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CORPORATIONS: MANUFACTURING PSYCHOPATHS?

by

Dallen Stanley Hansen

**Thesis submitted in partial fulfillment
of the requirements for the degree**

of

DEPARTMENTAL HONORS

in

**Sociology
in the Department of Sociology, Social Work, and Anthropology**

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Abstract

The impact & harms of white-collar offenses (corporate crime) on society are severe, & cost society many times what violent offenses do. I argue the occurrence of corporate crime is a function of corporate culture and environment (Organizational Strain). According to some analyses, there is an increased prevalence of psychopathic personalities in corporate management positions. To study this, I analyzed data collected from 203 managers & executives at seven corporations with employees numbering 150 to 40,000 – using the Psychopathic Personality Inventory Checklist-Revised (PCL-R). I then conducted content analysis on independent biographies of four prominent, criminal CEO's to track the emergence of psychopathic personality traits. I posit that corporations not only attract primary psychopaths, but may foster the emergence of psychopathic traits in non-psychopaths as well (i.e. "secondary psychopathy"). My research focuses on the emergence of psychopathic traits in corporate management (secondary psychopathy), & suggests a theoretical basis for this happening.

Keywords: psychopath, anomie, organization, corporate crime, white-collar

Introduction

“While the suffering exacted by violent crimes should not be deprecated, it is also true that the loss of lives and dollars, from unsafe products, pollution, and price fixing, greatly exceeds that from all the Saturday night specials in America” (Green, 1985, pp. 689-704).

If the horror of crime was measured in lives and money, instead of violence, corporate crime would account for many of the greatest atrocities of mankind. An example is Three Mile Island, a nuclear power plant off the coast of New York City. A “meltdown” occurred (when the nuclear reacting material can no longer be controlled, causing temperature to escalate rapidly and dangerously). The meltdown culminated with 40,000 gallons of nuclear radioactive waste water dumped directly in the Susquehanna River. The cause of the meltdown was traced to faulty valves *that the manufacturer was aware of* in the nuclear reactor cooling rooms (Ford, 1982). Further recent examples include ENRON, where many employees lost up to 90% of their retirement assets (Dizikes, n.d.), and WorldCom, where Bernard Ebbers and other executives looted the company for over \$300 million, bankrupting it and thousands of employees (Carlson, 2005, p. 26).

Ray and Jones state in their research on corporate harm, “It is well documented that the financial costs, bodily harm, and death toll of white-collar offending far outweigh those of common street offending”(2011, pp. 370-391). Huge amounts of toxins from industry, linked to death and illness, are released into the environment each year in the United States (Burns, Lynch, & Stretesky, 2008). Moreover, most of the toxins produced are disposed of illegally (Friedrichs, 2007). Intentions to dump toxins – a known environmental carcinogen – are often made with complicit permission of boards, executives, and CEO’s (Ray & Jones, 2011, pp. 370-391).

Despite these actions, anger and personal violence seem to be left out of the atrocities of corporate crime, perhaps because the perpetrators—corporate decision-makers—are largely bereft

of the passions of “bloody crimes.” While corporate decisions are responsible for huge amounts of death, pain, and monetary costs (Green, 1985, pp. 689-704), the perpetrators are often not put on trial as murderers and savages; though they may have personality traits that embody those labels.

Existing research demonstrates a higher incidence of psychopathic personalities in corporate management positions. Findings from a study by Babiak et. al show there are more psychopaths in corporate management in the corporations studied than society at large (Babiak et al., 2010, pp. 174-193). My study asks why. Why do the corporations studied have a higher incidence of managers with psychopathic traits¹ than society at large?

Literature Review Theory

Creation of psychopaths in corporations has a very limited body of literature to draw from. There are not theories that have been applied to *why* there are more psychopaths in the corporations in question. As such, I will draw upon theories that address micro pieces of the macro picture. The foundational theory I will use is Anomie Theory (Durkheim (1897/1966); Merton, 1968). Martin, Cullen, Parboteeah, & Hoegl describe the theory as such:

Anomie theory...with its basic premise that cultural and social drivers result in conditions in which pressures for goal achievement through any means—legitimate or not—displace normative control mechanisms, provides a powerful foundation for investigating firm ethical behavior and decision making (2004).

Given this, I argue that the corporations referenced in this research create environments where “social drivers” are in place that overcome “normative control mechanisms.” That is, they create diagnosable psychopathy where none was present before, and may foster the emergence of psychopathic traits in non-psychopaths – a condition deemed “secondary psychopathy.”

¹ As measured by the Psychopathy Checklist-Revised (to be discussed further)

In this study, I first discuss existing psychopathy literature, including diagnosis, then corporate culture. I then describe the methods used to research the potential relationship between psychopathic traits and corporations. Finally, I present my results and discuss the implications of this research and questions for future research.

Psychopathy

“As in the words of the schizophrenic, so in the behavior of the psychopath there seems to work a positive knack for producing situations which can be accounted for only in terms of a psychiatric condition which is unique.” (Cleckley, 1988).

The best way to understand psychopathy is to understand the context in which a psychopath creates symptomatology – the collective symptoms of a disease – that is psychiatrically, and diagnosably, unique. To compare corporate decision-making and psychopathy, it is important to understand the choice patterns psychopaths make. Dr. Hervey Cleckley, the pioneer in psychopathy research, composed *The Mask of Sanity*, a seminal work describing psychopathy and diagnosis. In *The Mask of Sanity*, he sets down points of identification of a psychopath. The list includes,

1. “Superficial charm and good ‘intelligence’”
2. Absence of delusions and other signs of irrational thinking
3. Absence of "nervousness" or psychoneurotic manifestations
4. Unreliability
5. Untruthfulness and insincerity
6. Lack of remorse or shame
7. Inadequately motivated antisocial behavior
8. Poor judgment and failure to learn by experience
9. Pathologic egocentricity and incapacity for love
10. General poverty in major affective reactions
11. Specific loss of insight
12. Unresponsiveness in general interpersonal relations
13. Fantastic and uninviting behavior with drink and sometimes without
14. Suicide rarely carried out
15. Sex life impersonal, trivial, and poorly integrated
16. Failure to follow any life plan (Cleckley, 1988)

Cleckley's "points to look for" were heavily used in assessing psychopathy for many years. A main detractor for this assessment method was how quantitatively weak it is. As a solution, Dr. Robert Hare developed a Psychopathy Checklist (PCL), which has since been revised (PCL-R). The PCL-R attempts to remove subjectivity and increase reliance and validity in measuring and diagnosing psychopathy. The PCL-R is the eminent diagnostic tool for psychopathy. The PCL-R includes things such as "Callous/lack of empathy" traits, "Cunning/manipulative," "Failure to accept responsibility for own actions," "Grandiose sense of self-worth," and "Lack of remorse or guilt" as points of criteria for diagnosing psychopathy (Manual for the Revised Psychopathy Checklist (2nd ed.) (Hare, 2003)).²

The PCL-R is a diagnostic tool that analyzes a static moment – the actual time it takes to administer the PCL-R – of a subject's life, not their past actions and behavior. I am attempting to identify the time of *onset* of psychopathic traits and as such have used the PCL-R in a longitudinal approach by historically analyzing a subject's behavior. This allows me to utilize the PCL-R to discuss the environment that I believe has an influence on the individuals' behavior. Relating to environmental influences, I next turn to a discussion of corporate culture.

Corporate Culture

Brottman suggests that an integral facet of corporate culture is to get people to identify with the company they work for (2009, pp. 121-135). In the broad sense, "corporate culture" is a term used to describe the collective beliefs, value systems, and processes that provide a company with its own uniqueness and attitude (Alt & Shepsle, 1990, pp. 90-93). Alt and Shepsle also add that corporate culture is not only the expressed mission statement of the corporation, but also how it is handed down through inferiors (1990, p. 94). That is, a stated policy at a stock brokerage to not break the law would be superseded in action by a manager encouraging insider

² For more information on the PCL-R see "Manual for the Revised Psychopathy Checklist (2nd ed.)" Hare, 2003)

trading to gain more profit. The companies stated position becomes relegated behind the command “make money.”

Bringing Brottman back now, an employee that is striving to identify with their company would actually emulate and change behavior based on the environment they are in. Combine this with research from Martin, Cullen, Johnson, & Parboteeah (2007, pp. 1401-1422) which studies employees willingness to engage in corporate bribery to facilitate business deals, even against the explicitly expressed company policy not to do so, and we are left with individuals who attempt to conform to social roles via Social Learning. Thus, another facet of behavior is the mechanism of Social Learning. Social Learning is when an individual is operantly conditioned (an action = reward/punishment) via reinforcers (which could include money, social attention, approval, status, etc.) (Trahan, 2011, p. 99). As Anomie Theory states, social drivers encourage goal achievement “*through any means* [emphasis added].” (Martin, Cullen, Parboteeah, & Hoegl, 2004, pp. 1401-1422). The Social Learning message handed to employees is that “the ends justify the means.”

David Cooke and Christine Michie (2001, pg. 171) are useful in offering a clarifying description here of a facet of the PCL-R that relates Social Learning and Anomie Theory. They state, “[t]he affective and interpersonal items coalesce to form “the selfish, callous, and remorseless use of other” factor (Cook & Michie, 2001, pg. 171). This factor of the PCL-R may be the mechanism influencing Social Learning, and evidence of Anomie Theory’s social drivers that encourage corporate managers to behave psychopathically; “the selfish, callous, and remorseless use of others” may be influencing the reward system and social drivers the corporate managers experience.

Cooke and Michie (2001, pg.171) developed a “well-fitting hierarchical structure” where psychopathy overarched three “highly correlated symptom factors.” The factors are: “arrogant and deceitful interpersonal style, deficient affective experience and impulsive and irresponsible behavioural style (Cooke & Michie, 2001, pg. 171). The sub-specifications they include in their research are important for our purposes, and serve to further clarify, in more singularly identifiable behavior patterns, what corporate psychopathy looks like. The specifications are as follows:

The first factor was specified by *glibness/superficial charm, grandiose sense of self-worth, pathological lying, and conning/manipulative*, the second factor by *lack of remorse or guilt, shallow affect, callous/lack of empathy and failure to accept responsibility for own actions*, and the third factor by *need for stimulation/proneness to boredom, irresponsibility, impulsivity, parasitic life-style and lack of realistic, long-term goals* [italics added for emphasis]. (Cooke & Michie, 2001) (Cooke, Michie & Skeem, 2007)

Of particular note for this study are the conning/manipulative, callous/unemotional, and impulsive/irresponsible attributes.

Corporate Psychopathy and Secondary Psychopathy

“Not all psychopaths are in prison. Some are in the Boardroom” (Hare, 2003). Robert Hare, creator of the Psychopathy Checklist, Revised (PCL-R)³, made this casual statement while addressing a Canadian Police Association meeting,

Lee Iacocca was the CEO of Ford during the early 1970’s when he made an infamous decision not to halt production of Ford Pintos, even though the Pinto frequently ignited when involved in rear-end accidents. Lee Iacocca also neglected to announce Ford’s internal findings regarding Pinto combustion when involved with rear-end collision (Dowie, 1977, pg. 2). The stated opinion of Ford at the time was conveyed by J.C. Echold, Director of Automotive Safety for Ford. He wrote to the Department of Transportation, and said “the losses [of human life] are

³ For more information on the PCL-R see “Manual for the Revised Psychopathy Checklist (2nd ed.)” (Hare, 2003)

acceptable.” Additionally, Henry Ford II said at more than one press conference “Compliance to these [safety] standards will shut down the industry.” The cost of the “safety standards” that would “shut down the industry” for the Ford Pinto was \$11 a car (Dowie, 1977, pg. 2). A CEO and multiple executives, any of which could have halted the deaths for \$11/car, remained silent until forced to make changes.

According to Babiak et al. (2010, pp. 174-193), there is an increased incidence of psychopathic personalities in corporate management positions than occurring in the general population. Research was completed using seven companies, ranging in size from 150 to over 40,000 people worldwide, with the participants consisting of 203 managers and executives (77.8% males; 22.2% females) identified for participation in the management development (MD) program of their respective companies. Additionally, a community comparison sample was taken for control. The research showed that, in a community sample, the incidence of psychopathic personalities (labeled by achieving a score of 30 or higher on the PCL-R, “the common research threshold for psychopathy” (Hare, 2003)), is 1.2%, while in the corporate sample, the incidence was 5.9% (Babiak et al., 2010, pp. 174-193), showing nearly a 500% increase in psychopathic personalities in corporate management and executive positions than occurring in the general populace.

The literature suggests there is an increased incidence of psychopathic personalities and personality traits present in the corporate management of the corporations studied. My study seeks to test whether the corporate structure *creates* psychopaths, what is commonly called “secondary psychopathy” or “sociopathy,” to which I now turn.

Secondary Psychopathy

The consensus of literature on the subject of psychopathy is generally agreed that there is psychopathy – a thing that is born; primary, and there is something that is created; secondary.

David Lykken, a leader in the field of “created psychopathy” refers to the differences as “species of psychopath,” where there are innate qualities in a person that can propel them to inadequately, or not at all, socialize, or have periodic lapses in socialization and/or antisocial behavior, a condition he deems “secondary psychopathy”⁴ (Lykken, 1996, pp. 29-38). An example he uses to illustrate this is the homicidal violence of gang participation in inner cities. As he states:

[W]hen it comes to the homicidal violence of the contemporary inner city, we are dealing with very bad boys from very bad homes, kids who in most cases have suffered or witnessed violent crimes in the past. These juveniles are not criminally depraved because they are economically deprived; they are totally depraved because they are completely unsocialized. —J. J. Dilulio, Jr., 1995 (Lykken, 1996, pp. 29-38).

It can be said then, that an obvious allusion to differences between *primary* psychopaths, and *secondary* psychopaths is etiology; primary’s and secondary’s have different starting points, same results. That is, primary’s are so called because they are “born that way.” Secondary’s, contrastingly, are so called because they are *made*. Lykken and others identify a breakdown of socialization as the root cause for these individuals exhibiting psychopathic traits, and indeed, being clinically diagnosed as “psychopathic” (Lykken, 1996, pp. 29-38).

Lykken speculates, primary’s don’t lack all emotional conditions, largely they just lack anxiety or fear. In contrast, some people have very high fear quotients, and are very well constrained by fearful inhibitions. It is noteworthy that such individuals are especially unlikely to become juvenile delinquents or adult sociopaths (Lykken 1996, pp. 29-38).

This suggests individuals with low fearfulness have a higher chance of not moderating psychopathic tendencies, whereas, individuals with high fearfulness have a lower chance of even becoming juvenile delinquents or adult sociopaths. Lykken speculates that punishment works by inciting fear in those impulses toward antisocial behavior. So much so, that when some

4 Note that Secondary Psychopaths are often called Sociopaths, because Society created them instead of Biology (as is generally accepted to have created Primary Psychopathy) – the terms are used interchangeably in this paper.

motivation comes along – “when temptation knocks” – someone who has low fear will respond much less to socialization attempts based in fear (Lykken, 1996, pp. 29-38).⁵

Lykken’s theory built on several other existing theories of the sub-types of psychopathy ((Poythress & Skeem, 2006, pp. 173-192) by linking it with Gray’s (1987; Gray & McNaughton, 1996, pp. 61-134) biological model of personality.

The two central components of Gray’s model are the BIS [Behavioral Inhibition System], which regulates responsiveness to aversive stimuli and is associated with the experience of negative affect (including anxiety), and the BAS [Behavioral Approach System], which regulates appetitive motivation and is associated with the experience of positive affect (and impulsivity). Deficits in these systems may indicate distinct constitutional abnormalities that underlie primary and secondary psychopathy (Poythress & Skeem, 2006).

A good way to think of the BIS and BAS, are the brakes (BIS) and gas pedal (BAS) of a car. The destination is the same – psychopathy/sociopathy – but the means of getting there are different. In research on gambling behavior, it is shown the high BAS [gas pedal] and low BIS [brake] group made the most risky decisions after a winning experience, while the low BAS and high BIS group made more non-risky decisions after a losing experience. Scaled measurements of the results showed the high BAS groups bet larger amounts and had higher confidence levels in a losing condition (Kim & Lee, 2011).

Not only did the high BAS group (gas) make riskier bets after a win, they made riskier bets after a loss as well; that is, *regardless of the outcome*, they had riskier behavior, a trait highly correlated with secondary psychopathy (or sociopathy).

⁵ David Lykken ends this quote by saying, “Harder to socialize” does not mean “impossible to socialize” (Lykken, 1996). This is an integral piece of this research, specifically, that low fearfulness does not guarantee psychopathy, nor does high fearfulness *prohibit* psychopathic traits manifesting as “sociopathy” or Secondary Psychopathy. This is integral to understand that even individuals with high fearfulness can exhibit psychopathic traits (Lykken, 1996).

Fowles adds that primary psychopaths may not be well constrained (underactive BIS), and do not experience anxiety that would cause most people to avoid situations where they will not be rewarded (Fowles, 1980, pp. 87-104; Fowles and Missel, 1994, pp. 263-283). In contrast, Lykken states that secondary psychopaths may just be overstimulated, that is, have normal inhibition systems (BIS) and oversensitive activation systems (BAS) (Lykken, 1995, pp 160-161).

Thus, while the primary psychopath may have a weak BIS, or brakes, the secondary psychopath (sociopath) may possess an overactive BAS. It is crucial to emphasize that the secondary psychopath *has* brakes. Their brakes are just simply not adequate for their gas.

If Secondary Psychopaths are created, Anomie Theory suggests a Secondary Psychopath could be created if the social drivers were strong enough to motivate them to behave contrary to their social learning as a whole (sum of good and bad consequence experiences). Above, Lykken suggests that a breakdown of socialization is the root cause for this behavior. I posit that an individual will succumb to social drivers that encourage psychopathic behavior *if* their social learning conditioning allows the positive (reward) consequences to outweigh their negative (punishment) consequences sufficiently to cause a disregard by the individual for the negative consequences. With this, it is clear the corporate management structure of the firms studied must provide enough reward for behavior, even if such behavior is psychopathic, and mitigate punishment, that the managers' social drivers can motivate them sufficiently to overcome negative social learning experiences.

Methods

Study Context

Identifying the emergence of psychopathic personality traits requires a longitudinal approach, to look at whether a person was not psychopathic before an event. In this study, the

“event” is the transition from “before” an individual’s entrance into the corporate management culture to “after.” “Before” is the individual’s life prior to corporate management, “after” is the individual’s life from the time of entrance into corporate management until exit.

The participants for this study were chosen based on two criteria: 1) the individual had to have *at least two* biographies written about them that have concordant information (both biographies contain the same information) regarding the aspects studied. Book biographies are the preference as they will include more description of the individual’s life. Articles will be used in the absence of books. 2) The individual studied has been held directly responsible, either legally (if prosecuted criminally or civilly) or through their own admission (via news conference, email correspondence, memo, etc.), for a psychopathic action of a corporation (according to the PCL-R).

I examine CEO biographies to determine onset of psychopathic traits among corporate managers. CEOs were selected as examples of “corporate management” based on availability of multiple biographical data, not a requirement that a generic corporate manager could feasibly fulfill, as well as Dutton’s research suggesting CEO’s are number one on the list of professions with psychopaths (2012), facilitating criteria number two to be more easily fulfilled – the individual has been held responsible for a psychopathic act of a corporation.

To investigate whether psychopathic traits are fostered by corporate culture, I chose CEO’s whose behavior has a higher chance of being psychopathic and then through content analysis of biographies attempted to discover whether these traits⁶ were present for a lifetime, or began presenting after entrance into corporate management.

⁶ The words “trait,” “traits,” “factor,” and “factors” are used interchangeably throughout the rest of this paper as the presence of a trait makes positive the presence of a factor, thus, they confirm each other, where one is present, the other is as well.

This study will be examining CEO biographies to determine onset of psychopathic traits. The available biographical data was as follows: Martha Stewart: two biographies, journal articles, four pages and eight pages; Kenneth Lay: two biographies, journal articles, fifteen pages and six pages; Lee Iacocca: two biographies, journal articles, three pages and seven pages; Bernard Ebbers: two biographies, journal articles, three pages and one page. Given that 22.2% of participants in the Babiak et al. study were female, the four individuals in this current study will mirror the gender ratio of Babiak et al.'s initial study participants, about 4:1.

It is important to have two separate sources that are independently reporting concordant information to eliminate bias that could arise from a vindictive biographer skewing information, or reporting behavior in an especially vilifying manner. With the addition of every independent source (not written or collaborated by same authors) being analyzed for concordant information, the chance of relying on a bit of information that is incorrect is reduced.

Selecting participants that fulfill the two-point selection criteria produced the following results:

1. Martha Stewart: as CEO of Martha Stewart Living Omnimedia Inc. Ms. Stewart was found guilty on four counts of conspiracy, obstruction and making false statements (Staile, 2004, pp. 315-332).
2. Kenneth Lay: as CEO of ENRON – an energy brokerage, Lay was convicted of purposefully *causing* rolling blackouts in California during winter months to drive up energy costs. Dozens of deaths were attributed to lack of power. Additionally, ENRON's eventual collapse forfeited over 90% of employees' pension plans they had been paying into, sometimes for decades (Dizikes, n.d.).
3. Lee Iacocca: he was CEO of Ford Motor Co. during the Pinto scandal of the 1970's. During this time, Lee Iacocca was aware of Ford's internal findings that Pinto's had a much higher than average likelihood of exploding upon rear-end collisions. He misled government regulators pertaining to those findings and continued to produce and promote the Ford Pinto during this time. The cost of the part to fix the Ford Pinto's susceptibility to explosion in rear-end collisions was \$11/car (Dowie, 1977).
4. Bernard Ebbers: as CEO of WorldCom, convicted of conspiracy, securities fraud, and false filings with the Securities and Exchange Commission after committing one of the largest accounting frauds in U.S. history (Carlson, 2005, p. 26).

To see if behavior of the above CEOs changed from before corporate management to after corporate management in the CEOs studied, I conducted content analysis of the selected CEO biographies. I analyzed the biographies for terms and phrases that included traits that Cooke, Michie, and Skeem identify in their three-factor theory within the PCL-R; “arrogant and deceitful interpersonal style, deficient affective experience and impulsive and irresponsible behavioural style (2007, pp. 39-50). The PCL-R items that correspond to each of the three factors, respectively, are:

The first factor was specified by *glibness/superficial charm, grandiose sense of self-worth, pathological lying, and conning/manipulative*, the second factor by *lack of remorse or guilt, shallow affect, callous/lack of empathy and failure to accept responsibility for own actions*, and the third factor by *need for stimulation/proneness to boredom, irresponsibility, impulsivity, parasitic life-style and lack of realistic, long-term goals* [italics added for emphasis]. (Cooke & Michie, 2001, pg. 171) (Cooke, Michie & Skeem, 2007, pp. 39-50)

The biographies were divided in two parts and analyzed separately: “before” the CEOs entered corporate management and “after” they entered corporate management. The number of times CEO behavior is described in the biographies with PCL-R traits was tallied from each section and compared.

The content analysis process will be conducted by electronically searching the biographies for the key terms from Cooke, Michie, and Skeem’s three-factor model hierarchical structure of the PCL-R (2001, pp. 39-50). The terms will first be searched exactly as they appear in the PCL-R (i.e. “glibness” will be searched, as well as “superficial charm,” “grandiose sense of self-worth,” etc.). Many of these terms are not common in normal usage. After searching the documents with the original terms, the two most commonly used synonyms that Merriam-Webster and Dictionary.com thesaurus’s supplied for each of the original terms was used to

search the document electronically.⁷ Simple coding of “yes” or “no” was used to denote the presence or absence of the searched traits. The three factors are listed on the table with the accompanying traits they overarch and patterns will be noted. See Table 1 for an example of the content the data collection table will encompass.

⁷ Commonality of synonyms established by selecting online thesaurus' Thesaurus.com and Merriam-Webster.com top two results that are in common with each other.

Table 1 ²

CEO Name	Biography 1		Biography 2	
	Before	After	Before	After
Arrogant & deceitful interpersonal style <ul style="list-style-type: none"> • glibness/superficial charm: <i>nonchalant, offhand</i> • grandiose sense of self-worth: <i>affected, ambitious</i> • pathological lying: <i>no synonyms</i> • conning/manipulative: <i>deceive, defraud</i> 				
Deficient affective experience <ul style="list-style-type: none"> • lack of remorse or guilt: <i>guilty, bad conscience</i> • Shallow affect: <i>cursory, depthless</i> • Callous/lack of empathy: <i>desensitized, heartless</i> • Failure to accept responsibility for own actions: <i>no synonyms</i> 				
Impulsive & irresponsible behavioural style <ul style="list-style-type: none"> • need for stimulation/proneness to boredom: <i>tedium, weariness</i> • irresponsibility: <i>foolhardy, faultless</i> • impulsivity: <i>driven, obsessive</i> • parasitic life-style: <i>freeloader, sponge</i> • lack of realistic, long-term goals: <i>no synonyms</i> 				

² - synonyms in italics

Results

The data does suggest there is a mechanism at work in the corporate culture structure that encourages the emergence of psychopathic traits in corporate management positions. While there are no cases where both biographies reported concordant information, uniform across all CEO biographies is the lack of psychopathic traits before entering corporate management. (Table 2 (before) and Table 3 (after))⁸. That is, there is a complete absence of any psychopathic traits in the content analysis “before” entering corporate management. The results also show there is presence of psychopathic traits “after” entering corporate management by three of the CEOs analyzed (Stewart, Lay, and Iacocca). This result begins to provide support for my theory that corporations foster the emergence of psychopathic traits.

⁸ However, in the data collection, it is important to note that in no cases was one biography (you are not running statistics on this, don't have a big enough # to do so) skewed toward describing psychopathic traits. That is, the content analysis of the biographies, though not concordant, produced differing psychopathic traits at an equal degree.

Table 1 Before Entering Corporate World

CEO	Arrogant & deceitful interpersonal style	Deficient affective experience	Impulsive & irresponsible behavioural style	Psychopathic?
Martha Stewart	no	no	no	no
Kenneth Lay	no	no	no	no
Lee Iacocca	no	no	no	no
Bernard Ebbers	no	no	no	no

Table 3 After Entering Corporate World

CEO	Arrogant & deceitful interpersonal style	Deficient affective experience	Impulsive & irresponsible behavioural style	Psychopathic?
Martha Stewart	no	YES[±]	YES[±]	Possible ⁹
Kenneth Lay	YES[±]	YES[±]	no	Possible ¹⁰
Lee Iacocca	no	no	YES[±]	Probably Not ¹⁰
Bernard Ebbers	no	no	no	Evidence Does Not Support

± Only in One Biography

Out of three total PCL-R factors, the results also produced only one factor that had less than two affirmative results produced among the four CEO's. The factor, "Arrogant and deceitful interpersonal style" had only one positive result out of the four CEO's (attributed to Kenneth Lay). Out of the two CEO's that exhibit two factors (Martha Stewart and Kenneth Lay), it is the female that does not have the factor "Arrogant and deceitful interpersonal style."

⁹ The term "Possible" is used in evaluation of PCL-R test results to indicate a "borderline" or "present but not detected this time" state of psychopathy.

¹⁰ The PCL-R evaluation does not have a label for scores this low. As such, I subjectively labeled this result.

In relation, the factor the male is negative on – Factor 3 – is “Impulsive and irresponsible behavioral style.”¹¹ Interesting to note there may be an interaction of gender and perceived appropriate gender roles at play, implying that gender roles are still active among psychopaths, and that the development of psychopathic traits does not homogenize individuals across all facets of their being, but is instead perhaps another aspect of their personality, like gender.

Implications for this will be discussed further in the “discussion and conclusion” section of this paper.

Discussion and Questions for Future Research

The data is suggestive of some mechanism of change going on from “before” corporate management to “after.” This provides some evidence that corporate culture creates an environment that fosters the emergence of psychopathic traits in individuals that were previously non-psychopathic. This is evidenced by the uniform lack of any psychopathic traits exhibiting among the CEOs’ biographies before corporate management, and a total of five affirmatives (tallied among all CEOs) on PCL-R traits after entering corporate management. This result could be the process that Organizational Strain describes. That is, social drivers in the corporate culture may be stimulating the activation systems (BAS) of these CEOs via reward. It is possible that as the reward grows, the CEOs are stimulated beyond how they are inhibited (BIS), and commit acts that previously in their life they had not.

Shortcomings of this interpretation are the seemingly conflicting results concerning reward or stimulation amount required to commit a crime. Martha Stewart’s monetary stimulation (~\$45,000) was relatively low compared to Kenneth Lay’s (\$300 million), Lee Iacocca’s (millions), and Bernard Ebber’s (\$300 million), yet she still committed crimes that

¹¹ Also to note is the sole CEO who had only one positive factor, Lee Iacocca, was positive on factor 3, “Impulsive and irresponsible behavioral style.”

returned affirmatives on the PCL-R. This is consistent with research that suggests that psychopaths often react to how something fits with their self-perception, that in fact, a psychopath would be as likely to steal as earn money if they received the desired result (Lykken, 1995, 1996, pp. 29-38). Perhaps Martha Stewart's perception of \$45,000 is affectively no different than Kenneth Lay's perception of \$300 million. However, the analysis and results on Bernard Ebbers confuses this possibility.

Bernard Ebbers' crimes were very profitable (he and another executive looted WorldCom for over \$300 million), yet he has *no* factors of psychopathy. Concerning this, it is either possible that Bernard Ebbers has no elements of psychopathy and looted WorldCom into bankruptcy, or, it is possible that evidence of psychopathy does exist in Bernard Ebbers historical data and either a) the terms in the Bernard Ebbers' biographies I analyzed that suggest psychopathic traits were not terms searched, or b) the historical data was too lean and did not have much description. As Bernard Ebbers' biographical data was the shortest of the four CEOs, it is likely the historical data was inadequate. A way to investigate this further in future iterations of this research is to use longer biographies of Bernard Ebbers and all CEOs. None of the biographies used for the CEOs were book-length. Using more in-depth biographies would allow for a greater historical description of the CEOs lives both before and after corporate management; additionally, adding more terms to the content analysis would improve the sensitivity of the analysis.

Continuing with interactions regarding monetary value of crimes, Martha Stewart's actions were not publicized as affecting a widespread victim base, whereas, all three others bankrupted tens of thousands (Lay and Ebbers) or resulted in multiple deaths (Iacocca). This suggests that a gradient quality may exist in psychopathy where a person has psychopathic traits,

but on a level lower than another who may possess the same traits, thus a difference in how brutal the choices based on their differing psychopathic intensities would be. This is a potential question for future research: how intensely one scores on the PCL-R relating to how brutal their psychopathy manifestations are. Additionally, it is possible that differing PCL-R traits manifest in brutality of psychopathic behavior differently. In which case, a relatively high aggregate score composed of numerous “less brutal” traits could potentially result in less brutal psychopathic behavior than a lower aggregate score composed of few very brutal traits. The mechanism of how traits are weighted on the PCL-R in relation to brutality of behavior may address the subjectivity dilemma of scoring in this content analysis. If I improved the sensitivity of the content analysis in future iterations of this study, I would be able to use PCL-R gradient scoring (numerical scale where “30” is “psychopathic,” but intensity is also measured; higher scores are weighted more heavily psychopathic than lower scores instead of “30”=psychopathic and “29” and below=normal), instead of “yes/no” in tallying results. This would allow a greater depth of information in evaluating results and seeing patterns.

Relating to the biographies themselves, regarding differing “before” and “after” patterns in the results could be the perception of the biographers. All biographies were written after the CEO was convicted of a crime and adequate details of such existed to include in the biographies. This may have skewed the biographers to automatically write in a harsher or more condemning tone when describing the respective CEOs’ business lives. This may be controlled by employing a third biography that was written before the CEO was convicted or otherwise charged with a crime, or, ensuring that one of the two biographies met this criteria.

Despite these limitations, the current study adds to the body of literature by providing some evidence that shows patterns between corporate culture and onset of psychopathic traits,

suggesting corporate culture may foster the emergence of psychopathic traits. That is, there appears to be mechanisms at work that foster the emergence of psychopathic traits. In addition, while there appears to be a relationship between corporate culture and the onset of psychopathic traits, the mechanism of Organizational Strain has not been conclusively shown to be at work here. Thus, a topic for future research would be to identify what social drivers exist (Anomie), and in what ways corporate managers are being reinforced via Social Learning that contributes to psychopathic traits manifesting when an individual enters corporate management.

Additionally, upon presenting my research at a conference, it struck me that since the content analysis does not actually require a person to be psychopathic, as criminality is not a requirement of diagnosis in Michie & Skeem's 3-factor PCL-R diagnostic model that I used in this study, that I am merely looking for psychopathic *traits*, this study could be applied to any person who has a sufficient historical record written about them. CEOs with more robust historical data could be used (Steve Jobs, Bill Gates, Warren Buffett, Donald Trump)¹². Future research would not be limited by whether the person was a criminal.

As mentioned above, a modification of this study for future research would be a more rigorous examination of test subjects' historical past by using longer biographies. Also, increasing the number of Factor/Trait synonyms used to five would increase the sensitivity of the content analysis, allowing for more specificity in determining onset of psychopathic traits. Changing the tally system from "yes" and "no" and instead indicating numerically how many times a Factor/Trait showed affirmative would strengthen the analysis as well and allow for a closer comparison of the results to the actual PCL-R scoring system.

¹² In fact, future research could perform this study on any person of interest who has significant historical records written about them. This study format could be used to analyze how *any* organization affects a person and the fostering of psychopathic traits.

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