



Friday, March 3, 2006

Charisma

Can a leader's personality alone keep a company aloft?

Atlanta Business Chronicle - by [Allison Shirreffs](#) Contributing Writer

When asked to define charisma, many may not be able to give you an exact definition, but they know when they're in the company of someone who has it.

There are those who ascribe to the theory that a company under the guidance of a charismatic leader translates into higher stock prices. General Electric Co.'s former über-CEO Jack Welch made believers out of his stakeholders. Maverick CEO Ted Turner made enough people believe in a 24-hour news channel to fight his way through a pack of naysayers to create CNN. Charisma served both men well. But is charisma a good indicator of a person's ability to lead?

"People like to be around charismatic people. They're fun. They're magnetic," said business management consultant Larry Valant, president and CEO of Valant & Co. LLC, a business management consultancy. "But charisma has absolutely nothing to do with results."

The CEO's job, Valant said, is to grow the long-term value of the company. "So what if he makes a great speech?"

What does produce results, Valant tells the CEOs he works with, is a leader's ability to clarify and communicate expectations week-by-week and level-by-level across the enterprise. The results can be measured and, if numbers aren't reached, the company can figure out what went wrong.

"It's a challenging thing to do, but if you can do it, the results are astounding," said Valant, who works with companies to set up quantifiable standards of performance.

"Having style is great, but you have to have substance," said Rick Gilkey, associate professor in the practice of organizational management at Emory University's Goizueta Business School -- named after the late Roberto Goizueta, one of The Coca-Cola Co.'s most revered and most charismatic CEOs.

The recent glut of corporate scandals, many sparked in part by so-called charismatic leaders, should remind stockholders of charisma's downside.

"In general, charisma -- like leadership -- is amoral," Gilkey noted. "Both Gandhi and Hitler were charismatic, but one lived for the highest of purposes and the other for the worst."

Gilkey, who has consulted for companies such as Coca-Cola and General Electric, notes that the dark side of charisma can "blind" followers, causing them to "subjugate their own knowledge," can lead to false comfort and can make it harder for followers to detect errors because the charismatic leader makes everything sound so positive.

Gilkey admits there's a place for charisma, but he believes those who possess what he calls a "quiet charisma" are more effective. According to Gilkey, those leaders lead by example; they have the ability to reach people and a sense of moral purpose.

Neither Gilkey nor Valant consider the ability to work a room an attribute of a great leader.

"It's not bad to have charisma, but it's certainly not the difference," Valant said.

Bob Hope, president of Hope-Beckham Inc., a public relations firm, worked with both Roberto Goizueta and Ted Turner. Hope agrees with Valant -- to a point.

"If charisma is all you have, you're in trouble," he said.

Hope believes, however, that charisma can put an already good leader over the top.

"If you're honorable, a great leader, have integrity and are doing the right thing in a company, the magic of what you do is grander because you have charisma," he said. "It's that flame of importance that makes your company brand more important than another company's brand."

The bigger-than-life personalities of Goizueta and Turner did garner their large corporations more notice than they would have gotten had both men been wallflowers. But what about entrepreneurs? How does charisma help them?

Brigitte Peleman-Vantieghem, CEO of the U.S. subsidiary of Belgium-based Unibind Inc., a document presentation company that brought

in revenue totaling \$11 million in 2005, said charisma helps her.

"Charisma is also a way of expressing yourself and presenting a product and convincing others that it is the best product," she said, but stressed that management skills are more important to an entrepreneur than charisma. "But it does give you that 10 to 15 percent advantage."

Christine Timme, CEO of FinListics Solutions Inc., a software and educational services firm that had more than \$3 million in revenue in 2005, thinks that when it comes to entrepreneurship, there is definitely a place for charisma.

"It's the ability to persuade others through passion to use our services," Timme said. "As an entrepreneur, it's so important to have some charisma. If you don't have it, find someone who has it to be your partner."

Although Frank Argenbright Jr. doesn't feel comfortable calling it "charisma," he'll explain that there are people who start fires, people who tend fires and people who stoke fires.

Argenbright, the chairman of Air Serv Corp., which totaled \$130 million in revenue in 2005 and is the fastest-growing company on Atlanta Business Chronicle's Pacesetters list, explains he's fine with starting and stoking fires, but hires others to tend them or run the day-to-day operations of his company.

Argenbright believes passion, high energy and drive are necessary to start and stoke a fire. He started his first company to service the airline industry in the early 1980s -- a particularly tough time for aviation. More than a few people, including the company's chief financial officer, suggested cutting their losses and closing shop when the company's biggest client went bankrupt.

Argenbright fired the CFO -- "I've got to have people who look at life as a glass half full," Argenbright said -- and kept at it.

Both Argenbright and Timme have more in their arsenals than passion and high energy. Both communicate expectations to their employees and those in their organizations work to hit those numbers. It's not enough to be charismatic, notes Timme; you have to be a good business person.

Valant said that when companies fail, it's not because their leaders weren't charismatic enough, but because their CEOs couldn't execute the plans they talked about so eloquently in those speeches they're so good at giving.