largest Ponzi scheme in history and fraudulently took more than $60 billion from his investors. Described as being dishonest, manipulative, deceptive and conning (Henriques, 2012).
Madoff sounds like an ideal candidate for the title of corporate psychopath. He left investors emotionally traumatized, financially impoverished, depressed and sometimes suicidal in the wake of his fraudulent scheme (Glodstein et al., 2010). This led Elie Wiesel, the Nobel Peace Prize laureate and survivor of the Holocaust, to say that psychopath was too nice a word for Madoff (Strom, 2009).

Also in modern business history Robert Maxwell is examined. This is because written documentary materials already exist and Maxwell’s behaviour has been well chronicled and can be examined for evidence of psychopathy. Maxwell was mentioned as a possible psychopath by Robert Hare, one of the world’s authorities on criminal psychopaths, in an interview with the BBC in 2004 (BBC News, 2004).

This implies that Maxwell’s potential psychopathy merits further investigation and a first attempt at this is presented in this paper. This well-known business figure will be examined because of his reported influence in business and the availability of historical reports of his behaviour from which his behaviour can be measured against the psychopathy measures used: version 2 of the Psychopathy Measure – Management Research Version (PM-MRV) (Boddy et al., 2010a). This is a measure of psychopathy used in management research and is detailed below.

The elements of the PM-MRV 2

1. Superficial charm and apparent intelligence: the subject appears to be friendly and easy to talk to, agreeable, makes a positive first impression and is apparently a genuine person who is socially at ease.

2. Untruthful and insincere: the subject is a convincing liar because of their unpretentiousness and apparent sincerity and honesty.

3. A cheating personality: the subject cheats, fails to live up to promises, cons, seduces and deserts others. They are good at organizational politics, claim the good work of others as their own and would probably steal, forge, commit adultery or fraud if they could get away with it.

4. Is totally egocentric: the subject is egocentric and self-centred, cannot love or care for others and can only discuss love in intellectual terms. They are totally indifferent to the emotions or fate of their colleagues.

5. Has no remorse about how their actions harm other employees: the subject denies responsibility for their own poor behaviour and accuses others of responsibility for failures that they themselves cause. If they admit any fault then they do so without any regret or humiliation. They put their career advancement above other colleagues.

6. Emotionally shallow: the subject can readily demonstrate a show or display of emotion but without any true feeling. They cannot experience true sadness or woe, real grief, joy or despair and are indifferent to the troubles of others.

7. Unresponsive to personal interactions: the subject does not respond to kindness or trust in the ordinary manner. They can display superficial reactions but do not have a consistent appreciation for what others have done for them. They are indifferent to the feelings of others and can openly make fun of other employees.

8. Refuse to take responsibility for their own actions: the subject initially appears to be reliable and dependable but can sometimes act unreliably and with no sense of responsibility or regard for any obligations to others.
Calm, poised and apparently rational: the subject does not display neurotic or irrational characteristics. They are always poised and not anxious or worried even in troubling or upsetting circumstances which would disturb or upset most other people.

Lack of self-blame and self-insight about own behaviour: the subject blames their troubles on other people with elaborate and subtle rationalizations. They do not think of blaming themselves, even when discovered in bizarre or immoral situations that would promote despair or shame in other employees.

This measure can be used against available archival material and documents or published accounts such as biographies to re-assess the personalities of businesspeople in history to see if they could be described as corporate psychopaths.

Discussion
Corporations can be as large as nation states in terms of their financial size (Assadourian, 2005) and are also hugely influential because of their global presence. Corporations can be understood as agents of global justice (Arnold, 2012) (or injustice) dependent on their ethical tone and practices. It is widely accepted that corporate leaders have a central role in setting the ethical tone for their organization (Murphy and Enderle, 1995) while psychopaths in organizations have been identified as unethical in their approach to business (Boddy et al., 2010b; Boddy, 2015a). The question therefore, of whether some past or current corporate leaders are psychopathic is important. In discussing possible corporate psychopaths in business history several candidates have already been put forward. Henry Ford was reported to have hired thugs to break up union organizers thus demonstrating ruthless behaviour. He also deployed machine guns at his factories indicating a lack of care concerning his workers. Furthermore Ford committed adultery with his teenage assistant and then covered this up by getting his chauffeur to marry the younger woman (Deutschman, 2005) thus displaying a cheating personality and emotional shallowness. However, Ford’s personality has been described as changing over time as he became increasingly intolerant of the views of other people and so he may have been a narcissist rather than a psychopath (Brugger, 1974). Fastow, the CFO at Enron was also described by Deutschman as displaying many of the traits of the corporate psychopath such as setting up fraudulent entities to deal with Enron to keep various liabilities off the official company books thus displaying untruthfulness and a cheating personality. Fraud has long been associated with corporate psychopaths and recent research illustrates that around 69 per cent of auditors will come across psychopathic client managers in the course of their career and that many of these psychopathic managers will be engaged in or attempting fraud (Jeppesen et al., 2016).

In the UK Robert Maxwell, a media tycoon who stole extensively from his company’s pension fund has been described as having psychopathic traits such as arrogance, manipulativeness and insincerity (BBC News, 2004) and as mentioned above, Hare, one authority on psychopathy, said that Maxwell had psychopathic tendencies.

One problem with investigating such people is the time-consuming task of sifting through the literature to find evidence of psychopathy. This notwithstanding, this paper suggests a method whereby this may be accomplished in a structured and systematic manner and displays this method via its use in assessing the later career of Robert Maxwell. The use of this psychopathy measure facilitates this task and gives it a structure and amount of objectivity in use. This section of the paper will now examine Maxwell.

Robert Maxwell was a Czech born, naturalized British media tycoon originally called Ján Hoch. At one stage a Member of Parliament (MP, UK), he owned numerous companies...
including *The Daily Mirror* in the UK and *The New York Daily News* in the USA (Clarke, 1992). He also owned the publishing group, Macmillan, and the market research group, AGB. His empire crashed in 1991 with subsequent examinations finding that over £300 m was missing from *The Daily Mirror* pension fund and that this had been used to prop up the other businesses. Just before this crash, Maxwell reportedly fell from his large motor-yacht in the Atlantic and drowned (de Vries, 1993; Clarke, 1992).

A well-known British journalist called John Simpson, who worked for Maxwell, details in his autobiographical book how Simpson heard from an army colleague of Maxwell’s how they had jointly taken German prisoners in the Second World War. Maxwell had then lined up the prisoners and cold-bloodedly proceeded to shoot them in the head one by one, until threatened with a gun himself by a British officer and told to stop. Cold blooded murder with no sign of remorse is characteristic of psychopaths (Hare, 1994). In business Simpson writes that he found Maxwell to be single minded in his devotion to his own cause, jovial but menacing, pompous, inauthentic, bullying and a flatterer to those above him (Simpson, 2001).

Maxwell also reportedly loved to humiliate people and was described as being a tyrant (Bower, 2015). This sounds exactly like common descriptions of psychopaths in business and together with Hare’s comments, this makes Maxwell an interesting subject to study for evidence of psychopathy.

An enquiry into a business transaction where Maxwell was reported to have lied about the profitability of a publishing company which he was trying to sell, led to a UK Department of Trade and Industry (DTI) investigation which concluded in 1969, that Maxwell was “not in our opinion a person who can be relied on to exercise proper stewardship of a publicly quoted company” (Kelly, 2007; Clarke, 1992). This proved to be prescient in forecasting future events regarding Maxwell’s fraudulent management of other businesses (Vinten, 1993). It could also be noted that such financial misstatement fraud is expected of corporate psychopaths (Boddy, 2006; Babiak and Hare, 2006; Perri and Brody, 2011).

Corporate psychopaths are reported to be initially charming and in line with this, Maxwell was described as being someone who would charm the birds off the trees and then shoot them (de Vries, 1993). Robert Maxwell was also described as a “Prince Charming” who mesmerized women but was also insensitive and crude towards others. For example he swore, shouted and passed wind in front of women (Barwick, 1994). He bugged the telephone of a female assistant whom he was infatuated by, keeping her away from her other admirers and shouting at her until she cried. He also treated his wife and daughter to verbal abuse, swearing at them in public and making his adult daughter cry (Barwick, 1994). Prolific swearing and the use of abusive words are characteristics of psychopaths (Sumner et al., 2012).

Bullying and abusive behaviour is also characteristic of psychopaths (Boddy, 2014) and Maxwell was described as brutal and his bullying as merciless. His organizations were marked by his personal aggressive and abrasive behaviour and a climate of fear (de Vries, 1993) and this appears to be a common modus operandi for corporate psychopaths (Boddy et al., 2015). The need for close personal control of organizations and their boards also appears to be common among corporate psychopaths (Boddy et al., 2015) and Maxwell was also reported to subjugate boards to his will in something like a master-slave relationship (de Vries, 1993). Further, Maxwell was reported to shout, threaten and rant at his children until they were “reduced to pulp”. He also physically beat them with a cane and was described by his wife as being an ogre to his children (Bower, 2015). In business he “showered” critics and investigators with law suits to delay and silence them (Clarke, 1992).
An editor called Greenslade, who worked with Maxwell for several years and eventually wrote a book about Maxwell, reports that Maxwell insinuated himself to those above him. Simpson also states that Maxwell fawned on various East European leaders like Ceausescu in Romania (who was later executed in an uprising against his authoritarian and brutal regime) of whom Maxwell wrote a flattering biography (Simpson, 2001).

With a reportedly autocratic management style (Cox, 2002) Maxwell was said to have had a colossal judgement of his own importance, and was reckless and determined to win at all costs, characteristics which Hare reports are typical of psychopaths (Hare, 1991). Further Maxwell believed himself to be one of the world’s most important people, such grandiose egocentricity is characteristic of psychopaths (Hare, 1991) but Maxwell should rather, reports Greenslade, be remembered as one of the world’s foremost conmen (Greenslade, 1992a, b). He was reported to have repeatedly broken the commercial and criminal law and yet to have run swathes of UK business for years (Clarke, 1992). Corporate psychopaths are also grandiose and Maxwell exhibited this behaviour. He was reportedly bombastic, passionate about personal publicity, domineering and egoistic (Clarke, 1992).

Corporate psychopaths in business have been found to make apparently capricious decisions that do not correspond with the long terms interests of the organizations concerned (Boddy et al., 2015). Maxwell was similarly reported to apply a casual and careless approach to business and to keeping financial records, his businesses were poorly administered making accurate accounts difficult to produce (Clarke, 1992). Disentangling the monetary assets of his private and public companies was difficult (Clarke, 1992).

Corporate psychopaths are described as being motivated by a desire for wealth, power and prestige and Maxwell was also described as venal and greedy and as being a “harlot of power and wealth” (Clarke, 1992) and as having a lust for fame (de Vries, 1993). He was said to be a great self-promoter and to be boastful, egotistical and grandiose (de Vries, 1993), all characteristics that would be expected of a corporate psychopath.

An outcome of the presence of corporate psychopaths is reduced job satisfaction (Boddy and Taplin, 2016) as well as high staff turnover and withdrawal (Boddy et al., 2015; Boddy, 2011b) and similarly Maxwell was reported to leave a trail of resignations behind him in business (Clarke, 1992) particularly among newly acquired companies whose staff were not used to his intimidating style of aggressive management (de Vries, 1993).

Corporate psychopaths are convincing liars and Maxwell appears to have been able to convince more than 25 banks and investment firms that his network of around 400 companies was solvent, rather than being around £4.4 billion in debt and largely unprofitable (de Vries, 1993). Table I, compares these reported characteristics and behaviours of Maxwell and compares them with the traits described in the psychopathy measure used in this research. As discussed at least eight out of ten should be present if Maxwell is to be considered as a potential corporate psychopath.

In reviewing the evidence regarding Maxwell as it pertains to psychopathy a couple of comments suggest that he may have had some sense of conscience or some emotional capacity which would not be expected from a true psychopath. First, Maxwell reportedly fell off his yacht in the Mediterranean just before the scandal emerged over the collapse of his business empire (Clarke, 1993). Some people assumed this was suicide and Greenslade, who had worked closely with Maxwell and was therefore in a position to gauge his character, said that this potential suicide may have been because Maxwell could not have accepted the humiliation of going to jail.
1. Superficial charm and apparent intelligence
Maxwell reportedly tried to insinuate himself with the highest levels of the establishment (Greenslade, 1992b). He was described as a charismatic figure (Kelly, 2007) and as a “Prince Charming” when he wanted to impress women (Barwick, 1994).

2. Untruthful and insincere
Maxwell lied to his accountants in persuading them that his businesses were solvent and financially viable. The accountants (Coopers and Lybrand) were fined £1.2 m (then a record amount) for their role in Maxwell’s business empire collapse (Cellan-Jones, 1999). He used a web of private and public companies to artificially inflate profits in core companies (Clarke, 1992).

3. Cheating personality
Maxwell stole millions from his employee’s pension funds leaving 30,000 pensioners without their life savings. He reportedly should be remembered as one of the world’s great conmen (Greenslade, 1992b). Maxwell was reportedly a figure who could get out of scrapes because of his charisma (Kelly, 2007).

4. Totally egocentric
He believed that he was one of the most powerful people in the world and at the start of the Gulf War expected to be called by heads of state for advice – he was not (Greenslade, 1992b). He was reported to be pompous and self-interested above all else (Simpson, 2001). Maxwell’s yacht was reported as being obscene in its opulence (Bower, 2015).

5. Has no remorse about how their actions harm other employees
Maxwell reportedly ruled through bullying, fear and terror and as an example once hit a journalist (who worked for Maxwell) on the head from behind saying “Oh, mistaken identity” when he saw who it was (Kelly, 2007) giving no apology and thus demonstrating no remorse or regret. During the Second World War Maxwell reportedly shot dead unarmed prisoners in cold blood and continued to shoot them until threatened by another officer (Simpson, 2001).

6. Emotionally shallow
Maxwell reportedly managed through instilling fear in his employees and once shouted at one female employee, whom he desired, until she cried (Barwick, 1994). He reportedly believed that his son’s duty to him should come before his son’s love for his son’s own wife and family (Barwick, 1994). Maxwell refused to attend his son Philip’s wedding and the son was also fired from one of Maxwell’s own companies (Bower, 2015).

7. Unresponsive to personal interactions
Maxwell’s wife was reportedly loyal to him for 50 years and he returned this with rudeness, verbal abuse and swearing at her in front of other people. He treated his daughter in a similar fashion (Barwick, 1994). Reportedly Maxwell was capable of sacking people on the spot (Kelly, 2007, evidencing an indifference to their fate or feelings. One Christmas Maxwell reportedly unwrapped all his seven children’s presents before they woke up on Christmas morning (Kelly, 2007) demonstrating impulsivity and lack of care for others.

8. Irresponsible, refuse to take responsibility for their own actions
Maxwell’s plundering of The Daily Mirror’s pension fund to prop up his other businesses demonstrates no regard for the rights of the pensioners. He carried on in business regardless of being declared unfit to do so (Clarke, 1992). He would blame others when things went wrong (de Vries, 1993).

9. Calm, poised and apparently rational
Maxwell was reportedly brilliant at doing deals and was determined to win at all costs (Greenslade, 1992b). He ignored the damning DTI reports of his unsuitability for business management (Clarke, 1992) that would have demoralized most other managers.

10. Lack of self-blame and self-insight about own behaviour
The report of Maxwell’s shooting of prisoners of war contained no element of shame or regret. He did not appear to think that what he was doing was wrong or immoral, such a lack of conscience is characteristic of psychopaths.

Table I. Maxwell’s behaviour against the psychopathy measure used
Humiliation implies the ability to be shamed and this is not a characteristic of a psychopath because they do not generally care what other people think of them. Other evidence regarding Maxwell is discussed below.

The second piece of evidence that argues against psychopathy in Maxwell was reported to be that he was infatuatedly in love with one of his assistants; as discussed above he bugged her telephone, shouted at her and kept her away from other suitors (Barwick, 1994). Psychopaths are reported to be low in affective capability and the capacity to love is thought to be beyond them. If Maxwell was in love with his assistant then this is evidence that he was not a true psychopath. Instead he may have been emotionally traumatized by the Nazi persecution he experienced in the Second World War, the death of his family in Auschwitz and the horrors of fighting in the war and this may have resulted in him developing a sociopathic personality – coldly indifferent to the fate of others but still capable of some emotional response. Such a personality would still score highly on measures of psychopathy, as Maxwell does, but could also fall in love, albeit expressed in an unlovely, controlling, possessive and jealous manner.

In conclusion then Maxwell behaved like a corporate psychopath and may have been one. He was bullying, callous towards others, dishonest, fraudulent, ruthless and he belittled people in public. However there is also evidence to suggest that he was not a psychopath and that his early adult socialization in the Second World War brutalized him towards being a sociopath. Either personality disorder would result in a high score on most psychopathy measures. However, if psychopathy screening had been in place when for example the DTI investigation found that he was unsuitable to run a public company (Kelly, 2007) then this finding could have been substantiated by psychological evidence and given more weight. The destructive effect that Maxwell had on the pensions of over 30,000 people (Spalek, 1999), as well as on several large organizations could thus have been avoided.

Theoretical contribution
Interest in corporate psychopaths has grown and corporate psychopathy theory posits that corporate psychopaths will be associated with varying degrees of corporate failure. This paper adds to corporate psychopathy theory by showing that organizational leaders who score highly on a measure of corporate psychopathy, can operate in a relatively unopposed way while simultaneously destroying capital and weakening organizations.

The research presented here answers the call (Hannah et al., 2011) for more research on the effects of leadership on ethical outcomes and for further research into toxic leadership (Mehta and Maheshwari, 2014). An additional contribution is that the findings provide support for the theoretical arguments that the personality of leaders is important in explaining organizational outcomes. The research makes a contribution to agency theory by suggesting a personality measure – that of corporate psychopathy – which is able to identify those personalities who are highly likely to act for themselves rather than as guardians or custodians of the organizations they manage.

Conclusions
Writers on leadership point out that leadership is not synonymous with morality and that corrupt, callous and bad leaders like Hitler and Stalin in politics and Dunlap and Fastow in business are commonplace in history (Kellerman, 2004a, b, 2005). Businesspeople scoring highly on measures of psychopathy and who may well have been actual psychopaths (or sociopaths) are also clearly evident in business history. This is to be expected given their incidence of one per cent in the population.
This paper aimed to investigate the behavioural characteristics of some senior corporate executives in recent history and of Robert Maxwell in particular, in order to see if corporate scandals and failures appear to be characterized the presence of senior corporate executives who may have been corporate psychopaths. Using an inventory of behaviour adapted from the writings of Cleckley as developed by management researchers, and compared to reports of actual behaviour, this has proven to be the case.

A contribution of this paper is to subject a nominated corporate psychopath from history, Robert Maxwell, to a structured examination in terms of his possible psychopathy. This bridges the disciplines of history, psychology and leadership to illuminate how corporate psychopaths can influence the life trajectories of those who work for them, invest in their businesses and rely on their promises.

Robert Maxwell scores highly on the psychopathy measure used in this research and may well have been a corporate psychopath or possibly a sociopath. Maxwell’s leadership led to fraud and failure, entailing very unfavourable outcomes for his company’s pensioners and employees. About 30,000 pensioners lost about half of their pensions due to the fraudulent activities of Maxwell. Employees were bullied, intimidated and belittled, undoubtedly causing psychological and emotional distress (Spalek, 1999). Business partners (e.g. the accountancy firm involved) suffered reputation damage, as well as fines due to their involvement with Maxwell. Corporate reputation can be an important asset for organizations to possess (Kobrak, 2013) and corporate psychopaths have been reported to damage corporate reputations (Boddy et al., 2015). The findings of this historical research strengthen the arguments put forward by psychologists and management theorists that psychopaths, as unethical leaders, should be screened out of senior corporate roles. Further, it appears that the measure of corporate psychopathy used has a good amount of face validity in use.

Its application to other investigations of corporate psychopaths in business history is therefore recommended for further research in this important area. For example, commentators on business ethics have noted that organizational members need to possess levels of moral courage if they are to promote ethical actions and refrain from unethical actions when faced with temptations or pressures (Hannah et al., 2011).

However, when faced with the aggressive bullying and intimidation of a corporate psychopath such moral courage is difficult to muster, even for HR professionals faced with bullying (Harrington et al., 2012), and this difficulty could be explored further. This historical leadership research provides an avenue for further research which could generate additional insights into both business ethics and corporate psychopaths and further our understanding and development of corporate psychopathy theory.

The case study presented in this paper demonstrates the destructive ethical, financial and emotional effects that highly psychopathic or sociopathic leaders can have on those around them and on business. This supports the argument that highly psychopathic managers should be denied positions in sensitive areas where the care of other people’s resources is paramount. Such screening may have helped prevent the disasters at The Daily Mirror and if implemented in the future, such screening may help prevent further unethical corporate implosions.

References


About the author
Clive R. Boddy is a Professor of Leadership and Organisation Behaviour at the Middlesex University where he was previously an Associate Professor of Marketing. He is also the Co-Chief Examiner for the Diploma of the Market Research Society. Prior to academia Clive ran marketing research companies in Taiwan, Hong Kong, South Korea and the UK in the 1980s and 1990s. His current research concerns workplace ethical outcomes under corporate psychopaths and toxic leaders. He is a Fellow of the Australian Institute of Management; the Chartered Institute of Marketing; the Market Research Society and the Association for Tertiary Education Management. Clive R. Boddy can be contacted at: crpboddy@gmail.com

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