Napoleon's tragic march home from Moscow: Lessons in hubris

Mark J. Kroll, Leslie A. Toombs, and Peter Wright

Executive Overview

Throughout history, hubris has been cited as a common reason for leadership failure. One of the more famous examples of hubris at work was Napoleon's Russian campaign of 1812, in which he lost his army and empire. The authors examine the consequences of both Napoleon's hubris and the hubris of contemporary business executives. Among the managerial behaviors that may reflect hubris are making unsound and over-priced corporate acquisitions, pursuing growth for its own sake, and knowingly violating the standards of acceptable conduct. Using historical material on Napoleon as well as contemporary business examples, we examine the causes of hubris and specific leader behaviors that are likely to result. Guidelines for reducing the incidence of hubris are suggested.

Napoleon, supreme egoist that he was, ignored the significance of the omens until he and his host were completely and irrevocably committed to an undertaking that was doomed. Never did the gods punish hubris more severely.

M. de Fezensac, The Russian Campaign, 1812

In June of 1812, Napoleon Bonaparte was ruler of the Empire of France, King of Italy, and master of the European continent. At the head of The Grand Army, numbering over 500,000 men, the largest force ever assembled at that point in history, he set out to conquer the one nation in Europe he had not yet subdued—Imperial Russia. In December of the same year, less than 20,000 of those men would make it home alive, and as a practical matter, all that Emperor Napoleon had accomplished in his meteoric career would soon be lost. The tragedy of the Russian campaign, the loss of life, and the horrible suffering of those on the march back from Moscow have been a source of fascination for historians ever since. Explanations for the disaster include poor planning, unusually bad weather, insightful leadership on the opposing side, and plain bad luck. But, as indicated by our epigraph, almost all accounts of the campaign include a recognition of the role played by hubris.

Hubris has been defined as exaggerated pride, self-confidence, or arrogance, frequently resulting in retribution. Hubris may be blamed for the resounding failure of Napoleon's campaign because Napoleon possessed all its symptoms: unbounded confidence given his past successes and the accompanying narcissism, the adulation that fed that narcissism, and his callous indifference toward the rules that governed 19th Century geopolitics.

As a result, Napoleon was able to convince himself that, despite all of the obvious obstacles, he could, through force of will, succeed in bringing Russia and especially Emperor Alexander I, the sole power on the Continent that refused to pay him homage, to their knees. His campaign was much less about the need to thwart the hostile intentions of a rival power, and more about the need to satisfy a hubris-infected personality with an arrogant confidence about what great feats could be accomplished.

One frequently cited explanation for hubris is that leaders often hunger for reassurance and applause from others. This hunger may first arise when a child's narcissistic displays are fondly received by parents. As such leaders grow and become a part of groups or organizations, however, they may seek the same adulation from organization members in response to their displays of skill.
Those who excel in select skills may receive positive feedback from others as they produce beneficial results. Napoleon clearly excelled in the skills of warfare, as he planned and implemented winning campaigns. Before the Russian attack, Napoleon had amassed a record of 35 wins versus only 3 losses. The losses were either early in his career, and then forgotten, or were only very temporary setbacks from which he quickly recovered. Through these warfare experiences, he developed a distinctive approach to command, along with considerable confidence in that approach. By the time of the Russian Campaign, however, this confidence had turned into arrogance and a sense of invincibility. Worse, given his record, he appears to have believed that unique problems of a war with Russia were minor details that the force of will could surmount.

In the contemporary corporate arena, actions such as takeovers, corporate expansion programs, and blatant disregard of the rules of the game may reflect the presence of hubris. These actions sometimes suggest that the firm’s management believes that the world, and the major forces in it, including financial markets, government regulators, and competitors, are wrong, and that they are right, and are not governed by the same forces. As with Napoleon’s Grand Army, corporate hubris is often punished severely. We will take a look at three circumstances in which hubris may set businesses and their leaders down a perilous path—corporate acquisitions, unbridled growth for its own sake, and disregard for the rules. Parallels are drawn with Napoleon’s circumstances.

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### Corporate Acquisitions

Well before the invasion of Russia, Napoleon’s top lieutenants argued that the chances of failure, and the cost in lives and matériel were high. Napoleon rejected their warnings, pointing out that his plans called for a quick, decisive, and therefore low-cost campaign. He had conducted such campaigns before, and saw no difference this time. Richard Roll has suggested that all too frequently takeover attempts result from an executive’s belief that he or she can greatly improve the target firm’s efficiency. The executive rejects feedback from others and, in particular, the wisdom of the financial markets, even though it is generally recognized that the securities markets provide accurate feedback by doing a fairly effective job of valuing publicly-traded firms. The premiums executives sometimes pay over target firms’ prevailing market prices often reflect a Napoleonic logic: “I will be able to overcome all the obstacles and make the acquired business far more successful than its incumbent management; I can turn a profit on the deal in spite of the high price I am paying.”

However, compelling research evidence shows that corporate acquisitions driven by managerial hubris are often financially harmful for the shareholders of acquiring firms. It also appears that as the level of managerial hubris rises, so does the likelihood that a firm will grossly overpay for an acquisition. Compounding the problem of overpayment is the possibility that managerial hubris will undermine the process of integrating the acquired and acquiring firms. There is the very real threat that the acquiring firm’s management, imbued with a sense of conquest, will treat the acquired firm’s management and employees as conquered supplicants. This is especially likely if the acquiring firm is perceived as having a better track record than the acquired firm. The inevitable results are a failure to achieve potential synergies and a loss of talent from the acquired firm. Both outcomes will exacerbate the initial overpayment problem.

An example of potential corporate hubris in an acquisition is the buyout of WordPerfect by Novell in March 1994. Novell’s CEO, Raymond Noorda, offered $1.4 billion for WordPerfect, in what industry observers suggested was an attempt to build a software empire comparable to Microsoft’s. Following the acquisition, Novell reportedly ran roughshod over WordPerfect’s management and culture, leading to a hemorrhage of managerial and technical talent and a significant deterioration in the performance of WordPerfect. In early 1996, Novell was forced to sell WordPerfect for about $124 million, or less than 10 percent of what it paid for the firm in 1994.

### Unbridled Growth for its Own Sake

Hubris can also manifest itself in a drive to dominate others and engage in empire building for its own sake. Napoleon’s determination to invade Russia was driven not only by a desire to take over that country, but also by a burning ambition to dominate Czar Alexander. The Czar was the only European monarch Napoleon had not subjugated, and by doing so Napoleon would have become the sole master of Europe. The same need for domination and empire building may surface in the cor-
porate world. It is generally recognized that individual executives infected with hubris have narcissistic requirements that demand they control fiefdoms of such large scale as to justify their own importance. An executive infected with hubris will likely see growth as a means of building a bureaucracy of sufficient size to reflect his or her prominence. For instance, the rise and fall of the Saatchi & Saatchi advertising empire in the 1990s reflected the ambition of a pair of brothers who no longer concerned themselves with building a profitable advertising business. Instead, they aspired for dominance by building an advertising empire that was the very biggest, only to be forced out of the business they had built. Similarly, Barclay’s Bank under CEO Sir John Quinton went on a quest to become Britain’s largest bank in the early 1990s. This attempt also failed and Sir John was forced to abdicate.

Blatant Disregard of the Rules

Napoleon rose to power during the French Revolution, having been an officer in the army of the First Republic. After establishing a winning record at the head of the Grand Army, he decided that he merited the title of first council or dictator, and later named himself emperor. These blatant power grabs were undertaken in spite of his earlier pledges of fidelity to the republic and its democratic ideals. He evidently concluded that obligations to the French people and living up to oaths were for others to fulfill.

Managers afflicted with hubris can also create a climate in which they and the organizations they govern do not play by the same rules as everyone else. For example, observers have remarked on the indifference of the managers of Archer Daniels Midland Company to the laws they broke and how the long-time CEO, Dwayne O. Andreas, allowed an anything-goes culture to develop. Such hubris-prone personalities are likely to perceive themselves as having made great sacrifices and contributions that entitle them to special dispensation.

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Sources of Hubris

As illustrated in Figure 1, hubris has four sources: a personality prone to narcissism; a string of successes; an uncritical acceptance of accolades; and exemption from the rules.
cesses that feed the narcissism; blindly believing the accolades of others, particularly the media; and a history of getting away with breaking the rules. All these conditions can lead executives to believe that they are above the rules.20

Narcissism

Hubris derives from an overbearing sense of grandiosity, need for admiration, and self-absorption—in a word, narcissism. Narcissism is commonly found in many successful people, and it often compels them to seek leadership positions, with their accompanying power, status, and self-affirmation.21 However, narcissism can drive executives to use their leadership roles to create a reality that further reinforces their narcissism.22 Even very charismatic leaders may use their leadership talents to gain position and status in order to satisfy their narcissism at the expense of others.23 In War and Peace, Tolstoy comments on Napoleon's narcissism: "He alone—with his ideal of glory and grandeur developed in Italy and Egypt, his insane self-adulation, could justify what had to be done."24

A number of business analysts have attributed Quaker Oats's disastrous acquisition of Snapple Beverages in part to the hubris of Quaker's management. Quaker's then CEO, William Smithburg, had made some very successful moves earlier in his tenure, often proving the pundits wrong. The company's Gatorade purchase won Smithburg praise in the business press. Observers believe he saw in Snapple an opportunity to surpass past triumphs and establish Quaker as a force to be reckoned with in the beverage industry. In spite of the consensus view of Wall Street analysts that Quaker was paying at least double what Snapple was worth, Quaker paid $1.7 billion for the firm. Even worse, perhaps owing to their extreme confidence in their ability to turn things around, Quaker's management went ahead with the purchase in spite of strong indications that Snapple was in the process of imploding. On the day the deal was announced, Quaker's stock dropped $7.38, or over 10 percent.25

It is possible that the need to create a reality that fits an executive's narcissistic vision, even though it materially departs from actual facts, may often lead to organizational underperformance. Narcissism may be reinforced by subordinates who, having little sense of control over the world around them, look to and idolize a leader they believe can deal with the helplessness they feel.26 The leader's apparent confidence and pride fulfill the needs of followers for someone to bring order and stability to their lives.27 They in turn feed the leader's narcissism, which transforms his or her self-confidence into arrogance.28 Napoleon arrived on the French political stage in the midst of the confusion of post-revolutionary France. The population, exhausted by 10 years of violence and uncertainty, undoubtedly saw in Bonaparte the firm hand that could at last take the helm. Napoleon fed on that need. Having taken great pains to rid themselves of a royal monarchy in 1789, many French people embraced Napoleon as another type of monarch, consul for life, further contributing to his narcissism and hubris.

Series of Successes

Narcissism and hubris feed on further successes. As an executive accumulates a record of accomplishment, his or her susceptibility to hubris tends to grow.29 Indeed, a consistent theme that runs through the various accounts of Napoleon's career is the inclination for his narcissism and hubris to grow with each successful campaign.30 Following his successes in Italy, for instance, he remarked to one of his officers:

They haven't seen anything yet, and the future holds successes for us far beyond what we have so far accomplished. Fortune is a woman, and the more she does for me, the more I will demand from her. In our day no one has conceived anything great; it is for me to give an example.31

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In the context of contemporary business, the relationship between hubris and prior success and subsequent egoism makes particular sense when one recognizes that the executives of most organizations take disproportionate credit for high firm performance.32 The valuable stock options and the lofty salaries American executives receive (mean executive total compensation in 1998 for the top 800 chief executives in the U.S. was $6.5 million) tend to reinforce the credit executives take for corporate performance.33 Napoleon similarly took full credit for all the victories of the Grand Army. When Napoleon set off for Moscow at the head of an army of half a million soldiers, he had compiled an extraordinary win-loss record. In one 16-month pe-
period, beginning in November 1805, he had won the battles of Ulm, Austerlitz, Auerstadt, Eylau, and Friedland against the Austrians, Russians, and Prussians, making him the toast of Paris. This inclination on the part of most leaders to attribute successes primarily to their own actions may be a natural one. Leaders may visualize how their own behavior brought about success and they may see a clear and linear connection between the two. If they had not initiated certain actions, accordingly, the desirable outcomes attained would probably not have occurred.

Uncritical Acceptance of Accolades

The third source of hubris is a natural outgrowth of the first—leaders come to believe the exaggerated accolades they receive from others. Praise from others, particularly the press, is likely to intensify hubris because it confirms and legitimizes an executive's narcissism and reinforces the executive's own feelings of grandiosity. As his or her fame spreads, especially in the media, the executive's hubris is in effect ratified. Napoleon was widely heralded as a military genius of the first order. If he did not think of himself as the master of Europe early in his career, the newspapers of the day certainly helped him perpetuate this image. For instance, the *Journal de Paris* reported in 1807 that "He [Napoleon] was invincible, grateful to God, forceful, modest, clever, magnanimous... and he combined the qualities of all the great men of history." Napoleon was widely heralded as a military genius of the first order. If he did not think of himself as the master of Europe early in his career, the newspapers of the day certainly helped him perpetuate this image. For instance, the *Journal de Paris* reported in 1807 that "He [Napoleon] was invincible, grateful to God, forceful, modest, clever, magnanimous... and he combined the qualities of all the great men of history."  

Contemporary leaders may become more susceptible to hubris as the press increasingly focuses on them. The press, however, may not present a balanced view of leaders. An excellent example of someone who recognized the extremes in which the press can portray individuals is James Carville, a key strategist in President Clinton's 1992 campaign. Shortly after the 1992 election, Carville was heralded as a political strategy genius. He acknowledged the accolades, but also pointed out that he had managed failing campaigns, and had received a heavy dose of criticism in the press. He said he knew he was not as good as the press made him out to be following Clinton's election, just as he knew he was not as bad as the press had portrayed him in his defeats.

Exemption from the Rules

Finally, those possessed by hubris tend to be part of a group that Freud referred to as "the exceptions" to the rules, people with a history of breaking the rules, inflicting sacrifice on others, and getting away with it. Narcissistic personalities are predisposed to break the rules because they tend to possess a sense of independence from the norms that govern others. This sense of independence from norms not only may be accompanied by a willingness to exploit others, but also to lack of empathy for them.

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Napoleon's behavior dramatically illustrates these inclinations. He consistently broke all of the 18th century rules limiting the scope of destructiveness of warfare. He encouraged his troops to loot the countries through which they passed rather than rely on provisions from France. During the 1796 Italian campaign, he invaded the neutral Duchy of Parma in order to escape a trap laid by the Austrians. Having overrun the Duchy for convenience, he also took hostage the governor of the capital city of Piacenze to make it easier to loot the city. Following the Russian campaign, with loss of life in the hundreds of thousands, he issued his famous 29th Bulletin, blaming the massive losses on the weather, but adding that "His Majesty's health has never been better." On returning to Paris, Napoleon ordered lavish receptions and balls. An officer who attended one gala later commented: "I felt I was dancing on tombs." Breaking the rules has its counterpart in contemporary business. For instance, in August 1991, Salomon Brothers, a major bond trading house, admitted to a host of Treasury Department rule violations. These revelations caused the Treasury Department to suspend the firm's trading privileges and forced the resignation of the top three officers. From the accounts of both insiders and outsiders familiar with the firm, the violations were a direct result of what acting Salomon chairman Warren Buffett referred to as the firm's "macho and cavalier culture." Salomon's bond traders regularly flouted Treasury Department regulations designed specifically to rein in Salomon's excesses. Salomon's traders simply did not agree with the rules. This cultural deficiency appears to have been tolerated by Salomon's former CEO, John Gutfreund, who once told the *Economist* he was out for "the money, the power and the glory."
Implications of Hubris

When senior managers succumb to hubris, they are likely to engage in behavior that reflects that hubris—confidence to the point of arrogance, relying on simplistic formulas for success, and failing to face changing realities. All of these can be very costly to the firm in various ways.

Confidence Turns to Arrogance

Individuals possessed with hubris have an overbearing confidence in their abilities to make events conform to their will in spite of contrary external evidence. They believe that whatever external problems might arise will be easily and willfully overcome. For example, Napoleon was advised by several of his senior officers that an attack on Russia was foolhardy. In fact, Napoleon's close friend and one-time ambassador to the Russian Court, General Armand Louis de Caulaincourt, recounted to Napoleon Czar Alexander's explanation of how Russia would defeat him:

It will not be a one day war. Your [Emperor] will be obliged to return to Paris to manage his affairs [after a long absence], and every advantage will be with the Russians. Then the winter, the cruel climate, and most important of all, my determination and avowed intention to prolong the struggle, and not, like so many monarchs, have the weakness to sign a peace treaty in my own capital. All these will take their toll.

To this prophetic report, Napoleon responded with complete indifference, dismissing Czar Alexander's observations with the comment, "One good battle will knock the bottoms out of my friend Alexander's fine resolutions. He is fickle and feeble."

This pattern of behavior is also evident in modern corporate takeovers. As mentioned earlier, the acquisition of Snapple by Quaker Oats appears to have been largely the result of management's assumption that it possessed unique talents that could breathe new life into Snapple. This high level of confidence appears to have been so strong that even a rapidly deteriorating situation at Snapple and an exorbitant price tag could not dissuade the Quaker Oats managers. The net result was Quaker's later having to divest Snapple and write off a $1.4 billion loss.

Relying on a Simplistic Formula for Success

Another ramification of hubris is the tendency for leaders to develop what they perceive as their own unique and ingenious formulas for success. Such formulas, having served well in the past, are reapplied in many situations. In effect, leaders may reduce their strategy formulation and implementation to predictable action plans. Napoleon's Russian campaign clearly reflected a reliance on what had worked well in the past, to the point that former innovations became standard operating procedure. This predictability served the Russians well, as General Michael Barclay de Tolly and Major General Prince Golenishchev-Kutuzov both consistently refused to play by Napoleon's established rules of warfare.

In an attempt to repeat past successes, Napoleon had sought to quickly engage the Russians early in the campaign in order to divide and destroy their army with overwhelming, decisive force. Quick and decisive engagements had worked well for Napoleon in Austria, Italy, and Prussia. Knowing this, both Russian commanders, and especially Kutuzov, baited the enemy with rear-guard attacks, followed by further retreats into Russia. These pursuits progressively stretched his lines of supply and communication thinner.

Reliance on a simple formula has its counterpart in the world of business. A famous example is the strategy of General Motors in the 1970s. Company executives were committed to their big car, rear-wheel-drive formula for success despite the industry's changing around them. Well into the 1970s, and even after several oil shocks, GM's managers still clung to the belief that the land yacht products of the 1950s and 1960s would again prevail. The commitment to this formula resulted in GM's market share dropping from 49 percent to 28 percent over two decades.

Failure to Face Changing Realities

Another ramification of hubris is the tendency to create a simplified scanning process, selectively screening for external environmental cues that were previously relevant in implementing a time-tested formula for success. This screening process tends to exclude those environmental factors that have previously not been critical to implementing the formula for success. One of Napoleon's previous experiences had been that local populations often viewed him as a liberator. This reaction al-
allowed him to provision his army and avoid attacks by partisans. Because Russia was a feudal society, he anticipated the same reaction from local peasants. Instead, he was subject to incessant attacks by roving bands of Cossack partisans.

Senior executives of General Motors similarly exercised an external scanning process so simple that they did not even consider it necessary to establish a consumer market research department until 1985. In fact, GM’s competitive analysis in the early 1970s consisted largely of assessing the threats that its own Pontiac and Buick divisions posed for each other. Rarely did the analysis scrutinize the threats posed by Ford and Chrysler, much less by the Japanese auto makers.

Given the obvious dangers hubris represents to a successful firm’s future success, we will look at remedies both for the individual executive and the board of directors.

What Executives Can Do to Guard Against Hubris

A sincere self-examination of an executive’s leadership behaviors may be the best place to start. Asking questions such as, “Am I willing to take the counsel of others when those ideas are counter to my own views of circumstances?” and “What do I need to do to improve my abilities to help the organization move forward?” will be helpful in this self-examination process.

Reflect on One’s Own Performance

Managers sometimes exhibit the natural human tendency to attribute successes to their own actions, while blaming failures on external forces. Those managers who have the capacity to recognize their own culpability in poor firm performance, however, tend to be more successful in the long-term. Thus, to combat the tendency to blame externalities, managers need to confront their own failures. For instance, Daimler-Benz was an organization that by the 1980s had experienced enough success to infuse its managers with hubris. By the 1990s, according to industry observers, the firm had fallen victim to its managers’ arrogance, as demonstrated by its deteriorating performance. Jürgen Schrempp had presided over the unbridled growth of Daimler’s aerospace division before becoming the CEO. However, Schrempp was reflective enough to realize that the decline in Daimler-Benz’s fortunes was due as much to internal problems as to the downturn in Europe’s economy. Schrempp began reinventing Daimler-Benz, including taking such personally painful steps as owning up to his failure with the aerospace division and his allowing it to go into bankruptcy. The result was a 45-percent appreciation in Daimler’s share price over a 12-month period.

Listen to Naysayers

Executives exhibiting hubris tend to fall into the trap of listening only to people whose opinions are compatible with their own. Indeed, such executives tend to build teams with members whose conception of the desirable closely resembles their own. Such behavior tends to promote “groupthink” that normally leads to inferior alternatives and decision making. Alternatively, such managers may surround themselves with sycophants who echo what they believe the leader likes to hear, even if they inherently consider the leader’s choices to be flawed. In 16th century Italy, Machiavelli observed: “Courts are always full of flatterers; men take such pleasure in their own concerns, and are so easily deceived, that this plague of flattery is hard to escape.”

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To combat the limitations of groupthink and sycophants, senior executives need to make sure that their team is composed of members with diverse backgrounds as well as functional areas. Just as important, the members chosen must have the integrity and courage to argue for alternatives that may differ from those preferred by the senior executives. In fact, superior alternatives and strategizing are often the outcomes of groups whose members have dissimilar opinions and who are allowed to openly discuss their views without retribution. Senior executives, however, must not only allow but also should encourage open discussions. Otherwise, even people of integrity and courage may be thwarted from fully contributing to discussions. Unfortunately, leaders often discourage open discourse. Napoleon’s first wife, Joséphine, for example, recorded in her memoirs: “... in his presence, no one had the right to hazard the slightest [contrary] observation.”

Appoint an Alter Ego

Senior executives may also benefit from an alter ego who can tell them when they are wrong. This
is especially important in organizations where personnel are inclined to normally go along with the leader. The person who plays the role of alter ego should also serve as a mediator and a sounding board. Preferably, such a person should be non-threatening to the senior executive, having developed a relationship of mutual trust. This alter ego must be respected by the top leader and not criticized for expressing different opinions.

Not only Napoleon’s confidant Caulaincourt, but most of his lieutenants, offered a host of reasons why Napoleon should not invade Russia. Napoleon invariably accused them of being timid, weak, and incapable of seeing what could be accomplished. However, following Napoleon’s departure from Russia, Caulaincourt found him far more willing to listen to what he had to say about the Russian campaign. Caulaincourt was in fact amazed by how frankly he could talk to the Emperor compared with the period before the campaign. Unfortunately, this willingness to listen came only after an estimated 570,000 casualties.  

Model Behavior That is in the Organization’s Best Interest

Senior managers serve as role models for others employed by the company. Consequently, they should display behavior that contributes to firm performance. Herb Kelleher, CEO of Southwest Airlines, is a maverick who, by example, has created a culture in which employees can do things differently. In 1971, Southwest had three planes serving three Texas cities. Today the company has over 240 aircraft serving 50 cities. This growth is largely the result of Kelleher’s leadership style, which values creativity and efficiency. As Kelleher puts it: “We’ve always [encouraged that] work be done differently. You know, we don’t assign seats. Used to be we only had about four people on the whole plane, so the idea of assigned seats just made people laugh. Now the reason is you can turn airplanes quicker at the gate. And if you can turn an airplane quicker, you can have it fly more routes each day. That generates more revenue, so you can offer lower fares.”

What Can Board Members Do to Control Hubris?

Monitor Executives for Signs of Hubris

We are hearing increasing calls for boards of directors, and especially outside board members, to take on a greater monitoring role in confronting the potential hubris of senior executives. The departure of Ronald Allen as CEO of Delta Airlines resulted when outside board members took such action. Allen had led Delta through a series of acquisitions and painful cost-cutting programs that made him look decisive but were costly to employees and customers. Allen had plans to buy Continental Airlines and to continue cost cutting. However, the board became disheartened by declining employee morale, which was detracting from customer service. The board also saw a need for Delta to revert to its strategy of disciplined internal growth rather than acquisitions. Allen was replaced by Leo Mullin, who promised that customers and employees would not take a back seat to the company’s stockholders.

Promote a Heterogeneous Corporate Culture

Boards should ensure that views that run counter to conventional wisdom are tolerated or encouraged, and should promote the use of a more decentralized organizational structure. Board members may also recommend that corporate codes of ethics and values be developed. Such codes should emphasize that firm decisions will promote the benefits of all stakeholders.

Develop a Strong Organizational Knowledge Base

As the world’s economy continues to prove both turbulent and extremely competitive, the information needs of firms will continue to change rapidly. Prevailing systems have done well in gathering information within organizations. But if internal reports are positive, managers may be prone to staying with simplistic formulas for success even if external conditions are changing, threatening the viability of the firm.

A Call to Action

In ancient Greece, hubris was considered a crime under Athenian law, and in Greek tragedy it was considered the greatest of sins, reflecting an arrogance growing out of a misplaced sense of one’s own abilities rather than the generosity of the gods. As we have seen, many historians have concluded that Napoleon fell victim to his own over-inflated sense of what he could accomplish, losing an army and an empire.

Financial and managerial markets also exact their own form of retribution for corporate hubris. People afflicted with corporate hubris often find it necessary to build an organization that reflects their narcissistic requirements through such con-
Table 1
Examples of the Sources of Hubris

<table>
<thead>
<tr>
<th>Sources</th>
<th>Napoleon</th>
<th>Executives</th>
</tr>
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<tbody>
<tr>
<td>Narcissism</td>
<td>Napoleon’s need for position and self-aggrandization to satisfy his narcissism.</td>
<td>Executives with hubris will seek out positions of power to satisfy their narcissism.</td>
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<tr>
<td>Recent successes</td>
<td>Napoleon’s hubris grew as his record of battlefield victories lengthened.</td>
<td>A record of outstanding performance permits an executive to rationalize his or her hubris.</td>
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<tr>
<td>Exaggerated accolades</td>
<td>Napoleon’s hubris fed on the adulation showered on him by the French people and press.</td>
<td>As executives receive praise from others and the media, their hubris is reinforced.</td>
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<tr>
<td>of others</td>
<td>Exemption from the rules</td>
<td>A sense of entitlement accompanies hubris in executives as they break the rules and get away with it.</td>
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Napoleon’s need for position and self-aggrandization to satisfy his narcissism. Napoleon’s hubris fed on the adulation showered on him by the French people and press. Napoleon regularly broke the rules that governed 19th century Europe, and his hubris grew as he got away with more and more.

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Exemption from the rules

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Table 2
Examples of the Implications of Hubris

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<tbody>
<tr>
<td>Confidence turns to arrogance</td>
<td>When Napoleon’s officers pointed out the perils of the Russian campaign, he called them timid and weak.</td>
<td>Executives with hubris appear to undertake mergers that are overpriced out of a sense that they know better than others what is best.</td>
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<tr>
<td>Relying on a simplistic formula</td>
<td>Napoleon assumed the quick, hard-hitting attacks that had worked before would subdue Russia.</td>
<td>Once executives believe they alone know the formula for success, they repeatedly trot out the same strategy regardless of circumstances.</td>
</tr>
<tr>
<td>Unwillingness to see the obvious</td>
<td>Napoleon systematically refused to recognize the differences between the Russian campaign and earlier campaigns.</td>
<td>Once absorbed with hubris, and convinced of infallibility, executives may become blind to signals of environmental change.</td>
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The most practical way to combat hubris in an organizational setting is to ensure that top executives are monitored by a vigilant board with a reasonable number of outside directors. In addition, organizations should work to establish cultural norms that encourage the membership to disagree without being disagreeable. Organizations

The most practical way for an individual to combat hubris is to be introspective enough to realize one will never have all the answers and that the counsel of others is vital. One must also realize that success in an organizational context results from a complex interplay of the organization’s various resources with the environment. While the leader may be a significant component in that success, it is dangerous to assume that the leader’s role is the only factor. Executives should also work to insure that they have at least one confidante who is in a position to speak the truth.
should also encourage the kind of continuous environmental surveillance necessary to avoid assuming that the future will conform to the predictable patterns that allowed for past glories.

Hubris does not affect every organization, but it is important to monitor for hubris because it can lead to devastating consequences. Boards must learn to distinguish between the confidence of an executive who, in the face of opposition, pursues an entrepreneurial vision, and the blind disregard of an executive suffering from hubris. Confidence and arrogance may be intertwined, as in the case of Napoleon, who was both a military genius and a slave to his own narcissism. However, the lesson of history is clear: All too often, successful leaders with many positive qualities become their own worst enemies by succumbing to their narcissistic inclinations and allowing hubris to cloud their vision. When an organization and its leader have achieved their ambitions, they must not allow hubris to erode their hard-earned accomplishments.

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Endnotes
5 Cate, op. cit.: 9–11
15 Barnett, op. cit.: 36–53.
20 The four sources of hubris we identify are derived from several works (which are listed below). As Hayward and Hambrick observe, there is no definitive set of factors that must always be present in significant amounts in order to engender hubris. However, there are clearly common threads that run through much of the hubris-related literature. We have distilled from that literature the four sources we have discussed. It would of course be unrealistic to assume that hubris can exist only in an intense presence of all four of the sources we discuss. However, it seems reasonable to conclude that greater degrees of the four sources of hubris will lead to elevated levels of hubris. Also see: Brockner, J. 1988. Self-esteem at work: Research, theory and practice. Lexington, MA: Lexington Books. Hayward & Hambrick, op. cit.: 103–127. Kets de Vries, The organizational fool, op. cit.: 751–770. Kets de Vries & Miller, op. cit.: 583–601. Salancik,


24 Tolstoy, op. cit.: 427.


26 Kets de Vries. The organizational fool, op. cit.: 765.

27 Kets de Vries & Miller, op. cit.: 583–601.

28 Ibid., 599.

29 Brockner, op. cit.

30 Barnett, op. cit.


38 James Carville, speech given before the student body and faculty of Louisiana State University, broadcast by CSPAN, November, 1992.


40 Kets de Vries. Philosopher-king, op. cit.: 342.

41 Barnett, op. cit.: 45.

42 Ibid., 182.

43 Nicolson, op. cit.: 180.


45 While the three behaviors we discuss here are not the only ones manifested by a hubris-infected executive, for the sake of brevity we address these three as they likely have the greatest strategic consequences for the firm. Another behavior not discussed that may manifest itself in someone imbued with hubris is abuse of authority that leads to the alienation and departure of valued employees. A charismatic leader who is also consumed with hubris may use his, or her, talents to achieve a position of leadership and trust, only to betray that trust when it becomes expedient to do so in order to satisfy his, or her, personal needs. Throughout his career, Napoleon betrayed those to whom he had made commitments when it became expedient to do so, including his first wife Empress Josephine. Please see: Sankowsky, op. cit.: 57–71.


47 Nicholson, op. cit.: 17.

48 Ibid., 18.

49 *Beverage World*, op. cit.: 92.


53 Keller, op. cit.: 21.

54 Ibid., 51.

55 Clapham, & Schwenk, op. cit.: 227.

56 Ibid., 227.


59 Kets de Vries. The organizational fool, op. cit.: 757.


62 Kets de Vries. The organizational fool, op. cit.: 757.

63 Nicolson, op. cit.: 162. The attentive reader may wonder at the 570,000 casualty figure, given that Napoleon entered Russia with an army of 500,000 and about 20,000 recrossed the Neiman River and escaped alive. However, several supplemental regiments of reinforcements joined the army at various points during the retreat, thus increasing the absolute number of men involved in the campaign. In addition to the 570,000 official casualties, there were many thousands of noncombatant casualties. Many of the officers brought with them wives, children, and personal servants who were not officially part of the army, but suffered the same fates as their husbands, fathers, and masters. In addition, early 19th Century armies were often accompanied by merchants who sold various items to the troops along the way, as well as by women camp followers, many of whom fared poorly, ibid., 172.


65 It is worth noting some scholars have argued that subordinate insiders will check the behavior of the CEO as they are natural competitors for control of the firm and their fortunes are tied to the firm’s. For these reasons, they will act to cause the replacement of the CEO by influencing outside board members when the CEO’s behavior is truly harmful to the firm. See Fama,
As organizations become more decentralized and move toward the use of self-directed work teams, decision making occurs at lower levels in the organization. This is especially true in organizations where empowerment exists. In such organizations, hubris at the corporate level may be less of an issue in that control of decision making is reduced.


Wilson, op. cit.

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