Charismatic Leadership and Governance across the Taiwan Strait: Mythological Perception and Downside Impact

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Biographic Sketch

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Abstract

By critically reassessing existing charismatic leadership theoretical perspectives and through the case-analysis method, this paper has revealed the downside impact of charismatic leadership and brought to light the imbedded unethical charismatic leadership’s devastation to the state governances across the Taiwan Strait. To comprehensively analyze the theoretical underpinnings of unethical or pathological charismatic leadership behaviors (e.g., dominance, manipulation, and power abuse) and search for strategies to avoid or mitigate their ill consequences, this paper concludes that once charismatic leadership deviates from institutional objectives, overtakes organizational needs, and moves toward power abuse and manipulation, it will cause irreparable damage to the organization as well as its members.

Keywords: Charisma, charismatic leadership, pathological leadership, downside impact of charismatic leadership, leadership failure
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Introduction

Government, as institution, needs efficient, effective and ethical leadership to fulfill its governance objectives. This statement seems noncontroversial and obviously true to many governance reform specialists, leadership study scholars, and government decision makers. While much research exists on the forms, categories and characteristics of effective leadership, the power of charismatic leadership commonly perceived and cherished as positive quality sought by various institutions and organizations for achieving management objectives has been weakening in the past several decades. Whether it is a trend or emergence, perceptions on the effectiveness of charismatic leadership in state governance have shifted from focusing on one-man (charismatic leader) to focusing on a group or a community that collectively exercises leadership powers.

Although charisma plays a role in motivation, the upside impact of charismatic leadership in state governance has been gradually diminishing while the downside of it declining and even leading to fatal destructions. As some research still exists on the positive side of charismatic leadership that brings efficiency or effectiveness to state governance, less effort has been made on that that results in ineffective or even destructive practices. In fact, the study of charismatic leadership has not resulted in a profound understanding of the downside impact of charismatic leadership, and the lack of comprehensive theories on such leadership has been evidenced in a variety of definitions furnished by various scholars and practitioners in the fields of Public Administration and Management since the end of last century.

Based on a critical reassessment of existing charismatic leadership theories, this paper intends to reveal the downside impact of charismatic leadership once evidenced
in the state governance across the Taiwan Strait and search for strategies that might help avoid or mitigate the negative consequences of charismatic leadership to modern state governance. By employing descriptive-inductive and case-analysis research methods, this paper aims to achieve a comprehensive analysis of the theoretical underpinnings of unethical charismatic leadership practices mostly found in China and Taiwan. In an attempt to enrich charismatic leadership theory as well as facilitate future research and understanding of its impact on state governance, this paper anticipates capturing the essence of charismatic leadership impact on governance effectiveness and providing valuable reference for improving the cross-Strait leadership and governance in the twenty-first century.

This study analyzes cases of institutional failure and controversial government scrutiny that have been attributed in significant part to unethical or pathological charismatic leadership in both China and Taiwan. Based on the quality of charismatic leadership, the analysis focuses on the two governments’ leaderships that show evidence of state leaders once reported as being charismatic and that evidence shows have developed. Relevant cases have been selected based on the availability of documentation regarding the style of leadership role and a consensus that the leaders involved in the cases were charismatic. Following R. J. House (1985), “reputed charismatic” leaders, related institutional outcomes have been studied, while political, social and/or religious institutions that can properly be classified as *metonymic* have been adequately touched as part of the focus.

Analytically, this study involves a series of questions: To what extent does internal unethical leadership pathology play a direct role in the decline or controversy of an institution or a state? To what extent does pathological leadership style result in external pressures for decline or controversial scrutiny of an institution? And to what extent does unethical charismatic leadership style leads to aggressive pressure for fall
of the leader and institution alike? An assumption that is made in this study (backed up by evidence) is that cases analysis has involved charisma pathology and mythology, disarray of leadership behavior or downside impact of charismatic leadership in various well-known world institutions (countries) and state governances. It takes coverage and analysis of the cases of charismatic leadership failures in both China and Taiwan, provides an understanding of the downside impact of charismatic leadership on the governances across the Taiwan Strait, and brings to academia’s attention the imbedded devastation of depraved charismatic leadership to modern state governance. By examining instances of downside charismatic leaderships in the state governance of both cases, it looks for common variables that can facilitate the understanding of the implications of charismatic leadership for institutional development and potentially predict the fact and character of leadership failures or dysfunctions of both governing entities.

**Literature Review and Integration**

To assess the downside impact of charismatic leadership that has affected institutional development (state governance) in both China and Taiwan, it is necessary to explain and define terms that are useful in clarifying some concepts facilitative to the analytic and theoretical discussions. The relevant terms are explained as follows:

- **Institutional charismatic leadership:**

  Weber’s typology of domination (Weber 1991, 241) is a useful reference point here, the focus of which on bureaucratic authority is expanded to include an equivalence between a charismatic leader’s personality, actions or behavior(s)(whether rational or irrational) and the functioning or activities of an institution, as well as varying degrees of influence on the institutional and personal lives of followers.
• Charismatic leader:

This term involves looking at the attributes and functional implications of Weber’s typology of charismatic domination (Weber 1991, 247), the relevance of which can be linked to the modern organizational culture. An organization with a charismatic leader is very much identified by the public and by the organization’s membership or followers with that leader. Charismatic leaders can be described as *metonymic*, which comes from a rhetorical figure of speech known as *metonymy*, a Greek word referring to substituting a name or characteristic of something to be denoted (Bernstein 1969). The most familiar example is in the practice of identifying countries in terms of their leaders. Thus, “(Adolph) Hitler” is equated to the Third Reich Nazi Germany; “(Benito) Mussolini” to the Fascist Italy; “Mao (Tse-Tung)” to the People’s Republic of China (PRC); “Chiang (Kai-Shek)” to the Republic of China (ROC); “Lee (Kuan-Yew)” to Singapore; “(Saddam) Hussein” to the former Iraq; “(George) Bush” to the United States of America (to non-Americans) during 2001-2008 and “(Barack) Obama” to the present administration in Washington (to Americans); and “Lee (Teng-Hui)” to Taiwan, etc.

• Pathological charisma/metonymy:

Charismatic leadership per se need not be negative to be an effective predictor of institutional behavior (or organization decline). But the focus of this writing necessitates the use of terms that denote the negative behavior associated with institutional disarray, failure, or destruction. Thus pathological charisma refers to a whole range of speech, ideas, and actions that are symptoms of two elements—and both of them—at the same time: 1) manipulation of followers against their self-interest and 2) dysfunctional management, supervision or development of the organization against interests of its survival. It may be
objected that 1) the term “charismatic” already denotes qualities to be analyzed in this writing, and 2) the term metonymy is a neutral term borrowed from the rhetoric discipline. However, metonymy lends additional weight to the power and influence of a leader whose position in an institution goes beyond his/her status as a role model to his/her status as a self-conscious shaper of the ideas and actions of followers. Any extreme identification of the leader’s action and institutional function, as opposed to an organization’s activities (of both membership and leader) and organizational function, also seems useful in context of this intended analysis.

• Excessive Exercise of power:
  This refers to the charismatic leader’s assertion of authority over followers and use of persuasive (sometimes arbitrary) speech and actions in regard to predicting, regulating or determining the behavior and actions of followers.

• Abuse of power:
  Referring to a leader’s influencing the behavior of followers against their own best personal or professional interests, resulting in substantial harm to them.

• Institutional leadership failure:
  In the context of downside of charismatic leadership, the destruction or other disestablishment of a formally structured unit of collective action describes this term. Countries or regimes, political parties, businesses, nonprofit business entities, cults, and churches can be included in this description, and certainly can the governments of China and Taiwan as once ill managed states.

• Controversial organization scrutiny:
  As the downside of charismatic leadership does not necessarily lead to the destruction of an organization and case studies of charismatic leadership that negatively impacts organizations that have not experienced destruction, this
term provides insight into forecasting possible lines of organizational development or preventing harm to persons at risk from charisma pathology. That is, metonymic organizations that are fully in place at the present may feature the characteristics of pathology that has not yet resulted in disasters. (In this regard, consider that it might have been useful to American federal officials in Waco, Texas in 1993 to be able to prepare for the consequences of Koresh’s cult leadership qualities—and avoid the tragedy.)

*Theoretical Perspectives on Charismatic Leadership*

Charismatic leadership, as a positive quality needed by institutions to achieve objectives, has been discussed by a number of scholars and commentators (Weber 1968; Bass 1985; Waldman Einstein, and Bass 1987; House Woycke and Fodor 1988; Sashkin 1988; Howell and Frost 1989; Hollander and Offermann 1990; Waldman Bass, and Yammarino 1990; Avolio and Howell 1992; House and Shamir 1993; Bass and Avolio 1993; Behling and McFillen 1996; Conger and Kanungo 1998). However, there are pitfalls ingrained in that need, especially for followers. One aspect of this is clarified by Kerr and Slocum (1981), who note that controlling behavior (of followers) in organizations depends on providing basic information that will show them how to achieve goals and giving them incentives to feel better about doing so.

Much research exists on the characteristics that good leaders, e.g., charismatic leaders, bring to a productive, effective organization. Indeed, classical leadership theories cite the importance of clear lines of leadership and authority (Bass 1985; Morgan 1986; Bennis 1989). However, there has been widespread perception of a crisis of leadership in both developed America (Mitchell and Scott 1987; Ryan 1994) and various developing countries (like China and Taiwan) where charismatic leadership’s malpractices have emerged given the lack of effective state leaders as
well as the contempt that masses have for political leaders that are in power (Brinkley 1994; Heilbrunn, 1994; The Economist 2011).

Mitchell and Scott (1987) even cite a significant lack of confidence in political leadership in state bureaucratic institutions. Ironically, the expressions favoring effective bureaucratic leadership are sometimes accompanied by expressions disfavoring bureaucratic control. The reason is that there is a tension between institutional stability and function on one hand, and the personal and psychological development of individuals within an institution on the other. Gortner, Mahler, and Nicholson (1987, 205) cite the source of the tension in “the human desire for autonomy” which results in deteriorated organizational relationship and institutional failure. Although there is evidence that some institutions appear to be able to resolve that tension between leadership and control, and that an important element helping resolve it is the figure of charismatic leader, there has also been evidence in recent years that charismatic leadership’s downside impact on institutional development has been increasingly devastating.

Traditionally, perspectives on the function, impact, and influence of charismatic leadership tend to focus on two areas. One is a description of the characteristics of charismatic leadership, and the other is description of conditions under which charismatic leadership arises. Weber’s typology of domination, connected to the issues of authority, legitimacy and status in exercise of bureaucratic authority, is an example of the first area. His idea of charismatic domination occurs when a leader rules by virtue of personal qualities. Legitimacy of the leader “is grounded in the faith that the ruled vest in the leader, e.g., as a prophet, hero, heroine, or demagogue.” The governing apparatus under this type of domination is very loose, unstructured and unstable, usually working through the activities of a few disciples or intermediaries” (Morgan 1986, 277). Simmons (1981, 57) provides an example of the second area:
The charismatic leader emerges within periods of social distress among groups of people who need to empower such a leader with qualities that transcend things human and temporal, e.g., performing miracles, receiving revelations, performing heroic feats, experiencing baffling success. . . . And the charismatic leader opposes rational and bureaucratic leadership.

Mitchell (1979) notes that charisma, “which has long been forgotten in the leadership literature, may be an important and useful concept” for studies of organizational behavior. Whether for good or ill, charismatic leadership seems to be an obvious element of political, social, and economic history of a nation (Howell and Avolio 1992; Conger and Kanungo 1987). Howell and Avolio (1992) cite diverse figures of charismatic leaders such as Hitler, Mussolini, F. D. Roosevelt, Jesus Christ, Gandhi, Malcolm X, and Lee Iacocca. The characteristics such figures share are their force of personality, for they “inspire extraordinary performance in followers who build their trust, faith, and belief in their leader” (43).

However, what seems obvious here is backed up by relatively little research on the downside of charismatic leaderships. In fact, much research of charismatic leadership is contained within analyses of leadership and organization dynamics more generally (e.g., Weber 1947; Perrow 1972). Other treatments of it outside professional areas are not necessarily research-oriented but are instead dealing with news coverage or analysis of charismatic figures and the activities of their institutions. Such coverage or analysis often results from disaster or disarray surrounding charismatic leaders and their organizations, e.g., Branch Davidians (in Waco, Texas in 1993), Jonestown (in British Guyana in 1978), and various political assassinations, to name a few. Therefore, there appears to be a need to examine and understand the elements and implications of the effect in the context of downside charismatic leadership.
Charismatic Leaders’ Influence and Manipulation

House and Singh (1987) list several studies that “expand” Weber’s view of charismatic leadership and make the important point that meaningful research in the area has focused on characteristics of followers as much as leaders. Where leader characteristics are emphasized (e.g., Howell 1985; House 1985), their effect on followers becomes the main focus. Yukl and Van Fleet (1982) also focus more on leader characteristic behavior as such. Although charismatic leaders have capability of motivating followers for effectiveness, they, at the same time, control and manipulate the followers, which may impede or reduce possibility of free expression of opinions inside the organization, particularly valuable suggestions or criticisms from the followers.

While charisma plays a role in effective motivation, it also plays a role with followers. Singer and Singer (1989) find a marked preference among police officers for transformational (charismatic) over transactional (incentive-based) leadership. Burns (1978) finds transformational leadership effective as long as the leader can find ways to connect emotionally with followers. Mitchell and Scott (1987, 445-452) discuss the relationship between leadership and the perception by followers of legitimacy, noting a tendency of people to prefer leaders who are both competent and “personally compelling and dynamic” individuals, and a tendency of leaders (particularly in politics or state governance) to foster in themselves such a public persona even if there is, in fact, no basis for it.

Charismatic Leadership Impact on State Governance

Ryan (1994) cautions against equating leadership that fosters manipulation of followership with leadership that fosters organizational effectiveness, noting that one-man rule (i.e., by a powerful or charismatic state leader) is not the same as state
administration (i.e., by a bureaucracy or government institution). The point is that charismatic leadership may serve itself at least as much as its organization, and, sometimes, pathological charismatic leaders even go far more beyond.

The qualities of charismatic leadership behavior of actual or potential leaders within organizations are discussed by Conger and Kanungo (1987). Their main focus is on various ways that charismatic leaders consolidate or maintain an actual or perceived power role inside the organization, again noting that organization objectives are really secondary to such consolidation. An example of such was once well documented in a statement made by former Singaporean Prime Minister, Lee Kuan-Yew (Lee 1987), in response to criticisms of his “strong-man and authoritarian” leadership style while governing: “We decide what is right. Never mind what the people think.”

Avolio and Howell (1992, 43-55) go even further for them charismatic leadership is a fine line between pathology and creativity. A good leader must have a combination of forceful personality characteristics: a vision of organizational objectives, the energy to manage the implementation of objectives, and the ability to inspire confidence and energy in others so that goals can be reached. The “dark side” is based on extremes of leadership behavior when forceful personality is combined with authority over others, resulting in practices that may be ethical or unethical for leader and followers alike. Meanwhile, Pfeffer (1981) describes ways in which power can affect outcomes within organizations ranging from allocation of organizational resources to wholesale reorganization of the entity itself, and adds that within organizations power may become an end in itself regardless of impact on organizational efficiency.

Gibson, Hannon, and Blackwell (1998) pose some queries of charismatic leadership by asking: Is charismatic leadership always a positive quality? Is
organization destined to either choose between “charismatic” or “non-charismatic” leadership? Is charismatic leadership an ethical construct, or will the use of charisma too often lead to manipulative behavior on the leader and blind obedience on the follower? Through a popular opinion survey on 23 well-known and high-profile figures in politics, military, corporate world, religion, sports, and entertainment, they find that:

*There is no way to conclude that charismatic leadership is always a good thing or it is always needed in visionary organizations. It seems to be a good thing only when and if conditions are right and the intentions or the leaders are in the best interests of the company and employees* (16).

Based on the above connotations on charismatic leadership, it is adequate to discern that charismatic leadership, whether positive or negative, challenges traditional theories and normative recommendations that merely recognize positive connections in-between charismatic leadership and organizational effectiveness. Often time charismatic leadership impairs organizational efficiency, security, and stability as well as the interests of its members. Particularly, when charismatic leadership overtakes the needs of organization and moves toward authoritarianism, dictatorship, power abuse, mass worship or glorification of the leader, and instability, both the organization and its members are at extreme risk. Such phenomena have been seen in various institutions from the past till present and even strikingly evidenced in the state governances across the Taiwan Strait, where institutional developments have been mired and hindered.

**Charismatic Leadership’s Downside Impact**

*Unethical or Pathological Charismatic Leadership*

There has been evidence of growing instances of dramatic disasters surrounding
unethical and pathological charismatic leaders that once appeared in various states since the mid-last century. The most typical and critical figures of such leaders in their pertinent states were Hitler (former West Germany), Mussolini (Italy), Stalin (former Soviet Union), Ceaucesceu (Romania), Chiang Kai-Shek (ROC), and Mao Tse-Tung (PRC), whose unethical or pathological charismatic leadership behaviors once caused their regimes to collapse or nearly so.

The connection between unethical or pathological leadership and institutional survival is rather complex, but that very fact points to a need for this analysis. Why this is so becomes evident in a consideration of reasons for the institutional failure once evidenced in various cases. One important difference between positive and negative or upside and downside charismatic leaders is that the fall of an ethical charismatic state leader does not necessarily mean the fall of the state, while the fall of an unethical or pathological charismatic leader may very likely lead to the fall of the state. Consider the difference in charismatic leadership results between the death of Hitler in World War II and the death of John Kennedy in the U. S. in 1963 as well as between the erosion of Mao’s leadership in 1960s and the deaths of both Chiang Kai-Shek in 1975 and Chiang Jing-Kuo in 1987, which may well explains the distinctions.

Unethical or pathological charisma is associated with institutional dysfunction of varying degrees. Some examples of leadership pathology seem clear in cases where the leaders have apocalyptic doomsday visions. Consider the famous cases of Jim Jones and People’s Temple in 1978 (Robinson 2002), David Koresh and the Branch Davidians in Texas in 1993 (Rodriguez and Hancock 2000), and Luc Jouret of the Solar Temple in Canada and Switzerland (Ross 1999). Some institutions may become dysfunctional due to charisma pathology, even though the doomsday vision may be absent, as in the cases of John DeLorean (DeLorean Car), Charles Keating (Lincoln
Savings and Loans Sandal), and Werner Ehrhard (est seminars) in the U. S. The functionality of some organizations may be in doubt although they may be the subjects of controversial organization scrutiny because of their charismatic leaders: Ross Perot of the Electronic Data Systems (EDS) (Posner 1996) and Kenneth Lay of the Enron Corporation (Healy and Palepu 2003) are relevant examples.

**Charisma Pathology and External Pressures**

Even in the case of charisma pathology, decline of an institution may involve external pressures. This poses a potential analytical challenge to making institutional failure alone the criterion for judging charismatic leadership. To different degrees, Koresh, Jones, and Perot attributed difficulties in their organizations to external influences (Lane 1979; Stammer 1994), which thus necessitates a treatment of the fate of followers as an important variable of analysis.

There are additional variations of complexity in analyzing the downside impact of charismatic leadership. The fate of late American President Nixon and Watergate has been described as “erosion of Executive authority” (Kissinger 1979, 986). One reason that the decline evaluation in respect of charismatic leadership is complex is the question whether Nixon’s leadership was truly charismatic, plus whether the “erosion” was a result of Nixon’s leadership pathology or external pressure from political rivals. In the Romanian case, the fall of Ceaucescu in 1989 is another variation on this idea. Ceaucescu’s power eroded and his reputation for political pathology became well known. But when he finally fell, he did so at a time when other Eastern bloc regimes were also falling. Thus interplay of personal pathology and external pressure is evident.

Evaluating charismatic leadership pathology can also be complex because of the question whether a leader is positive or negative, or whether his or her leadership is an
example of motivational skill or pathology. Consider the case of late Yasser Arafat, once the most visible symbol of the Palestine Liberation Organization (PLO). His high-profile flamboyant public personality was in the background of PLO’s ruthless, destructive actions, while external pressures were sharply evident. Moreover, before his death, Arafat seemed subject to the organizational factionalism inside PLO, with the fate of the PLO and its members in the balance. Nevertheless, PLO survived institutionally and even reached historical peace agreement with Israel in 1993.

Although, historically, charismatic leadership can be identified positively such as the cases of Mohandas K. Gandhi in India, Winston Churchill in Britain, and Theodore Roosevelt, Franklin Roosevelt, Martin Luther King, Jr., and John Kennedy in America, however in these cases mainstream culture connects charismatic leadership more to personal charm and productivity than to depravation or pathology. By no means does this denote that the institutions led by positive charismatic leaders cannot decline. The fall or behavior of a positive charismatic leader may also result in controversy or destruction of his/her organization from external pressures. Consider the death of Martin Luther King, Jr., whose leadership was built around the issue of nonviolence in civil rights. At his death, however, there were many riots in American cities. And although the American civil rights movement has persisted, it has also become much more diffuse than ever before.

Available literature on charismatic leadership, as well as this brief discussion of instances of unethical or pathological charismatic leadership and institutional failures, suggests how the present analysis can contribute to extant literature.

**Charismatic Leadership and Governance Failures across the Taiwan Strait**

There have been typically controversial cases of charismatic state leaderships
across the Taiwan Strait since last century, such as China’s bitterest Cultural Revolution, series of political and ideological persecutions, the “June 4th Tiananmen Square Massacre” and Taiwan’s ridiculous and senseless ethnic identification disputes and ideological conflicts engendered by former state leaders (Lee Teng-Hui and Chen Shui-Bian), which have been the foci for this analysis.

Charismatic Leadership Malpractices in China

The leadership of the Communist Party of China (CPC) has been governing the Chinese mainland for over six decades since its military uprising that seized the governance power in 1949. Since the founding of the People’s Republic, there had emerged various charismatic leaders such as: Mao Tse-Tung, Zhou En-Lai, Deng Xiaoping, and so forth. Among them, the charismata of Mao Tse-Tung and Deng Xiaoping had been mostly controversial and attracted worldwide attentions. They both established their high prestige and reputation status during the long-term grueling Chinese revolution and socialist reconstruction and made great contributions to the socialist state development.

In fact, with weighty knowledge and astuteness that were rarely seen in other eastern charismatic state leaders, Mao was viewed as being circumspect and visionary. During his regime, Mao’s personified power prestige had reached the pinnacle throughout the modern Chinese history. However, due to his unethical and pathological charismatic personality (developed in his later years) wanting to sustain his absolute rule and influence by dictating power, Mao launched the most devastating and catastrophic political movement in human history of the twentieth century, “the Great Proletarian Culture Revolution” know as “the Cultural Revolution” that
seriously hindered China’s economic reconstruction and modernization development and led to unprecedented devastation and calamity in China.¹

Deng Xiaoping, however, followed Mao’s steps for several decades. Despite his victories from shining battles with illustrious medals in China’s Civil War and being one of the few Chinese revolutionists with Western education, Deng was ousted three times from office, but each time he managed to regain power.² As being a charismatic leader with revolutionist pioneer halo and economic reform image, Deng pushed for economic opening in early 1980s and established, for the first time, the path of “socialist economic development with Chinese characteristics,” which laid a good foundation for China’s economic takeoff in late 1990s. Yet, in his later years in power, Deng was subject to both the power struggle inside the “Zhongnanhai” (a residential compound where China’s high-level decision-making leaders reside) and the external pressures of domestic political reform. In 1989, in order to retain the CPC’s sole power of governance and maintain the so-called social stability, Deng and the CPC’s politburo ordered the troops to crack down the student protest in the Tiananmen Square, which was known as the “June 4th Tiananmen Square Massacre” that shocked the world. Not only had this critically impacted China’s economic development but also indelibly shadowed Deng’s “charismatic leader” halo and “reformist” image.

Charismatic Leadership Shackles in Taiwan

Retrospectively, in Taiwan’s case, under a relatively more stable democratic system, there have, to some extent, emerged some charismatic state leaders since the

¹ Approximately during the Cultural Revolution (1966-1976), there had been over 20 million people died of various political persecutions in China (Chirot 1996, 198). Such extreme and ruthless movement had economically caused China to leg about 30 years behind Taiwan.

² From 1949 to the end of the Cultural Revolution, Deng Xiaoping had been persecuted and deprived of leadership power in three occasions. The first was at the beginning of the Cultural Revolution in the 1960s when Deng was categorized as a key member of the “Liu-Deng-Tao Capitalist Headquarters”; the second was during the “Criticizing Lin Biao and Confucius Movement” in early 1970s when Deng was labeled as “right-wing revisionist”; and the third was in the “April 5th Tiananmen Insurrection” in the mid 1970s when Deng was made the scapegoat as “leading figure of the anti-revolution group” (Yan and Gao 1996)
ROC’s resettling on Taiwan in 1949. Distinctive leadership figures include: Chiang Kai-Shek, Chiang Ching-Kuo, Lee Teng-Hui, Chen Shui-Bian, and even Ma Ying-Jeou, among whom the ex-Presidents Lee Teng-Hui and Chen Shui-Bian have been the most controversial in terms of their charismatic leadership downside impacts. Both of them rose up out of popular elections and had great impact on Taiwan’s political, social and economic developments as well as governing institutions, which deserves indepth exploration and examination, particularly of the Chen Shui-Bian’s Administration (2000-2008).

Despite earning the title of “Taiwan’s Mr. Democracy” that recognized his contribution to Taiwan’s democratization in the 1990s, Lee Teng-Hui, a Cornell Ph. D. in Agricultural Economics, a member of the Nationalist Party, the Kuomintang (KMT), and three-term ROC’s president (1988-2000), was later known for ignoring corruption and blighting Taiwan with rampant “money politics” during his presidential leadership. Furthermore, after splitting the KMT and resigning from KMT’s chairmanship for the party’s loss in the 2000 Presidential Election, Lee formed his own party (the Taiwan Solidarity Union, TSU) and sided with the KMT’s decade-long political rivalry, the Democratic Progressive Party (DPP), mainly to secure his retirement benefits. Whether or not Lee’s peculiar leadership style was considered as charismatic or pathological, the consequences of his leadership behavior including his defect from the KMT had caused the island state 8-year grueling sufferings politically, socially and economically under the rule of the DPP’s Chen Shui-Bian.

In light of the “young and vigorous” charismatic image established back in his term as Taipei City Mayor (1994-1998) as well as his high-sounding “anti-money politics” and “beginning radical reform” campaign slogans, Chen Shui-Bian won the 10th ROC presidency (with 39.2% votes) in 2000, which led to the first governance
power shift in Taiwan. In 2004, Chen was reelected (with 50.11% votes), which supposed to mean a compliment over his first 4-year governance. But, to the contrary, it had not been the case because, since his 2000 victory, Chen’s willful charismatic leadership style along with his wayward personality stunted Taiwan’s prosperous economic status that had once been actualized by the KMT government prior to 2000. The “Good-Old-Days” image of the “Taiwan Miracles” and the first place among, then, the “Four Asian Economic Dragons” (i.e., Taiwan, Singapore, Hong Kong, and South Korea) had soon faded away within just a few years under Chen’s governance, seriously setting back Taiwan’s political, economic, and social development and engendering unprecedented losses and damages.

Under Chen’s willfully dominant leadership style, such phenomena as “one-man says, one-man decides” and “all in his way” became extremely rampant in the course of policy making. With the top administrative apparatus and the DPP all taking his intractable will as the sole norm of decision making and policy implementation, Chen deliberately ignored all forms of criticisms and dissenting opinions on his governance leadership. In his first term, Chen had consecutively dismissed 3 premiers because of constant disturbing events and incidents which sacked Taiwan’s political, economic, and social stability. His first removal of Premier Tang Fei (a KMT member) as a “stone in the way” was most striking and peculiar simply because Tang refused to illegally and abruptly discontinue the contracted and undergoing No. 4 Nuclear Power Plant construction. Though Tang’s successor, DPP’s Secretary General Mr. Chang Jun-Hsiung arbitrarily ordered to stop building the nuclear plant immediately after sworn in, such ruthless and illegal act had, for the record, caused Taiwan tax payers 300 billion dollars in damage reparation, let alone the impact on Taiwan’s stock market, economic growth, and employment. The stock stumbled from around 12000 points down to as low as nearly 3400 (about NT40 trillion vaporized) in Chen’s first
term, forcing the government to limit the daily dropping percentage from original 7% to then 3.5%. While Taiwan’s stock was snail-pacing throughout most of Chen’s ruling years, the economic growth rate had dropped from 7-8% to once -3% in his first term and climbed up to questionable 5% by the official record in his second. Meanwhile, the unemployment rate also went up to 5-6%.

To retain DPP’s political control and electoral interests, Chen easily pandered to the ideological cry of the few Taiwan independence extremists by turning blind to the constitutional distortions and violations by his Cabinet members, his party and even himself in abandoning the Constitutional framework on the nation’s title and identity. Especially, during the course of executive-legislative interaction, the Executive Yuan (the Executive Branch) regarded as Chen’s appendage had simply defied legislative rules and ordinances, human and divine. Evidences of such were: its stopping legally caucused, reconsidered and contracted critical national constructions, which incurred tremendous loss of state revenues; acquiescing the Taiwan High-Speed Railway Corporation’s unilateral breach of agreement with the Eurotrain without reasonable cause, costing Taiwan another 3 billion NT (about $89 million dollars) in reparation to the Eurotrain (Taipei Times 2004, 11); unscrupulously interfering in the 2004 Presidential Election, simply for getting reelected, by manipulating the referendum regulations but ignoring the referendum outcomes; and conniving the executive branch officials to claim an “executive resistance power” by refusing to cooperate with the Legislature’s investigations on the world-known “March 19th shooting incident” even before the Supreme Court decisions came out.

Commonalities and Lessons Revealed from the China and Taiwan Cases

As evolving into this century, for China, the so-called “veteran revolutionist” coronae and influences have basically faded out since after experiencing the
sufferings and catastrophes caused by the unethical charismatic leaderships (Mao’s generation). Particularly from the CPC’s ex-Chairman Jiang Zemin’s releasing power to President Hu Jingtao for full governance in 2003, the decades-long charismatic dominance of policy mechanisms and the popular mythology of “worshiping leaders, pledging absolute loyalty to leaders and wishing infinite longevity to leaders” have notably changed. The traditional “one-man” decision-making by charismatic leaders in the Zhongnanhai has been gradually displaced by the nine-member politburo’s “collective decision-making” styles. Although, to some extent, this is still distance away from the “collaborative” or “collective” leadership style of mature democracies today, it is not difficult to see that the progresses achieved by the Chinese leadership in decision-making have been quite impressive after paying incomparable prices incurred by the extremist charismatic leadership in last century. In fact, “consensus-oriented” decision process has presently become a typical example of the government’s leadership and governance in China.

For Taiwan, Chen Shui-Bian flaunted that he was the “money-politics terminator” and had suffered “generational impoverishments” during his 2000 campaign. Yet, he had also encountered criticisms as well as queries of his once popular “charismatic leadership capability” because of his close relationship with Taiwan business tycoons, his family luxury living styles, and the defiance and violation by his subordinates (even himself and his family) in terms of carrying out legislative policies and obeying laws and regulations. More gravely, on one hand, his unbridled pledges to push for Taiwan independence by way of so-called “Taiwan constitutionalization,” “renaming Taiwan” and “erecting the national title” had resulted in seriously disturbing ethnic conflicts that were once evident in Taiwan some 50 years ago. On the other hand, under Chen’s extremely dominant leadership and control, he gave more weight on his party’s interest than on the state and people’s
need and willfully intensified the cross-Strait relations to sustain DPP’s governance in Taiwan, leaving the people’s lives out of account. All such extreme lawless acts exercised by Chen administration had, indeed, led to severe ethnic conflicts and clashes causing great social disturbance and insecurity, thus further exacerbating Taiwan’s economic and institutional development. Chen’s irrational and unethical charismatic behavior had endangered the cross-Strait stability, leaving his deliberate mentality in query and his intention to criticisms, and finally causing his governance satisfaction rate to drop below 38% quite incomparable to the 80% he received at his 2000 presidential inauguration.

Overall, the downside charismatic leaderships evidenced in both China and Taiwan cases have revealed apparent similarities and provided significant lessons in terms of the seriousness of destructive consequences by the unethical or pathological charismatic leaders since last century. Consider the aftermath costs of China’s decade-long “Cultural Revolution” with political, ideological persecutions and Taiwan’s DPP’s eight-year perilous rule, both have suffered catastrophic setbacks in their political, social and economic development as discussed by this analysis. Most critically, the two cases have reflected a tendency that, while the positive charismatic leadership effect gradually diminishing, the downside impact of charismatic leadership is becoming more detrimental to state governance. This has presaged that any extreme charismatic leadership behavior may very likely hide the shadows of catastrophic destructions to nations as institutions.

Conclusions

Based on this discussion and analysis of the mythological perception and downside impact of charismatic leadership across the Taiwan Strait, it is adequate to discern that the evolutionary trend of charismatic leadership, whether upside or
downside, challenges traditional theory or normative recommendation that there is a positive correlation or connection between charismatic leadership and institutional effectiveness. As a matter of the fact, unethical charismatic leadership nowadays often weakens the efficiency, security, and stability of an institution as well as its members, which has clearly been the case in the state governances of both China and Taiwan. Although charismatic leadership could be a winning strategy when coupled with leader’s dedication to organizational objectives, it usually brings about short-term effect in particular period or time of emergency. Once charismatic leader deviates from organization’s objectives or overtakes organizational needs and moves toward pathological evolution or power abuse, it will likely cause irreparable losses to the organization as well as its members.

An important implication of studying the downside impact of charismatic leadership is whether analysis of the signals of negative examples of the type can predict the course of institutional development or destruction. In the “best case” scenario, charismatic leaders who show negative management styles might be persuaded to alter their behavior. In the “worst case” scenario, as somehow evidenced in China and Taiwan, where unethical charismatic leadership behavior appears to predict institutional collapse, it might be possible to use the information discussed in this analysis as an aid in alerting membership or the public of the potentiality of disaster and destruction to institutional development.

Given gradual lessening power of charismatic leadership, traditional perceptions on charismatic leadership power have shifted from focusing on charismatic to focusing on collaborative leadership (Chrislip 2002; Gardner 1997; Chrislip and Larson 1994) or shared leadership (Pearce and Conger 2003; Lambert 2002). With democratic social development, effectiveness of charismatic leadership may turn weak owing to social progress, institutional culture elevation, as well as
organizational context transformation. Particularly under the globalization current, the way and speed people receive new knowledge have become increasingly efficient and expedient. They begin to learn to question or nullify such charismatic leadships actualized in the so-called “personal worship, religious glorification or highly centralized control” and to reason with political authorities as well as to fortify their antiauthoritarian control act, which may force traditionally cherished charismatic leadership to loosen its once dominant superiority in institutional development of the twenty-first century.

Furthermore, given the incentives in the course of government reinvention and institutional reorganization, establishment and stabilization of entrepreneurial government along with market economic systems have greatly reduced the downside impact of charismatic leadership on state development. Especially, constant innovation of state institutions as well as gradually improved governance mechanisms has driven charismatic leadership, which was merely predicated of one-man-centered power and effect as guidelines, to transform into group-and-community-centered collaborative or shared leadership, further shaking and disintegrating the traditional and mythological perceptions on charismatic leadership effectiveness.

To cope with institutional dynamics in the new era, state must depart from traditional “charismatic leadership” confinement and displace it with democratic mechanisms so as to enable a government to ensure stable development. In the context of government reinvention and administrative reform, modern governments need to profoundly examine and review traditional perspectives of charismatic leadership style and effectively seize the “collaborative” and “shared” leadership momenta in order to achieve more efficient and effective governance in the twenty-first century.
REFERENCES


