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Leaders’ narcissism and organizational cynicism in healthcare organizations

Hakan Erkutlu
Faculty of Economics and Administrative Sciences, Nevsehir University, Nevsehir, Turkey, and
Jamel Chafra
Department of Tourism and Hotel Management, School of Applied Technology and Management, Bilkent Universitesi, Ankara, Turkey

Abstract
Purpose – Drawing on the social exchange theory and the stressor-strain framework, the purpose of this paper is to examine the relationship between leaders’ narcissism and employees’ organizational cynicism. Specifically, the authors take a relational approach by introducing employees’ psychological strain as the mediator. The moderating role of psychological capital in the relationship between leaders’ narcissism and employees’ cynicism is also considered.

Design/methodology/approach – The data of this study encompass 1,215 certified nurses from 15 university hospitals in Turkey. Hierarchical multiple regression analysis was conducted to test the proposed model.

Findings – The statistical results of this study supported the positive effect of leaders’ narcissism on employees’ cynicism as well as the mediating effect of employees’ psychological strain. Moreover, when the level of psychological capital is high, the relationship between leaders’ narcissism and organizational cynicism is weak, whereas the effect is strong when the level of psychological capital is low.

Practical implications – The findings of this study suggest that managers in the healthcare industry should be sensitive in treating their subordinates, as it will lead to positive interpersonal relationship, which, in turn, will reduce employee cynicism. Moreover, managers should pay more attention to the buffering role of psychological capital for those employees with high psychological strain and showing organizational cynicism.

Originality/value – As the healthcare sector continues to go through a transformational change, it is important to identify organizational factors that affect employee attitudes. There is limited empirical evidence about the determinants of cynicism, particularly in the healthcare sector environment. This study contributes to the literature on organizational cynicism by revealing the relational mechanism between leaders’ narcissism and employee cynicism. The paper also offers a practical assistance to employees in the healthcare management and their leaders interested in building trust, increasing leader-employee relationship and reducing organizational cynicism.

Keywords Psychological capital, Organizational cynicism, Psychological strain, Leaders’ narcissism

1. Introduction

Despite positive psychology’s emphasis on human strengths and virtues, studies of counterproductive work behavior, cynicism (Andersson and Bateman, 1997), abusive supervision (Tepper, 2007), leadership derailment and excessive organizational politicking (Poon, 2003) attest to the darker side of human nature. Optimism, integrity, and self-authenticity may predict health and happiness, but personality traits such as narcissism, Machiavellianism, and psychopathy may predict misbehavior (O’Boyle et al., 2012). Paulhus and Williams (2002, p. 100) named these three traits the Dark Triad, for “individuals with these traits share a tendency to be callous, selfish, and malevolent in their interpersonal dealings.”

Being one of the Dark Triad personality traits, narcissism is an increasingly popular topic in organizational research, as evidenced by several recent articles in top organizational journals (e.g. Judge et al., 2006; O’Boyle et al., 2012). These research works have documented
the importance of narcissism by establishing its relation to workplace outcomes, particularly leadership and cynicism. For example, substantial evidence shows that narcissists tend to emerge as leaders and do occupy positions of power such as CEOs and presidents (Chatterjee and Hambrick, 2011). Furthermore, narcissism has been linked to workplace deviance and various specific unethical and exploitative behaviors such as tendencies to cheat, a lack of workplace integrity, and even white-collar crime (Blair et al., 2008; O’Boyle et al., 2012). When followers perceive their leaders to be unethical, they are more likely to experience psychological strain, pressure and depression in the workplace, and to develop negative follower attitudes such as cynicism, turnover intention, low job satisfaction and commitment (Hoyt et al., 2013). In the past decade, studies conducted on management have focused on examining the role of narcissistic leadership and its impact on followers’ attitudes and behaviors such as organizational citizenship behaviors (Campbell et al., 2006), counterproductive work behaviors (Campbell and Foster, 2002) and task performance (Soyer et al., 1999). Yet, to date, no study, to our knowledge, has contributed to an understanding of how narcissistic leadership is related to followers’ organizational cynicism, despite the fact that negative or poor leadership is one of the most influential predictors of employee cynicism (Bommer et al., 2005); thus, the first goal of this study is to address this very untapped issue.

In addition, this study investigates psychological capital as the boundary condition for psychological strain, i.e. the organizational cynicism relationship. The existing theories and research indicate that leadership and psychological capital significantly influence individual cynicism (e.g. Avey et al., 2008; Bommer et al., 2005). Prior researchers have emphasized that psychological capital is an important preventive source of undesirable outcomes such as workplace cynicism and deviant behaviors (Avey et al., 2008), yet scholars have not considered the interactive effects of leadership and psychological capital on cynicism; this relates to how leadership and organizational members are able to decrease cynicism (Avey et al., 2008).

The present research is intended to contribute to the existing literature in several ways. First, our research seeks to fill the knowledge gap concerning the link between leader narcissism and organizational cynicism. Previous research has demonstrated that negative or poor leadership is one of the most influential factors affecting organizational cynicism. This paper is designed to be one of the first studies to consider the link between leader narcissism and employees’ cynicism. Second, determining how psychological strain increases employees’ organizational cynicism has received little empirical attention in psychological strain related literature (Chiaburu et al., 2013). A large body of research in this area follows the stressor-strain perspective, which argues that many different factors serve as stressors each of which can create a strain on the individual that can result in a variety of (mostly negative) outcomes. For example, research on cynicism suggests that contextual variables such as negative leadership, management policies and practices are stressors that can create a strain on the employee and could eventually translate into attitudes and behaviors such as cynicism and a decision to leave the organization (Podsakoff et al., 2007). The present study uses the social exchange theory as the core theoretical focus and takes a step further to identify the mediating effect of psychological strain on the leadership-cynicism link. According to the social exchange theory, people engage in interactions with other people because they are motivated by the expectations of receiving inducements in return from the other party (Blau, 1964). Social exchange involves series of interactions (such as incentives from the employer and contributions from the employee) between two parties (Cropanzano and Mitchell, 2005). Each party acts according to the norm that the other party will reciprocate such actions, creating mutual obligations over time. If one party does not reciprocate, an imbalance is created between the contributions of the two parties (Cropanzano and Mitchell, 2005). Particularly, if employees perceive that their leader has not reciprocated their contributions, they will respond with emotional reactions
such as anger and frustration. Furthermore, they may restore the balance in social exchanges by lowering their trust, job satisfaction, and commitment (Taylor and Tekleab, 2004) as well as increasing counterproductive work behaviors and cynicism (Neves, 2012). The findings could advance our understanding of the processes by which leader narcissism influences organizational cynicism. Third, this study contributes to the literature by investigating how leader narcissism enhances followers’ organizational cynicism via psychological strain, which, in turn, accounts for the moderating effect of the psychological capital. Figure 1 summarizes the theoretical model that guided this study.

2. Literature review and hypotheses

Grandiosity, arrogance, self-absorption, entitlement, fragile self-esteem, and hostility form the narcissistic leadership attributes. Narcissistic leaders demonstrate grandiose sense of self-importance, preoccupation with fantasies of unlimited success or power, belief in “special” or unique status, requirement for excessive admiration, unreasonable sense and expectations of entitlement, interpersonal exploitativeness, lack of empathy and envy (Rosenthal and Pittinsky, 2006). They have leadership visions that are synonymous with their own personal needs, rather than those of their constituents (Conger, 1997). Out of their need for recognition, narcissists have a tendency to self-promote and self-nominate (Rosenthal and Pittinsky, 2006) and to employ their skills in “deception, manipulation, and intimidation” (Glad, 2002, p. 1) to secure leadership positions.

2.1 Leader narcissism and organizational cynicism

Organizational cynicism can be defined as “a negative attitude toward one’s employing organization, comprising three dimensions: a belief that the organization lacks integrity; negative effect toward the organization; and tendencies to disparaging and critical behavior toward the organization that are consistent with these beliefs and affect” (Dean et al., 1998, p. 345). It is characterized by frustration, hopelessness, and disillusionment, as well as contempt toward the organization and the belief that the decisions made within the organization lack sincerity (Neves, 2012).

Managers are “agents” of the organization, and when they demonstrate word-deed misalignment (low behavioral integrity), organizational cynicism is likely to result (Neves, 2012). Both empirical and theoretical evidence suggest that narcissistic individuals lack integrity. For instance, narcissism has been found to be negatively related to integrity outside of organizational settings (Mumford et al., 2001). Furthermore, there are several behaviors associated with narcissism that are also key indicators of lack of integrity. Specifically, narcissists fail to admit when they have made a mistake and frequently blame others for their own errors (Kets de Vries and Miller, 1985). They are self-aggrandizing and often take unwarranted credit for success (Rhodewalt et al., 2006). Moreover, narcissists have a proclivity to exploit, deceive, and manipulate others to reach their own hedonistic goals (Kets de Vries and Miller, 1985).

Figure 1. Proposed moderated-mediation model
In addition, narcissists seem to lack moral sensibility due to their constant preoccupation with the self (Roberts, 2001). According to Hornett and Fredericks (2005), narcissism gets in the way of ethical goals and visions in such a way that instead of working for the company, they “work for themselves.” Based on the rationale above, we posit that perceived leader narcissism would result in negative attitudes toward the organization by means of low behavioral integrity and ethical leadership perception, leading to feelings of organizational cynicism. Therefore, we suggest that:

H1. The perception of leader narcissism is positively related to employees’ organizational cynicism.

2.2 Leader narcissism and psychological strain
The changing nature of the workplace has imposed unprecedented demands on employees, and fueled concerns about the effect of these changes on employees’ psychological health as well as on organizational effectiveness (Duraisingam et al., 2009). Individuals who labor under stressful work conditions and negative and poor leadership are shown to suffer from an increased level of health problems and to experience psychological strain, defined as a subjective reaction to stress factors such as anxiety, depression, exhaustion, and loss of self-confidence (Wang, 2005).

Workplace stressors such as abusive and despotic leadership, role ambiguity, job constraints, heavy workload, and interpersonal conflict have been associated with increased cynicism (Penney and Spector, 2005). These findings can be understood within a stressor-strain framework (Spector and Jex, 1998), in which exposure to workplace stressors invokes negative responses, known as strains. In addition to causing psychological (e.g. burnout, negative emotions) and physical (e.g. health symptom) strains, work stressors may also result in behavioral strains which consist of negative actions taken by employees in response to a work stressor.

Research on psychological strain implies that leadership play an important role in their employees’ health and wellbeing (Tepper, 2000). Supportive leadership styles such as ethical, transformational, or servant leadership valuing honest and truthful relationships with followers reduce psychological strain (Brown et al., 2005). When leaders interact with followers with openness and truthfulness, interpersonal trust and mutual respect are promoted both between followers and the leader and among the followers themselves. Similarly, when followers trust that their leader has sufficient ability, benevolence, integrity, and key foundations of employee trust (Mayer et al., 1995), they will be more comfortable about engaging in interpersonal risk taking because they trust that their leader will not unfairly punish them when risk taking leads to an unfavorable outcome (Dasborough and Ashkanasy, 2002). Therefore, we suggest that supportive leadership styles reduce psychological strain.

On the other hand, several correlates of leader narcissism propose an association with unethical leader behaviors. First, narcissists’ lack of empathy and their willingness to exploit others for personal gain imply a reduced willingness to treat followers respectfully (Campbell et al., 2011). Second, narcissists seem to lack moral sensibility because of their constant preoccupation with the self (Roberts, 2001). Third, narcissism has been found to relate to counterproductive work behaviors (Judge et al., 2006), which share similarities with unethical leader behaviors. Finally, a narcissistic leader is not easily accessible and approachable for subordinates. Furthermore, since interpersonal relationships between a narcissistic leader and his/her subordinates in work environment are not supportive, open, and respectful, narcissistic leadership has a major negative impact on feelings of safety (Rosenthal and Pittinsky, 2006). Despite these suggestive findings, previous research has not directly examined the influence of narcissism on psychological strain. Based on precedent indirect evidence, we forwarded the following hypothesis:

H2. The perception of leader narcissism is positively related to employees’ psychological strain.
2.3 The mediating role of psychological strain

According to Chiaburu et al. (2013), psychological strain is a mechanism linking contextual factors and cynicism. We suggest that psychological strain plays a mediating role in the relationship between leader narcissism and follower’s organizational cynicism. Recent studies on leader narcissism have indicated that narcissist leaders are predisposed to exploit others (Khoo and Burch, 2008), have lower quality relationships (Blair et al., 2008), overvalue the potential gains from risky behavior (Foster and Trimm, 2008), and behave in unethical ways (Blair et al., 2008; Campbell et al., 2011; Judge et al., 2006).

An exploratory list of the (highly interrelated) psychological underpinnings of narcissistic leaders might include arrogance, hypersensitivity and anger, lack of empathy, and paranoia (Rosenthal and Pittinsky, 2006). Narcissistic arrogance is the behavior that is often the most evident to others (American Psychiatric Association (APA), 2000) and is clearly associated with difficulties in interpersonal relationships (Ronningstam, 2005). Since, narcissists often draw on feelings of superiority to overcome a sense of inferiority, in situations where this grandiosity itself is threatened, they are likely to react with extreme hypersensitivity and anger (Horowitz and Arthur, 1988). Narcissistic leaders may be “intensely hostile as an exaggerated response to an insult” and feel completely justified committing horrific atrocities in response (Horowitz and Arthur, 1988, p. 136). Moreover, narcissistic leaders lack empathy. They are, more likely than others, to make decisions guided by an idiosyncratic, self-centered view and to ignore advice that conflicts with this view. Finally, narcissistic leaders are paranoiac (Glad, 2002). They are “apt to create enemies where there had been none” (Glad, 2002, p. 30).

Social exchange theory (Blau, 1964) has been used to explain consequences of narcissistic leadership (Meurs et al., 2013). When a leader treats an employee with arrogance, hypersensitivity and anger or lack of empathy, the latter sees the exchange relationship as imbalanced or exploited, experiences psychological strain, which affects his/her work attitudes O’Boyle et al., 2012) and enhances retaliatory behavior (e.g. deviance, Meurs et al., 2013; reduced work effort, Harris et al., 2007).

Finally, researchers have used self-resources principles to explain consequences of abusive and unethical leadership (Brown and Mitchell, 2010). In particular, theorists contend that unethical leadership drains employees’ self-resources (e.g. attention, will power, esteem) that are needed to maintain appropriate behavior (Ferguson et al., 2009). Consequently, the act of being victimized or threatened by a narcissist leader impairs or marginalizes employees’ self-resources (Brown and Mitchell, 2010). When self-regulatory resources are impaired, victims experience more psychological strain, are unable to maintain appropriate behavior and, instead, engage in deviant behavior.

This study proposes that employees are affected by the sets of behaviors exhibited in narcissistic leadership in a way that increases employees’ psychological strain, which enhances their organizational cynicism. This is in alliance with previous research works reporting a positive correlation between psychological strain and organizational cynicism (e.g. Johnson and O’Leary-Kelly, 2003). In fact, employees with high psychological strain may question the efficiency and fairness of the organizational procedures and leadership. They may be irritated by the narcissistic leadership behaviors such as exploiting others (Khoo and Burch, 2008), having lower quality relationships (Blair et al., 2008) and behaving in unethical ways (Blair et al., 2008; Judge et al., 2006) or the unspecified job descriptions and perceive that their leaders and the organization care little about their working life. We thus hypothesize that psychological strain is positively related to employee cynicism, and that it mediates the relationship between leader narcissism and employee cynicism. Hence, we present the following hypothesis:

\[ H3. \] The positive relationship between leaders’ narcissism and employees’ cynicism is mediated by psychological strain.
2.4 The moderating role of psychological capital

Psychological capital can be defined as an individual’s positive psychological state of development that is characterized by: having confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks; making a positive reference (optimism) about succeeding now and in the future; persevering toward goals and, when necessary, redirecting paths to goals (hope) in order to succeed; and when beset by problems and adversity, sustaining and bouncing back and even beyond (resilience) to attain success (Luthans et al., 2007).

Psychological capital is proposed to be positively related to employees’ wellbeing. In a review of resource theories in psychology, Hobfoll (2002, p. 307) defines resources as “those entities that either are centrally valued in their own right (e.g. self-esteem, close attachments, health, and inner peace) or act as a means to obtain centrally valued ends (e.g. money, social support, and credit).” Along with attributes and skills, Lyubomirsky et al. (2005) propose that such resources help people thrive and succeed at work, in relationships and, with health. Furthermore, experimental studies have shown that those induced into a positive state report higher self-perceptions such as efficacy (Schuettler and Kiviniemi, 2006), have optimistic expectations and set higher goals for themselves. Conceptualizing positive psychological capacities (e.g. efficacy and optimism) as resources from which one can draw seems an important theoretical explanation of the mechanism by which such positive capacities affect one’s wellbeing (Avey et al., 2010).

Researchers in occupational health and health psychology have demonstrated that wellbeing is impacted by hope (Snyder et al., 2006), resiliency (Keyes, 2007), self-efficacy (Meier et al., 2008), and optimism (Carver et al., 2005).

Narcissistic leaders have fantasies of power and success, an exaggerated, grandiose sense of self-importance, and little empathy or concern for the feelings and needs of others (Yukl, 2002). Such innate characteristics lead to the exploitation and manipulation of others for the primary purpose of indulging a narcissistic leader’s desire for personal enhancement. They expect special favors without feeling any need to reciprocate, oversimplify relationships and motives and have extremely bipolar worldviews; seeing things as either extremely good or extremely bad and see others around them as either loyal supporters or mortal enemies (Yukl, 2002). Those characteristics of narcissistic leaders result in higher levels of employee job stress and lower levels of wellbeing.

We expect that employees with high psychological capital perceive the negative effects of narcissistic leader behavior (higher job stress, lack of empathy, little concern for the feelings and needs of employees) less than employees with low psychological capital. Psychological capital appears to provide individuals with the mental hardiness to effectively cope with job-related demands (Baron et al., 2013). For example, individuals high in self-efficacy believe that they can achieve whatever they set out to accomplish – that they can, in essence, “get the job done.” This may help to reduce experienced stress, which often involves cognitions of being unable to cope or being overwhelmed (Schaubroeck and Merritt, 1997). Similarly, those high in optimism believe that they will experience positive outcomes in almost any situation (Hmieleski and Baron, 2009), and this, too, may help to mitigate stress. Persons high in hope have the ability to imagine multiple pathways through which they can overcome challenges, thus reducing the likelihood of becoming overwhelmed by work-related stressors (Snyder et al., 1996). Finally, persons high in resilience have faced difficult situations in the past and, based on their experience, believe they can overcome similar obstacles in the present and future without feeling helpless and becoming stressed (Tugade et al., 2004). On the other hand, employees with low psychological capital are likely to be exposed to the detrimental effects of leaders’ narcissistic personality (organizational cynicism in this study) more because of their lower levels of hope, optimism, self-efficacy and resilience. Therefore, both theory and empirical
findings combine to suggest that psychological capital can provide an effective buffer against high levels of leaders' narcissistic personality. Accordingly, we propose that:

\[ H_4. \] Narcissistic leadership influences employees' cynicism through its relationship with psychological strain; and the indirect effect will be stronger when the psychological capital is weak rather than when it is strong.

Combining \( H_1-H_4 \), we propose a moderated mediation model, shown in Figure 1, to test the relationship between followers' perceptions of narcissistic leadership and cynicism; the model incorporates psychological strain as a mediator and psychological capital as a moderator.

3. Methods
3.1 Participants
This study was conducted in 15 university hospitals located in all seven geographical regions of Turkey. These were randomly selected from the list of 65 university hospitals in the country (Ministry of Health of Turkey, 2016). Eight of them were state university hospitals, whereas the remaining seven were private university hospitals. Moreover, hospitals in Turkey had recently undergone major organizational changes resulting from governmental directives and implemented a new performance appraisal system.

We chose the healthcare industry because, starting from 2002, the healthcare system in Turkey underwent restructuring exercises to make it more innovative and cost efficient. Since effective leadership is viewed as a key factor in attracting, motivating, and maintaining employees in organizations undergoing change and transformation, we expected that the conditions in this industry provided an ideal test of the relationship between leader narcissism and organizational cynicism.

A cluster random-sampling method was used to select the sample. In this sampling method, first, all the university hospitals in Turkey were stratified into seven strata according to their geographic regions. Then, hospitals in each stratum were proportionally selected by a cluster random sampling; nurses working at the selected hospitals comprised the study sample.

The study was completed in March-April 2016. A research team consisting of seven doctoral students visited 15 university hospitals. During their first visit, post to receiving the approvals from the head doctors of the hospitals, they gave information about the aim of this study to the certified nurses in their units. Certified nurses were told that the study was designed to collect information on the leader narcissism and the organizational cynicism levels in the healthcare workforce. They were given confidentiality assurances and told that participation was voluntary. Nurses wishing to participate in this study were requested to send their names and departments by e-mail to the research team members.

During the second visit (three weeks later), all respondents were invited to a meeting room in their departments in which questionnaires were distributed, filled and immediately collected. A total of 1,500 certified nurses participated in this study. Incomplete questionnaires reduced the sample size to 1,215 subjects resulting in a response rate of 81 percent.

Participants comprising the final sample worked in one of the following four departments: cardiology (30 percent), neurology (36 percent), accident and emergency (24 percent) and radiotherapy (10 percent). The average age of nurses was 23.66 years and the average organizational tenure was 1.69 years. Finally, out of the 1,215 nurses, 79.13 percent were female. Moreover, 51 percent of the sample population held bachelor’s degrees, whereas the remaining had graduate degrees. Potential non-response bias was assessed by conducting a multivariate analysis of variance test on demographic variables such as gender, age and organizational tenure. No significant differences were found between respondents and non-respondents, which indicates minimal, if any, non-response bias in the sample based on these factors.
3.2 Measures

3.2.1 Leader narcissism. It is assessed by using the Narcissistic Personality Inventory (NPI) (Raskin and Terry, 1988; \( \alpha = 0.89 \)). This is a 40-item scale. Example items included “My leader (the head nurse of the certified nurse) is a born leader,” and “My leader is more capable than other people.” Items were rated on a five-point Likert-type scale ranging from 1 (Disagree very much) to 5 (Agree very much). Higher scores on the NPI represent higher levels of narcissism. Related Cronbach’s \( \alpha \) turned out to be 0.83.

3.2.2 Organizational cynicism. It is measured with Johnson and O’Leary-Kelly’s (2003) five-item Cognitive Organizational Cynicism scale. Sample items include “I believe that my organization always does what it says it will do” (R) and “I see little similarity between what my organization says it will do and what it actually does.” Cronbach’s \( \alpha \) was 0.89.

3.2.3 Psychological strain. It is measured using the 12-item version of the General Health Questionnaire with Likert scoring (GHQ-12; Goldberg and Williams, 1988). This test has been widely used as an indicator of psychological distress in both occupational studies and population studies. Cronbach’s \( \alpha \) turned out to be 0.92.

3.2.4 Psychological capital. It is measured by a 24-item PsyCap questionnaire or PCQ (Luthans et al., 2007). Sample items included the followings: “I feel confident helping to set targets/goals in my work area,” “If I should find myself in a jam at work, I could think of many ways to get out of it” and “I always look on the bright side of things regarding my job.” All the items in PCQ are rated on a six-point Likert scale ranging from 1 “strongly disagree” to 6 “strongly agree.” Cronbach’s \( \alpha \) was 0.90.

3.2.5 Control variables. The demographic factors such as age, gender and organizational tenure, found to be significantly related to organizational cynicism (Pugh et al., 2003), were controlled. Age and tenure were measured in years, whereas gender was measured as a dichotomous variable coded as 1 for male and 0 for female.

4. Results

Due to the fact that the data for this study were collected using a single survey instrument, we performed a Harman One-Factor test to evaluate whether common method bias influenced our results (Podsakoff et al., 2003). This procedure involves performing a factor analysis on the study variables using principal axis factoring to determine whether the method factor (the first factor) accounts for a disproportionate amount of variance (Fabrigar et al., 1999). This analysis produced a four-factor solution based on the eigenvalue > 1.0 criteria using varimax rotation. The method factor accounted for 17.63 percent of variance. This falls below the cutoff of 25 percent identified by Williams et al. (1989), suggesting that the common method variance did not substantially influence the results.

We conducted a confirmatory factor analysis (CFA) to insure that the four variables – leaders’ narcissism, organizational cynicism, psychological strain and psychological capital – can be loaded as distinct factors. The results of CFA indicated that the four-factor model fits better with the data (\( \chi^2 = 914.04, df = 483; CFI = 0.92; GFI = 0.91; IFI = 0.92; TLI = 0.91; RMSEA = 0.043 \)) than the one-factor model (\( \chi^2 = 7506.53, df = 528; CFI = 0.82; GFI = 0.84; IFI = 0.82; TLI = 0.89; RMSEA = 0.053 \)) and the three-factor model (\( \chi^2 = 1709.33, df = 514; CFI = 0.85; GFI = 0.85; IFI = 0.86; TLI = 0.76; RMSEA = 0.079 \)).

Table I shows the descriptive statistics, including the means, standard deviations, and correlations. Zero-order correlations were all in the expected direction. Leaders’ narcissism was positively related to both employees’ organizational cynicism and psychological strain (\( \beta = 0.18, p < 0.05 \) and \( \beta = 0.17, p < 0.05 \), respectively).

To test the effect of leaders’ narcissism on employees’ cynicism (\( H1 \)) and leaders’ narcissism on employees’ psychological strain (\( H2 \)), we respectively regressed leaders’ narcissism on employees’ cynicism and psychological strain with control variables of age,

Narcissism and cynicism in healthcare organizations
gender and tenure ($\beta = 0.15, p < 0.05; \beta = 0.16, p < 0.05$). We used a bootstrapping approach with the aid of SPSS macro developed by Preacher et al. to test H3 (Preacher and Hayes, 2008). Bootstrapping is a non-parametric method for assessing indirect effects without imposing the assumption of normality of the sampling distribution (MacKinnon et al., 2004; Preacher et al., 2007). Because we hypothesize that psychological strain mediates the effects of leaders’ narcissism on employees’ organizational cynicism, we ran the indirect macro with 5,000 bootstrapped re-samples by using leaders’ narcissism as the independent variable; psychological strain as the mediator; and age, gender and organizational tenure as covariates. The result shows that the relationship between leaders’ narcissism and organizational cynicism was significantly mediated by psychological strain. The decreased and non-significant coefficient for leader narcissism ($\beta = 0.10, p = ns$) in Model 4 indicated that psychological strain fully mediated the relationship between leaders’ narcissism and organizational cynicism. Specifically, both the path from leaders’ narcissism to psychological strain ($\beta = 0.16, p < 0.05$) and the total effect of leaders’ narcissism on cynicism ($\beta = 0.15, p < 0.05$) were significant. Moreover, the indirect effect of leaders’ narcissism on cynicism via psychological strain was 0.10, and the 95 percent bias-corrected confidence interval around the bootstrapped indirect effect did not contain zero (bias-corrected CI = [0.03, 0.13]). These results indicate that followers who perceived their leaders as narcissists reported high psychological strain, which, in turn, was related to higher organizational cynicism. Thus, H3 is supported. Taken together, H1-H3 were supported (Table II).

To test H4, we used an approach of Muller et al. (2005). Results were interpreted using the bootstrapping method suggested by Edwards and Lambert (2007). We tested what Hayes (2013) refers to as “Model 7” in the moderated-mediation literature. H4 predicted that

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<td>0.90</td>
<td>-0.07</td>
<td>0.02</td>
<td>-0.04</td>
<td>0.18*</td>
<td>0.36***</td>
<td>-0.35***</td>
</tr>
</tbody>
</table>

Table I. Means, standard deviations, and correlations of studied variables

Notes: $n = 1,215$. *$p < 0.05$; ***$p < 0.001$

<table>
<thead>
<tr>
<th>Variable</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
<th>Model 4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Age (year)</td>
<td>-0.09</td>
<td>-0.06</td>
<td>-0.07</td>
<td>-0.05</td>
<td>-0.04</td>
<td>-0.02</td>
</tr>
<tr>
<td>Gender</td>
<td>0.05</td>
<td>0.03</td>
<td>0.02</td>
<td>0.02</td>
<td>0.01</td>
<td>0.01</td>
</tr>
<tr>
<td>Job tenure (year)</td>
<td>-0.06</td>
<td>-0.02</td>
<td>-0.04</td>
<td>-0.03</td>
<td>-0.01</td>
<td>-0.01</td>
</tr>
</tbody>
</table>

Independent variable

| Leader narcissism | 0.16*   | 0.15*   | 0.33***  | 0.10    |
| Psychological strain | 0.00    | 0.01    | 0.03    | 0.04    |

Table II. Regression analysis for testing mediation

Notes: *$p < 0.05$; **$p < 0.01$; ***$p < 0.001$
the indirect effect of leaders’ narcissism through psychological strain for the narcissism-cynicism relationships would be strengthened by low psychological capital and weakened by high psychological capital. To assess moderated mediation (Muller et al., 2005; Preacher et al., 2007), we examined three conditions: the independent variable must be related to the dependent variable, but there should be no interactive effect between the independent variable and the moderator on the dependent variable; the independent variable must be related to the mediator; and there must be a partial effect of the mediator on the outcome on average and an overall treatment effect on the mediator.

For the first necessary condition, Model 1 in Table III showed that the effect of leaders’ narcissism on employees’ cynicism is significant ($\beta = 0.14$, $p < 0.05$). In addition, leaders’ narcissism $\times$ psychological capital (moderator) is not significant ($\beta = 0.07$, ns). For the second necessary condition, Model 2 showed a significant effect of leaders’ narcissism on psychological strain ($\beta = 0.20$, $p < 0.01$). Therefore, condition 2 has been met. For the third necessary condition, Model 3 showed a significant moderating effect of psychological capital through psychological strain ($\beta = 0.17$, $p < 0.05$). There is a partial effect of psychological strain on the outcome ($\beta = 0.38$, $p < 0.001$). Hence, the results based on the first three conditions indicate that psychological capital could moderate the mediation for leaders’ narcissism.

To test the indirect effects using bootstrapping, we constructed bias-corrected confidence intervals based on 5,000 random samples with replacement from the full sample. We adopted Preacher et al.’s (2007) statistical significance test. Following Preacher et al.’s (2007) recommendation, we operationalized high, middle and low levels of psychological capital as one standard deviation above and below the mean score of the sample. Table IV presents the estimates, standard errors, $z$ statistics, and the significance value of the conditional indirect effects for employees’ cynicism across low and high levels of psychological capital.

The results show that the conditional indirect effects of employees’ cynicism were weaker and significant in the high and middle psychological capital condition (high-level effect = 0.042, *$p < 0.05$; middle-level effect = 0.030, *$p < 0.05$), but were stronger and not significant in the low psychological capital condition (low-level effect = 0.019, ns). Thus, $H4$ is supported.

<table>
<thead>
<tr>
<th>Model 1</th>
<th>Model 2</th>
<th>Model 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational cynicism</td>
<td>Psychological strain</td>
<td>Organizational cynicism</td>
</tr>
<tr>
<td>$\beta$</td>
<td>$t$</td>
<td>$\beta$</td>
</tr>
<tr>
<td>Controls</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Age (year)</td>
<td>$-0.05$</td>
<td>$-0.01$</td>
</tr>
<tr>
<td>Gender</td>
<td>$0.01$</td>
<td>$0.00$</td>
</tr>
<tr>
<td>Job tenure (year)</td>
<td>$-0.02$</td>
<td>$-0.01$</td>
</tr>
<tr>
<td>Predictors</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Leader narcissism (LN)</td>
<td>$0.14^*$</td>
<td>$2.03^*$</td>
</tr>
<tr>
<td>$R^2$</td>
<td>$0.03$</td>
<td></td>
</tr>
<tr>
<td>Psychological capital (PC)</td>
<td>$-0.31^{***}$</td>
<td>$6.69^{***}$</td>
</tr>
<tr>
<td>$R^2$</td>
<td>$0.03$</td>
<td></td>
</tr>
<tr>
<td>LN $\times$ PC</td>
<td>$0.07$</td>
<td>$0.13$</td>
</tr>
<tr>
<td>$R^2$</td>
<td>$0.05$</td>
<td></td>
</tr>
<tr>
<td>Psychological strain (PS)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>$R^2$</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Notes: *$p &lt; 0.05$; **$p &lt; 0.01$; ***$p &lt; 0.001$</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Table III. Regression analyses for testing moderated mediation effects.
5. Discussion
We explored and tested the positive relationship between leaders’ narcissism and employees’ cynicism of university hospitals in Turkey. Data from our samples supported our initial hypotheses. Results showed that leaders’ narcissism is positively associated with both employees’ cynicism and psychological strain. Furthermore, psychological strain provided an explanation of the relationship between narcissism and organizational cynicism. In addition, psychological capital effectively buffered the positive relationship between psychological strain and organizational cynicism.

5.1 Theoretical contribution
This study linked two conventionally independent research areas, leaders’ narcissism and employee organizational cynicism, thereby opening up new avenues for enriching the development of each field. Abusive leadership such as narcissistic leadership and organizational cynicism is a widespread organizational phenomena in the healthcare industry. Among the many negative consequences of leaders’ narcissism to an organization, employees’ cynicism is the most serious. Employees of narcissistic leaders perceive that their leaders are arrogant, emotionally isolated, distrustful, lacking in empathy and sensitive to criticism (Maccoby, 2000). Those leadership characteristics are clearly associated with difficulties in interpersonal relationships (Ronningstam, 2005), which, in turn, lead to low trust in leader, leader-member-exchange quality and high counterproductive work behaviors and cynicism (Meurs et al., 2013). This finding places leaders’ narcissism as one important precedent to employee cynicism.

Another key contribution of this study rests on the role of psychological strain as a mediator of the link between narcissism and cynicism. The findings contribute to psychological strain literature by proposing leaders’ narcissism as a new precedent of the psychological strain. Traditionally, the negative effects of high psychological strain have been limited to turnover intentions and performance (Chang et al., 2009). We have now expanded this to include the employee organizational cynicism.

Given the call of broadening the criterion domain to include the interpersonal antecedents of organizational cynicism (e.g. Chiaburu et al., 2013), this study adds to literature through the examination of the moderating role of psychological capital.

One noteworthy finding of this research is the moderated mediation model that applied the social exchange theory (Blau, 1964) to define the mediation path. This model provided a theoretical framework on how an independent variable (such as leaders’ narcissism) may affect the dependent variable (organizational cynicism) through the mediator (psychological strain). As for the moderator, psychological capital moderated the mediating effect of psychological strain on the indirect relationship between leaders’ narcissism and employee cynicism. High levels of psychological capital lowered the mediating effect of psychological strain.

5.2 Managerial implication and conclusion
The findings of this study are consistent with previous research results (Einarsen et al., 2010) that narcissistic leadership has negative employee outcomes such as high levels of employee

<table>
<thead>
<tr>
<th>Table IV. Moderate mediation results for leader narcissism across levels of psychological capital</th>
</tr>
</thead>
<tbody>
<tr>
<td>Moderator (psychological capital)</td>
</tr>
<tr>
<td>-----------------</td>
</tr>
<tr>
<td>Level</td>
</tr>
<tr>
<td>Low</td>
</tr>
<tr>
<td>Middle</td>
</tr>
<tr>
<td>High</td>
</tr>
</tbody>
</table>

Notes: **p < 0.01
psychological strain and organizational cynicism. This study has important implications for healthcare management. The results highlight the importance of leader narcissism as it is positively related to employee cynicism. Narcissistic leaders are prone to exploit others (Khoo and Burch, 2008), have lower quality relationships (Blair et al., 2008), overvalue the potential gains from risky behavior (Foster and Trimm, 2008), and take short cuts or behave in unethical ways (Blair et al., 2008; Judge et al., 2006). In terms of implications for organizations, these findings point to the importance of reinforcing an ethical context as well as to the significance of leader selection. Specifically, in order to ensure that narcissistic leaders do not thrive in organizations, it is important to maintain an ethical context. If the context is ethical, unethical, or interpersonally ineffective, behaviors will likely be more salient and evaluated more negatively by coworkers. Thus, it is unlikely that narcissists will be successful in advancing in a highly ethical context (Hoffman et al., 2013). It is particularly important, also, to look for signs of excessive narcissism in recruiting and making promotions. Psychological tests by trained clinicians and interviews with a candidate’s previous superiors and subordinates might flag a narcissistic leader. There is no doubt that the easiest way to deal with these managers is to avoid hiring them – or failing that – to refrain from giving them much power.

The findings of this study suggest that psychological strain acts as a link between leaders’ narcissism and employee cynicism. The clear demonstration that leader narcissism contributes to psychological manifestations of strain should direct attention toward narcissism as a potential component of stress management initiatives. One approach to managing employee strain in the workplace is Preventive Stress Management (Francis and Barling, 2005) emphasizing that the wellbeing of an organization and its employees are interdependent. As such, this approach notes that stress-related interventions ideally include both organizational and individual efforts. It also highlights both the reduction of stressors in the workplace and the management of existing strain. The recognition that perceived narcissism is stressful might guide program development under the principles of Preventive Stress Management.

Given the goal of reducing the number of stresses in the workplace, acknowledging that a state of perceived narcissism is stressful is a starting point for the design of preventative interventions. For instance, if perceived narcissism is recognized as a factor creating employee strain, Human Resources experts might include supportive leadership styles such as transformational, servant, ethical or authentic leadership behaviors in curricula for management training programs. With respect to the goal of improved management of existing employee strain, the characterization of narcissism as a factor of strain may benefit counselling and employee assistance initiatives. For instance, these programs may help employees recognize situations that lead to perceptions of narcissistic behaviors as a contributing factor in their experience of strain. As such, employees may be able to learn how to cope with their feelings of the perceived narcissism or manage the like source of the perceived narcissism.

Our research showed that psychological capital reduces the negative effect of psychological strain on organizational cynicism. Managers should pay more attention to the buffering role of psychological capital especially for those employees with high psychological strain and showing organizational cynicism. In practice, every supervisor needs to establish a two-way communication channel with his or her subordinates, equipping them with confidence (self-efficacy) to take on and put in the necessary effort to succeed at challenging tasks and making a positive expectation (optimism) about succeeding now and in the future. Psychological capital is open to development and should be integrated into organizations’ human resource development and performance management programs. Specifically, organizations should utilize developmental interventions aimed at increasing and sustaining overall psychological capital both in
managers and their employees. For example, relatively short (one to three hours) training interventions can be developed for overall psychological capital and tested for both online delivery and in traditional face-to-face workshops (Luthans et al., 2007).

5.3 Limitations and future research
This study has potential limitations as well. First, our samples were only drawn from university hospitals in Turkey, thus external validity is a concern. Second limitation arises from the cross-sectional data, as no causal relationships can only be established without longitudinal studies. Third, there would be socially desirable responding. Studies of dark side topics such as narcissistic or despotic leadership and cynicism are confounded by socially desirable responding. Socially desirable responding is the tendency of individuals to make themselves look good according to current cultural or organizational norms when answering researchers’ questions. It has been a complex and controversial issue, typically viewed as a contaminating response bias. Finally, this study was based on self-report measures on leaders’ narcissism and its outcomes. While using self-report data only, a potential for a method bias, is a clear limitation, the issue lies in the nature of the research: a lot of the constructs summarized under narcissist leadership explicitly refer to the perception of leader hostility as a defining attribute of narcissist leadership.

Future research can be conducted to address the limitations pertaining to this study. We call for continuing empirical research on the relationship between leaders’ narcissism and organizational cynicism based on samples from hospitals that operate in other economies. As consensus can only be reached by accumulating evidence from a more representative mix of samples, we offer the current findings as a basis for further research. It would be even more meaningful to conduct longitudinal studies to examine how the changes in leaders’ narcissism affect organizational cynicism.

References


Ferguson, M., Carlson, D. and Whitten, D. (2009), The Fallout from Abusive Supervision Through Work-Family Conflict: An Examination of Job Incumbents and Their Parents, Southern Management Association, Asheville, NC.


Further reading


**About the authors**

Hakan Erkutlu is an Associate Professor at the Faculty of Economics and Administrative Sciences, Nevsehir University, Turkey. He received his PhD from the Gazi University, Turkey. His research interests include leadership, organizational conflicts, innovation and change. Hakan Erkutlu is the corresponding author and can be contacted at: erkutlu@nevsehir.edu.tr

Jamel Chafra is a Senior Lecturer at the School of Applied Technology and Management, Bilkent University, Turkey. His research interests include empowerment, group dynamics and organizational conflicts.

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