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Destructive Sides of Charismatic Leadership

Most leadership research focuses on only its positive aspects, where leaders are the source of good and their efforts produce positive outcomes. However, what happens when leaders fail, abuse, or derail? Charismatic leaders may not always be beneficial for the team they lead and their vision and values may be simply bad ideas.

In this paper I present:

- A definition of destructive leadership,
- Theoretical background on charismatic leadership, and
- Outcomes of destructive leadership behavior based on the example of Enron.

Key words: charismatic leadership, charismatic leader, destructive leadership.

I. Destructive Leadership

Leadership will always be the subject of intense study. A recent search for leadership-related books in an Amazon database generated over 68,000 “hits.” Surely, people would like to know what makes leaders successful. Especially in the business world, managers want to be better leaders—to become someone with clear vision, strategic insights, and motivational talents that produce corporate as well as personal success [McFarlin and Sweeney]. However, most academic research on leaders and the leadership process has focused on positive, romantic concepts of leader behavior (e.g., transformational, ethical, and charismatic leadership) [Bardes and Piccolo, 2010] and how such behaviors have positive impact on followers (e.g. self-efficacy [Shamir, House, and Arthur, 1993]) as well as on organizations as a whole (e.g., group potency [Sosik, Avolio, and Kahai, 1997]).

Literally, thousands of studies have examined supervisor–subordinate interactions and have explored the effects of various positive, socially acceptable leadership behav-

iors [Bass, 1990¹; Yukl, 1998]. So now, leadership research often equates a leader with a good and efficient leader [Kellerman, 2004]. This position is exemplified by all those textbooks that ignore the issue of potentially bad or unwanted behaviors among leaders [Einarsen, Skogstad, Aasland, 2010]. Tepper [2007] reports that only about twenty articles have been written on this topic [Grandy and Starratt, 2010]. An irony is that for many employees their superiors do anything but lead [McFarlin and Sweeney, 2010]. Recent business scandals and economic crises have confronted the general public with examples of leaders who displayed highly self-enriching behavior while their companies were at the verge of bankruptcy [Van Gils, Van Quaquebeke, and Van Knippenberg, 2010]. This can explain why large numbers of employees report that they have had a “bad” boss in their career [McFarlin and Sweeney, 2010].

A new trend of leadership research has emerged to describe leader behaviors that are dark and overtly destructive to individual achievement and positive group functioning [Bardes and Piccolo, 2010]. There are many different words describing these patterns of destructive behavior, including abusive supervision [Tepper, 2000], petty tyranny [Ashforth, 1994, 1997], supervisor aggression, bad leadership [Kellerman, 2004], leader bullying [Ferris, Zinko, Brouer, Buckley, and Harvey, 2007], workplace bullying [Hoel and Cooper, 2001], toxic leadership [Lipman–Bluman, 2005], and destructive leadership [Einarsen, Aasland, and Skogstad, 2007]. Chosen definitions for the assortment of terms used to describe abusive behavior in the extant literature are presented in Table No. 1.

In explaining unethical and destructive leadership behavior, researchers have focused primarily on the characteristics [Chandler and Fields, 2010] of (a) leaders [Benson and Hogan 2008; Dotlich and Cairo, 2003; Kellerman, 2004; Kets de Vries, 1993, 2006], (b) followers [Lord and Brown, 2004; Offerman, 2004], and (c) a conflux of leader, follower, and environmental conditions [Padilla et al., 2007; Popper, 2001; Rhode, 2006; Vardi and Weitz, 2004].

II. The Dark Side of Charisma

Perceptions of charismatic leadership have developed in an historical chronology that has its roots in ancient Greece [Conger, Kanungo, Menon, and Mathur, 1997; Paul, Costley, Howell, and Dorfman, 2002]. Max Weber’s [1947] conceptualization of the charismatic leader as a force for change and innovation caused us to turn our attention to the investi-

1 Bass B. M. (1990), *Bass and Stogdill’s Handbook on Leadership: Theory, Research, and Managerial Applications* (3rd edition), Free Press, New York.

Table No. 1. Terms and Definitions of Abusive Behavior at Work

Construct	Definition	Author
Abusive Supervision	“Subordinates’ perceptions of the extent to which their supervisors engage in the sustained display of hostile verbal and non-verbal behaviors, excluding physical contact.”	Tepper, 2000, p. 178
Bad Leadership	Ineffective (e.g., the inability to produce the desired change) and unethical (e.g., acting in self interest, failing to distinguish between right and wrong) actions by a manager or individual in a position of formal or informal power.	Kellerman, 2004
Destructive Leadership	“The systematic and repeated behavior by a leader, supervisor or manager that violates the legitimate interest of the organization by undermining and/or sabotaging the organization’s goals, tasks, resources, and effectiveness and/or the motivation, well-being or job satisfaction of subordinates.”	Einarsen et al., 2007, p. 208
Narcissistic Leadership	Individuals possessing formal and informal power who are preoccupied with establishing their adequacy, power, beauty, status, prestige, and superiority. This can be reactive, self-deceptive, or constructive in nature.	Kets de Vries, 2004; Kets de Vries and Miller, 1985
Petty Tyranny	Managers’ use of power and authority oppressively, capriciously, and vindictively.	Ashforth, 1994, 1997
Supervisor Aggression	Supervisor behavior “that is intended to physically or psychologically harm a worker or workers in a work-related context.”	Schat, Desmarais, and Kelloway, 2006, in Tepper, 2007, p. 264
Toxic Leaders	“Leaders who engage in numerous destructive behaviors and who exhibit certain dysfunctional personal characteristics.” The actions of these individuals may or may not be intentional, but they result in serious and enduring harm to subordinates and organizations.	Lipman-Bluman, 2005, p.18

Source: Grandy and Starratt, 2010, pp. 179–180.

gation of their impact on society in general and business in particular [Middleton, 2005]. To Weber, charisma is an ideal–typical (i.e., an abstract) form of authority, resting on the “devotion to the specific and exceptional sanctity, heroism or exemplary character of an individual person, and of the normative patterns or order revealed or ordained by him” [1947: 328]. Charismatic leadership theory [Conger and Kanungo, 1987, 1998; House, 1977; House and Aditya, 1997; House, Spangler, and Woycke, 1991; Klein and House, 1995; Shamir, 1995; Shamir, Zakay, Breinin, and Popper, 1998; Waldman and Yammarino, 1999] modifies Weber’s approach, focusing on charisma [Fanelli and Misangyi,

2006] as “a relationship between an individual (leader) and one or more followers based on leader behaviors combined with favorable attributions on the part of the followers” [Waldman et al., 2001: 135].

Table No. 2 presents the definitions of charismatic leadership and leadership behaviors identified as charismatic ones.

Table No. 2. Selected Definitions and Descriptions of Charismatic Leaders and Charismatic Leadership

No.	Definition	Author
1.	Charismatic leaders are exceptional in their ability to use rhetoric to persuade and influence others.	Bass (1985)
2.	Charismatic leaders are different from both consensual leaders and directive leaders in their use of personal power—it is manifest in their elitist idealized vision, their entrepreneurial advocacy for radical change, and their depth of knowledge and expertise. Each of the following has cognitive and behavioral components: (1) Critical evaluation of a context and problem—finding skills, (2) Visioning (goals) and planning (tactics) skills, (3) Communication skills (provides meaning, inspiration), (4) Exemplary personal behavior and impression management skills, and (5) Empowering skills (continually reinforcing followers’ sense of efficacy).	Conger, Kanungo (1987)
3.	Charismatic leaders use impression management, or image building, to actively shape and reinforce their image of self-confidence, capability and power. Attributes of charismatic leaders (p. 51): Stage 1: High need for environmental sensitivity to change the <i>status quo</i> . Essentially opposes the <i>status quo</i> and strives to change it. Stage 2: Idealized vision that is highly discrepant from the <i>status quo</i> . Shared perspective and idealized vision make him or her likable and worthy of identification and imitation. Stage 3: Unconventional or counter-normative. Passionate advocacy, incurring great personal risk and cost. Expert in using unconventional means to transcend the existing order. Influence Strategy: Personal power (based on expert power, respect, and admiration for a unique hero). The charismatic leader gathers followers through dint of personality and charm, rather than any form of external power or authority. Charismatic leaders pay a great deal of attention to scanning and reading their environment and are good at picking up the moods and concerns of both individuals and larger audiences. They then will hone their actions and words to suit the situation. Charismatic leaders use a wide range of methods to manage their image and, if they are not naturally charismatic, may practice assiduously at developing their skills.	Conger, Kanungo (1998)

No.	Definition	Author
4.	Charismatic leaders engage the self-concepts of followers in the mission articulated by the leader. Values associated with charismatic leadership imply rejection of the <i>status quo</i> and reliance on non-conventional solutions to existing social problems. These values oppose the socially-endorsed dominant cultural values represented by conventional leadership.	Fiol, Harris, and House (1999)
5.	The most significant role of a charismatic leader is to articulate ideological goals for followers.	House (1977)
6.	Charismatic leadership is a function of the follower's perception.	J. M. Howell (1988)
7.	Followers regard the charismatic leader as one or all of the following: <ul style="list-style-type: none"> ■ Omnipotent (parent archetype): A leader who will nurture and guide them. ■ Mystical (in touch with "higher truths"): A leader who knows the way and knows the answers. ■ Heroic (perhaps derived from past achievements): A leader who can move mountains. ■ Value-driven (concerned with the collective and able to empower it): A leader who is pure in spirit. Charismatic leaders can achieve heroic feats (turn around ailing corporations, revitalize aging bureaucracies, and launch new enterprises) by: <ul style="list-style-type: none"> ■ Powerfully communicating a compelling vision of the future, ■ Passionately believing in their vision, ■ Relentlessly promoting their beliefs with boundless energy, ■ Propounding creative ideas, and ■ Inspiring extraordinary performance in followers by: <ul style="list-style-type: none"> (a) Expressing confidence in followers' abilities to achieve high standards, and (b) Building followers' trust, faith, and belief in the leader. 	Howell and Avolio (1992)
8.	Charismatic authority is "power legitimized on the basis of a leader's exceptional personal qualities or the demonstration of extraordinary insight and accomplishment, which inspire loyalty and obedience from followers."	Kendall, Murray, and Linden (2000), pp. 438-439.
9.	Charismatic authority almost always evolves in the context of boundaries set by traditional or rational (legal) authority, but by its nature tends to challenge this authority and is thus often seen as revolutionary.	Kunin (2003)
10.	Charismatic leaders are characterized by an ability to inculcate followers with a sense of shared mission—one that depends on exceptional levels of performance from subordinates to succeed. Such leaders are marked by strong convictions, high self-confidence, a tendency to dominate, and a desire to influence those around them.	Mannarelli (2006)
11.	A charismatic leader is someone who sways followers with a dynamic, magnetic personality, usually through inspiring speeches. Charisma is the triumph of style over substance while for thought leadership content is king. Leadership is moving away from the power of personality to content.	McCrimmon (2007)

No.	Definition	Author
12.	Charismatic leaders do not doubt themselves and have unwavering beliefs. Charismatic leaders are often perceived as being the only ones in possession of attributes that can effectively resolve any problems, where this need for change provides an opportunity for the leader to articulate an ideological vision when it will be best received and endorsed by followers.	Nahavandi (2000)
13.	Charisma – a form of a social authority.	Weber (1947)
14.	Charisma – an individual personality quality in which the leader is considered extraordinary and treated as if endowed with supernatural powers or qualities.	Weber (1978)
15.	Charisma – special power of a person to inspire fascination, loyalty, etc. Greek meaning – “blessed by God” as well as “favor” or “gift.”	Webster’s Dictionary (1988)

Source: Author’s own study.

In the last two decades, evidence has accumulated that charismatic leadership is an influential mode of leadership that is associated [Kark and Van Dijk, 2007] with high levels of individual and organizational performance [e.g., Dvir, Eden, Avolio, and Shamir, 2002; Lowe, Kroeck, Sivasubramaniam, 1996].

Academic literature has identified the importance of strategic leaders, and in particular of CEOs, as a determinant of organizational performance [Finkelstein and Hambrick, 1996; Hambrick, 1989; Bass, 1985; Howell and Frost, 1989; Koene, Vogelaar, and Soeters, 2002]. However, several authors have noticed that charismatic leadership may have a negative impact on organizational performance because of the frequent association between charisma and dysfunctional narcissism [Conger and Kanungo, 1998; MacCoby, 2000; Sankowsky, 1995]. Similarly, Tosi, Misangyi, Fanelli, Waldman, and Yammarino [2004] found no direct relationship between CEO charisma and organizational performance [Agle, Nagarajan, Sonnefeld, and Srinivasan, 2006]. However, it is mostly charismatic leaders who are perceived as the heroes of management [Howell and Avolio, 1992]. Charismatic leaders are recognized as the effective ones: leaders who are able to inspire extraordinary performance in followers as well as build their trust, faith, and belief in the leader [Bass, 1985; Bennis and Nanus, 1985; Kouzes and Posner 1987].

According to leadership theorists, inspirational leaders are able to have such effects on followers and organizations as a whole primarily because of their visionary communication abilities [e.g., Conger and Kanungo, 1998; Shamir et al., 1993]. However, the type of vision put forward by leaders makes a difference in their ability to motivate and connect with followers [Waldman, Bathazard, and Peterson, 2011]. More specifically, charismatic leaders’ views and visions may not always be beneficial for the teams they

lead [cf. House and Howell, 1992; see e.g., Bass and Steidlmeier, 1999]. Rather, the visions may be radical, irrational, polarizing, or simply bad ideas [e.g., Beyer, 1999]. Additionally, the visions may not always fit the (personality) composition of the respective team [e.g., De Hoogh and DenHartog, 2009]. Therefore, charismatic leaders may not always be effective leaders [Greer, Homan, De Hoogh, and DenHartog, 2010]. We should also remember that charisma is morally neutral.

Charismatic leaders may vary in their ethical standards. The label charismatic has been applied to very diverse leaders in politics (Adolf Hitler, Benito Mussolini, and Franklin Delano Roosevelt), in religious spheres (Jesus Christ and Jim Jones), in social movement organizations (Mahatma Gandhi, Martin Luther King, Jr., and Malcolm X), and in business (Lee Iacocca, Jeffrey Skilling, and Dennis Kozlowski). This list underscores that the term *charisma* is value neutral: It does not distinguish between good or moral and evil or immoral charismatic leadership. [Howell and Avolio, 1992]. Charisma can lead to blind fanaticism in the service of megalomaniacs and dangerous values or to heroic self-sacrifice in the service of a beneficial cause [Howell, 1988]. Charisma in leadership is often associated with the character of a hero. However, there are two types of heroes—positive and negative. DeCelles and Pfarrer [2004] discuss the implications of the “dark side” of charismatic leadership, which regards the negative hero type. They call it the “villain charismatic leader concept” that refers to a truly “black hat” character.

The best example of this kind of charismatic leadership is J. Skilling. Based on Sherron Watkins’ (former Vice President of Corporate Development at the Enron Corporation) words, we may suppose that Skilling’s leadership was one of several reasons for such a pervasive corruption problem in Enron. She says: “He was charismatic and intimidating. He was very hypnotic, and convincing. He was sharp and could sell anything. If you were going to ask a bunch of questions, he would intimidate you and make you feel you were not smart enough to get it. (...) One thing I learned through all of this is that individual leadership matters more than I would have ever thought. I think if you take Skilling out of the picture, Enron would not have happened. Even if you leave Skilling in the picture, but you have Rich Kinder, Enron’s former COO, never leaving the company, the Enron fraud would not have happened. Kinder was an amazing COO, not charismatic in anyway. Incredibly sharp. He knew the right questions to ask to expose any potential wrongdoing. (...) He is an ethical person. I think he would have not allowed Fastow to do what he did. But without Skilling in the picture, I think it would have never happened, even with Fastow there. So I think Skilling’s leadership was key, and the whole mess probably boils down to the leadership of one or two people.” [Beenen and Pinto, 2009: 279].

III. Conclusions

Everybody loves heroes; everybody loves charismatic leaders who typically demonstrate a pattern of strong results and a set of behaviors that help consistently deliver positive outcomes, including the creation of values, visualizing opportunities, and shaping the future to fit their long-term vision [Perryman, Sikora, and Ferris, 2010]. However, we should remember that it may happen that leaders lose the proper relation between these positive behaviors and the negative characteristics that lead to the dark side of leadership. When this happens, the dark side of leadership occurs.

In the wake of the financial scandals of the beginning of the millennium, including those of Enron and Parmalat, with the onset of an international financial crisis set off by the United States sub-prime mortgages in the summer 2008, and with the values of employees entering our organizations today, leaders should know that the best form of leadership builds followers into leaders who eventually take responsibility for their own ethical behavior, development, and performance.

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Destructive Sides of Charismatic Leadership

Summary

The issue of leadership has been investigated by management researchers for many years. However, the main focus has been put on its positive sides as well as best examples and practices to show to other generations of managers. Therefore, this article raises aspects of leadership that are the absolute opposite—the dark sides—which can be destructive for individuals and even for entire organizations. The article undertakes an in-depth examination of the wide range of definitions of *charismatic leadership* and presents the dark side of leaders' charisma. The author presents the research findings of a number of management scientists who have brought up the issue of charismatic leadership, where it is possible to find links among abusive supervision, bad leadership, toxic leadership, narcissistic leadership, petty tyranny, and supervisor aggression. All the theoretical disquisitions are proved by the evidence of Enron Corporation, which faced the problem of the dark sides of leadership directly.

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