Chapter 9
Charismatic and Transformational Leadership

Learning Outcomes

• Describe personal meaning and how it influences attributions of charismatic qualities.
• Briefly explain Max Weber’s conceptualization of charisma.
• Describe the behavioral qualities that differentiate charismatic from noncharismatic leaders.
• Explain the locus of charismatic leadership.
• Discuss the effects of charismatic leadership on followers.
• Describe the characteristics that distinguish charismatic from noncharismatic leaders.
• Discuss how one can acquire charismatic qualities.
• Explain the difference between socialized and personalized charismatic leaders.
• Distinguish between charismatic and transformational leadership.
• Explain the difference between transformational and transactional leadership.
• Explain the four phases of the transformation process.
• Explain the basis of stewardship and servant leadership.
• Define the key terms listed at the end of the chapter.
Charismatic and Transformational Leaders

- Often have a more heightened sense of who they are
- Seem to have a clearer picture of their personal meaning or purpose in life sooner
- Seek to actualize their personal meaning through leadership

Personal Meaning

- Is the degree to which people’s lives make emotional sense and to which the demands confronted by them are perceived as being worthy of energy and commitment
- Is the “work–life balance”
  - The achievement of equilibrium in personal and official life
Factors That Influence Personal Meaning

• Self-belief
• Legacy
• Selflessness
• Cultural heritage and traditions
• Activist mind-set
• Faith and spirituality
• Personal interests
• Values

Self-Belief

• Is knowing who you are based on your lifespan of experiences, motivation states, and action orientation
• Is closely related to positive self-concept, which includes:
  – Emotional stability
  – High self-esteem
  – High generalized self-efficacy
  – Internal locus of control
• Charismatic leaders overcome inner conflict in order to reach their full potential
Legacy

• Is that which allows an individual’s accomplishments to “live on” in the ideals, actions, and creations of one’s followers, long after his or her death
• Charismatic leaders are driven to leave their personal mark on society

Selflessness

• Is an unselfish regard for or devotion to the welfare of others
• A leader with an unselfish attitude derives motivation through concern for others rather than for oneself
• Helping others motivates many charismatic leaders
Cultural Heritage and Traditions

- May be used as vehicles to transfer charisma to others
- May be done through rites and ceremonies
- May also be in the form of oral and written traditions

Activist Mind-Set

- Charismatic leaders use political and social causes as opportunities to influence change and provide a better life for their followers
- Charismatic leaders have a greater sensitivity to political, societal, and organizational situations that are ripe for change
- They magnify a climate of dissatisfaction by encouraging activism that heightens follower’s willingness to change the status quo
Faith and Spirituality

- Spirituality concerns an individual’s awareness of connections between human and supernatural phenomena, which provide faith explanations of past and present experiences and, for some, predict future experiences.
- Charismatic leaders often face hardships while leading missions of change and rely on faith for support.
- Charismatic leaders sustain faith by linking behaviors and goals to a “dream” or utopian ideal vision of a better future.

Personal Interests

- Personal pursuits may reflect aspects of one’s personality.
- Charismatic leaders seek to establish and affirm their identities through the pursuit of meaningful personal pursuits.
Values

• Are generalized beliefs or behaviors that are considered by an individual or a group to be important
• Provide basis for meaning
• Charismatic leadership has been described as values-based leadership
• By aligning their values with those of their followers, charismatic leaders may derive personal meaning from their actions

Charismatic Leadership Linkages

• Personal meaning is linked to charismatic leadership
• The leader’s personal meaning influences his or her behavior
• The leader’s behavior is reflected in the formulation and articulation of a vision
• The leader’s vision garners attributions of charisma from followers
• Therefore, a primary aspect of charismatic leadership involves the perceptions and evaluations made by followers about a leader’s behavior
Charisma

• Is “a distinct social relationship between the leader and follower, in which the leader presents a revolutionary idea, a transcendent image or ideal which goes beyond the immediate...or the reasonable; while the follower accepts this course of action not because of its rational likelihood of success...but because of an effective belief in the extraordinary qualities of the leader”

Weber’s Conceptualization of Charisma

• Weber used the term “charisma” to explain a form of influence based not on traditional or legal–rational authority systems but rather on follower perceptions that a leader is endowed with the gift of divine inspiration or supernatural qualities
• Charisma has been called “a fire that ignites followers’ energy and commitment, producing results above and beyond the call of duty”
Weber’s Conceptualization of Charisma (cont.)

• Weber saw in a charismatic leader someone who:
  – Single-handedly visualizes a transcendent mission or course of action
  – Compels potential followers to act because they believe the leader is extraordinarily gifted
  – Performs acts of heroism
  – Has an ability to inspire and build confidence
  – Espouses revolutionary ideals
  – Possesses oratorical ability
  – Has a “powerful aura”

Differentiating Between Charismatic and Noncharismatic Leaders

• There are four behavior attributes that distinguish charismatic from noncharismatic leaders:
  – Dissatisfaction with status quo
  – Compelling nature of the vision
  – Use of unconventional strategies for achieving desired change
  – A realistic assessment of resource needs and other constraints for achieving desired change
Differentiating Between Charismatic and Noncharismatic Leaders (cont.)

• Dissatisfaction with the status quo
  – Charismatic leaders are very much opposed to the status quo and strive to change it
  – Noncharismatic leaders essentially agree with the status quo and strive to maintain it

• Vision formulation and articulation
  – Charismatic leaders have the ability to articulate an ideological and inspirational vision—a transcendent vision that promises a better future than the present
  – Effective articulation of vision is measured in what is said (content and context) and how it is said (oratorical abilities)
    – Charismatic leaders articulate the context of their message by highlighting positive images of the future vision and negative images of the present
  – Effective communication skills are an imperative in the successful articulation of a compelling vision
    – Through verbal and nonverbal means, charismatic leaders communicate their self-confidence, convictions, and dedication in order to give credibility to what they advocate
Differentiating Between Charismatic and Noncharismatic Leaders (cont.)

• Use of unconventional strategies
  – Noncharismatic leaders use available or conventional means to achieve existing goals
  – Charismatic leaders use unconventional means to transcend the existing order
  – Admirers of charismatic leaders believe that such individuals possess heroic qualities that enable them to persist in spite of the odds against them
  – Follower perceptions of these heroic qualities evoke sentiments of adoration, especially when the leader’s activities exemplify acts of heroism involving personal risk and self-sacrificing behavior

Differentiating Between Charismatic and Noncharismatic Leaders (cont.)

• Awareness of resource needs and constraints
  – Charismatic leaders understand the need to perform a realistic assessment of environmental resources and constraints affecting their ability to effect major change within their organization
  – They are sensitive to both the capabilities and emotional needs of followers
  – They are aware of the need to align organizational strategies with existing capabilities to ensure a successful transformation
Locus of Charismatic Leadership

• The question at the center of the debate of Weber’s conceptualization of charisma is whether charisma is primarily the result of:
  – The situation or social climate facing the leader
  – The leader’s extraordinary qualities
  – An interaction of the situation and the leader’s qualities
    – There is increasing acceptance of this view

Effects of Charismatic Leadership

• Followers trust in “rightness” of the leader’s vision
• Similarity of follower’s beliefs and values to those of the leader
• Heightened sense of self-confidence to contribute to accomplishment of the mission
• Acceptance of higher or challenging goals
Effects of Charismatic Leadership (cont.)

- Identification with and emulation of leader
- Unconditional acceptance of leader
- Strong affection for the leader
- Emotional involvement of the follower in the mission
- Unquestioning loyalty and obedience to the leader


Qualities of Charismatic Leaders
Qualities of Charismatic Leaders (cont.)

• Vision
  – Is the ability to imagine different and better conditions and ways to achieve them
  – Uplifts and attracts others
  – Must result from a collaborative effort

Qualities of Charismatic Leaders (cont.)

• Superb communication skills
  – Charismatic leaders can communicate complex ideas and goals in clear, compelling ways, so that everyone from top management to the bottom level of the organization can understand and identify with their message
  – Charismatic leaders have superior rhetorical skills and employ rhetorical techniques such as metaphors, analogy, and stories
  – They are also adept and tailor their language to particular groups, thereby better engaging them mentally and emotionally
Qualities of Charismatic Leaders (cont.)

• Self-confidence and moral conviction
  – Charismatic leaders build trust in their followers through:
    – Unshakeable self-confidence
    – An abiding faith
    – Strong moral conviction
    – Optimism

Qualities of Charismatic Leaders (cont.)

• Ability to trust others
  – Charismatic leaders build support and trust by showing commitment to followers’ needs over self-interest and by being fair
  – These qualities inspire followers and often result in greater cooperation between a leader and followers
Qualities of Charismatic Leaders (cont.)

• High risk orientation
  – Charismatic leaders earn followers’ trust by willing to incur great personal risk
  – People admire the courage of those who take high risk
  – Charismatic leaders also use unconventional strategies to achieve success

Qualities of Charismatic Leaders (cont.)

• High energy and action orientation
  – Charismatic leaders are energetic and serve as role models for getting things done on time
  – They engage their emotions in everyday work life
  – Charismatic leaders tend to be emotionally expressive, especially through nonverbal means
Qualities of Charismatic Leaders (cont.)

- Relational power base
  - Charismatic leadership is intensely relational and based almost entirely upon referent and expert power
  - Charismatic leadership involves an emotionalized relationship with followers
  - Followers are often in awe of the leader
  - There is a powerful identification with and emulation of the leader and an unquestioning acceptance of an affection for the leader

- Minimum internal conflict
  - Charismatic leaders are convinced they are right in their vision and strategies
  - Because of this conviction, they experience less guilt and discomfort in pushing followers to stay the course even when faced with threats
Qualities of Charismatic Leaders (cont.)

• Ability to empower others
  – Charismatic leaders empower followers by building their self-efficacy
  – Charismatic leaders also empower followers by role modeling and coaching, providing feedback and encouragement, and persuading followers to take on more responsibilities

• Self-promoting personality
  – Charismatic leaders are not “afraid to toot their own horn”

How One Acquires Charismatic Qualities

• Suggested strategies for acquiring or enhancing one’s charismatic qualities include:
  – Developing your visionary skills through practice and self-discipline
  – Practicing being candid
  – Developing a warm, positive, and humanistic attitude toward people rather than a negative, cool, and impersonal attitude
  – Developing an enthusiastic, optimistic, and energetic personality
Charisma: A Double-Edged Sword

• It is possible to assume that all charismatic leaders are good moral leaders that others should emulate
• Remember that not all charismatic leaders are necessarily good leaders

Charisma: A Double-Edged Sword (cont.)

• One method of differentiating between positive and negative charisma is to consider the motives that are driving the charismatic leader’s behavior:
  – **Self-glorification**
    – Influences one’s meaning in life by protecting, maintaining, and aggrandizing one’s self esteem
    – Is consistent with negative (destructive) charisma
  – **Self-transcendence**
    – Provides meaning through supportive relationships with others
    – Is consistent with altruistic and empowering orientations of positive (constructive) charisma
Personalized Charismatic Leaders

• Possess a dominant, Machiavellian, and narcissistic personality
• Pursue leader-driven goals and promote feelings of obedience, dependency, and submission in followers
• Use rewards and punishment to manipulate and control followers

Personalized Charismatic Leaders (cont.)

• Use information to preserve the image of leader infallibility or to exaggerate external threats to the organization
• Examples of personalized charismatic leaders:
  – Adolph Hitler
  – Charles Manson
  – David Koresh
  – Rev. James Jones
Socialized Charismatic Leaders

• Possess an egalitarian, self-transcendent, and empowering personality
• Pursue organization-driven goals and promote feelings of empowerment, personal growth, and equal participation in followers

Socialized Charismatic Leaders (cont.)

• Use rewards to reinforce behavior that is consistent with the vision and mission of the organization
• Examples of socialized charismatic leaders:
  – Martin Luther King, Jr.
  – Gandhi
  – Winston Churchill
  – John F. Kennedy
Transformational Leadership vs. Transactional Leadership

• Transformational leadership
  – Serves to change the status quo by articulating to followers the problems in the current system and a compelling vision of what a new organization could be

• Transactional leadership
  – Seeks to maintain stability within an organization through regular economic and social exchanges that achieve specific goals for both the leaders and their followers

The Effects of Transformational Leadership

• Research studies have consistently revealed that transformational leadership is positively related to individual level, group, and organizational performance

• Individual level
  – Transformational leaders influence their constituencies to make the shift from focus on self-interests to a focus on collective interests
The Effects of Transformational Leadership (cont.)

• Group level
  – Transformational leadership was found to influence team performance and team potency

• Organizational level
  – There is broad support for the proposition that transformational leadership can change both an organization’s climate and culture

Charismatic versus Transformational Leadership

• Charismatic leaders by nature are transformational, but not all transformational leaders achieve their transforming results through the charismatic effects of their personalities
• Transformational leaders are similar to charismatic leaders in that they can articulate a compelling vision of the future and influence followers by arousing strong emotions in support of the vision
• Transformational leaders can emerge from different levels of the organization
Charismatic versus Transformational Leadership (cont.)

• An organization may have many transformational leaders; in contrast, charismatic leaders are few in number
• Charismatic leaders are most likely to emerge in the throes of a crisis
• The response by people to a charismatic or transformational leader is often highly polarized, but the emotional levels of resistance toward charismatic leaders are more extreme than those toward transformational leaders
• Both charismatic and transformational leadership always involve conflict and change

Transformational Leader Behaviors and Attributes

• Transformational leadership is composed of four behavior dimensions (the “four I’s”)
  – Idealized influence (charisma)
  – Inspirational motivation
  – Individual consideration
  – Intellectual stimulation
Transformational Leader Behaviors and Attributes (cont.)

- See themselves as change agents
- Are visionaries who have a high level of trust for their intuition
- Are risk-takers, but not reckless
- Are capable of articulating a set of core values that tend to guide their own behavior
- Possess exceptional cognitive skills and believe in careful deliberation before taking action
- Believe in people and show sensitivity for their needs
- Are flexible and open to learning from experience

Transformational Leader Behaviors

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<thead>
<tr>
<th>Behavioral Components</th>
<th>Description</th>
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<tbody>
<tr>
<td>Creation and articulation of vision</td>
<td>Leader behavior that is directed at finding new opportunities for the organization; formulating, articulating, and inspiring followers with the vision of a better future</td>
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<td>Role modeling</td>
<td>Setting an example for followers that is consistent with the organizational values and expectations</td>
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<tr>
<td>Fostering a “buy in” of team goals</td>
<td>Behavior aimed at encouraging and building teamwork among followers and commitment to shared goals</td>
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Transformational Leader Behaviors (cont.)

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<tr>
<td>High performance expectations</td>
<td>Behavior that conveys the leader’s expectations for everyday excellence and superior performance on the part of followers</td>
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<tr>
<td>Personalized leader–member exchange</td>
<td>Behavior that indicates that the leader trusts, respects, and has confidence in each follower, and is concerned about their personal needs, not just organizational needs</td>
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<tr>
<td>Empowerment</td>
<td>Behavior on the part of the leader that challenges followers to think “outside of the box” and re-examine old ways and methods</td>
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Transformational vs. Transactional Leadership

- Transformational leadership
  - Inspires followers to go beyond self-interest and act for the good of the organization
  - Leaders are described as influential, inspirational, and charismatic
  - Serves to change the status quo by articulating to followers the problems in the current system and a compelling vision of what a new organization could be
  - Creates significant change in both followers and organizations
  - Creates and shares knowledge at the individual and group levels
  - Emphasize the importance of group values and focus on collective interests
Transformational vs. Transactional Leadership (cont.)

- Transactional leadership
  - Caters to the self-interest of followers by rewarding specific behaviors and performance that meets with the leader’s expectations and punishes behavior and performance that does not meet expectations
  - Leaders are described as task- and reward-oriented, structure, and passive
  - Involves specific contractual arrangements with followers that provides them with benefits that satisfy their needs and desires in exchange for meeting specified objectives or performing certain duties
  - Promotes stability
  - Exploits knowledge at the organizational level
  - Focuses on defining roles and task requirements and giving rewards that are contingent on task fulfillment

Despite these differences, effective leaders exhibit both transactional and transformational leadership skills in appropriate situations
The Transformation Process

<table>
<thead>
<tr>
<th>Stages</th>
<th>Suggested Activities</th>
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| Make a compelling case for change | □ Increase sensitivity to environmental changes and threats  
|                                 | □ Initiate change and challenge the status quo  
|                                 | □ Search for opportunities and take risks                                               |
| Inspire a shared vision         | □ Encourage everyone to think of a new and brighter future  
|                                 | □ Involve others in seeing and moving toward the vision  
|                                 | □ Express new vision in ideological, not just economic, terms                            |

The Transformation Process (cont.)

<table>
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<tr>
<th>Stages</th>
<th>Suggested Activities</th>
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| Lead the transition            | □ Instill in managers a sense of urgency for the change  
|                                 | □ Empower, support, foster collaboration, and strengthen followers  
|                                 | □ Help followers understand need for change  
|                                 | □ Increase followers' self-confidence and optimism  
|                                 | □ Avoid the temptation of a "quick fix"  
|                                 | □ Recognize and deal openly with emotional component of resisting change                |
The Transformation Process (cont.)

<table>
<thead>
<tr>
<th>Stages</th>
<th>Suggested Activities</th>
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<tr>
<td>Implant the change</td>
<td>Enable and strengthen followers with a “greatness attitude”</td>
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<td></td>
<td>Help followers find self-fulfillment with new vision</td>
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<td></td>
<td>Help followers look beyond self-interests to collective interests</td>
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<td></td>
<td>Change reward systems and appraisal procedures</td>
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<td>Implement team-building interventions and personnel changes</td>
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<td>Appoint a special task force to monitor progress</td>
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<td>Encourage top leaders and managers to model the way</td>
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The Nature of Stewardship and Servant Leadership

- **Stewardship**
  - Is an employee-focused form of leadership that empowers followers to make decisions and have control over their jobs
  - Emphasizes patience, kindness, humility, respectfulness, honesty, and commitment

- **Servant leadership**
  - Is leadership that transcends self-interest to serve the needs of others, by helping them grow professionally and personally
  - Emphasizes patience, kindness, humility, respectfulness, honesty, and commitment
  - Calls for the highest level of selflessness—a level that some doubt exists in the real world
Values of Stewardship

- Equality Assumption
- Teamwork Orientation
- Reward Assumption
- Decentralization

Stewardship

Framework for Stewardship

- Strong teamwork orientation
  - Stewardship works best in situations where self-managed teams of core employees and the leader work together to formulate goals and strategies
  - The leader’s role is less dominant and more supportive of the process
- Decentralized decision making and power
  - Stewardship is realized when authority and decision making are decentralized and brought down to where work gets done and employees interact with customers
Framework for Stewardship (cont.)

- Equality assumption
  - Stewardship works best when there is perceived equality between leaders and followers
  - Honesty, respect, and mutual trust prevail when there is equality
    - These are values that enhance the success of stewardship

- Reward assumption
  - The organization must redesign the compensation system to match rewards to actual performance
  - Employees with more responsibility and authority who are compensated accordingly flourish under stewardship because they are motivated and committed to the organization’s mission

Guidelines of Servant Leadership

- Service to others over self-interest
- Effective listening
- Earning and keeping others’ trust
- Helping others discover their inner spirit

Framework for Servant Leadership

• Helping others discover their inner spirit
  – Requires servant leaders to be empathetic to the circumstances of others
  – Servant leaders are not afraid to show their vulnerabilities

• Earning and keeping others’ trust
  – Servant leaders earn followers’ trust by being honest and true to their word
  – They work hard to preserve their integrity
  – They don’t have hidden agendas
  – They are willing to give up power, rewards, recognition, and control

Framework for Servant Leadership (cont.)

• Service over self-interest
  – The hallmark of servant leadership is the desire to help others, rather than the desire to attain power and control over others
  – Decisions are made to further the good of the group

• Earning and keeping others’ trust
  – Servant leaders do not impose their will on the group
  – They listen carefully to the problems others are facing
  – They engage the group to find the best course of action
  – Servant leaders are more likely to express confidence and commitment in others than other types of leaders