

Five signs you might be in a corporate cult

*Organisational culture plays a role in firm performance and can help improve employee satisfaction, engagement and commitment. But sometimes corporations can behave more like a cult, a phenomenon that can lead to employee exploitation and harmful or unethical behaviour. **Teresa Almeida** lists five signs to help you tell the difference between an organisation with a strong culture and one that is a bit too “cultish”.*

Every company has its own [culture](#)—shared values and persistent norms that define and shape people’s behaviour within an organisation. Recognised as a [crucial factor](#) for organisational success, culture can influence firm performance, employee satisfaction, engagement, and commitment to the organisation, among other factors. In fact, a [2021 survey](#) revealed that 66 per cent of executives believe culture is more important to performance than organisational strategy or operational models.

Yet, there is a fine line between a healthy company culture and a cult.

Researchers [highlighted](#) back in 1996 that a company’s culture could function as a social control mechanism, akin to those in cults or religious sects, where peer influence and social norms are used to recruit, socialise, and provide members with a sense of direction. This can result in enhanced coordination and higher performance, or, conversely, the same process can exploit and even lead to harmful or unethical behaviour.

So, how do you spot if your organisation simply has a strong culture or if it’s a bit too “cultish”?

1) You follow a charismatic leader with a world-changing vision

Does your leader exhibit superhuman traits or a grandiose vision that attract devout

followers? Are they surrounded by a loyal inner circle, promoted regardless of merit? Are critics marginalised or punished?

If so, they might be a charismatic or narcissistic leader. These leaders stand out by [projecting an inspirational vision](#) and an extraordinary mission. Often, they are narcissists, [prioritising power](#) and self-interest while [disregarding others' needs](#) or interests. Take Adam Neumann, the founder of WeWork. His [vision](#) was to create a world where people “make a life, not just a living.” WeWork experienced a dizzying rise as investors bought into his vision. However, in an equally dizzying fall, the company filed for bankruptcy [while Neumann walked away](#) with around \$770 million.

Another example is Enron's chief executive, involved in one of the biggest bankruptcy filings in US history. Former employees [described](#) Jeffrey Skilling as:

“[Jeffrey Skilling] was known internally as Darth Vader, ‘a master of the energy universe who had the ability to control people’s minds. He was at the peak of his strength, and he intimidated everyone.’ (...) He dressed for the part at company gatherings, referred to his traders as ‘Storm Troopers’ and decorated his home in a style sympathetic to the Darth Vader image. Skilling was also sometimes known as ‘The Prince’, after Machiavelli. New recruits were instructed to read The Prince from beginning to end or be eaten alive.”

These leaders not only present a compelling vision but also reward those who embrace their value system. However, narcissistic CEOs also punish those who don't. As a result, employees may face stress, frustration, diminished commitment, or reluctance to share information due to the [fear of retaliation](#).

2) Lack of diversity, equity and inclusion (DEI)

“Cultish” organisations often enforce a homogeneous culture, requiring conformity and stifling dissent. Look around. How much room is there for individual expression? Is stating a different opinion welcomed or discouraged by others?

In cults and “cultish” organisations, maintaining monocultures is key, with implicit expectations or rules about how members should behave, speak, and even dress. Here's what a former employee [noted](#) when he started at Enron:

“The first thing I noticed about Enron traders is that they all looked very similar (...) I

recall the first time I showed up to work in a green button-down, only to realize I was completely surrounded by a dozen guys wearing the same blue shirt. Not just blue shirts – but the same blue shirt.”

In contrast, [healthy, inclusive corporate cultures](#) foster diversity, encourage open communication and differences of opinion, and promote individuals expressing their uniqueness. Research indicates that having a strong culture that emphasises adaptability can be [linked to stronger financial performance](#).

3) Excessive loyalty

Elizabeth Holmes, the founder of Theranos, who was convicted of fraud, famously demanded unwavering allegiance to her vision. Despite her company’s product never functioning as claimed, she [equated any scepticism with disloyalty](#):

“Elizabeth told the gathered employees that she was building a religion. If there were any among them who didn’t believe, they should leave (...) The miniLab is the most important thing humanity has ever built. If you don’t believe this is the case, you should leave now,” she declared, scanning her audience with a dead serious look on her face. “Everyone needs to work as hard as humanly possible to deliver it.”

If you must prove your unquestioning loyalty, even if it means compromising your own beliefs or ethical boundaries, the organisational culture is too “cultish.” In such environments, people are less likely to voice concerns or speak up against others, particularly leaders.

Research indicates that loyalty can reduce whistleblowing and make people less willing to express concerns, [especially in ingroups](#). For instance, one [study](#) found that loyalty discourages employees from speaking up against misconduct, as it would be an act of betrayal. This can prevent organisations from addressing internal issues, leading to their potential downfall.

4) Corporate Stockholm syndrome

In toxic workplaces marked by the type of leadership we’ve discussed and with an overt emphasis on loyalty, corporate Stockholm syndrome can thrive. You might be

experiencing it if you identify with or remain [loyal to hostile supervisors](#) or an organisation, despite knowing it is a toxic place.

As Heidi Wechtler explained in a [podcast](#), her research shows that employees who have identified their workplace as toxic but have no intention of leaving often have lost their sense of identity and accepted a distorted sense of reality where abuse and toxicity are normal at work. They may also feel they are contributing to “something bigger,” which justifies their suffering.

When employees started speaking out about Uber’s toxic workplace culture, they [described](#) an environment where:

“The focus on pushing for the best result has also fuelled a Hobbesian environment at the company, in which workers are sometimes pitted against one another and where a blind eye is turned to infractions from top performers.”

But it wasn’t until former Uber engineer Susan Fowler wrote an [essay](#) depicting a toxic, aggressive culture that others started sharing their experiences and calling out the company’s leadership. Those experiencing corporate Stockholm syndrome often feel like they can’t leave or doubt their ability to find a job elsewhere, as their confidence has been eroded.

5) You find yourself in a bubble of “believers”

Corporate cults create a bubble of believers who, as they become indoctrinated, are more and more isolated from outside influences. Ask yourself: Have you become detached from ‘non-believing’ friends and family? Does your organisation have complicated and long initiation rituals or sharing sessions? Does the internal language and symbols reinforce the culture or leader? Are you facing a demanding work routine with little opportunity for privacy, rest, and reflection?

A [study](#) finds that these are all practices common to both cults and organisations that manipulate and subvert a person’s autonomy. While in most companies, it is unlikely that there is total and physical isolation from the outside world, some “cultish” organisations blur the lines between work and life, requiring people to commit themselves wholly to the organisation’s vision and community.

An interesting example of physical isolation is Zappos, an online retailer known for its strong emphasis on company values. Its CEO, Tony Hsieh, founded Downtown Project, a community in Las Vegas where employees lived and worked. Employees [described](#) the experience:

“The constant socialising and emphasis on community was stressful to social introverts (...) After-hours socialising, no matter how casual, was a constant. You’d work your eight hours (or more), then go home and see your co-workers at an impromptu cookout or bar-hopping session. There was no “off” button.”

This environment created a strong sense of community and purpose but also blurred the boundaries between personal and professional life, making it difficult for employees to disconnect and maintain their individuality.

Conclusion

Recognising these signs can help you determine if you’re in a healthy corporate environment or a corporate cult. A healthy organisational culture aims to unlock and bring together the unique views, perspectives, and abilities of its members and foster open dissent, which is essential for innovation and ethical governance. Leaders should encourage authenticity and individuality, nurturing an environment where employees can thrive without succumbing to conformist pressures.

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