Organisational Narcissism: A Review of the Indicators in the Major Australian Banks

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Abstract

Purpose: The purpose of this paper is to explore indicators of organisational narcissism in the four major Australian banks. With investigation encompassing the CEO letters to shareholders and the vision/mission statements of the respective banks. The paper develops an alternative model for considering influences which impact on corporate culture and culminate in the evolution of organisational narcissism.

Design/method/approach: The approach used in this paper involves the application of a form of content analysis focusing on the CEO letters to shareholders and the vision/mission statements of the respective banks.

Findings: The existence of a narcissistic organization is a product of the capitalist society with its focus on the need to succeed against all competition. The subsequent organizational culture inevitably becomes narcissistic and in turn the employees at all levels are subject to indoctrination.

Originality/value: The findings from this study addresses a gap in the literature and provides for future comparative studies be conducted on the engagement of students with social networking sites to better understand internet addiction.

Keywords: Organisational narcissism; Chief Executive Officer; corporate culture; content analysis.

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Introduction

The global financial crisis is the culmination of various activities which have occurred in the financial arena and in particular in the banking sector. From the earlier collapse of the Barings Bank (Greener, 2006; Brown, 2005) through to the demise of many financial institutions such as, Fannie Mae (Federal National Mortgage Association) and Freddie Mac (Federal Home Loan Mortgage Corporation), which were the result of the sub-prime market manipulation of financial instruments again related to derivatives (Laing, 2011; Frame & White, 2005). The banking sector in Australia was deregulated as a result of the floating of the Australian dollar in December of 1983, and the granting of forty new foreign exchange licences in June of 1984, then the granting of sixteen banking licences to sixteen different foreign banks in February of 1985 (Valantine, 1990). Since 1990 the large Australian banks have reduced the number of branches and staff – and continue to do so - just how this relates to improved services is something of a quandary however it does relate to increasing profits and perhaps that is the most significant determinant for these decisions. Government intervention, in Australia, has followed a pattern of introducing legislation to address financial difficulties faced by the banking sector (Thomson & Abbott, 2001).

In the current climate a significant shift has occurred in the relationship between the Australian banks and the Reserve Bank of Australia (RBA). The Reserve Bank of Australia has, up until 2011, set the market interest rate for cash and the banks would then dutifully follow the rate that had been set. This has now changed with the Major Australian banks ignoring the Reserve Bank of Australian and instead determining their own interest rates. This is a further example of the extent to which the banking sector in Australia has set forth on a road which pays little to know attention to the Australian Government that has supported and provided legislative protection in times of financial crisis. A prime example of this new and alarming trend was reported in the financial press in 2010:

“WHEN Commonwealth Bank boss Ralph Norris made a courtesy call to Treasurer Wayne Swan minutes after the Reserve Bank’s rate rise to alert him to his own super-sized intentions, it was interpreted in Canberra as the banks giving Swan — and taxpayers — the bird.

Not only did it turn a fractious relationship between the banks and politicians toxic, it turned bank against bank. This was nowhere more evident than when NAB chief Cameron Clyne distanced himself from the behaviour of his peers — but in doing so made public a squabble in what is normally a discreet club.

The relationship between banks and politicians has never been easy. Various spats have erupted over branch closures, staff cuts and poor strategies in the 1980s that culminated in the near collapse of ANZ Bank and Westpac. But the latest stoush has gone nuclear.

As former ANZ chief executive John McFarlane told The Age: “... the privileged position of being a bank brought with it a need to recognise that all banks have a reciprocal duty to society to act fairly, over and above responsibilities to shareholders.”

On Friday, ANZ announced it would raise interest rates on standard variable home mortgages by 0.67 per cent despite the Tuesday announcement by the Reserve Bank of Australia to hold overnight cash rate at 4.25 per cent. Westpac announced on the same day a 0.1 per cent interest rate increase, while Commonwealth Bank and National Australia Bank are expected to launch their own rate reviews.


The point should be made that corporations are not independent from the people that own and manage them, they are by virtue of this social structure artificial entities with what may be thought of as a form of artificial intelligence and their own identity (Whetton, 2006). That is they are the result of the collective intelligence of those people that form the very essence of the corporation. The key people in this structure are the management, as they
provide the leadership, and the most dominant of these is the Chief Executive Officer. It is the CEO who has the greatest influence over the corporation’s strategic direction or as Duchon and Drake (2008) posit the personality of the CEO is responsible for the personality of the corporation. That is the corporate identity is aligned with the personality of the CEO, specifically the culture and the image of the corporation is the result of the level of input exercised by the CEO (Hatch & Schultz, 2002). This bold action on the part of the CEO’s is an example of just how far they are prepared to go to exert their power and flaunt government regulation. In this regards the actions of the CEO’s may be indicative of a deeper or more broadly form of organisational narcissism.

Amernic and Craig (2010) argued that the confluence of power in the hands of the Chief Executive Officer (CEO) of a corporation was a relevant issue particularly where the CEO exhibited a strong tendency towards narcissistic attributes and therefore a desire to control the financial accounting and reporting process. To test this Craig and Amernic (2011) conducted a study of the letters by CEO’s to shareholders and found linguistic traces of narcissism that had the potential to provide insight into aspects of corporate leadership as well as the ambient ethical culture that had grown within a corporation.

This paper provides an analysis of the CEO letters along with the mission/vision statements from the four major banks in Australia to explore the linguistic indications of narcissism on an organisational level. It is not the intention nor the objective of this research to diagnose the psychological state of mind any of the CEO’s. In keeping with the work of Craig and Amernic (2011, 573) the intention is to simply explore the language used in dealing with the various stakeholders of the company.

**Literature Review**

**CEO Narcissism**

Appointment to a senior management position provides the person with an opportunity to exert influence and control through the financial accounting system (Anand, Ashforth & Joshi, 2004; Bratton, 2002; Swieringa & Weick, 1987). The senior management serve as role models for their subordinates and exert influence in the development of the corporate culture (Goleman & Boyatzis, 2008) in which the staff become collaborators who simply follow the leader (Clements & Wasbush, 1998). This behaviour of following the leader was examined by Kelley (1992) and was found to be most prominent where the subordinates were characterised as having the attributes of a conformist (that is one who is actively involved and yet dependent as well as an uncritical thinker) or passivist (that is one who is passively involved and yet dependent as well as an uncritical thinker).

The literature indicates that the personality of senior management is intrinsically linked to the corporate culture. Research has found that many high profile CEO’s have been identified as displaying numerous traits associated with narcissism (Chatterje & Hambrick, 2007; Maccoby, 2003; Kets de Vries, 1994). This in itself may not be surprising since the characteristics which are most aligned with being successful are also traits associated with Narcissism. The term is used to describe a person who possesses an extreme love of self, a grandiose sense of self-importance, and a powerful sense of entitlement. The American Psychiatric Association (2000) defined narcissism as a personality disorder. According to the Diagnostic and Statistical Manual of Mental Disorders (DSM-IV, 1996) to be clinically diagnosed as having narcissistic personality disorder, an individual must display at least five of the nine symptoms which are listed as (stated in abridged form):

1. A grandiose sense of self-importance;
2. Overwhelming fantasies of unlimited success, power, beauty or ideal love;
3. A belief that they are special and unique;
4. An excessive need for admiration;
5. A sense of entitlement;
6. A propensity to exploit others to achieve their own ends;
7. A lack of empathy towards others;
8. A profound enviousness of others and a belief others are envious of them; and
9. A tendency to show arrogant or haughty attitudes and behaviours.

Individuals may be categorised according to the level of narcissism they exhibit or otherwise display in their behaviour in regards to leadership or decision making (Craig & Amernic, 2011). For example, where the level is categorised as being constructive (Craig & Amernic, 2011) that is ‘not too much and not too little’ the narcissism has been described as being constructive (Kets de Vries, 1994, 2004); productive (Maccoby, 2003); reparative (Glad, 2002), or healthy (Brown, 1997). By contrast, where the level is categorised as being destructive (Craig & Amernic, 2011) that is ‘excessive’ the narcissism has been described as being reactive (Kets de Vries, 1994, 2004); destructive (Lubit, 2002); non-productive (Maccoby, 2003); malignant (Glad, 2002); or pathological (Brown, 1997).

As the identification of narcissistic traits is closely aligned to an individual’s personality the symptoms are likely to be evident in the rhetoric they use to project their own image. In the case of CEO’s the persona they project to the public is most evident in the letters contained in the annual reports. Prior research has used the CEO letters to examine their content in order to address a variety of issues. Kohut and Segars (1992) examined the different patterns in the communication strategy of firms high versus low performing firms, and found a distinct difference between the themes contained in the CEO letters. Prasad and Mir (2002) examined the CEO letters of the major US oil companies and reported the existence of a common link between terminology used, words and context, with the style and motive at a time when the oil industry was seeking to project an image of legitimacy and commitment to civic responsibility. Crombie and Samujh (1999) found that the CEO letters were designed to emphasise and reinforce a positive image even when negative issues were included. Such negative issues were addressed usually as problems for which a solution was at hand or being implemented. The literature has highlighted that the CEO letters do and can provide a valuable source of information about the corporate image which the CEO wishes to convey to the public.

The CEO letter is according to research the most commonly read part of any company annual report (Lee & Tweedie, 1975; Courtis, 1982). Such is the power of the CEO letter to create a positive corporate image (Hyland, 1998) that projection of a successful image in the CEO letter has been found to take priority over the need for accurate and useful information by shareholders (Cross, 1990). While concerns have been raised that the letter may be written by public relations employees Bowman (1984) found that CEO’s actually devoted considerable time to the content proofreading and making changes that reflected their own personal views. Craig and Amernic (2011, 566) presented an argument based on four pillars to justify the value of the CEO letter. Of the four pillars the one which stands out as the most compelling is the fact that the CEO letter is required by legislation, in Australia this is the Corporations Act, and as such the CEO is legally responsible for the content.

Organisational Narcissism

In much the same way as individuals can exhibit characteristics of narcissism organisations can evolve structures and procedures institutionalise a sense of identity and legitimacy that supports and encourages narcissistic behaviour (Brown, 1997). Subsequently, the attributes associated with narcissistic behaviour in individuals can also be traced to organisational behaviour. Stein (2003) suggested that these are manifested in terms of five characteristics:

1. Employees of a narcissistic organisation will believe the organisation to be extraordinarily special and unique;
2. Employees will believe the organisation is all powerful and anything of potency legitimately belongs to it;
3. The organisation believes it is omniscient with access to all information internal and external relevant to the organisation;
4. The delusion of narcissism allows the organisation to be dismissive of other organisations, people and information and treats them with contempt;
5. These attributes become so pervasive that they become permanently imbedded in the organizational operations, psyche and are manifest in group think.

Through the use of spokespeople, marketing and or public relations, they deny facts and present created plausible justifications for their actions. They tend to rationalise and endow
themselves with claims of righteousness due to their uniqueness. This can be manifested in the letters by CEO’s making claims of uniqueness with annual reports that promulgate explanations of their actions, assuming continued success, with an entitlement to exploit resources, customers, employees, and other organisations (Brown, 1997).

An organisation in particular a corporation has been granted the legal status of a living person. This anthropomorphism is a matter for concern since it implies that an organisation may indeed have the capacity to act and develop a form of personality. On this issue Machen (1911) made the point that a corporation by its very existence as an artificial person could be described as having a personality, the analogy he used was that an artificial lake was not an imaginary lake and that a corporation could not therefore be recognised by law as an artificial person without being considered to have any less a personality than a living person. This early argument was more about semantics of the terminology used in the legal system at the time this was specifically, the personification of corporations which had been enshrined in Dartmouth College vs Woodward, 17 US 518 (1819) Mark (1987). It was the advent of the theory of a corporate culture that more appropriately established a basis for understanding the nature and existence of an organizational personality. Corporations when viewed from the perspective of a complex adaptive system, exhibit indicators of biocharacteristics, which add to the argument that corporate culture is effectively an artificial personality with the corporation having a life of its own.

Organizational narcissism is logically explained through the literature and research as being aligned with corporate culture. Conceptually, the organization, in particular a company or corporation, can be broken down into its segments and the relationship to corporate culture is depicted in Figure 1. Whilst the shareholders do not directly determine the corporate culture they do exert some degree of influence through the board of directors that they elect to oversee the governance of the organisation/corporation. The board of directors exert a greater degree of influence by selecting and appointing the top level management. The top level management in turn exert the most significant influence in establishing corporate culture since they set the strategic direction of the organisation and the manner in which it is to operate in order to achieve the strategic goals. Middle level and line or operational level management may have some limited input into the formulation of strategic goals however, they serve more as a conduit for the implementation of the strategic goals. Subsequently, the corporate culture encapsulates the board of directors and goes all the way down to the staff or general employees.
Corporate culture is about the identity of an organisation developed through its distinctive preferences, comments and practices (Whetton, 2006). Most of the research into corporate culture has focused on theories such as Stakeholder theory, and agency theory. However, in this paper the concern is about examining the development of personality issues within the corporate culture. To that extent the theories are more concerned with examining the dynamics that explain the eventual creation of organisational narcissism. The identity of an organisation is embodied in the belief system that influences all staff as to how they should behave, what they should be as part of the collective (Hatch & Schulz, 2000; Schein, 1992). In this way corporate culture becomes the social mechanism that is passed on to all new staff members so that they are indoctrinated into the corporate cultural beliefs and behave accordingly (Trice & Beyer, 1993). Individuals within a corporate culture are more likely to be obedient to the organisations policies and procedures and this borne out by the research conducted by Milgram (1963).

The Milgram experiment (1963), highlighted the circumstance in which human behaviour could be attributed to the existence of what may be described as obedience to authority especially where there is a perceived obligation to obey that is associated with the individual being in a particular role, and the individual perceives that there is a legitimate authority in existence. This perceived obligation effectively manifests itself as a desire to fulfil instructions competently, that is to behave as expected by the organisation, with a shift away from personal responsibility which leads individuals to act according to the orders and role they have been given within the organisation. This form of obligatory obedience takes precedence over personal
preference with the individual surrendering his or her personal beliefs and values to the authority of the organisation (Kelman & Hamilton, 1989; Milgram, 1974).

Along similar lines, the concept of ‘the collective unconscious’ Jung (1936) describes that part of a person’s unconscious which is common to all human beings. The collective unconscious is considered to be different from the personal unconscious, which is particular to each human being. Specifically, the collective unconscious is considered to comprise archetypes, which are universal mental predispositions that are not grounded in experience and are manifested by all people in all cultures. These archetypes do not emanate from memories of past experiences but are ‘forms without content’ that represent the possibility of a certain type of perception and action. They reflect a form of willingness to follow the same or similar mythical ideas over and over again.

By contrast social unconscious (Zinkin, 1979) differs from the collective unconscious in that characteristics of people come from sharing the same culture or society, whilst the collective unconscious extends beyond a certain culture. This perspectives differs from the archetypes that are inherent in the collective unconscious. To that extent the social unconscious is more in line with the Jungian views of the ‘shared unconscious’, which emphasise the interpersonal, the intersubjective and socialization (Zinkin, 1979). Thus, the collective unconscious along with the social unconscious provide a source of reinforcement for the understanding of the obedience to authority as it occurs within the corporate culture of an organisation.

In an experiment involving employees of a large international bank Cohn, Fehr and Maréchal (2014) found that the corporate culture of the financial industry can undermine the honesty of the bank employees. Thus, the social and moral norms inherent in a corporate culture can amplify the temptation to earn more money by behaving dishonestly (Cohn et al., 2014).

Whilst narcissism is the focus of this paper there is another form of personality that contributes as a moderating variable in the development and understanding of corporate culture. The manifestation of psychopaths has been found to be more prevalent in the corporate section of society than in the general population. Babiak, Neumann, and Hare (2010) used the PCL-RV and the PCL-SV to evaluate 203 corporate professionals. They found a higher proportion of psychopathic traits (score of 30 or more on the checklist) in the high-ranking executives. This indicator of psychopathy occurred in 3.9% of the sample, which is higher than the 1% estimated to occur in the general population. They also found that co-workers considered the individuals with the high psychopathic indicators to be creative, good strategic thinkers, and good communicators, however on the down side they were viewed as having poor management skills, not active team players, and with low performance appraisals. Regardless of their low reviews, managers seemed to view the psychopathic population as having leadership potential.

This is consistent with the work of Boddy, Ladyshewsky, and Galvin (2010) as they found that significantly more senior level managers portray psychopathic traits compared to the lower level employees. Babiak et al. (2010) concluded that charismatic and manipulative traits have allowed the corporate psychopaths to fit into the role of top management especially as they tend to be able to use to their advantage their charisma, manipulativeness, aggressive self-promotion, and single minded determination (Babiak & Hare, 2006). All of which provides these individuals with an advantage when it comes to climbing the corporate ladder. The charisma, manipulation techniques, and the ability to make rational, emotionless decisions by a corporate psychopath has been shown to be beneficial to achieving the goals of a company Boddy (2010).
The concept of the panopticon originates from the work of Bentham (1995) as architectural design for prisons, however it was the use of the panopticon as a metaphor by Faucault (1977) that raised the panopticon concept to a significantly more important status in the philosophical literature.

Bentham’s objective of the Panopticon was to induce in the inmate a state of consciousness accepting permanent visibility that assures the automatic functioning of power. So that surveillance is considered permanent in its effects, even if it is discontinuous in its action; that the perfection of power should tend to render its actual exercise unnecessary; that this architectural apparatus should be a machine for creating and sustaining a power relation independent of the person who exercises it; in short, that the inmates should be caught up in a power situation of which they are themselves the bearers (Foucault 1977: 201).

Thus, faced with an uncertainty as to whether he is being observed, the inmate behaves as if he was being watched and is therefore careful not to attract the wrath of the observer who he imagines is there. The inmate conforms to the explicit and even implicit rules of the institution; all because of the imagined surveillance. According to McKinlay and Taylor (1998) the use of peer-review systems reflect the idea of the Panopticon exerting domination over the work force.

Methodological Framework

Data was collected from the database “Connect4” specifically the letters of the Managing Directors also known as Chief Executive Officers which form part of the annual financial reports of the four major Australian banks. The CEO Letters from the annual reports for the five year period of 2008 to 2012. The Mission / Vision statements were collected from the individual web sites of the banks. Content analysis was the primary tool used for analysing linguistic information contained in the letters. Content analysis is described as a technique used to make inferences by objectively and systematically identifying specified characteristics contained in the text of written messages (Holsti, 1969). The method of content analysis has vicariously been described and discussed as a research design which involves data mining in order
to identify issues through tacit pattern recognition, text semantics and themes (Krippendorf, 2013; Leetaru, 2012; Riffe, Lacy & Fico, 1998).

**Operationalising Measures of CEO Narcissism**

In order to operationalize the measures of narcissism the following approaches were deployed based upon prior research. Firstly, to identify traits that could be interpreted as representing the existence of narcissism the narcissism indicator (Raskin & Shaw, 1988; Chaterjee & Hambrick, 2007) was used. This approach is based upon the analysis of the use of the personal pronouns and Raskin and Shaw (1988) found that the proportion of first person singular pronouns to first person plural pronouns used in speech was correlated with the narcissistic personality (NPI) inventory scores. The research demonstrated that the method was robust across a variety of variables. Firstly, correlation was found to be consistent with age and gender. Secondly, the correlation remained consistent when control mechanisms were implemented for other personality traits (such as extraversion, neuroticism, psychoticism and locus of control). Finally, the correlation was found to exist only with usage of the first person pronouns not evident in second or third person pronoun usage.

Secondly, sentences were analysed for signs of narcissistic speak (Amernic & Craig, 2006, 2007; Brennan & Conroy, 2013) which relates to the meaning conveyed with in sentences that are indicative of narcissism. In particular the analysis was concerned with identifying and coding the traits under the keywords:

1. Hyperbole;
2. Self-styling as an archetypal company;
3. Language of war, sport and extremism; and
4. Excessive self-esteem

These four categories were shown by Amernic and Craig (2007) to be linked to the nine symptoms pertaining to narcissism listed in the DSM-IV, 1996. Specifically, the correlation was explained as:

- **Hyperbole**: Profusely portraying the company (and by inference one’s self) as very special, dynamic, expanding and invincible reflects:
  - a fantasy of unlimited success, power, brilliance (symptom 2);
  - a grandiose sense of self-importance (symptom 1)
  - overuse of such self-referential superlatives indicates the company (and by inference the CEO) is one to be envied (symptom 8);
  - this also indicates a lack of empathy for others (symptom 7);
  - and alludes to an arrogant and haughty attitude (symptom 9).

- **Self-styling as an archetypal company**: Using language that portrays the company (and by inference one’ self) as an exemplary success story and a quintessential model to be emulated reflects:
  - A grandiose sense of importance (symptom 1);
  - A pre-occupation with fantasies of unlimited success, power, brilliance (symptom 2);
  - A belief in being “special” and unique (symptom 3).

- **Language of war, sport and extremism**: A blatant self-touting of “success”, “leadership”, “winning” and achieving a “record” may reflect:
  - A grandiose sense of self-importance (symptom 1);
  - And arrogant and haughty attitude (symptom 9).

- **Excessive self-attribution**: Excessively ascribing company success to oneself may reflect:
  - An unrealistic sense of self-importance (symptom 1).

The following extracts provide some examples of the use of language which corresponds to the four categories extrapolated by Amernic and Craig (2007):

**ANZ**
• **Hyperbole:** Profusely portraying the company (and by inference one’s self) as very special, dynamic, expanding and invincible
  “The company is celebrating a solid result despite challenging conditions, confirming it was the correct strategic decision and our metamorphosis is heading in the right direction.”
  “We are also now making significant progress with our strategic ambition to become a leading super regional bank in Asia Pacific.”

• **Self-styling as an archetypal company:** Using language that portrays the company (and by inference one’s self) as an exemplary success story and a quintessential model to be emulated:
  “Three years after setting out our super regional ambition, our 2010 results have demonstrated that ANZ is now consistently delivering on the promises we made to our shareholders as well as to our customers and the community.”

• **Language of war, sport and extremism:** A blatant self-touting of “success”, “leadership”, “winning” and achieving a “record”:

• **Excessive self-attribution:** Excessively ascribing company success to oneself may reflect:
  
  C'WLTH

  • **Hyperbole:** Profusely portraying the company (and by inference one’s self) as very special, dynamic, expanding and invincible
  “I am tremendously excited about the potential of Core Banking. This is truly a transformational undertaking which I believe will revolutionise the way we do banking in this country.”

  • **Self-styling as an archetypal company:** Using language that portrays the company (and by inference one’s self) as an exemplary success story and a quintessential model to be emulated:
    “Three years after setting out our super regional ambition, our 2010 results have demonstrated that ANZ is now consistently delivering on the promises we made to our shareholders as well as to our customers and the community.”
    “This is a strategy which has helped deliver strong financial returns over the past five years, and in many ways has helped us navigate through the GFC from a position of relative strength. I would like to take this opportunity to talk to you about why I think this strategy has ensured we have continued to deliver in the current environment.”

  • **Language of war, sport and extremism:** A blatant self-touting of “success”, “leadership”, “winning” and achieving a “record”:
    “Every day I have the opportunity to talk to staff all across this organisation, and I am constantly impressed by the level of enthusiasm they display, and of their absolute commitment to our journey to be number one in customer satisfaction. More than any other factor, the energy and drive of the people I meet every day gives me the utmost confidence that we will achieve this goal in the very near future.”

  • **Excessive self-attribution:** Excessively ascribing company success to oneself may reflect:
    “I have had the great privilege to lead this organisation for six of those 100 years. We have achieved a significant amount in that time, ...”
    “Since 2005, when I joined this organisation as Chief Executive, we have been pursuing a consistent and deliberate strategy, at the heart of which is a desire to transform this organisation into one that is truly focussed on meeting the needs of our customers.”
NAB

- **Hyperbole:** Profusely portraying the company (and by inference one’s self) as very special, dynamic, expanding and invincible
  “This year’s solid result has been driven by business unit progress against our strategic agenda. Our strategy is built around putting our customers at the centre of everything we do and helping them realise their potential.”
  “We are also now making significant progress with our strategic ambition to become a leading super regional bank in Asia Pacific.”

- **Self-styling as an archetypal company:** Using language that portrays the company (and by inference one’s self) as an exemplary success story and a quintessential model to be emulated:
  “We began the year as one of the safest banks in the world, having remained strong through the global financial crisis. As conditions begin to improve, we are effectively implementing our strategic agenda, and it is pleasing that our progress is tangible and reflected in a range of improved results.”

- **Language of war, sport and extremism:** A blatant self-touting of “success”, “leadership”, “winning” and achieving a “record”:
  “As we continue to navigate through challenging operating conditions, this will be the foundation for our future success.”

- **Excessive self-attribution:** Excessively ascribing company success to oneself may reflect:
  “I look forward to achieving further progress in 2011.”
  “I am confident we are laying solid foundations for our future.”
  “I am pleased to have contributed to shaping the organisation as it reached its 150th year milestone and feel confident NAB’s business fundamentals are solid for the future...”

WESTPAC

- **Hyperbole:** Profusely portraying the company (and by inference one’s self) as very special, dynamic, expanding and invincible
  “I am very pleased to say that our work to date sees us in a strong strategic position and well placed to launch the next phase of our journey. Today, Westpac is one of the world’s leading banks on almost any measure.”
  “In a year when many financial institutions around the globe reported significant losses or failed altogether, Westpac delivered another robust performance.”

- **Self-styling as an archetypal company:** Using language that portrays the company (and by inference one’s self) as an exemplary success story and a quintessential model to be emulated:
  “We began the year as one of the safest banks in the world, having remained strong through the global financial crisis. As conditions begin to improve, we are effectively implementing our strategic agenda, and it is pleasing that our progress is tangible and reflected in a range of improved results.”

- **Language of war, sport and extremism:** A blatant self-touting of “success”, “leadership”, “winning” and achieving a “record”:
  “As we continue to navigate through challenging operating conditions, this will be the foundation for our future success.”

- **Excessive self-attribution:** Excessively ascribing company success to oneself may reflect:
“I am particularly pleased with the continued progress we are making on our strategic agenda, delivering tangible benefits for our customers, our shareholders, our people and our communities.”

“During the year, I took the opportunity to review the Executive team with the view to strengthen our focus on customers, people and productivity.”

While the CEO letters praise the virtuous gains and magnificent achievements in reality the banks had been conducting cost cutting in the years leading up to during these financial years.

“As Karl Marx noted a long time ago, there are no limits to corporate greed. Despite a record profit last year of $1.3 billion, Westpac, one of Australia’s four largest banks, has announced it is to axe the jobs of 3,000 staff and close more country branches. It aims to cut operating costs (i.e. increase its profits) by $300 million per annum.”

Corporate greed minus legal restraint = Massive job losses and bank closures
The Guardian October 20, 1999

“ANZ said it will axe 1,000 jobs in Australia in the next few months. To be immediately affected are 492 employees who were told of their lay off on Monday. They are mostly middle managers and workers engaged in back office and support function. However, the bank said it would limit the number of branch staff cuts.

At the same time, ANZ would order a wage freeze in 2012 for senior officials, ANZ Chief Executive Phil Chronican said.

Westpac also plans to lay off over 500 workers, while across Australia’s banking industry about 7,000 jobs are expected to be axed in the coming two years. Some of the jobs that Westpac will remove will be outsourced to India.”

So, banks for the memories By Adele Ferguson and Eric Johnston
The Age December 4, 2010.

Obviously by the time the banks close all the branches and reduce their staff numbers to the barest minimum they will have achieved the ultimate state of absolute efficiency. Of course this view of efficiency is predicated upon increased profits rather than customer service. Here it is the continuation of the argument that all efforts are predicated upon satisfying the shareholders needs. An argument used to justify their narcissistic view of employees and customers alike as well as their competitors. In some ways it echoes similar sentiments of the famous Nurnberg Defence “we were merely following orders” which the courts found to be unconvincing (D’Amato, Gould & Woods, 1969; Wolfe, 1980).

Analysis of CEO Letters

To establish the relevance of the data mining an initial step in the analysis involved determining the most appropriate descriptive statistics. In the case of the CEO letters the descriptive statistics that best sets the stage for the content analysis is the number of words contained in the series of letters for each of the banks. The total word count for the letters over the period 2008 to 2012 was - ANZ bank 4,143 words - C’wlth bank 10,444 words - NAB (bank) 3,833 words - WestPac bank 5,550 words. Under the circumstances the CEO of the C’wlth may be described as being far more verbose in the use of words than the other three CEO’s.

The CEO letters were subjected to the NVivo process of establishing themes and nodes. For the purpose of this research the key constructs were the use of personal pronouns as per Raskin and Shaw (1988). The focus was on the use of the first person form of the personal pronoun and then divided into singular and plural. The singular being more associated with narcissism for its self focus as distinct from the plural which acknowledges the role or existence of others and is therefore somewhat contradictory to the perspective of narcissism.
### Table 1:
**Use of Personal Pronouns**

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<td>2</td>
<td>1</td>
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</tr>
<tr>
<td><strong>My</strong></td>
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<td>3</td>
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<td>4</td>
</tr>
<tr>
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<td></td>
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</tr>
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### Operationalising Measures of Organisational Narcissism

The CEO letters are consistent with the content and language that is suggested as being representational of attributes indicative of organisational narcissism (Brown, 1997). The other attributes ascribed to organisational narcissism are identified as being the distinctive preferences, comments and practices emanating from an organisation (Whetton, 2006) as well as indoctrination of all staff into the corporate cultural beliefs which establishes prescribed behaviours (Trice & Beyer, 1993). Support for the existence of these attributes can be ascribed to the content and language used in the mission/vision statements of the organisations (in this case the various banks).

In a report by ASIC (Report 499, 2016) it was highlighted that the banking industry had a failed culture with the cultural factors in the specific banking institutions having contributed to the systemic failures in the provision of services. As an example of the extent of the insidious nature of the corporate culture the four major Australian banks had been fined an amount in the vicinity of A$1.7 billion and censured by the New Zealand High Court for Tax Avoidance.

The culture in the Australian banking sector has a long history of being rather self-contrived and inwardly focused at the exclusion of all other considerations. In a longitudinal study of the mission statements of the major Australian banks (Kabanoff, 1994) undertook content analysis of culture types. The findings provide some evidence of characteristics which may be interpreted as being indicative of the evolution of embedded organisational narcissism. For the purpose of this study only the most recent mission / vision statements are analysed.
Mission Statements

ANZ

At ANZ, our values are about 'doing the right things well'.

Our values are a shared understanding of what we stand for as an organisation - they describe the things we are not willing to compromise on in any situation - with our customers, our shareholders, the community and each other.

Living our ANZ values helps us to achieve better business outcomes. Together with our Code of Conduct and Ethics, our values guide our behaviors and help us make decisions in our day to day work.

Our values are:

Integrity
Do what is right

Collaboration
Connect and work as one for our customers and shareholders

Accountability
Own your actions, make it happen

Respect
Value every voice, bring the customer’s view to ANZ

Excellence
Be your best, help people progress, be business minded

The ANZ mission/vision statement clearly encapsulates the indoctrination of all staff to the corporate cultural beliefs and expected behaviour.

C'With

Our vision is to excel at securing and enhancing the financial wellbeing of people, businesses and communities.

We must always act according to our vision and values. If we all do, we can have a consistent, positive impact. Conversely, if only a few of us fail to live up to these expectations, this can undermine the actions of the majority who do.

The Commonwealth vision statement whilst vague and broad in its coverage does go onto make a strong statement regarding the expectations upon all staff to follow the vision and thus the corporate cultural beliefs and expected behaviour.

WestPac

Westpac’s vision is “To be one of the world’s great service companies, helping our customers, communities and people to prosper and grow.”

Our strategy seeks to deliver on this vision by building deep and enduring customer relationships, being a leader in the community, being a place where the best people want to work and, in so doing, delivering superior returns for shareholders.

Supporting our customer focused strategy is a strong set of company-wide values, which are well embedded in our culture.

Our approach makes sustainability part of the way we do business, embedded in our strategy, values, culture and processes.

The WestPac vision statement is explicit in it language that only the best people work at the bank and that all staff are expected to adhere to the embedded corporate culture with its stated strategy, values, and processes directing the processes and subsequent behaviour.
NAB

Our vision is to be Australia and New Zealand’s most respected bank.

*NAB seeks to differentiate itself through a belief* in the potential of its clients, communities and employees. *This belief motivates us to make a positive impact on our clients and communities; it also underpins a strong and sustainable business for our shareholders.*

The NAB vision statement is short and yet in its language it seeks to gain respect and the desire to differentiate itself from all other banks. There is an emphasis on the employees of the bank to meet this desire and there is a belief that they possess the potential to achieve this. Thus, the expectation is placed upon the employees to adhere to the corporate culture and modify their behaviour align with the stated strategy.

Analysis of Mission / Vision Statements

The mission / vision statements tended to exhibit the traits which are considered to be associated with an organisational form of narcissism, that is the reinforcement of organisational image, belief statements, and expectations of staff behaviour. These are consistent with the notions of establishing obedience to authority, an iron cage of bureaucracy, a collective unconsciousness, and the panopticon observation. In deed, the Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry (2018) has highlighted the fact that the misconduct, that is being unveiled in the hearings, can be attributed to the organisational culture and subsequent governance practices within the banking sector.

Discussion

Whilst the language identified in the CEO letters supports a leaning towards various traits/characteristics consistent with the existence of a narcissistic organisation the very nature of a corporation in a capitalist society is strongly influenced by the need to succeed against all competition. Therefore, it is not unexpected nor is it unusual that an organisation would be focused on its image or brand to the point of narcissism. Every opportunity to promote the organisation’s image through, marketing, and public relations activities would lend itself to the type of language that is inherently narcissistic.

In consideration of issues relating to the mission / vision statements a similar argument emerges in that the nature of the capitalist business environment with its extreme competitive markets makes it almost normal for organisations to adopt narcissistic characteristics. The very language used to express an organisations mission / vision will inevitably be aligned with narcissistic traits. Which subsequently leads to the inevitable conclusion that capitalism itself is as much responsible for organisational narcissism and the nurturing of psychopathy in managerial roles as any individual or group of individuals.

References


