A THEORY OF CHARISMATIC LEADERSHIP
IN ORGANIZATIONS

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Through this series of working papers, the Institute of Governmental Studies, Berkeley, provides a channel through which scholars at work on problems of public organization may present their thoughts in a convenient form and without too much delay. We envision this series as a modest undertaking, but we hope that "Studies in Public Organization" will make some contributions toward an understanding of the properties that describe the variety of public organizational systems that exist throughout the world. We want also to note that no single formula will dominate; the series will contain papers that are theoretical, methodological, comparative, or historical. It is open to faculty and student contribution alike, not restricted to this campus, and its objective is to publish papers that engage important problems and present interesting ideas.

Committee on the Study of Public Organization
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The Editors
A theory of leadership is dependent on a theory of social organization. Attempting to understand leadership apart from the broader organizational experience of which it is a phase [is futile]. A theory of leadership will necessarily reflect the level of sophistication we have reached in the study of organization.

Philip Selznick

_Leadership in Administration_

The term "charisma" is in the scholarly vocabulary of every organization theorist. This fact is a tribute to the profound influence Max Weber has had on students of organizations. No text in organization theory or public administration seems complete without a discussion of Weber's three types of authority: rational-legal, traditional and charismatic.[1] But while charismatic authority is dutifully trotted out in these texts, the concept's relevance to the study of organizations is never made clear; indeed the concept is rarely returned to. Charisma is apparently introduced to the reader not because of its utility but rather because of the fame of the concept's creator.

This treatment of charisma by students of organizations is

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hardly surprising; indeed it is a direct result of Weber's original formulation. Scholars uncritically accept Weber's suggestion that charisma is incompatible with the "rationalization" of modern society. Following Weber, scholars look to the transition from traditional to modern society for the appearance of charisma.[2] The reason that the concept of charisma has been employed predominantly in the study of "new states" is not that charisma appears with greater frequency in the "developing" countries (although that may turn out to be the case), but rather because the study of charisma remains wedded to Weber's trinity of tradition, modernity and charisma. One aim of this paper is to uncouple the concept of charisma from the tradition-modernity dichotomy, and thus make the concept potentially applicable to organizations in advanced, industrial societies.

Among some organization theorists there does persist a vague sense that charisma is a potentially fruitful concept for the study of modern organizations. The term is liberally sprinkled throughout Victor Thompson's Modern Organization, but is used without much precision and has little relevance to the thesis of the book.[3] Anthony Downs, in Inside Bureaucracy, and Daniel


Katz and Roger Kahn, in *The Social Psychology of Organizations*, flirt briefly with the concept, but ultimately fail to establish its importance for organization theory.[4] In their classic, *Public Administration*, Herbert Simon, Donald Smithburg and Victor Thompson are tempted by the concept but shy away from its "vague mystical overtones."[5] The uneasy sense that charisma is, or should be, a concept relevant to organization theory lingers, but with a few notable exceptions the concept of charisma has not been established as germane to the study of modern organizations.[6]

Failure to make the concept of charisma empirically productive is due, in large part, to the inability to define the concept in a way that permits one to identify an instance of charisma. Attempts to extend the concept's range of application are frequently purchased at the expense of connotative precision. This "conceptual stretching"[7] has been the fate of the concept

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of charisma in everyday language. We have so radically expanded the set to which we apply the word charisma, that we can no longer precisely designate the properties an object must possess in order to warrant the label "charismatic." Only by clarifying what the concept refers to can one begin to make the concept a subject of empirical inquiry.

In most discourse, the term charisma is used to refer to personal qualities of an individual. Whether employed broadly as a synonym for charm or limited to its original Biblical meaning, "gift of grace," charisma is conceived of as an attribute of the individual. Defining charisma in terms of the qualities of the individual leader has left the concept in a mire of confusion and effectively barred empirical research.

While my primary concern is not with what Weber said, it is important to note that Weber's formulation is importantly responsible for subsequent confusion. Weber employs both an attributional and relational usage of the concept of charisma. This reflects Weber's failure to think through fully the difficulties involved in transferring the concept from its original religious context to the secular realm.

In the New Testament charisma refers to a divinely given individual attribute which exists regardless of recognition by others. In removing the concept from its Biblical context, Weber was at pains to point out that "it is recognition on the part of those subject to authority which is decisive for the validity of charisma."[8] Yet having made this point, Weber continues to

speak of charisma as an individual attribute. He refers to charisma as an extraordinary personal quality, a "gift of grace," something one "possesses" or is "endowed with."[9] However, Weber then claims charisma refers "to an extraordinary quality of a person, regardless of whether this quality is actual, alleged or presumed."[10] But if this is the case, in what sense is charisma a "quality" of the individual? Weber's most well known definition of charisma only adds to the confusion. "The term 'charisma'," Weber tells us, "will be applied to a certain quality of an individual personality."[11] If charisma is a "quality of personality" how can its presence depend on recognition by others? If charisma is a trait, the individual in question possesses or lacks that trait irrespective of the attitudes of others.

This tendency to reify charisma helps explain why the concept has proven so illusive. Treating charisma as a thing commits one to a conception of leadership in terms of traits. If charisma is something that people are endowed with, the appropriate research strategy is to identify those individuals possessed with the trait. The trait approach to leadership has failed miserably,[12] and there is little reason to expect better

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[9] See, for example, ibid., pp. 246, 1121, 243, 242, 247.
success in the realm of charisma.

If an individual is objectively endowed with a divine gift it may make sense to explain the individual's success in terms of the possession of that gift. But if we explain a secular leader's success in terms of his or her charisma, what have we explained? Oratorical ability may be the trait we have in mind in calling the leader charismatic, but then all we have done is to label the ability to speak well "charisma." Charisma thus becomes a way of avoiding naming the attribute of the individual in a more precise way. More important, the inability to specify precisely the traits that constitute charisma forces us to substantiate claims as to the charismatic nature of the leader by reference to the effect the leader has upon the followers. At this point the "explanation" lapses into tautology: the leader's success is explained by his success.

If charisma is conceptualized as a relation rather than a thing these difficulties begin to dissolve. If charisma refers to a relation between leaders and followers, then to assert that a leader is charismatic is to say nothing about personal attributes. Rather charisma describes the effect one individual has on a group of other individuals. Without the effect there is no charisma. If charisma is defined as a relationship between leaders and followers, one cannot, as Weber did, also define charisma as a personal quality possessed by individuals. The important point though is not that Weber's formulation was confused, but that a relational conception of charisma lends itself
more readily to empirical research than the trait approach. Defining charisma as a relationship makes it possible to identify instances of charismatic leadership, and thus enables one to propose and test empirical propositions about the sources and consequences of charismatic leadership.

What criteria are to be used to identify an instance of charismatic leadership? The question can perhaps best be answered by asking what we want to distinguish charisma from. First we want to distinguish leadership based on charisma from leadership based on coercion, patronage or the authority of office. Second we desire to distinguish charisma from popularity.

The first distinction is based on the motivation of individuals in complying with a directive, i.e., why people obey. If B complies with A because A employs, or has the potential to employ, physical coercion we will withhold the term charismatic. If B follows A's commands because A controls material rewards desired by B, patronage and not charisma is the relevant concept. If A's order is obeyed by B on the basis of the latter's belief in the legitimacy of A's formal authority, charisma is irrelevant because B's attitude toward A as an individual is not a factor in B's decision to comply. Stated positively, charismatic leadership denotes a relationship between A and B in which B does what A wants on the basis of the perceived personal qualities of A.

This criterion is not sufficient however to differentiate a leader who is charismatic from one who is simply popular or
well-liked. The distinction between popular and charismatic can be made by examining the range of behavior within which the leader can gain the compliance of the follower. Put in terms familiar to organization theorists, the charismatic relation is distinguished by an extraordinarily wide "zone of acceptance" on the part of the follower. Indeed in the "pure" charismatic relationship the zone of acceptance would be infinite; any directive on the part of the leader, including suicide, would be carried out by the follower without the latter questioning the merits of the directive.

The two criteria offered above can be readily reduced to a concise, single sentence definition. Coercive power, power based on patronage, and the authority of office all aim primarily at changing the behavior, not the underlying attitudes, of the follower. [13] Charisma is fundamentally different; its purpose is not simply behavioral change but a conversion of individual values and beliefs. [14] Popular leaders may affect followers' attitudes towards specific objects, but charismatics operate on the deeper values and beliefs that structure attitudes as well as

[13] As formulated by Herbert Simon, the authority of office is distinguished by the fact that the subordinates suspend their own values and beliefs and adopt those of the superior in making a decision, without necessarily being convinced that the superior's values and beliefs are desirable or correct. Simon, Administrative Behavior (New York: Free Press, 1976 3rd ed.), pp. 126-27.

[14] Weber makes the same point when he writes that charisma "manifests its revolutionary power from within, from a central metanoia [change] of the followers' attitudes." Economy and Society, p. 1117. See also p. 245.
behavior. Charismatic leadership can thus be defined in terms of the extent of the impact an actor has on the fundamental values and beliefs of other actors.[15]

This conceptualization of charisma has two major advantages. First it points the way to operationalizing the concept. Specifically it tells one to identify an instance of charisma by investigating followers' attitudes.[16] Second, where Weber's formulation makes it difficult to ascertain what belongs in the definition and what is intended as an empirical proposition (e.g., "charisma rejects as undignified all methodical rational acquisition"),[17] my definition is "minimalist." That is, it minimizes what is stipulated by definition in order to maximize the scope of empirical inquiry. More specifically, by excluding the attributes and behavior of the leader from the definition, it becomes an empirical question whether charismatic leaders possess certain traits or behave in certain ways.

Making Charisma Expected

My interest in this paper is not with the behavior or attri-

[15] This parallels the definition of charisma offered by Etzioni in A Comparative Analysis, p. 203.
[16] For an early attempt to do this, see James C. Davies, "Charisma in the 1952 Campaign," APSR 48 (December 1954), 1083-1102.
butes of charismatic leaders, but rather with explaining when and where we can expect charisma to occur. When scholars declare that charisma is little understood, they are attesting to the fact that we are unable to state the preconditions for the appearance and persistence of charismatic leadership. This essay attempts to meet this challenge by constructing a theory of the structural conditions that promote or hinder charisma. In short, my aim is a theory which will make charisma in organizations expected.

Before presenting this theory, it may be instructive to consider briefly why previous writings on leadership have made so little progress towards resolving this issue. Perhaps the most important impediment to a body of knowledge concerning the conditions facilitating or inhibiting different types of leadership has been the overwhelming emphasis in past leadership studies on the effects of leadership. While the "great man" theory of leadership has fallen out of fashion, the more general theoretical orientation, of which the "great man" approach is only a variant, remains dominant. That is, the study of leadership is defined in terms of the study of influence.[18] Put another way, leadership is treated exclusively as an independent variable.

The question of the effect of a particular leadership style

on subordinate behavior has long been central to the study of formal organizations and small groups. The guiding concern in the vast majority of these studies is effective management. The result has been an immense amount of research geared to identifying the management style, e.g., democratic or authoritarian, that can most effectively achieve a desired organizational outcome, e.g., productivity or stability.[19]

This approach to the study of leadership is frequently criticized for being heavily normative, i.e., prescribing how leaders should behave rather than describing how they in fact behave. This criticism is, for our purposes, largely irrelevant. The normative elements could be easily purged from the analysis, reducing the argument to a strictly empirical statement about the relation between leadership style and group performance. The real difficulty lies elsewhere.

The fundamental problem with this approach is that it is premised upon the erroneous assumption that leadership style is infinitely changeable. In other words it assumes that the leader (or organization) is free to adopt the most effective leadership style (or type). The form of leadership is treated as an overcoat which can be put on or discarded at will. While an analytic strategy that treats leadership style as an independent variable cannot be faulted a priori, to the extent that organizational structure determines leadership the utility of the approach is

[19] A powerful critique of this "science of human manipulation" is presented by Thompson in Modern Organization, pp. 118-28.
undermined. The logically prior question as to what types of organizational structure will promote or reject what forms of leadership must be considered.

This general inattention to the relationship between structural conditions and type of leadership becomes especially acute when one looks specifically at charismatic leadership. The sparsity of propositions about the structural determinants of charisma can be attributed to two additional factors.

First, as Peter Blau has pointed out, Weber's theory of authority has little to say about the structural conditions in which charisma originates and flourishes.[20] Instead Weber focuses primarily on the subsequent development of charismatic authority, i.e., the institutionalization or "routinization" of charisma. As Hans Gerth and C. Wright Mills put it, "not Calvin but Calvinism is Weber's concern."[21] Subsequent scholarship, taking its cue from Weber, has filled reams on the routinization of charisma, while leaving relatively unexplored the conditions that give rise to charismatic leaders.

The second reason for the neglect of this question is the widespread belief that charismatics "just occur." A charismatic leader is assumed to appear through a process that is deeply mysterious, or at least too random to theorize about. The roots of charisma are taken to be as inexplicable as the origins of human

creativity. However, following Herbert Simon's recent suggestion that the origins of creativity no longer be treated as sacrosanct,[22] I submit that it is likewise time to make charisma a dependent variable in scientific inquiry.

Decision Theory Meets Cultural Theory

In the remainder of this paper I attempt to specify the conditions that foster charismatic leadership through a fusion of decision theory and cultural theory. While decision theory has been a major strand of organization theory since the appearance of Simon's *Administrative Behavior*, cultural theory is a relative newcomer. Consequently a brief description of the latter approach would probably be of aid to the reader.

Cultural theory is derived from the work of the anthropologist Mary Douglas.[23] A basic proposition upon which this approach rests is that the fundamental choice made by people, from which all other decisions derive, is the way of life they embrace. An individual's preferred culture operates as a decision rule, instructing the individual what to prefer and how to behave.

Douglas distinguishes four primary forms of social

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organization: hierarchical, market, sectarian and fatalist. This fourfold typology is derived from the cross-tabulation of "group"—the extent of social incorporation—and "grid"—the degree of individuation (Figure 1). The grid dimension measures the extent to which an individual's behavior is socially prescribed. In a low grid environment, roles are ill-defined, while in a high grid environment, all know their station. The group dimension gauges the extent to which an individual's life is absorbed in and sustained by group membership. In a high group context, strong boundaries identify and separate members from nonmembers.

Figure 1    The Douglas Typology of Political Cultures

<table>
<thead>
<tr>
<th>Strength of Group Boundaries</th>
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<tr>
<td>Weak</td>
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<tr>
<td>Strong</td>
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<table>
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<tr>
<th>Number of Prescriptions</th>
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<tbody>
<tr>
<td>Numerous</td>
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<tr>
<td>Fatalism</td>
</tr>
<tr>
<td>Hierarchy</td>
</tr>
<tr>
<td>Few</td>
</tr>
<tr>
<td>Market</td>
</tr>
<tr>
<td>Sectarianism</td>
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Strong group boundaries with numerous prescriptions combine to form a hierarchical culture. Hierarchies seek to institution—
alize, and justify, inequality. Success is defined in terms of one's position on the ladder. The superordinate's position is justified to the subordinate on the grounds of superior wisdom or virtue. Errors are attributed to the deviance of subordinates. Differences in prestige or privilege that accompany positions of authority in a hierarchy are legitimized by the greater sacrifices (often referred to as responsibilities) required of the superordinate in the name of the whole.[24]

Strong group boundaries coupled with minimal prescriptions form a sectarian, or egalitarian, culture. Equality is the master principle of the sectarian organization. Sects make every effort to eliminate differences in position or knowledge. No form of authority can be tolerated because it introduces inequality. The sect is engaged in a continuous battle with the division of labor. Job rotation, task sharing and internal education are all methods designed to "demystify," and redistribute on an equal basis, the possession of knowledge.[25]

When group boundaries are weak and prescriptions few, the result is a market, or "loosely coupled," form of organization. The central principle of the market culture is individual autonomy. Market organizations celebrate the division of labor and the diversity of skills it creates. Uneven distribution of

[24] For a description of the hierarchical culture, see V. Thompson, Modern Organization, esp. Chapters 4, 6, 7, and p. 96.
knowledge is seen as a way to "flatten" the organization, thus increasing individual autonomy. The possession of expert knowledge is not, as in sects, condemned for leading to inequalities, but rather is applauded for undermining the scope of hierarchical authority (if they don't know how you're doing it, they can't tell you what to do), and thereby extending the sphere of self-regulation.[26]

Cultural theory provides a theoretically informed classification of forms of social organization. This is of critical importance in avoiding the "death by qualification" that befell the "situationist" view of leadership.[27] The premise that the leader depended on the situation seemed reasonable enough, but the formula "it all depends on the situation" strangled theoretical advance. Situations were derived ad hoc from observation, without any theoretical scheme to guide observation. The result was predictable: the discovery of an infinite variety of types of leaders and situations. Cultural theory remedies the chaos of situationism by supplying an exhaustive, but concise, typology of social organization that enables one to ask which form of social life will be most supportive of a particular type of leadership.

Aaron Wildavsky hypothesizes that only in a sectarian

[26] V. Thompson, Modern Organization, passim.
organization will leadership be charismatic.\[28\] Validation of this hypothesis depends, obviously, on observation of the empirical world. This paper leaves that task to another time. The aim of this paper is not to test the hypothesis, but rather to provide a theoretical analysis suggesting the hypothesis is reasonable and worth pursuing. By identifying the variables that intervene between the independent variable (the form of social organization) and the dependent variable (the type of leadership) one can specify more precisely the conditions under which sects will produce charismatic leadership. This may prevent the premature discarding of the hypothesis in the face of anomalous evidence.

I attempt to establish a theoretical link between the form of social organization and leadership by adopting Simon's conception of organizations as decision systems. As formulated by Simon, a decision is a conclusion drawn from factual and valuational premises. Influence is exercised not through the direct making of decisions for others but rather through the control of the premises that guide the decisions of others.\[29\] This formulation directs our attention to the source(s) of the premises upon which any decision is based.

In an ideal typical hierarchy the authority structure is asymmetrical and transitive. The superordinate provides the valuational and factual premises that guide the subordinate's

\[28\] The Nursing Father
\[29\] Administrative Behavior, passim.
decisions. The "lowerarchs" in the hierarchy are given the knowledge and goals that will enable them to make the decisions that the apex of the hierarchy would prefer them to make. In the "pure" hierarchy the subordinate provides no decision premises; his behavior is "programmed" at the apex of the hierarchy.

If agreement on facts and values is facilitated through the authority structure of the hierarchy, what happens in organizations that reject hierarchical authority relations? The antipathy towards authority that characterizes the sect produces a situation in which it is illegitimate for one member to control the decision premises of another member. If the logic of our analysis is correct, we would therefore expect the consequence of the sectarian mode of organization to be a great diversity of opinions on means and ends.

This anarchic diversity is compounded, ironically, by the fact that in the pure sect no distinctions of any sort may be drawn between members of the group. The ambiguity of roles within the sect stands in stark contrast to the complex structure of differentiated roles that characterizes a hierarchy. By dividing work among the members on the basis of formal roles, the hierarchical organization directs and limits the member's attention.[30] Differentiation limits disagreement within the organization by restricting the questions which any one member need consider. Conversely, the undifferentiated structure of the sect means that every individual must consider all questions.

In the ideal typical sect there are no rules governing behavior (by definition) except those that each member personally consents to. In a hierarchy, on the other hand, behavior is highly rule governed. An elaborate set of rules and regulations instruct the member how to respond in a particular situation. "The organization establishes standard practices," explains Simon, to relieve "the individual who actually performs the task of the necessity of determining each time how it shall be done."[31] The standard operating procedures of the hierarchy limit those facts and values that need to be reviewed, and thereby further limit the scope of disagreement. The paucity of rules in the sect means that little can be taken for granted. Consequently disagreements over how to proceed are frequent, and preventing disagreement from degenerating into a debate over first principles is difficult.

The sect's difficulties are not limited to the fact that those properties of a hierarchy—the authority structure, differentiation of roles, and standard operating procedures—which function to contain disagreement on facts and values, are notably absent in the sectarian organization. The problem is compounded by the fact that majority vote as a mechanism of conflict resolution is unacceptable in the sect. Because decisions reached in a sect must be consented to by all members, any form of majority judgment is equated with coercion.

Here then is the sectarian dilemma: sects have less

[31] Ibid.
capacity to produce agreement than hierarchies and yet need agreement more. Consensus is a prerequisite to any collective action in a sectarian organization, but the very structure of the organization impedes its ability to manufacture internal agreement on factual and valuations decisional premises. This situation (an absence of agreement on facts and values) is familiar to the student of organizations as Cell 4 of the Thompson-Tuden matrix. James Thompson and Arthur Tuden's four-cell classification of decision systems follows Simon's conception of decision as a product of factual and valuational premises. Their matrix is derived from the extent of agreement on 1) preferred outcomes (values, ends) and 2) consequences of alternative courses of action (facts, means)[Figure 2]. It is the thesis of this paper that the imbalance between the sect's need for agreement and capacity for agreement leads sectarian organizations consistently into Cell 4 situations.

But what about the market form of organization? Are not market organizations prone to this small dilemma that plagues sects? Neither markets nor sects have recourse to the formal, coordinating mechanisms that hierarchies employ to resolve disputes. The centralized authority structure responsible or inculcating decision premises in the hierarchy is absent in both the sectarian and the market organization. Indeed, while the sectarian organization shares one dimension with hierarchy—high group—the market organization stands at the opposite end from

hierarchy on both the grid and group dimension.

**Figure 2** Modified Thompson-Tuden Matrix of Decision Situations

<table>
<thead>
<tr>
<th>Values or Preferences</th>
<th>Agree</th>
<th>Disagree</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Agree</td>
<td>Disagree</td>
</tr>
<tr>
<td>Programmed Decision in Hierarchical Structure</td>
<td>Bargaining</td>
<td></td>
</tr>
<tr>
<td>Factual Judgments</td>
<td>Disagree</td>
<td>Majority Judgment</td>
</tr>
</tbody>
</table>

The market form of organization is familiar to organization theorists as a "loosely coupled system."[33] The component units of a loosely coupled system retain a high degree of autonomy. In its extreme form, the perfectly competitive market, the decisions of each unit are completely independent of those of any other actor. In a loosely coupled organization, as described by Martin Landau, "roles and definitions of tasks are not set by any single authority but by the components themselves. Interaction and communication occur not as a consequence of instruction or command,

but on the basis of need. Roles are continuously adjusted on the basis of experience, and tasks are generally established by negotiation. Parties to the bargain are determined by the character of an issue, not by the organization chart."[34] To those accustomed to the tidy and coordinated bureaucratic hierarchies, the loosely coupled organization appears anarchic. The question to be posed is how this apparently anarchic form of organization avoids falling into the Cell 4 situation that besets sects.

In order to act, sectarian organizations must obtain the consent of each member. A single negative vote brings the entire organization to a halt. Each member is thus tightly linked with every other member. The high degree of internal interdependence that characterizes the sect is in marked contrast to the loosely coupled nature of market organizations. In the latter, organization policy is best conceived of as a "resultant," i.e., an outcome unintended by any of the actors. As James March and Johan Olson put it, "the flow of individual action produces a flow of decisions that is intended by no one and is not related in a direct way to anyone's desired outcomes."[35] In contrast to the sect in which outcomes must be intended--and consented to--by each actor, loosely coupled market organizations require agreement only on the myriad bargains and exchanges that characterize intraorganizational relations.

Put another way, action in loosely coupled organizations does not require prior agreement on goals. While in the sectarian organization goal agreement is a prerequisite to action, market organizations are structured to accommodate a high degree of goal diversity. Because organization decisions do not depend on prior agreement, disagreement on values can be handled through bargaining and negotiation. Such an organization does not therefore require leadership that aims at the transformation of values; rather a premium would be placed on a leadership type that minimized values and facilitated negotiation.

Finally, it needs to be noted that majority vote as a form of conflict resolution is encouraged in market organizations. The competitive nature of a system of voting is highly compatible with the market culture. Thus disagreement on either facts or values in a loosely coupled organization can be managed through majority judgment.

In sum, while loosely coupled market organizations do not have the capacity of hierarchies to create agreement, they are able, through bargaining and voting, to avert Cell 4 situations. Neither hierarchies nor markets suffer from the imbalance between need for agreement and capacity for agreement that plagues the sect. Hierarchies resolve the imbalance by strengthening the capacity for agreement to match their need for agreement. Markets, on the other hand, avoid the sectarian dilemma by reducing the need for agreement to match their low capacity for creating agreement. Thus it is that the apparently anarchic market organ-
ization avoids following the sectarian organization down the Cell 4 path.

An organization in a Cell 4 situation is unable to reach decisions. If the Cell 4 situation persists, the likely outcome will be the dissolution of the group. Breakdown does not however exhaust the possible end results of a Cell 4 situation. James Thompson and Arthur Tuden speculate that persistent failure to reach agreement on facts and values facilitates the emergence of a charismatic leader. [36] Thompson and Tuden do not develop this insight in any detail, but its importance for our analysis is readily apparent.

In an organizational setting in which decision premises are hopelessly at odds, there is a premium on a leadership type capable of transforming members' values and beliefs. The charismatic leader is the only type of leader capable of performing this feat. The charismatic leader makes decision-making possible through a process of "centralization from within," [37] in which followers abandon their decision premises in favor of those of the charismatic. In the absence of charismatic leadership it is likely that a group in a Cell 4 situation will fall apart.

disruptive or transforming force. This widely accepted view is traceable to Weber's dichotomy between the extraordinary and disruptive force of charisma and the recurrent and routine nature of tradition and modernity. I hypothesize instead that charisma occurs in disrupted, nonroutine situations, and acts to restore order and predictability to a chaotic situation.

While charisma is an effective way to prevent an organization in a Cell 4 situation from falling apart, it is not the only solution to a Cell 4 situation. Large-scale "exit" from the organization may alleviate the Cell 4 predicament. Schism is a related mechanism for restoring internal agreement. By dividing into two (or more) relatively homogeneous units, the original group may survive in a reduced form. The real world experience of sectarian organizations suggests that schism is a common way of coping with unmanageable disagreement. There is also evidence that charismatic leaders, because of the intense devotion and hatred they inspire, may speed the organization along the road to schism.

While it is not difficult to see how charismatic leadership (or schism) provides a "solution" to the Cell 4 problems that confront sectarian organizations, it is more difficult to identify precisely a causal mechanism leading from the problem to the

solution. Thompson and Tuden's hypothesis that charismatic leadership will counteract the centrifugal tendencies of a Cell 4 environment is not equivalent to identifying the reasons why charismatic leaders appear in Cell 4 situations.

The methodological danger here is that our thinking becomes inappropriately teleological. An analysis of the consequences or functions can only tell us something about causation if the actors involved have the consequences in mind when acting. More specifically, only to the extent that organization members seek out a charismatic leader in order to solve their organizational contradictions can the Thompson-Tuden hypothesis be taken as a statement of a causal relationship between the situation and the form of leadership.

It is not implausible to suggest that a prolonged Cell 4 situation promotes a psychological willingness to follow a leader who offers direction and purpose. Perhaps the threat of organizational breakdown (and this would also be a function of the individual's degree of psychological investment in the organization) leads to a sense of despair and a willingness to submit to the will of another. The social psychological processes that lead to intense follower commitment to a leader are not sufficiently understood to make these comments more than reasonable speculation.

While the reasons for the emergence of the charismatic leader remain unclear, this paper has been more successful in accounting for charisma's persistence. When apparently
"irrational" behavior persists or recurs, Robert Merton instructs us to inquire into the behavior's "latent function."[40] In this essay I have argued, in essence, that charisma serves a latent function in sectarian organizations. In the absence of charisma the sect faces disintegration. Uncovering charisma's latent function helps explain a puzzling anomaly suggested by an impressionistic survey of real-life organizations—those groups that are most strongly anti-authority often seem to produce highly charismatic leaders exercising almost unlimited control over members of the group.

The revelation that this analysis follows a functionalist logic may dismay many who thought functionalism was "dead." Even those not averse to the much maligned term may greet this paper with a groan. They may complain that the last thing the study of charisma needed was another theoretical discussion bereft of empirical evidence. The apprehension is understandable. I hope in the future to "test" some of the propositions advanced in this paper. Preliminary investigations of experimental free schools, abolitionist organizations, nineteenth century utopian communities, and radical feminist groups provide strong evidence for believing the hypothesized link between sectarianism and charisma is worth pursuing further.[41]
