Exploring Charismatic Leadership in the Public Sector: Measurement and Consequences

A survey of more than 203 middle and upper-middle managers that assessed their superiors (N=51) in the Canadian public sector showed that charismatic leadership in such a setting comprises four dimensions: (1) energy and determination; (2) vision; (3) challenge and encouragement; and (4) risk taking. However, such leadership is only modestly related to motivational consequences and is not significantly related to unit performance. We discuss our findings in terms of their theoretical implications for leadership research in general and for the public sector in particular.

Over the past two decades, there has been an increasing interest in a school of leadership theory referred to as “charismatic” (Conger and Kanungo 1987, 1998; Waldman and Yammarino 1999), “transformational” (Bass 1985; Tichy and Devanna 1986), and “visionary” (Bennis and Nanus 1985; Sashkin 1988). While there are a few differences among the different theories (Yukl 2002), all share the view that outstanding leaders have the ability to make a substantial emotional impact on their subordinates. They go beyond a simple performance–reward transaction by elevating their subordinates’ self-image and self-confidence and by arousing subordinates’ emotional attachment to the leader’s espoused values and to the collective. They create strong employee commitment to the organization’s goals by connecting them intellectually and emotionally to employees’ personal goals (Bass 1985; Conger and Kanungo 1998; House 1992). Because the core of all of these theories is the concept of charisma, several authors have used the general rubric of charismatic leadership for all of them (Conger and Kanungo 1998; House 1992; Shamir, House, and Arthur 1993; Waldman and Yammarino 1999). Further, Beyer notes that, as opposed to the term “transformational leadership,” the concept of charisma does not necessarily entail behaviors and values that [correspond] to one particular value system, such as human relations” (1999, 321).

While this genre of leadership theory has received some empirical support from a variety of studies (House 1992; House, Woycke, and Fodor 1988; Howell and Frost 1989), there is still a lack of rigorous empirical examination of the proposed theories in public-sector organizations. An important question is the extent to which charismatic leadership and its consequences are relevant in the public sector. As we will explore in detail below, there is some cause for doubt. For example, Pawar and Eastman (1997) propose that receptivity to visionary or charismatic leadership may be restricted in organizations that are characterized by bureaucratic forms of structure and governance, as is typically the case in the public sector.

On the other hand, public-sector executives are facing increasing economic and social pressures to reform managerial and organizational practices. They must deal with shrinking revenue sources, public criticism, and global competition, and they need to pay closer attention to performance outcomes and greater client satisfaction. The
challenges to be more adaptive may create an opportunity and a need for charismatic leadership (Pawar and Eastman 1997).

In this study, we focus on charismatic leadership at the highest levels in public-sector organizations. We have two objectives: First, through a large-scale survey of public-sector managers, we will empirically test the proposed theoretical profile of charismatic leadership in the public sector to show the extent to which charismatic leadership applies to public-sector executives. Second, we will examine some of the motivational and performance consequences of charismatic leadership. The article contributes to theory development in the literature by presenting empirical evidence for the extant knowledge and by discussing further avenues of research.

The Profile of Charismatic Leaders

The origins of charismatic leadership theory can be traced to the work of Max Weber (1947), who differentiated charismatic authority from more traditional or legal/bureaucratic forms of authority. To Weber (1946, 245), charisma was viewed in terms of supernatural “gifts of the body and spirit” comprising special attributes and qualities. While continuing to include personal attributes, more recent conceptualizations of charisma stress behavioral components, thus making it possible to be shown by people in a variety of leadership positions (Conger 1999). In this section, we summarize the current understanding of key behaviors and attributes that are believed to distinguish charismatic leaders from those who are not charismatic.

Charismatic Leader Behaviors

There is a consensus in the literature on a few specific behaviors that charismatic leaders perform: (1) articulation of a future vision; (2) building credibility and commitment to the vision; and (3) creating emotional challenges and encouragement for followers. Many theorists have proposed that charismatic leaders communicate an idealized goal or vision they want the organization to accomplish over a period of time (Conger and Kanungo 1987, 1998; House 1977, 1992; Yukl 2002). Such a vision projects a set of values and beliefs that resonate with followers. It invites and persuades followers to move beyond their self-interest and to focus on the broader and more meaningful organizational interests. It generates intrinsic motivation by appealing to the employees’ personal values and beliefs and by promising an attractive payoff—psychological or otherwise—for their efforts.

The vision that is articulated by a charismatic leader generally differs from the status quo (Conger and Kanungo 1998). Charismatic leaders may be viewed as agents of change who promise better opportunities and better outcomes to their followers. Their visions are based on (1) the premise that the organization is not currently achieving its potential and needs to be somehow different, and (2) an assessment of environmental constraints and opportunities (Conger 1999; Conger and Kanungo 1998). The greater the discrepancy between the promoted vision and the status quo, the greater the likelihood the leader will be perceived as visionary. Furthermore, although it may be challenging and engaging, the articulated vision is viewed as achievable because it is based on a realistic assessment of internal resources and environmental constraints (Conger and Kanungo 1987, 1998). To be effective, charismatic leaders are sensitive to their followers’ abilities and concerns, and they are aware of the opportunities and threats in their environment (Waldman and Yammarino 1999).

The followers’ attachment and commitment to the picture of the desired future—and the extent of their identification with the leader—depends strongly on their perception of the credibility of the leader and the vision. Charismatic leaders build such credibility partly by articulating and communicating why there is a need for the new vision and how it can be accomplished. An important element of this communication is how leaders explain the need for change: They magnify the major forces driving the change and how and why the status quo will be unacceptable in the face of environmental changes. They also present a convincing case that the new vision will be the appropriate way to position the group within its environmental context (Conger and Kanungo 1987, 1998; Tichy and Devanna 1986; Waldman and Yammarino 1999).

Charismatic leaders are also credible because they convince their subordinates of their own strong motivation, enthusiasm, and commitment. Their actions and decisions are consistent with and support the advocated vision (House 1992; Yukl 2002). They model the appropriate behaviors to show how the vision can be accomplished, and they engage in behaviors that are innovative and oftentimes unconventional (Bass 1985; Conger and Kanungo 1998; Martin and Siehl 1983). They also may take on high personal risks and engage in self-sacrifice to achieve their vision (Conger and Kanungo 1998; Javidan 1991; Shamir et al. 1998; Yukl 2002).

Charismatic leaders may convince or influence subordinates through impression management or image building. Gardner and Avolio (1998) argue there is no inherent superficiality or deceitfulness associated with impression management. Instead, it is simply an alternative means of creating meaning and identity in the minds of followers. Impression-management strategies include attempting to appear trustworthy, credible, morally worthy, powerful, and innovative. Moreover, good impression managers are probably adept at self-monitoring.
A distinguishing factor for charismatic leaders is their ability to persuade followers to seek objectives that are worthy of their best efforts. They challenge followers and then convince them of their ability to produce extraordinary results. Further, such leaders form a connection between the vision and their followers’ own personal challenges. By doing so, charismatic leaders create a substantial pool of intellectual and emotional energy and a high level of intrinsic motivation (Bass 1985; House and Shamir 1993). They appeal to their followers’ higher-order needs by expressing a conviction in their subordinates’ ability to achieve results and by articulating high expectations from their followers (Bass 1985; House 1992; Javidan 1991).

**Personal Attributes of Charismatic Leaders**

There is substantial theoretical argument to support the view that charismatic leaders not only display a number of common behaviors, but they also possess characteristics that distinguish them from noncharismatic leaders. While this view is intuitively appealing, it has not received sufficient empirical investigation (House 1992; Yukl 2002). Various authors have proposed a wide range of attributes for charismatic leaders (see House 1992 for a comprehensive listing), but the following characteristics are generally discussed in the literature: (1) self-confidence; (2) eloquence; (3) high energy and determination; and (4) desire for change and risk taking.

First, charismatic leaders are confident in their own abilities and in the appropriateness or moral correctness of their vision (Bass 1985; Conger and Kanungo 1998; House and Aditya 1997). That is, they tend to convey an image of confidence, determination, character, and inner direction (House 1977; House and Aditya 1997; Shamir et al. 1998). A high level of self-confidence improves the leader’s ability to develop a compelling vision. It also makes it easier for the leader to take personal risks and to engage in novel and unconventional behaviors (Conger and Kanungo 1998; House and Aditya 1997). Furthermore, it has a generally positive effect on followers because it helps them to cope with their uncertainties and concerns about the future (Waldman et al. 2001). It provides a measure of comfort in knowing that the leader has self-assurance and is confident about his or her direction. This dynamic enables leaders to influence their followers by using expert and referent powers rather than positional power (Conger and Kanungo 1998; French and Raven 1968; Yukl 2002).

Second, charismatic leaders tend to be seen as eloquent, largely as a result of effective communication and powerful rhetorical skills. These skills may be more quiet at times, as exemplified by Ghandi, Nelson Mandela, and Mother Teresa, while being more “macho” at other times, as in the case of Franklin D. Roosevelt and Jack Welch (Den Hartog et al. 1999). Furthermore, charismatic leaders use various modes of communication—verbal, nonverbal, technology, and written—to describe and explain their idealized vision (Bass 1985; Javidan 1991). They are able to translate abstract and intangible concepts comprising a vision into understandable, concrete, and memorable ideas that followers can associate and identify with (Bennis and Nanus 1985; Conger and Kanungo 1998). Again, impression management may come into play as charismatic leaders tailor their speeches to the needs and values of followers and use various forms of rhetorical crafting such as metaphors, stories, and expressive body language (Gardner and Avolio 1998).

Third, several authors have pointed out that another distinguishing attribute of charismatic leaders is their persistence and willingness to work very hard to see their visions accomplished (House and Howell 1992; Javidan 1991; Shamir et al. 1998). Without significant levels of energy, it is difficult to develop the enthusiasm and persistence needed to foster and harness organizational commitment to the change in status quo. It is also difficult to be a role model and to convince the followers of the leader’s dedication to the vision without such energy.

Fourth, several authors have suggested that charismatic leaders usually have a strong tendency to seek change and to act as change agents (House and Aditya 1997; Tichy and Devanna 1986). The challenge of destroying the status quo and creating a new order propels them to be enthusiastic and entrepreneurial. In so doing, they are willing to take personal risks and to engage in self-sacrifice (Bass 1985; Conger and Kanungo 1998; House and Aditya 1997). Engaging in self-sacrificial behaviors helps to create an image of the leader as an exemplar whom followers should trust and, in turn, make their own self-sacrifices for the collective good (Gardner and Avolio 1998).

**Charismatic Leadership in the Public Sector**

Much has been written on the differences between public-sector and private-sector organizations (Golembiewski 1994; Murray 1975; Newman and Wallender 1976; Plumptre 1988; Rainey, Backoff, and Levine 1976; Zussman and Jabes 1988). Some authors believe the two sectors are fundamentally different and not comparable. Murray called it the apples-and-oranges syndrome (1975), while Sayre noted that the public and private sectors are alike in all unimportant respects (Dobell 1989).

Others, however, argue for significant opportunities to extend our knowledge from the experiences in the private sector to the management of public-sector organizations (Golembiewski 1994; Kamensky 1996; Newman and Wallender 1976; Nutt and Backoff 1993). Of particular importance is the new and very visible movement of rein-
venting government (Osborne and Gaebler 1992), which seeks to fundamentally change the object and culture of public-sector bureaucracies and to instill such concepts as innovation and entrepreneurship, customer empowerment, and employee empowerment (Frederickson 1996).

Our interest in this article is not to engage in a comprehensive comparison of public-sector and private-sector institutions, but rather to explore the nature of charismatic leadership in the public sector. Roberts and Bradley (1988) provide an example of an individual who, while serving in the executive. As a result, their attempts to satisfy various groups constituencies, far beyond that facing a private-sector executive. Furthermore, the reward structure in the public sector makes it hazardous to make personal sacrifices through self-sacrifice. Dobell (1989) suggests that public-sector officials typically need to satisfy a wide range of organizations. However, their meta-analyses are not representative of actual government departments. Indeed, almost all prior work on charismatic leadership has been based on organizations in the private, military, and education sectors. In fact, a 10-year ABI-Inform literature search on charismatic leadership in the public sector produced only one minor reference. In other words, the concept of charismatic leadership seems to be alien to public administration, at least from the viewpoint of many writers and researchers. This is probably because public bureaucracies are created to minimize human touch and to maximize standardization through impersonal rules and procedures (Weber 1947). Furthermore, Weber (1946, 245) suggested that charismatic leaders are “neither officeholders nor incumbents of an occupation” and that the gift of charisma is “not accessible to everybody.”

Along these lines, Dobell (1989) argues there are systemic reasons why public-sector leaders tend to avoid risk and sustain the status quo. He points out that public-sector failures are held up to public criticism, but successes are rarely rewarded. In a survey of public managers, Zussman and Jabes (1988) find that only 5 percent of respondents believed that risk taking was rewarded in their organizations. Dobell concludes the impediments constraining risk taking among public-sector managers exist precisely because of the business of government. Public-sector managers make decisions with direct consequences for public risk—risks to individuals who have never had an opportunity to consent in a voluntary and informed way even to the extent that is available to a shareholder in the private sector.

Another aspect of charismatic leadership is building credibility through consistency in actions and words and through self-sacrifice. Dobell (1989) suggests that public-sector officials typically need to satisfy a wide range of constituencies, far beyond that facing a private-sector executive. As a result, their attempts to satisfy various groups may be perceived by others as inconsistency and lack of commitment. Furthermore, the reward structure in the public sector makes it hazardous to make personal sacrifices and take personal risks. Roberts and Bradley (1988) provide an example of an individual who, while serving in the role of a school superintendent, was perceived as a charismatic leader trying to effect change during times of crisis and uncertainty. However, after becoming a commissioner in a state government, she found herself in a context characterized by little need for change, lack of autonomy, and political constraints. The result was a loss of perception of this person as a charismatic leader.

While charismatic leadership in the Weberian sense may be theoretically rare in the public-sector literature, there is at least some conceptual basis for its behaviors and attributes. For example, an important aspect of this type of leadership is the willingness to take personal and organizational risks. Charismatic leaders, in building and communicating a vision, are prepared to take risks, both for themselves and their organizations. This is a natural aspect of being against the status quo. Several authors have called for strategic leadership in the public sector, with a specific focus on risk-taking behavior (Kelley 1991; Kouzes and Posner 1987; Nutt and Backoff 1993). Nutt and Backoff (1993), while reiterating the peculiarities of the public sector, propose it is still critical for public-sector leaders to frame a vision and associated strategy. They suggest several ways to reduce the political risks to the leader and the organization in implementing major changes.

Maranville (1998) describes an interesting case of an individual in charge of the Utah State Division for People with Disabilities. Before his arrival, the agency’s mission had centered around the philosophy of community-based care. As a new director, Ric Zaharia’s vision was to shift the philosophy toward family-support care, which would entail more empowerment of case workers combined with less bureaucracy. The ultimate goal would be increased satisfaction on the part of clients. Although there was no immediate emergency necessitating such a switch, Zaharia felt it would provide an opportunity for the agency to become more forward thinking, in line with other model state agencies in the United States. Although he attempted to be visionary, Zaharia did not actually show charismatic leadership because of the autocratic and somewhat threatening manner in which he pushed change. Further, he did little to convince individuals at various levels in the agency of the new vision’s value, nor was he encouraging and positive in his expectations. Maranville (1998) concludes the display of charismatic or transformational leadership behavior would have helped Zaharia achieve more positive outcomes and avoid the resistance to change that he experienced.

Moore (1995) uses two case studies on the Boston Housing Authority and Houston Police Department to propose a strategic view of operational management in the public sector. His notion of strategic management is rooted in the concept of managerial accountability, both at the business end (toward clients) and at the reporting end (toward the provid-
ers of funding). He argues that in times of change and conflict, there is a need for innovation and a strategic view.

Daniels and Clark-Daniels (2000), in a report on James Lee Witt’s successful transformation of the Federal Emergency Management Agency under the Clinton administration, reached similar conclusions. They suggest that as the leader of the agency, Witt succeeded in building a clear and attractive vision and mission, hired skilled professionals and motivated them, and used his connections within the administration and the media to build public support for his organization.

To summarize, the extant literature seems to consist of two distinct schools of thought. The first school of thought is that the public sector’s unique characteristics make it very difficult—if not impossible—to implement most of the behaviors or show the attributes that are central to charismatic leadership (Dobell 1989; Frederickson 1996; Goodsell 1993; Kettl 1994). In contrast, there is the prescriptive and normative literature that promotes strong views on how public-sector management should be improved. Recently, this literature has been embodied in the new and highly visible reinventing government movement (Kamensky 1996; Osborne and Gaebler 1992). Both streams of work tend to be mostly conceptual or based on case studies, without much rigorous empirical evidence.

We largely take the latter view because, as is the case in the private sector, there is strong evidence that public-sector organizations are facing increasing economic and social pressures to reform managerial and organizational practices. Reduced or stagnant tax base, strong public criticism, and increasingly global competition are forcing public-sector leaders to focus more on outputs and performance, longer-term goals, stronger monitoring of results, and greater responsiveness to client needs and expectations (Flynn 1995; Frederickson 1996; Kamensky 1996; Nutt and Backoff 1993). These challenges provide fertile ground for charismatic leadership within the public-sector executive ranks.

One purpose of this study is to empirically test the theoretical profile of charismatic leadership. The article will assess the extent to which the behavioral profile and individual characteristics attributed to charismatic leaders emerge in a large-scale survey of executives and senior managers in public-sector organizations. We expected that:

H1: Charismatic leadership in the public sector would be characterized by a factor structure that includes vision articulation, optimism and enthusiasm, encouragement, and risk-taking behavior. In addition, such leaders will be characterized by personal qualities or values including self-confidence, eloquence in communication, high energy or endurance, and desire for change.

The Motivational Consequences of Charismatic Leadership

Much of the theoretical and empirical research on charismatic leaders points to positive consequences such as higher performance ratings, more satisfied and motivated employees, and high effectiveness ratings by subordinates and superiors (Lowe, Kroeck, and Sivasubramaniam 1996; Shamir, House, and Arthur 1993). Using meta-analytic techniques, Lowe, Kroeck, and Sivasubramaniam (1996) summarize the evidence to date with regard to the effects of charismatic leadership in organizations. One particularly relevant finding is that the relationship between charismatic leadership and effectiveness is at least as high in public-sector (compared to private-sector) organizations. However, caution must be taken in the interpretation of their analyses, in that their public-sector leaders generally were limited to such positions as naval fleet officers and department chairs at state-funded universities. Actual leaders in government departments were not well represented, reflecting the dearth of available charismatic leadership research on such individuals.

In an in-depth theoretical analysis of the motivational effects of charismatic leadership, Shamir, House, and Arthur (1993) examine the theoretical dynamics of the relationship between charismatic leaders and their followers. The key construct in their work is the notion of self-concept, the mental image that an individual holds of his or her own competence, power, achievement, abilities, values, and virtues. It is one’s sense of self-identity: the way one sees oneself.

While self-concept is a mental image, it is at least partially based on the relationship between the individual and the environment, particularly his or her key referent groups. It evolves over time and as a result of interaction with the social collective (McCall and Simmons 1978; Stryker 1980). A key element of the social collective is the relationship with the leader. The following is a more in-depth analysis of the major effects on several criteria frequently associated with charismatic leadership: (1) self-worth or esteem; (2) loyalty and commitment; and (3) performance.

Higher Self-Esteem and Self-Worth

A critical reason why individuals are attracted to charismatic leaders is the impact of the leader–follower relationship on the subordinate’s self-esteem and self-worth. Self-esteem reflects an individual’s beliefs about his or her competence and the ability to cope with the environment (Shamir, House, and Arthur 1993). Self-worth refers to a sense of moral virtue, a belief in one’s basic goodness (Gecas 1982). Two important drivers help to increase the followers’ self-esteem and self-worth. First, the vision es-
poused by the charismatic leader is based on higher-level collective values. Being associated with such a vision increases one’s self-esteem. Believing that one is helping to achieve an important goal without being concerned about individual payoff should enable high self-worth.

Second, being associated with a leader who personifies higher-level values is also a reason for the followers to have a higher self-image. Working for a charismatic leader increases the subordinates’ social and personal identity (Shamir, House, and Arthur 1993). Charismatic leaders help this process by expressing confidence in their abilities and by communicating challenging expectations from them (Bass 1985; Yukl 2002). Such positive and reinforcing feedback helps to reinforce the subordinates’ self-efficacy and results in stronger motivation (Bandura 1986; Conger 1999; Eden 1990).

Enhanced Identification, Loyalty, and Commitment toward the Leader

The followers of a charismatic leader are likely to have profound trust in his or her vision, capabilities, values, and motives. They idolize the leader, tend to accept his or her values unquestioningly, and show strong affection and willing obedience (House 1977; House and Aditya 1997). Willner (1984) suggests the followers’ emotional attachment to the leader is quite intense and goes beyond ordinary admiration and trust. Rather, it takes the form of devotion, reverence, and sometimes blind faith. Bass (1985) characterizes it as an absolute emotional and cognitive identification with the leader.

Downton (1973) argues that the intense degree of identification with the leader is caused by the subordinates’ wish to resolve the conflict between their existing and desired self-image. They view the leader as the symbol of their ideal self-concept, and therefore idolize that person. That is, the leader symbolizes what the follower aspires to be. Such a sense of identity generates strong affection and commitment to the leader that goes beyond the boundaries of transactional compliance (Bass 1985).

House (1977) proposes the leader’s sense of self-confidence, conviction, and associated vision create trust and certainty in the minds of the followers. It helps to make their jobs more meaningful and appealing to them. As a result, the subordinates build a powerful attachment to the leader. They attempt to be like the leader because of their desire to vicariously gain the leader’s values and qualities. The leader represents a higher level of values and sense of self-sacrifice. To be like the leader and to be dedicated to him or her is highly satisfying for followers (Shamir, House, and Arthur 1993). The sum of the preceding arguments suggests the following:

**H3:** Charismatic leadership will be associated with above-average performance of the units of public-sector managers.

Performance of the Leader and the Unit

Studies in both laboratory and field settings have yielded consistent support for the performance-enhancing effects of charismatic leadership (for overviews, see Bass and Avolio 1993; House and Shamir 1993; Lowe, Kroeck, and Sivasubramanian 1996). Collectively, this support demonstrates that charismatic leaders, compared to other leaders or managers, tend to have more success for themselves and their units. Despite such findings, it is still unclear as to how charismatic leadership may relate to performance in governmental units. Very little evidence of the effects of charisma is available in such settings. Traditionally, the impersonal nature of bureaucratic government organizations may have precluded positive performance effects, but recent forces for change may require more active forms of leadership. We believe the evidence points toward the following:

**H2:** Charismatic leadership on the part of public-sector managers will be associated with the enhanced self-esteem of followers, as well as heightened loyalty to and identification with the leader.

Method

Participants

A survey process was conducted with a group of upper-middle and senior managers who participated in one of four intakes of a four-week residential executive development program during 1994–96. This involved a leadership and general management program designed to assist executives in general management positions or those in functional positions who were slated for future general management responsibilities. The program was offered twice a year: once in the fall and once in late winter. Each intake had 30–40 participants representing a wide variety of manufacturing, natural resources, and services industries, as well as a range of government organizations. For the purposes of this research, we only used data from the government participants.

As a requirement to participate in this program, each participant received an envelope consisting of several questionnaires. They were asked to have up to five of their subordinates and their immediate boss complete the questionnaires, which assessed the various aspects of their leadership style. The participants received the package several weeks before attending the program. They did not receive
any information about how the questionnaire was designed or what leadership attributes were being measured and why. They were simply told that we needed to have the data collected and sent to us by a specified deadline so that we could provide feedback during the program. Enclosed with each questionnaire was a cover letter explaining the purpose of the survey and the anonymity of the individual responses. The completed questionnaires were mailed directly to the researchers. In total, 51 participants were assessed by 203 subordinates. Table 1 shows the number of participants who were assessed by their direct reports. The largest number of participants—24 out of 51—were evaluated by five of their direct reports. Only four participants were assessed by one person.

Table 1 Number of Participants Assessed

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Table 2 shows the demographics of public-sector participants in the program and the subordinates who assessed their leadership styles. As the table shows, 51 public-sector participants were assessed by 203 subordinates. A majority of program participants and their subordinates were over 35 years of age and had at least 10 years of experience with their organizations. Most of the survey respondents (subordinates) had at least one year of experience with their superiors. Almost all program participants were in upper-middle or senior executive positions, while almost all subordinates were in middle or upper-middle management positions. While we have no evidence in terms of the external validity of the findings, the fact that the participants represent a large variety of government organizations is encouraging.

**Instrument**

A review of the literature revealed several instruments designed to assess charismatic or transformational leadership. The best-known and most rigorously assessed instrument is the Multifactor Leadership Questionnaire (MLQ), originally designed by Bass (1985) and updated by Bass and Avolio (1990). While the MLQ measure of charismatic or inspirational leadership covers many of the important elements mentioned previously, it does not fully address such dimensions as articulating a future vision and showing energy and risk-taking behaviors. Furthermore, as Shamir et al. (1998) critique, the MLQ confounds measures of behavior with charismatic effects and attributions (for instance, “generates respect”). This problem, combined with the desire to build an instrument more relevant to their particular sample (that is, Israeli military officers), prompted Shamir et al. (1998) to construct their own measure of charismatic leadership.

In a similar manner, we decided to design a new questionnaire that would encompass the behavioral and personal attributes mentioned above. We initially interviewed several middle-level public-sector managers who described the desired or prototypical leadership attributes in senior ranks. Based on these interviews, we constructed approximately 100 items. This preliminary version was pre-tested with 20 additional middle-level managers. This group did not participate in the subsequent management development program or the leadership survey. They were asked to think about the most effective senior executives for whom they had worked in terms of their charismatic leadership (as defined by the researchers). They were then asked to comment on each of the initial items in terms of their relevance to charismatic leadership, face validity, wording, and clarity. The feedback from this group resulted in 37 items commonly agreed upon as suggesting the behaviors and attributes...
tributes of charismatic leaders. We then designed a questionnaire that asked respondents to assess the degree to which their bosses enacted these behaviors or possessed these attributes.

Each item asked the respondents to rate their immediate superior on a specific leadership attribute on a seven-point scale. Respondents were asked to report the degree to which they agreed with each statement. Possible responses ranged from “strongly disagree” (1) to “strongly agree” (7). Because the survey was conducted as a component of a course in leadership, we decided not to have any negatively worded questions because we felt they might be perceived as threatening and would impede subordinate response rates. The research instrument was thus designed to measure the respondents’ perceptions of their bosses’ leadership behaviors and attributes.

We based the items measuring the consequences of charismatic leadership on the conceptual work of Shamir, House, and Arthur (1993). These items measure the extent to which the leader is perceived to build subordinates’ self-esteem and encourage loyalty to the leader and the organization. Because there were no uniform objective measures of unit performance of these participants, we designed an item that subjectively measures the unit’s performance.

For each program participant, subordinates were asked to assess leadership attributes. To measure the dependent variables, we did not use data from subordinates because of the likelihood of serious common-method or single-source bias problems. That is, having a subordinate evaluate both the dependent and independent variable could produce confounded results because the assessed overlap between variables may be artifactual (that is, due to common-method variance) and may not reflect the true relationship between the underlying constructs (Podsakoff and Organ 1986). Artifactual variance may result because of a halo effect, whereby “the rater is using a common set of rules or schematic framework to evaluate items or scales that represent conceptually distinct constructs” (Avolio, Yammarino, and Bass 1991, 571).

In line with Podsakoff and Organ’s recommendations, we used ratings by the program participants’ bosses to obtain dependent variable measures. In this way, the outcome is measured as the boss’s perception of the extent to which the participant builds subordinates’ self-esteem and encourages their loyalty to the organization. As a measure of unit performance, we used the boss’s perception of whether the participant’s unit was performing above average compared to other units reporting to the boss.

**Results**

The ratio of our sample size to the number of independent variables is 204/37 = 5.49, which meets sample-size requirements for factor analyses (Hair et al. 1995). We produced two factor analyses. The first pertained to the variables in the perceived charismatic leadership profile, and the second involved motivational consequences items. The charismatic leadership items were rated by subordinates, while motivational consequences were reported by the bosses. We used principal components combined with VARIMAX rotation techniques. Only items with factor loadings of 0.45 or more were retained as marker items. In addition, items that had multiple loadings (across factors) of greater than 0.40 were dropped.

**The Perceived Charismatic Leadership Profile**

The principal components factor analysis of the responses produced six factors with eigenvalues over one, accounting for 70 percent of the variance. Two factors were deleted because they had only one marker item. Table 3 summarizes the results of the factor analysis, the items loading on each factor, the total number of items per factor, and the percentage of variance explained by each factor and its respective eigenvalue. The total number of items was reduced from 37 to 29 as a result of the factor analyses.

We refer to the first factor as energy and determination. It consists of 12 marker items and accounts for 21 percent of the variance. It reflects the extent to which the superior is energetic, enthusiastic, and determined. It also reflects the extent to which the boss has high performance expectations and wants to make a difference. The second factor, accounting for 16 percent of the variance, consists of eight marker items and is labeled vision. It reflects the extent to which the leader has a clear sense of direction and strong views on the organization’s values. It also involves items pertaining to the leader’s realistic assessment of resources and constraints and the effective sharing of vision. The third factor, accounting for 16 percent of the variance, consists of six marker items and is labeled challenge and encouragement. It measures the subordinates’ perceptions of the extent to which the leader encourages taking responsibility and independent thinking, provides feedback, and recognizes good performance. Finally, we termed the fourth factor risk taking. It accounts for 10 percent of the variance and is represented by three marker items. It reflects the leader’s perceived willingness to accept risks to one’s status, power, and promotion to achieve his or her vision.

To summarize, three broad dimensions of behavioral charismatic leadership hypothesized in H1 were confirmed—namely, showing energy and determination, vision, and creating emotional challenge and encouragement. In addition, one personal attribute—risk-taking tendencies—was confirmed. Cronbach’s alpha was calculated for the four scales. The alphas for energy and determination, vision, challenge and encouragement, and risk taking were...
The high reliability scores increase our confidence that individual items in our empirically-derived factors are good indicators of the latent structures. ANOVAs were calculated for each leadership scale to determine the extent of between-leader versus within-leader variance. The results revealed significant between-\(F\)-values for each of the scales (\(p < .001\) for vision, energy and determination, and risk taking, and \(p < 0.1\) for challenge and encouragement). Accordingly, for the analyses reported below, we aggregated leadership scores across the subordinates of each manager. Table 4 shows the average scores on the four leadership attributes. The average score on risk taking is significantly lower than the average on vision (\(t = 7.8\), \(p < .001\)), energy and determination (\(t = 9.6\), \(p < .001\)), and challenge and encouragement (\(t = 9.1\), \(p < .001\)). This reflects the respondents’ view that their bosses have, on average, stronger visions (\(M = 5.41\)), higher levels of energy and determination (\(M = 5.86\)), and are more challenging and encouraging (\(M = 5.56\)), than they are risk takers (\(M = 4.18\)).

### The Motivational Effects of Charismatic Leadership

The factor analysis of the bosses’ responses on the items related to motivational consequences of charismatic leadership resulted in two factors accounting for 68 percent of the variance, as shown in table 4. The first factor has five marker items and confirmed the *loyalty* attribute that was originally proposed. The second factor has three items and confirmed *self-esteem*.

### Motivational and Performance Effects

To examine the relationship between charismatic leadership and the proposed motivational and performance outcomes, we conducted bivariate correlation and multiple regression analyses. Table 5 displays the correlation coeefi-
As shown, only two of the coefficients are statistically significant, partially supporting H2 but not supporting H3. Self-esteem as a motivational consequence is significantly correlated with two of the four leadership variables: challenge and encouragement ($r = .25$, $p < .05$) and risk taking ($r = .25$, $p < .05$). Further, we used each of the three consequences—self-esteem, loyalty, and unit performance—as dependent variables in separate stepwise regression analyses. No significant relationships were found.

### The Impact of the Manager’s Level

In a study of more than 1,500 managers in public-sector and private-sector organizations, Javidan and Dastmalchian (1993) show that higher-level executives are more favorably assessed by their subordinates than are those at lower levels. Because of our limited sample size, we collapsed the six organizational levels into two groups: senior (deputy minister, assistant deputy minister, and executive director) and middle (the other groups). To test the impact of the manager’s level on our findings, we first compared the mean scores for the two groups on the charismatic attributes, as well as self-esteem and loyalty. We found no significant differences. We then used a series of regression models. Each model consisted of one of the two dependent variables (such as self-esteem) as a function of one attribute (such as vision), the manager’s level, and their interaction. We found no significant relationships. Thus, the manager’s level does not significantly predict how he or she is assessed by subordinates. It also does not affect the relationship between the subordinates’ assessment and the manager’s boss’s evaluation.

### Discussion and Conclusion

This article had two objectives. First, we sought to develop measures of charismatic leadership that are especially relevant to high organizational echelons in the public sector. Second, we attempted to assess the motivational and performance consequences of such leadership. While the limitations of survey methods and the problems with external validity are well-known (Rush, Thomas, and Lord 1977; Mitchell, Larson, and Green 1977; Yukl 2002), we felt the opportunity to survey a large number of high-level government executives was justified, especially in light of our ability to collect data from multiple sources.

Our findings largely support the modern organizational view of charismatic leadership (House 1999). For example, our data show that a logical factor structure can emerge based on public-sector data. Moreover, some overlap exists with previous conceptualizations and measures derived primarily from private-sector research. For example, visioning behavior is common to both the present work and existing surveys, such as the MLQ (Bass 1985) and the measure derived more recently by Conger and Kanungo (1998). At the same time, two prominent dimensions in the present research—energy and risk taking—are not featured in the MLQ, although risk taking is represented in Conger and Kanungo’s measure. In addition, although eloquence did not emerge in our analysis as a separate factor, an item involving speaking did load on the energy and determination factor.

Work in line with the organizational view espoused by House (1999) has drawn at least some degree of criticism. Specifically, Beyer (1999) suggests that such theory and research has “tamed” the concept of charisma, making it more common and less extraordinary than originally espoused by Weber (1947) and too focused on psychological phenomena. While Beyer (1999) makes some good points, we tend to agree with her critics, who claim that the modern organizational view applies to a broad range of leaders and that psychological phenomena (for instance, the enhancement of followers’ self-esteem) are indeed worthy of investigation (Bass 1999; House 1999; Shamir 1999).
Our findings point toward some interesting possibilities. First, the key variables that predict motivational consequences appear to be risk-taking behavior on the part of the leader and challenge and encouragement of subordinates. Thus, leaders who are seen as taking personal risks in pursuit of their visions may engender higher self-esteem on the part of their subordinates. Also, leaders who encourage independent thinking and provide constructive feedback tend to build their subordinates’ self-esteem. Second, in line with Dobell’s (1989) work, the mean score on risk taking was lower than mean scores on the other charisma factors. Thus, although risk taking materialized as a distinct factor, its actual display may be somewhat hampered or avoided in public-sector settings.

It is apparent that our findings regarding charisma in relation to outcomes are not large in magnitude. In the case of the motivational outcomes, this may be because ratings about subordinate motivation were obtained from the leaders’ bosses, who are two levels removed. At the same time, such methodology enabled us to avoid the common-source bias problem that has plagued other research attempting to link charismatic leadership with motivational outcomes (Bass 1999; Lowe, Kroeck, and Sivasubramaniam 1996).

Our findings may point to the complexities of public-sector organizations in relation to charismatic leadership. While charismatic leadership is more or less similarly conceived in the public sector, it may not necessarily produce the types of performance or motivational results that are typically associated with it in private-sector organizations. For example, it is interesting to compare our results to those of Howell and Avolio (1993). Both studies were based on relatively high-level managers, and both utilized measures of unit-level performance supplied by superiors. However, Howell and Avolio’s study was based in the private sector (that is, a Canadian financial institution), and their results revealed a much larger, significant relationship between charismatic leadership and unit performance. Thus, we feel that a deeper understanding of the dynamics of the relationship between charismatic leadership and performance is needed in the public sector, as well as how that relationship may be constrained. For example, charismatic leaders may be constrained in their behavior or accomplishments because of political or bureaucratic considerations (Conger 1999; Pawar and Eastman 1997).

Along these lines, recent theory and research seems to point toward contextual reasons for our relatively weak effects. Beyer (1999) criticizes the way charismatic leadership research has not been careful to take the context into account. The work of Shamir and Howell (1999) and Pawar and Eastman (1997) is relevant because it points toward a number of contextual factors that would facilitate receptivity to charismatic leaders and enable such leadership to realize positive outcomes. Examples include nonbureaucratic and organic forms of structure and governance, as well as situations characterized by high degrees of crisis, turbulence, or uncertainty. Concerning the latter, Waldman et al. suggest that perceived environmental uncertainty may moderate the relationship between charisma and performance in the private sector (Waldman et al. 2001; Waldman and Yammarino 1999). That is, Waldman and colleagues show the effects of charismatic leadership to be especially strong when subordinates perceive a high degree of uncertainty. Such situations are stressful to followers, resulting in a lack of assuredness on their part, more receptivity to the charismatic vision, and more latitude for discretion on the part of leaders.

However, the opposite (that is, bureaucracies characterized by a lack of turbulence or uncertainty) may be the norm in the public sector. Nevertheless, examples of environmental factors in the public sector that could lead to heightened perceived uncertainty include political changes, budget cuts, natural disasters, and so forth. In any event, we propose that future research in the public sector should account for followers’ perceptions of perceived environmental uncertainty in an attempt to more fully model proposed effects of charismatic leadership.

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References


