

Charismatic and Transformational Leadership

Learning Objectives

After studying this chapter you should be able to:

- Understand how the theories of charismatic and transformational leadership differ from earlier leadership theories.
- Understand similarities and differences among the major theories of charismatic and transformational leadership.
- Understand how attributions of charisma are jointly determined by the leader, the followers, and the situation.
- Understand what traits, behaviors, and influence processes are involved in charismatic and transformational leadership.
- Understand why charismatic leadership can have adverse consequences for followers and the organization.
- Understand the types of research used to study transformational and charismatic leadership.
- Understand the major findings in empirical research on the effects of charismatic and transformational leadership.
- Understand how to apply the theories to become more effective as a leader.

In the 1980s, management researchers became very interested in the emotional and symbolic aspects of leadership. These processes help us to understand how leaders influence followers to make self-sacrifices and put the needs of the mission or organization above their materialistic self-interests. The theories of charismatic and transformational leadership describe this important aspect of leadership.

The terms *transformational* and *charismatic* are used interchangeably by many writers, but despite the similarities there are some important distinctions. This chapter describes the major theories, examines relevant research, compares charismatic and transformational leadership, evaluates the theories, and provides some practical guidelines for leaders. The chapter begins with a brief review of two early theories that influenced current conceptions of charismatic and transformational leadership.

Two Early Theories

Charisma

The current theories of charismatic leadership were strongly influenced by the ideas of an early sociologist named Max Weber. *Charisma* is a Greek word that means “divinely inspired gift,” such as the ability to perform miracles or predict future events. Weber (1947) used the term to describe a form of influence based not on tradition or formal authority but rather on follower perceptions that the leader is endowed with exceptional qualities. According to Weber, charisma occurs during a social crisis, when a leader emerges with a radical vision that offers a solution to the crisis and attracts followers who believe in the vision. The followers experience some successes that make the vision appear attainable, and they come to perceive the leader as extraordinary.

In the past two decades, several social scientists formulated newer versions of the theory to describe charismatic leadership in organizations (e.g., Conger & Kanungo, 1987, 1998; House, 1977; Shamir, House, & Arthur, 1993). These “neocharismatic” theories incorporate some of Weber’s ideas, but in other respects they depart from his initial conception about charismatic leadership (Beyer, 1999; Conger, 1989). The neocharismatic theories describe the motives and behaviors of charismatic leaders and psychological processes that explain how these leaders influence followers (Jacobsen & House, 2001).

Transforming Leadership

The theories of transformational leadership were strongly influenced by James McGregor Burns (1978), who wrote a best-selling book on political leadership. Burns contrasted transforming leadership with transactional leadership. Transforming leadership appeals to the moral values of followers in an attempt to raise their consciousness about ethical issues and to mobilize their energy and resources to reform institutions. Transactional leadership motivates followers by appealing to their self-interest and exchanging benefits. For a political leader, these activities include providing jobs, subsidies, lucrative government contracts, and support for desired legislation in return for campaign contributions and votes to reelect the leader. For corporate leaders, transactional leadership means providing pay and other benefits in return for work effort. Transactional leadership may involve values, but they are values relevant to the exchange process, such as honesty, fairness, responsibility, and reciprocity. Finally, Burns also identified a third form of leadership influence based on legitimate authority

and respect for rules and tradition. Bureaucratic organizations emphasize this form of influence more than influence based on exchange or inspiration.

The process by which leaders appeal to followers' values and emotions is a central feature in current theories of transformational and visionary leadership in organizations (e.g., Bass, 1985, 1996; Bennis & Nanus, 1985; Sashkin & Fulmer, 1988; Tichy & Devanna, 1986). In contrast to Burns, however, the newer theories of transformational leadership are more concerned with attainment of pragmatic task objectives than with the moral elevation of followers or social reform. The views of Burns on ethical leadership are discussed in Chapter 13.

Attribution Theory of Charismatic Leadership

Conger and Kanungo (1987) proposed a theory of charismatic leadership based on the assumption that charisma is an attributional phenomenon. Subsequently, a refined version of the theory was presented by Conger (1989) and by Conger and Kanungo (1998). According to the theory, follower attribution of charismatic qualities to a leader is jointly determined by the leader's behavior, expertise, and aspects of the situation.

Leader Traits and Behaviors

Follower attributions of charisma depend on several types of leader behavior. These behaviors are not assumed to be present in every charismatic leader to the same extent, and the relative importance of each type of behavior for attribution of charisma depends to some extent on the leadership situation.

Charisma is more likely to be attributed to leaders who advocate a vision that is highly discrepant from the status quo, but still within the latitude of acceptance by followers. That is, followers will not accept a vision that is too radical, and they are likely to view a leader who espouses such a vision as incompetent or crazy. Noncharismatic leaders typically support the status quo, or advocate only small, incremental changes.

Charisma is more likely to be attributed to leaders who act in unconventional ways to achieve the vision. The leader's methods for attaining the idealized goal must differ from conventional ways of doing things in order to impress followers that the leader is extraordinary. The use of innovative strategies that appear successful results in attribution of superior expertise to the leader by followers.

Leaders are more likely to be viewed as charismatic if they make self-sacrifices, take personal risks, and incur high costs to achieve the vision they espouse. Trust appears to be an important component of charisma, and followers have more trust in a leader who seems less motivated by self-interest than by concern for followers. Most impressive is a leader who actually risks substantial personal loss in terms of status, money, leadership position, or membership in the organization.

Leaders who appear confident about their proposals are more likely to be viewed as charismatic than are leaders who appear doubtful and confused. Unless the leader communicates self-confidence, the success of an innovative strategy may be attributed more to luck than to expertise. A leader's confidence and enthusiasm can be contagious. Followers who believe the leader knows how to attain the shared objective will work harder, thereby increasing the actual probability of success.

Followers are more likely to attribute charisma to leaders who inspire them with emotional appeals than to leaders who use authority or a participative decision process. Leaders who use authority to implement an innovative strategy for attaining important objectives may gain more expert power if the strategy is successful, but unless they articulate an ideological vision to justify the strategy, they are unlikely to appear charismatic. Likewise, followers who meet with the leader to develop a consensus strategy may be satisfied and highly motivated, but the leader will not appear to be extraordinary.

The ability to see opportunities that others fail to recognize is another reason for a leader to be viewed as extraordinary. Charismatic leaders influence people to collectively accomplish great things that initially seemed impossible. The risks inherent in the use of novel strategies make it important for the leader to have the skills and expertise to make a realistic assessment of environmental constraints and opportunities for implementing the strategies. Timing is critical; the same strategy may succeed at one time but fail completely if implemented earlier or later. Leaders need to be sensitive to the needs and values of followers as well as to the environment in order to identify a vision that is innovative, relevant, timely, and appealing.

Influence Processes

The initial version of the theory did not explain the influence processes involved in charismatic leadership, but interviews conducted by Conger (1989) provided more insight about the reasons why followers of charismatic leaders become so strongly committed to the task or mission. The primary influence process is personal identification, which is influence derived from a follower's desire to please and imitate the leader. Charismatic leaders appear so extraordinary, due to their strategic insight, strong convictions, self-confidence, unconventional behavior, and dynamic energy that subordinates idolize these leaders and want to become like them. Leader approval becomes a measure of the subordinate's own self-worth. This approval is expressed by praise and recognition of subordinate behavior and accomplishments, which builds self-confidence and a deeper sense of obligation to live up to the leader's expectations in the future. Charismatic leaders create a sense of urgency that requires greater effort by subordinates to meet high expectations. Many subordinates of charismatic leaders reported that desire for leader approval was their primary source of motivation. At the same time, it was evident that followers were also motivated by fear of disappointing the leader and being rejected.

The influence of a charismatic leader is also due to internalization of new values and beliefs by followers. Conger (1989) emphasized that it is more important for followers to adopt the leader's attitudes and beliefs about desirable objectives and effective strategies than merely to imitate superficial aspects of the leader's behavior such as mannerisms, gestures, and speech patterns. A charismatic leader who articulates an inspirational vision can influence followers to internalize attitudes and beliefs that will subsequently serve as a source of intrinsic motivation to carry out the mission of the organization.

Facilitating Conditions

Contextual variables are especially important for charismatic leadership, because attributions of exceptional ability for a leader seem to be rare and may be highly dependent upon characteristics of the situation. One important situational variable is

follower anxiety or disenchantment. As noted by Weber (1947), charismatic leaders are more likely to emerge in crisis situations. However, unlike Weber (1947), Conger and Kanungo do not consider an objective crisis to be a necessary condition for charismatic leadership. Even in the absence of a genuine crisis, a leader may be able to create dissatisfaction with current conditions and simultaneously provide a vision of a more promising future. The leader may precipitate a crisis where none existed previously, setting the stage for demonstration of superior expertise in dealing with the problem in unconventional ways. Likewise, the leader may be able to discredit the old, accepted ways of doing things to set the stage for proposing new ways. The impact of unconventional strategies is greater when followers perceive that conventional approaches are no longer effective.

Self-Concept Theory of Charismatic Leadership

House (1977) proposed a theory to explain charismatic leadership in terms of a set of testable propositions involving observable processes rather than folklore and mystique. The theory identifies how charismatic leaders behave, their traits and skills, and the conditions in which they are most likely to emerge. One limitation of the initial theory was ambiguity about the influence processes. Shamir, House, and Arthur (1993) revised and extended the theory by incorporating new developments in thinking about human motivation and a more detailed description of the underlying influence processes. The following assumptions were made about human motivation: (1) behavior is expressive of a person's feelings, values, and self-concept as well as being pragmatic and goal oriented; (2) a person's self-concept is composed of a hierarchy of social identities and values; (3) people are intrinsically motivated to enhance and defend their self-esteem and self-worth; and (4) people are intrinsically motivated to maintain consistency among the various components of their self-concept, and between their self-concept and behavior.

Indicators of Charisma

Evidence of charismatic leadership is provided by the leader-follower relationship. As in the earlier theory by House (1977), a charismatic leader has profound and unusual effects on followers. Followers perceive that the leader's beliefs are correct, they willingly obey the leader, they feel affection toward the leader, they are emotionally involved in the mission of the group or organization, they have high performance goals, and they believe that they can contribute to the success of the mission. Attribution of extraordinary ability to the leader is likely, but in contrast to the theory by Conger and Kanungo (1987), it is not considered a necessary condition for charismatic leadership.

Leader Traits and Behaviors

Leader traits and behaviors are key determinants of charismatic leadership. Charismatic leaders are likely to have a strong need for power, high self-confidence, and a strong conviction in their own beliefs and ideals. The leadership behaviors that

explain how a charismatic leader influences the attitudes and behavior of followers include the following: (1) articulating an appealing vision, (2) using strong, expressive forms of communication when articulating the vision, (3) taking personal risks and making self-sacrifices to attain the vision, (4) communicating high expectations, (5) expressing optimism and confidence in followers, (6) modeling behaviors consistent with the vision, (7) managing follower impressions of the leader, (8) building identification with the group or organization, and (9) empowering followers.

Charismatic leaders use language that includes symbols, slogans, imagery, and metaphors that are relevant to the experience and values of followers. Several studies of charismatic leaders have identified specific aspects of their communications that help to communicate an appealing and optimistic vision. For example, a study that content-analyzed the speeches of U.S. presidents found more frequent use of metaphors by the ones regarded as very charismatic (Mio, Riggio, Levin, & Reese, 2005). Finally, expression of strong positive emotions such as enthusiasm and optimism about a new initiative, project, or strategy is another way for leaders to influence follower motivation (Sy, Cote, & Saavedra, 2005).

Influence Processes

Shamir and his colleagues recognize that personal identification is one type of influence process that may occur for some followers of a charismatic leader. When strong personal identification occurs, followers will imitate the leader's behavior, carry out the leader's requests, and make an extra effort to please the leader. Personal identification and follower attributions of charisma to a leader are more likely when the leader articulates an appealing vision, demonstrates courage and conviction, and makes self-sacrifices for followers or the mission (e.g., Choi & Mai-Dalton, 1999; DeCremer, 2002; Halverson, Holladay, Kazama, & Quinones, 2004; Yorges, Weiss, & Strickland, 1999). However, unlike the attribution theory of charismatic leadership, the self-concept theory does not emphasize personal identification. More important as sources of leader influence over followers are social identification, internalization, and augmentation of individual and collective self-efficacy.

Strong social identification occurs when people take pride in being part of the group or organization and regard membership as one of their most important social identities (Ashforth & Mael, 1989). They see how their efforts and work roles are related to a larger entity, making their work more meaningful and important. They are more willing to place the needs of the group above individual needs and make self-sacrifices for the sake of the group. Moreover, social identification results in strengthening of shared values, beliefs, and behavior norms among members of the group.

Charismatic leaders can increase social identification by articulating a vision that relates a follower's self-concept to shared values and role identities associated with the group (see Conger, Kanungo, & Menon, 2000). By emphasizing the ideological importance of the mission and the group's unique qualifications to perform it, the leader can imbue the group with a unique collective identity. Social identification can also be increased by the skillful use of slogans, symbols (e.g., flags, emblems, uniforms), rituals (singing the organization's song or anthem, saluting the flag, reciting the creed), and ceremonies (e.g., initiation of new members). Other relevant leadership behaviors

include telling stories about past successes, heroic deeds by members, and symbolic actions by the founder or former leaders.

Internalization occurs when attainment of task objectives becomes a way for followers to express their values and social identities. Sometimes charismatic leaders influence followers to embrace new values, but it is much more common for charismatic leaders to increase the salience of existing follower values and link them to task objectives. Charismatic leaders articulate a vision describing task objectives in ideological terms that reflect follower values. By emphasizing the symbolic and ideological aspects of the work, the leader makes it seem more meaningful, noble, heroic, and morally correct. The ultimate form of internalization occurs when followers come to view their work role as inseparably linked to their self-concept and self-worth. They carry out the role because it is a part of their essential nature and destiny.

Task motivation also depends on individual self-efficacy and collective efficacy. Individual self-efficacy is the belief that one is competent and capable of attaining difficult task objectives. People with high self-efficacy are willing to expend more effort and persist longer in overcoming obstacles to the attainment of task objectives (Bandura, 1986). Collective efficacy refers to the perception of group members that they can accomplish exceptional feats by working together. When collective efficacy is high, people are more willing to cooperate with members of their group in a joint effort to carry out their mission. A leader can enhance the self-efficacy and collective efficacy of followers by articulating an inspiring vision, expressing confidence that they can accomplish their collective task objectives, providing intellectual stimulation, and providing necessary coaching and assistance (see Kark, Shamir, & Chen, 2003).

The effects of a charismatic leader on followers may also involve emotional contagion, although this process was not emphasized by Shamir et al. (1993) when the theory was initially proposed. A leader who is very positive and enthusiastic can influence the mood of followers to be more positive, which is likely to increase their enthusiasm for the work and their perception that they can accomplish difficult objectives (e.g., collective efficacy). Bono and Ilies (2006) found that leaders who were viewed as charismatic by followers were also rated higher on expression of emotion and overall effectiveness; the positive mood of followers mediated the relationship between leader expression of emotion and ratings of leader effectiveness.

Facilitating Conditions

The motivational effects of charismatic leaders are more likely to occur when the leader's vision is congruent with existing follower values and identities. Thus, charismatic leaders must be able to understand the needs and values of followers. In addition, it must be possible to define task roles in ideological terms that will appeal to followers. High-technology industries can be linked to values such as scientific progress, economic development, and national pride, but it is more difficult to develop an appealing ideology in industries with controversial products such as alcoholic beverages, tobacco, or firearms. Work roles that have low potential for ideological appeals include simple, repetitive work with little inherent meaning or social significance. However, the story of the two bricklayers illustrates the possibility of making even routine work more meaningful. When asked what he was doing, one bricklayer replied that he was making a wall; the second bricklayer replied that he was building a cathedral.

According to Shamir and his colleagues, a crisis condition is not necessary for the effectiveness of charismatic leadership. Nevertheless, charismatic leadership is more likely to occur when a group or organization is in serious trouble, a good way to resolve the problem is not obvious, and there is considerable anxiety or even panic among the members (e.g., Bligh, Kohles, & Meindl, 2004; Halverson et al., 2004; House et al., 1991; Pillai, 1996; Pillai & Meindl, 1998). Such conditions favor the emergence of a leader who is able to interpret the crisis and offer credible strategies for coping with it successfully. A leader with qualities that enhance attribution of charisma is more likely to emerge in this situation. A recent study (Pastor, Mayo, & Shamir, 2007) suggests that when followers are aroused, they are more aware of the extent to which a leader has charismatic appeal. However, attribution of charisma to a leader may be temporary unless the vision continues to be relevant after the immediate crisis is resolved (Boal & Bryson, 1988; Hunt, Boal, & Dodge, 1999). A good historical example is the sharp decline in popularity of Winston Churchill after World War II.

Other Conceptions of Charisma

This section reviews some other conceptions of charisma that provide useful insights into the nature of this complex form of leadership. Two alternative perspectives on charismatic influence processes (psychodynamic and social contagion) are examined first. These two theories and the two described earlier are compared in Table 9-1. The section ends with a discussion of close versus distant charismatics and routinization of charisma.

Psychodynamic Processes

A few theorists have attempted to explain charisma in terms of Freudian psychodynamic processes in followers (Kets de Vries, 1988; Lindholm, 1988). These theorists attempt to explain the unusual and seemingly irrational influence of some charismatic leaders who are idolized as a superhuman hero or worshiped as a spiritual figure. The intense personal identification of followers with such leaders is explained in terms of psychodynamic processes such as regression, transference, and projection. Regression involves a return to feelings and behaviors that were typical of a younger age. Transference occurs when feelings toward an important figure from the past (e.g., a parent) are shifted to someone in the present. Projection involves a process of attributing undesirable feelings and motives to someone else, thereby shifting the blame for things about which one feels guilty.

According to one psychoanalytic explanation, followers suffering from fear, guilt, or alienation may experience a feeling of euphoric empowerment and transcendence by submerging their identity in that of a seemingly superhuman leader. For example, a young man has a severe identity crisis because he is unable to develop a clear conception of an ideal self due to weak or abusive parents. He develops a strong emotional attachment to and dependence on a charismatic gang leader who serves as the ideal to emulate. In another example, a person who has caused great injury to others suffers from overwhelming guilt. By identifying with a charismatic religious leader who is perceived to exemplify moral values, the person vicariously experiences the

TABLE 9-1 Comparison of Four Charismatic Theories

Attribute of Theory	Attributed Charisma	Self-Concept Theory	Psycho-Dynamic	Social Contagion
Influence Processes				
1. Personal identification	Yes	Yes	Yes	No
2. Value Internalization	Yes	Yes	No	No
3. Social identification	No	Yes	No	No
4. Social contagion	No	No	No	Yes
5. Enhanced self-efficacy	No	Yes	No	No
Leader Behaviors				
1. Innovative visioning	Yes	Yes	No	No
2. Unconventional behavior	Yes	Yes	No	Yes
3. Impression management	Yes	Yes	Yes	No
4. Self-sacrifice and personal risk	Yes	Yes	No	No
5. Role-model exemplary behavior	Yes	Yes	Yes	Yes
6. Show confidence in followers	Yes	Yes	Yes	No
7. Enhance team identity	No	Yes	No	No
8. Share power for key decisions	No	Yes	No	No
9. Scan and analyze environment	Yes	No	No	No
Facilitating Conditions				
1. Crisis or disenchantment	Yes	Yes	Yes	Yes
2. Complex, significant task	No	Yes	No	No
3. Weak, dependent followers	No	Yes	Yes	No

leader's moral superiority and is able to overcome the guilt. Followers of a charismatic leader may regress to childhood feelings of dependence on a parent who seemed to have magical powers, they may identify with the leader as an idealized self who exemplifies their wishes and fantasies, and they may be encouraged to project their feelings of guilt and hostility to an external figure or group.

Attributions of charisma are especially likely by people who have feelings of inadequacy, guilt, fear, and alienation, and who share beliefs and fantasies that will serve as the basis for emotional and rational appeals by the leader. For example, the combination of a severe economic depression and the collective shame of defeat in World War I left a fertile ground in Germany for the rise of Hitler. In another example, hero worship and personal identification with charismatic entertainers or cult leaders is more likely to occur among adolescents who have low self-esteem and a weak social identity.

Social Contagion and Charisma

The theories reviewed up to now describe leader influence on follower attitudes and behavior, and most of the influence processes assume considerable interaction between the leader and followers. According to Meindl (1990), these theories do not explain why charismatic attributions are made by people who do not interact directly with the leader, and in some cases do not even have an opportunity to observe the

leader at a distance or on television. Such people can be found in a social movement, new religion, or revolutionary political faction. Meindl offered an explanation of attributed charisma that focuses on influence processes among the followers themselves more than on how the leader directly influences individual followers.

The process used to explain how followers influence each other is social contagion, which involves the spontaneous spread of emotional and behavioral reactions among a group of people. This process occurs when inhibitions on latent tendencies to behave in a particular way are released by observing someone else display the behavior openly. According to Meindl, many people have a heroic social identity in their self-concept. In other words, these people have a positive image of themselves as emotionally involved in a righteous cause for which they are willing to make self-sacrifices and exert extra effort. This social identity is usually inhibited by other, more central social identities, by social norms about appropriate behavior, and by the desire for material benefits. However, these people are waiting for a leader and a cause to activate the heroic social identity. Activation is most likely to occur in a social crisis where the self-esteem or survival of people is threatened. In contrast to the other theories of charisma, it does not matter much who actually becomes the symbolic leader of a new cause (and the focus of follower adulation) as long as it is someone sufficiently attractive and exceptional to qualify for the role. Thus, loyalty may abruptly shift to another idol or leader if the initial one is no longer available or a more attractive one appears on the scene.

Meindl speculated that the process of social contagion may involve a typical sequence of events. It is likely to begin with a few insecure, marginal members who do not have strong social identification with an organization and are more inclined to deviate from its norms. The heroic behavior syndrome is activated in these people by an emergent leader who articulates an appealing ideology or symbolizes it (e.g., the person is a descendant of a famous religious or political leader). Although not specifically mentioned by Meindl, the influence process for these initial disciples is probably personal identification. They imitate nontraditional behavior by the leader and do things that symbolize allegiance to the new cause (e.g., wear special clothing or insignias, use ritualized salutes or gestures, recite special oaths or slogans). Other members may initially view the behavior of the new disciples as bizarre and inappropriate. However, as the inhibitions of more people are released, some initial doubters will become converts and the process of social contagion can spread rapidly.

Attribution of charisma to the leader occurs as part of the attempt by followers to understand and rationalize their new feelings and behavior. The need for this type of rationalization may be especially strong when social contagion results in behavior that is inconsistent with the usual social identities and espoused beliefs of the followers. The qualities attributed to a leader may become highly exaggerated as rumors and stories circulate among people who have no direct contact with the leader. For example, stories about a leader's heroic deeds and exceptional feats may spread among members of a political movement; stories about miracles performed by the leader may spread among members of a religious cult.

Close and Distant Charisma

Shamir (1995) proposed that attributions of charisma for people who have close contact with the leader differ in some important ways from attributions made by

people who view the leader only from a distance. An exploratory study was conducted in Israel to see whether the proposed differences could be verified. Students were interviewed and asked to describe a charismatic leader with whom they had a direct relationship and one with whom they did not have a direct relationship. Responses were content analyzed to identify leader traits, skills, behaviors, and effects.

The results support Shamir's proposition that the amount of direct interaction between a leader and followers affects attributions of charisma. Distant charismatics were described more often in terms of their substantive achievements and effects on follower political attitudes. Close charismatics were more often described in terms of their effects on follower motivation, task behavior, and identification with the leader. The findings suggest that attributions of greatness for distant leaders are affected more by performance cues and shared stereotypes, whereas attributions of greatness for close leaders are affected more by leader behavior and interpersonal skills. However, this exploratory study was subject to several limitations. A subsequent study by Yagil (1998) in the Israeli army did not find support for the proposition that interpersonal qualities are more important in determining attributions of charisma for close rather than distant leaders. More research is needed to clarify how distance affects attributions of charisma. Antonakis and Atwater (2002) pointed out the need to make a careful distinction between vertical social distance (proximity in the authority hierarchy of an organization) and physical distance. Moreover, the frequency and nature of interactions with followers also determine how each type of social and physical distance will moderate the influence of a leader on followers.

How charismatic leaders are viewed from a distance applies not only to many members of an organization, but also to outsiders (e.g., investors, customers, suppliers, government officials) who do not have an opportunity to observe the leaders closely. CEOs have a variety of ways to influence the impressions of external stakeholders whose confidence and support are important to success and survival of the organization (Fanelli & Misangyi, 2006).

Routinization of Charisma

Charisma is a transitory phenomenon when it is dependent on personal identification with an individual leader who is perceived to be extraordinary. When the leader departs or dies, a succession crisis is likely. Many organizations founded by an autocratic charismatic leader fail to survive this succession crisis (Bryman, 1992; Mintzberg, 1983). Charismatic leaders can do several things in an effort to perpetuate their influence on the organization after they depart (Bryman, 1992; Trice & Beyer, 1986). The three approaches for routinization of charisma are not mutually exclusive, and they all may occur to some degree in the same organization.

One approach is to transfer charisma to a designated successor through rites and ceremonies. However, it is seldom possible to find a successor for an extraordinary leader. In addition, there are many reasons why a charismatic leader may be unwilling to identify a strong successor early enough to ensure a smooth transition. The possible reasons include defense mechanisms (e.g., the leader avoids thinking about death or retirement), preoccupation with the mission, and fear of potential rivals.

A second approach is to create an administrative structure that will continue to implement the leader's vision with rational-legal authority (Weber, 1947). This

“routinization of charisma” can reduce the effectiveness of the organization. It is difficult to maintain the enthusiastic commitment of organization members when a charismatic leader with whom they identified is succeeded by bland bureaucrats who emphasize obedience to formal rules. Even when not actively encouraged by the leader, a formal administrative structure usually evolves in a new organization as it grows larger and more successful. Conflicts are likely to occur between bureaucratic administrators and the charismatic leader. Sometimes the administrators are able to wrest control of the organization away from the leader. A case study by Weed (1993) provides a vivid example.

Candy Lightner is the charismatic founder of Mothers Against Drunk Driving (MADD). In 1980, after her daughter was killed by a drunk driver who was a repeat offender, she created MADD to lobby for stricter penalties for drunk driving in California. By 1985 she had successfully built MADD into a large national organization with 360 local chapters in the United States and a budget of \$13 million. As MADD grew its central administrative structure became more formalized. The size of the Board of Directors was increased, and its composition changed from local chapter directors who were very loyal to Lightner to professionals with a background in law, public relations, social services, and nonprofit advocacy organizations. The central staff evolved from a small circle of close friends to a larger staff of professional administrators whose primary loyalty was to the organization rather than to Lightner. By 1983 there were increasing conflicts between Lightner and other members of the central staff, who resented her autocratic style, her inconsistency about assignments, and her defensiveness about criticism or dissent. Turnover increased, and disputes erupted about her use of funds. Finally when her contract lapsed in 1985, the Board ousted Lightner from her position as president of MADD.

A third approach to perpetuate the leader’s vision is to embed it in the culture of the organization by influencing followers to internalize it and empowering them to implement it. How leaders can modify organization culture is described in Chapter 10.

Consequences of Charismatic Leadership

The study of historical leaders reveals examples of both positive and negative charismatics. Franklin D. Roosevelt lifted the United States out of the Great Depression, implemented major social programs such as Social Security, and mobilized the nation for World War II. In the same historical period, Adolph Hitler transformed Germany in a manner resulting in paranoid aggression, persecution, destruction, and the death of millions of people. This section discusses the positive and negative consequences of charismatic leadership for followers and the organization.

Positive and Negative Charismatics

How to differentiate between positive and negative charismatic leaders has been a problem for leadership theory. It is not always clear whether a particular leader should be classified as a positive or negative charismatic. One approach is to examine

the consequences for followers. However, most charismatic leaders have both positive and negative effects on followers, and disagreement about their relative importance is likely. Sometimes observers even disagree about whether a particular outcome is beneficial or detrimental.

A better approach for differentiating between positive and negative charismatics is in terms of their values and personality (House & Howell, 1992; Howell, 1988; Musser, 1987). Negative charismatics have a personalized power orientation. They emphasize personal identification rather than internalization. They intentionally seek to instill devotion to themselves more than to ideals. They may use ideological appeals, but merely as a means to gain power, after which the ideology is ignored or arbitrarily changed to serve the leader's personal objectives. They seek to dominate and subjugate followers by keeping them weak and dependent on the leader. Authority for making important decisions is centralized in the leader, rewards and punishments are used to manipulate and control followers, and information is restricted and used to maintain an image of leader infallibility or to exaggerate external threats to the organization. Decisions of these leaders reflect a greater concern for self-glorification and maintaining power than for the welfare of followers.

In contrast, positive charismatics have a socialized power orientation. They seek to instill devotion to ideology more than devotion to themselves. In terms of influence processes, they emphasize internalization rather than personal identification. Self-sacrifice and leading by example are used to communicate commitment to shared values and the mission of the unit, not to glorify the leader. Authority is delegated to a considerable extent, information is shared openly, participation in decisions is encouraged, and rewards are used to reinforce behavior consistent with the mission and objectives of the organization. As a result, their leadership is more likely to be beneficial to followers, although it is not inevitable if the strategies encouraged by the leader are inappropriate.

Howell and Shamir (2005) proposed that follower characteristics help to explain the type of charismatic relationship that will occur, but unlike some theorists, they do not believe that attributions of charisma are limited to followers who lack self-esteem and a clear self-identity. Followers who lack a clear self-identity and are confused and anxious about their lives are more attracted to a strong leader with a personalized power orientation who can provide a clear social identity for them as disciples or loyal supporters. The followers will identify more with the leader than with the organization or mission. In contrast, followers with a clear self-concept and high self-esteem are more likely to become involved in a socialized charismatic relationship. They will be responsive to a leader who can explain how the mission of the group or organization is relevant to their core values and strong self-identity, and they will identify more with the mission and the organization than with the leader.

The Dark Side of Charisma

The major theories of charismatic leadership emphasize positive consequences, but a number of social scientists have also considered the "dark side" of charisma (Bass & Steidlmeier, 1999; Conger, 1989; Conger & Kanungo, 1998; Hogan, Raskin, & Fazzini, 1990; House & Howell, 1992; Kets de Vries & Miller, 1985; Mumford et al., 1993; O'Connor et al., 1995; Sandowsky, 1995). Negative consequences that are likely

TABLE 9-2 Some Negative Consequences of Charismatic Leaders

- Being in awe of the leader reduces good suggestions by followers.
- Desire for leader acceptance inhibits criticism by followers.
- Adoration by followers creates delusions of leader infallibility.
- Excessive confidence and optimism blind the leader to real dangers.
- Denial of problems and failures reduces organizational learning.
- Risky, grandiose projects are more likely to fail.
- Taking complete credit for successes alienates some key followers.
- Impulsive, nontraditional behavior creates enemies as well as believers.
- Dependence on the leader inhibits development of competent successors.
- Failure to develop successors creates an eventual leadership crisis.

to occur in organizations led by charismatics are summarized in Table 9-2. Two inter-related sets of consequences combine to increase the likelihood that the leader's career will be cut short. Charismatic leaders tend to make more risky decisions that can result in a serious failure, and they tend to make more determined enemies who will use such a failure as an opportunity to remove the leader from office.

Leader optimism and self-confidence are essential to influence others to support the leader's vision, but excessive optimism makes it more difficult for the leader to recognize flaws in the vision or strategy. Identifying too closely with a vision undermines the capacity of people to evaluate it objectively. Early successes and adulation by subordinates may cause the leader to believe his or her judgment is infallible. In a persistent quest to attain the vision, a charismatic leader may ignore or reject evidence that it is unrealistic. Followers who believe in the leader will be inhibited from pointing out flaws or suggesting improvements (see Finkelstein, 2003). How overconfidence can result in a bad decision is evident in this example about Edwin Land, the inventor of the Polaroid camera (Conger, 1989).

Land had been correct in his earlier perception that people wanted cameras that would make instant photographs, but in 1970 he decided to develop a radical new camera (the SX-70) that would make the earlier versions obsolete. Ignoring evidence that the market demand would be very limited, Land invested a half billion dollars to develop and produce the "perfect" instant camera. This strategy proved to be unsuccessful. Sales for the first year were far below estimated levels, and several years of design changes and price cuts were necessary to gain market acceptance for the camera.

The same impulsive, unconventional behavior that some people view as charismatic will offend and antagonize other people who consider it disruptive and inappropriate. Likewise, the leader's strong conviction to untraditional ideologies alienates people who remain committed to the traditional ways of doing things. Even some of the initial supporters may become disillusioned if the leader fails to acknowledge their significant contributions to major achievements by the group or organization. Bass (1985) noted that the response of people to a charismatic leader is likely to be polarized; the same leader arouses extreme admiration by some people and extreme hatred by others. Thus, the advantage of having some dedicated followers who identify with the leader is offset by having some determined enemies, possibly including powerful

members of the organization who can undermine the leader's programs or conspire to remove the leader from office.

Despite all of the adverse consequences, not even a negative charismatic leader is doomed to failure. There are many examples of narcissistic charismatics who established political empires, founded prosperous companies, or initiated new religious sects and retained control of them throughout their lifetimes. Continued success is possible for a leader who has the expertise to make good decisions, the political skill to maintain power, and the good luck to be in a favorable situation.

Effects of Positive Charismatics

Followers are likely to be much better off with a positive charismatic leader than with a negative charismatic. They are more likely to experience psychological growth and development of their abilities, and the organization is more likely to adapt to an environment that is dynamic, hostile, and competitive. A positive charismatic leader usually creates an "achievement-oriented" culture (Harrison, 1987), a "high-performing system" (Vaill, 1978), or a "hands-on, value-driven" organization (Peters & Waterman, 1982). The organization has a clearly understood mission that embodies social values beyond mere profit or growth, members at all levels are empowered to make important decisions about how to implement strategies and do their work, communication is open and information shared, and organization structures and systems support the mission. Such an organization has obvious advantages, but Harrison (1987, p. 12) contends that proponents also overlook some potential costs:

In their single-minded pursuit of noble goals and an absorbing task, people lose their sense of balance and perspective; the end can come to justify the means. The group or organization exploits its environment, and its members—to the detriment of their health and quality of life—willingly exploit themselves in the service of the organization's purpose.

If prolonged as a normal operating mode, a single-minded achievement culture creates excessive stress, and members who are unable to tolerate this stress experience psychological disorders. An achievement culture created within one subunit of a larger organization may result in elitism, isolation, and lack of necessary cooperation with other subunits. Harrison concludes that subordinating member needs to the mission can be justified in a severe crisis, the moral equivalent of war, but under less demanding conditions a better balance between task concerns and people concerns is appropriate.

Practical Implications for Organizations

Some writers (Bryman, 1992; Schein, 1992; Trice & Beyer, 1993) have criticized the idea that charismatic leadership is a panacea for solving the problems of large organizations. The critics point out several reasons why it is not always feasible or desirable to have charismatic leaders occupy important positions in private and public sector organizations.

Charismatic leadership is risky. It is impossible to predict the result when people give too much power to an individual leader in the often irrational hope that he or she will actually be able to deliver on a vision of a better future. The power is often

misused while the vision remains an empty dream. History is full of charismatic leaders who caused untold death, destruction, and misery in the process of building an empire, leading a revolution, or founding a new religion.

Charismatic leadership implies radical change in the strategy and culture of an organization, which may not be necessary or appropriate for organizations that are currently prosperous and successful. It is difficult to make radical change in an organization if no obvious crisis exists and many members see no need for change. If there is more than one charismatic leader in the organization and they have incompatible visions, the organization may be torn apart by disruptive conflict. Historical accounts suggest that many charismatic leaders find it too difficult to implement their radical vision within an existing organization, and they leave to establish a new one (e.g., a new business, religious order, political party, or social movement).

Charisma is a rare and complex phenomenon that is difficult to manipulate (Trice & Beyer, 1993). People who advocate training of leaders to be charismatic underestimate the difficulty of achieving the right mix of conditions necessary for the attribution of charisma to occur. Even when charisma can be achieved, it is a transitory phenomenon. Unless institutionalized, the changes made by a charismatic leader (or the new organization established by the leader) will not persist.

Finally, most of the descriptive research (e.g., Bennis & Nanus, 1985; Collins, 2001; Kouzes & Posner, 1987; Peters & Austin, 1985; Tichy & Devanna, 1986) suggests that a charismatic leader is not necessary to achieve major changes in an organization. The research found that chief executives of successful organizations used behaviors that can be regarded as transformational but these leaders were seldom viewed as charismatic by members of the organization.

Transformational Leadership

As noted at the beginning of the chapter, several theories of transformational or inspirational leadership were strongly influenced by the ideas of Burns (1978), but there has been more empirical research on the version of the theory formulated by Bass (1985, 1996) than on any of the others. The essence of the theory is the distinction between transformational and transactional leadership. The two types of leadership were defined in terms of the component behaviors used to influence followers and the effects of the leader on followers.

With transformational leadership, the followers feel trust, admiration, loyalty, and respect toward the leader, and they are motivated to do more than they originally expected to do. According to Bass, the leader transforms and motivates followers by (1) making them more aware of the importance of task outcomes, (2) inducing them to transcend their own self-interest for the sake of the organization or team, and (3) activating their higher-order needs. In contrast, transactional leadership involves an exchange process that may result in follower compliance with leader requests but is not likely to generate enthusiasm and commitment to task objectives.

For Bass (1985), transformational and transactional leadership are distinct but not mutually exclusive processes. Transformational leadership increases follower motivation and performance more than transactional leadership, but effective leaders use a combination of both types of leadership.

TABLE 9-3 Transformational and Transactional Behaviors**Transformational Behaviors**

Idealized influence
 Individualized consideration
 Inspirational motivation
 Intellectual stimulation

Transactional Behaviors

Contingent reward
 Active management by exception
 Passive management by exception

Based on Bass (1996)

Leader Behaviors

Transformational and transactional leadership behaviors are described in terms of two broad categories of behavior, each with specific subcategories (see Table 9-3). The taxonomy was identified primarily by factor analysis of a behavior description questionnaire called the Multifactor Leadership Questionnaire (MLQ). The original formulation of the theory (Bass, 1985) included three types of transformational behavior: idealized influence, intellectual stimulation, and individualized consideration. Idealized influence is behavior that arouses strong follower emotions and identification with the leader. Setting an example of courage and dedication, and making self-sacrifices to benefit followers of the unit are examples of this type of behavior. Intellectual stimulation is behavior that increases follower awareness of problems and influences followers to view problems from a new perspective. Individualized consideration includes providing support, encouragement, and coaching to followers. A revision of the theory added another transformational behavior called “inspirational motivation,” which includes communicating an appealing vision, and using symbols to focus subordinate effort (Bass & Avolio, 1990a). Yet another revision by Bass and Avolio (1997) distinguished between idealized influence behavior and idealized influence attributions, although it is not clear why the latter scale was retained in a questionnaire designed to measure observable behavior. Any ratings of leadership behavior are susceptible to attribution biases, especially behaviors believed to be generally effective, so the distinction between attributed and behavioral charisma is confusing and unnecessary.

The original formulation of the theory included two types of transactional behavior: contingent reward and passive management by exception. Contingent reward behavior includes clarification of the work required to obtain rewards and the use of incentives and contingent rewards to influence motivation. Passive management by exception includes use of contingent punishments and other corrective action in response to obvious deviations from acceptable performance standards. Another transactional behavior called “active management by exception” was added in more recent versions of the theory (Bass & Avolio, 1990a). This behavior is defined in terms of looking for mistakes and enforcing rules to avoid mistakes.

Newer versions of the theory also include *laissez-faire* leadership as a third metacategory. This type of leader shows passive indifference about the task and subordinates

(e.g., ignoring problems, ignoring subordinate needs). It is best described as the absence of effective leadership rather than as an example of transactional leadership. The revised version of the theory (Avolio, 1999) is sometimes called the Full Range Leadership Model. As noted in Chapter 3, this label is inappropriate because some important leadership behaviors are not included in the model (Antonakis & House, 2002; Yukl, 1999a).

Several studies have used factor analysis to assess the construct validity of the MLQ (e.g., Antonakis, Avolio, & Sivasubramaniam, 2003; Avolio, Bass, & Jung, 1999; Bycio, Hackett, & Allen, 1995; Carless, 1998; Den Hartog, Van Muijen, & Koopman, 1997; Tejada, Scandura, & Pillai, 2001; Tepper & Percy, 1994; Yammarino, Spangler & Dubinsky, 1998). Most of these studies found support for the distinction between transformational and transactional leadership as broad metacategories, but in some cases only after eliminating many weak items or entire subscales. Results for the component behaviors were not consistent from study to study. Sometimes idealized influence combined with inspirational motivation. Sometimes passive management by exception combined with laissez-faire leadership. Contingent reward usually correlated more highly with the transformational behaviors than with other transactional behaviors. Even in studies where the factor analysis supports the distinctiveness of the transformational behaviors, they are so highly intercorrelated that it is not possible to clearly determine their separate effects. This confounding of behaviors explains why many studies use only a composite score for transformational leadership rather than the component behaviors.

Successive revisions of the MLQ have added types of transformational behavior not represented in the initial version. Moreover, in a few studies that included behaviors not explicitly measured by the MLQ in the factor analysis, some of them are confounded with the transformational behaviors (Hinkin & Tracey, 1999; Yukl, 1999a). When they included more items on providing recognition, Rafferty and Griffin (2004) found that this component of contingent reward is more appropriately classified as a transformational behavior. Other questionnaires on transformational leadership such as the Transformational Leader Index (Podsakoff et al., 1990) have a different mix of component behaviors. The expanding scope of the transformational metacategory and the likelihood that composite scores for it are influenced by unmeasured behaviors creates ambiguity about what the MLQ actually measures and complicates interpretation of results from research using the questionnaire.

There is need for stronger forms of construct validation research to show that each behavior is distinct, meaningful, and relevant to effective leadership. Most research with the MLQ involves field survey studies, but few of the studies have shown that there are different antecedents and consequences for each transformational behavior, which is essential to justify treating them as distinct types of behavior. In fact, most studies find parallel relationships for the different component behaviors. A survey study by Brown and Keeping (2005) found that the transformational behaviors were all highly correlated with subordinate liking of the leader, and it explained most of the effect of transformational leadership on outcomes. However, it was not possible to determine whether liking of the leader influenced subordinate ratings of transformational leadership or mediated the effects of the behavior (which is not part of the theory). Experiments may be a more useful research design to determine if each of the transformational behaviors can be manipulated independently, and to show that they each have somewhat different effects on explanatory processes such as interpersonal

influence processes and follower attitudes and motivation. Finally, it should be possible to show that the behaviors are distinct and unconfounded when measured in other ways, such as with observation, incident diaries, or interviews.

Influence Processes

The underlying influence processes for transactional and transformational leadership are not clearly explained, but they can be inferred from the description of the behaviors and effects on follower motivation. The primary influence process for transactional leadership is probably instrumental compliance (see Chapter 6). Transformational leadership probably involves internalization, because inspirational motivation includes efforts to link the task to follower values and ideals with behavior such as articulating an inspirational vision. A leader can increase intrinsic motivation by increasing the perception of followers that task objectives are consistent with their authentic interests and values (see Bono & Judge, 2003; Charbonneau, Barling & Kelloway, 2001).

Transformational leadership also appears to involve personal identification, because idealized influence results in follower attributions of charisma to the leader. According to Bass (1985, p. 31), “Charisma is a necessary ingredient of transformational leadership, but by itself it is not sufficient to account for the transformational process.” Other processes that may mediate the effects of transformational leadership on follower performance have been identified in research on the theory. Transformational leadership is highly correlated with trust in the leader (Dirks & Ferrin, 2002). Transformational behaviors such as inspirational motivation (e.g., optimistic visioning) and individualized consideration (e.g., coaching) may increase the self-efficacy of individual subordinates (McColl-Kennedy & Anderson, 2002) and the collective efficacy of teams (see Chapter 11). Intellectual stimulation may increase the creativity of individual followers and teams (Howell & Avolio, 1993; Keller, 1992; Sosik, Kahai, & Avolio, 1998).

Facilitating Conditions

According to Bass (1996, 1997), transformational leadership is considered effective in any situation or culture. The theory does not specify any conditions under which authentic transformational leadership is irrelevant or ineffective. In support of this position, the positive relationship between transformational leadership and effectiveness has been replicated for many leaders at different levels of authority, in different types of organizations, and in several different countries (Bass, 1997). The criterion of leadership effectiveness has included a variety of different types of measures. The evidence supports the conclusion that in most if not all situations, some aspects of transformational leadership are relevant. However, universal relevance does not mean that transformational leadership is equally effective in all situations or equally likely to occur.

A number of situational variables may increase the likelihood that transformational leadership will occur or may enhance the effect of such leadership on followers (Bass, 1985, 1996; Hinkin & Tracey, 1999; Howell & Avolio, 1993; Pawar & Eastman, 1997; Pettigrew, 1988; Waldman, Ramirez, House, & Puranam, 2001). Transformational

leadership is likely to be more important in a dynamic, unstable environment that increases the need for change, and such leadership is more likely when leaders are encouraged and empowered to be flexible and innovative (e.g., a decentralized organization with an entrepreneurial culture). The cross-cultural research on perceived importance of transformational leadership suggests that it may be used more often in some cultures than in others (see Chapter 14). Finally, there is growing evidence that the traits and values of followers may determine how they respond to a leader's transformational or charismatic behaviors (e.g., de Vries, Roe, & Tharsi, 2002; Ehrhart & Klein, 2001).

Primary Types of Research on the Theories

A wide variety of different research methods have been employed in the research on charismatic and transformational leadership. Most of the research has been focused on leader behavior and how it affects follower motivation, satisfaction, and performance. Much of the research was designed only to test one particular theory of charismatic or transformational leadership, but the findings are usually relevant for evaluating more than one of the theories. This section of the chapter describes examples of the different approaches used to study the effects of charismatic and transformational leadership.

Survey Research

Field survey studies have been used more often than any other method for research on transformational and charismatic leadership. Several different questionnaires have been developed (Bass & Avolio, 1990a; Conger & Kanungo, 1994, 1998; Podsakoff, MacKenzie, Moorman, & Fetter, 1990; Shamir, Zakey, & Popper, 1998), but most survey studies have used the MLQ or a modified version of it. Like the early behavior questionnaires (see Chapter 3), the newer ones have many of the same limitations, including response biases from the effects of stereotypes and attributions.

In most survey studies on the effects of transformational or charismatic leadership, the effectiveness criteria are measures of individual or group motivation or performance, not measures of organization-level performance. The small number of survey studies that have examined the relationship between CEO charismatic leadership and financial measures of organizational performance are reviewed in Chapter 12.

Lowe, Kroeck, and Sivasubramaniam (1996) conducted a meta-analysis of results from 39 studies using the MLQ to examine the general relationship of transformational and transactional leadership to measures of leadership effectiveness. A more recent meta-analysis was conducted by Judge and Piccolo (2004). A study by DeGroot, Kiker, and Cross (2000) examined results for a meta-analysis of charismatic leadership. These meta-analyses all found that transformational leadership was significantly related to some measures of leadership effectiveness. The relationship was stronger for subordinate self-rated effort than for an independent criterion of leadership effectiveness (e.g., ratings of the leader by superiors, objective performance of the leader's organizational unit). The high correlation among transformational behaviors and differences in the selection of subscales across studies makes it difficult to determine the separate effects

for different behaviors. With regard to transactional leadership, the results were weaker and less consistent than for transformational leadership. Contingent rewarding, a transactional behavior, correlated with leadership effectiveness in some individual studies but not others.

Laboratory Experiments

Experiments allow stronger inferences about causality than descriptive studies or survey research, and several laboratory experiments have been conducted on charismatic and transformational leadership (e.g., Awamleh & Gardner, 1999; Bono & Ilies, 2006; Choi & Mai-Dalton, 1999; Howell & Frost, 1989; Hunt, Boal, & Dodge, 1999; Jaussi & Dionne, 2003; Jung & Avolio, 1999; Kirkpatrick & Locke, 1996; Shea & Howell, 1999; van Knippenberg & van Knippenberg, 2005; Yorges et al., 1999). Some examples of this type of research are described briefly.

Kirkpatrick and Locke (1996) conducted a laboratory experiment to investigate the separate effects of three leadership behaviors: visioning, using a highly expressive style of communication, and providing advice to followers in how to do the work better. Actors served as the leaders, and they displayed different patterns of leadership behavior toward students who worked in small groups at an assembly task. Followers in the vision condition perceived the task to be more interesting, challenging, and important, and they set higher performance goals, had higher trust in the leader, and perceived the leader to be higher in charisma, inspiration, and intellectual stimulation. Visioning had a positive effect on quality of follower performance (mediated by higher goals for quality and more self-efficacy) but did not affect quantity of follower performance (probably because the vision was not relevant for quantity). Clarifying appropriate work procedures had a positive effect on follower role clarity, job satisfaction, perceived leader intellectual stimulation, and both the quality and quantity of follower performance (the latter effect was mediated by higher goals for quantity). Style of communication affected ratings of leader charisma but did not affect follower attitudes or performance. The study provided some evidence for the effect of visioning, but stronger effects were found for clarifying work procedures, which is a “traditional” task-oriented behavior for supervisors (see Chapter 3).

In some of the laboratory experiments, leader characteristics are manipulated by sending messages from a leader who does not really exist. For example, in one study (van Knippenberg & van Knippenberg, 2005), instructions that were supposedly sent by a group leader were used to manipulate leader self-sacrificing behavior and similarity to followers who were students. In the condition where leaders made self-sacrifices, the followers had higher performance on the task and perceived the leader to be more charismatic, more group-oriented, and more effective. The results were stronger for leaders who were not described as highly similar to followers.

Another variation of the laboratory experiment is a scenario study in which descriptions of leaders are used to manipulate characteristics of the leader and situation. Participants rate the leader and report how they would react as subordinates in that situation. For example, scenario studies have used scenarios to manipulate leader self-sacrifice (e.g., Choi & Mai-Dalton, 1999; Halverson et al., 2004; Yorges et al., 1999). The self-sacrificing leaders were rated more charismatic, and the participants also reported that they were more willing to follow the leader’s example and make sacrifices

themselves for the organization. The effect was stronger when there was a crisis and the leader was described as highly competent.

Field Experiments

Field experiments are conducted with real leaders in an organizational setting, rather than in temporary groups of students. As noted in Chapter 3, the usual approach in field experiments is to manipulate leader behavior and observe the effects on subordinate attitudes, behavior, and performance. Only a few field experiments have been conducted on transformational and charismatic leadership, and in each case leader behavior was manipulated with a training intervention (e.g., Barling, Weber, & Kelloway, 1996; Dvir, Eden, Avolio, & Shamir, 2002). The experimental condition in each case involved an attempt to increase a leader's overall use of transformational and charismatic behaviors.

The study by Dvir and colleagues (2002) provides an example of this type of research. The researchers studied transformational leadership by infantry officers in the Israeli Defense Force. The researchers used a special workshop on transformational leadership as a substitute for the regular leadership training in the 6-month course required for all infantry squad officers (who are usually lieutenants). When the course was completed, the participants became infantry squad leaders in a field setting, where officers in the experimental condition were subsequently compared to officers who had attended the regular leadership training (the control group). In the field setting, subordinates rated a squad leader's use of transformational behavior. The subordinates also rated themselves on variables expected to mediate the effects of leadership on squad performance, including motivation (self-efficacy, extra effort), critical/independent thinking, and internalized values. The subordinates included the soldiers in a squad and the noncommissioned officers (NCOs) who serve as intermediate leaders between the officers and their regular squad members.

The experimental manipulation of behavior was moderately successful. In the field training exercises, platoons in the experimental condition performed better than platoons in the control condition. Ratings by the NCOs indicated that they perceived more use of transformational behavior by squad leaders in the experimental condition than by squad leaders in the control condition. However, this difference was not found in the leader behavior ratings provided by regular squad members. The NCOs in the experimental condition rated themselves higher on motivation and independent thinking than NCOs in the control condition, but here again a significant difference was not found for the data from regular squad members. The inconsistent results for the two types of subordinates make it difficult to explain why transformational leaders had higher squad performance or how the NCOs contributed to this performance. The effects of leadership on squad performance may have been easier to understand if the researchers had included measures of other types of leadership behavior likely to be relevant (e.g., task-oriented behaviors), measures of NCO behavior, and mediating variables involving group processes as well as individual motivation.

Descriptive and Comparative Studies

Some descriptive studies look for common attributes among leaders identified as charismatic or transformational. Other descriptive studies have compared leaders

identified beforehand as either charismatic or noncharismatic, or they have compared charismatic leaders in different situations (e.g., close vs. distant relationships). The source of behavior descriptions varies somewhat from study to study. Most researchers use interviews with the leaders and some of the followers, and sometimes the interviews are supplemented by observation. A content analysis is usually conducted to identify characteristic behaviors, traits, and influence processes (e.g., Bennis & Nanus, 1985; Conger, 1989; Fiol, Harris, & House, 1999; Howell & Higgins, 1990; Jacobsen & House, 2001; Kouzes & Posner, 1987; Levinson & Rosenthal, 1984; Peters & Austin, 1985; Shamir, 1995; Tichy & Devanna, 1986). Biographies, case studies, and articles about the leader are another source of behavior descriptions, and they may include speeches and writings by the leader (e.g., Bligh, Kohles, & Meindl, 2004; Deluga, 1998; House, Spangler, & Woycke, 1991; Mio et al., 2005; Mumford & Van Doorn, 2001; O'Connor et al., 1995; Strange & Mumford, 2002; Van Fleet & Yukl, 1986a; Westley & Mintzberg, 1989; Willner, 1984). Still another source of behavior descriptions in the descriptive research is the use of critical incidents (e.g., Bryman, Stephens, & Campo, 1996; Kirby, King, & Paradise, 1992; Lapidot, Kark, & Shamir, 2007; Yukl & Van Fleet, 1982). Following are two examples of descriptive, comparative studies.

House, Spangler, and Woycke (1991) conducted a comparative study on charismatic leadership in U.S. presidents. The first step was to ask several historians to classify as charismatic or noncharismatic each of 31 former presidents who were elected to office and served at least 2 years of their first term. Then the motive pattern of each president was measured by content analysis of his first inaugural address. The biographies of two or more cabinet members were content analyzed to measure a president's use of charismatic behaviors. Leadership effectiveness was measured in several ways, including ratings of presidential greatness made by a sample of historians, and analysis of biographical information about the outcomes of each president's decisions and actions during the first term of office. The results were mostly consistent with the theory. Presidents with a socialized power orientation exhibited more of the charismatic leadership behaviors and were more likely to be viewed as charismatic by others. Moreover, the charismatic presidents used more direct action to deal with problems and were rated higher in performance.

Bennis and Nanus (1985) conducted a 5-year descriptive study of dynamic, innovative leaders, including 60 top-level corporate leaders and 30 leaders of public sector organizations. The researchers collected data with unstructured interviews lasting 3 to 4 hours, sometimes supplemented with observation. The leaders were diverse, and few fit the common stereotype of a charismatic leader. The researchers did not find larger-than-life individuals who make emotional speeches, display unconventional behavior, and polarize people into devoted followers and relentless critics. Instead, most of the leaders were ordinary in appearance, personality, and general behavior. The researchers identified some common themes in the interview protocols that provide insights about transformational leadership. The leaders all had a vision of a desirable and possible future for their organization. It was sometimes just a vague dream, and at other times it was as concrete as a written mission statement. The leaders demonstrated commitment to the vision by their decisions and behavior. Follower commitment to the vision depended on their trust in the leader, which was more likely when the leader's statements and actions were consistent. The leaders channeled the collective energies of organizational members in pursuit of the common vision.

Intensive Case Studies

Another type of descriptive research consists of intensive case studies of individual charismatic leaders (e.g., Beyer & Browning, 1999; Cha & Edmondson, 2006; Roberts, 1985; Roberts & Bradley, 1988; Trice & Beyer, 1986; Weed, 1993). Longitudinal case studies follow a leader's career over a period of time and examine the interaction between leader and followers, the leadership context, and outcomes of the leader's influence attempts. Interviews and observation provide much of the data in these studies, and the researchers may also examine the organization's documents and records, or reports made by other people. A good example is the study by Roberts (1985) of the same leader in two successive positions.

The study began when the leader was the superintendent of a public school district. Data were collected by archival searches, analysis of newspaper articles, participant observation of formal and informal meetings, and interviews with the superintendent, other administrators, board members, staff, teachers, parents, and students. The leader was deemed to be effective, because she was able to implement large, mandated budget cuts in a way that satisfied diverse stakeholders and still allowed progress on implementing desirable educational innovations. Her budget was approved unanimously by the school board after only a brief discussion. The teachers gave her a standing ovation for her efforts, even though the plan required program cuts and elimination of jobs. She was described as a "visionary" who had almost a "cultlike following" in the district.

The actions taken by the leader to achieve this successful outcome were the following: (1) a mission statement was formulated and referred to frequently during the change process; (2) a strategic vision was developed during a series of meetings and workshops involving district personnel; (3) several personnel in key positions were replaced with more competent, dynamic people to support the change effort; (4) performance objectives and action plans were developed for immediate subordinates (the school principals), progress was monitored by reports and meetings, and extensive participation by subordinates was encouraged during this process; (5) temporary task forces were created to involve all stakeholders in recommending where to make the budget cuts and how to deal with other budget and educational issues; and (6) staff members were trained in how to run structured public meetings in which task forces made presentations and solicited suggestions about budget cuts.

Roberts characterized the process as more a matter of creating and managing energy than of shaping culture or managing meaning. The leader was energetic, created enthusiasm, channeled emotions aroused by the budget crisis, and galvanized people into action. The leader helped people recognize that they could make a difference by working together toward common objectives. The following episode provides an example of the leader's influence (Roberts, 1985, p. 1035):

After a scheduled 40-minute presentation to district staff, teachers besieged the stage to ask for more of her time to discuss the various initiatives the district was pursuing. Their requests turned into a four-hour dialogue with 800 people, in which the superintendent shared her hopes, her dreams, her past, her disappointments. Many people were moved to tears, including the superintendent. A critical point in the exchange came in answer to a question of how people could be certain that what she and the School Board promised would indeed occur.

The superintendent's response was, "Well I guess you just have to trust us. I trust you." Dead silence followed as people drew in their breaths and held them for a moment or two. Upon being asked what this silence meant, people responded that the superintendent had proven her point. That was what the dialogue and the honesty were all about. She had trusted them with her thoughts, hopes, and feelings, and they in turn would trust her. Mutual trust had created a bond between the superintendent and her audience.

When the superintendent was appointed to her position, she was not initially perceived as a charismatic leader; this attribution occurred only after she had been in the position for 2 years and the change process was well under way. Roberts concluded that charisma was attributed to the leader because of the way the leader resolved the budget crisis, and not as an inevitable result of the leader's personal qualities. This conclusion is consistent with the findings of a follow-up study made after the same individual was appointed the commissioner of education for the state in 1983 (Roberts & Bradley, 1988).

Data for the follow-up study were obtained from a variety of sources. Interviews were conducted with the new commissioner during the 4 years from 1983 to 1987, and interviews were also conducted with state legislators, representatives from the governor's office, the board of education, school boards, and teacher unions. The commissioner was observed during speaking engagements, meetings with her staff, press conferences, formal and informal presentations to teachers and superintendents, and informal meetings with members of the state department of education. Additional information was obtained from analysis of official documents, newspaper articles, and reports made by special interest groups.

The new commissioner's approach for implementing change at the state level was similar to the one she used as superintendent. She formulated a mission statement and vision for change, and she moved quickly to replace several assistant commissioners with people from outside the education department who would support her programs. Enthusiasm and support were generated by conducting visits to nearly all of the school districts in the state. A survey was conducted to assess public opinion on school issues, and meetings were held with community groups throughout the state to identify public concerns and hopes for the schools.

At the end of her 4-year term, the commissioner was evaluated as an effective administrator by the governor, and she was reappointed for another term. People usually described her as innovative and committed, but some peers and subordinates were critical rather than supportive. The commissioner's initiatives had some positive benefits, but they did not generate any widespread support for major change in the education system. Overall, there was no evidence that she was perceived as extraordinary or charismatic in her new position.

Roberts and Bradley (1988) suggested several reasons why the same person was seen as charismatic in one position and not in the other. First, at the district level, a serious crisis justified the need for innovative solutions, whereas at the state level there was no crisis to focus attention and provide a rationale for radical change. Second, as a district superintendent she had much more autonomy and authority than as a commissioner. The latter position was more political and involved a larger and more complex web of stakeholder relationships that served to constrain her actions and make

change difficult (e.g., the governor, the legislature, members of the education department, interest groups, teachers' unions, school officials). Third, the large size of the state agency and the complexity of the job as commissioner made it essential to delegate more responsibility, but strong political opposition and bureaucratic resistance undermined her efforts to restructure the education department and build a cooperative team of executives to help implement new initiatives effectively. Finally, as superintendent she was able to inspire strong trust and affection in meetings with constituents, whereas as commissioner a close relationship with constituents did not develop. Speaking to large audiences with intrusive television coverage, her speeches lacked the enthusiasm and vivid, emotional language in her earlier speeches as superintendent to smaller, more informal groups of teachers, principals, and parents.

Transformational vs. Charismatic Leadership

One of the most important issues for leadership scholars is the extent to which transformational leadership and charismatic leadership are similar and compatible. Some theorists treat the two types of leadership as essentially equivalent, whereas other theorists view them as distinct but overlapping processes. Even among theorists who view the two types of leadership as distinct processes, there remains disagreement about whether it is possible to be both transformational and charismatic at the same time (Yukl, 1999b).

Conceptual ambiguity and a lack of consistency in definitions make it difficult to compare transformational and charismatic leadership, or even to compare theories of the same general type. In recent years, the major charismatic theories have been revised in ways that appear to move them closer to the transformational theories. The major transformational theories have been revised to incorporate additional forms of effective leadership behavior. The term *transformational* has been broadly defined by many writers to include almost any type of effective leadership, regardless of the underlying influence processes. The label may refer to the transformation of individual followers or to the transformation of entire organizations.

One source of apparent differences in the two types of theories is the emphasis on attributed charisma and personal identification. The essence of charisma is being perceived as extraordinary by followers who are dependent on the leader for guidance and inspiration. Attributed charisma and personal identification are more central for the theory by Conger and Kanungo (1998) than for the theory by Shamir and colleagues (1993). Bass (1985) proposed that charisma is a necessary component of transformational leadership, but he also noted that a leader can be charismatic but not transformational. The essence of transformational leadership appears to be inspiring, developing, and empowering followers. These effects may reduce attribution of charisma to the leader rather than increase it. Thus, the essential influence processes for transformational leadership may not be entirely compatible with the essential influence process for charismatic leadership, which involves dependence on an extraordinary leader. Some support for this distinction is provided in a study by Kark, Shamir, and Chen (2003); they found that personal identification mediates the effect of the leader on follower dependence and social identification mediates the effect of the leader on follower self-efficacy and collective efficacy.

Many of the leadership behaviors in the theories of charismatic and transformational leadership appear to be the same, but some important differences are evident as well. Transformational leaders probably do more things that will empower followers and make them less dependent on the leader, such as delegating significant authority to individuals, developing follower skills and self-confidence, creating self-managed teams, providing direct access to sensitive information, eliminating unnecessary controls, and building a strong culture to support empowerment. Charismatic leaders probably do more things that foster an image of extraordinary competence for the leader, such as impression management, information restriction, unconventional behavior, and personal risk taking.

Some other likely differences between transformational and charismatic leadership include how common it is, the facilitating conditions for it, and typical reactions of people. According to Bass, transformational leaders can be found in any organization at any level, and this type of leadership is universally relevant for all types of situations (Bass, 1996, 1997). In contrast, charismatic leaders are rare, and their emergence appears to be more dependent on favorable conditions (Bass, 1985; Beyer, 1999; Shamir & Howell, 1999). They are most likely to be visionary entrepreneurs who establish a new organization, or reformers who emerge in an established organization when formal authority has failed to deal with a severe crisis and traditional values and beliefs are questioned. The reactions of people to charismatics are usually more extreme and diverse than reactions to transformational leaders (Bass, 1985). The affective reaction they arouse often polarizes people into opposing camps of loyal supporters and hostile opponents. The intense negative reaction by some people to charismatic leaders helps to explain why these leaders are often targets for assassination or political tactics to remove them from office.

The empirical research on transformational and charismatic leadership was not designed to examine issues of comparability and compatibility among different theories. Few studies examine underlying influence processes or go beyond the superficial and often ambiguous data provided by behavior description questionnaires. Resolution of this interesting and important question will require additional research and greater use of intensive methods.

Evaluation of the Theories

The available evidence supports many of the key propositions of the major theories of charismatic and transformational leadership. Collectively, the theories appear to make an important contribution to our understanding of leadership processes. They provide an explanation for the exceptional influence some leaders have on subordinates, a level of influence not adequately explained by earlier theories of instrumental leadership or situational leadership. The new theories emphasize the importance of emotional reactions by followers to leaders, whereas the earlier theories emphasized rational-cognitive aspects of leader-follower interactions. The new theories also acknowledge the importance of symbolic behavior and the role of the leader in making events meaningful for followers. The earlier theories did not recognize that symbolic processes and management of meaning are as important as management of things. Finally, the new theories include a more comprehensive set of variables (e.g., traits,

behaviors, mediating processes, situation) and integrate them better in explanations of effective leadership.

Efforts to evaluate what is really unique are complicated by the “hype” found in some descriptions of transformational and charismatic leadership. Although clothed in different jargon, some of the “new” wisdom reflects themes that can be found in earlier theories of leadership and motivation. For example, the underlying explanation for the distinction between transformational and transactional leadership is similar to the distinction between intrinsic and extrinsic motivation. The importance of developing and empowering subordinates echoes the emphasis on power sharing, mutual trust, teamwork, participation, and supportive relationships by writers such as Argyris (1964), McGregor (1960), and Likert (1967). Some leadership behaviors in the new theories are similar to behaviors identified as important in research that preceded it in the 1970s.

Despite their positive features, the new theories also have some conceptual weaknesses (Beyer, 1999; Bryman, 1993; Yukl, 1999b). Examples include ambiguous constructs, insufficient description of explanatory processes, a narrow focus on dyadic processes, omission of some relevant behaviors, insufficient specification of situational variables, and a bias toward heroic conceptions of leadership. Some of these limitations will be explained in more detail.

Most theories of transformational and charismatic leadership lack sufficient specification of underlying influence processes. The self-concept theory of charismatic leadership provides the most detailed explanation of leader influence on followers, but even this theory needs more clarification of how the various types of influence processes interact, their relative importance, and whether they are mutually compatible. Most of the theories are still leader-centered, and they emphasize the influence of the leader on followers. More attention needs to be focused on reciprocal influence processes, shared leadership, and mutual influence among the followers themselves.

Most of the theories focus too narrowly on dyadic processes. Although leader influence on individual followers is important, it is not sufficient to explain how leaders build exceptional teams (see Chapter 10). The theories would be strengthened by a better explanation of how leaders enhance mutual trust and cooperation, empowerment, collective identification, collective efficacy, and collective learning. The theories do not explain the task-oriented functions of leaders that are essential for the effective performance of a team. As noted in Chapter 3, transactional leadership is defined in a mostly negative way, and the MLQ does not explicitly measure effective forms of task-oriented behavior such as planning activities, clarifying roles and objectives, and solving operational problems. To fill this conceptual gap, some scholars have imputed additional meaning to transactional leadership, such as assuming that it includes these other types of task-oriented behavior. However, it is inappropriate for researchers to make inferences about unmeasured behaviors, and the underlying influence process for transactional leadership (i.e., exchange and instrumental compliance) is not sufficient to explain how task-oriented behaviors affect individual or collective performance. Finally, the theories fail to explain the leader’s external roles, such as monitoring the environment to identify threats and opportunities, building networks of contacts who can provide information and assistance, serving as a spokesperson for the team or organization, negotiating agreements with outsiders, and helping to obtain resources, political support, and new members with appropriate skills (see Chapter 2).

The charismatic and transformational theories describe how a leader can influence the motivation and loyalty of organization members, which is relevant for understanding effective leadership. However, these theories are primarily extensions of motivation theory, and much more is needed to explain how leaders influence the financial performance and survival of an organization (Beyer, 1999; Yukl & Lepsinger, 2004). A leader may influence followers to be more motivated, creative, and cooperative, but what the followers are motivated to do and how appropriate it is for the situation are also important factors. Having highly motivated and loyal followers will not prevent disaster if the leader pursues unrealistic objectives or misguided strategies (cf. Finkelstein, 2003). The theories do not provide a good explanation for a strong effect of CEO behavior on the financial performance of a company, and survey studies on leader use of transformational or charismatic behaviors (as perceived by subordinates) have found only weak and inconsistent correlations (see Chapter 12). Some efforts have been made to overcome the limitations of the theories by examining explanatory processes at multiple levels (e.g., Waldman & Yammarino, 1999). However, rather than trying to stretch dyadic theories to explain organizational processes, it is better to develop theories of strategic leadership that include explanatory processes at the appropriate level of conceptualization and take into account other important determinants of organizational performance. Theories of strategic leadership are discussed in Chapters 10 and 12.

A final limitation in the theories is the overemphasis on universal leader attributes that are supposedly relevant for all situations. More attention is needed to situational variables that determine whether transformational or charismatic leadership will occur and how effective it will be (Beyer, 1999; Bryman, 1992; Yukl, 1999b). Some progress has been made in developing theory about situational variables that may explain why charismatic or transformational leadership is likely to occur or enhance the effects of this leadership (e.g., Antonakis & Atwater, 2002; Conger & Kanungo, 1989; Klein & House, 1995; Pawar & Eastman, 1997; Shamir & Howell, 1999; Trice & Beyer, 1986). However, the number of empirical studies on contextual variables that may moderate the effects of leadership is still small, and the results are inconclusive (e.g., Bass, 1996; De Hoogh et al., 2005; House et al., 1991; Howell & Avolio, 1993; Pillai, 1996; Pillai & Meindl, 1998; Podsakoff, MacKenzie, & Bommer, 1996; Roberts & Bradley, 1988; Tosi et al., 2004; Waldman, Javidan, & Varella, 2004; Waldman et al., 2001). Most studies of contextual variables obtain ratings of transformational or charismatic leadership from subordinates of each leader and correlate these measures with leadership effectiveness. The results are compared for leaders in different situations. In the few studies in which the correlation was significant in one situation but not another, attributions can explain the results as well as the theory (see Chapters 7 and 12). That is, regardless of their actual behavior, the leaders of successful companies are perceived as more transformational or charismatic than leaders of unsuccessful companies, and this attribution is stronger when the situation makes attributions more likely (e.g., the environment is turbulent).

Applications: Guidelines for Leaders

Although much remains to be learned about transformational leadership, the convergence in findings from different types of research suggests some tentative guidelines for leaders who seek to inspire followers and enhance their self-confidence

TABLE 9-4 Guidelines for Transformational Leadership

- Articulate a clear and appealing vision.
- Explain how the vision can be attained.
- Act confident and optimistic.
- Express confidence in followers.
- Use dramatic, symbolic actions to emphasize key values.
- Lead by example.

and commitment to the mission. The guidelines (see Table 9-4 for summary) are based on the theories and research findings reviewed in this chapter. Additional guidelines on change-oriented leadership can be found in Chapter 10.

- **Articulate a clear and appealing vision.**

Transformational leaders strengthen the existing vision or build commitment to a new vision. A clear vision of what the organization could accomplish or become helps people understand the purpose, objectives, and priorities of the organization. It gives the work meaning, serves as a source of self-esteem, and fosters a sense of common purpose. Finally, the vision helps guide the actions and decisions of each member of the organization, which is especially important when individuals or groups are allowed considerable autonomy and discretion in their work decisions (Hackman, 1986; Raelin, 1989). Procedures for developing a vision with appealing content are described in Chapter 10.

The success of a vision depends on how well it is communicated to people (Awamleh & Gardner, 1999; Holladay & Coombs, 1993, 1994). The vision should be communicated at every opportunity and in a variety of ways. Meeting with people directly to explain the vision and answer questions about it is probably more effective than less interactive forms of communication (e.g., letters or e-mail messages to followers, newsletter articles, televised news conferences, videotaped speeches). If a noninteractive form of communication is used to present the vision, then it is helpful to provide opportunities for followers to ask questions afterward (e.g., use e-mail, a hotline, open meetings, or visits by the leader to department meetings).

The ideological aspects of a vision can be communicated more clearly and persuasively with colorful, emotional language that includes vivid imagery, metaphors, anecdotes, stories, symbols, and slogans. Metaphors and analogies are especially effective when they excite the imagination and engage the listener in trying to make sense out of them. Anecdotes and stories are more effective if they invoke symbols with deep cultural roots, such as legendary heroes, sacred figures, and historical ordeals and triumphs. A dramatic, expressive style of speaking augments the use of colorful language in making an emotional appeal. Conviction and intensity of feeling are communicated by a speaker's voice (tone, inflection, pauses), facial expressions, gestures, and body movement. Use of rhyme, rhythm, and repetition of key words or phrases can make a vision more colorful and compelling.

- **Explain how the vision can be attained.**

It is not enough to articulate an appealing vision; the leader must also convince followers that the vision is feasible. It is important to make a clear link between the vision and a credible strategy for attaining it. This link is easier to establish if the

strategy has a few clear themes that are relevant to shared values of organization members (Nadler, 1988). Themes provide labels to help people understand issues and problems. The number of themes should be large enough to focus attention on key issues, but not so large as to cause confusion and dissipate energy. It is seldom necessary to present an elaborate plan with detailed action steps. The leader should not pretend to know all the answers about how to achieve the vision, but instead should inform followers that they will have a vital role in discovering what specific actions are necessary.

The strategy for attaining the vision is most likely to be persuasive when it is unconventional yet straightforward. If it is either simplistic or conventional, the strategy will not elicit confidence in the leader, especially when there is a crisis. Consider the example of a company that was losing market share in the face of intense competition.

The CEO proposed to make the company's product the best in the world by improving product design and quality (the old strategy was to keep price low by cutting costs). The product would be designed to be reliable (few moving parts, durable materials, extensive product testing, quality control by every worker) as well as "user friendly" (simple operating procedures, easy-to-read displays, clear instructions). This strategy contributed to the successful turnaround of the company.

- **Act confident and optimistic.**

Followers are not going to have faith in a vision unless the leader demonstrates self-confidence and conviction. It is important to remain optimistic about the likely success of the group in attaining its vision, especially in the face of temporary roadblocks and setbacks. A manager's confidence and optimism can be highly contagious. It is best to emphasize what has been accomplished so far rather than how much more is yet to be done. It is best to emphasize the positive aspects of the vision rather than the obstacles and dangers that lie ahead. Confidence is expressed in both words and actions. Lack of self-confidence is reflected in tentative, faltering language (e.g., "I guess," "maybe," "hopefully") and some nonverbal cues (e.g., frowns, lack of eye contact, nervous gestures, weak posture).

- **Express confidence in followers.**

The motivating effect of a vision also depends on the extent to which subordinates are confident about their ability to achieve it. Research on the *Pygmalion effect* found that people perform better when a leader has high expectations for them and shows confidence in them (Eden, 1984, 1990; Eden & Shani, 1982; Field, 1989; Sutton & Woodman, 1989). It is especially important to foster confidence and optimism when the task is difficult or dangerous, or when team members lack confidence in themselves. If appropriate, the leader should remind followers how they overcame obstacles to achieve an earlier triumph. If they have never been successful, the leader may be able to make an analogy between the present situation and success by a similar team or organizational unit. Review the specific strengths, assets, and resources that they can draw on to carry out the strategy. List the advantages they have relative to opponents or competitors. Tell them that they are as good as or better than an earlier team that was successful in performing the same type of activity.

- **Use dramatic, symbolic actions to emphasize key values.**

A vision is reinforced by leadership behavior that is consistent with it. Concern for a value or objective is demonstrated by the way a manager spends time, by resource allocation decisions made when trade-offs are necessary between objectives, by the questions the manager asks, and by what actions the manager rewards. Dramatic, highly visible actions can be used to emphasize key values, as in the following example:

The division manager had a vision that included relationships in which people were open, creative, cooperative, and oriented toward learning. Past meetings of the management team had been overly formal, with detailed agendas, elaborate presentations, and excessive criticism. He began a three-day meeting to communicate his vision for the division by inviting people to a beachfront ceremony where they burned a pile of agendas, handouts, and evaluation forms.

Symbolic actions to achieve an important objective or defend an important value are likely to be more influential when the manager risks substantial personal loss, makes a self-sacrifice, or does things that are unconventional. The effect of symbolic actions is increased when they become the subject of stories and myths that circulate among members of the organization and are retold time and again over the years to new employees. In one example recounted by Peters and Austin (1985), the CEO personally destroyed some low-quality versions of the company's product that had been sold previously as "seconds." This widely publicized action demonstrated his commitment to the new policy that, henceforth, the company would make and sell only products of the highest quality.

- **Lead by example.**

According to an old saying, actions speak louder than words. One way a leader can influence subordinate commitment is by setting an example of exemplary behavior in day-to-day interactions with subordinates. Leading by example is sometimes called role modeling. It is especially important for actions that are unpleasant, dangerous, unconventional, or controversial. A manager who asks subordinates to observe a particular standard should also observe the same standard. A manager who asks subordinates to make special sacrifices should set an example by doing the same. Some of the most inspirational military leaders have been ones who led their troops into battle and shared the dangers and hardships rather than staying behind in relative safety and comfort (Van Fleet & Yukl, 1986b). A negative example is provided by the executives in a large company that was experiencing financial difficulties. After asking employees to defer their expected pay increases, the executives awarded themselves large bonuses. This action created resentment among employees and undermined employee loyalty to the organization and commitment to its mission. A more effective approach would have been to set an example by cutting bonuses for top management before asking for sacrifices from other employees.

The values espoused by a leader should be demonstrated in his or her daily behavior, and it must be done consistently, not just when convenient. Top-level leaders are always in the spotlight, and their actions are carefully examined by followers in a search for hidden meanings that may not be intended by the leader. Ambiguous remarks may be misinterpreted and innocent actions may be misrepresented. To avoid sending the wrong message, it is important to consider in advance how one's comments and actions are likely to be interpreted.

Summary

Attributions of charisma are the result of an interactive process between leader, followers, and the situation. Charismatic leaders arouse enthusiasm and commitment in followers by articulating a compelling vision and increasing follower confidence about achieving it. Attribution of charisma to the leader is more likely if the vision and strategy for attaining it are innovative, the leader takes personal risks to promote it, and the strategy appears to be succeeding. Other relevant behaviors have also been identified, but they vary somewhat across the different theories. Some leader traits and skills such as self-confidence, strong convictions, poise, speaking ability, and a dramatic flair increase the likelihood of attributed charisma, but more important is a context that makes the leader's vision especially relevant to follower needs.

Charismatic leaders can have a tremendous influence on an organization, but the consequences are not always beneficial. Many entrepreneurs who establish a prosperous company are tyrants and egomaniacs whose actions may cause the eventual downfall of their company. The personalized power orientation of these charismatics makes them insensitive, manipulative, domineering, impulsive, and defensive. They emphasize devotion to themselves rather than to ideological goals, which are used only as a means to manipulate followers. Positive charismatics seek to instill devotion to ideological goals and are more likely to have a beneficial influence on the organization. However, the achievement culture fostered by positive charismatics may also produce some undesirable consequences if the needs of individual followers are ignored. More research is needed to discover whether it is possible to achieve the positive outcomes of charismatic leadership without the negative consequences.

Transformational leaders make followers more aware of the importance and value of the work and induce followers to transcend self-interest for the sake of the organization. The leaders develop follower skills and confidence to prepare them to assume more responsibility in an empowered organization. The leaders provide support and encouragement when necessary to maintain enthusiasm and effort in the face of obstacles, difficulties, and fatigue. As a result of this influence, followers feel trust and respect toward the leader, and they are motivated to do more than they originally expected to do.

The empirical research relevant for the theories of transformational leadership has generally been supportive, but few studies have examined the underlying influence processes that account for the positive relationship found between leader behavior and follower performance. More research is needed to determine the conditions in which different types of transformational behavior are most relevant and the underlying influence processes that explain why the behaviors are relevant.

The theories of transformational and charismatic leadership emphasize that emotional processes are as important as rational processes, and symbolic actions are as important as instrumental behavior. These theories provide new insights into the reasons for the success or failure of leaders, but the underlying explanatory processes in these theories do not provide a sufficient basis for a theory of strategic leadership in organizations. To understand how leaders can influence the long-term financial performance and survival of an organization, it is also necessary to examine how leaders influence

major change, and how they influence organizational processes and aspects of strategic management that are not explicitly described in most charismatic and transformational theories. These subjects are discussed in Chapters 10 and 12.

Review and Discussion Questions

1. Briefly describe the attribution theory of charismatic leadership.
2. Briefly describe the self-concept theory of charismatic leadership.
3. Briefly describe the psychoanalytic and social contagion theories.
4. What influence processes are emphasized by each charismatic theory?
5. What behaviors are generally associated with charismatic leadership?
6. What is routinization of charisma, and how is it accomplished?
7. What problems are charismatic leaders likely to create for an organization?
8. In what type of situation is a charismatic leader most likely to be beneficial?
9. Briefly describe the theory of transformational leadership proposed by Bass.
10. What are some similarities and differences between charismatic and transformational leadership?
11. What new insights are provided by the theories of transformational and charismatic leadership?
12. What can leaders do to become more transformational?

Key Terms

charisma	management of meaning	social contagion
charismatic leadership	personal identification	social identification
empowering	role modeling	symbolic action
idealized influence	routinization of charisma	transactional leadership
inspirational motivation	self-concept	transforming leadership
intellectual stimulation	self-efficacy	transformational leadership
internalization	self-identity	vision

CASE

Metro Bank

Marsha Brown was the new manager of a suburban office of Metro Bank. The branch office was experiencing low morale and lower productivity than expected. One of the difficulties was that the office served as an informal training center for young managers. New hires who needed experience as loan officers or assistant branch managers were assigned here for training. When they reached a certain level of competence, they were promoted out of the branch office. This practice was demoralizing to the less mobile tellers and other assistants, who felt exploited and saw no personal reward in “training their boss.” After some checking with her boss and other people at corporate headquarters,

Marsha concluded that it would be impossible to change this program. Her branch was one of those considered to be essential for executive development in Metro Bank.

During her first few months on the job, Marsha got to know her employees quite well. She reviewed performance records and met with each employee in the branch to talk about the person's career aspirations. She learned that many of her employees were quite capable and could do much more than they were presently doing. However, they had never seen themselves as "going anywhere" in the organization. Marsha searched for a unique vision for the branch office that would integrate the needs of her employees with the objectives of the executive development program, and in the process better serve the bank's customers. She formulated the following strategic objective: "To be the branch that best develops managerial talent while still offering quality customer service."

From this decision flowed a series of actions. First, Marsha declared that development opportunities for growth would be open to all, and she initiated a career development program for her employees. For those who wanted career advancement, she negotiated with the central training department for spaces in some of its programs. She persuaded the personnel department to inform her regularly about job openings that might interest her employees, including those not involved in the executive development program. Next, she built rewards into the appraisal system for employees who helped others learn, so that even those who did not aspire to advance would get some benefit from contributing to the new objective. To provide adequate backup in service functions, she instituted cross-training. Not only did this training provide a reserve of assistance when one function was experiencing peak workloads, it also contributed to a better understanding of the policies and procedures in other functions. Marsha also used developmental assignments with her own subordinate managers. She frequently had the assistant managers run staff meetings, represent the branch office at corporate meetings, or carry out some of her other managerial responsibilities.

The changes made by Marsha resulted in major gains. By repeatedly stressing the strategic objectives in her words and actions, she gave the branch office a distinctive character. Employees felt increased pride and morale improved. Some of the old-timers acquired new aspirations and, after developing their skills, advanced into higher positions in the bank. Even those who remained at the branch office felt good about the advancement of others, because now they saw their role as crucial for individual and organizational success rather than as a thankless task. The new spirit carried over to the treatment of customers, and together with the increased competence provided by cross-training, it resulted in faster and better service to customers.

SOURCE: Adapted from Bradford and Cohen, *Managing For Excellence* (pp. 106–107). Copyright © 1984 by John Wiley & Sons, Inc.

QUESTIONS

1. What leadership behaviors did Marsha use to change the branch office and motivate employees?
2. Describe Marsha's vision for her branch office of the bank.
3. Do you think Marsha should be classified as charismatic, transformational, or both?

CASE

Astro Airlines

Part 1

Arthur Burton established Astro Airlines in 1980, two years after the airlines were deregulated. Burton's vision for the new airline has two key elements. First, the airline would provide low-cost, no-frills service to people who formerly could not afford to travel by air. Second, the airline would have a novel type of organization that provided a better way for people to work together, thereby unleashing their creativity and improving productivity. Burton was a dynamic, emotionally stirring speaker with a kind of evangelical fervor, and he took advantage of every opportunity to teach and affirm his vision. He was regarded by many employees as an inspirational leader who made you believe that you could do anything. The climate at Astro Airlines in the initial years was one of enthusiasm, excitement, and optimism.

Instead of the typical bureaucratic organization, the new company had only three levels of management and few support staff. The emphasis was on equality, informality, participative leadership, and self-management. Employees were organized into teams with shared responsibility for determining how to do their work. The teams elected members to represent them in advisory and coordinating councils that met with top management, thereby enabling them to participate in making important decisions. Managers were expected to provide direction but not to dictate methods or police efforts. Employees were expected to perform multiple jobs and to learn new skills. Even the managers were expected to spend some time doing regular line jobs to keep informed about problems and customer needs. The "status perks" found in most large organizations were eliminated. For example, executives answered their own telephones and typed their own letters. New employees were carefully screened, because Burton sought to hire young, enthusiastic employees who were willing to learn new jobs and who could function as part of a cooperative team. All permanent employees were required to share in the ownership of the company, and they could purchase shares of stock at a reduced price.

Burton believed that a strategy of discount fares and convenient schedules with frequent flights would attract new passengers who would normally travel by car, train, or bus, or who would otherwise not travel. By keeping operating costs low, Astro Airlines was able to offer fares that were much lower than those of competitors. The salaries of managers and employees were lower than normal for the airline industry, although employees also received generous fringe benefits, profit sharing, and stock dividends. Costs were also reduced by purchasing surplus aircraft at bargain rates, by reconfiguring aircraft to carry more passengers (e.g., converting first class into coach seats), and by innovative scheduling that allowed the planes to fly more hours each day. Customers were charged for some frills such as meals and baggage handling that other airlines included in the price of the ticket. To reduce space normally needed for ticket counters at terminals, the ticketing for flights was done either in advance by travel agents or on the plane itself with innovative ticketing machines.

The new company was an immediate success, and passenger volume expanded rapidly. In less than three years the company grew from a few hundred employees with

three planes to more than 3,000 employees with 22 planes servicing 20 cities. This success occurred despite dismal conditions that caused widespread operating losses in the airline industry, including a severe economic recession, a crippling national strike of air traffic controllers, and brutal price wars. The flexibility of the company and the commitment and creativity of its employees aided its early growth and facilitated rapid adaptation to crises such as the strike of air traffic controllers.

SOURCE: Copyright © 1993 by Gary Yukl

QUESTIONS

1. Describe Burton's leadership behavior.
2. Was Burton a charismatic leader in the company at this time? Explain your answer.

Part 2

Despite the early successes, the rapid growth of the company was also creating some serious organizational problems. Employees believed that after the initial chaos of starting up the company, things would settle down and the intensely heavy workload would be alleviated. They were wrong; communication problems increased, the workload remained overwhelming, decisions were taking too long to be made, and too many decisions had to be resolved by top management. These problems were due in part to the informality and absence of structure. As the number of routes, facilities, and flights increased, operational problems became more complex, but formal structures were not developed to deal with them effectively. The number of managers did not increase nearly as fast as the number of nonsupervisory employees. Burton refused to recruit experienced managers from outside the company, preferring to promote current employees into positions for which they initially lacked sufficient expertise. Overburdened managers lacked adequate support personnel to which they could delegate routine responsibilities. Managers complained about the pressure and stress. They spent too much time in meetings, they could not get issues resolved and implemented, and they could not provide adequate training for the rapidly increasing number of new service employees. The new employees were not getting the extensive training and socialization necessary to prepare them to provide quality service, rotate among different service jobs, and use team management practices. Operating problems (e.g., canceled flights) and declining customer service (e.g., rude attendants) alienated customers and eroded the company's reputation.

Adding to the confusion was the worsening conflict between Burton, who as CEO was responsible for strategic planning, and the company president, who was responsible for operational management. In 1982 the president resigned, and Burton assumed his responsibilities rather than finding an immediate replacement. At this time Burton finally decided to appoint a task force composed of executives to develop ideas for improving the organization. The task force presented some initial proposals for new managerial roles and structures. Employees were subsequently promoted to these roles, and man-

agement training activities were initiated for them. Burton was heavily involved in this training; he conducted some of it himself, and he faithfully attended sessions taught by others, thereby indicating the importance he placed on it. However, other necessary changes in management processes were not implemented, and the position of president was still not filled. In short, Burton seemed unwilling to take the steps necessary to transform Astro Airlines from an entrepreneurial start-up to an established organization. Indeed, his remedy for the firm's problems was to set out on a new growth path rather than to concentrate on consolidation. He believed that what the company needed was an even bigger vision to get people excited again. Thus, he began yet another period of rapid expansion. The airline added new routes, purchased new and larger aircraft, and hired more new employees.

By 1984, Burton no longer seemed content to run a successful regional airline. He continued to make changes designed to transform Astro into an international airline that would compete with the major carriers. He decided to acquire some other regional and commuter airlines that were financially weak. His strategy of rapid expansion was overly optimistic, and it ignored some important changes that were occurring in the external environment. Burton failed to anticipate the likely reactions of major airlines that were stronger financially and prepared to conduct a long price-cutting war to protect their market position. New passenger traffic did not increase enough to justify the cost of the added flights, and Astro was unsuccessful in attracting many business travelers accustomed to frills and better service. The company began to experience losses instead of profits.

Internal problems also worsened in 1985. There was an attempt to unionize the pilots, and a substantial number of pilots quit, complaining that they were exploited and mistreated. Other employees began questioning Burton's sincerity and accused him of being a manipulator. The perception among many employees was that he was now acting like a dictator, and no one dared to cross him. When asked about the absence of independent outsiders on the board of directors, Burton replied that he was the founder and largest shareholder, and he could determine what was best for the company. He fired a key managing officer who had been with the company since it was formed, presumably for challenging him and asking questions he no longer wanted to hear. Another founding executive whom Burton had appointed as president resigned and took several other employees with him to establish a new airline.

In 1986, as financial performance continued to deteriorate, Burton abruptly abandoned the distinctive strategy of discount fares and no-frills service and began offering full service with higher fares to lure business travelers. However, operating losses continued to mount, and in a last desperate move, Burton changed back to his original strategy. It was all to no avail. By the summer of 1986, the losses increased and the company entered bankruptcy proceedings.

SOURCE: Copyright © 1993 by Gary Yukl

QUESTION

1. What dysfunctional aspects of charismatic leadership were displayed by Burton?
-