

Do You Trust Your Boss? – A Jungian Analysis of Leadership Reliability in CSR

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Abstract

It is essential for corporate social responsibility that staff can trust its leaders. This paper argues that trust in leaders depends on the relationship between the leader's values, words and actions. If they are in line, employees can trust the leader. If they are not, distrust prevails. Five alternative relationships between values, words and actions can be identified: (1) values = words = actions; (2) values = words != actions; (3) values != words = actions; (4) values != words != actions; and (5) values = actions != words. They can be analysed and interpreted through the Jungian concepts of ego, persona (public ego), shadow and self. In alternative (1) leaders' Jungian ego has developed into a strong self. In alternative (2) leaders' Jungian shadow directs their ego. In alternative (3) leaders' Jungian persona directs their ego. In alternative (4) leaders' Jungian shadow has overcome their ego. In alternative (5) leaders' Jungian persona and shadow together direct their ego. This paper provides the rationale for and the descriptions and examples of these five alternatives, and shows how leaders can reach the ideal leadership state of values = words = actions, which makes the staff and external stakeholders trust them.

Note: "!=" means "not equals"

Keywords

Jung, leadership, reliability, trust, CSR

Introduction

Trust can be studied at many different levels of analysis: between organizations, within organizations, between groups, between individuals and within an individual. Tyler and Kramer (1996) recognize three of them: the organizational macrolevel dynamics, the inter-individual mesolevel dynamics and the individual microlevel dynamics. This paper will focus on trust between individuals, namely between a superior and his/her subordinate. Nevertheless, the superior-subordinate relationship may influence the other relationships the superior and the subordinate have with individuals, groups and organizations.

This paper examines trust between a superior and a subordinate from a psychological – and not for instance from a sociological, philosophical or economic – point of view. Psychological research on trust at this level is abundant (see e.g., Kramer and Tyler, 1996) but it seems that no Jungian analysis of the trust relationship between a superior and a subordinate has been conducted before.

There are two direct parties in a superior-subordinate relationship. Some researchers focus on the subordinate (e.g., Kramer, 1996; Lämsä and Pucetaite, 2006), others on the superior (e.g., Juuti, 1999; Kets de Vries, 2001; Lönnqvist, 2002). Often those with a management studies' background choose the former (as they may be hobnobbing with leaders who complain about their subordinates) and those with a psychological background choose the latter (perhaps after years of listening to the traumas caused by parents in families and their transference substitutes in organizations). The choice may also depend on the researchers' own position in the organizational hierarchy: superiors often feel that subordinates are unduly distrustful while subordinates may feel that superiors are not always trustworthy. This paper focuses on the superior's trustworthiness from the subordinate's point of view, which reflects on the leadership reliability in corporate social responsibility (CSR) experienced both by the employees and the external stakeholders.

The concept of corporate social re-

sponsibility (CSR) is here limited to the social responsibility pillar of corporate responsibility (CR), excluding the pillars of corporate economic responsibility and corporate environmental responsibility (cp. Ketola, 2005: 13).

Trust can be studied from different perspectives, looking for example at the antecedents of trust (e.g., Christie and Geis, 1970) or the consequences of trust (e.g., Rousseau, 1989). This paper concentrates on the antecedents of trust but will also glance at its consequences because these two interact. The chain: antecedents => trust => consequences, is completed into a loop by feedback from consequences to antecedents.

According to Burt and Knez (1996) direct connection affects trust level, and indirect connection affects trust intensity. Subordinates have an important position in corporate social responsibility issues: they are both the objects and subjects of CSR. On the one hand, organizations are expected to take many social responsibilities for their employees in regard to their health, safety, treatment, human/labour rights, pay, working hours, equal opportunities and other economic, social and psychological needs. On the other hand, employees are instrumental when companies aim at meeting the similar social responsibility needs of external stakeholders, such as the suppliers, contractors, other partners, customers, local people and the general public.

Hence, when addressing the topic of this paper, leadership reliability in CSR, the following connections must be taken into account. The (1) direct connection between the superior and the subordinates affects trust level in internal CSR. Additionally, the (2) indirect connection between the superior and external stakeholders through his/her subordinates affects trust intensity in internal CSR. Furthermore, the (3) direct connection between the superior and the subordinates affects trust level in external CSR. In addition, the (4) direct connection between employees and external stakeholders affects the trust level in external CSR. And, finally, the (5) direct connection between the leader and external stakeholders also affects the trust level in external CSR. Figure 1 illustrates these manifold

effects on trust and the important position of subordinates in CSR. Solid arrows show effects exerted by the subjects (actors) of CSR while dashed arrows illustrate feedback from the objects of CSR.

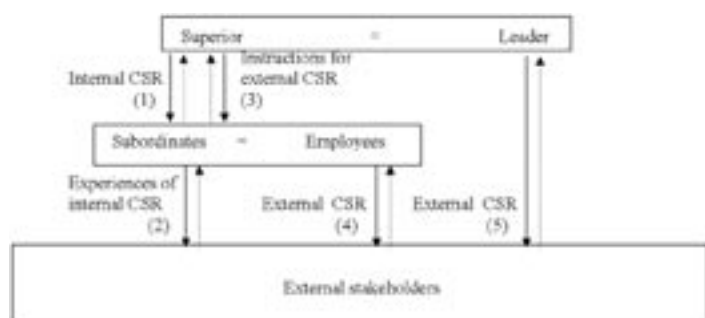


Figure 1. The manifold effects on trust in CSR, and the important position of subordinates as the objects and subjects of CSR.

These many different ways in which subordinates can influence the trust in the CSR of a company justify the inter-individual, superior–subordinate approach to leadership reliability in CSR adopted in this paper.

Burt and Knez (1996) point out that trust is seldom a simple two-person game but usually involves third parties whose gossip affects the result. In the context of this paper, each subordinate is influenced by the views of other subordinates on whether to trust or distrust the superior. The leaders and employees of the company are formal company representatives during work time and informal opinion builders in their free time social circles. External stakeholders also have dual roles in respect to the company in question: in their work duties they can influence the CSR of the company in direct ways, in their other social roles they can have an impact on its CSR in indirect ways. Consequently, employees are influenced by the civil views of their fellow-employees and external stakeholders – and even by those of the leaders – and the leaders and external stakeholders can be influenced similarly. According to Burt and Knez (1996), third party gossip reinforces existing relations, making the two parties more certain of their trust or distrust in one another. Thus, a subordinate chooses him/herself whether to trust or distrust the superior and an external stakeholder whether to trust or distrust the company in CSR issues, but the certainty of this trust or distrust depends on the views of others. Burt and Knez (1996) emphasize that trust builds incrementally but distrust has a more catastrophic quality. This means that it may take a very long time for a subordinate or external stakeholder to become certain of his/her trust – and a company may destroy this painstakingly gradually developed trust in a moment by taking a single unacceptable action.

According to Creed and Miles (1996), trust is a function of embedded predisposition to trust, characteristic similarity and experiences of reciprocity. In a superior–subordinate relationship these expectations may be fulfilled, if there is a master–apprentice relationship between the two: the subordinate is ambitious and the superior is generous at the same time. The subordinate would then be modelling himself over the superior whom he idealizes, and the superior would be seeing his/her own youthful ego in the subordinate and would take a parent's role in guiding this youngster. This would call for the identification-based type of trust presented by Lewicki and Bunker (1996), in which trust is based on identification with the other's desires and intentions. Only in this situation we can really talk about leaders and followers. Otherwise the subordinates are

more or less reluctant underlings who serve their superior for other reasons than belief in his/her goals.

Lewicki and Bunker (1996) also introduce two other types of trust: calculus-based trust and knowledge-based trust. In a superior-subordinate relationship calculus-based trust may be rather one-sided because it is usually the subordinates who have to calculate the consequences of their actions and predict what kinds of rewards or punishments they would bring from the superior. The career of the subordinate is the hands of the superior. Sometimes the superiors, too, need to consider the consequences of their actions in relation to the subordinate, particularly when they will need a loyal supporter for their future actions. The third type of trust, knowledge-based trust, is grounded in the other's predictability. If the superior and subordinate work together for a long time, they will learn to know, what they can expect of the other. The three types of trust are not separate but connected to each other; and therefore enforce each other.

Mishra (1996: 265) defines trust in the following way:

“Trust is one party's willingness to be vulnerable to another party based on the belief that the latter party is (a) competent, (b) open, (c) concerned, and (d) reliable.

This paper focuses first and foremost on the (d) reliability aspect of trust, that is, the trustworthiness of leaders (see e.g., Kirkpatrick and Locke, 1991). Leadership reliability means that the words and actions of leaders are consistent with each other. Discrepancy between what leaders preach and what they practise (or make their subordinates practise) is the most significant source of distrust (see e.g., Nanus, 1989). However, in this paper it is maintained that it is not enough for leaders to make their words and actions consistent; the values of the leaders should be in line with their words and actions. Consequently, the (c) concern aspect of trust can be integrated into leadership reliability in the form of values. The (b) openness aspect of the trust will here be taken into account when the relationships between values, words and actions are scrutinized: for instance when the leaders' words differ from their real values and subsequent actions, one may suspect that they have been hiding something. The assumption of this paper is that leaders are (a) competent in their work but this may not always be the case, as we will find out.

A similar analysis of the relationships between values, words and actions at the organizational level was conducted by the researcher recently (see Ketola, 2006c). This paper deals with the inter-individual level of analysis.

A Jungian Analysis of Leadership Reliability in CSR

Five Alternative Relationships of Leadership Reliability in CSR

It is essential for corporate social responsibility (CSR) that subordinates can trust their superiors. This trust has a dual role of ends and means in CSR. It makes subordinates believe in the CSR measures a company aims to take internally for the employees' own benefit and externally for the benefit of other stakeholders. The subordinates' trust in the company's internal and external CSR feeds into the awareness of external stakeholders, who can compare it with the CSR communication given by company leaders, as figure 1 showed. Trust is not self-evident. Many organizations work in the atmosphere of distrust. And distrust spreads easily from the employees to the external stakeholders.

It is argued here that trust in leaders in CSR issues depends on the relationship between the leaders' values, words and actions. If the leaders' values, words and actions are in line, employees can trust them. If they are not, distrust prevails. Conse-

quently, there are five alternative relationships between values, words and actions of a leader:

(1) *values = words = actions*: values, words and actions are consistent;

(2) *values = words != actions*: values and words are consistent but actions differ from them;

(3) *values != words = actions*: values differ from words and actions which are consistent;

(4) *values != words != actions*: values, words and actions are inconsistent;

(5) *values = actions != words*: values and actions are consistent but words differ from them;

Usually there is partial consistency and inconsistency between an individual's values, words and actions, but for the sake of clarity, this paper examines only the five extreme alternatives listed above. They can be analysed for instance through Carl Gustav Jung's concepts of individual unconscious.

Jungian concepts of ego, persona, shadow and self

Carl Gustav Jung studied individual unconscious and collective unconscious. The following brief account of Jung's concepts of individual ego, persona, shadow and self is partially based on my earlier studies (Ketola, 2001).

According to Jung (1958, 1963), the mainly conscious ego of individuals has different kinds of subconscious counterparts, which compete and cooperate with it. The ego follows the reality principle, sticking to facts without trying to imagine, pretend or lie – or distort the reality in any other way. The ego has to deal with a partially conscious persona (the mask worn by actors in ancient Greek drama!), which is the face that individuals wear to meet the social world around them. The persona wants to show only the best sides of the individual to the external world, as if a human being was only what s/he would like to look like. The persona is the public person.

On the other hand, the ego casts a shadow. The ego is confronted with its unconscious shadow of which it is not aware. The shadow is the backside of the ego (Stein, 1998). The shadow is everything that the ego is not, good and evil. The shadow is not necessarily a hidden evil because it incorporates also the characteristics that contrast the less likeable features of the ego. If, for example, the ego of an individual is fair but unkind, his/her shadow is unfair but kind. However, since humans generally strive for developing their conscious ego towards a good self-ideal, their shadows store a great number of subconscious aggressive counter-reactions.

The shadow and the persona are both ego-alien persons that inhabit the psyche. The ego is more at ease with the persona because that is compatible with social norms. The shadow is unacceptable to the ego. The shadow stays mostly hidden and comes out only on special occasions (Stein, 1998) – to the ego's disapproval and to the persona's shame. Consequently, the ego and the persona of an individual try to deny the shadow by projecting it on other people. Stein (1998) calls the pair of persona and shadow Narcissus and Goldmund, Dr. Jekyll and Mr. Hyde, Cain and Abel, Eve and Lilith, and Aphrodite and Hera.

The undeveloped ego, which every small child has, cannot control the energy of its subconscious, which gushes out uncontrollably. It is with children that the development of ego from month to month and year to year – with babies even from week to week – is most apparent. Children gradually learn to control their subconscious shadow to an increasing extent. A prerequisite for mental maturity is the ability to control one's impulses, one's subconscious psychic energy, with one's ego. Mental growth to genuine maturity also means that one should have less need

to hide behind the persona, the publicly acceptable mask.

In Jungian philosophy the mentally developed ego is called the self. The ego can develop into a self by becoming conscious of the formerly subconscious shadow and other archetypes (e.g., anima or animus) and by integrating material from them into its conscious side. The self is an individual's holistic psyche, which, with its inner powers, defeats the pretentious shell of the persona.

Mentally less developed individuals uphold their pretentious persona with their words but the actions of their weak ego are in actual fact often directed by their subconscious shadow. The ego of mentally developed individuals has accepted its shadow, and they have integrated their ego and now conscious shadow into a strong self, which does not need the façade of the persona (see more in Ketola, 2006d and Morgan, 2000). According to Jung (1963) the realization of the self through an individuation process is the ultimate goal towards which humans strive for (see Colman, 2000) – but this process is never totally completed. However hard we try to become aware of our darker side and accept it, the shadow necessarily remains partially unconscious and carries out commando attacks from its secret hiding places.

Many fairytales study this problem and aim at helping children to deal with their shadow. Usually fairytales start with a good person and an evil person, which symbolizes the ego's attempt to own its public persona and project the shadow on another person. During the course of the events these two sides of the psyche come into close contact. At the end of the fairytale the shadow will have been brought under the control of the ego, which can replace the public face of the persona with its own realistic face. For example in Snow White and the Seven Dwarfs, Snow White is the persona, Evil Queen is the shadow and the seven dwarfs are the active ego busy digging the depths of the unconscious mine. The dwarfs find the Prince, a stronger ego, to rescue Snow White from her death, i.e. from the persona's defeat in the fight against the shadow. With the help of this stronger ego, the shadow is taken under control and the innocent white of the persona becomes a realistic whole of the self. This fairytale is more elaborate than that, though, because it also touches the gender and sexual development issues by making the ego aware of subconscious animus/anima archetype and eventually incorporating it into the self. Sleeping Beauty, Cinderella, Beauty and the Beast, and many other fairytales have the same purpose of assisting the individuation process of the readers. Other psychological theories have their own interpretations of fairytales (see e.g., Bettelheim, 1975).

Peter Pan takes a different approach to the same issue. Peter Pan has a visible shadow attached to him. At the beginning of the story, Peter temporarily loses his shadow, that is, his persona tries to get rid of it. However, his ego is realistic enough to realize that he cannot be a whole person without his shadow, so Peter comes back to find it. He tries to glue it back with soap, i.e. his persona tries to whitewash it. This time a stronger ego comes for rescue in the form of another person, Wendy, who explains the futility of Peter's attempt, and instead sews the shadow back on him. Sewing hurts a bit like becoming more aware of one's shadow hurts. Wendy understands this and tries to be cautious. During the following adventures she continues her efforts to help Peter in his mental development process but Peter never grows up. He remains childlike with his hero archetypal persona and minimally conscious (= visible) shadow, which he projects on Captain Hook and Tinker Bell. This fairytale is a warning to children: you can have your fun in the adventures of Neverland where you can pretend to be a hero fighting enemies, but if they do not grow up to see that the heroic persona is not

real and the enemy is inside you, like Wendy, John, Michael and the Lost Boys eventually do, your ego will end up homeless like Peter who wanders aimlessly in the borderline of fantasy and reality for all his life. (For other Peter Pan interpretations, see e.g., Kiley, 1983; Aaltio–Marjosola and Lehtinen, 1998).

Lordi, the winner of the 2006 European Song Contest, with his song, *Hard Rock Hallelujah*, represents another attempt to deal with one's persona and shadow. By wearing an elaborate monster makeup and clothes this singer integrates his persona and shadow. This appeals to many people who are struggling to get along with their shadow. They are relieved with the singer's solution and can identify with him. The monster is out, and, surprise, surprise, it is not so awful after all. The shadow has been tamed to perform and succeed. Instead of being ashamed of their inner monster, they can feel proud of it. Furthermore, the name Lordi refers to an aristocratic lord, a respected member the upper classes in the pretentious earthly hierarchy, in contrast to the singer's ordinary background. This is the elevated dream that the singer exhibits in his persona. Lordi also refers to the Lord, God who rules the world from heaven. This is the singer's narcissistic dream to be an omnipotent and worshipped God through his persona. The singer integrates God and Devil in his songs as well as in his persona. All in all, this is a fascinating mental development solution attempt by a creative young person. Behind his devilish god mask and corresponding hard rock music and lyrics, the singer has a realistic ego left, because he does not want show his real face in public. He knows he is just a vulnerable young man.

The way to a holistic self is long and winding but spiritually rewarding. There is an ethical dimension involved in the development of self over time: "the overriding teleological nature of the self's continued search to become itself, even in the face of dire internal resistance or malignant external forces. ... This suggests a universal ethical capacity that is innate...but which, to unfold, depends on the quality of caregiving that the child receives during its early development" (Solomon, 2000: 197, 199). This explains Peter Pan's inability to develop a wholesome self: he had lost his parents as a baby and had had to manage on his own ever since.

The concepts of ego, persona, shadow and self – and their interactions – can be used to analyse the five alternative relationships of leadership reliability in CSR.

(1) Values = words = actions

In the ideal situation the leaders' values, words and actions are consistent. The subordinates can trust their superiors to do what they say and to believe in what they say and do. When leaders are considered reliable by the employees, it is more likely that also external stakeholders find them reliable. It is characteristic of human psyche to like people who are predictable and credible. The leaders, and the whole company with them, become more likeable with consistency between values, words and actions. Both internal and external stakeholders are more willing to cooperate and even compromise with a trustworthy leader and company.

"I shall in all my best obey you, madam." (Shakespeare: *Hamlet*)

For leaders themselves it is much less stressful to be able to do what they promise and want to do – they do not have to lie, hide or pretend but can instead be honest and tell things as they stand. Leaders often maintain that they would like to keep their values, words and actions in line, but the reality of business life is so ruthless that they cannot. The same complaint can be heard from leaders in other organizations, such as local govern-

ments and universities. Yet some leaders can do it, whichever organization they work with. Evidently it is a question of personal choice: will I hold on to my values in word and action whatever the personal consequences may be, or shall I sell my soul to the organization and adapt my words and actions to the organizational pressures however much they contradict my personal values? Funny that the prevailing business and organizational environment still seduces with short-term rewards the leaders to say one thing and do another thing irrespective of their personal values, when both individuals and society at large give first priority to the reliability of leaders and their organizations. In CSR reliability is seen crucial for the reputation of the company by the leaders, the employees and the external stakeholders. And yet coherence and consistency between leaders' values, words and actions are seldom achieved even in CSR issues.

An example of a leader whose values, words and actions are consistent is the CEO of a medium-sized family business who believes that the company's key task is to employ local people and give them a steady and stable job. During recession no employees were dismissed; instead the CEO and other leaders and managers cut their already moderate pay by half. At a time of an acute crisis, all staff, both managers and employees, agreed to be laid off for a week each in turns. Another example of a reliable leader is a professor in Helsinki who takes responsibility for his subordinates by finding each of them opportunities to focus on the issues of their own interest, develop the skills they want to and make career progress on the basis of fair and just principles. In addition, he tolerates those whose values, words and actions are not in line and, after their deception, does not reject them but brings them back to the academic community by giving them further cooperation opportunities. This professor returns good for evil. He turns the other cheek – and is never slapped twice. Needless to say he is well liked and respected. By applying these same ethics both internally and externally, he has created a wide circle of enthusiastic co-operators in business, academia and other institutions.

The Jungian analysis of this situation is clear. When leaders' values, words and actions are consistent, their ego has developed into a strong self by accepting and integrating the shadow. These leaders can bear the external and internal pressures to project their shadow on others or to hide behind the public persona without yielding to them. The leaders' self is holistic and, therefore, ethical. In theory, leaders could be consistent in their values, words and actions also so that they refuse to take CSR. This unethical stance is becoming practically impossible in our contemporary global world and would indicate serious trauma during the leaders' crucial years of childhood development.

(2) Values = words != actions

Another reliability alternative is that the leaders' values and words are consistent with each other but their actions differ from them. These kinds of leaders face major credibility problems in their organization, business environment and society. The internal and external stakeholders wonder, why these leaders preach what they believe in, but then take quite different action. They cannot trust anything these leaders say. If there is a permanent conflict between the leaders' words and actions, they may cause the company gradually lose its employees and partners from suppliers to customers and from financiers to authorities.

"You mock me, sir." (Shakespeare: *Hamlet*)

There are two alternative explanations for this situation: either the leaders do not know how to put their values into practice, or the values of the leaders differ radically from those of the

company and they cannot help expressing this in their words before having to do what the company wants. In the former case the leaders may not have sufficient managerial and leadership skills to realize their dreams. In the latter case perhaps the leaders' values are too idealistic for the brutal corporate reality – or vice versa!

It is important to remember when the leaders' values and words are in line but their actions are out of line, the CSR status may go either way: the leaders' values and words may be responsible but the actions are irresponsible – or the leaders' values and words are irresponsible but the actions are responsible. Some leaders are minimalists: they restrain from promising anything much in order to be able to deliver much more than expected. These leaders secure the rear. As long as the company is thriving, it can distribute its wealth to all internal and external stakeholders, but the leaders reserve the company the right to restrict its benevolence to its own narrow self-interest as soon as difficult times arrive. In this way the leaders cannot be blamed for breaking their promises or giving up their values. When the leaders' values do not bind the company to any responsibilities and their words emphasize corporate self-interest, their actions can flexibly take account of the demands of circumstances. These kinds of leaders may be heavily criticized by the employees and the public, but they usually keep the partners loyal to the company.

The more common case of the leaders' values and words being responsible but their actions being irresponsible is often due to an ongoing learning process. Leaders are constantly picking up trends to adapt themselves to their business environment; and therefore, willingly use the fashionable rhetoric in their speeches. Responsibility rhetoric is currently very fashionable. Sometimes the new concepts leaders learn remain just superficial words without any corresponding change in values or actions. In the case of CSR leaders have had to engage themselves in some in-depth learning as corporate responsibility (CR) with its economic, social and environmental dimensions refuses to go away from the corporate menu. The responsibility policy talks of the leaders are slowly turned into practical actions. In this process these policies gain deeper meaning and eventually become engraved in the values of the leaders. Such a learning process requires patience from internal and external stakeholders. What may look like the leaders promising more than they can keep, may in reality mean that the leaders are learning to "walk the talk".

If a learning process is on the way, then probably also an individual maturing process is taking place. The leaders are learning to integrate their shadow into their ego so that CSR can really be taken without projective excuses by the shadow or pretentious words by the persona. However, if the leaders' CSR actions continue to differ from their values and words, their shadow is in fact directing the ego behind the mask of the persona.

(3) Values != words = actions

Sometimes the leaders' values differ from their words and actions, which are consistent with each other. It is often thought that a great many leaders have sold their souls to companies in this way. But why would they stay in a company that has different values from theirs, which would force them to speak and act in contrast to their values? These leaders in actual fact weigh their options very carefully: they feel they can trade their personal values for something that the company offers, such as power, career advancement, excellent pay, option schemes, etc. If they decided that consistency between corporate values and their own values was more important than the rewards for inconsis-

ency, they would not lose everything. To follow their values, the leaders would simply have to find another job, which might be financially or politically less rewarding. The leaders can delegate the nastiest tasks: e.g., a Vice President of Communications of a large company said that, if she has to do something for the company that is in conflict with her own values, she asks one of her subordinates to do it. In most cases leaders who would seem to belong to this alternative (3) where values differ from words and actions, in reality belong to alternative (4) or (5).

However, many entrepreneurs belong to this alternative (3) because they would lose everything – their whole company, which they have built from the scratch – if they did not sacrifice their values. Entrepreneurs are practical people who direct their energy to action. They do what they promise to do. Entrepreneurs are often underdogs in business. That is why, it is very important to them that all stakeholders trust them. Small and medium-sized enterprises may be suppliers to large companies. They are usually particularly dependent on the cooperation of few clients and financiers. Without them the mere survival of a small enterprise is at stake. Most entrepreneurs detest paperwork and never write down their values. During the start-up of the firm, their values have probably played a part, and may do so at crucial decision times. Yet few entrepreneurs have ever had time to think what their values actually are. Maybe that is for the best: small companies with little power to influence their surroundings must adapt to their business environment more carefully than large companies with much influential power. Naturally entrepreneurs may find a comfortable niche for their company where the values of the stakeholders coincide with the entrepreneurs' own values – but this seldom happens. Entrepreneurs usually must subordinate themselves to the demands of their clients and financiers and may gradually lose their identity. In the worst case the entrepreneurs end up acting directly against their original intentions: they may have to violate their personal values to be allowed to continue to do business.

"Take note, take note, O World! To be direct and honest is not safe." (Shakespeare: Othello)

Cornered entrepreneurs may be uttering words and taking actions that are quite different from what they really would like to say and do. The strong stakeholders may force entrepreneurs to act in socially irresponsible ways but they may just as well compel the entrepreneurs to act socially responsibly. Small companies are often involved as suppliers, contractors or service-providers in the criminal court cases against large companies. If a large client pressurizes entrepreneurs to act against their ethical values, they must weigh their options: can I act irresponsibly, even criminally, or can I afford to lose this client? Often the answer is determined by the probability of being caught rather than values. For example, retail chains may demand their small suppliers to pay threshold money to get their products on the shelves of the shops. On the other hand, large companies, which adopt social responsibility principles, usually require the small companies serving them to follow the same principles in order to make their whole logistics chain socially responsible. Many international codes and standards expect the participation of the whole supply and production chain before verification. The entrepreneur in the chain has again two options: either to do what is required or lose the client.

The Jungian analysis of this situation is that the public persona of entrepreneurs directs their ego. Entrepreneurs feel they have to pretend in front of the most important stakeholders to gain their acceptance and secure the future of the firm. Since the persona is much better than the real ego, keeping up appearances is very stressful. Furthermore, if the entrepreneur is

pressured to do something that society considers evil, he will have to wear two different masks: the evil face of a conspirator for the powerful stakeholder and the good face of an innocent businessman for the rest of the world. Such two-faced existence is known to have broken many people. In comparison, the false smile of entrepreneurs who have been forced to take CSR they have not wanted to take is a light mask to wear.

Potential for these kinds of discrepancies between values on the one hand and words and actions on the other hand are characteristic of entrepreneurs with small companies. Large companies and their leaders are not often faced with difficult choices between their real values and words/actions. They have such a strong position that they can follow their real values – which, by the way, are not always the same as the values presented in public. The only time the values and actions of the leaders of large companies are inconsistent is when also their words differ from their values and actions. That is a serious situation.

(4) Values != words != actions

For some leaders their values, words and actions are in conflict with each other. These kinds of leaders have a personality disorder. The leaders may be paranoid tyrants or narcissistic dictators – often both in a form of a well-adjusted psychopath (see Ollila, 2005). They have a distorted view of the external world (Lönnqvist, 2002). Their reality testing is severely disturbed. They imagine that the employees and external stakeholders are a threat and aim at conquering the company, in other words: overthrowing the leader. These leaders are overwhelmed by projective identification: they identify with the company because they can see their own fears in the company (Ketola, 2006a). They may feel subconsciously guilty for overthrowing their predecessors. The leaders project their anger and guilt on the employees, external stakeholders and other organizations (Juuti, 1999; Lönnqvist, 2002), and suspect them of intentions of engaging in the same kind of destructive actions as they have successfully carried out. Competition always creates some suspicions, but these leaders are possessed by paranoia. They are hypersensitive and hyperalert, ready to encounter any perceived threats. They concentrate on confirming their suspicions, distort reality and lose their capacity for both strategic and spontaneous action. The atmosphere of distrust makes subordinates insecure and disenchanted (Kets de Vries, 2001).

As narcissists as well as paranoids, these leaders possess the charm of Narcissus and effortlessly seduce many of their subordinates with their irresistible charisma. Those who are willing to follow them, catch the projection bug. With the leader, they split the world into two: the friends, who always agree with them, and the enemies, who have opinions of their own. The CSR practiced by these leaders is far from fair. They favour their followers inside and outside the company who get the best rewards and opportunities. The others are left without even the legal minimum. Those who complain or oppose are (subtly) harassed to resign from the company or to end their partnership with the company. Consequently, most employees and partners suffer quietly in order to keep their dismal job or contract and their barely sufficient livelihood. You would think that these kinds of situations are possible only in third world countries, but in reality they prevail and thrive also in the so-called first world.

These leaders utilize Machiavellian divide-and-rule principles of governance. They hold back and deny access to information, restrict communication between individuals and groups and turn people against each other by speaking evil of their

intentions behind their backs (Ketola, 2004). Soon the staff and external stakeholders have no idea what is going on or who could be trusted (Lönnqvist, 2002). The intentional conflict between the leader's values, words and actions serves the purpose of keeping the employees and other stakeholders ignorant and on their toes so that power remains firmly in the hands of the leader.

The difference between normal and pathological personalities is only a matter of degree (Kets de Vries, 2000) but the consequences are shockingly dissimilar (Brown, 1997). Caution in human relations is wisdom, suspicion is seldom founded and paranoia absurd. The same applies to leadership and stakeholder relations. Unfortunately, business life and other organizational life, which offer opportunities to gain and wield a great deal of power, attract pathological personalities, particularly narcissistic paranoids who may be psychopaths (see Ketola, 2006b). These kinds of leaders are also attracted to each other and recruit each other. A group of well-adjusted psychopaths can easily with their brutal methods and wonderful charisma take over a company or other organization and change it into a network that focuses on satisfying their personal paranoid and narcissistic needs. Kets de Vries (2001) calls this shared madness (*folie à deux*). By constantly jumbling up their values, words and actions, the leaders prevent any constructive criticism or organized opposition in the company or other organization in question. The values, words and actions of paranoid leaders vary according to who is considered the enemy.

The narcissistic leaders replace the realistic strivings for organizational goals with the omnipotent fantasies about their own greatness (Brown, 1997; Lönnqvist, 2002). Excessive narcissism is a compensatory strategy for early disappointment in relationships. Narcissists possess insatiable hunger for recognition and external affirmation (Kets de Vries, 2001). Charismatic leaders are often narcissists; if they become pathological they will abuse power to satisfy their personal needs (Sankowsky, 1995). The charismatic grandiose leaders demand idealisation from their subordinates (Juuti, 1999; Lönnqvist, 2002), and if someone refuses, s/he is terminated (Ketola, 2004).

“O, it is excellent to have a giant's strength, but it is tyrannous to use it like a giant.” (Shakespeare: Measure by Measure)

In the long term narcissistic rage is self-destructive: an overly narcissistic organization cannot survive in a democratic business environment. The leaders' values, words and actions serve their narcissistic ambitions: they are mere instruments with which the leaders acquire power. The leaders change their values, words and actions according to where power and its symbols are most readily seized.

In conclusion, the deliberate inconsistency between a leader's values, words and actions has a two-fold purpose: securing the absolute power of the leader with the divide-and-rule principle and constantly seizing additional power by eliminating enemies and recruiting subservient followers. In Jungian terms, the shadow of the leader has defeated the ego and rules like a tyrant. The insatiable hunger for idealization shows that the leader has been deprived of attention, acceptance and appreciation during his/her childhood. The overpowering need to control through supremacy implies that the leader overcompensates his/her earlier powerless position which some adults may have taken advantage of in his/her childhood. This indicates that the early development circumstances of the leader must have been so severely distorted that the ego has not been able to develop to even become conscious of the shadow, let alone accept and integrate it. The leader is possessed by his/her shadow.

(5) Values = actions != words

A milder pathological personality disorder is exemplified by leaders whose words differ from their values and actions that are consistent with each other. They are hardened enough to be able to lie in the face while secretly taking quite different action based on their real values.

Once I expressed my surprise to a leader about a long-lasting situation in which she sweet-talked to some people at the same time as she was stabbing their backs. The leader advised me, a naïve researcher: "Don't listen to what I say but look what I do." The incident inspired me to give a wishful title to my then forthcoming book: *Responsible business – from words to action* (Ketola, 2005). This leader was well aware of the conflict between her words and actions; it was intentional. Her words were a smoke screen for her actions until they were completed. The people she targeted believed what she said, and therefore could not try to prevent what she was doing. Sometimes – when she was in a bad temper – she did just the opposite: said hurtful words but took good action that coincided with her values. I guess people would rather tolerate overt anger than covert backstabbing, but unfortunately deceiving with sweet-talk is very common in business, political and other organizational behaviour.

"That one may smile, and smile, and be a villain." (Shakespeare: *Hamlet*)

Corporate social responsibility (CSR) also consists mainly of soft words that cover the hard values and actions of the company. If you read the well written and splendidly printed CSR reports with the CEOs' introductions, you may get the impression that companies have taken exemplary care of their social responsibilities. Also the leaders and other company representatives fall over themselves to prove the same "fact" in their public speeches. Often, but not always, even the values they express in the reports and speeches are nothing but words. Thus the real values of leaders may be quite different from their expressed values. Their real values are passed on to the subordinates as tacit knowledge based on current and earlier experiences in the working community.

The leaders who act according to their values while expressing quite different intentions usually belong to top management. They are professionals in communications, smooth-talking chameleons with cunning ways to end up with what they want even when the odds are against them. Business and politics are full of them. As long as these leaders deal with their equals, it is a question of rivalry between two swindlers and both parties know what to expect. But when the topic is CSR, the leader's negotiation parties are less powerful: subordinates, other employees, suppliers, contractors, local people, the public. Under such circumstances this kind of leadership approach is wrongful and cruel. In many first world countries employees are partially protected by labour laws and trade unions but they help only in basic, simple issues. Most employees and external stakeholders in this world are at the mercy of corporate leaders.

When the leaders' words differ from their values and actions, their persona and shadow together direct the ego. The persona and shadow are intent to defeat the ego. The persona takes care of the public image while the shadow does all the dirty work that brings the rewards the leader yearns for. Once the shadow has completed its mission, the persona can let the mask drop to show the leader's own monster face so that people learn to fear the leader and let him/her do what s/he likes in the future without interfering in any way.

In this case the ego has had a chance to develop enough to become conscious of the shadow. However, the ego has not become

strong enough to tame the shadow in order to integrate it into a holistic self. Instead, in the consciousness process the shadow has met the persona and formed an alliance with it. Both the persona and the shadow have grown strong under strict social – usually parental – guidance. The persona has done its best to please the parents and the shadow has stored all the repressed anger that the child has felt for having to act impeccably for all those years. The shadow and persona of the leader have taken an upper hand over the weak little ego to retaliate the childhood trauma. Superficially the cooperation between the persona and shadow is most successful. Nevertheless, it does not bring the leader any lasting satisfaction because the methods these ego-alien persons use deprive the leader of the joy and happiness attainable from peace of mind and harmonious relationships.

Conclusions

So: do you trust your boss? If you do, is it because his/her values, words and actions are consistent and you know what to expect of him/her? If you don't, is it because you boss's values words and actions are not consistent and you do not know what to expect? Maybe.

Most people trust leaders who do what they promise to do and truly believe in what they are doing (alternative 1). These leaders live in harmony with their inner self; they have accepted and their shadow and integrated it into their ego, and they do not need to show off. Because of their mental balance they can accept the others with their imperfections. These leaders are reliable and easy to work with. Subordinates and external stakeholders can trust them to take care of the CSR issues in the best possible way.

Most leaders have not managed to develop their egos that far. Fortunately, subordinates are very adaptable. They learn to live with almost any kind of superiors, some with even those who divide and rule by messing up people's minds through constantly changing their values, words and actions (alternative 4). However, that requires either a very weak or strong ego of the subordinates: either they submissively obey whatever happens, or they ignore the boss and do their own thing regardless of the consequences. The same applies to dealing with a boss who stabs in the back (alternative 5): either bear the humiliation or quit. Neither kind of leader can be trusted to look after the CSR interests of the subordinates or external stakeholders. Nor can they be negotiated with.

The less complicated leaders are easier to accommodate – those who do not know how to put their values into action (alternative 2) and those who speak and act against their values (alternative 3) – because there is some hope for improvement. Subordinates and external stakeholders can at least bring up the CSR issues with them and try to discuss with them how to implement the CSR values into every-day work and business.

As the Jungian analysis shows, these mild cases of leadership reliability inconsistency involve only an incomplete individualisation process of the leaders in question. If their ego gets a chance to develop further to integrate the shadow, they will be able to let the mask of the persona fall and become their true self. This can happen during their normal course of life, especially if the responsibility issues are discussed openly from many points of view. They have the capacity to learn and develop.

It is the leaders in alternatives 4 and 5 that constitute a problem. The development process of their ego was interrupted at such an early age that it would be difficult to repair the damage in order to be able to restart the development process. The damage done to the psyche of the leader in alternative 5 might still

be reversible because s/he still has an ego, however weak, with a connection to reality. The leader in alternative 4 has no ego with a reality principle left; the subconscious shadow has taken over the psyche.

The purpose of this Jungian analysis of leadership reliability in CSR has been to illuminate the issue of trust in a leader's CSR approach from a new perspective. The research introduced five combinations of a leader's values, words and actions as the basic alternatives of leadership reliability. The paper emphasized the importance of consistency between a leader's values, words and actions. The Jungian analysis offered some explanations to the consistencies and the inconsistencies and hopefully increased understanding of and towards these leaders.

Could the equation: values = words = actions be replaced with one word: integrity? The concept of integrity means a quality of being honest and upright in character as well as a state or condition of being complete. Usually someone, whose values, word and actions are consistent, is considered honest and upright, but as we noticed, leaders do not necessarily have to be responsible in their consistency; they can also be consistently irresponsible, which is far from being upright. In addition,

the Jungian development of self is an ongoing process through the whole life, which means that a person, whether a leader or some other, can never be complete. Developmental psychology maintains that only when approaching the old age, people face the psychosocial crisis of integrity versus despair: if they cannot make sense of their lived life and feel themselves as a whole, they fall into despair. Integrity as wholeness seldom matters to active, busy leaders. On the other hand, integrity is a derivation of integration, and consistency is about integrating one's values, words, and actions. Brown (2005) makes a distinction between four meanings of integrity: consistency, relational awareness, inclusion and pursuing a worthwhile goal. This paper has focussed on the consistency side of integrity, but has also touched the other three sides of integrity.

Companies and their leaders are often encouraged to be visionary in their corporate social responsibility issues, but just like the strategy experts Lissack and Roos (2001) say: it is more important to be coherent than visionary. It is useless for leaders to dream about the future, if no-one trusts them. Hence the advice for leaders is: be consistent first, and only then visionary.

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