Like a phoenix from the ashes. A Weberian analysis of the charismatic CEO routinization

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Summary

This research addresses a simple question: what becomes of charismatic CEOs once they have reached their apogee? Building on some neglected aspects of Max Weber’s analysis of charisma and the work done by Janice Beyer on charismatic leadership, this paper offers two contributions. First, it provides a theoretical introduction to the concept of charismatic routinization (i.e., the inevitable transformation of charisma in the long term) through the description of its determinants and its scenario. Second, it narrates the saga of the tumultuous 30-year career of a European CEO and uses it as an illustrative case study in order to emphasize the relevance of the Weberian concept to the study of charismatic CEOs in the long term. In so doing, it provides the first case study on charismatic routinization at the top.

Introduction

"Every charisma is on the road from a turbulently emotional life (...) every hour of its existence brings it nearer to this end." (Weber, 1978: 1120)

This quotation from Max Weber, who was the first to conceptualize charisma, is a reminder of its tragic dimension. "In its pure form charismatic authority may be said to exist only in statu nascendi. It cannot remain stable", Weber explained (1978: 246). Charisma is a source of leadership and when it weakens or disappears, there is also the risk that he who carries it will disappear if he cannot find new dynamics that will allow him and his project to last. This process of inevitable weakening and necessary transformation is referred to by Weber as the "routinization of charisma".

When we think about charismatic CEOs, our common sense and immediate understanding lead us to think of the charismatic entrepreneur or top manager of a company as a gifted individual with personal vision, who is emotional and theatrically communicative, who creates or transforms a company and builds it into a lasting empire. But not all stories about charismatic top executives are synonymous with both success and longevity—far from it. The business world and the career of certain charismatic CEOs regularly provide us with glimpses of the highs, lows and transformations required if charisma is to last. Very few top executives manage the routinization of their charisma: Apple CEO Steve Jobs is one of them. He may be said to have led two charismatic revolutions and at least one successful routinization. Founder of Apple, he failed to routinize his charisma...
in the 80s but he returned to the company as top manager 10 years after resigning, making his comeback for the millenium. Jobs is an illustration of the flamboyant yet tragic image of the mythological phoenix which is consumed in flames only to be reborn from its own ashes. But Steve Jobs’ charisma is rather exceptional: not all charismatic top executives enjoy a similarly heroic career path and a series of charismatic episodes and successful routinization. Many of them, whether company founders or not, experience a chaotic journey, a journey both of grace and disgrace, of rise and fall. Among them, the former CEO of Vivendi Universal, Jean-Marie Messier (Khurana, Dessain, & Beyersdorfer, 2008): he reached his charismatic apogee in 2000 when Vivendi merged Seagram to become Vivendi Universal one of the global communication giants. But, only two years after, he lost his charisma, turned into a scapegoat and left the business stage.

The case of William French put forward an example of the turbulent 30 years long journey of a charismatic CEO who encounter repeated charismatic episodes and had to deal with the routinization of his charisma. William French has worked in the retail and luxury industries in France (Kenzo, Givenchy, La Redoute/PPR, Etam), Germany (Esca
da) and the United Kingdom (Harrods). This charismatic CEO successfully led turnaround strategies for prestigious European brands. His best-known successes include the recruitment of John Galliano for Givenchy, which launched the career of the French haute couture designer and revamped the aging image of the company founded by Hubert de Givenchy. He is also well known for the renovation of Harrods in 2004 and the all-time sales records chalked up by the London institution since its foundation 150 years ago. Throughout his career, William French has worked with many of the big names in design (J. Galliano, P. Stark, M. & W. Ley, Kenzo) to modernize organizations that were losing momentum. However, after a 30-year career and in spite of his success and his own wishes, French was unable to establish a lasting presence in a company. After a few years, he would be asked more or less delicately to take his leave by the shareholders or owner of the company, with whom his relationship was always complicated: initially based on admiration and mutual benefit, it inevitably shifted towards competition and conflict. The research question behind the story of William French was one that was shared by the CEO himself, who had just taken up his 10th post in this role. It was as follows: "Why, in spite of his success, was this charismatic leader unable to establish a lasting presence at the head of a company?" What answers are provided by the literature?

In the field of leadership studies, the new charismatic leadership theories (CLTs) which draw on the work of Weber (Bryman, 1993), have led to a large amount of theoretical and empirical studies of charismatic business leaders (for a review, see: Avolio & Yammarino, 2008). Nevertheless, with the notable exception of Beyer (Beyer & Browning, 1999; Trice & Beyer, 1986), these theories have focused on the emergence and peak performances of charismatic leaders (for a review, see: Bass, 2008) while they have neglected the long-term development of charisma and its transformation. Moreover, most leadership studies make no distinction between the different types of leader and therefore ignore the specificity of charisma in the context of top management. In the field of strategic leadership, this particular limitation has been partly overcome by studies carried out on charismatic CEOs and its impact on firm performance and company stakeholders (Agle, Nagarajan, Srinivasan, & Sonnenfeld, 2006; Fanelli & Grasselli, 2005; Fanelli, Misangyi, & Tosi, 2004; Fanelli, Misangyi, & Tosi, 2009; Hayibor, Agle, Sears, Sonnenfeld, & Ward, 2011; Khurana 2002; Ling, Simsek, Lubatkin, & Veiga, 2008; Tosi, Misangyi, Fanelli, Waldman, & Yammarino, 2004; Waldman, Javidan, & Varella, 2004) nevertheless, they still ignore what becomes of this leader over a longer period, as well as the nature of this development. As a consequence, William French’s case appears as an example of the lack of explanatory power of the CLTs when applied to practical business examples. On the contrary, the Weberian framework appears to be very relevant.

The first contribution of this article is theoretical: it provides the fields of leadership and strategic leadership with a new reading of the Weberian concept of the routinization of charisma and, by using an illustration (Siggelkow, 2007), it demonstrates the relevance of this concept to our understanding of charisma in the specific context of strategic leadership.

The second contribution is methodological: it provides the fields of leadership and strategic leadership with a case study on the becoming of the charismatic CEO. In her review of leadership case studies, Klenke (2008) presents 22 studies, a majority of which were longitudinal. Among these, she identifies just one study of charismatic leadership (Weed, 1993), to which one should add Beyer & Browning (1999), the only one as far as I am aware that studied the charismatic CEO in the long term (Robert Noyce). This means that very few studies have documented the charisma of corporate leaders and how it evolves over time, despite repeated calls for a greater number of qualitative leadership studies (Bryman, 1993; Yukl, 1999).

The paper is structured as follows: the first section introduces and develops the Weberian analysis of charisma, its two ideal-types (charisma and routinization of charisma) and the research done using them in the management field. The second section presents and discusses the case of William French in the light of Weber’s analysis.

The Weberian analysis of charisma and its routinization

Max Weber was among the first to conceptualize charisma as a legitimate form of domination (1978). His analysis of charisma rests on the proposal of two ideal-types (Kalberg, 1994): the first is a model to define charisma in terms of its individual manifestations and historic function. This is the ideal-type of charismatic domination. The second is a model for the historic development of charisma. This has largely been overlooked by the management literature.

According to mythology, the phoenix is a spectacular bird with golden and red plumage. It is blessed with exceptional longevity and the ability to be reborn from its own ashes after being consumed by flames that it has fanned with its own wings. This mythical creature also symbolizes the destructive and creative forces of fire: by consuming matter, it purifies and allows for regeneration.
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