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**ACTION RESEARCH IN AN E-BUSINESS BLUR: THE DEVELOPMENT
OF A CHARISMATIC LEADER AND HIS ORGANIZATION**

A dissertation submitted
by

KATHERINE M. CURRAN

to

FIELDING GRADUATE INSTITUTE

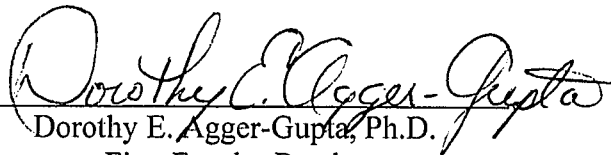
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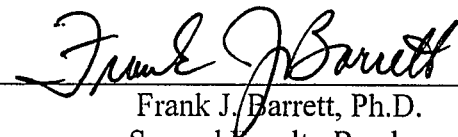
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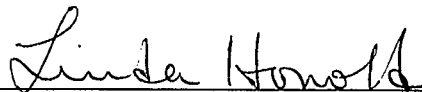
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Abstract

Action Research in an E-Business Blur: The Development of a Charismatic Leader and His Organization

by

Katherine M. Curran

The purpose of this study of one entrepreneurial internet-based company is to show how action research (AR) was used to foster the company owner's and organization's development in a highly chaotic and rapidly changing business environment. The study is an application of an emergent form of action research to an entrepreneurial firm in rapid growth. The goal was to create, implement, and advance a local theory of change that would help participants make more sense out of, and have greater control over, their situation. The local theory evolved over the course of the engagement, from its role in attempting to structure the company using an empowerment model, to understanding the leader/follower dynamics that arose from the owner's arguably charismatic style of functioning. The local theory named two polarized appearances of the leader's personality that had conflicting effects on staff members and others and their ability to implement an empowered organizational form. With awareness of his empowering and disempowering behaviors, the leader and those close to him were able to minimize the disempowering impacts, which aided them in operating in a more effective manner. Content and methodology findings emerged. Naming the polarized appearances of the leader's personality frames a possible approach for further research into the nether side of a charismatic leader's style. It offers an example that negates

Conger's assertion that charismatic leaders empower their followers. Also, strong evidence was provided that this leader grew beyond a narrow charismatic or egoistic style. Growth and its effects on performance are not aspects currently included in charismatic leadership literature, although they are tenets of managerial ego development literature. Action research was successfully used to intervene in the leadership subsystem of the organization. This adaptation of the method should be further developed. Use of this AR approach successfully leant stability to the chaos of an early stage organization, leading to a call for action research to be explored further in that capacity in addition to its classic unfreeze/change/refreeze application.

Keywords: action research, local theory, charisma, charismatic leadership, leadership, empowerment, entrepreneur, internet, ego development, organization life cycle, managerial ego development, developmental action inquiry, narcissism, case study

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Dedication

To my mother; I love you very much.

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CHAPTER ONE: Purpose and Rationale of the Research

The purpose of this study of one entrepreneurial internet-based company is to show how *action research* (Dickens, 1999; Greenwood & Levin, 1998; Whyte, 1991) was used to foster the development of the company's owner as well as the development of the organization in a highly chaotic and rapidly changing business environment. Following the direction set forth by Chisholm and Elden (1993), the study traces the application of an emergent form of action research (AR) in a set of circumstances that displayed unusual dynamics. These dynamics were unusual in terms of the types of situations in which action research had been typically employed in organizations in the private sector, at least up through the early 1990s.

For example, when analyzed according to the tenets of organization life cycle theory (Adizes, 1988; Greiner, 1998; Quinn, 1983; Torbert, 1987, 2001) this company appeared to function at an entrepreneurial stage of development (Quinn, 1983). Research by Lavoie and Culbert (1978) had concluded that many organizational interventions of the family to which action research belongs are most successful when an organization is at a more advanced stage of development.

In addition, the company's market focus as well as business model was centered on the internet, a playing field which at the time (1999-2001) was wild with speculation—both in terms of what would actually work, and the amount of money that

investors were willing to put up—and where the pace of change and of competition was spoken of in terms such as *hyper-wars* (Judson, 2000). Therefore, what was constant about the situation was change and chaos—a far cry from the stable kind of situation in which Lewin envisioned the purpose of an AR intervention as being to unfreeze a static situation, change it, and then refreeze it into a new, more functional pattern (Greenwood & Levin, 1998).

These and other dimensions of novelty, discussed later, provided the frame within which the action research inquiry was conducted. Throughout all of this, the goal was to create, implement, and advance a *local theory* of change (Elden, 1983; Elden & Levin, 1991; Greenwood & Levin, 1998) that would help participants make more sense out of, and have greater control over, their situation. The focus of the local theory creation evolved over the course of the engagement, beginning with an attempt to structure the company using an empowerment model, and later settling in around the leader-follower dynamics that arose from the owner's arguably charismatic style of functioning.

In the following section of the introduction, I briefly overview the intervention in terms of the content issues raised. Then I outline what follows in each of the succeeding chapters. In the next part of the chapter, I address the broad theoretical context for the study, and answer the question, “What makes this particular situation worth studying?” Following that, I address the issue of question formation and how it pertains in this

situation—because answering a research question is the typical activity of doctoral dissertations (Coghlan & Brannick, 2001)—and conclude with a section on my stance as a researcher.

Overview of Themes and Structure of the Dissertation

The study began as an invitation by Peter¹, the owner of a small, entrepreneurial company, to “come and help us develop and study us for your dissertation at the same time” (Peter, personal communication, March 3, 1999). The company’s purpose was to solve customers’ supply purchasing problems by use of a state-of-the-art World Wide Web-based information technology solution. In distinction to most classical action research projects (Elden & Chisholm, 1993; Greenwood & Levin, 1998), there was not a presenting problem that fueled the inquiry, if a problem can be thought of as a dysfunction within the organization’s system. Rather, the contract that I made with Peter was to help the company discover its identity, and then to structure the organization based on those findings. Thus, at the beginning, all that was present was a goal—help us develop, and an approach—action research. The approach was chosen because it

¹ “Peter” is a pseudonym for the name of the company’s owner. ABC Company is a pseudonym for the company’s name. Throughout the document, pseudonyms are used for all participants.

provided a way to help the organization grow and change while at the same time offering opportunities for academic discovery.

Many themes emerged throughout the course of the study, such as:

1. The employees' choice of empowerment as the strategy they wanted to pursue to meet the owner's challenge of what their part should be in making the company successful
2. The discovery that the owner/president appeared to have a charismatic leadership style. This became important because of its possible implications not only in terms of how he led people, but also in terms of how he structured the company itself, since a characteristic some attribute to charismatic leaders is to tend toward "a total antithesis of routine, of organized social institutions and relations (Weber, 1968, p. xxii)."
3. The exploration of how a charismatic leader does and doesn't empower followers, a controversial point in charismatic leadership theory.
4. What happens to a charismatic leader and to his company as he grows in self knowledge and understanding.

Therefore, the dissertation will be structured to follow the inductive nature of an action research project (Coghlan & Brannick, 2001). Instead of having a literature review chapter next followed by methodology, experiment, conclusions and discussion chapters,

I first present a chapter on the social context of the study—the company’s situation. The methodology chapter follows that. Next, I tell the story of the intervention.

Only after the story is told are the types of theory that are usually found in literature reviews introduced for the first time. That is because theory in AR studies plays a somewhat distinct role from scholarly studies using other methodologies, and therefore lends itself to a different placement within the scholarly document (Coghlan & Brannick, 2001; Greenwood & Levin, 1998)². There are at least two aspects to this role. The first is the use of academic and other theories to help participants make sense of their local situation. In this case, that meant researching and bringing in relevant aspects of theory on charisma, empowerment and organization-ego stage development. The purpose of the theory introduction is so that *we*—the participants and *me*—could make sense of their situation, rather than the “normal” approach where the researcher uses the participants and their situation as a way to test a theory that the researcher alone is interested in. Therefore, the purpose of reviewing each of the major strands of theory is to show how its careful application helped or didn’t help the coresearchers (the participants and *me*) develop the local theory of change. Near the end of each theory chapter—charismatic leadership theory (chapter 5), empowerment theory (chapter 6),

² Issues relating to knowledge creation and conclusions will be treated in the methodology chapter.

and organization and ego stage development theory (chapter 7), I highlight the way the theory content figured into the intervention and creation of local theory.

The second role that theory plays in AR studies is more similar to the role that theory traditionally plays in dissertations, that is, the creation of theory for the academic community itself. In this dissertation, that theory creation happened in two ways. First of all, avenues for potential new study were gleaned regarding charismatic theory from the local theory created to help the actors in the situation. Secondly, findings emerged around the use of the action research approach itself in highly unstructured, rapidly changing, chaotic organizational forms.

Chapter 8 presents these findings in the study's conclusions.

Background of Question/Problem

In terms of its worthiness for study, the question-problem(s) that form the background for this study can be answered on different levels. The two most relevant ones are (a) how action research may be used in innovative ways in contemporary situations, and (b) the status of research on the topics areas that emerged during the study itself, such as charismatic leadership, empowerment in for-profit organizations, adult development and stage development of organizations.

Action Research

There has been much renewed interest in the past decade in action research³ both as an academic research approach and as a consulting tool. Two academic journals have devoted issues to the topic, *Human Relations*, v8n2, 1993, and *Management Learning*, v30n2, 1999. A practitioner series pre-conference to the *Academy of Management Annual Conference* grows more robust yearly. The year 2001 saw the publication of *The Handbook of Action Research* (Reason & Bradbury, 2001). It seems that AR is emerging from its recent “not-scientific-enough” stature as more and more scholars and practitioners struggle with how to help clients change in real time, as the paradigm for what constitutes good research continues to expand from quantitative to qualitative methodologies, and the paradigm for researcher stance from observer to engaged actor evolves (Arbnor & Bjerke, 1997).

Action research is, in its simplest form, “learning through engagement” (McWhinney, personal communication, August 8, 2000). What that means is that instead of maintaining a supposedly objective distance from the situation, seeking to disturb it as little as possible, and taking data at one or a series of slices in time, the learning occurs over time through planned interventions in a dynamic situation. The client system is an

³ By action research here, I am primarily speaking about *northern* action research, as opposed to *southern* action research. That distinction will be more clearly made in chapter 3 on methodology.

active participant in shaping the research question, helps generate and analyze the data, and then through use of the new information, seeks to affect its own behavior. Methods used to generate the data comprise several qualitative research techniques, such as interviews, surveys and/or questionnaires, focus groups, observation, reflection, document review, journaling, etc. In addition, quantitative techniques may also be used if appropriate. Data gathered through these means are fed back to members of the system, who then may choose to create one or more experiments to change the system, based on the data collected. These experiments are undertaken with periods of reflection built in so that members of the system and the system itself can learn about itself, and then apply the new knowledge.

In the 1993 issue of *Human Relations* devoted to the topic of action research, Chisholm and Elden (1993) enumerated five emerging characteristics of AR interventions that described the way they saw that the method needed to be extended to be effective for the novel organization forms that are arising as organizations meet increasing environmental turbulence during this era of globalization, rapid change, telecommunications innovations, etc. (Elden & Chisholm, 1993). These characteristics are (a) system level of change target, (b) degree of organization of research setting, (c) openness of AR process, (d) goals and purpose of the research effort, and (e) researcher role.

The situation facing the study's entrepreneurial high-technology firm required experimenting with several of these extensions of the method. These adaptations, as well as others that were created to deal with unanticipated situations that arose during the project, form the basis for a number of the conclusions this study reaches.

In addition, the aspect of AR that includes the creation of local theory (Elden, 1983; Elden & Levin, 1991; Greenwood & Levin, 1998) is of particular interest for this study. Local theory can be defined as the co-creation, by participants and researcher, of a theory of change that enables the participants to have greater control over their circumstances, and to function more effectively. Although implicit in many explanations of AR methodology, the notion of local theory is not well cited in the literature. In this study, the struggle to co-create a local theory truly useful to the participants proved to be the pivotal grounding feature of the methodology. When certain traditional aspects of action research methodology needed to be set aside because of the pace of change, level of uncertainty, or other similar events, using the goal of creation of a useful, relevant local theory was the guiding element that kept the project on track. I will argue in the conclusions chapter for increased focus on this aspect of AR methodology.

Emerging Topic Areas

During the course of the study, several areas of academic theory were explored to determine their usefulness in helping to create relevant local theory. They were (a) theory on charismatic leadership and related areas, such as productive narcissism, and the mythic personality type; (b) empowerment as an organizational strategy; and (c) the intersection of ego stage and organization stage development.

The participants and I reflected on information from these explorations to ascertain the role the information might play in helping to focus or bring clarity to issues facing the company. As we reviewed and tested some of the elements of the theories against the reality that was being lived, potential new areas for further academic inquiry were also uncovered. As Greenwood and Levin (1998) relate, one of the functions of AR studies in the academic world can be to prove or disprove through application in a specific case whether some tenet of a more general theory holds true. In the case of the three academic theory areas introduced into this study, this was most significant for the aspects of research on charismatic leadership and related areas. This may be related to the fact that the core of the most useful local theory created involved how the leader and followers dealt with and tried to manage aspects of the leader's charisma. Findings from this portion of the study may point the way for further research on portions of charismatic theory.

Charisma and related areas.

Charismatic leadership is a subset of the field of leadership research. Much of the field seems to take as its basic concepts the work done by John MacGregor Burns in the late seventies, dividing leadership into two sorts: transactional and transformational (Burns 1978). Charismatic leadership belongs on the transformational side of the divide, with some authors listing it as a subset of transformational leadership, and others according it its own class. According to Conger and Kanungo (1998), however it is classified, charismatic leadership remains one of the least researched and most elusive types of leadership to study at least, in terms of authors working in the field of organization behavior.

However, in the past decade that has begun to change, at least partially because of charismatic leadership's supposed ability to foster and facilitate change. It is commonplace now to speak of the past decade, as well as the new millennium, as times when the rate of change and the amount of environmental turbulence have increased exponentially (Elden & Chisholm, 1993; Hamel, 1999; Treacy, 1998; and many others). Charismatic leadership is now being looked at by some scholars as a type of leadership able to help organizations transform at the quick pace demanded by their environments (Conger & Kanungo, 1998).

Although in the last decade organization behavior research in this field is beginning to burgeon, there are still many gaps, and many aspects of charismatic leadership that as yet remain to be investigated. For example, much research in this area is quantitative (see Conger & Kanungo, 1998a, for an overview of quantitative research on this topic).

Although this type of research has been helpful in delineating basic concepts and criteria, it has not begun to illuminate the lived experience of what seems in practice to be quixotic, idiosyncratic, and at best, seemingly inspired.

Secondly, much of the research done focuses on the positive aspects of charismatic leadership, and not as much on its nether side (Conger & Kanungo, 1998). Lee Iaccoca, Jack Welch, and others are pointed to as exemplars of charismatic leadership, but we have only to go back several decades to remember that Adolf Hitler was one of the most charismatic leaders of the century. This focus on only the positive aspects of the phenomenon can lend a superficial aspect to research findings, rather than exploring the nether side of this leadership phenomenon and attempting to integrate the two. This study, instead, will document the story of how a number of players involved developed a local theory of change for this leader and themselves using the literature on charisma, productive narcissism (Maccoby, 2000) and mythic personality type (McWhinney, 1992), as a guide to understand and cope effectively with the engaging as well as difficult aspects of the leader's personal style. By doing this, I will be attempting to explore the

phenomenon of charisma in more complexity—at least as manifested in this one case—to understand when and how a charismatic changes, and to open up possible connections between the types of changes he underwent and ego stage development theory.

One last note about a delimitation of the study: because the owner of this company is male, I focused my research on the male charismatic and did not consider if and how the phenomenon varies when manifested by a female. This limitation should be kept in mind while reading the document.

Theory and research on empowerment.

Empowerment as business strategy has been seriously explored for at least the past 15 years. Much writing has been done on it in the business and popular press. There are very many different definitions of what *empowerment* means, from an internal feeling of freedom about how one works, all the way to calling empowerment a surrogate, less politicized version of industrial democracy (Greenwood, 1998).

One scholarly treatment of the issue was Honold's study of three medium sized manufacturing companies (Honold, 1999). In it she attempted to distill the themes/aspects/practices/ structure that empowering companies had in common. One finding was that each company had a charismatic leader. Some current research in the field of organization behavior supported a finding such as this (Conger & Kanungo, 1988,

1998). Conger argues that charismatic leadership does lend itself to creating empowered followers, by increasing their sense of self efficacy, and House and Shamir (House, 1992) contend that followers follow charismatic leaders because it enhances their self concepts. On the other hand, Honold's findings also ran counter to some of the commonly held theories in the fields of sociology (Weber, 1968) and political science (Hoffer, 1951) that assert that charismatic leaders tend to attract dependent people as followers, with the corollary that these followers by nature do not want to, or cannot, emancipate.

Also, the charismatic leader's own ambivalences about the project of empowerment, apart from the motivations or desires of his followers, has not been fully explored. Even if he says he wants to empower his followers, when and how is he successful, and when is he not? And, when he is not successful, what are the reasons for his lack of success? This study will seek to shed light on aspects of this debate through following the relationships that this leader has with his followers over a two-plus year span of time, given his stated purpose, and the desires of his staff, to turn his company into an empowered workplace.

Developmental cycles.

A third literature that has proved insightful during this study has been the work done on corporate life cycles, particularly as they intersect, influence or impede the leader's, or members of the leadership team's, own ego development.

Much has been written about corporate life cycles (Adizes, 1988; Greiner, 1998; Quinn, 1983; Torbert, 1987; Torbert & Rooke, 2001, and others). This in itself could be a useful literature in terms of identifying which stage of development the organization is in, and which it may be moving to. However, Bill Torbert's work has taken this literature a step further by asserting that there is a relationship between leadership's stage of ego development, and the stage to which an organization can develop. (Torbert, 1987; Torbert & Rooke, 2001). Torbert is particularly interested in how leaders move from stage to stage, and the effect that can have on the organization itself. That literature is especially pertinent for the leader of this organization, who undertook a period of serious self-development during the time of this study.

Most theory about charismatics assume stasis on the part of the personality of the charismatic; that is, there is little, if any reference to growth as a variable of any importance in this theory. However, Torbert's theory asserts that leaders can and do grow and change and that that has an effect on how they lead and manage. Therefore,

findings of interest in this area have to do with the impact that transition among ego stages could have on the theory of charismatic leadership.

Statement of Question/Problem

The question that formed the basis for this dissertation was very broad and open when the research started. There are two reasons for this: (a) the inductive nature of action research projects in general, and (b) within the action research methodology itself as employed in this study, the move away from beginning the intervention by focusing on a problem within the system that needed to be solved.

The Inductive Nature of Action Research Projects

According to Coghlan,

. . . in action research you typically start out with a fuzzy question, are fuzzy about your methodology in the initial states and have fuzzy answers in the early stages. As the project develops your methods and answers become less fuzzy and so your questions becomes less fuzzy. This progression from fuzziness to clarity is the essence of the spirals of action research cycles. (Coghlan & Brannick, 2001, p.112)

As the reader will see, this study progressed through stages similar to the ones Coghlan describes. The first interventions were around empowerment, only focusing on

charisma and stage development during later phases of the study, as progression of the project dictated. Therefore, a precise question was not possible at the outset of the engagement. Rather, the question was formed in very general terms, such as, “What will help ABC Company grow and develop optimally?” Succeeding iterations of reflection and action kept honing the question further.

The Move Away from Problem-Focused Intervention

One of the five dimensions of emerging action research as defined by Chisholm and Elden (1993) is “openness of the action research process” (Chisholm & Elden, 1993, electronic version). For this project, the openness of the action research process extended to a move away from a problem, or dysfunction, being the presenting issue as the initiative started. Instead, the inquiry was structured so as to catalyze opportunities for growth. This was the second reason that the beginning question was structured in as diffuse a way as possible, at least to start with. The object was to not foreclose on possibilities too soon without exploring them to determine their worth to the overall project.

Therefore, this intervention should be seen as exploratory, with nuanced clarity and well defined questions appearing toward the end, rather than at the beginning of the

study. The formal research question that propelled the study initially was the one stated above, “What will help ABC company grow and develop optimally?”.

Study Approach: Case Study using Action Research

This is a case study, in the sense that case study implies that $n = 1$. That means that all of the data gathered is from this one organization, its members and key stakeholders. Within this one case, action research is the methodology used.

The length of this study was two-plus years of elapsed time. What the developing nature of the study means in terms of method is that for the first many months of the study, the data gathered were general and on a variety of subjects. The focus narrowed during subsequent parts of the study, as the importance of the charismatic dimension to the creation of local theory became clear. Charisma and its effects on the company and its people remained a foundational theme, reworking the way in which the earlier theme empowerment was considered, and paving the way for the introduction of ego/organization stage development.

Scope/Delimitations/Boundaries of the study

This study is about one small (between 6-16 employees) high-technology internet company in its start up phase. Because of the size and the stage of business development,

some of what can be studied is limited. For example, some charismatic leaders are involved in organizations that are much larger, more established and more routinized. Although one of charisma's functions is to tear apart and fundamentally remake already existing institutions (Weber, 1968), we will not be able to see how that applies in this setting in terms of how it might remake a company from the inside. However, we can see how it works in an entrepreneurial setting, which is one of most common settings in which to find charismatics (Adizes, 1988). At the same time, although this owner did not remake his company, he was trying to fundamentally change how business-to-business purchasing took place, which can be considered a different kind of institution.

And, as mentioned above in the section on charisma, because the owner of the company is male, no attempt was made to consider the literature on women and charisma.

Stance of the Researcher

The context from which a researcher comes, along with the internal psychic imprint that context leaves, influences what is of interest to the researcher and indeed, even what the researcher is capable of seeing.

I am the youngest child (by 17 years) of a working class family. My father, born at the turn of the century, never finished high school, yet retired at the age of 65 as the assistant fire chief of our large, midwestern city. My mother was a home-maker. My

three very tall, very smart, competitive, overachieving brothers all chose careers in the sciences: psychiatry, audiology and computers. My sister became a court reporter.

The context of my family had a large effect on me, and propelled by some innate dispositions I was born with, such as an INFJ MBTI⁴ personality type, left handedness, and a high I.Q., I sought to balance the influences of my home environment during my undergraduate studies. I chose to major in religious studies in college at a very liberal Catholic school. Religious studies at this school at that time ('73-'77) focused almost exclusively on humans' search for meaning, as opposed to a narrow focus on theology, Catholic or otherwise.

My favorite class in college was called "Physics and Consciousness," through which I learned about concepts such as Heisenberg's uncertainty principle, scientific reductionism, and the philosophical background, as well as the limitations of, the subject-object split (Barbour, 1966; Jaki, 1966; see also Hillman, 1992). This discourse dealt with the roots of the western scientific paradigm, and how the act of seeing or experiencing things and people as separate from the self or from each other was fundamentally a perceptual choice made in western cultures. I eventually realized that I had viscerally experienced the western scientific paradigm because I had grown up with it in the persons

⁴ Myers-Briggs Type Indicator, an instrument designed to highlight personality preferences based on Jung's psychology of types. INFJ stands for: introverted, intuitive, feeling, judger.

of members of my family. Therefore, my bent professionally as well as a researcher has been to choose approaches that attempt to move beyond the subject/object split.

Action research is one such research approach. It focuses on systems, wholes, meaning making and change. The point of the method is to not only to study change as it takes place (rather than a “one slice in time” incident), but to influence it as well. Thus, the interaction studied is not only among parts of the systems with itself, but also the effect that the researcher has on the system. It is a methodology of engagement, not of separation. (See Greenwood and Levin, 1998, for an extended treatment of the epistemology of action research and its relationship to the scientific method.)

In this particular project, I engaged with the system in more than one way: I was the researcher as well as the consultant. In a more traditional study, this might be seen as a conflict of interest—how could I maintain objectivity if I had a vested interest in the outcome? However, in action research, a vested interest is presumed to an extent: the consultant is trying to influence the outcome. The activity of the researcher is not in conflict with the activity of the consultant. It is, rather, an extension of it. The purpose of the research becomes to analyze how well the consultant used the methodology. How well did the consultant employ the AR methodology? What can be learned about the method from this application? What did creation and application of local theory reveal about any related general theory?

Issues of validity and credibility still apply, but they apply in ways that take for granted the engaged nature of the project. That is, I may use my own subjective reactions to situations as a data point, because I am one more participant being affected by the dynamics of events. However, it then behooves me to move beyond my own subjective experience, looking for ways to validate or disconfirm my experiences through a variety of techniques.

Having concluded the introduction to the study and set the theoretical context for the study, we now move toward a description of the study's social context.

CHAPTER TWO: Social Context

Description of Company History, Business Concept, Staff

At the time I began working with the company, in March of 1999, XYZ was a ten-employee company in the process of defining themselves as working in the business-to-business sector of the wildly growing internet space. The company was developing its presence as an *application service provider*, a provider of software for rent over the internet. Customer companies can rent software that this company builds to manage large parts of their purchasing process. The customer accesses the software through its connection to the World Wide Web.

Business-to-business means that this company's customers are other businesses. This is an important distinction to make because often the phrase "doing business on the internet" brings to mind companies that primarily advertise to customers through the web, or that offer products for sale on the web. In each of these latter cases, the web itself is the medium through which sales are transacted, whether through buying something because of advertising appearing there, or because of actual transactions, usually in consumer-focused or retail segments. By contrast, this company has sales people who still knock on doors and contracts are forged and agreed to in person.

Therefore, although their products and services are delivered electronically, their commerce is still done face to face.

This business began two years prior as an office supply company, when Peter, the owner, broke away from a very large office supply company for whom he had been a national accounts manager. Peter and the other two original employees worked out of Peter's basement, filling orders and managing shipments and delivery for a huge retail home electronics' chain, Peter's major customer.

In 1997, when attending a conference on the new concept of the internet as a business medium, Peter had a brainstorm about doing all of his business on the internet (rather than through the paper/fax/telephone) and began transforming all of his business to this new medium. Although he was transforming the business to work in a high technology medium, an equally important thrust of his business idea was to provide excellent customer service, finding whatever unique and one of a kind items his customers needed to excel for themselves. A major part of his customer service idea was not only to enable his customers to order on the web (which many of his competitors were starting to do), but also to make sure that each order was trackable through to delivery, so that customers could be assured of the status of their orders, and could easily reconcile each order back to the accounts payable entry generated when the order was placed. He was trying to execute a "high touch" business concept that would need to be powered by the

most sophisticated in “high tech” technology (Naisbett, 1982), that would electronically enable and make the website compatible with customer’s vendors, with the wholesalers, the delivery services (such as UPS, etc.) and then back to the original customer’s accounts payable software.

Another aspect of Peter’s business model (Hamel, 1999) which was then becoming prevalent among other start-ups in the new economy (Treacy, 1998) was that he did not own any inventory. By not having to finance a warehouse and worry about inventory turns, he was able to cut many costs out of his bottom line and convert the funds into savings for his customers and profit for himself.

The venture was completely privately funded with the owner’s money. At no time during the two and a half years of the project were any outside investors involved, nor was stock offered. The company was profitable during most of this time. The downturn or failure experienced by most businesses in the new economy during 2000 caused by investors’ pulling out money as the reality of these new companies’ potential (or lack thereof) became apparent, did not affect XYZ. This is not to say that the company did not experience a situation where they almost closed their doors—they did. And the threat they faced will be part of the story. However, it was not part of the same downward arc that most other new economy start-ups faced.

The staff was all male, except for one. When I started work with them in April of 1999, there were ten staff members. This eventually grew to 18, and then after March of 2001, went back down to six. Some staff members were employees; some were contractors. Some were first employees and then contractors. Some were there through relationships to others—a brother, sister, and brother-in-law worked there; three of Peter’s friends from a community group worked there. Some had been recruited. All of this spoke to the informal and flexible nature of the working arrangements that Peter desired.

Peter, the owner, was 35. The average age of employees when there were 18 of them was 35. The average age of consultants (many of whom, other than myself and a marketing consultant, worked there full time) was 52.

There were three key management level players other than Peter.

1. Larry was a former teacher who had helped Peter start the company as an office supply company “in Peter’s basement”—in the lore of the company. Larry became the technical master of the site for the company, and also an informal second-in-command in the earlier stages of the project. Later on, as the company’s business become larger and more complex and as the issues switched from technical to legal/financial, Steve (below) served more often in the second-in-command role.

2. Steve, a CPA, started as a contractor in the financial area at the same time I did. Peter had trouble trusting Steve at first and kept him at a distance from the company. Among other things, Steve was in his 50s and seemed to be used to a more corporate or bureaucratic way of running a company. Peter came close to firing Steve at first, but Steve liked what he saw and felt of the culture and of Peter's vision for the company so much that he kept aggressively pursuing Peter. Steve eventually became one of Peter's most trusted advisors, particularly in the areas of finance and legal issues, though conflict continued to erupt between them off and on. For much of the last year of the project, Steve and I were Peter's closest advisors within the company. More than with anyone else in the company other than Peter, I talked with Steve about our perceptions of what was going on in the company, including what was going on with Peter himself. From these informal interactions with Jay came the foundation of the local theory that was created during the project, which will be described in other parts of this document.
3. Phil was a project manager, hired from a competitor. When he saw what Peter was trying to do, he decided to jump ship and try his luck at this new company.

Co-located with XYZ was the software development company that built the system that XYZ used. This company was run by Len, an entrepreneur in his own right. Len was very bright strategically, and interested in partnering with Peter because Peter was willing to fund cutting edge technology. Len had between six and ten developers working on the site on Peter's behalf. Particularly during the early part of my engagement with the company, it was hard to tell which employees worked for XYZ, and which worked for Len's company. The idea of outsourcing yet co-locating with their IT development function was another example of Peter's desire to employ a nontraditional business model.

Entry into the Company, and Initial Expectations of Action Research Project

My initial connection with Peter was through mutual friends. In February 1999, I had seen him at a community gathering. He asked me to remind him of my line of work, and when I told him strategic organization design, and explained what that was,¹ he said, "we need some of that." That was about as defined as his needs were when the project began. He was experiencing a great deal of financial success, (he had built the business

¹ For me, strategic organization design is working at the intersection of strategy and implementation. If a client is not clear on strategy, we start there, but then, focus on what needs to be done to implement that strategy within the company. Sometimes it is as simple as action plans, but more often comprises efforts like, process redesign, culture change management, leadership development, stakeholder management, and other interventions designed to help the organization be in alignment with its strategy.

over three years until revenues were in the \$16-20M range) and had been told by a strategic planner that he needed someone to help structure the organization.

What we slowly decided was that we would focus on developing the company's identity, in a number of ways, and then create a structure that would support and realize that identity. Identity in this case meant a clearer sense of the company's vision, mission, values, etc. (Collins & Porras, 1991); their value proposition (Stern, 1999); market discipline(s) (Treacy & Wiersema, 1995); and other strategy issues. It also included questions such as the following: What is your business model? How much is inside traditional boundaries/how much outside? What about network? What does it take to make this network work? What is the strategic network/organization design that works for you? How was it constructed? What were key decisions along the way? What are its key elements? This could be structures, communication patterns, etc. (Field Notes).

Given my sense of his values and the size of the company, I suggested action research as an inclusive method to use in meeting his goals. This would round out identity questions by letting the staff be involved in creating it (through helping develop a structure that worked for them), as well as proactively shaping a participatory culture.

However, as indicated by his statements of "come help us grow" and "we need some of that" there wasn't a clearly defined presenting problem, so the ultimate deliverable was not tightly defined at that time. Once some of the initial strategy

questions were answered, the research and involvement continued on. Peter was interested in what a participative, open way of inquiry and learning could bring to his company and so the open-endedness of the outcomes met with his approval. Thus, from the beginning, his stance was conducive to an action research approach to the project.

CHAPTER THREE: Methodology

Issues of Definition and Scope Regarding Action Research History

Action research was originally created by Kurt Lewin in the 1940s as a way to use theory to address and resolve real world problems, while employing the interventions' results to build further theory. He conceived this approach to address the gap he saw in the social sciences between theory building and social action. By using the methodology of action research, practitioners could research their own actions with the intent of making them more effective, while at the same time working within and toward theories of social action (Dickens & Watkins, 1999).

He advocated studying social phenomena in their natural environments, rather than by “transforming them into quantifiable units of physical actions and reactions” (Peters & Robinson, 1984, in Dickens & Watkins, 1999, p. 130). For him, important phenomena to study were “intersubjectively valid sets of meanings, norms, and values that are the immediate determinants of behaviour” (Peters & Robinson, 1984, quoted in Dickens and Watkins, 1999, p. 130). His unit of study could be persons, organizations, or other social systems, to which he and the participant/researchers applied a form of the scientific method, first, manipulating experiments, and then observing effects. The fact

that he thought the scientific method could and should be expanded to include experiments in the real world, was revolutionary at the time, and is still one of the most controversial aspects of AR.

The purpose of these experiments was to create knowledge that, first of all, would help the system and/or its members function more effectively, and secondly, add to social theory. One test of whether the theory was useful was whether the situation actually improved (Greenwood, 1998).

Lewin conceived of action research as a cycling back and forth between ever deepening surveillance of the problem situation, and a series of research informed action experiments. His original formulation of AR “consisted in analysis, fact-finding, conceptualization, planning, execution, more fact-finding or evaluation, and then a repetition of this whole circle of activities, indeed a spiral of such circles” (Lewin, 1946, in Dickens & Watkins, 1999, p. 128).

Lewin died in 1947 without authoring a comprehensive description of AR as he conceived of and used it. He devoted only 22 pages of writing to the topic at all. In the decades that followed, researchers added to and/or changed his basic concept, or developed other similar methodologies to fit a wide variety of needs and situations.

For example, in England in the late 1940s, Trist and Bamforth used Lewin’s work as part of the foundation for socio-technical systems design, a method of maximizing

worker self-organization and productivity in work settings employing the use of technology and/or involved in production of some sort (Trist, 1963). In contrast, in the United States, action research came to be used, along with socio-technical system theory, to primarily improve workplace productivity. In the U.S. context, although many of action research techniques were used, the emphasis on increasing democratic action and involving participants as co-researchers was de-emphasized, and in many cases, disappeared completely. Action research practiced this way is called “expert driven,” where the consultant, or expert, makes meaning of the information gathered and prescribe an intervention, without significant input from participants (Taylor & Felten, 1993).

Paolo Friere and Orlando Fals Borda were influential thinkers and practitioners for the creation of a family of methodologies called by many, *participatory action research* (PAR), or *participatory research* (PR). One characteristic distinguishing the two is that PAR is co-led by the researcher and participants, and PR is led primarily by the participants (Park, 1997). However the more important distinction between them and action research is the purpose to which these methodologies are put: using PAR or PR usually implies the act of helping a group or class of people free themselves from political or economic oppression. PAR “approaches are build on a sharply political analysis of power relations and the affirmation that significant social change occurs only if power has

changed hands and reduced the oppression” (Greenwood, 1998). Participatory action research has often been associated with third world or other social activism concerns.

It seems important to underline the change in direction that AR took in the US. On the one hand, the US is the largest democracy in the world. At the same time, many of our for-profit organizations are run according to principles almost directly opposed to democracy: those of autocracy, bureaucracy and hierarchy, where power is concentrated in the hands of a few (Tichy, 1983). It is in the light of this great irony that the changes in the thrust of AR should be seen.¹

To contrast, following the work of Trist and Bamforth in England, Thorsrud and others were catalysts in the industrial democracy movement in Scandinavia, where not only plants, but in some cases entire industries or single industry towns applied the notion of socio-technical system design, worker ownership, and empowerment (although not known by that name) (Eijnatten, 1993). Much of the thrust of these initiatives was toward shop floor democracy, giving workers a voice in usual management functions. These are cases where the goal of increasing worker participation was at the forefront in industrial settings. This type of intervention was brought to the US under the title

¹ This comment by Tichy was made in 1983. Although experiments with self managed work teams and other forms of governance have come into vogue in industry since then, the span of control allowed workers has still fallen far short of what could be called democracy in terms of many of the work issues that affect these workers' lives (i.e., ownership, having a voice in lay offs, and other typically owner level decisions). Honold's study of three empowered manufacturing companies in the US stands as an exception to this. (Her study is covered in chapter 6.)

“Quality of Work Life,” but the movement largely died out in the 1970s-80s (Taylor & Felten, 1993).

Why was it more successful in Scandinavia, England and elsewhere and not in the US? It may be, as in the words of Leonard Hirsch, because “in America we experience capitalism at its most primitive” (Hirsch, 1993). That is, in Europe there are social contracts that value worker rights that are missing in the United States. Therefore, it may be possible to work toward worker democracy there in a way that is not possible in the US because of the structure of our cultural norms.

I emphasize the political background of AR and its offshoots because it is germane to my dissertation case. As will be developed later, the owner and the employees of the company at which I did my dissertation research indicated early on that they wanted empowerment to be one of the foci of the project. Part of the action research intervention was to bring that about. Therefore, attempts were made to use AR in its democratizing form, with greater participation, rather than in its expert-driven form.

What is the Essence of Action Research?

These days many practitioners, at least in the field of organization development, come to action research as a “recipe,” without much knowledge of, or consideration of, its

foundations and ultimate purposes. For example, many practitioners follow a step-wise path similar to the one reproduced below.

1. The action research team begins the cycle by identifying a problem in their particular context. Often, the outside facilitator is needed to unfreeze the group dynamics so that participants can proceed to make changes.
2. After identifying the problem within its community, the action research team works within that context to collect pertinent data. Data sources might include interviewing other people in the environment, completing measurements, conducting surveys, or gathering any other information that the researchers consider informative.
3. By collecting data around a problem and then feeding it back to the organization, researchers identify the need for change, and the direction that that change might take (Watkins, 1991). Following the guideline of involvement, all team members participate in the data collection phase.
4. After collecting the data, action research team members analyze it and then generate possible solutions to the identified problem. In addition, the team must make meaning of the data and introduce that meaning to the organization.
5. The feedback to the community may act as an intervention itself, or the action researchers may implement more structured actions that create changes within

the system. The interventions can be considered experimental, as the action research team members next test the effects of the changes they have implemented by collecting more data, evaluating the results, and reformulating thoughts or redefining the problem in the system (Dickens & Watkins, 1999).

This is a fairly standard organization development recipe for how to do an action research intervention. The main variation to the above that I have seen or employed involves the degree of participation of the researcher vs. the participants. In some cases, only the researcher analyzes or makes meaning of the data before it is fed back to the organization. Instances in which the researcher has this kind of interpretive control are the expert-driven interventions, because the role of the participants in setting the context in which meaning can be made is diminished. Interventions such as this are more likely to have the outcome of producing greater productivity, rather than increased participant emancipation.

When taught something in a recipe mode, one can easily swallow the whole recipe without ever considering what it is about this that essentially makes this action research? Is it the groups? Is it the presence of an outside facilitator? Is it that data are fed back to the group? And if no consequent change happens, is that still action research? This section will attempt to answer that question: At its essence, what is action research?

In the 1990s renewed interest in action research spurred new scholarship on the method and how to apply it with organizations in the turbulent landscape that was the end of the last century. I will try to answer the above questions in light of this scholarship in two ways. First, we will start with a look at the basic purpose of the method. Then, we will describe a set of what Elden and Chisholm call the “minimum characteristics” that distinguish what is action research from what is not action research.

Purpose.

First of all, action research is “improvement through engagement” (McWhinney, personal communication, January 11, 2000). That strips away a lot of the recipe. This is echoed in much of the AR literature (e.g., “to improve and to involve,” Dickens & Watkins, 1999, p.131). Greenwood and Levin, while agreeing on the notion of involvement (participation) use two words in the place of improvement: *action* and *research* (Greenwood & Levin, 1998, p.7). Although this diminishes the focus on the end result, it does delineate more carefully the two significant elements. We’ll next look at those two terms before circling back to the notion of improvement.

Research.

Research is the foundational activity of science. It is about creating new knowledge, and in the social sciences, knowledge about and to improve the human condition. Because the purpose of research is to create knowledge, and because AR has a different approach to knowledge creation than conventional social science, it is worthwhile to spend some time discussing what constitutes knowledge creation in AR.

Greenwood and Levin differentiate the context in which AR takes place from that in which normal social science does. Therefore, the way knowledge is created in that context must differ.

AR generally takes on much more complex problems than the conventional social sciences. AR focuses on specific contexts and demands that theory and action not be separated, and is committed to the idea that the test of any theory is its capacity to resolve problems in real-life situations. This focus on the world of experience, with its complexity, historicity and dynamism, means that AR distances itself from the often purified world of conventional social research with its friction-free, perfect information and “other things being equal” assumptions. Academic social researchers seem content to chop up reality to make it simpler to handle, more suited to theoretical manipulation, and to make the social scientist’s life easier to manage. (Greenwood & Levin, 1998)

As highlighted above, because AR takes place in “the real world,” some of the normal controls and assumptions of social science can’t pertain. Therefore, a question is often raised whether the knowledge created by AR is actually knowledge in a rigorous academic sense. I agree with Greenwood and Levin, who argue, by contrast, that one

proof of the credibility and validity of knowledge created by AR methodology should be whether it works for the participants involved—whether their situation is actually improved by application of this knowledge. They maintain that knowledge created by the methods of traditional social science bear so little relevance to peoples' lives that instead of being able to use transparent methods of assessing credibility (such as whether it works), traditional social science researchers are compelled to create complex and arcane measures for reliability and validity.

Further, many action research scholars contend that AR actually goes far beyond conventional social science in the breadth, depth and applicability of the knowledge it creates. From Peter Reason:

All good research is for me, for us and for them: it speaks to three audiences . . . It is *for them* to the extent that it produces some kind of generalizable ideas and outcomes which elicit the response, 'That's interesting!' from those who are concerned to understand a similar field (Davis, 1971). It is *for us* to the extent that it responds to concerns for our praxis, is relevant and timely, and so produces the response 'That works!' from those who are struggling with problems in their field of action. It is *for me* to the extent that the process and outcomes respond directly to the individual researcher's being-in-the-world, and so elicit the response, 'That's exciting'—taking exciting back to its root meaning, to set in action. (Reason & Marshall, 1987, pp. 112-13; quoted in Reason 1999, p. 222)

Good research, therefore, creates not only knowledge for them, which I take to mean academic knowledge, fit to be published in journals for the benefit of other members of the field, but also knowledge for the benefit of the participants, which will assist them

in solving practical problems. And it creates knowledge for me, the researcher. By recognizing this last component, AR removes the last vestiges of false objectification present in much traditional social science. It acknowledges that most research comes from the researcher's particular interests and intentions, and/or is at least determined to a great extent by the researcher's point of view and ways of perceiving the world.

In this study, most attention will be paid particularly to the academic knowledge created (academic theory—for them), and to the knowledge created for the participants themselves (local theory—for us).

Local theory (Elden, 1983; Elden & Levin, 1991) is an attempt “to synthesize the knowledge of individuals into a . . . theory of cause and effect relationships” (Elden, 1983, p. 22). It is comprised of contributions by both the participants in the situation and the action researcher, and “is characterized by an experientially involved researcher role, ‘the absence of *a priori* categories, and an intent to understand a particular situation” (Evered & Louis, 1981, p.385, quoted in Elden, 1983, p. 22).

Local theory should be the result of sustained dialogue between the participants and the researchers, involving critical reflection on the part of the participants about their experience. The role of the researcher in this setting is to “bring to the surface the underlying set of cause and effect relationships, explained in simple, natural language” (Elden, 1983, p. 23). The usefulness of the theory can be concluded by whether it is

effective at helping understand and then improve the situation. The point at which local theory emerges in an action research project is often as the result of sense making of the data gathering phase. The experiment that follows is based on the theory generated there.

Another of the criticisms of AR's rigor in terms of its ability to contribute to academic knowledge stems from its supposed inability, because it is often concerned with one case, or a particular situation, to make solid contributions to academic theory in a generalizable way (Greenwood & Levin, 1998). More on this topic can be found below in the section under *Validity and Credibility* entitled *Transcontextual Credibility*. At the same time, I argue that AR greatly contributes to academic theory because of the knowledge generated through the creation of local theory.

The generating and testing of local theory for its workability in participants' current situation can be seen as a form of *grounded theory* (Glaser & Strauss, 1967) a key step in the inductive process of creating new theory. Grounded theories, arising out of lived experience, can be crucial in disconfirming aspects of general theory previously held, or for pointing out areas where general theory needs to be extended or expanded. This is one key way that knowledge generated from an action research study contributes to academic theory in this study. For this case, there will be others as well, focusing around the use of this methodology in this unusual setting and context.

Action.

Action is the second term delineated by Greenwood and Levin (1998). This term is central to AR in more than one way. First, it can be seen to refer to the fact that this research is not done on a situation at one point, by freezing the action, for example, to be able to get readings at one slice in time. Rather, research is done on a dynamic situation in its natural environment.

Action is also the part of the process of the research, as participants apply in an experiment what they've learned through the needs assessment/data gathering portion of the research. The purpose of action at this point is to attempt to change their situation. In this sense, action research again goes beyond the goals of "normal" science, because generating new information is not enough—it must also be applied to bring about change for a full action research cycle to be accomplished (Greenwood & Levin, 1998).

Improvement.

We come therefore back to the importance of the term *improvement*. This indicates a purpose for the action and the research: to improve a situation. The questions here are: Who decides on what constitutes improvement, and/or whether it has been achieved? I believe it is always some combination of "me" and "us," using Peter Reason's

sense of the words (Reason & Marshall, 1987, quoted in Reason, 1999). In this study, whether or not improvement has occurred will be evaluated from both of those perspectives.

Secondly, some projects end after one implementation or intervention. More robust change and insight comes from an extended repetition of the action research cycle.

Participation/involvement.

The notion of participation, or engagement, is what clearly moves this methodology away from the realm of some of the methods of traditional social science. This method does seek to disturb the site at which the research is being done. It does so deliberately. For as Lewin said, “You cannot understand a system unless you try to change it” (Lewin quoted in Schein, 2002). This makes a bold statement about knowledge and how it is created—through engagement, not detachment—and is the foundational lynchpin of the methodology.

Part of the reason for highlighting the purpose of action research here is not only because it is appropriate to do so, but also, because as I descended into the creative chaos that marked my research site, I found myself using the mantra of *improvement through involvement*, and repeating the notion of the importance of creation of local theory many

times to help me orient me in what I was doing. More about this will appear in the study design and in the chapters on the story and the findings.

In the next section, I turn to issues regarding how action research evolved in the 1990s as new types of organizational forms were generated, demanding a more robust methodology to effectively change them.

Distinguishing Characteristics

In 1993, the journal *Human Relations* devoted a special issue (Vol. 46, #2) to action research as it was being practiced at that time in various settings, public and private, large and small, on an international basis. The purpose of the issue was to come to terms with and synthesize how AR was evolving due to the new environmental turbulence (in Trist's [1978] sense of the term) and challenges that were forming at that point in the decade.

Elden and Chisholm's introduction (1993) offered a well considered view of what would have to be included in a project method to be able to call it action research. These five minimum characteristics, which distinguish AR projects, evolved from a review of the literature and dialogue among contributors to the issue. They echo and build on the discussion of purpose directly above.

They are:

1. Purposes and value choice—that AR is not value neutral, but rather is aimed at improvement of the situation through using tools at the researcher's disposal
2. Contextual focus—that AR research is related to a specific context, and because it emerges from a real context, cannot be constrained to principles and processes from one social science discipline. Successful research depends on finding the appropriate conceptual tools to address the situation at hand.
3. Change based data and sense making—"the core of the research process derives from interpreting and making sense from data collected systematically over time" (p.126).
4. Participation in the research process—system members are not passive participants, but contribute to the research process itself
5. Knowledge diffusion—that from the research, learning is gleaned with the intent of making it accessible to a wider, possibly academic, audience so that change is not only located in the particular situation, but can inform thinking about interventions in a larger sense (Elden & Chisholm, 1993).

In considering this set of specifications, let us start with general comments about what is *not* said, and then move to some specifics regarding what I believe *is* said or implied in several of the points. The list makes no mention of size of group, or even

whether it is a group or individual that is the unit of interest. No allusion is made of the need to change power relations, which some forms of action methodologies advocate. There is no reference to which people are involved as researchers: leaders/owners, managers, all those affected, or other important stakeholders.

Research can be called action research whether it involves one person or many, whether the focus is interpersonal/intergroup, or political/economic, and that even though the participation of some is a given, the participation of all involved is not a given, rather it is a choice on the part of the practitioner and client. This does not mean that because they are choices they are not significant, but that they are not part of what is necessary to call a project's methodology of action research.

Each point, however, does highlight certain crucial aspects of action research. Those points are briefly commented on next.

Purposes and value choice.

Action research is one of the few social science methodologies to make such a claim—that its goals are to affect the situation, and that further, the change that emerges is intended to be positive.

Contextual focus.

Since AR projects happen in a natural setting, we cannot limit or predetermine what discipline's lens the situation can be viewed through. This makes doing research in this setting both exciting and challenging, for the researcher is forced to constantly challenge his or her own thinking to make sure that the perspectives he or she brings are sufficiently multidisciplinary.

Change based data and sense making.

This research is not done on a situation at one point, by freezing the action, for example, to be able to get readings at one slice in time. Rather, research is done on a dynamic situation in its natural environment over time.

Participation in the research process.

The spectrum of participation can be from as little as givers of information to initiation and ownership of the entire process of the project.

Knowledge diffusion.

Elden and Chisholm speak here about the necessity to share with a larger community what is learned through an action research intervention (Elden & Chisholm, 1993).

Curran's Version of AR

Elden and Chisholm's explicit statement of minimum characteristics, acknowledgement by other scholars such as Greenwood and Levin (1998) of the multifaceted approaches to action methodologies, as well as the brief overview above of the disparate views of other influential thinkers in the field seem to suggest that researchers can, do, will, and perhaps should, adapt the basic precepts of the method in a way that best meets the needs of their situations. That is, they create their own versions.

This section will deal with aspects of the version used in this dissertation. I say only "aspects" because although some of the adaptations that I have made were clear from the beginning, some were developed during the process itself and as such have become findings for the study. These will be described at the end of chapter 4 as part of the reflections on the story, and summarized in chapter 8, Conclusions.

In beginning to develop this methodology, I drew on action research's essential features (described above), along with modifications to the method that I made because of the demands of the situation in which I was working, most of which stemmed from changes in how business was being done in the face of the advent of the "new economy." The rationale I used for inclusion follows.

In the introduction to their article, "Features of Emerging Action Research," in the February 1993 volume of *Human Relations*, Chisholm and Elden write:

New conditions have been emerging rapidly over the past decade or so without any relief in sight. These emerging conditions affect the nature of social and organizational research that will help organize, manage and bring about change in a new era.

First, signs of increased interdependence among various types of organizations, social and political institutions, groups and key individuals are everywhere. This phenomena makes it more difficult to develop neat, clearly bounded research designs that are formulated in advance and implemented per a preconceived plan. Second, a faster pace of change interacts with the complexity that stems from heightened interdependency to cause a generally more turbulent environment for action and research. Growing expectations of system members for real involvement and participation in developing effective 'solutions' to problems constitutes a third trend that impacts research. Demands for involvement in designing and conducting research parallel general American societal shifts toward decentralization, self-help, networks, and variety. (Chisholm & Elden, 1993, p.277)

Therefore, in addition to five basic characteristics that they say all AR shares, they cite additional dimensions that they believe characterize work in emerging forms of organization. They are: system level of change target, degree of organization of research

setting, openness of AR process, goals and purpose of the research effort, and researcher role.

Their delineation of these additional dimensions along which AR practice can vary freed up my thinking. As I got farther into working with the company, I saw ways that their situation did not conform to the conditions assumed for companies to which my traditional AR recipe was meant to be applied. Two of their dimensions pertain most closely to ways I needed to modify AR for my work: organization of research setting, and openness of the AR process.

Organization of Research Setting

Chisholm and Elden note that “AR sites may vary greatly on the degree of organization that exists in the system” (1993, p. 280). Therefore, the purpose and method of AR must be able to vary along with the degree of organization. An example of a highly organized setting in which to conduct AR would be the industrial sites in which socio-technical system work has been done. Structures, processes and policies are usually known and agreed on, if not effective in producing the outcome desired. As a counterpoint to this might be community work done to deal with issues such as economic development or community approaches to lowering crime. There, part of the AR process might be to help members begin an organization where none existed before.

This degree of variation in organization highlights how much has changed since Lewin's first formulation of "unfreeze, change, refreeze," (Burke, 2002) which implied that the system as it existed prior to intervention was static in nature. It was AR's job to unfreeze the static situation, to institute some change uncovered through research, and then return the system to a new frozen state, where it would function again from then forward in a more effective equilibrium (Burke, 1982).

Torbert (2001) also addressed this variation in the stability and organization of the system in which an AR intervention takes place through referring to a stage developmental theory of organization growth that he created to describe the growth of well bounded organizations (i.e., not networks between organizations or associations of organizations). Alluding to this nine-stage model, Torbert avers that most classical action research initiatives take place at either stage 4 (Experiments), or stage 5 (Systematic Productivity). At these stages, the issues of the three earlier stages (Conception, Investments and Incorporation), have largely been resolved. The implication is that AR initiated in an environment where the organization was at a much earlier stage of development might look very different.²

At YNI, comparatively little organization existed. Many factors contributed to that:

² A fuller discussion of Torbert's work is offered in chapter 7.

1. They were a small company in a start up phase. Almost by definition they then start with no organization.
2. Their charismatic leader had the ability—almost the need—to focus on several things at once. Although this may be essential because of the many tasks an entrepreneur needs to face, it also seemed to lead to having so many balls up in the air, that the staff sometimes did not know which one to try to catch.
3. The environment they competed in was highly turbulent (Trist, 1978), perhaps the most turbulent yet known. It is the electronic business-to-business space, where business models, let alone companies, grow and die in a matter of months, not years (Judson, 2000).
4. Leadership's response to this type of environment was to incorporate into their vision that they would always "be in the beta-stage," meaning always evolving.

Therefore the issue before them became not how to unfreeze a static situation, but how to find or create order amidst a necessarily constantly changing situation. In my study, I have attempted to adapt action research to accomplish this purpose.

Openness of the Action Research Process

This dimension deals with how much of the actual process is determined before it begins, and how much is co-created with the participants.

AR in which researchers assume little about the nature of the target system, what features of the system are important, and how to engage members of the system in the research process fall at the open end of the scale. A highly open AR process rests on a belief that AR depends upon discovering the nature of the target system, what aspects and dimensions are relevant to study, and how to examine identified dimensions as an integral part of the research process itself. (Chisholm & Elden, 1993, p. 283)

In this study, the openness of the AR process extends to one of the basic tenets of AR itself—its problem focus. Traditionally, AR has been used as a way to involve participants in solving a problem. In this study, there is no presenting problem. The initial agreement between the consultant and the owner was to use AR as a means helping the company grow. Although this does constitute a focus, it is not a problem inasmuch as the word *problem* connotes the presence of something negative—an obstacle—to overcome. This engagement began as a way to enhance development that was already going on. This also stands in distinction to the *appreciative inquiry* methodology, which starts with a problem and then attempts to resolve it by reframing it and looking for the positive within it (Cooperrider, 1995).

The diffuseness or lack of problem focus is apparent in the questions listed below, which were a part of an initial agreement between the owner and myself about what the outcomes were that we should be striving for.

1. What is your business model? How much is inside traditional boundaries/how much out
2. What about network? What does it take to make a network work?
3. What is the strategic network/organization design that works for you?
4. How is it constructed? What are key decisions along the way?
5. What are its key elements? This could be structures, communication patterns, etc.

All of these questions are questions of identity and definition, not necessarily of problem solving. Because these were not problems to be solved, initially I struggled with the choice of AR as the methodology to use to answer them. Yet, I ultimately decided that choosing a method that did not allow for the feedback of the knowledge being created so that the company could learn more about itself and continue to change would fall short of what was needed to survive and thrive in such a dynamically unstable situation.

Chisholm and Elden's writing on this dimension lent the theoretical grounding to make the choice that as a practitioner already felt right to make.

Validity and Credibility

In one sense, as is stated more than once in Greenwood and Levin's *Introduction to Action Research*, the ultimate test of the validity of knowledge created through action research methodologies is whether the theories created actually work—whether there is improvement in the situation at hand (Greenwood & Levin, 1998).

This is a criterion they call *workability*. Its obviousness can make it invisible. Greenwood and Levin contrast this criterion with what they deem conventional social science's overemphasis on "methodological rules as a substitute for facing the question of whether a specific understanding is worth believing enough to act on it" (p.80). In the light of all of the hoops researchers think we need to jump through, it can be easy enough to forget that this might be the cardinal test.

However, they as well as other authors also describe other measures of validity and credibility. Some authors focus on procedural checks (e.g., Heron, 1996, Reason, 1999), whereas others emphasize ways to check the quality of the knowledge produced (e.g., Greenwood and Levin, 1998; Reason, 1999).

Greenwood and Levin focus on the following three criteria: (a) workability, (b) making sense, and (c) transcontextual credibility.

Workability was discussed above. I will discuss the other two in the paragraphs that immediately follow. Next I will outline John Heron's and Peter Reason's approach

to what I call *process validity*. In a later section, under research design, I will describe which methods I will use in my case.

Making Sense

Making sense is the primary tool for understanding in action research. What would be called *analysis* in quantitative research, and *interpretation* in other qualitative methodologies is called *making sense* in action research. Therefore, as a measure of validity, making sense relates to the quality of the new knowledge created. In all parts of the engagement, the participants and the researcher are involved in making sense of the happenings. Local theory is a prime example of this sense-making activity. Making sense is closely related to workability, because it is the quality of the sense made that should affect whether the new action taken is workable.

The quality of knowledge created can also be evaluated using a typology developed by Wing (1999), out of Hans Georg Gadamer's work. In his book, *Truth and Method*, Gadamer (1998) suggests three stances out of which it is possible to interpret a text. They are: (a) descriptive, (b) reflective, and (c) reflexive.

At the objective level, as the researcher, I understand the objective, external characteristics of the other, in terms of universals, generalities, or abstractions. "This level

of relationship is such that I could watch TV to learn the (other's) objective essence and capture it descriptively, much as would a behavioral therapist" (Wing, 1999, p. 38).

At the reflective level, I reflect on the other, take it inside me, and come to know it through associating its experiences with ones I have had. "I explicate the (other) in all its conditionedness, . . . elucidating it in the context of my lived experience. This would be much as a psychoanalytical therapist would work with a client, reflecting on the 'thou' in order to more deeply understand it" (Wing, 1999, p. 40).

At the reflexive level, I am as open to being changed by the interaction with the other as I hope the other is to me. "I truly open to deeply understand the essence of the (other), to letting the (other) say something in a genuine human bond, and to be changed myself in the relationship" (Wing, 1999, p. 41). Bechtold writes more about this level of knowledge creation:

The Creative- Reflexive I-Thou Relationship.

In the creative-reflexive relationship, I as the becomer-researcher experience the Thou as an other that is both interactor and co-creator. I truly open to deeply understand the essence of the thou, to letting the Thou say something in a genuine human bond, and to be changed myself in the relationship. This authentic openness to the thou creates an expectancy of discovery and change. At this level, I am in relationship with the thou as an equal, open to being influenced as much as I influence the other. In addition, my stance as a researcher changes fundamentally; no longer am I the observer (objective-descriptive) or the reflector (perceptive-reflective). Instead, I am the becomer (creative-reflexive). The research has moved from description to explication to meaning-making through dialogue with the other. No longer am I describing something out there or coming to know it in great detail; I am exchanging my essence with the other, and we are shaping a new essence in relationship. The research stance has moved from

descriptive to reflective to reflexive. I the researcher enter into dialogue with the text, approaching it with openness, humility, and the hope that I will be changed in coming to know the thou of the other. The horizons or outer limits of the "Thou" and the "I" somehow "connect in the same sunset." How? My horizon changes as well as theirs when they come together . . . Through this relationship, I am brought to a deeper understanding of the meaning of human experience. Through this revealed meaning, I deepen my understanding of the phenomenon and of myself and open myself to being changed. (Bechtold, 1999)

Bechtold wrote this description of the reflexive stance of the researcher in terms of relating to a text. In action research, it is not a text with which one interacts, but real human beings. Therefore, the possibility of being influenced and changed as a result of that interaction is much greater.

Again, what Gadamer was proffering was the naming of a number of levels on which sense, or meaning, could be made. One was on the objective level; a second, the reflective; and a third, the reflexive, or interpersonal. Although that taxonomy will not be developed into a full blown credibility procedure for this study, dimensions of it will be used to comment on the levels on which the interventions were effective.

Transcontextual Credibility

Transcontextual credibility is AR's version of, and answer to, the criterion of generalizability as a prerequisite for knowledge to be called valid research in traditional social science. AR is often discounted because of its supposed inability to generate

generalizable outcomes. However, rather than saying that results ought to be able to be abstracted from their context, AR argues that findings from one study can be useful in making meaning in another situation, as long as issues of context and history in the new situation are analyzed to see how they might affect the results.

From Greenwood & Levin (1998):

AR does not generalize through abstraction and the loss of history and context. Meanings created in one context are examined for their credibility in another situation through a conscious reflection on similarities and differences between contextual features and historical factors. They are moved from the context where the understanding was created through a collaborative analysis of the situation where this knowledge might be applied. Based on the historical and contextual analysis, AR judgments are made about the possibility of applying knowledge from one situation in another. (p.87)

This criterion will not come into play in this study.

Procedural Checks

John Heron (1996) lists various checks that can be used to assure a type of process validity, to assure that the research remains as free as possible from uncritical subjectivity. They are:

1. Research cycling. The necessity of going through more than one planning-action-reflection cycle: “then experiential and reflective forms of knowing

progressively refine each other, through two-way negative and positive feedback” (p. 131)

2. The balance of divergence and convergence. Convergence means co-researchers looking several times at the same issue in different research cycles; divergence is looking at different issues during successive research cycles. Having both present, and how both are balanced, can greatly add to the richness of the knowledge learned, and ascertain that an informed intersubjectivity, rather than an uncritical subjectivity, applies (Reason, 1999).
3. Reflection and action. It is important to note the balance between the two, so that not too much time is spent in analysis, or in unreflected action.
4. Aspects of reflection. “Within the reflection phase, there is a balance between presentational (expressive or artistic) ways of making sense, and propositional (verbal/intellectual) ways. And within intellectual ways, there is balance between four mental activities: describing, evaluating descriptions, building theory, and applying what has been learned in one cycle to the management of the next (Heron, 1996, p. 142)
5. Challenging uncritical subjectivity. This can be accomplished through authorizing any member of the group to play devil’s advocate and question any assumption or idea that he or she feels is being accepted uncritically.

6. Chaos and order. This is an attitude more than a procedure, and involves maintaining an openness to the unformed, so that rushes to premature sense making due to the anxiety that accompanies not knowing are avoided.
7. Managing unaware projections. Acknowledging when projections from other situations unduly cloud the perception of the present.
8. Authentic collaboration. Involves participants (a) internalizing and making the research method their own, and (b) making sure that each participant is fully present, is fully engaged, and is a full participant in decision making.

In the study that I am doing, I will attempt to use only those from the above list that seem to fit this situation. They are discussed as part of the section below.

Study Design

Coghlan & Brannick acknowledge that

In action research you typically start out with a fuzzy question, are fuzzy about your methodology in the initial states and have fuzzy answers in the early stages. As the project develops your methods and answers become less fuzzy and so your questions become less fuzzy. This progression from fuzziness to clarity is the essence of the spirals of action research cycles. (Coghlan & Brannick, 2001, p.112)

Therefore, because of this fuzziness, he says, “Action research typically has to demonstrate its rigor more particularly” (Coghlan & Brannick, 2001, p. 112).

At the outset, the methodology conceived of for the study was to be a fairly standard action research methodology using cycles similar to the recipe listed in some detail on p. 36, the major steps of which are summarized again briefly as (a) problem identified within an organization, usually by a team with or without an external consultant, (b) data collected, (c) data fed back to the organization, (d) data analyzed and made sense of, (e) intervention based on sense made of, or theory built from, data, and (f) intervention evaluated for whether it actually solved the problem.

However, what I didn't know at the start of the research was the degree of influence that certain elements of the context would have on my ability to execute "multiple, rigorous action research cycles" (Coghlan & Brannick, 2001, p. 110). These interwoven elements included: (a) the organizational stage of development at which the company was (mentioned earlier in this chapter), (b) the turbulent environment and the pace of change extant at that time for companies whose market was in the internet space (Judson, 2000), and (c) the charismatic leadership style of the leader.

What I had thought would help establish order in the beginning is not what turned out to be useful in the end. For example, at the beginning of the project, even though I knew that we were extending the purpose of AR from a problem focus to a more appreciative bent—who are we and what works, versus what's not working—I still tried to use some of the traditional AR recipe to shape what we were doing. That is, both the

organization and I expanded the purpose (i.e., to build identity and create order out of chaos) but not the method, which was still focused around problem solving in a stable organization.

We went through classic data gathering and sense making, which included the employees, in order to come up with a first focus: employee empowerment. As time went on, it became clear (as will be related in the story below) that although we continued these meetings, it was not the output from them that was the greatest producer of effectiveness³. Rather, it was my interaction with the owner himself.

I also intended to have structured meetings with the owner every two weeks to reflect on what was taking place—a simple intervention, I thought, that would lend order to a chaotic situation (and one that is suggested as a possible procedural check as well). Although we did end up meeting about significant issues, it was never regularly. Instead, we would sometimes meet two times a week for a period of a month, and then other times a month or more would go by without any contact. For a while, I felt tossed and jerked about by the pace of change, by the turbulence of their environment and by the incessant modifications prescribed by the owner himself; and I felt that I was failing at my goal of helping create order amidst chaos.

³ The description of the formal AR methods used in the empowerment intervention are outlined in chapter 4, Story and Outcomes, since they will make most sense if displayed near the part of the intervention to which they were applicable.

It was because of these factors that I was forced to refine to an even more fundamental level my idea of what constituted action research: improvement through engagement. (McWhinney, personal communication, January 11, 2000). I let go of some of my preconceived ideas of how this was supposed to happen, and looked for areas in which my engagement seemed helpful.

What gradually emerged was that the most potent interventions seemed to take place between the owner and myself, at intervals shaped by the pace of the process of the company itself. Figure 1 depicts the stages of the intervention, both formal and informal, in order to give a general overview of how the project progressed.

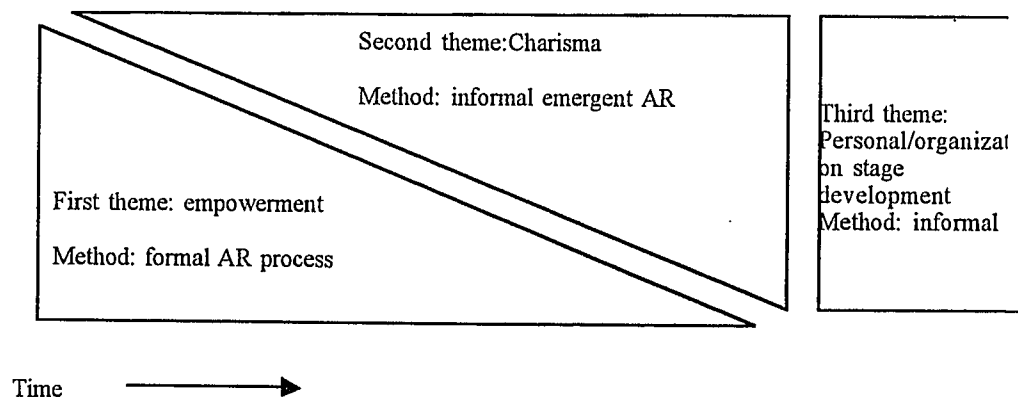


Figure 1. Graphic depiction of emergence of themes correlated with AR method over time. The first and second themes emerged as depicted. The third, personal and organizational stage development, ended up becoming a way to reflect back on the first two and integrate them. It was the beginning of a third cycle, which is not shown as finished because the research project had to end before all the learnings from that phase were completed.

Credibility and Validity Procedures Employed

However, this is not to say that the whole affair was random and chaotic; rather, that I had to let go of how I thought I would conduct the research. In order to increase the validity and credibility of the work I did, I used the following techniques, taken from the listing described in the section above, “Validity and Credibility”; additionally, I created one of my own. I mention the ones I used from Heron’s list first, because these relate to the process of the project itself. I found that only a few fit this situation, which is why I developed an additional one. After that I review Greenwood’s list (workability and sense making), as well as other methods I used.

Rigorous research cycles: As I already mentioned, I was not able to rely as much on rigorous research cycles as I’d hoped. However, they do exist in the study, many around the project of empowerment. They will be obvious upon reading the story.

Chaos and order: I allowed myself to exist in the situation for long periods of time without premature sense making. Although at more than one point I despaired that there was any sense to be made (or that at least I wasn’t making it!), it was this suspension of judgment that finally resulted in being able to see that the important work was with the leader, not only his staff.

Reflection on action: With regard to aspects of reflection, it was here that I had to make up a procedure of my own. I was concerned that with the level of chaos I was

facing that I could easily be losing any sense of objectivity. So I enlisted the aid of two members of my dissertation committee, the dissertation chair, and my student member, to help me in reflecting on the experience and in making sense of it. They also helped me in managing unaware projections. I believe this is the most useful procedural check I employed.

I next speak to outcome validity and credibility.

In terms of workability: I consistently asked for feedback, as well as observed and recorded the seeming effects of our work together. These reports about what worked and what didn't are spread throughout the next chapter, the story, as well as somewhat in the following chapters. Conclusions regarding the workability of the interventions as a whole appear in chapter 4, in the section entitled, "Reflections on the Process and Outcomes."

In terms of sense making: I have tried to employ it as a validity check in two ways. First, as suggested by Denzin (1994), I have tried to expose the processes I have used, and/or the team used, for sense making for the reader's critique as thoroughly as possible. During the story chapter, I stop at different intervals to explain the meaning made from occurrences as they happened. I do this for the sake of intelligibility of the story, but also to display to the reader my own thought processes for your review.

Secondly, I reflect on the types of knowledge that emerged through the creation of the theory of change in terms of Gadamer's typology.

Data Gathering and Interpretation

My data gathering consisted of the following:

1. I took handwritten notes of every meeting I attended or observed at the company, whether formal or informal, and of times when I just "hung out" and talked with people. Sometimes I would transcribe them immediately, adding in my own reflections. Sometimes I would rely on summarizing what had happened during the preceding two weeks, depending on the level of activity at the company. In addition, on four occasions I sent my typed copies of the notes to Peter, my client, for his reflection, and then incorporated his answers.
2. I held focus groups with employees, all of whose answers were recorded and categorized, once during the spring of 1999 on general perceptions of the company, and once again during the summer of 2000, on issues related to empowerment. I conducted two written surveys with the employees, one quantitative, The Conger-Kanungo Charismatic Leadership Questionnaire, in the winter of 2001, and one qualitative, about empowerment, also in the winter of 2001. The results of all of these data-gathering episodes were fed

back to the staff; for three of the four interventions, the staff joined in sense making of the data (minus the quantitative questionnaire). In addition, I informally interviewed most of the staff two or three times during the time I worked there. (Most of these were more like chats, than interviews.)

3. I kept copies of all documents generated as the result of visioning or other business planning meetings.
4. I administered to Peter the CRT Leadership Development Assessment, and interpreted the findings with him.
5. I administered to Peter McWhinney's Realities survey and interpreted the finding of that with him as well.
6. Peter met with my dissertation advisor once and I kept notes of that lunch meeting.
7. I also met with Peter and his therapist once and kept notes of that encounter.

I kept all of these documents, either in hard copy or on disk, until the late summer of 2001, when I began compiling them into notebooks.

My process of interpretation was, first of all, to construct an overall timeline for events at the company with categories such as business events, AR intervention, outcomes of the intervention, happenings in the business or economic environment, and then my reflections on what I was learning from putting the timeline together. From that I

got a high level sense of the phases into which events seemed to fit, at least for purposes of this story. Then I went back through all the notes and constructed two spreadsheets, one for Empowerment and one for Charisma, into which I transposed actual words, phrases and sometimes whole paragraphs of data that seemed as though they might in any way relate to either of those two themes.

At the same time, I also created a text document of any insights that suggested themselves from the data I was transcribing. I constantly went from the spreadsheets to the text document and back again during this phase of sense making. Following that, I went back again through the spreadsheets and text document and highlighted phrases and sentences that seemed to bear the most fruit in terms of helping explain what had taken place during the project, either for “me,” for “us,” or for “them.”

From that highlighted text, I created another document of preliminary findings. However, as Coghlan & Brannick (2001) suggest, the actual writing of the action research dissertation becomes another cycle of action and reflection on the project—meta reflection, if you will—and more connections and meanings have emerged during the writing of this document. They are included in their appropriate place.

The Next Chapters

The next chapter, 4, tells the story of the engagement. Chapter 5 begins the sense making by introducing elements of charismatic theory, and how those elements helped the development of the local theory. Chapter 6 does the same with empowerment, and chapter 7 with ego/organization stage development. The local theory of change contains elements of all three areas of literature. Chapter 8 sets forth the conclusions of the study.

CHAPTER FOUR: Story and Outcomes

The purpose in telling the story of the intervention in an action research dissertation is to depict the process by which the findings arose, i.e., knowledge was created, and to set that knowledge creation in its proper context. Coghlan & Brannick argue that

. . . it is important to present separately the basic story as if it were a news bulletin, as if a video camera had recorded what had taken place. This form of presentation gives the evidence in a factual and neutral manner. (The writer's) view of these events and theorizing as to what they mean should not be mixed in with the telling of the story. This should come later, perhaps at the end of the chapter, or the end of a particular phase of the story. . . . Combining narrative and sense-making leave you open to the charge of biased storytelling and makes it difficult for readers to evaluate your work. (Coghlan & Brannick, p. 113, 2001)

Although I understand the point he is trying to make, I disagree with it, because I do not believe it is possible for a story teller to be as completely objective as he calls for. By the very act of telling the story, the author is already making choices as to what is important to emphasize, to focus on, and as to what is important to leave out. That is even more true here, where part of the focus is on telling the story of an engagement with an arguably charismatic leader. Because one of the characteristics of a charismatic leader is his or her ability to entrain (McWhinney, personal communication, October 24, 2000) or enchant his or her followers, relating some of my own subjective responses illuminate

this process to an extent. I do believe that I was enchanted by Peter. I think that is one reason that I wanted to do my dissertation there. However, I argue that that enchantment is not something to be denied, but rather to be reported and reflected upon. It is one way of reflecting on the engagement, and restoring some sense of critical thinking, if not an unreachable state of complete objectivity.

So, in telling this story, I will relate the happenings as I saw them, attempting to apply critical thinking to attain some distance from them. This will happen in the following style: I will relate one or more events, and then engage in a paragraph or two of sense making so that the reader can plainly see the interpretations made, as well as learn about some of the critical choice points in the intervention. In that way, the reader can judge for him or herself as to the credibility of the story being told and what effect my own level of enchantment may have had on the situation.

I have chosen to relate the story in fairly chronological order. That means that I will relate first early impressions of the company and its own, then tell about the first empowerment intervention. Following that are a series of seemingly unrelated observations, the beginning of the second intervention regarding empowerment, and then the emergence of charisma. From then on, charisma anchors the rest of the story.

One reason for this progression is to offer the reader at least a little sense of the confusion and randomness that characterized the intervention in its early phases.

However, 18 months into the process, the notion of the charismatic leader emerged as one possible theory from which to make sense of the circumstances. Some of what had up to that point seemed like disconnected incidents then came into focus. In the story, the incidents are told in the order in which they happened, and then meaning attributed to them later.

One last note about the role that the notion of charisma plays in this intervention: I do not intend to prove that Peter is a charismatic leader. I say this because I will not go through the process of looking for disconfirming evidence and the possibility that other theories might explain his behavior better. Rather, the point of introducing charismatic theory was to enable Peter and others to gain deeper understanding of their circumstances, and the beginning of a greater sense of control over them, one of the tenets of local theory. The evidence of whether this was “right” will be whether this element of the local theory worked (the criterion of workability): Did the players gain a better sense of control over their circumstances because of this new knowledge; were they able to act in more effective ways? The effectiveness of the local theory produced will be explored more in chapters 5-8; here I clarify the role of charismatic theory to aid in understanding the process of the intervention.

Entry and an Early Theme

I started working with XYZ in April of 1999. This relationship started out of a casual conversation with Peter, the owner, after a community meeting that we were both attending a month or two earlier. We were acquainted through this organization, but had not seen each other for a few years. He asked me to tell him again what kind of work I did, and when I replied with words that included, “structuring organizations,” he said, “I need some of that.” One of my first pleasant surprises was that he meant what said—and knew what he meant.

Quickly he found out that I was in a doctoral program and invited me to consider using his company as a site for my doctoral research. This way, he said, he could have access to not only what I knew, but also to the things I was learning, and might be able also to get more for less money, since as a student I would have another reason for wanting to be there other than just getting paid.

This small vignette captures some of what is characteristic about Peter. An intensely energetic, good looking, 5 ft.7 in. tall man in his mid-thirties with clear blue eyes and a quick sense of humor, who freely admits both to being dyslexic and to having Attention Deficit Disorder, Peter sizes up a situation rapidly and decides what he wants. Within our first meeting or two, he had decided I could add some value, took assessment of what he thought were my interests, and then made an offer that he perceived would be

to our mutual advantage. Already intrigued by his quick acceptance of me, and complimented by the esteem he already seemed to hold me in, I decided to consider his offer.

I relate the story from our first meeting on to show some of the dynamics I experienced with Peter from the beginning. I became engaged with him; later I reflected on those early meetings to see if and how his personal style affected me and whether and how I may have been affected by any charisma.

Most of our meetings took place at XYZ headquarters. The company offices were actually a room—one big open room set up with cube dividers on the third floor of an average office building in our city's commercial/light industrial section. There was no receptionist; upon entering quite often a man looked up from the terminal he was intently working behind, and offered visitors coffee while they were waiting. My pleasant feeling of surprise to be offered coffee by a male was only slightly diminished when I learned that part of the reason was that there was only one female employee. I later found out that offer came on his own initiative—no one had been assigned that role. This one incident seemed to symbolize a lot about how the company worked in those days: It seemed that someone always noticed what needed doing, and things got taken care of.

Staff people strode by purposefully looking like they were talking into thin air—it was my first introduction to cordless phones carried on a belt, with an almost invisible

head set that allowed its wearer to be effectively linked to the world beyond while moving around from one place or task or coffee cup or crisis to another. This, more than anything, brought home the change in business model from the old economy to the new one more than anything else. Desks weren't where you did your business—nice, safe, orderly cubicles with safe, controllable, information stored in one's computer that stayed there till you chose to look at it—anywhere you were was where you did business—and any time, 24-7.

And then there was Peter himself. I found his sense of certainty, his confidence in his vision, and his already impressive track record (a profitable business after only two to three years in business in the internet economy was almost unheard of at that time) quite intriguing. There was a sense of creative intensity around him that made me want to be involved. I found some of those sentiments echoed in comments staff made about him in focus groups held a few weeks later:

“Peter is really creative.” “Peter is willing to admit he's wrong.” “Peter sets a tone of keeping everyone informed. It's uncommon how well everyone is informed.” “I have learned a lot from listening to Peter. Sometimes when he's on the phone I just sit and listen because I learn so much.” “Peter is a crazy guy—rock and roll music, business oriented, creative, wonderful energy.” Peter said: ‘I want you to express your feelings—you can vent.’ This place is not an ordinary corporate environment, I can be

myself here.” (From my notes.) What struck me about these comments was the unusual amount of positive regard they had for their boss. It wasn’t only that he employed them and paid them; they wanted to learn from him and seemed to consider him a role model. I had not had many other experiences as a consultant where the employees consistently spoke so highly of their boss.

There were other sides of his personality as well. If he wasn’t happy, that was obvious. More comments from staff: “Peter can be sandpaper—that’s OK. Peter doesn’t fluff words at all—blunt. You always know where you stand.” “Peter: no second guessing. Not cryptic.” “I can always tell how Peter is feeling by how his footsteps sound as he strides across the floor.” “The whole mood of the office changes depending on what’s happening with Peter. You can tend to take it personally. I did. Now I wouldn’t have it any other way. We’re used to it.”

What I eventually learned is that the staff could live with Peter’s bluntness because if he thought that he had mistakenly blamed others when he was upset, he would always admit his part in it. Self revelation seemed to come easily for him, and it made him very easy to be around, at least for me.

Peter’s desk was right out in the middle of everyone else’s, at least at that point in the company’s growth. I commented on that to him and to his second-in-command, Larry, but they didn’t seem to mind. When I asked, Peter said he had no secrets from his

people. At the time, I thought his statement about no secrets meant that there surely were—in my experience as a consultant, it had always meant that before.

And, that same day, I found out that there was one. Peter told me later that afternoon that he was in an unhealthy relationship (his words) with Hannah, his principal contact and a single woman, at the company's primary customer, and that it was "driving him crazy." At the time, I couldn't tell if he meant he was having an affair with her, or if it was unhealthy and enmeshed in other ways. At the same time, I knew Peter was in a relationship with Lynn, with whom he was about to have their second child. He also mentioned that afternoon that he felt driven nuts by her as well.

Although I wondered what it meant that he would give me this kind of information so early, it also revealed a lot of what I would later come to understand as Peter's nature. Similar to his staff, I, too, had experienced one of his most engaging qualities: his ability to be breathtakingly honest, often about himself, and even when it showed him in a less than flattering light. As one on the receiving end of that disclosure, I felt confided in, trusted, and on the inside immediately. I no longer felt above, below, or different from him—his admission made him seem approachable and human. This was a large part of his charm.

On the other hand, I also heard what seemed to be a disparaging attitude about women: Two of them drove him nuts, and it seemed the locus of the problem was in them: “She drives me nuts,” rather than “I feel nuts.” So I felt confused as well.

For a while, I would erase the experience of the second type of behavior because it was discordant with the first. Eventually, I came to realize they were both there. I will describe more of this dynamic as the story goes on; for now I mainly want to note that both parts were present at the beginning.

In terms of the rest of the company, I just decided to watch and see if or what effect it had on the way the organization ran. I wondered how many other people knew, either directly or from observation. I wondered if it was indicative of more secrets that existed, and if so, if the communication pattern of the company itself would become or was already dysfunctional in order to keep the secret. Over time, those fears were allayed, as I learned about the tone of honesty that Peter did set with the company—if this relationship was a secret, it was a pretty porous one—many people knew and didn’t have to keep their knowledge hidden.

However, even though the secret did not damage the way people communicated, the fact of the relationship did eventually prove to be an important factor in Peter’s and the company’s development. However, this only emerged much later in the story, and at the time, we just ventured on.

First Interventions Around Purpose and Empowerment

In April of 1999 we agreed on our first contract. The initial work with the company that took place during the summer and early fall of 1999, based on my understanding of their stated needs, comprised the first part of the formal cycle of action research that we did. Peter and Larry were eager to try a methodology that heightened the participation of staff members, which was their understanding of what I proposed. The methodology used, which I relate in the narrative below, is also summarized in figure 3, where it is related to the steps in Watkins' action research formula.

Peter, Larry and I created a draft of a vision (Collins & Porras, 1991) and a value proposition (Stern, 1999), which we then prepared to take to the rest of the staff for their response, input and buy in. During these meetings, as I learned more about Peter's vision, I understood more why people became infected with the excitement he generated about it. Some of that is reflected in the vision document itself, which appears as Fig. 2. Peter wanted to do nothing less than revolutionize the way corporate purchasing was done. From the Purpose Statement: "We help our employees and customers to succeed by breaking old business roles and changing the way people do business."

Strategic Planning Session Notes
August 14, 1999

Value Proposition

XYZ turns its innovative customers into heroes by selling them products, reengineering their processes and driving costs out of their supply purchasing operations at the same price that other low cost providers charge for the products alone.

Purpose

- We help our employees and customers to succeed by redefining old (traditional? we didn't decide) business roles and changing the way people do business.

Values

- Honesty, efficiency, fun, open mindedness, emotional connection with self/spiritual
- Empowering order-takers and paper pushers to be decision makers.
- No smoke and mirrors. No BS. Real solutions

Mission (Big Hairy Audacious Goal)

- To be The known solutions for implementing the stockless, internet way of doing business to business sales for independent dealers/companies.

Vivid Description

We are the rule breakers. We always have fun, we are open and honest, and we grow together. All of our employees and customers succeed and flourish in their environment. We are always in the beta stage, and we never stop changing. We forge groundbreaking ideas and technology, redefining business principles and eliminating redundancy at all levels. By meshing the industry knowledge of various leaders with our ability to mesh, we lead the corporate purchasing revolution, and create real relationships between companies never before thought possible. Everyone shares their expertise, and our network of experts allows each expert to provide a complete solution.

- Our centralized network allows us to be all things to our customers, selling everything they need from the front end to the back end of the building.
- Want to see customers get promoted
- All people who go with us will succeed
- Want people to have fun, be open and honest and grow together
- I want XYZ to be the predominant corporate purchasing solution. I want to hear ads on the radio describing us the way SAP describes themselves, but instead saying that this is finally the real solution. I want XYZ to lead the corporate to corporate internet purchasing revolution, creating real relationships between companies never before thought possible.
- Never stop changing. Continue to always be in the beta stage. Work ourselves out of a job. YGI seen as groundbreaking ideas and technology. The Amazon of business to business e-commerce. Redefine accounting and purchasing principles. Eliminate the need for redundancy at all levels.
- People who come to us are the experts in their industries (cars, copiers, anything a business buys). Mesh their industry knowledge with our ability to mesh. Experts then go to their customers with a complete solution made up of other experts from other industries.
- Network of experts. Everyone shares
- Software and knowledge re: controlling

Figure 2. The vision and value proposition statements that were presented to, and then enhanced by, XYZ staff. Strike through areas indicate places where staff made suggestions to enhance the document. All were accepted.

He saw that to do this, his own company would have to always be willing to change. From the Vivid Description: “Continue to always be in the beta stage.”¹ He valued people. From the Value Proposition: “XYZ makes its innovative customers heroes;” from the Values statement: “honesty, efficiency, fun, open mindedness, emotional connection with self/spiritual.” His belief in his vision infected me, and I began to believe that even though it was a tall order, it might be a worthy goal, and perhaps even a possible one, based on the success I already saw. I was buying into his vision.

In preparation for bringing the documents to the staff, I also interviewed all staff members and Len, owner of their co-located software development company, in focus groups, to find out what they thought was working and what needed improvement within the company.

Larry and two other staff members and I categorized all the information from the focus groups for easy reading, which was distributed to all staff members at the first of two half-day vision/value proposition presentation meetings. At Peter’s urging we decided to have the meeting focused on their needs first before presenting the straw cut of the vision/value proposition. He stated that he preferred it this way so that people could honestly have a chance to say what they thought and wanted without feeling pressured

¹ “Beta stage” is a term from information technology. It refers to a phase of testing where the maker of the new software gives it to some clients for them to use and give feedback on. His implication is that he never wanted to be finished with a business model, but always open to feedback and change.

by what he wanted. At the meeting, we presented all the categorized themes from the focus groups, along with the raw data, and then asked the staff to create an Affinity Diagram (Brassard, 1988) answering the questions, “What do I need to thrive at XYZ” and “What does XYZ need to do to thrive?”

Action Research Recipe (Watkins, 1999)	Empowerment Intervention
The action research team begins the cycle by identifying a problem in their particular context.	Identified that the company needed a clear vision and strategy around which to organize; needed staff buy in. Peter, Larry, KC
After identifying the problem within its community, the action research team works within that context to collect pertinent data.	Created vision: purpose, values, mission, vivid description; and value proposition. Peter, Larry, KC
By collecting data around a problem and then feeding it back to the organization, researchers identify the need for change, and the direction that that change might take (Watkins, 1991).	Conducted focus groups with staff to gain information on what the positives and negatives are of working at XYZ Facilitator: KC
After collecting the data, action research team members analyze it and then generate possible solutions to the identified problem. In addition, the team must make meaning of the data and introduce that meaning to the organization.	A team of three staff members plus consultant categorized the data into themes for presentation back to the staff: RM, Dave, Larry, KC
The feedback to the community may act as an intervention itself, or the action researchers may implement more structured actions that create changes within the system.	Through creating an Affinity Diagram, staff identified what they needed to be successful in the company. Peter and Larry presented the draft vision to staff, along with themes from focus group. Chose empowerment as first focus to bring to vision into being.. All
	After a halt of several months, the staff started an experiment with empowerment, by choosing to focus on an integrated system of performance, feedback and reward. This experiment was unsuccessful in its primary aim in that we did not implement the system we learned about.

Figure 3. A comparison of the empowerment intervention steps with the action research approach advocated by Watkins (1999).

Only after the Affinity Diagram (see Appendix A) was created did we share the straw cut of the vision/value proposition for the staff’s review. The staff thoughtfully

discussed it, asked questions, and suggested additions or changes, all of which were adopted. At that point, we returned to the Affinity Diagram and prioritized which of the groupings the staff wanted to pursue first in order to achieve the vision. The staff chose the one called “Empowerment.”

At the end of the second meeting, participants talked about whether the experience had been worthwhile for them. A sales rep, said, “Up till now I felt like an outsider. A lot of the people who work here came because they knew or were related to someone. I didn’t. Now I feel like we’re one group.” RM, a customer service rep said, “I always sorta knew what we were doing, but I really know now. It helps to know why I do what I do, and where we’re going with it” (Field Notes).

In the next few months we started to grapple with the notion of empowerment. Peter was enthusiastically behind this idea. As a resource, I brought in the findings of Honold’s research (1999) on three empowered manufacturing companies, and what it was that was responsible for them being that way - “ the differences that made a difference” (Honold, 1999, p.157).

However, in October of that year, Peter called a halt to the work we were doing.

After a month or so of no contact, I met with Peter to do a midcourse evaluation, and he identified that he had found the vision work to be really useful—that it helped him clear his head and move on. He particularly appreciated the value proposition, which put

into a single paragraph what he had been trying to say for a long while. At that point, he said he stopped work on anything more to do with empowerment because he wanted the whole company to focus on the move they were making to their new Internet site. I also wondered, and eventually asked later, if he stopped because he was scared. He said that was also true.

The Valleys of the Engagement—Now What Do I Do?

During the next few months, my main involvement with XYZ was done through being there and observing what was going on. Peter was still clear that he wanted me to do my dissertation there, and I was trying to figure out what the focus should be—whether it should center around the work we had already started (which I didn't know when or if we'd resume), or if there was some other focus worth pursuing. In other words, I was trying to let something emerge, rather than forcing us prematurely in one direction or another.

We had agreed that the eventual purpose of the work should be to help the company with its identity. It was at this time that we thought the questions to be answered might include:

1. What is your business model? How much is inside traditional boundaries, how much outside?
2. What about network? What does it take to make this network work?

3. What is the strategic network/organization design that works for you?
4. How was it constructed? What were key decisions along the way?
5. What are its key elements? This could be structures, communication patterns, etc.

However, beyond that, little was clear about what the next steps should be to concretize that. The company was in the midst of ramping up to its new site, which included features and functionality that no other competitor had. This was in preparation to assume even more of the purchasing and project management functions of more and more divisions of XYZ's main customer, and the atmosphere at the company was tense.

I often felt dizzy when I was there—things changed so fast, and I often felt like I could not get a handle on why that was, even though I had worked in high-tech start ups before. Was this so different because it was internet-related, where the speed of change and innovation was even faster than what I'd been used to before? I felt embarrassed and inadequate about feeling confused. It wasn't until later that much more of that made sense to me, when I understood how charismatic leaders structure, or don't structure, their organizations.

During this period of no focus, though, there were incidents in which I was involved that I dutifully recorded, and that eventually bore fruit. I will write about them in a chronological order, rather than trying to fit them into themes, because portraying

them as they happened will give more of a sense of the lack of focus that there was, rather than fitting them into nice, neat categories of meaning.

I will also write about the sense I made of them. Some sense making took place at the time and I will write about it there; other episodes made sense only after the passage of time and input of other theory, such as that of charismatic leadership. That sense making I will leave until the introduction of that theory, which happened later.

Peter Enters Therapy

In January of 2000, Peter told me that he was looking for a therapist because he still felt terribly stressed. He indicated that it had primarily to do with his inability to resolve the relationship snafus he found himself in, both with Lynn and with Hannah. He told me he was going away for the weekend to a retreat center to try to clear his mind. I took this as a sign that he was indeed in some distress, because I had not known him to do something like that previously.

Even though I knew he was in some distress, as evidenced by his willingness to take a weekend retreat and look for outside help, I didn't necessarily think this meant that Peter was in a crisis—I knew that he had been in therapy before, and mainly saw this as a way for him to take care of himself. Although it was a sign of him taking care of himself,

I also learned much later, that he had indeed been in a deep crisis, and desperately needed the help for which he was asking.

“I Am the Company”

One evening, also in January 2000, we went out to dinner to discuss something about the project because there wasn't enough time during the day. At that dinner, Peter told me that he had received three offers to buy the company. When I told him that I felt my dissertation blowing out the window, he assured me that there would still be something to study—the new company, how these deals are made, etc., and then he said, “After all, I am the company.” His comment struck me as significant at the time, even though I didn't have a fully formulated context within which to put it.

Some Disagreements with Peter

Peter was open to my presence at the company and observation of any meeting I wanted to attend. I tried to spend part of a day a week at the company during the months of November 1999 through March 2000, schedules permitting. During this time, I started to notice a behavior of Peter's, first with others, and soon after, with me.

From my notes of November 29, 1999:

I notice that when Peter meets with E. from (one of XYZ's wholesalers) that he interrupts E and finishes his sentences. He acts like he thinks he knows what E is going to say. E lets him do that (has known Peter for a long time). Does this lead to the atmosphere of being confused? Always the sense that Peter is ahead.

I am starting to notice that he does this with me as well. I am saying something and he finishes my sentence, or he tells me what I'm feeling. "That look on your face." He seems to use the look on my face to be one up—interprets my reaction from it and tells what I feel. If I try to disagree with him, he cuts me off. It leaves me feeling frustrated and resentful.

I have a few other comments in my notes soon after than about Peter interrupting, and then on March 2000, from my notes:

Fight with Peter: Peter suggested an approach to the discussion meetings that I didn't agree with. When I told him I disagreed, he told me why I was unhappy with what he suggested, which actually was not the reason I disagreed. I told him that that wasn't why I disagreed, at which point he said that he wanted to put the whole discussion meeting thing on hold then. I told him that it felt like he was punishing me because I disagreed with him.

(I am also remembering that this seems to fit a pattern of his behavior from an earlier incident when I mentioned that I thought his late arrival at a meeting was rude—in that case he had said, "OK, then, we won't meet like this anymore." Punishment then, too? He then backed off and said that we could meet after work.)

This time, we talked it through, with me making sure not to react too quickly. What I noticed was how uncomfortable the situation made him. He tried to attribute my behavior (disagreeing with him) to my being upset when I came in. But I said no, and that all I was doing was trying new behavior as I got to know him—being more open. I didn't think I was breaking any rules, but he talked about it as though we would need to reset our boundaries. As time went on through the conversation he softened and said that this was something he was working on in therapy—stopping telling people how they were feeling, and that he was glad I brought it up.

These vignettes are two snippets from a process I was going through of becoming aware of the dynamics I saw Peter engage in with others and with myself. It was as though I was awaking from the cloud of esteem or the magic of being caught up in his vision to begin to notice bits of his behavior that earlier I would have ignored because they would have disconfirmed my impressions of him. At the same time, I saw it as being of value to stay authentic in our relationship, and name the times when I felt misinterpreted or misheard, not only because of wanting to be perceived accurately, but also as a source of information for him about how he came across in relationships. I did not know what he would do with the feedback as I gave it to him, but I thought of it as my responsibility to do so.

As one of my procedural checks during this time, I was in close communication with the chair of my dissertation committee and another member of my committee as well, to help guard against uncritical subjectivity. As I related these incidents to my dissertation chair, he offered his opinion about the dynamics behind the behavior. This began a cycle of sense making for me that eventually ended up in the consideration of charismatic leadership as one of the main theory streams in the engagement.

At this point, what he noted was that Peter's tendency to interrupt people and tell them what they meant fit a personality type he called *mythic* (McWhinney, 1992).

This personality type thinks that he² creates the world alone, and that therefore, his interpretations of the happenings going on around him are the only valid ones. If someone disagrees with him, he tends to be angry and discounting, not necessarily because he feels a loss of control, but because he feels that if he's wrong, he may not exist. Disagreement with his or her perceptions disproves that he creates the world and feels threatening to his very being.

At the time we had this conversation, which was in the spring of 2000, I made note of its possible usefulness, and that it seemed to fit the situation I had just experienced, but did not go any further in terms of its larger applicability to the project.

In looking back on it later, this was the beginning of the second type of action research project that went on between Peter and myself—the informal one. I did not categorize it as such at the time—I still thought of action research as something done with the whole group. I only knew that I felt a responsibility to use the dynamics of our relationship for learning, based on my own understanding as a consultant of using myself as an agent of change (Curran, 1996).

There were several further episodes of times when I disagreed with Peter, and/or we got into an argument, for some reason or another. Each one seemed to be characterized by an increasing level of trust that we could work through our differences. For example,

² The male pronoun is used to stand for male or female for clarity's sake.

there was a time when I challenged him in front of Steve, and he responded by throwing back in my face that it didn't seem as though I was keeping up my end of the commitment I'd made about how much I'd be there, a subject totally unrelated to the topic we were discussing.

Excerpts from the e-mail communication between us on this:

From: kmcurran@mm.com [mailto:kmcurran@mm.com] Sent: Tuesday, July 25, 2000 9:00 PM

To: Peter @_____

Subject: Brief Thoughts

Peter:

I hesitate to write to you right now because I know you are in the middle of so many things. So I will keep this brief, and I hope, useful.

The first part of this is about my personal reaction, but the second is about things it made me reflect on. I'm choosing this way to communicate because I think it will take the least of your time.

Some of our exchange was personally difficult to me. I felt hurt. You said that you wanted to talk with Steve and me, but actually at least for the first part, it seemed like you wanted to punish me, and it was hard for me that you did that in front of Steve. I do feel like I can get through most things with you, so this isn't a big deal - but I don't want to keep it as a resentment, so I thought I would let you know. You also said you felt like I disagreed with you or questioned you in front of others, and that that was difficult for you. I'm sorry I did that - I didn't realize I was doing that.

On to more work oriented things:

I have been reflecting on different points in the conversation. I've thought about several things:

--Whether empowerment is of enough priority to be focusing on right now - it seemed to be lower than it used to be to you today. Or do we just have different definitions of what it is?

--I would like about 15 minutes with you alone just to make sure we're OK on the above stuff, and to find out any reactions you have to the coaching idea, but then I'll add Larry, Steve, and Phil(?)

I hope we're still OK.

From: Peter
To: kmcurran@__.com,
Subject: RE: Brief Thoughts
Date: Wed, 26 Jul 2000 06:38:36 -0500
MIME-Version: 1.0

Thanks Kathy I do not like treating you the way I did. I am sorry for blowing up like that. I was completely wrong on a personal and business side. We are in others paths for a reason. I know the work together helps me. We should spend more time together. Weekly half hours as we talked about in the past. We should just schedule these. Friday we will spend time alone together and figure out how to proceed. When we do get in these situations together we should try to do so in private. I am growing, and have a long way to go.

Empowerment is important it is scary to me. but so is the restructuring of our cost. so what that means to me is I have to keep pushing and experience the feelings and We can discuss them so I can get through them. Steve helps me with this so does the team but you bring a different perspective we can make this work for XYZ.

Take care.

What I saw happening was that whereas the conflicts between us used to end in distance and distrust, now we were starting to be able to work through them effectively. I wondered if what I was seeing was Peter changing in his ability to allow validity to another's point of view and not shut it down.

More Insight

In March of that year, I asked Peter and Len, the head of XYZ's software development partner, to review some videotapes I had of a speaker on trends in e-business. I did this because I wanted to understand how they saw e-business versus what a so-called expert had to say. During the tape, the speaker made the claim that to be

successful in e-business “you need to be paranoid” (Judson, 2000). I wrote down Peter’s reaction to that comment, which at the time I found of interest because it told me more about how he operated.

When I read an article, I feel paranoid. Then I think, no—it’s that I’m not going to be able to make my mark. The attitude you need to have is, you might lose your job—will you be OK with that? Right now, if I lost my job here I would not be OK. When I feel paranoid, I go inside and decide if it’s gong to affect me making my mark. It’s more about my needing to prove something to someone else, and in your core, you need approval.

When I wrote that down, I realized that Peter had said something to that effect to me several times when he months earlier had described why he was a good salesman: “A good salesman is basically insecure, and he sells well because he needs the approval of others” (Field Notes). At the time, I didn’t note it because it didn’t make sense to me. Now I realized that this was an important theme for him.

We Revisit Empowerment and Are Joined by Charisma

In April of 2000, XYZ’s new site was up, and Peter told me that he’d like to resume the work on empowerment that we had started the fall before.

So, we began another formal cycle action research, starting with the seven “differences that make a difference” from Honold’s (1999) dissertation (Figure 4).

Through a process of voting, the staff decided that they wanted to start with “An Integrated System of Feedback, Performance and Reward.”

Primary Structure With Auxiliaries

Each of these organizations has a primary structure from which it operates on a day-to-day basis; however, when situations arise outside the norm, each restructures itself to address the anomaly.

Leadership Defines "What"; Performers Define "How"

Management in each organization has defined the parameters within which decisions can be made by various employees and/or teams in the organization; they define "what" must be done. Decision-making is primarily executed within these parameters; those doing the work, dealing with the day-to-day issues define "how" they will do the work in their respective areas.

Integrated Systems of Performance, Feedback and Reward

Each of these organizations has integrated systems of performance, feedback on that performance, and reward. These integrated systems are tied to the strategic direction the leaders of the company have chosen to take. While in a more traditional organization the definition of performance and measurement of that performance is done by management, in these companies, both of these activities are largely done by those who do the work. Management's role is to provide the context for self-management, to provide a system of checks and balances.

Charismatic Leader

An issue that is an apparent paradox to empowerment in these organizations is that all three companies are led by what might be called charismatic leaders. Empowerment suggests that individuals have more control over their own work; yet to achieve this, it appears that strong leaders need to be present to create a context that provides opportunities for employees to take that control.

Intrinsic Company Mission; Congruence of Goals

Systems of work and leadership seem more visible in these companies than do vision or mission statements. These companies all have missions, but as Vaill (1984) observed, the missions seem more implied than specific. In other words, people understand what the organization is attempting to be. They may not know the mission or vision statement explicitly, but they intrinsically understand it.

Commitment to Employees

Part of the culture of each of these organizations reflects a strong commitment to employees, through learning and development and toward maintaining their employment. Beginning with the orientation process, each of these companies takes time to enculturate new employees.

Maintenance of Jobs

The leadership at each of these companies works hard at maintaining jobs and not having to layoff employees.

The Way You Get Teamwork is to Give the Team Work

While some formal training on how teams operate is conducted, the emphasis appears to be more on having people work together to get work done. Teams are often more spontaneous than planned. People get together to resolve a situation that comes up. When the work is done, the group dissolves. The operating philosophy appears to be that "the way you get teamwork is to give the team work."

Figure 4. The seven primary themes from Honold's (1999) dissertation, entitled *The Empowered Organization: A Consideration of Professional and Theoretical Alternatives*

During the process of picking that theme, Phil, a project manager, led the group in becoming explicit about the fact that part of why they were at the company is because they wanted to benefit financially—and more than they were currently. Some of them later expressed that it was the first time they had ever talked openly about that part of their personal motivation for working somewhere.

Their choice of wanting to work on “Feedback, Performance and Reward” fit in with a project that Steve, who had been given the assignment to handle human resource issues, was beginning on compensation, and so we blended the two together.

We began a fairly involved series of meetings in which Steve and I, but primarily Steve, explained to them how the company worked financially, followed by gathering their feedback and using it to clarify the topic for following meetings. This explanation laid a foundation for two strategies Peter was considering pursuing: that of giving ownership to members of the company, as well as offering a choice for them to put a portion of their compensation at risk, in the hopes of a bigger return based on their and the company’s achievements. As the employees learned more about what was involved with ownership and profit sharing, their attitude became more sober. More than one of them said things such as “if this is what empowerment involves, maybe I just want to do my little piece and go home instead of being empowered” (Field Notes).

However, the tide turned at the second meetings about finances, where Steve went through XYZ's profit-and-loss sheet to explain how Peter had structured it, and what it was about his forethought that resulted in the company being in the black. He also talked about how during the three and a half years that the company had been in business, Peter had taken less than \$42,000 out of the company. "When Steve pointed out that that was less than minimum wage, silence fell over the group. A palpable silence, as that sunk in." (Field Notes) It was also clear from how Steve talked that he personally thought Peter was extraordinary, and different in very important ways from all the other CEOs for whom Steve had worked as a CFO or in other accounting functions. I heard devotion, almost reverence, in his tone as he talked about Peter's lack of greed in taking so little money out of the company for himself.

It seemed to me that whatever commitment people had felt to the company doubled during that meeting.

During the first break, when Peter wasn't back on time, the staff joked about "yanking" him back, rather than politely asking. Aloysius went over to Peter's office to ask him to come back, and when we asked him how he did it, he made the motions of telling someone—like a subordinate—to wind it up and get back. Someone said, now that's empowerment. Others in the group took that pantomime farther—play acting getting him to come back like how tarmac workers signal a plane in, etc.

It seemed like a shift in the group in more than one way – (1) easier to joke around with him - some of the fear of Peter gone. (2) More empowerment. (3) But also like all of this happened because they also had come to respect him even more - that's why the subordinate thing was funny—it was sort of mocking the new

respect they were feeling, or making light of it. (4) The whole thing also seemed more affectionate and playful toward him (Field Notes).

And the way it had been set up—Steve talking about what Peter had done, rather than Peter himself, had been perfect for that to happen (although we had not purposely set it up with that in mind).

Again, I recounted this experience to my dissertation advisor. I talked about how moving it had been—both to the other employees, and to me, personally. I had walked away from this experience seeing the totality of Peter's vision and how it tied in with how he had structured the company. I realized more fully the commitment and sacrifice he himself had made to get the company to the point it was at. I had a feeling of, "Boy, this is really a cool thing to be involved in"—special, unique, almost sacred. As I spoke, my mentor fed back to me again that it seemed that Peter was a mythic, and a charismatic leader. When he had said this before, I basically thought he was using any normal adjective to describe a person—energetic, or thoughtful, or courageous. But this time I understood that what he was talking about was a whole personality type, and one that, the more I learned, realized might be a key to making sense of what was occurring at the company.

So, on the advice of my dissertation advisor, I started reading Max Weber (1968) on charisma. Almost immediately, I felt like Weber was describing Peter personally.

My decision as an action researcher at this point was to fill Peter in on what I was learning as I was learning it—in effect so that we could be co-researchers, as Greenwood and Levin suggested. My role would be that of the *friendly outsider*, (Greenwood & Levin, 1998, p.93) bringing expert knowledge (in this case about charisma), and Peter's role would be that of the bearer of local knowledge (in this case, about himself).

I have reproduced below the content of an e-mail I sent to him, in which I copied word for word a good deal of the description of a charismatic from Weber. I am reproducing it as another instance of sense making—not only so that you, the reader, might understand how Weber looks at charisma, but also so that you can understand my process of sense making at the time.

Nov. 6, 2000

Peter:

Here's my first installment on what I'm learning about charisma. What I would like back from you are comments about what fits/what doesn't, and any other thoughts/insights reactions that strike you. If you want to send them back to me electronically, either in the body of this e-mail or separately, that's fine. If you want to print it out and scrawl on the hard copy, that's fine. If you want to have a conversation with me, that's fine too. Let's see how this goes.

BTW, I'm trying this way of doing this because you said it's what you're facing right now. So I'm inviting you to learn along with me, rather than waiting till I've got it all together. Hopefully we can do this in real time.

ON CHARISMA AND INSTITUTIONS by Max Weber, 1968 p. xviii-xxx
"Weber describes charisma as "a certain quality of an individual personality by virtue of which he is set apart from ordinary men and treated as endowed with supernatural gifts, or at least specifically exceptional qualities. It is essential that

the charismatic individual be recognized or regarded as such; "this recognition is a matter of complete personal devotion arising out of enthusiasm or of despair and hope.

Social or political systems based on charismatic legitimation exhibit certain characteristics which reflect the intense and personal nature of the response to charisma.

First, recognition of the leader is an especially compelling duty, even if it be formally voluntary. As Parsons puts it, "the authority of the leader does not express itself in the 'will' of his followers, but rather their duty or obligation." Consequently, there is a distinctive moral fervor that is sharply opposed to the forms of traditional morality and sober rational calculation.

Charismatic groups do not have elaborate systems of roles, rules, and procedures to guide the performance of administrative functions. They disdain "everyday economizing," the attainment of a regular income by continuous economic activity devoted to this end.

Thus, it has been claimed that the charismatic situation is the total antithesis of "routine," or organized social institutions and relations. It is not only that charismatic authority is formally contrasted with "traditional" and "rational" authorities. Beyond this formal distinction, pure charisma has some inherent antinomian (def: : one who rejects a socially established morality) and anti-institutional predispositions.

Given the absolutistic moral fervor, the revolutionary disdain of formal procedures, and the inherent instability of the lack of provision for succession, charismatic activities and orientations, because of their close relation to the very sources of social and cultural creativity, contain strong tendencies toward the destruction and decomposition of institutions.

This charismatic fervor is rooted in the attempt to come into contact with the very essence of being, to go to the very roots of existence, of cosmic, social and cultural order, to what is seen as sacred and fundamental.

But this attempt may also contain a strong predisposition to sacrilege: to the denial of the validity of the sacred and of what is accepted in any given society as

sacred. The very attempt to reestablish direct contact with these roots of cosmic and of sociopolitical order may breed both opposition to more attenuated and formalized forms of this order, as well as fear of, and hence opposition to, the sacred itself.

It is these tendencies that constitute the focus of both the creative and destructive tendencies of charisma. If on the one hand, the charisma may lead to excesses of derangement and deviance, on the other hand charismatic personalities or collectivities may be the bearers of great cultural social innovations and creativity, religious, political or economic. It is in the charismatic act that the potential creativity of the human spirit - creativity which may perhaps in some cases be deranged or evil - is manifest; and it is not only the potential derangement, but such creativity by its very nature and orientation tends to undermine and destroy existing institutions and to burst the limits set by them.

Similarly, on the personal level, charismatic predispositions may arise from the darkest recesses and excesses of the human soul, from its utter depravity and irresponsibility of its most intensive antinomian tendencies; while on the other hand, charisma is the source of the fullest creative power and internal responsibility of the human personality.

p. xxi . . . the test of any great charismatic leader lies not only in his ability to create a single event or great movement, but also in his ability to leave a continuous impact on an institutional structure - to transform any given institutional setting by infusing into it some of his charismatic vision, by investing the regular, orderly offices, or aspects of social organization, with some of his charismatic qualities and aura.

Peter's response to me, characteristic of his dyslexia, was short and to the point:

"Yes, this is me—100%." At that point, although he had not answered line by line about what fit him, I chose not to go farther with that. This was mainly because Weber's was only one perspective, and I wanted to wait until I had more perspectives before I worked with Peter on identifying what fit him best—I didn't want to rush to sense making too

quickly. However, there were many things in Weber's description that seemed to fit Peter and the situation at his company.

“ . . . a certain quality of an individual personality by virtue of which he is set apart from ordinary men and treated as endowed with supernatural gifts, or at least specifically exceptional qualities.” (Weber, 1968, p. xviii)

I thought back to how his staff had described him in the focus groups, the tone of deep respect, if not reverence in Steve's voice, and my own feeling of “I want to work for this man.”

“Charismatic groups do not have elaborate systems of roles, rules, and procedures to guide the performance of administrative functions. . . . Thus, it has been claimed that the charismatic situation is the total antithesis of "routine," or organized social institutions and relations.” (Weber, 1968, p.xxiv)

This quote especially seemed to fit, and for the first time help make sense out of the chaos I saw and experienced throughout my time at the company.

“ . . . charismatic activities and orientations, because of their close relation to the very sources of social and cultural creativity, contain strong tendencies toward the destruction and decomposition of institutions. . . . the test of any great charismatic leader lies not only in his ability to create a single event or great movement, but also in his ability to leave a continuous impact on an institutional structure - to transform any given institutional setting by infusing into it some of his charismatic vision, by investing the regular, orderly offices, or aspects of social organization, with some of his charismatic qualities and aura.” (Weber, 1968, p. xviii)

This dimension seemed to relate to how Peter spoke about his vision for the company. He had often said that his goal was to transform the way the purchasing industry functions. From the company's vivid description: "I want XYZ to lead the corporate to corporate internet purchasing revolution, creating real relationships between companies never before thought possible." These sentiments were often echoed when he spoke to the staff in meetings, lending a missionary air to the talks, and seemed to inspire people to work even harder. For example, Phil asked for the videotape of one of these compensation meetings where Peter spoke about the potential of the company so that he could show it to his wife, and perhaps increase her understanding about why he wanted to work such long hours for a comparatively low salary.

The introduction of this theory and the immediate gut sense of "Yes!" felt by Peter and me, as well as by Steve when showed to him, proved to be a turning point and a choice in the intervention. It provided a frame of reference to use that seemed to successfully sort out much of the attendant chaos around us. From this point, instead of searching for another explanation that could also have made sense of the events, I/we focused on learning more about this one, on seeing if it existed in the situation as we thought it did, and on understanding what the implications were for the project outcomes if it did.

From a traditional research point of view, staying with this explanation instead of searching for others that could have fit as well or better could seem like less than rigorous methodology. This issue will be taken up more thoroughly in chapter 5, in terms of the role of theory in making meaning in AR projects. However, here I will note that within the confines of the actual situation—*rapid change in chaotic circumstances*—the gut level “Aha!” that we experienced, and the need to improve the situation in the short timeframe that is the norm in startups of time did not leave us with the luxury of looking for alternative explanations.

Peter and I agreed that the identification of his personality type as charismatic was an important variable to add to the study, and that it seemed that he had created a charismatic type of organization, based on Weber’s description.

We looked at the research I had found so far on the relationship of a charismatic leader’s qualities, behaviors, etc., to whether and how his organization can become empowered. We talked about some of the divergences in the literature, such as Conger’s argument that an important behavior of a charismatic leader is that he empowers those around him (Conger & Kanungo, 1998), versus Weber’s much earlier avowal that those who follow a charismatic leader are trying to fill a void in themselves and therefore would not want to be empowered.

We reviewed the fact that there was a dearth of scholarly literature about how to successfully routinize charisma in such a way as to move it into the organization instead of it being solely identified with the leader. Most attempts to routinize or stabilize charisma end up in bureaucratization, which the whole staff agreed they did not want.

We also discussed the fact that he was undertaking a deep type of personal growth, and that growth of a charismatic did not seem to be addressed by the current theories of charisma. Thus, the questions would become, what happens as a charismatic leader personally matures and changes? What happens to his company? This can be seen as the beginning of the development of the local theory of change.

Peter admitted to being excited about the direction the work was taking, knowing that we would be experimenting with finding those answers, hopefully with the help of whatever research we could find.

The Company Goes into Crisis

At this point, several strands that I have told as distinct parts of the story so far start to twine together. At the same time, October 2000, that I was beginning to research literature on charisma, back in the formal AR process on empowerment we were getting very close to having staff choose what percent of income they might want to put at risk, tied to what performance measures, and what eventual reward levels.

At the same time, in the company's business, it was becoming increasingly clear that there was a major risk that XYZ's one big client would leave.³ Hannah, XYZ's main contact at the client, was in the process of changing roles within the company. Peter and Steve were becoming embroiled in what ended up to be a largely antagonistic process of negotiating with Hannah regarding what the terms of the new contract would be.

And, at the same time, Peter revealed that he, as a result of his work in therapy, was working at setting new boundaries with Hannah. During the summer, Peter let me see about an hour's worth of exchanges between himself and Hannah on e-mail, ostensibly about the company's business. (The nature of the business lent itself to some amount of exchanges over the myriad details that XYZ was managing for them.) The stream of e-mail during that hour was almost constant between them. And the tone of their words to each other, although about business issues content-wise, was alternately shaming, threatening, wheedling and gauged to induce guilt. This was a glimpse into the heart of the relationship that, as he said, "drove him nuts."

Peter let me in on what the dynamics of the relationship between Hannah and him, and Lynn and him, were. He told me that he had had a flirtatious relationship with Hannah back as far as when he worked at the large office supply company for whom he

³ From a business perspective it was not as though the risk of having only one major client had never been noted. However, no successful progress had been made in getting other clients on board.

had been a national accounts manager. Hannah was his contact at this client company at that time as well. He knew that she was interested in him personally and that she wanted to marry him. He told me that led her believe that there might be a chance of that happening so that he could keep her business, even though he knew he never would actually marry her.

Hannah knew that Peter was involved with Lynn, whom Peter also held at arm's length. Peter and Lynn lived together off and on, but he would never completely break off the relationship with Hannah for the one with Lynn. For example, in Peter's office were pictures of Hannah and Peter (in a group photo taken at the state fair), but no pictures of Lynn and Peter, or of Lynn at all. This, even though Peter and Lynn had a child together.

During the time that Peter had been in therapy, he said he had come to realize that he wanted to make a commitment to Lynn, and that the relationship with Hannah was unhealthy. However, up until recently, he had maintained the relationship to maintain the business. He had finally decided, though, that his sanity was more important than the business, and that he was finally willing to take the risk to end the relationship, no matter what it meant to his business. To do that, he had told Hannah that October that he would only communicate with her on business issues, and he began to stick to his word.

The more I realized the full extent to which this relationship governed Peter, the more I wondered if that was why the company was still in a one-customer situation even though we had known for over a year that that was dangerous—because he had not been able to let go of his relationship with Hannah and move on to other new business.

So, we were trying to implement a new system of compensation based on the premise that the company would continue to grow as it had in the past and on the concept of Peter sharing ownership and letting go of control, while at the same time, the basis for the company's success was looking like it might very well be in jeopardy.

In hindsight, the chaotic dimensions of the period we were about to enter looked very clear, but at the time, living through them, they were not so obvious. First of all, Peter and Steve remained optimistic in terms of being able to salvage the business relationship. That was in accord with what we were coming to label as Peter's charismatic nature. But secondly, and more important, was how Peter dealt with the turmoil he was experiencing. This was sense I made of the experience only with hindsight. As I said at the beginning of the story, Peter appears very confident and as though "he knows." It is part of what makes people want to work for him. For example, even as this situation worsened, staff members remained loyal to Peter because "Wherever he goes, whatever he does, he'll always make money" (from an interview in March 2001 with a staff member). And another, from Peter to a staff member, "Gil, would you trust

me with \$1,000,000 of your money?” Gil: “I would trust you before I’d trust myself because I’ve seen what both you and I have done with money before” (Field notes).

Another example of his “looking together behavior” was that Peter rarely ever called me to ask for advice other than the times I was there, even though he assured me (and I believe) I was one of his most trusted advisors. He listened when I gave advice to him, but rarely asked for it himself. All the turmoil about Hannah, fears about failure, etc, were things that he dealt with outside the company. Perhaps this seems not unusual for a company owner. Why it struck me more, I believe, is because it is juxtaposed with Peter’s ability to be disarmingly honest about himself. With that level of honesty, one might expect more disclosure during difficult times. However, it didn’t happen that way. He only told me about the intensity of the turmoil he was in later.

Therefore, even during this time of threat, risk and deep uncertainty, Peter almost always looked as though he was in control and ahead of the game. This was a mask, though, because inside he was dealing with change, fear of loss and trial of new behavior on a very serious level.

And so, we began a roller coaster of events.

1. In October, Peter told Hannah he would not accept any phone calls or e-mails from her, whether business or personal.

2. On November 18, at a company meeting, Peter asked each person what they were willing to invest to become part owner of the company, so that “I can walk away, do more selling, and not have to make all the decisions on my own.” He told them he wanted the form this transfer of ownership was to take to be solidified by January.
3. One by one, different business units at the customer company pull their business away from XYZ, until by March, 2001 XYZ was doing 20% of the business they had been doing only months before.
4. From December to April, I put on more of my business consultant hat and try to convince Peter that it was time for some serious market research and planning, not just a shot-gun sales approach, to know where and how to get rapid turn over of new clients.
5. In January, Peter gave people a 60-day notice, saying he hoped to turn things around, but he wanted people to be prepared for the worst. He told anyone to leave who wanted to. Only one person did during those 60 days. No more mention was made of sharing ownership. When I asked him about this he said, “If all our business goes away, there’s nothing to share” (Field Notes).
6. From January through March, Peter quit having all company meetings to fill people in on what was going on in an overall sense. Instead, there were closed

door meetings with Steve, Larry, Phil and me to try to figure out what to do next, including if and how to lay people off.

7. From February through April, Peter also started being absent more, ostensibly because he was selling two houses (his, and one he'd bought for Lynn), and buying one for the two of them. Because of this, he started turning over more responsibility to team members to carry out operational tasks that he used to oversee himself.
8. Peter and Lynn's baby was born at the end of March.

The company was in a period of crisis.

We Learn More About Charisma and Begin the Local Theory

All through this roller coaster, I had shared with Peter and with Steve, with whom Peter now worked with more closely than anyone else at the company, what I was learning about charisma. In the context of those discussions, one day Steve walked up to me and said, "Hey, I want to tell you something that I've figured out about Peter: There's actually two of him: P1 and P2" (Field Notes). P1 was Steve's description of the Peter who had inspired all of us, Steve included, to try to make this big idea of his a success. This was the Peter we all wanted to know, whose praise we waited for, whose energy lifted us up, to whom we wanted to be close. P2 was Steve's name for another

side of Peter: an angry, attacking, sometimes name calling part of Peter that also made regular appearances. Because Steve interacted with Peter on such an intimate basis about the financial well-being and prospects for the company, and about contracts won or lost, he arguably got to see and feel the brunt of this personality more than anyone else in the company; certainly more than I did. However, I looked back on our earlier conflicts and began to consider them in this light to see what sense this made, as well. Steve described Peter as exhibiting more what he was calling P2-behavior particularly now. I wondered if this was what Peter did when he was under so much stress from so many directions instead of directly telling us about what he was going through.

To both of us (Steve and me) it seemed to fit in with some of the charismatic theory I was reading—all the way from Weber’s intimation of the destructive potential of charismatic energy (“derangement,” “deviance,” (Weber, 1968, p. xxii)), to Conger’s call for more research to be done on the nether side of the charismatic personality (Conger & Kanungo, 1998), to Maccoby’s description of the strengths and weaknesses of the narcissist as leader (Maccoby, 2000). My notes regarding the fights we’d had did not define two sides of a personality as clearly as Steve was doing, but as I looked back, I began to see that I could fit the experiences I’d had of feeling punished into one personality type, as opposed to the other positive, inspiring and engaging experiences that I’d had.

We brought this assessment back to Peter, for his consideration, and he agreed that his behavior could be described that way, and was willing to have it be a part of the study. In the meantime, identifying these distinct constellations of personality traits seemed to help Steve and me in terms of working with Peter. I would come into the office sometimes, and Steve would tell me that Peter was at “P1.75” based on his experience of him that day. Then I could make decisions about how to approach Peter myself. It also seemed to help Steve in the sense of depersonalizing the attacks he felt coming from Peter. Instead of the attacks being necessarily about Steve, he indicated that he now knew that it might just be the place Peter was in.

My Own Role Changes

In March 2001, Peter finally decided that he would proceed with downsizing. At that point it was clear to him how much of the income from the major client was going to be lost, and he decided to proceed with a smaller staff while the company looked for new customers. The company went from 15 to 6 staff members through a combination of people being offered jobs at other companies, and people being laid off. We were in enough of a crisis that although I was able to ask the staff to fill out an assessment regarding whether Peter could be described as a charismatic, and to do exit interviews with

many of the staff during which the topic was discussed, we did not return in any other way to the topic of empowerment with the staff as a whole.

During this time, I had begun to form a closer alliance with Steve. Although he was located at the company and worked there almost full time, he was a consultant, as was I, and also one of the people on whom Peter relied the most. We could see what looked like Peter's confidence and commitment faltering: He seemed afraid or uncertain for the first time. I attributed this emotional stance to him based on changes I saw in his behavior. He had repeated meetings with us about what course to take regarding the employees, but took no action for weeks on what we'd decide during the meetings. A few days later we'd have another meeting at his request, either redecide the same thing, or something different, but again no action was taken. This went on from January till he finally made the decision in March. At one point in February, Steve and I shook hands about not letting the company fail, and that if Peter didn't believe right now that he could overcome the obstacles in front of him, we would do that for him. That instance was one of two times I crossed a line in the spring of 2001 to become more engaged in the company.

Action research is a methodology of engagement, but in this instance, I felt that I was moving even further away from a neutral stance by saying, I make a commitment

(symbolized by the handshake) to not let this company die, if the only thing that is holding it back is fear.

I did not have mixed feelings about that change from the point of view that perhaps I was entering into uncritical subjectivity. Rather, because I was already a participant-observer, I decided to use the observer part of me to record the experience that the participant part of me was having, and to make use of it for the study. I noted it as a shift in power—I had made a decision to empower myself in a way I hadn't before, and I wondered at the time if the fact that I was perceiving more uncertainty from Peter allowed me to do that.

An area in which Conger calls for further scholarship is in the area of charismatic leaders and failure (Conger, 1998). I wondered if I was allowing myself to take on this different role because I was seeing one of Peter's weaknesses (the fear we were wondering about), if not failure. None of his other P2-personality traits (anger, punishment etc.), which I had probably seen in my fights with him, would I have called a weakness that would free me to take a different role; it was only when I thought I saw fear that I did.

The second instance in which I crossed a line to change my role happened when I negotiated my stepping further into a role of marketing advisor during this time at the company. It seemed that I was the only one who came from a strategic marketing perspective, and I thought it was drastically needed. My role would be to help XYZ find

someone who could aid in identifying the right customers, develop the correct approach to them, and then help produce appropriate marketing materials.

This produced the strongest confrontation I had had with Peter yet. He kept going back and forth about whether he thought a consultant in this area was necessary. He had little confidence in marketing—he didn't trust anything from which he could not see immediate, tangible results (i.e., sales); whereas I was convinced that without a strategy we would flounder endlessly among too many choices without knowing how to make the right one, and hence we would never get to any sales.

At one point he and Steve had told me a budget amount I could quote to a consultant to produce the results we needed. I experienced a feeling of trust and empowerment that was unfamiliar to me at the company. I decided that it was the participant part of me feeling like an empowered employee. Then, when I checked my e-mail that night, Peter had in effect changed his mind and wanted me to resell him on the benefits of what I was proposing. I was angry and crestfallen and as though he had taken away the power with which he had just entrusted me.

This time I wrote back and said that I felt he was asking me to do something I'd already done, and that I was unwilling to do it again. This felt like a real risk to me, but I was willing to take it because I felt like I'd been pushed to the point of being willing to walk away.

To my surprise, his answer, after a silence of a day or two, was that he had decided to turn the whole thing over to Steve and me, and to get out of the way. This was a shock to me and a sign of a different Peter than I first knew; I had never experienced this behavior from him up to this point. I did proceed to find a good consultant for us, who helped us move farther in our marketing efforts, and Peter did stay true to his promise of staying out of the way. However, for the purposes of this study, the issue of note is the change in his behavior, not the outcome of the marketing question. It seemed like Peter was letting go and empowering others around him.

A Sense-Making Time for All of Us

There was one period of two weeks during March that Peter did not come in at all. This was just after his second son was born, and he and Lynn moved into his new house. Some people responded to his absence, along with the general uncertainty of the time, by finally quitting to find other work. Later, Peter said that was OK with him—thinking about what I had said about the theory of dependent people working for a charismatic, if people left because his absence made them more uncertain, then he would rather they were gone.

Peter decided to reduce the size of the staff on March 25. This was made less grueling by the fact that some people had already left. By the time all was said and done,

four people had left of their own accord and four more were laid off, leaving a total of six staff members, some as consultants, and some as employees. The presence of the IT company was scaled back as well so that of the eight total that had been there during the busiest time, only three were left now.

During that time, my dissertation advisor came to visit the company so that he could get a first-hand understanding of the dynamics so as to be able to provide more useful feedback to me. Peter, Will and I went out to lunch, during which time Will provided Peter with quite a bit of information about the mythic charismatic personality that Peter said helped him understand and make sense of a lot that was happening with the company, and particularly with himself.

The lunch was rich with insight and information—some in what Will shared with Peter, and some in terms of what Peter shared about himself. Following are some of the highlights, taken from my notes. First, the things that Peter revealed about himself:

1. Peter said that the threat of bankruptcy made him feel like he failed. He didn't want to lose face—used to be Mr. XXX (the name of the client company). However, he was finding out that no one of his new potential big company clients saw this as a failure.
2. Peter had to deal with the fear of losing all his relationships. “A group of relationships that I pulled together with a piece of SW.”

3. A relationship with one of his financial partners was damaged by what Peter did, so it was at an end. Peter said he was manipulative, used tantrums, pouting, and that he felt fear. He said he was getting rid of manipulative relationships.
4. So he had decided to start changing. Now, when he had new ideas, he wrote them down rather than coming in and changing everything.
5. He also said he was starting to create new relationships that were healthier than the old ones.
6. He felt changed because he had a son. Will: Some charismatics never had sons, or drive them off.

(Field Notes.)

Secondly, there were some things Will offered that Peter said made an impact on him:

7. Will gave Peter a new way to think about P1 and P2—that the difference is not between good and bad, but between when there are feelings that we can't manage, and feelings that we can't. Peter said that was more helpful to him than light and dark, or good and bad. He said that "sometimes I am controlled by those feelings."
8. Will told a story about a project he was involved in with Disney where he recommended giving Disney a funeral 20 years after he was dead. This was to free

up the culture and the people in it from not trying new things because “Walt said . . .” Peter was amazed and seemed sobered by the influence a charismatic figure could have that long after his death, and how it apparently stifled people’s creativity.

(Field Notes.)

There were new things for me to learn from that lunch as well that helped make sense of his recent behavior: that Peter had felt like a failure—which he hadn’t revealed to anyone at the company up to that point. He told me later that was part of why he had spent so much time away from the company—he couldn’t stand going in. The admission of what had happened between him and his financial partner was new, and struck me as a vulnerable thing to share with us. Also hearing his statement about how he was trying to create healthier relationships put into focus many of the changes I had seen—and experienced—over the previous period of time. The impact that the Disney story made on him brought home to me how deeply he seemed to be reflecting on the effect he had on people around him.

However, Peter said that one of the most useful things he took away from the meeting was the different way Will helped him think about P1 and P2. The fact that Will’s reframing was important to him showed the level of attention he was giving to the idea of P1 and P2, in terms of helping him think about himself in new ways. Gradually,

Peter was starting to say, “I’m close to P2 today; so be warned” (Field Notes). Or, he started not coming in when he felt P2 behaviors.

Another sense-making opportunity took place when Peter invited me to visit with him and his therapist together. Here I had the privileged opportunity to hear from Peter and from his therapist, MH, about what Peter had been dealing with over the past 18 months.

MH spoke about how from his perspective, what he thought Peter was doing during the time in therapy was learning how to heal his shame. His position was that the parts of us about which we have learned to feel shame remain undeveloped and in a childlike form. We develop compartments as a way to separate ourselves from the painful feelings that come up when the shame is triggered. The more we heal shame, the less need we have to compartmentalize ourselves. He said that his work with Peter was to help Peter change how he set boundaries in his life—to allow some to become more permeable, like those with Lynn, and to make others stronger, like those with Hannah (Field Notes).

From Peter’s perspective, he said he felt the biggest change came around a feeling he’d had of living two lives. He said that today he could wake up and feel less angry and afraid; that he had new ways of dealing with fear. He disclosed that he learned he was

living for his Dad's approval and for Hannah's approval, and that a lot of what he had striven for in business was to get that approval.

I found myself asking the question, "What is success? Whose life is this? Who are you doing this for?" At first I'd go, "What is success? I can call Dad or Hannah and ask," to "What is success? I can call MH and ask," to "What is success? I'll ask myself." (Field Notes)

A part of this change for him had resulted in him feeling less reactive and more willing and able to listen to others. He was finding that he would have fewer shame reactions during the day. He characterized his response to all that had happened with XXX (the client company) as a shame reaction, and that he was learning to deal with things differently. I realized that I had listened to Peter and MH give two descriptions of possible dualisms in Peter's behavior patterns: Peter, in saying that he lived two lives, and MH, in describing the compartmentalization that happens when we feel shame. I wondered if either or both could be associated with P1 and P2.

During the session, I also asked MH a clinical question. In my reading about charisma, I had come to believe that there was a strong overlap between charisma and narcissism, in the Freudian sense. In one article, the author asserted that narcissistic personality types were the least likely to ask for help, including therapeutic help (Maccoby, 2000). I asked MH if he thought that narcissism was a term that would describe what it was that Peter was dealing with, and if he agreed that narcissists were the least likely type of person to seek therapy. He responded that Peter did have what he

called *features* of a narcissistic personality type⁴, and he agreed that narcissists were the type least likely to seek help. “Narcissists usually need to crash and burn to be willing to get help, which is what happened here. What Peter did is rare” (field notes).

Reflecting on that session, I began to relate P1 and P2 with MH’s and Peter’s portrayal of what Peter had been going through therapeutically, with McWhinney’s description of the mythic personality, and with the fights I had had with Peter over the year. I now considered that the fights we’d had, including how our style of fighting had changed, could have been part of the process of Peter learning how to deal with shame differently. Or, in the context of mythic personality theory, the fights we had were his way of experimenting with realizing that he was not the sole creator of reality, and that that fact alone doesn’t mean that he has to cease to exist. It was possible to let me be different than the image he had created of me without having his reality negated. I now started terming the fights as his experimentation with different ways to deal with P2. I also realized that this change might be at the core whether or not he would truly be able to empower others.

When I shared my notes and my thoughts regarding these episodes with Peter to see if my sense making fit his experience, his response was “It is awesome—I don’t want

⁴ Using the term *features* of a personality disorder to describe Peter is actually a technical term from the Diagnostic and Statistical Manual - IV (American Psychiatric Association, 1994)—the APA method of

to change a thing. I still work on P1 and P2. I still am learning to deal with what to do with these P2 feelings so that they don't control me. But I'm a lot better today." (Field Notes)

And lastly, we did an evaluation of the empowerment initiative with the members of the staff who were still left. I did individual interviews, and we had a group meeting as well. What we talked about was what they thought about empowerment at this point in their relationship with XYZ. A few of them spoke with me about the disappointment and sense of disillusionment they felt about the feedback system coming so close to being put in place, but then never happening. But more than that, they talked about how they had changed as a result of their involvement with the company, and how empowered they felt in their lives.

I learned a lot about how they did feel empowered in many parts of their lives, not just at work.

1. RM: Through Peter confronting me, I learned to know what I really think and to say it. It's also come from some of these meetings, of saying what we really think. Now I don't bullshit so much. I've also started to call our customers on their bullshit, too. "Hey, man, you didn't pay for that training, don't you remember?"

diagnosing mental health ailments. On a continuum from no likelihood of having a personality disorder, to having one, the diagnoses are: no evidence, rule out, features, and finally, having a personality disorder.

And we can't do it if you didn't pay for it." Before I would have tried to please him just because he was the customer and he wanted it."

2. Larry: I decided what I really wanted was to have more children, and now we're going to. I saw other people figuring out what they really wanted, so I did, too.
3. Laura: I decided I had to get away from X (the father of her child). The more I figured out what I wanted and started saying it, I realized I needed to leave. Some of that's come from therapy, but some has come from here as well.

- a. (Field Notes.)

I learned that even though they had not taken on an external structure that was empowering (joint ownership, etc.) they personally felt empowered in their abilities to be potent and tell the truth with one another. They felt this experience had increased their ability to be intimate and engaged.

The formal dissertation research portion of the project ended at the end of June, 2001. The decision to end the academic research was somewhat arbitrary, and was based on practical considerations such as the financial necessity for me as the researcher to bring the dissertation to completion. At this point the research portion of the project had run for well over two years. At the same time, action research traditionally runs in cycles. It could be argued that the formal empowerment cycle of the project was at an ending point with the laying off of most of the rest of the staff in July 2001. And, the business itself

seemed to be at the end of a business cycle due to the complete termination by XXX during that month of XYZ as a supplier. The theory was not tested formally through introduction to the larger staff as a whole during the research portion of the project, with the creation of experimentation based on the theory to see if its use helped the company function more effectively. That testing became impossible because the larger staff no longer existed.

However, the creation and testing of the local theory of P1-P2 was not finished. The theory was created, and was implemented informally by Peter, Steve, Larry and myself. Some of this informal implementation during the formal research period; some of it happened in the immediately succeeding months, and was heightened by Peter's reading of the story (which was not possible while the story was being created!). This points to a problem with doing action research in real time situations: It is very difficult to have the research fall into nice, neatly bounded cycles. That is, the reading of the story became another cycle of reflection for Peter, and he deepened his understanding of P1 and P2 in his behavior because of what he learned by reading it. As he deepened it, he continued to change his behavior. Thus, this became a test of the theory itself. But it did not happen during the formal data collection period. It happened later. Still it is relevant because the theory created actually started to be put into use. The recounting of the

changes Peter implemented after reading the story is told near the end of chapter 6, on empowerment, because the changes were related to that theme.

Reflections on the Process and Outcomes

In this section of this chapter I discuss how the local theory of change was created, using a schema proposed by Elden and Levin (1991) and what the impact was of the version of action research that was used in the project. I will discuss this impact in two ways; first in terms of the usefulness of the action research project itself; and second, in terms of the modifications made to the methodology in order for it to be useful in this situation.

How the Local Theory of Change was Created

The manner in which the theory was created closely followed the flow suggested by Elden and Levin (1991). Figure 5 depicts their understanding of how to create local theory.

In this case, although the creation of the theory did not follow a stepwise progression, in that it did not mirror perfectly the process depicted above, it did contain all of Steps 1 through 4, and parts of Steps 5 and 6. Step 1 consisted of Peter's and my interactions during our successive conflicts, as well as the interactions Steve had with

Peter about which Steve and I sometimes debriefed. Step 2 occurred several times, first through my introduction of theory on charisma and narcissism, next through the

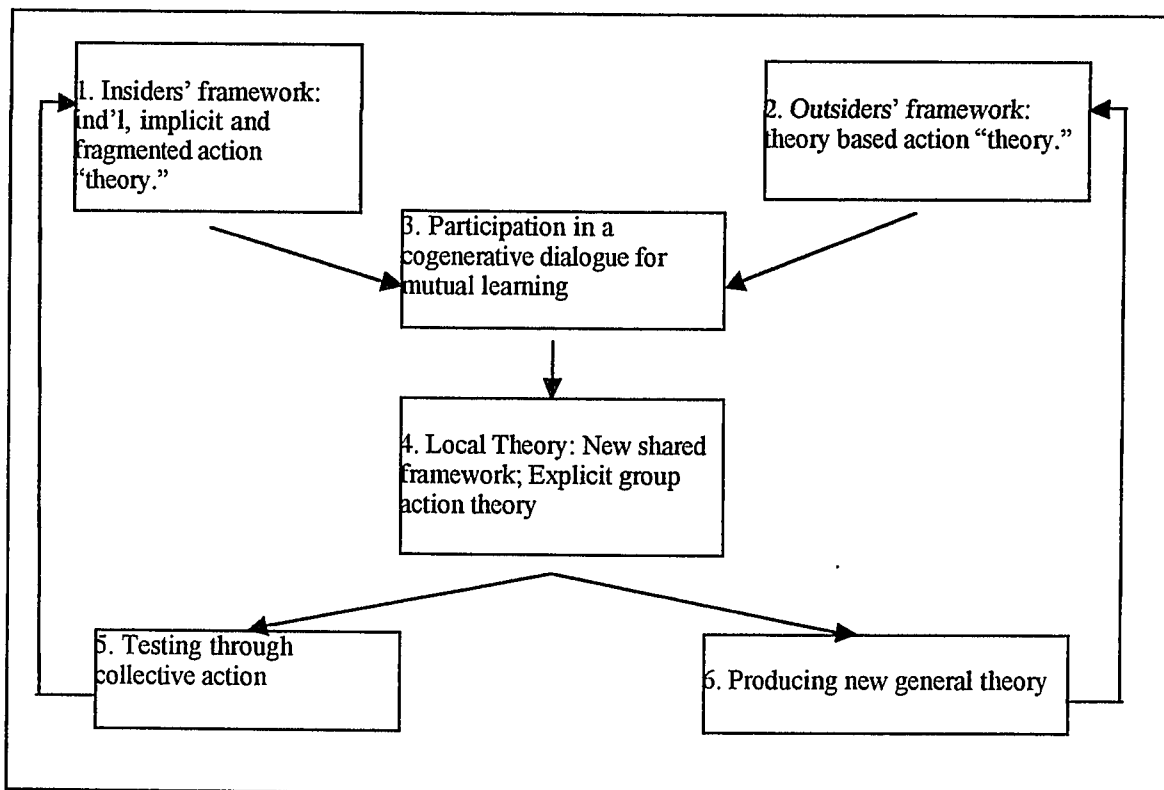


Figure 5. The process of creating local theory, from Elden, M., & Levin, M. (1991). "Cogenerative learning: Bringing participation into action research," in *Participatory Action Research*, W.F. Whyte, ed. Newbury Park, CA: Sage Publications.

introduction of McWhinney's work on the mythic personality, and finally through the information on shame reduction contributed by Peter's therapist, MH.

Step 3, the cogenerative dialog, was actually iterative with Step 4, the creation of the theory itself, as we went back and forth among the three of us in dyads of two, and as we brought in new theory. Sometimes the conversations were between Steve and me, sometimes between Peter and Steve, sometimes between Peter and me, and once each among McWhinney, Peter and me, and MH, Peter and me. One of the later iterations involved the possible connection between the lessening of Peter's P2 behavior and his ability to be truly empowering.

As mentioned above, the intervention stopped short of a formal implementation of Step 5. However, as soon as the nomenclature was coined, the existence of the two easily characterized labels began to affect the manner in which we interacted in a positive way. Peter felt as though he understood himself better, and had a simple tool by which to identify his behavior and make some decisions about it. Steve was able to detach from the P2 behavior when it happened. I felt empowered on one of the occasions where Peter backed off of his P2 behavior.

Step 6, the process of producing a new general theory, is what is being begun by this document. Although this story is an *n* of 1, it can be used as a foundation for further inductive research to validate the concepts and the constellation of traits belonging to them, and then perhaps tested further in a deductive study.

Impact of the Action Research Project

As introduced in chapter 3, Methodology, there seemed to be two different, yet related, cycles of action research extant during the project. The first was the formal project on empowerment. The second was the informal project, principally among Steve, Peter and me, regarding the P1-P2 local theory of change built using a combination of personal experiences and interactions, and academic theory regarding charisma.

A basis by which to assess whether the action research project was useful would be to ask the question: Did it work (the criterion of workability)? Each of the cycles of the project, the formal and the informal, can be assessed according to this criterion. To do this, I will evaluate both cycles on three levels, taken from Gadamer's (1998) typology of objective, reflective and reflexive stances for interpreting the meaning of texts, or in this case, events.

If the criterion of workability is understood only on the objective level, neither cycle of action research project was successful. There were no measurable gains on objective criteria, such as improved results for the company. There was also no evidence of intermediate outcomes, as could be identified by the establishment of an empowering structure within the company, such as a formal system of integrated feedback, performance and reward (Honold, 1999).

Types of Knowledge	Empowerment	P1-P2
Objective: able to be measured independently. Buber's I/It (Buber, 1937)	This project did not result in the adoption of a structure of working that could objectively be called empowered, nor could its implementation be linked to any measurement of improved functioning.	This project did not result in any results that could be linked to measures of improved functioning.
Reflective: cycles of reflection produce a change noticeable to participants	Many of the remaining staff at the company said they felt empowered through their interactions with Peter, and through the focus on empowerment in the formal meetings on that subject. I as a participant/observer also learned more what it felt like to be empowered through my experiences in my marketing role.	This level is hard to separate from the following one, as cycles of reflection followed cycles of experience, and then led to new ones.
Reflexive: cycles of interaction produce a change for both parties (researcher and participants) on an inter subjective level. Buber's I/Thou	Staff members self-reported that their interactions were different, but no direct evidence of that difference was recorded during the study.	Much learning and changed occurred on this level, according to the self reports of the players involved. Peter and I learned to deal with conflict more effectively, as judged by fewer hurt feelings or a break of trust in the relationship. Peter began to understand himself differently, and so to interact differently with others. By learning to label Peter's behavior, Steve achieved an ability to detach from otherwise painful situations. I also learned to view Peter differently through applications of the theory we were creating.

Figure 6. Levels of results of the action research project using Gadamer's (1999) typology.

The empowerment cycle was mildly successful on the reflective level for the remaining employees and myself, and had no visible manifestation on the reflexive level.

However, for the P1-P2 cycle, I argue that it is on the reflexive level that the project had its greatest success. We were able to create a theory, the informal implementation of which gave us more control over our circumstances. The three of us principally involved, Steve, Peter and I, and later Larry, experienced a change in how we

interacted, with Peter seeming to have found a tool that helped him deal with his P2 emotions in a way that they “no longer controlled him,” to use his own words (Field Notes). Steve felt less oppressed by Peter when he was angry and demanding. I had felt empowered as a result of Peter’s letting go in a situation where previously he had not. After the data collection period was over, Larry related that Peter listened to him better and that Larry no longer felt belittled by Peter (reported on in chapter 6 on Empowerment, p. 227).

Impact of the Specific Version of Action Research Methodology Employed in this Case

In this section, I discuss the version of action research that I called “Curran’s version of action research,” above in chapter 3.

In that section, I noted that each researcher creates her own version of action research to fit the needs of the presenting situation. If it is done well, it is a methodology consciously constructed from principles such as Elden and Chisholm’s minimum characteristics (see above, chapter 3, or Elden & Chisholm, 1993), or from similar theories. The method I used employed those minimum characteristics; how they manifested in this case will be outlined briefly below. However, Chisholm and Elden (1993) also reported on five additional dimensions that characterize emergent action research. I indicated in chapter 3 that at the outset I believed two of those dimensions would apply in this case: openness of the AR process, and organization of research

setting. In this section I will show how those two dimensions did pertain, and as well how two more proved useful. I also describe findings, based on this analysis, that further flesh out the five dimensions of emergent action research as a result of what happened in this case.

First, then, how the methodology for this project met Elden and Chisholm's minimum critical criteria.

The first characteristic that they declare a research method purporting to be action research needs to demonstrate is that its purpose should be to improve the situation; AR is not value neutral. This implies that the researcher is not only an observer, but also a participant aiming to bring about change. Because the entire project was framed around formal and informal interventions whose intent was to improve the situation, this criteria is clearly met.

The second characteristic is contextual focus; AR research is related to a specific context, and because it emerges from a real context, cannot be constrained to principles and processes from one social science discipline. Successful research depends on finding the appropriate conceptual tools to address the situation at hand. This was demonstrated by bringing in pertinent theory from leadership scholarship, the organizational discourse on empowerment initiatives, and as will be evidenced in chapter 7, research on the intersection of ego and organization development stage theories.

Thirdly, an action research project needs to display change based data and sense making. This was most effectively demonstrated through the creation of the local theory regarding P1 and P2, where data collected or observed over time became the basis for a theory created by a number of participants.

Fourth, there needs to be participation in the research process by system members. This was evident during both the formal and the informal cycles of the process; though system members' participation diminished in the latter stages of the formal process due to the crisis the business was facing, and the eventual contraction of the staff.

Lastly, knowledge diffusion must be an aim of the research. This dissertation is one attempt at fulfilling that aim.

Having given justification for saying that this research method met the minimum criteria set forth by Elden and Chisholm, I now turn my attention to the five additional dimensions of emergent action research. The dimensions are: (a) system level of change target, (b) degree of organization of research setting, (c) openness of AR process, (d) goals and purpose of the research effort, and (e) researcher role (Chisholm & Elden, 1993). In chapter 3 I stated that I thought the degree of the organization of the research setting, and the openness of the AR process would prove to be important dimensions for this case. Here I analyze how and why those two were indeed pertinent and further describe how the final two dimensions also were significant. In this discussion I draw conclusions

based on my research about additional aspects of these dimensions that should be included when applying action research in an emergent mode.

The first dimension, the system level of change target, the one dimension not useful in this case, focuses on added complexity that can be introduced because some AR projects deal with multilevel systems, or with networks of interrelated systems, rather than with a single, clearly bounded organization. Although in this case there was another system intimately involved, in that XYZ's software developer was co-located with them, that system did not figure prominently in the case. Therefore analysis of this dimension is not relevant.

The degree of organization of the research setting does pertain in this case. The cases Chisholm and Elden present in their article to illustrate the wide variety that can occur along this dimension range from highly organized plants in which socio-technical system work typically takes place to the usually unstructured environment in which community partnerships or other cross-organizational processes occur. Thus, they typified a high degree of organization as taking place within organizations, and a low degree of organization as occurring among organizations. What they did not illustrate is that a lack of structure can occur within in an organization when it is at an early stage of development. I argue that this is another type of situation in which action research needs

to be applied in its emergent form, and that it is qualitatively different than just intervening in an organization that is chaotic.

The company in this case was at the level of development called “Experiments” by Torbert & Rooke (2001).⁵ This is the level directly after the level called *Incorporation*. According to Torbert (2001) and Lavoie and Culbert (1978), most structured organization behavior interventions take place in organizations at a more advanced level of organization, such as Systematic Productivity or Collaborative Inquiry. Therefore, intervening in an organization that had developed to the point where it was systematized (and consequently had experienced a degree of success at its experimentation stage to allow it to grow that far) and had grown chaotic or disorganized can be seen as being qualitatively different than intervening in one that is still groping to find a pattern that will work for it.

I adapted the method to be effective in this situation. For example, greater degrees of flexibility than are called for by “rigorous cycles of action and reflection” (Coghlan & Brannick, 2001, p. 112) need to be employed as the company responds quickly to urgent internal or external needs. This calls into question the very purpose and structure of research cycles. Although conscious attempts need to be made to bound research processes, investigators employing AR in this level or type of organization need to forego

some adherence to rigor, even at the expense of leaving the investigation open to charges of lack of precision. The researcher needs to be able to make effective decisions about what the abandoning of a particular path of inquiry means. Does it signal the organization's unwillingness to reflect on something critical, or is it a necessary business decision? It was in situations such as this that I created my own process validity check: the reliance on colleagues outside the situation -my dissertation chair, and the student on my committee—to assist me in my own cycles of reflection, and to stem tendencies toward uncritical subjectivity. I claim that this is a procedure check that needs to be employed in doing action research in early stage organizations.

On another level, the flexibility I had to employ with regard to the research cycle made me question the validity of neatly bounded research cycles in the first place. Are they the best way to conduct action research, or are they an artifact of the university research model: Go forth into the field, perform research, come back to the school and analyze the results? In reality I found research, reflection and learning new behaviors extant throughout both the official project period as well as into the analysis and documentation phase.

Secondly, I found myself relying on the principles of action research, rather than whether we were applying the recipe in a formal manner. I took the purpose, plus the

⁵ The basis for this argument can be found in chapter 7 on the intersection of ego and organization stage

usual steps involved in a more formal process, and kept running through them as a mental check list. Here are some of the questions I would ask: Is the situation improving? Am I engaging? Are we engaging? Who is involved? Are we co-creating? Did we get data, and are we building theory together? Are we in dialogue, even if it's not in formal meetings? In answering these questions, I found I needed to increase my tolerance for ambiguity and not leap to conclusions too quickly, yet push for answers to the most critical questions.

Thirdly, the degree of lack of organization of the research setting affects the very purpose for which the action research endeavor is utilized. Rather than unfreezing a static situation in order to change it, one of the primary purposes of classical action research, a principal benefit of the action research approach in this case was to lend stability to an otherwise chaotic situation. That is, the amount of change lessened, or at least became more predictable. This happened for me as the researcher with the first application of charismatic theory in general because it offered a lens through which to make sense of the events in the company. More importantly, it seemed to happen for Peter, Steve, Larry and me through the creation of the local theory. In this setting the "gaining control over one's circumstances" function of local theory (Elden, 1983, p. 23) is emphasized perhaps to a greater degree than it is in more classical situations. The very naming of the dynamics provided a platform from which to assess the flow of happenings in the

development.

situation. Although sense making is always a part of AR, for an organization trying to find its first level of effective stability—a successful experiment that can then be systematized—the gaining control aspect may meet a more basic need.

The next dimension Chisholm and Elden articulate involves the openness of the research process itself. In chapter 3 I stated that I intended to extend the openness of the AR process for this case to eliminate the problem focus that action research usually employs. Because Peter had asked me to help the company grow, I wanted to use the method to enhance growth, rather than to solve a presenting problem. As the process of growth unfolded, however, a problem did come into focus: how Peter's behavior affected the people with whom he worked closely. Thus, a problem focus did emerge. As Cooperrider (personal communication, 1995) stated when describing the underlying philosophy of appreciative inquiry, "What we focus on expands," whether that focus emerged because the problem was there, or because I/we are used to looking for problems is not clear. Therefore, the extension of the method away from a problem focus became not as pertinent in this case, because the initiative later became problem-solving oriented.

However, during the project, this dimension became relevant in another way. To requote Chisholm and Elden from chapter 3:

AR in which researchers assume little about the nature of the target system, what features of the system are important, and how to engage members of the system in the research process fall at the open end of the scale. A highly open AR process rests on a belief that AR depends upon discovering the nature of the target

system, what aspects and dimensions are relevant to study, and how to examine identified dimensions as an integral part of the research process itself. (Chisholm & Elden, 1993, p. 283)

As the project progressed, it emerged that the feature of the system that needed attention was the head subsystem, or the leader, of the system itself. Little has been written in the AR literature about the effects of focusing on the leader of the system. Whereas much attention is given to leaders and managers by consultants as clients for many kinds of organization behavior interventions, it is rare for action research projects, much less for action research projects that claim to be participatory, to focus on the leader as the relevant aspect or dimension to study. So, one critique of this project could be that as the focus of the intervention shifted to the leader himself, it no longer was an action research project, in that the involvement of other members of the system became muted. Perhaps the charismatic nature of the leader was so compelling that it took attention away from the larger system in which he functioned.

However, that would be to overlook the context in which this focus occurred. The first focus of the project was on the empowerment of the members of the system. As the endeavor unfolded, Peter's behavior with respect to the formal initiative, and to how he treated his staff on informal levels as well, seemed to be disempowering. Therefore, it was the focus on the organization that led to the focus on the leader. This focus switch

was done within the context of the larger system in which he functioned. It became the relevant feature to explore, given his dominant position in the system.

Therefore, I am saying that a legitimate manifestation of Chisholm and Elden's openness of the research process dimension is to include work done with the leader of the organization. If the research portion of the dissertation project had been extended, it would have been logical to take this information back into the system in a more formal way than we did. However, as it is, it is still a valid extension of the AR process, because the purpose was to help the leader affect his behavior within the system in which he functioned.

It is an interesting speculation to wonder whether work of this kind—focusing on the leader of an early stage organization as a way to intervene in the organization—could become a useful way to intervene in organizations at this stage of development in general. From Adizes' (1988) description of early stage organization leaders, many seem to fit the charismatic profile. If that is so, there may be other organizations of a type similar in structure to XYZ with dominant leaders in which working with the leader through using AR may help the organization itself. That speculation is, of course, beyond the scope of this work.

The next dimension about which Chisholm and Elden write regards the intended outcomes of AR. They say that AR in its emergent form seems to be useful in promoting

change all the way from an incremental level of change, through to what they call a Gamma level of change: change involving a basic reorientation and restructuring the system that often necessitates an accompanying change in the organization's culture (1993, p. 290). The comment to be made here echoes what I wrote in regard to the dimension of the level of organization of the research setting. That is, in this case, the purpose of the most useful intervention in this case, the formulation and informal adoption of the P1 and P2 local theory, seemed to have more to do with stabilizing a chaotically changing situation than it did with promoting a greater degree of change. Or at least the stability it created may have promoted a higher order of change. If this kind of situation—chaos emerging from the young stage at which an organization functions—is typical of other Experiments stage organizations, then AR may find a new application as a producer of stability, instead of its traditional role as a catalyst for change.

The final dimension that Chisholm and Elden name is that of the role of the researcher. In describing this dimension, they outline the various types of roles that the researchers and participants can play, basically highlighting the expert versus collaborator role for the consultant, and the recipient versus contributor role for the system members. At the outset of this project I declared that the stance I would take during this project would be one of collaborator, with the conscious intention of having the participants be co-collaborators and creators of meaning as well as structurers of the process.

In reality, that stance proved harder to maintain than I'd initially thought. Aside from the usual external pressures on me as the consultant to give answers, rather than provoke reflection, and my own internal tendencies to want to control the meaning-making process, I contend that there is at least one other feature of early stage organizations that tend to propel the consultant nearer to the expert rather than the collaborator role.

Most of this pressure comes from the pace at which young organizations need to move in order to survive (Adizes, 1988). Time was a precious commodity for XYZ company. Therefore, the time needed for collaboration had to be parceled out carefully. Meetings that I would otherwise have structured to be day-long in duration needed ended up taking place in one and two hour chunks. But even more than that, I felt pressure to foreshorten some collaborative processes by doing them myself because of time considerations. This occurred during the formal empowerment initiatives as well as the informal intervention with the leader. For example, in the first empowerment initiative, when data were collected and they needed to be analyzed, I felt pushed to do the analysis myself, rather than having members of the staff join me. They finally did join me, but instances like this were common. In a situation such as this, collaborative researchers need to make careful decisions as to what issues really call for collaboration, and what the researcher can handle herself.

Summary

This chapter I told the story of the interventions with XYZ company. Then, I analyzed how the local theory of change was created, how effective the interventions were, and then discussed the form of action research I used in this case, analyzing it according to earlier work done by Max Elden and Rupert Chisholm. Lastly, I made a case for what the form of action research I used could bring to early stage organizations, and for fleshing out the five dimensions of emergent action research based on the research done for this case.

The next chapters will explicate the academic theory brought to bear on this case, and how they were used.

CHAPTER FIVE: Reflections on the Story in Light of Charismatic Theory

Introduction to the Chapters 5 through 7

The purpose of the next three chapters is to explicate the academic theories that were used in this case and describe their role in the creation of the local theory.

In an action research dissertation, theory has two functions: (a) to add to the project participants' knowledge and ability to take effective action (for us), and (b) to add to academic theory (for them) (Reason, 1999; Coghlan & Brannick, 2001).

As explained in chapter 3 and 4, the kind of theory created with the help of, and for the use of, the participants themselves is called *local theory*. The purpose of local theory is to “synthesize the knowledge of individuals into a . . . theory of cause and effect relationships” (Elden, 1983, p. 22). Therefore, a main thrust of these three chapters is to show how the interplay of academic theory with the experiences happening in the project led to the creation of a local theory for the participants of the project. The other thrust of the chapters is to indicate where the theory created and used in the project contradicts, reinforces or contributes to existing academic theory, and/or may open avenues for further research.

The chapters are structured in the following way: In chapter 5, the basic elements of charismatic theory are reviewed, and then the process we used to construct a local theory of change based on our interactions and elements of charismatic theory is explicated. In chapter 6, the same process is followed for elements of empowerment theory. Chapter 7, whose content area —the intersection of organization life cycle theory with ego development theory—was added following the data gathering period, further analyzes the intervention, provides corroboration for the findings, adds to their depth and complexity, and forms the basis for the next iteration of local theory to guide a future intervention (another cycle of action research!). The chapters are structured so that findings in the later chapters build on findings in the earlier ones.

Here is a brief overview of the conclusions to which each chapter comes:

1. In chapter 5, after reviewing the basic constructs of charismatic theory and two related theories, narcissism and mythic personality, I show how characteristics of Peter and/or the circumstances seemed to justify using elements of these theories as a possible meaning-making frame for the situation. Secondly, details concerning how the local theory of change was created are presented and explained. Thirdly, I summarize the findings of two instruments that were employed to further validate whether Peter could truly be called charismatic.

2. In chapter 6, I present an overview of theory on organization and individual empowerment and evaluate the formal empowerment intervention, highlighting what did and didn't work. Next, I explore the Peter's ambivalence regarding empowerment, noting that charismatic leader ambivalence regarding empowerment is an unexplored area in terms of charismatic theory. Lastly, I add empowerment elements to the local theory of change, the informal AR intervention.
3. In chapter 7, I seat the story of YNI and its leader within the framework of a blend of organizational and ego stage development, as pioneered by Torbert (Torbert, 2001). I compare the results of the Cook-Greuter Leadership Development Profile (Cook-Greuter, 2001) with the components of the local change theory and find significant areas of agreement, which are used to amplify the change theory.

Overview of Charisma and Related Theories

This exploration of charisma and its relevance to this case starts with a review of relevant literature. The literature is chosen from several social science specialties, and includes profiles of leadership types that are closely related to charisma. The reason for somewhat wide cast of the theoretical net is that even though much research is currently

being done on charisma within the field of organization behavior (e.g., Bass, 1993, Conger, 1993, 1998; Conger & Kanungo, 1988, 1998; House, 1992; House & Howell, 1992, House & Shamir, 1993; Shamir & House, 1993; Shamir, Zakay & Popper, 1998; Trice & Beyer, 1986; see also Aaltio-Marjosola, 2000; Arsenault, 1998; Bradley, 1987; Cacioppe, 2000; Chemers, 1993; Crant, 2000, Hinkin & Tracey; 1999; Jones, 2001; Larsson, 1996, Popper & Zakkai, 1993; Popper & Lipschitz, 1994; Rowden, 2000) other useful literature comes from outside this field, notably sociology (Weber, 1968), political science (Burns, 1978), psychology (Maccoby, 2000), and the intersection of psychology with organizational behavior (McWhinney, 1992; in press).

Each of these various disciplines has something to offer in terms of making sense of this live situation. However, because each of these disciplines study the concept of charisma using different units of composition (society, organization, individual), care needs to be taken to remember that each explanation offered is only partial at best, and that each attempt to explain may need to be tempered with information from other of the units of composition as well.

The use of the term *charisma* as applied to leadership stemmed from work by sociologist Max Weber as he sought to characterize forces that shaped the building of human institutions. From there it was discussed by political scientists and historians and

applied to leaders of many different kinds of groups, (e.g., Burns, 1978). In the late 70s—early 80s the term began to be used by organizational behavior researchers.

Other scholars have written on types of behavior that share some, but not all, of the defining characteristics of charismatic leadership, such as narcissistic leadership, (Maccoby, 2000) or mythic personality (McWhinney, 1992). These investigations contain insights that can serve as light shined on the subject of charisma from a different angle. They illuminate some common aspects and miss others, but also bring out yet others (hidden in the shadows?) that I believe show the depth and complexity of the subject missed in some of the organizational behavior literature.

Max Weber and Charisma

Max Weber introduced the term *charisma* in a context in which he sought to describe the forces that shaped human institutions. He described three principles under which humans organize: the traditional—systems that evolve based on past structures and ways of behaving (such as monarchical succession); rational-legal—systems based on rules and norms agreed to by a majority; and charismatic authority—his term for the forces of individual creativity and responsibility (Conger, 1993).

I begin with this statement of context because, as opposed to many researchers interested in the concept of charisma who came after him, Weber was not necessarily

focused on studying the workings of leadership on an individual, psychological level (i.e., what makes a leader tick). Rather, his scope was much broader—to understand how humans organized and changed their organizational structures. Therefore, some of his descriptions of charisma seem focused on the individual characteristics of a person, whereas others seem more concentrated on context in which a charismatic leader might arise—times of crisis; the type of people who might follow him—“followers exhibit complete devotion arising out of enthusiasm, or of despair and hope” (Weber 1968, p. xxvii); and what effect the charisma might have on existing institutions—to destroy and/or radically refashion them. The short hand way of saying this is that he veers back and forth between psychological and sociological descriptions and/or categories as he fleshes out what he calls charisma.

Conger puts off this lack of precision to the fact that Weber’s research was pioneering and seminal to starting a whole field, so that therefore categorical fuzziness can be excused (Conger, 1993). However, after having read early and recent research, I wonder if the answer is not more complex than that. Perhaps charisma is at once a psychological and sociological phenomenon, or at least a manifestation of a whole that cannot be separated into the parts that our modern social science specialties can easily accommodate. Exploring this question in depth is beyond the scope of this work, however, for now, please note how Weber’s definitions walk back and forth between the

two disciplines, whereas in later research, at least in organizational behavior literature, other than to Trice and Beyer's 1986 study (to which I will refer), much of the focus seems to be only on the attributes of the leader, or leader/follower relations, and not on setting the phenomenon in any larger context.

The root of the word charisma is Greek meaning favor, or gift, from *charizesthai*, which means to favor; from *charis* grace; akin to Greek *chairein* to rejoice (Dictionary.com, 2001). It is a word that is used often in the Second Testament of the Christian Bible, where then it is defined as gifts of the spirit: for example, the charisms of the Holy Spirit (fortitude, wisdom, etc.) that were visited on the faithful on Pentecost for the good of the church (Freedman, 1992). When these gifts were given by God, they would endow the bearer with what seemed to be an unusual ability to perform actions that exemplified those gifts.

Weber seems to echo this sense when he starts by defining charisma as:

. . . a certain quality of an individual personality by virtue of which he is set apart from ordinary men and treated as endowed with supernatural, superhuman, or at least specifically exceptional qualities. . . (Weber, 1968, p. xxii)

The charismatic fervor is rooted in the attempt to come into contact with the very essence of being, to go to the very roots of existence, of cosmic, social, and cultural order, to what is seen as sacred and fundamental. (Weber, 1968 p. xxiv)

Or, as Edward Shils summarizes Weber:

This extended conception of a charismatic property (as perceived by one who is responsive to it, including the "charismatic person" himself) refers to a vital,

“serious,” ultimately symbolic event, of which divinity is one of many forms. Presumptive contact with the divine, possession by the divine, the possession of magical powers, are only modes of being charismatic. Contact with this class of vital, “serious” events may be attained through reflective wisdom or through disciplined scientific penetration, or artistic expression, or forceful and confident reality-transforming action.

(Shils, quoted in Weber, 1968, p. xxv)

However, Weber was not so interested in whether and/or how an individual leader was gifted, or what the nature of relationship to that “center” was, as he was in making a statement about social movements that had their roots in the creativity and authority of a single, compelling, individual thought to be extraordinary because of his or her connection to forces such as those expressed above.

In explaining the charismatic force for institution building, he grouped all forces of individual creativity and responsibility under this umbrella. It was in the principle of charisma that he saw hope for the expression of the sense of life’s mystery and meaning. His fear was that rule by rational legal mandate, or rule by the majority, would extinguish the role of individual and personal responsibility in society and would ultimately demystify human existence to the point that life might become meaningless (Conger, 1993).

Thus, Weber tried to describe charismatic groups and sects and the role they played in society. He thought that social or political systems based on charismatic

legitimation exhibited certain characteristics that reflect the intense, personal nature of the response to charisma:

- (a). a distinctive moral fervor that is sharply opposed to the forms of traditional morality and sober rational calculation (because of the charismatic leader's supposed relationship to a higher power);
- (b). a lack of elaborate systems or roles, rules and procedures to guide the performance of administrative functions;
- (c). a disdain of everyday economic activity designed to sustain the group;
- (d). a total antithesis of routine, of organized social institutions and relations; and
- (e). a form of organizing more likely to emerge or be legitimated in times of crisis.

He further thought that this was the only type of organizing principle through which change of any depth could take place.

Given the absolutistic moral fervor, the revolutionary disdain of formal procedures, and the inherent instability of the lack of provision of succession, charismatic activities and orientations, because of their close relation to the very sources of social and cultural creativity, contain strong tendencies toward the destruction and decomposition of institutions. (Weber, 1968, p. xxvi)

Because the nature of charisma was to question the established as it sought stronger ties with the center, the ground of being, it was the one force that could work on and transform the other two. Charisma could be seen as a sort of catalyst. The purer the form of charisma, the more likely it was that the group it manifested in would be unstable.

This was because its nature to question led it also to continually question its own forms. However, Weber saw that most charismatic organizations were tempered by other institutional forms. Thus, he wrote that one likely consequence of the success of a charismatic group was its graduation transition into a less creative and more stable type of institution, usually a bureaucracy (which then could leave itself open to a new charismatic insurgence).

Weber basically wrote about charisma in terms of the force it played in institution building, and did not seem to be interested in the psychology of it for psychology's sake. However, he did spend time describing the force itself. And indeed, that is one of the interesting features regarding how he wrote about charisma: Instead of describing people who had charismatic traits or behaviors, he spoke of it almost as though it was its own separate entity.

Frequently, *charisma quite deliberately shuns* the possession of money and of pecuniary income per se, as did Saint Francis and many of his like; but this is of course not the rule. . . . Charismatic political heroes seek booty and above all, gold. But charisma, and this is decisive, always rejects as undignified any pecuniary gain that is methodical and rational. In general, *charisma rejects* all rational economic conduct. . .

In order to do their mission, the holders of charisma, the master as well as his disciples, and followers, must stand outside the ties of this world, outside of routine occupations, as well as outside the routine obligations of family life. The statutes of the Jesuit order preclude the acceptance of church offices; the members of orders are forbidden to own property, or according to the original rule of St. Francis, the order as such is forbidden to do so. . . All this is indicative of the

unavoidable separation from this world of *those who partake of charisma*. (Weber, 1968, p. xxviii; emphasis mine)

Either this usage is a result of translation, or Weber seemed to see charisma as a state in which one partook, rather than a set of characteristics one had.

Weber also viewed charisma as neither good nor bad. He saw it as a force that could embody either creative or destructive tendencies:

The attempt of the charismatic fervor to come into contact with the very essence of being . . . of what is seen as sacred . . . may also contain a strong predisposition to sacrilege: to the denial of the validity of the sacred, and of what is accepted in any given society as sacred. The very attempt to reestablish direct contact with these roots of cosmic and of sociopolitical order may breed both opposition to more attenuated and formalized forms of this order, as well as fear of, and hence opposition to, the sacred itself. (p.xxiv).

It is in the charismatic act that the potential creativity of the human spirit —creativity which may perhaps in some cases be deranged or evil —is manifest; and it is not only the potential derangement, but such creativity by its very nature and orientation tends to undermine and destroy existing institutions and to burst the limits set by them. Similarly, on the personal level, charismatic predispositions may arise from the darkest recesses and excesses of the human soul, from its utter depravity, and irresponsibility of the most antinomian tendencies; while on the other hand charisma is the source of the fullest creative power and internal responsibility of the human personality. (p. xxv)

An eerie echo to this observation can be found at the end of the introduction to John Toland's biography of Hitler, *Adolf Hitler*, where he writes:

Hitler was far more complex and contradictory than I had imagined. "The greatest saints," observed one of Graham Greene's characters, "have been men with more than a normal capacity for evil, and the most vicious men have sometimes

narrowly evaded sanctity.” Deprived of heaven, Adolf Hitler chose hell —if, indeed, he know the difference between the two. To the end, obsessed by his dream of cleansing Europe of Jews, he remained a Knight of the Hakenkreuz, a warped archangel, a hybrid of Prometheus and Lucifer. (Toland, 1976, p. xiv)

This quote speaks of the complexity and depth of the phenomenon of charisma.

Indeed, I have given so much space to an exposition of Weber’s perspective because I believe his narrative descriptions make it easier to identify with and/or understand the phenomena than do the trait-based, classificatory descriptions used by some later organizational behavior writers.

John MacGregor Burns

In 1978, the political scientist and historian John MacGregor Burns wrote his classic, *Leadership* (Burns, 1978), which was to become one of the determining works for the field of organization behavior, influencing many of the organizational behavior scholars who since have written on the topic of leadership. In this book, he introduced two terms that have since become a basic part of the lexicon of leadership studies: *transformational* and *transactional* leadership.

Burns saw transformational leadership as leadership for change, as implied by the term itself. Transformational leaders raise awareness of followers to broader and more important goals, move them toward higher-level motives, and influence them to move

beyond their own self interest for the benefit of their organization, or of society (Bass, 1993). Transactional leaders, on the other hand, operate from the point of view of day-to-day relationships and instrumental exchanges. The relations of most leaders and followers are transactional —leaders approach followers with an eye to exchanging one thing for another: jobs for votes, or subsidies for campaign contributions. Such transactions comprise the bulk of the relationships (Burns, 1978).

As the leadership discourse has evolved, many writers equate transformational leadership with leadership itself, and transactional leadership with management (Conger & Kanungo, 1998, 1998). Some, but not all, of these researchers further equated transformational leadership with charismatic leadership (e.g., House, 1993).

Burns himself, however, did not. He thought that the word charisma had been used to mean so many different things that it was too ambiguous to be “restore(d) . . . to its analytic duty” (p.244). Instead, he preferred the term heroic leadership, which he defined as,

belief in leaders because of their personage alone, aside from their tested capacities, experience or stand on issues; faith in the leaders' capacity to overcome obstacles and crises, readiness to grant to leaders the powers to handle crises; mass support for such leaders expressed directly. . . . Heroic leadership is the symbolic solution of internal and external conflict, by projecting fears, aggressions and aspirations onto some social objects which allow a symbolic solution (p. 244).

He saw the main appeal of heroic leadership to be that it incited and appeased emotional needs. “It is far easier, according to Pye, to communicate emotional and personal support than substantive government programs” (p. 246).

Thus, he relegated heroic leadership to idol worshipping, and removed from it any reference to societal change. Its function, if anything, was to offer societal appeasement for angst without offering any real solutions. For Burns, what was missing from a heroic leader’s approach was a commitment to an ideology, and to implementing that ideology.

It is interesting to note that whereas Burns defined a type of leader —transformational —that other writers have called charismatic, he shunned the term charismatic itself as too ambiguous. We can look at that as having been motivated by a desire to be rigorous, which it may indeed have been. On the other hand, it may also be due to the fact that Burns viewed the phenomena only through the socio-political lens. Perhaps the clarity he found lacking could only be supplied by a psychological view of the phenomena. Here, then, may be one instance of where the complexity of the phenomenon outstrips one discipline’s ability to capture it in its totality.

Psychological Perspectives

There are two perspectives that I will examine in order to understand some of the psychological dynamics that motivate a charismatic leader, that of Michael Maccoby on

narcissistic leaders, as well as that of Will McWhinney, on the mythic personality type.¹ Neither of these descriptions carries the title *charismatic* per se. McWhinney does go on to describe charismatic leaders and says that most of them are based on a mythic type. Here, we will be focusing on the mythic type itself.

The descriptors these authors use closely overlap those used by other authors cited in this study for their depictions of charisma. Where they don't overlap, the differences will also be noted; it is my assertion that some elements of these other theories add needed dimensions to enable sense making of this phenomenon.

Maccoby and narcissistic leaders.

Michael Maccoby, writing in the *Harvard Business Review*, takes the Freudian classification of personalities (obsessive, narcissistic and erotic) and uses the narcissistic classification to describe a phenomenon very similar to that of charisma. A psychoanalyst, anthropologist and management consultant, Maccoby uses the term *productive narcissist* to describe the functional end of the spectrum of this personality type, which is what this article discusses (Maccoby, 2000).

Many of the positive qualities of a narcissistic leader mirror those of a charismatic, as defined later in this chapter by organizational behavior theorists.

¹ McWhinney actually writes in the field of organization behavior as well, and sees his description of this personality type in terms of how it as a leadership style would influence the organization; however, at this point I will be describing the only the psychological component itself.

Narcissistic leaders “are gifted and creative strategists who see the big picture and find meaning in the risky challenge of changing the world” (p.72). They “have the audacity to push through the massive transformations that society periodically undertakes” (p. 70). “Narcissists come the closest to our collective image of great leaders. There are two reasons for this: they have compelling even gripping, visions for companies, and they have an ability to attract followers” (p.73). And finally, “productive narcissists are not only risk takers willing to get the job done, but also charmers who can convert the masses with their rhetoric” (p.70).

But, there is room in this typification for traits from a person’s nether side as well. “After all, “ as Maccoby (2000) notes, “Freud named the type after the mythical figure Narcissus, who died because of his pathological preoccupation with himself” (p. 70).

Narcissists are typically not comfortable with their own emotions. . . . They listen only for the kind of information they seek. They dominate meetings with subordinates. . . . And given their difficulty with knowing or acknowledging their own feelings, they are uncomfortable with other people expressing theirs —especially their negative feelings. (p.73)

Narcissists are also overly sensitive to criticism. They feel that criticism or slights “are like knives threatening their self-image and their confidence in their visions” (p. 73). Thus, they cannot tolerate dissent. Maccoby asserts that one serious consequence of this oversensitivity is that these leaders do not listen when they feel threatened. They can

show a distinct lack of empathy, so much so that “they easily stir up people against them, and it is only in tumultuous times, when their gifts are desperately needed, that people are willing to tolerate narcissists as leaders” (p.74).

And lastly, narcissists are often more interested in controlling others than in knowing themselves, leading to their lack of desire to participate in the kind of introspection called for in therapy.

McWhinney and the mythic personality.

McWhinney writes about the mythic personality (McWhinney, 1992; in press). Unlike Maccoby, McWhinney’s take is rooted appreciatively rather than pathologically. His description seeks to depict the type of personality who believes he or she creates the world. To this category he ascribes artists, charismatic leaders, and other creative geniuses.

The definition of the category itself is challenging. First, there is the . . . belief that the world is one, that everything is connected, monistically. . . . Secondly, there is the belief that reality is to a degree a product of one’s free choice. The two combine to imply that the mythic person alone makes up the world in which s/he lives. (I use the singular here as the mythic principle does not accept a plurality of agents.) . . . (McWhinney, in press).

In the extreme, the mythic person creates everything in his world, objects, time, people, the universe itself. The philosopher sees it as solipsistic; a therapist may identify it as schizophrenic; and the world may pay homage to a powerful mythic for his or her artful creativity and charismatic leadership. . . .

If I were to speak from the mythic view, I would say (to myself, of necessity): “All the world is my creation; you, my readers are of me; I people the world, I

create its phenomena, and I assign it in time and locate in space, which concepts themselves are given meaning only by my thought.” (McWhinney, in press)

What McWhinney offers us that other writers haven't is a look inside the worldview of someone with a charismatic temperament. Other writers describe personality traits, effect on followers or on organizations, but without helping us understand the world as the mythic or charismatic understands it him or herself. And, as I read it, McWhinney relates the subjective experience of the mythic, without judging it: It is not depicted as an egotistical stance, or on based on psychological defenses.

McWhinney gives us the reasoning with which to probe more deeply into Maccoby's assertion that narcissists feel threatened if another disagrees with him or her: If I alone create the world and you disconfirm what I have willed to be so, you are in effect saying that I don't exist. This can help those of us who work with charismatics understand that what feels to us like the charismatic's need to control or rename what we experience actually comes from their own sense of fear about their survival, rather than a need to prove us wrong and in some way dominate us.

What is helpful from these two scholars in understanding charisma is Maccoby's depiction of the nether side of narcissist, and McWhinney's non-pathological description of what might motivate this nether side. In the model set forth by organization behavior theorists, I have found very little regarding the nether characteristics

of the charismatic. But I have found them to be a very real presence in the leader with whom I worked. These two theorists paint pictures that describe their presence, and give access to a theory about why a charismatic might display them.

Organizational Behavior Theorists

Whereas contributors to the psychological understanding of charisma lend depth to the construct at an individual level, organization behavior theorists have begun to translate the concept for use within modern organizations, as opposed to within politics and/or society as a whole. Many of these researchers have sought to operationalize the concept, that is, to see if its dimensions can be converted into observable, measurable data. They ask questions such as: Is this a stable phenomena? Are there certain conditions, qualities, attributes, etc., present any time charisma is present? Can charismatic theory have predictive value? The descriptive richness of the stances described in above sections tends to be diminished in these operationalized constructs; however, their work can be seen on one level as an attempt to ferret out what is germane to the construct from what is ancillary; that is, what we might expect to be repeatable and essential any time charisma is present. On another level, it seems ironic to try to study a phenomena of engagement by being totally disengaged, which is what quantitative methods ask us to be. More about this irony later in this chapter.

We begin this part with a brief background on how charisma came to be of interest to organization theorists in the last few decades, and who some of the prominent theorists are.

Because of changes in the business environment, and building on Burns' and others' work, organizational behavior researchers in the 80s and 90s built leadership models based on what they called charismatic or transformational leadership. Some writers call this the *new leadership school* or the *neo-charismatic paradigm* (Conger & Kanungo, 1998). Prior to this time, theories of leadership focused on initiating structure, transactional exchanges, decision making, and other aspects which might today be called *managerial* (Bass, 1993; Conger & Kanungo, 1998). The role of visioning, of navigating successfully in a turbulent environment, of guiding people to a desired future, or of creating a cycle of rising expectations that ultimately transform both leaders and their followers was not prominent in the leadership discourse within the field of organization behavior.

However, with a paradigm pioneered by Burns and others, and then pushed by the increasing reality of rapid business change, more interest became focused in this area. Charismatic leadership began to be seen as a force that could potentially unite organizations in a rapidly changing and otherwise chaotic environment, provide motivation and spur loyalty in an era where lifetime employment was a thing of the past,

and spark imagination, innovation and reinvention when creating the next new thing was now crucial for an organization's very survival.

Prominent theorists in this group include Bernard Bass (1993); Jay Alden Conger and Rabindra Kanungo (Conger, 1993, 1998; Conger and Kanungo, 1988, 1998), Robert House, Boas Shamir, and Jane Howell (House, 1992; House & Howell, 1992; House & Shamir, 1993; Shamir, House, et al., 1993; Shamir & Zakkai 1998), and Harrison Trice and Janice Beyer (1986). They worked during the 80s and 90s to develop constructs with which this type of leadership could be identified, researched about, and theorized with.

The following presentation highlights the work of two of the sets of researchers: Trice and Beyer (1986), and Conger and Kanungo (1998). I have chosen them because they each have presented a model of charismatic leadership that the reader can review and compare to see how different authors view the field. Trice and Beyer's is the earlier work. They were not interested in developing an operationalized theory; that is, one whose elements could be quantified and tested. Rather, they developed a conceptual model based on earlier scholars' empirical and descriptive work. By developing this model, they hoped to define the conditions necessary for charisma to emerge and endure. They then used their model to analyze the functioning of two social organizations, each founded by an arguably charismatic person, over a period of years. Their model is the most sophisticated conceptual blending of individual with organizational and contextual

issues of the ones I reviewed. It provides the most robust frame with which to conceptually evaluate others' schemas in terms of their attention to issues on all three levels.

Conger and Kanungo's model seems to be the most sophisticated operationalized one, building on and incorporating much of the work of the other researchers bent on operationalizing the construct. However, Conger and Kanungo (1998) themselves note that the foci of these operationalized theories have become smaller than with earlier scholarship because

the forces of an intensely competitive, global business world and the paradigms of "managing versus leading" and "transactional versus transformational leadership" not only serve(d) as catalysts to study charismatic leadership but also shape(d) how it was studied and described. For example, . . . the emphasis on the act of leading change encouraged a focus on the *behaviors* and *activities* of individuals who were actually leading. The focus on the exchange would promote thinking about the effect of leader behavior on *follower outcomes*. These early influential theoretical distinctions have clearly shaped what has been studied and what has not in the field of charismatic leadership in organizations. (Conger & Kanungo, 1998) p. 11

Thus, issues of context and organization largely disappear from these types of operationalizing studies.

Trice and Beyer.

Trice and Beyer (1986) build an enumerative definition of charisma based on their review of the research up till that time and drawing heavily from Weber. There are five components to this definition, summarized in Figure 6.

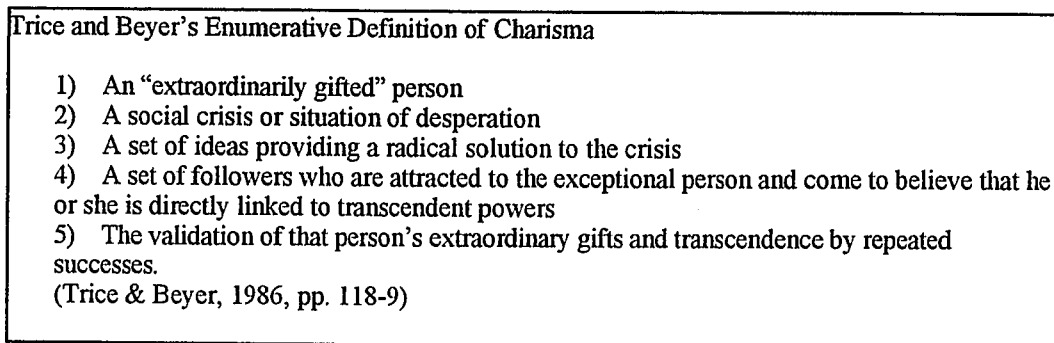


Figure 6. Trice and Beyer's Enumerative Definition of Charisma

The first dimension is the presence of an extraordinarily gifted person. Trice and Beyer note that there is little agreement on the part of researchers as to what those gifts are, and whether they are divinely inspired or arise from other sources, but they argue that the person must always have unusual gifts or be perceived as having them. The notion of perception further brings up the role that attribution plays in the creation of a charismatic leader: The person must be seen as possessing them in order for others to want to follow him or her.

The second component deals with the social setting in which charisma may arise:

There must be a crisis or a situation of desperation. Further, the situation must juxtapose with the gifts of the supposed leader.

Thus, times of crisis . . . will not necessarily spawn charisma, nor is it realistic to argue that charismatics, no matter how potent their endowments, can generate relevancy and cogency for their mission without some fit with the social situation. When the two coincide, the likelihood that genuine charisma will emerge will increase. (Trice and Beyer, 1986, p. 126)

Third is the element of mission. This mission comprises the charismatic's solution to the situation of crisis. It usually recasts the current situation in a different light in which the solution the charismatic offers seems like the best, if not the easiest, choice. So, the charismatic employs his or her gifts in a time of crisis to convert followers to his or her proposal for solving the crisis. For example, Adolph Hitler used his pan-Germanic vision to unite Germans and raise them up from the depression and crisis of the Weimar Republic years. It was within that context that he spoke of the elimination of Jews, communists, trade unionists and other elements he deemed undesirable. (Toland, 1976).

Fourth, there must be followers who exhibit certain characteristics, most importantly, the willingness and ability to believe in the rightness of the leader and his or her statements. As Madsen and Snow comment, "Charisma is never simply the result of the magnetism of a leader; it depends equally upon the 'magnetizability' of the followers .

... an individual is not charismatic when separated from the audience receptive to his particular appeal (Madsen and Snow, 1983, p. 338, quoted in Trice and Beyer, 1986).

And lastly, the charismatic leader must continually validate the rightness of their vision and mission through demonstrated successes. If the charismatic fails, then, because his or her authority is vested in his or her person, once followers discriminate mistakes, doubt may be created, and allegiance withdrawn.

In this theory, we see the obvious importance of the presence of a leader, but there are also other factors that must exist for the situation to truly be called charismatic. A number of these factors rest in the environment in which the charismatic operates: a situation of crisis, the presence of amenable followers, and the necessity of demonstrated successes. Two of these contextually based elements —crisis and repeated success—are not present in the quantitatively based theory we review next.

Conger and Kanungo.

Conger and Kanungo (1998) begin by summarizing the developments in the field of organizational behavior with respect to charismatic leadership so far by noting that one of the effects of these theorists' mainly quantitative work is to standardize a paradigm of charismatic leader behavior and activities. Conger and Kanungo aver that most theorists agree that the paradigm of charismatic leadership includes at least the following behaviors:

1. Vision —the articulation of an idealized preferred future that is highly discrepant from the status quo.
2. Inspiration —the ability to motivate followers to commit to realizing the preferred future.
3. Meaning-making —the ability to interpret contextual events as well as the vision in a way that makes sense and gives importance both to the mission and to each person's role in achieving it.
4. Empowerment —the heightening of followers' sense of self efficacy in being able to bring about the vision.
5. Setting of high expectations —the expression of belief about the followers' high potential, and confidence that the followers will achieve their potential.
6. Fostering of collective identity —related to meaning making, the experience of belonging to a group with a strong sense of unity, with little sense of hierarchy and a willingness to self-sacrifice.

One can see the richness of development in terms of leader behaviors from the earlier definition given by Trice and Beyer, above. Although I find no argument with Conger on much of the paradigm, one of the purposes of this effort is to explore the charismatic's relationship to empowerment, and I will argue that the results of this study point to the likelihood that it is more complex and multifaceted than is allowed even in

Conger and Kanungo's schema, and is also dependent on the definition that one gives to the concept of *empowerment* itself. There will be more about this in the next chapter on empowerment.

Having surveyed the state of current research, Conger and Kanungo next establish their own theory farther along the continuum of complexity by saying that certain traits or behaviors of a charismatic leader pertain at different stages in the development of an organization, or a particular project. They also postulate that certain outcomes will result from the successful accomplishment of the tasks at these stages, which again is an evolution in thinking from other organization behavior theorists' work, which had been more focused on classifying a list of charismatic behaviors rather than trying to hypothesize possible cause-effect relationships. This theory is outlined in Figure 7.

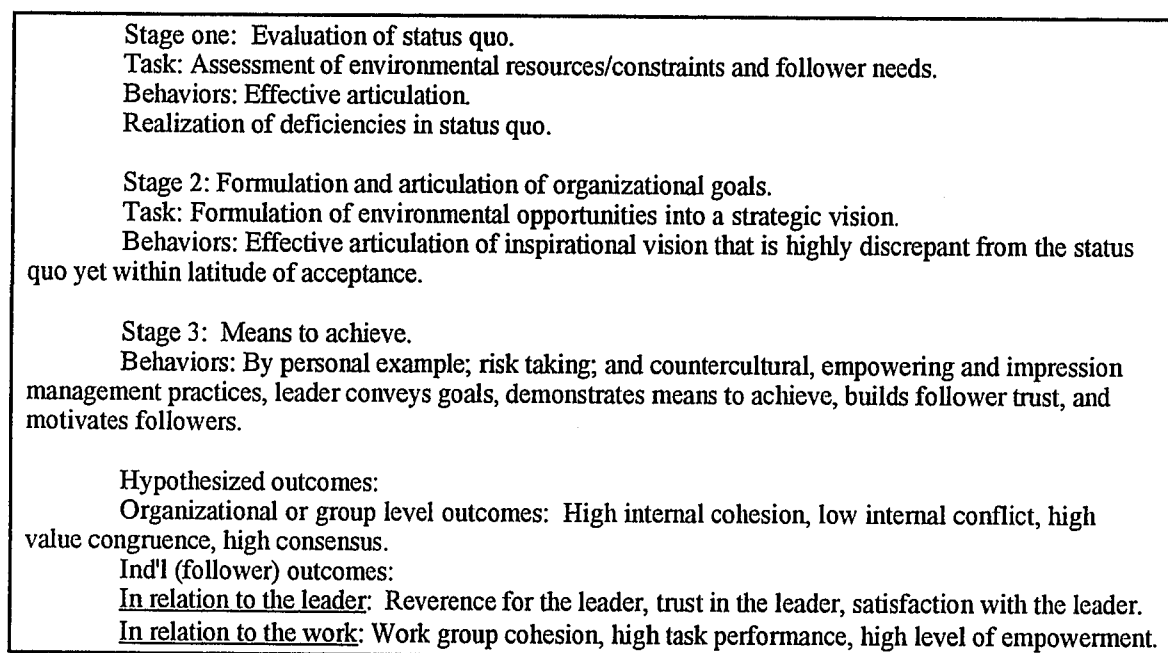


Figure 7. Conger and Kanungo's theory of charismatic leadership.

Conger and Kanungo present six empirical studies using their Conger Kanungo Charismatic Leadership Questionnaire. The primary goals of including the studies were to show the process they used in validating and establishing reliability for the questionnaire, and to begin testing hypotheses generated by the model. One finding of note was that their "five factor" model of sensitivity of the environment (Stage 1) sensitivity to member needs (Stage 1), strategic vision and articulation (Stage 2), personal risk (Stage 3) and unconventional behavior (Stage 3), "provides a significantly better fit to both the empirical data reported in this chapter and the theoretical notions advanced by

Weber on charismatic leadership” (Conger & Kanungo, 1998, p. 115). This is relevant because earlier in the organization behavior discourse on charisma, there was some discussion that Weber’s constructs, even though theoretically interesting, were not born out in the research. See for example Bradley (1987).

This study makes use of a questionnaire developed by the researchers that tests whether or not a leader can be deemed charismatic according to their construct. This is the Conger Kanungo Charismatic Leadership Questionnaire. In this study, the survey was administered to employees and contractors of YNI in order to ascertain whether Peter could be described as a charismatic leader according to an empirically valid and reliable survey instrument. Those results are given later in this chapter.

One strength of Conger and Kanungo’s work is the operationalized theory and associated survey. Another strength is their articulation of what has not yet been adequately researched. A number of the unresearched areas that Conger and Kanungo cite are very similar to the elements in Trice and Beyer’s definition. I include them here because this study hopes to contribute to the last area. They are: (a) follower characteristics and dynamics, (b) contextual influences, (c) routinization and succession, and (d) the liabilities of charismatic leadership. Each element is discussed in the paragraphs that follow.

There has been a long-standing debate over why followers follow charismatic leaders, going back to Weber himself, Burns, and to Eric Hoffer, author of the classic, *The True Believer* (Hoffer, 1951). All of these men argue that charismatic leaders (or heroic leaders, in the case of Burns) are followed by those who feel a basic lack, or hole in their identity, which they try to fill by looking to something or someone outside of themselves.

Weber speaks of followers displaying complete devotion arising out of despair and hope (Weber, 1968). Hoffer speaks of an “escape from freedom,” and Burns, commenting on Hoffer says: “Freedom from responsibility is more attractive than freedom from restraint that they surrendered to leaders because leaders could take them away from their unwanted selves (Burns, 1978).

On the other hand, House and Shamir (1993) argue that followers follow a charismatic leader because of how it enhances their self concept, which would to contradict the notion of running away from the self. Conger and Kanungo also contend that the concept of followers wanting to rid themselves of an unwanted self, such as might happen in a cult or commune type setting, cannot pertain to business organizations where people freely come and go, and often do not choose the manager they have. They further argues that following a charismatic leader enhances a feeling of empowerment.

When I began the focus on charisma in this study, I believed that one area in which I would be able to contribute was in further clarifying the above issue in terms of follower

motivation regarding empowerment. I will have findings on empowerment, but the ambivalences I found rested with the charismatic leader himself. My work in that area took my focus away from learning more about follower motivation; however, it was interest in this question that began my quest in this regard.

On the issue of context, as Conger and Kanungo note, because much of the research has been done through the psychological or social-psychological lens, not a lot of attention has been focused on contextual issues, such as whether charismatic leadership does arise more often in times of crises, etc. Maccoby comments that charismatic leaders are individuals who might be seen as merely idiosyncratic had they arisen at other times in history (Maccoby, 2000). This study will not directly address this issue.

Not much research has been done on the issue of routinization of charisma. The Trice and Beyer study (1986) is often cited as one of the few that has ventured into this area. It focused on two social movement organizations founded by arguably charismatic leaders—Alcoholics Anonymous, and the American Council on Alcoholism—and analyzed the causes of why AA accomplished successful routinization, and the ACA did not. They found that in the case of AA, the founder's charisma was routinized into the organization through a series of constantly repeated rituals and through the non-bureaucratic style of functioning adopted by the organization as it grew. These two phenomena were not present with the ACA.

Conger and Kanungo acknowledge that not much research work has been done in the field of organization behavior on the topic of liabilities of charismatic leaders. Much of the writing to date describes the strengths of this kind of leadership —one need look no further than the paradigm listed above that Conger and Kanungo say has been agreed upon by quantitative researchers to see an example of such laudatory description. It is one of the purposes of this study to make a contribution in this area. By describing the behaviors as they appeared and then relating them to theoretical constructs, later in this chapter, I hope to fulfill one of the intents of inductive, qualitative research: to point out a direction where further research is needed.

A final comment on this section of the chapter: an irony in the work of these organizational theorists is the detached, empirical, operationalized, variable-laden discourse to which charisma is reduced. Charisma is arguably one of the phenomena of organizational life that most demands engagement. And yet we are to forward our understanding by “strip(ping) away its surrounding aura of mystery” (Conger & Kanungo 1998) to better comprehend it. I do believe there is a role for this kind of reductionistic paradigm. However, it should remain only one lens we look through in trying to understand charisma, and not *the* lens. The larger answer to this question is beyond the scope of this paper, and is actually a part of the larger social science discourse about

methodology and the relevance of the subject-object split (for example, Hillman, 1992; Greenwood & Levin, 1998; and many others).

Conger acknowledged this himself in an article published the same year as the above-cited book, "Qualitative research as the cornerstone methodology for understanding leadership" (Conger, 1998). In this article, he notes that qualitative studies

can be the richest of studies, often illuminating in radically new way a phenomenon as rich as leadership. They are responsible for paradigm shifts, insights into the role of context, and longitudinal perspectives that other methods often fail to capture. (p. 107)

This statement forms part of the rationale for doing this qualitative case study on one arguably charismatic leader.

Applying Aspects of Charismatic Theories to Peter and XYZ

This next section applies aspects of different researchers' work on charisma to the situation at XYZ, and to Peter, specifically. Following the tenets of local theory creation (Elden, 1983; Elden & Levin, 1991; above in chapter 3; pp. 41-2; and chapter 4, Figure 5), the purpose of this exercise is to bring in elements of academic theory that will form the *theory based action theory* step (chapter 4, Figure 5, p. 129). In this project, elements of charismatic theories, empowerment theories, and organization/ego stages theories comprised this step. This chapter speaks to how charismatic theory was used, chapter 6

to how empowerment theories were used, and chapter 7 to how organization/ego stage theories were used.

The difference between proving Peter to be a charismatic leader, and using elements of charismatic theory to create a local theory is crucial. In this context, I am not trying to say Peter is a charismatic leader, and therefore he will behave one way or another; rather, I am saying that employing elements of these theories is useful in making meaning of the situation as it existed, and then in enabling the players to take more effective action based on this meaning than they would have otherwise. The usefulness (or correctness, if need be) of the theory is tested by asking the question, did it work? This was explored at the end of chapter 4. Therefore, the choice to employ one set of meanings versus another must be made carefully. This section details the rationale for the choices made. It also traces the evolution of how the theories were applied: Some information was learned, then applied (charisma in general), then more was learned and applied (productive narcissism and mythic personality) as a result of new behaviors coming into focus based on the first application of theory.

Interpreting Peter and the Organization in Light of Charismatic Theorists

Appendix B presents a capsulized version of the theorists that we have overviewed so far. I have classified them according to the social science discipline to

which they belong, as well as what part of the charismatic or associated phenomena they comment on. In addition, at the bottom of the columns I have offered what I consider their strengths and limitations in terms of their characterization of the phenomena.

I will review each theorist and select episodes that led me, or others involved, to believe that this line of exploration would bear fruit. We will begin with Weber.

Max Weber

Endowed with supernatural, superhuman qualities. Rooted in an attempt to come into contact with the essence of being.

The recognition of superhuman qualities in another is a quite subjective experience. From conversations with the staff, I could pick up what seemed to me to be the effects of being in a relationship with someone described that way: awe, reverence, a sense of being willing to go to the mat for this man. Examples of these are related in chapter 4. In my personal experience with Peter, my sense of the supernatural was partially the deep sense of humility I experienced in him when he would be willing to admit his own mistakes and allow those around him to see him being vulnerable. I can only describe those experiences as feeling as though I was in touch with something very holy. It did not necessarily seem that Peter was holy, in the sense that he could be venerated or set apart as a religious figure, but rather that experiences like this generated a

sense of being in the presence of something human and holy about all of us. It was an experience of joining. I felt this particularly as we learned to fight with each other, but that quality of experience was there at least in part from the very beginning.

However, nothing that I have said immediately above, or related in terms of the words that the staff used to describe him in chapter 4 indicates anything objectively holy; he did not work miracles, or appear to possess other powers beyond the ken of most humans. He was very smart, charming, able to think systemically, quick to laugh (as well as frown); none of those seem supernatural. As I said, the feeling of specialness or sacredness evolved more out of relational experiences than out of observational ones. These experiences may not meet the criteria as Weber named it; however, there was a tangible experience of something awe inspiring.

Spurns rational economic activity.

There was contradictory evidence in Peter's behavior regarding this point. Obviously, he was in a business, however, he was going against all the rules of how one was supposed to start up a company, especially one on the internet. At the time, *Fast Company* and *Business 2.0* as well as more mainstream business oriented magazines were full of stories of companies whose valuations were into the hundreds of millions, if not billions, and into whose coffers were pouring millions of dollars in venture funds. Part of the game was to see who one could get to fund what. Into this dizzying array of Silicon

Valley wonders came Peter, who financed the whole enterprise himself, and without going into debt. To me, this smacked of not rational economic activity. And up to this day, through its ups and downs, the company still has not gone into debt. Whether this is the wise course of action in order to build a company can be debated, but it was definitely outside the norm.

Secondly, during the time of the project, he took about \$42,000 for himself out of a business that was running at a near double-digit profit margin. For a capitalist, this also did not seem like rational economic activity; at least it was unexpected.

Thirdly, he had his own method of accounting and bookkeeping, eschewing double entry bookkeeping as too traditional, with too many steps inserted for no apparent reason. Although Steve changed his mind on some of his opinion about the profession's standard method of keeping track of finances, the fact that he wanted to use a different method again put him some what outside of the norm in terms of economic activity.

However, Weber's examples of spurning rational economic activity were St. Francis of Assisi, and Jesus Christ. Both of these men appeared to operate outside of any type of economic system, relying on what could be termed the abundance of the universe for their sustenance and urging followers to do the same. Peter stayed decidedly within the bounds of American capitalism, although he employed it in an unconventional way. His views on double entry bookkeeping could have been more a sign of his interest

in going to the roots of an institution (still a charismatic characteristic), rather than a spurning of rational economic activity altogether. His decision to fund the enterprise on his own could have been more a indicator of wanting control than of the kind of surrender displayed by Weber's examples. However, he did not exhibit the greed of some capitalists in terms of taking all (or any, for that matter) of the profits for himself, or of building a company quickly through attracting investors just to cash out and reap the ensuing (at that time) economic benefits for himself. So, there is some evidence of originality, at least.

Could be creative or deranged.

This description is one that lends a negative or positive valence to the concept of charisma. Weber is saying that the bearer of charisma could be either, and that as it stands, charisma is a neutral concept. Only by dissecting the bearer's means and ends could one offer an opinion as to whether and to what extent the bearer is creative or deranged. As an example of a deranged charismatic, Weber offers up Hitler. Nothing in the situation of which I was a part lent weight to the idea of Peter being deranged as Weber seemed to use the term (insane; mentally disturbed; Dictionary. com, 2001). Weber's use of the term seemed to be confined to personages like Hitler, rather than someone with a complex enough personality to have parts of it be labeled "P1" or "P2".

However, this notion of Weber's was part of the beginning of looking for more complexity in the charismatic phenomenon.

Lack of elaborate systems, rules, procedures.

On the one hand, this characteristic might be able to be said of any small company. On the other hand, many entrepreneurs who start small companies could be thought of as charismatic (Adizes, 1988). This lack was present in Peter's company in the following ways: No one in the company had a title in the two-plus years of the project's duration; communicating was done by shouting across desks (Steve: the Texas intercom) or by e-mail; there was no employee handbook or policies; even in the product development area (software coding) programmers would start to work one day on what Peter and Len had decided the day before. Although different functions were spoken of in the organization (customer service, sales, project management, etc.), no one was ever given formal responsibility for any of those areas.

Antithesis of routine. The extent to which this was true can be captured by the fact that an allusion to constant change was even woven into the company's vision: "Always be in the beta-stage" (see chapter 4, p. 81). And the company lived that out. A complaint raised by several employees was that they would learn a new procedure or way of doing something for a customer only to have it change the next day because the

process had been improved or changed to meet the customer's need, or because Peter had thought through a better way of doing it.

Therefore, this was at once a strength and weakness. The strength was that Peter could get his company to turn on a dime and meet his customers' new and/or changing expectations. The weakness was that it left the group always in a certain amount of chaos. This they found dis-empowering. One staff person called it "empowerlessness."

(Field Notes)

It is definitely possible that some of this antithetical relationship to routine was also due to the fact that Peter suffered from Attention Deficit Disorder, with the result that he was not able to focus on any one task for long. Whatever the cause, it was present in the company, and seemed at the time to be one more characteristic that resonated with the description of a charismatic.

Devotion arising out of despair or hope.

I did not study or interview Peter's followers with regard to this. I did see evidence of devotion—in the staff's early comments about what it was like to work for Peter (chapter 4, p. 76); in the staff's willingness to stay with the company and trust in Peter even when their one big customer was leaving (chapter 4, p. 106) and in the tone of Steve's voice when recounting to the staff the little that Peter took out of the company

monetarily for himself (chapter 4, p.97-8). However, I do not know the source of that devotion.

Form of organizing likely to be legitimated during times of crisis; tendency toward decomposition of institutions; attempts to reestablish contact with roots of cosmic and sociopolitical order may breed opposition to more attenuated and formalized forms.

I comment on these three together. Although the change in business paradigms and opportunities occasioned by the advent of the internet, the World Wide Web, the globalization of business, etc., should not be seen as a crisis in the negative sense of the word, it is, as Dictionary.com says in its definition of *crisis*, “An unstable condition, as in political, social, or economic affairs, involving an impending abrupt or decisive change.” (Dictionary.com, 2001)

Times like these are ripe for entrepreneurs (Naisbett, 1984). Their vision and confidence gives meaning and direction in a world of multitudinous choices and the attendant uncertainty. Peter’s specific contribution was to take his knowledge of the office products industry and his wizard-like ability to think systemically, and couple it with information technology in such a way that he believed he could revolutionize the office products purchasing industry. That was the industry he wanted to decompose and rebuild. And to do that, he was willing to go to its roots, as well as to the roots of the accounting industry and “change the way people do business” (chapter 4; vision/mission

statement). He was also willing to go to his own roots, as evidenced by his commitment to therapy, which is a much rarer characteristic for any of us, much less a charismatic. Whether or not these attempts put him at odds with more attenuated and formalized forms of the institution is beyond the scope of this study.

Next I review Burns' definition of a *heroic* leader. In terms of this study, his contributions to sense making lie mainly in the area of the emotional appeasement offered by the bearer of heroism. He sees the role of a heroic leader as being mainly a symbol onto which fears, etc., can be projected, without any solid ability to promote change. I found some evidence of that when, during the time that YNI was losing its main customer, more than one staff member said: "I'm going to stick with Peter, because wherever he goes, he'll make money" (Field Notes). In the face of evidence to the contrary, staff members were still choosing to remain with the leader, possibly because staying with him still looked like a better choice than facing the uncertain prospects of finding another job. In other words, he seemed to project an air of confidence that appeased their fears.

The above two theorists formed the first basis of understanding of what a charismatic leader was. As detailed in chapter 4, I started sharing this information with Peter, and with Steve, soon after I learned it. I/we incorporated learnings from the next two theorists, Maccoby and McWhinney as the dialog among Steve, Peter and me continued. Thus, Weber's and Burns' models were a springboard into this topic area,

which ideas were later refined and built upon through the perspectives added by the two later researchers. I review how elements of their ideas were incorporated into our theorizing next.

Maccoby, McWhinney and the Beginning of Local Theory

Maccoby first starts with “positive”² traits of a productive narcissist. Many, though not all, of these are very similar to aspects of Weber’s, McWhinney’s and Conger and Kanungo’s descriptions. Peter embodied most, but not all, of them.

Sees the big picture; gripping vision.

To want to decompose and rebuild an institution from its roots takes a person who has vision (the ability to see the big picture). Peter had that vision in terms of his ideas about how the office product market could change, given the innovations YNI was pioneering. He also had a further vision of allowing his web site and business model to be a vehicle for other independent dealers-companies in other specialties than office supplies to also bring their wares to their customers. Their mission statement was: To be The known solution for implementing the stockless, internet way of doing business-to-business sales for independent dealers/companies (chapter 4, p. 81).

² I have put quotes around positive because it is actually a simplistic way to categorize these traits, albeit helpful in terms of sense making.

Gifted and creative at strategy.

Maccoby separates out strategy from vision, whereas Conger combines them (as will be seen below). Although Peter was strong in some aspects of strategy, he was not in others. His product strategy was superb, in terms of the way he could envision and bring to life an innovative technologically complex product. As well, his decision to not own any inventory made strategic as well as economic sense. However, the area of marketing strategy was a weakness for him. The company went on with just one main customer for much too long, even though many at the company, including myself and Steve, advised him of the danger.

Audacity to push through massive transformations.

Simply put, it takes guts to try to change established ways of doing things. Just by attempting to sell what he did, Peter showed himself to be audacious.

Next are the “negative” traits, or as I have been calling them, aspects of the nether side of the personality of the narcissist.

Not good listeners; uncomfortable with people expressing feelings, especially negative ones; overly sensitive to criticism; cannot tolerate dissent.

These outsiders’ frameworks (to use the local theory term for them) were probably the most useful academic ideas in the study in terms of offering a possible useful explanation for the “prickly” side of Peter, or as Steve later called it, “P2”. This,

coupled with the information from Peter's therapist regarding what was helping Peter change provided the beginnings of a local theory for what had been going on that seemed whole, for the first time. It helped account for the behaviors, opened a door through which I and others, specifically Steve, could interact and respond to Peter (instead of merely reacting) when he was behaving in a P2-manner, and also both captured and furthered what it was that was helping him change his behavior. To explain this more, I depart from the way I have been currently relating Peter's behavior to the theorists—that is, one a time—because this sense making experience was holistic, not linear.

In terms of the traits as Maccoby described them, I often experienced them more than one at a time. For example, in terms of the episodes I depicted in chapter 4, I encountered Peter as not listening and as not tolerating dissent at the same time:

Fight with Peter: Peter suggested an approach to the discussion meetings that I didn't agree with. When I told him I disagreed, he told me why I was unhappy with what he suggested, which actually was not the reason I disagreed. I told him that that wasn't why I disagreed, at which point he said that he wanted to put the whole discussion meeting thing on hold then. I said that it felt like he was punishing me because I disagreed with him (see chapter 4).

Here, Peter did not seem to listen well (not open to my point of view on why I disagreed) and did not seem to tolerate dissent (seemed to be punishing me for disagreeing with him). And later, from the fight we had in front of Steve in July of 2000 when I

challenged him on how he was approaching implementing the empowerment initiative, I experienced what seemed to me to be an over-sensitivity to criticism.

I told him, in front of Steve, that I thought that he kept waffling on it and changing his mind, and that I thought that wasn't fair to the staff. He responded by throwing back in my face that it didn't seem like I was keeping up my end of the commitment I'd made about how much I'd be there, and that it was his company and he'd decide when and if we'd do something (see chapter 4.)

The experience of his response to me that day left me feeling dominated, exposed and ashamed. In that situation, I had expressed negative feelings. I hadn't realized that my challenge to him that day could have been perceived as criticizing him, but as his later responses in e-mail attest (chapter 4, p. 20), it certainly seemed that way to him. Up till that time, I had not noticed that degree of sensitivity in him, particularly when it was just me, him and Steve talking. I learned from that experience not to confront him in front of anyone else.

The ability to categorize his responses, as provided by Maccoby's frame, helped me analyze the situation, but it did not seem to point to any way out, other than I might be tempted to adopt the clinically judgmental frame of narcissist in thinking about Peter to help me deal with my own hurt feelings.

McWhinney's characterization of the mythic personality provided the next step. As I understood more of his work, I began to be able to change the frame in which I was seeing Peter's behavior. That is because McWhinney's work does not come from a

pathological stance. I began to relate to the phenomenological experience of what it might be like to be a mythic, in this case, to be Peter, instead of judging it. A mythic associates to the essence of creativity. He experiences it as emanating from him. Peter's statement from January of 2000 —“I am the company”—made sense to me in a different way. No longer could I see it as a sign of egotism; it was a statement of reality as he perceived it.

McWhinney's work also enabled me to understand Maccoby's assessment of traits more deeply: He may not be a good listener, not because of self-centeredness, per se, but because he doesn't want to hear about another version of reality that might threaten his existence. He might not have been able to tolerate dissent for the same reason, as well as have been uncomfortable with others expressing negative feelings, or intolerant of criticism.

Therefore, I learned to tell myself a different story when experiencing what I had thought of as the attacking part of Peter. I now could entertain that he was responding out of fear of his existence being annihilated or not mattering: He was defending himself, not attacking me. This allowed me to detach from the experience, to feel empathy, understanding and curiosity, rather than to be defensive.

The third element of explanation, and perhaps the most powerful one because it had to do with change (which is at the heart of an action research approach), rather than just classification, came from the meeting with Peter's therapist, MH. When we met with

MH, he and Peter talked about Peter's work with him being about a reduction of shame. Shame, in a psychological sense, results when a person feels that their very self is diminished or not good (Hunter, 1989).

I fit Peter's experience in therapy with the theories of Maccoby and McWhinney. In terms of Maccoby and the "oversensitive to criticism" trait, as well as the others, I began to see that it was because criticism brought on a shame reaction—I am no good. Further, using McWhinney's terms, the criticism or negativity meant I didn't exist.

I began to understand my interactions with Peter in a very different way than earlier, and it was the beginning of my realization that my true action research project had been with Peter primarily, rather than with the whole group. I realized that over the course of time the tenor of our fights had changed and that Peter was trying out new behaviors other than having a shame reaction with me when we disagreed.

He seemed to be experimenting with letting someone disagree with him without feeling like the other person was threatening his existence. I saw this as a basic trait necessary for Peter to actually empower those around him, given what Maccoby and others have written about the difficulties for narcissists of having others disagree with them. This notion, as it applies to empowerment, will be developed further in the section on empowerment.

The Local Theory Summarized

The theory that we developed is that P2 came out for Peter whenever his mythic sense of reality was threatened. He felt that he was in danger of no longer existing, and felt shame in that moment. This aspect of his mythic personality could control him for periods until he learned how to deal with shame. He did this through therapy, and through experimenting in safe places, such as with me, with letting me disagree, feeling the feelings, and in so doing, realizing he still existed and was still valid. This would allow him to accept another's version of reality, not instead of his, but in addition to his. Only with that ability, it seemed might he truly begin to be able to empower others around him.

This last aspect, of how he learned to deal with P1, P2 and shame, is especially critical for local theory and action research. For each of these fields is primarily interested in change; that is, action research is involved with changing a situation, and local theory is one of the tools that helps do that in a specific situation. It is not enough for a theory in these fields to explain the situation, it must also provide insight into how to change the situation (Elden, 1983).

Peter coming to a new insight about his behavior, to the point that he would be able to modify it, formed the basis of a local theory of change for him. His own comments attest to this: "I still work on P1 and P2. I still am learning to deal with what to do with these P2 feelings so that they don't control me. But I'm a lot better today"

(field notes). Further, it formed the basis of a new way for Steve and I to interact with him. Both of us could assess and label his behavior, if he didn't do it for us himself, which he often did. It gave us a way to depersonalize and detach from the effects of P2 in a way that enabled us to remain engaged with him in otherwise unmanageable situations.

Findings of Two Testing Instruments

In this section I report on the findings of two survey instruments that were given, one to Peter, and the other to his staff. The purpose of including the findings in this document is to indicate whether in any way other than the opinions of the three players primarily involved, Peter, Steve or myself, and the anecdotal information collected from the staff that is reported in chapter 4, it was evident that Peter might be the bearer of what is called charisma. Determining whether this is true via survey instruments was difficult because the area of study is still developing, and not many assessments exist that measure charisma. The two that I chose were the Conger-Kanungo Leadership Questionnaire (Conger & Kanungo, 1998), given to Peter's staff and contractors, and McWhinney's Realities Inquiries (McWhinney, 2001), taken by Peter himself. Shortcomings to the usage of each instrument exist. For example, the Conger-Kanungo Questionnaire was, at the time of this writing, normed only on an n of 77, and the number of people responding to at Peter's company was small—only 10. And, McWhinney's

instrument can help ascertain whether the respondent is mythic, not charismatic. In McWhinney's categorization, most, if not all, charismatics are mythic, but not all mythics are charismatic. Therefore, Peter could be mythic without being charismatic, but at least it is useful in a "rule-out" sort of fashion: If he is not mythic, he is most likely not charismatic. Therefore, the results of each assessment are not definitive in and of themselves, but some trends may definitely be seen. This is especially true when the Realities Inquiry is compared with the Cook-Greuter Leadership Development Profile (1999), an instrument that measures ego-stage development and that will be reported on in chapter 7, as a part of the ego/organization stage development discussion. In this chapter, only the first two assessments will be discussed; comparisons between the Realities Inquiry and the Leadership Development Profile will wait for chapter 7.

The Conger-Kanungo Charismatic Leadership Questionnaire

The Conger Kanungo Charismatic Leadership Questionnaire is a quantitative tool to be given to the followers of a leader. It asks followers to rate the leader on the degree to which he or she exhibits certain behaviors. The higher the ratings on a 1 to 6 scale for each question, the more likely the leader is to be called a charismatic leader.

In this case, I gave the questionnaire to seven current (at the time —February-March 2001) staff members of YNI, and to three former staff members. I described the

questionnaire as an instrument to measure Peter's leadership, without mentioning the word charismatic. It also did not appear on the instrument itself.

Since the n was so small, only descriptive statistics will be reported. Appendix C shows the questions with the mean and standard deviation for each. I displayed the results of current and former staff members to see if there was a difference between the two groups.

Table 1
Results of the Conger-Kanungo Leadership Questionnaire

Group	SVA	SE	SMN	PR	UB
Current Staff n=7	5.4	4.5	4.7	5.1	5.1
Former Staff n=3	4.9	4.2	4.4	4.5	4.4

Table 1 displays the aggregated means according to subscale for each of the two groups of staff members.

The questionnaire can be divided into subscales, each measuring a different dimension of charisma according to C-K's five-factor model. The subscales are: (a) Strategic Vision and Articulation (SVA), (b) Sensitivity to the Environment (SE), (c) Sensitivity to Member Needs (SMN), (d) Personal Risk (PR), and (e) Unconventional Behavior (UB).

Again, given the small n size, only superficial conclusions can be drawn. The first is that Peter does seem to be a charismatic leader. Secondly, it does appear that current

employees saw him that way to a greater degree than did former employees. The reasoning for the first conclusion is based on a comparison with scores displayed in Study 4 of Conger-Kanungo's validity and reliability testing. This test compared how followers rated two non-charismatic leaders versus two charismatic leaders. The results for this test are displayed in Table 2.

Table 2
Mean scores for leaders rated charismatic or not charismatic.

N=71	SVA	SE	SMN	PR	UB
Mean Charismatic	4.85	4.57	4.69	4.41	3.78
Mean Non-Charis.	3.93	3.94	3.94	3.97	3.75

The differences were found to be significant for all but the fifth dimension (UB), which Conger and Kanungo accounted for because of the context in which the survey was given.

In four out of five of the dimensions, Peter scored higher in the eyes of his current staff than did the charismatic leaders in Conger and Kanungo's study. On the fifth dimension, (SE), Peter scored lower. It is not known whether this is statistically significant or not. In the eyes of his former staff, Peter scored lower on all dimensions than he did with his current staff. On three of the five dimensions, his score was still higher than the charismatic mean; on the other two, Sensitivity to the Environment (SE), and Sensitivity to Members' Needs (SMN) he scored lower. His score among former

staff members was still higher than the mean of the non-charismatic leaders in Conger and Kanungo's study.

Peter seems to be seen as a charismatic leader on at least four of the five dimensions measured by the scale. His current (at the time) staff members rated him higher than did former staff members. Given that this questionnaire was administered just as the fact that the company's major client was indeed leaving them, the lowest rating overall, Sensitivity to the Environment, may be indicative of a loss of faith in his ability to accurately assess the business context in which they functioned. In that sense, it is striking to see how high his other scores remained, in comparison. In terms of the former staff members, his lower score on Sensitivity to Members Needs may be indicative of the severed work relationship, although two of the three former staff members left of their own volition.

Within the limitations mentioned above with regard to this assessment, this instrument seems to bear out that Peter was indeed perceived to be a charismatic leader, particularly by the still-employed staff members who worked for him.

McWhinney's Realities Inquiry

The Realities Inquiry is a two-part assessment. The first part involves creating a story using characters that represent a teacher figure and a hero figure and having them

interact. After the story is written, the respondent then fills out a multiple choice survey whose possible answers to each question represent one of four realities: mythic, social, sensory and unitary. The score on the survey is then compared with the types of images and action depicted in the story.

The interpretation of Peter's score and story follow:

STORY

In my understanding of the tool, all the characters in the story are aspects of the author's personality. Typically the choice represents two sides of a person's sense of self, sometimes one a dark side image, but more often two aspects that are consciously in conflict. The split in the sense of oneself is evident in stories by these people. It quite naturally would be expected to produce behavior that is sometimes unstable and unmanageable.

Peter's use of three characters is ingenious: The conscious (Executive) self is the unknown philosopher - a wonderful mythic image, I sense as arising from the healthy child within. The image is of oneself as above the daily hubbub, able to see more broadly and wisely than the mundane person. The business owner, George, is the driving entrepreneur, believing deeply in the individual and his rights. The "8" on the Enneagram, tough minded and operating at the edge - very mythic. The professor, Bill, is the good guy, with social values, wanting to share with others and a bit cynical about George's values. It is he who answered the questionnaire. The Philosopher is optimistic (like a "7"), imagining that everyone will work like a family. George knows better, believing they will act competitively. Bill wants George to take a more socially responsive position ("take a break") George is typically more aggressive than Bill and more in tune with the Philosopher.

In the conclusion, the Philosopher (Peter) retains the position that everyone doing their own thing (within limits) is the best solution. Strongly mythic, with a social condition.

WITH THE REALITIES INQUIRY SCORE

So the story is little correlated with scoring. I find this non-correspondence in a small portion of the tests, i.e., the dominant pair on the questionnaire is Social-Unitary, but his story is on the social-mythic line, with the mythic winning (individualistic and rejecting the deterministic). There is NO unitary in the story. Also I find it notable that there is little sensory either in the story or score. *The common denominator of those whose score and story do not match is people in transition.* I've seen this in male engineers and financial specialists who are beginning to see the feminine side (midlife) and in dominant Unitary-Mythics (assertive men and women) whose stories show compassion lacking in the scores. One interpretation I look at but am skeptical of (as psychobabble) is that he is intentionally, if unconsciously, hiding his mythic child behind a moral man image. If one had deep family history the idea could be discounted or further explored. So one outcome here is: not sufficient data to declare. But that is itself a piece of data. I would not venture to predict what Peter will be doing or wanting to do five or ten years from now. (Emphasis mine.)
(McWhinney, 2001)

The results on the survey portion of the assessment showed Peter to be a Social Unitary. However, the interpretation of his story showed him to be a Mythic Social. As McWhinney states, this disagreement makes it not possible to say with certainty what reality predominates for this person. However, as he notes, this score is likely indicative of a person undergoing deep change.

Summary of Assessment Findings

The results of each of the instruments provide weak evidence, at best, that Peter might be described as charismatic according to some more objective measure. This is for a different reason for each instrument. For the Conger-Kanungo Scale, the *n* of respondents

to the survey was small, as was the n on which the scale was normed. For the Realities Inquiry, the results themselves proved inconclusive, other than showing that the respondent was likely going through a time of change. The results of these two assessments, then, do not allow strong assertions to be made. However, when the Realities Inquiry is compared with the Leadership Development Profile, the ego stage development instrument that will be discussed in chapter 7, we will see that the findings of these two assessments allow stronger connections to be made, as that inventory showed Peter to be in a deep state of change as well.

Reflections on Peter's Relationship with Hannah

Lastly, in this exploration of charisma and how this leader and his organization seemed to embody aspects of it, I turn to the issue of Peter's relationship with Hannah, his contact at the company's primary client. Although this theme does not bear directly on the local theory that was created, it is included here because it did influence the story, but more importantly to suggest one more avenue for further research on charismatic leaders.

As Peter characterized the relationship, it seemed to have the trappings of an affair. He said that he led Hannah to think that there might be the possibility of a romantic relationship, even marriage, all the while being involved with Lynn, with whom

he had two children. His stated purpose for the entanglement was to keep XXX's business. The e-mails between them had overtones of a manipulative, dysfunctional, personal relationship.

It took me a while as I researched the traits of charismatic leaders to realize that none of the scholars, at least in organizational behavior literature, mentioned the tendency for charismatic leaders to engage in romantic and/or sexual affairs. This, even though a mere cursory mental tour of the names of some of this country's best known charismatic leaders recalls to mind that most of them were understood to have had affairs of this kind. Bill Clinton, John F. Kennedy, and Martin Luther King head the list.³

While I do not want to address this topic from the perspective of ethics or morality, and it is not the primary purpose of this study to expand the paradigm of charismatic leadership to include this behavior, I do want to comment on its absence from the discourse.

One might argue that it is not mentioned because of the ubiquity of its occurrence. That is, perhaps everyone or at least every leader has affairs so that there is not a reason to call attention to it in this case. At this point, I do not know of enough data either to argue or to refute statements like these.

³ I want to acknowledge that all these examples are male. It is beyond the scope of this project to study the differences between male and female bearers of charisma.

However, another possible explanation was speculated on by Calas and Smircich in their work on seduction and leadership (Calas & Smircich, 1991). Their scholarship is germane here on at least two levels. First of all, they explore the cultural and rhetorical limits set upon what can be called organizational knowledge. Referring to Foucault's genealogies, they argue that what is called knowledge in any discipline is "produced by heterogenous practices of power rather than from the discovery of *truth* (emphasis theirs), the traditional dictum of science and philosophy). They contend that what can appear as organizational knowledge is circumscribed by "a specific set of practices and discourses in place—the basic power relations network on which 'leadership' has been constituted and reconstituted" (Calas & Smircich, 1991, p. 571).

Therefore, it is possible to speculate that one reason that a charismatic leader's behavior with regard to personal affairs does not appear in the literature is because it is outside what can be said in the accepted organizational theory discourse. The implication here is that legitimation of this aspect of the discourse could prove threatening to the power relations embedded in the current dialogue.

Secondly, following the poststructural deconstructionist methodology of Derrida, the authors juxtapose leadership with what they contend is its opposite, seduction. Their intent is not "a way to destroy the concept of leadership. Rather, it is an analytical strategy that permits us to question the limits that may have been imposed upon

discourses of knowledge, and opens the possibility of enacting other, different discourses” (p. 569).

Through their deconstruction, they open spaces for readings of leadership texts that permit other meanings implicit in these texts to emerge. They assert that these meanings are usually rendered invisible in their relationship to leadership. Through amplifying meanings of words commonly used in referring to leadership, such as *head*, *infuses*, *relationship*, *physical*, *charismatic*, *permeate*, *probe*, *potent(ial)* and others, they illuminate the sexual subtext already present in the literature. Although their purpose in performing these provocative exercises is to illustrate how the scholarship on organizational issues has been constricted, the content of the example they have chosen (leadership-seduction) cannot be overlooked.

For our purposes here, what this opens up is the possibility of a scholarly discourse in which the tendencies of leaders (specifically charismatic leaders in this case) to infuse their relationships with sexual overtones can be discussed. Issues of seduction, whether actual or figurative, could be explored openly with regard to being one of the media through which charismatic leaders effect their purposes. And the reality of affairs can be researched to see the role it plays in the constellation of forces that help make a charismatic leader effective or ineffective. For example, in this case, Peter’s relationship with Hannah was responsible in some measure for the company’s early success. As he

began to extract himself from the relationship, that also had a major impact on the business. How often are dynamics like this behind the successes and failures that we attribute to charismatic leaders?

There are likely many more implications that could stem from changes in the organizational discourse advocated by Calas and Smircich. This is an area in need of more research for thorough understanding of this leadership type.

Summary

In this section, I have reviewed the writings of key scholars in different social sciences with regard to charismatic leadership. I have highlighted their strengths and weaknesses, at least in terms of the purposes of this study. I have shown that Peter could be described as embodying many of the characteristics described by these authors and have illustrated how his organization bears traits of the kind of structure a charismatic leader would be likely to create. I also reviewed the findings of two assessments that provided weak evidence of his possible charismatic bent.

Further, using two theories of personality similar to but not identical with charisma, I have shown that they each contribute needed aspects to the understanding of charisma. I also showed how applying the dimensions described in these constructs enabled us to find a language in which to name some of Peter's behavior.

Peter, Steve and I created a local theory of change regarding his behavior that he indicates he finds useful in his relationships, and we find useful in our relationship with him.

Lastly, I have commented on and called for more research in area of charismatic leaders and their seeming tendency to be involved in romantic and/or sexual affairs.

In the next chapter, I will relate these findings on charisma to how this leader was or was not able to empower the followers in his organization.

CHAPTER SIX: Peter, Empowerment and XYZ

I begin the discussion of the story of empowerment at XYZ with a review of theoretical perspectives on empowerment. Then I interpret the attempts made to empower at the company within the framework of theory just presented. To do this, I will be telling parts of the story not related in chapter 4. This is because these parts did not relate to the through line of the story, but do need to be told as I attempt to analyze the benefit of the different interventions. The discussion begun in chapter 4 about the efficacy of the empowerment interventions will be explored in greater depth. Lastly, I add to the local theory of change begun above by adding elements that address Peter's seeming ambivalence regarding it.

Conflicting arguments have been made in different social science fields regarding why followers allow themselves to be led by a charismatic leader (Arsenault, 1998; Conger & Kanungo, 1998; Hoffer, 1951; McWhinney, 1992; Weber, 1968) with differing implications regarding the likelihood of their interest in being empowered. However, little research has been done regarding the leader's own ambivalence toward empowerment. These findings will illuminate that ambivalence.

What is Empowerment in an Organizational Context?

This section relies on the excellent literature review contained in Linda Honold's doctoral dissertation (Honold, 1999). On her way to addressing the main purpose of her dissertation, which was to examine three organizations claiming to be empowered to see what themes were common to them, she compiled a thorough analysis of the literature, both scholarly and popular.

In her review, she draws attention to the heterogeneity of definitions in the scholarly and popular literature given to empowerment. It can refer to:

1. The role of *leadership* in creating an empowering context. In this sense the primary focus is on the leader's role in delegating, or giving-sharing power.
2. The role of the *individual perspective*. That is, someone else may want to give me power, but unless I experience myself as empowered, empowerment has not occurred.
3. The *collaborative work* aspect of empowerment. The role of teams in being able to accomplish what one individual cannot is emphasized here, particularly in terms of the type of teams that one could call "self-directed."
4. *Systemic or procedural change*. Empowerment from this point of view refers to the alignment and congruence of organization goals, measures, and the processes and procedures through which staff members accomplish work with

the individual employee's own goals. The reward, performance, mission and other systems all are focused toward the end of promoting greater empowerment on the part of the employees.

5. A *comprehensive* view, encompassing all the above views.

(Honold, 1999)

Most of the current writing tends to support the fact that to be effective in promoting empowerment within an entire organization, the comprehensive definition must be used; any one of the single dimension definitions or approaches will not be robust enough to produce the desired outcome.

Complicating the matter, Honold goes on to say, is that in addition to the above definitions, what matters most for any individual organization is their own definition of empowerment, because by its very nature empowerment infers the acts of claiming and owning. Thus, the way any one organization defines *empowerment* for itself may vary based on its culture and particular set of circumstances, as well as which of the above perspectives it chooses to use.

In other words, the term *empowerment* can and has been used to describe a range of phenomena. It can describe an individual's subjective experience (House, 1992; Conger, 1988), or, at the other end of the spectrum, the political restructuring of an organization and beyond, as in industrial democracy, which could involve employee

ownership of a part of the enterprise. Greenwood, 1998). However, the existence of one type of empowerment does not presuppose or depend on the other. For example, it is possible to have the subjective experience of feeling empowered without actually owning part of the company, or it is also possible to own part of the company without feeling empowered. According to Conger (1988) and House (1992), the former might occur due to the presence of a charismatic leader, and according to Honold and others, the latter might occur when the goals, rewards, and other systemic structures of the organization are not in alignment with the individual's goals. In that case, even though on an objective level, ownership is shared, it does not transfer to the subjective level.

Empowerment at XYZ

My purpose in reviewing the company's experience with empowerment is different at the end of this engagement than it was during various stages of the project itself. The first interest was, after the staff agreed that they wanted to explore this topic, to see how an empowering approach to structuring the organization, that is, an approach with a substantial amount of input from the staff rather than just from Peter, Larry, Steve and myself, might effect/impact/shape the identity of the company. At that early point, clarifying the identity of the company was what we had defined the purpose of the action

research project to be. However, that initial project started, stopped and started again as other business needs became prominent, and as Peter changed direction more than once.

As the theme of charismatic leadership emerged, one topic of interest that surfaced was the intersection of charismatic leadership with empowerment. Through reading the literature, I became aware of disagreements regarding two issues. The first was if and how a charismatic leader would empower his followers. Honold found that one of the “differences that made a difference” (Honold, 1999, p. 227) at her research sites in terms of the organizations being empowered was that each had a charismatic leader. This seemed to contrast with MacCoby (2000), who held that narcissistic leaders did not want people around them who disagreed with them, my inference being that with empowerment would come a certain amount of disagreement. (The mechanism behind narcissistic leaders’ fears regarding disagreement was discussed in the chapter 5 above on charisma.)

Secondly, another contradiction centered around whether followers of a charismatic leader would want to be empowered. Hoffer (1951) and Weber (1968) themselves spoke of followers of a charismatic leader doing so out of a perceived lack within themselves, or the desire to rid themselves of their unwanted selves. On the other hand, Conger argued that followers of a charismatic leader could expect to feel a sense of heightened self-efficacy (Conger & Kanungo, 1998).

I had hoped through this study to clarify these disagreements by an in depth study of the staff members' interaction with Peter around the empowerment issue. However, it became clear to me that at least in terms of the second issue—followers motivations—I would have a hard time learning their true motives for following Peter. First of all, the followers' motives might not be clear to them. Secondly, even if they were clear to their bearer, it would be hard to know if they were being truthful in their disclosure. I reasoned I would have to rely a lot on my own analysis of behavior and motivations other than what people said, with which activity I was uncomfortable, given that the method of this project was to share research and knowledge with the participants.

However, at about that time, I also realized that potential ambivalence about empowerment also rested on the side of the leader, not just with the followers. Therefore, the ultimate end of this chapter is to extend some of the findings from the above section on charisma into how this leader behaved vis-à-vis empowerment, highlighting his ambivalence.

On the way to doing this, I will start by analyzing the interventions and other experiments with empowerment that the company undertook. Part of the reason for this is because it was around the empowerment interventions that the formal action research process took place, and as part of my credibility checks I want to display and evaluate

how I did them. However, the display and the analysis will be briefer than if empowerment were the main theme of the document. Once that is accomplished, I will turn to leader ambivalence.

Formal Interventions

During the time that I was at the company, we had two formal interventions around the notion of empowerment. The first took place during August and September 1999; the second one ran from May to November of 2000. The first intervention came about as the result of the initial meetings to gain staff members' input and buy in to the vision. After developing the Affinity Diagram (Brassard, 1988), the staff chose the group they had named "Empowerment" as the strategy they most wanted to focus on to help realize the vision.

As a resource, I brought in handouts for the group to consider. These included the definition of empowerment from Honold's dissertation, and a portion of her findings chapter that contained the stories of the three companies she studied as they embodied the seven empowerment themes she found that carried across all three organizations. The definitions and seven themes are portrayed as Figure 8. A fuller definition of each theme can be found on p. 95.

Definition: Empowerment is a strategy used by management that results in high levels of employee commitment and motivation in which employees have the capacity for and willingness to take responsibility for their own performance as it is in alignment with their own needs and goals.

Primary themes:

- Primary structures with auxiliaries
- Integrated systems of feedback, performance and reward
- Charismatic Leader
- Leadership defines the “what”; performers define the “how.”
- Intrinsic company mission; congruence of goals
- Commitment to whole employee
- Maintenance of jobs
- Informal use of teamwork

Figure 8. Definition of empowerment and seven primary themes from Honold’s (1999) dissertation.

As we discussed her definition and how the companies worked, the staff made beginning attempts at what empowerment meant to them:

Larry: “Power with responsibility.”

Aloysius: “Empowerment is not ego; I become free to make choices without fear.”

RM: “Does empowerment equal progress?”

Laura: “You can’t give it to me.”

Aloysius: “Giving yourself permission—not necessarily power over, power with.” (Field Notes)

Thus, at this stage, the staff seemed to be at the point of struggling to internalize a definition, centered mostly around the individual perspective approach to the topic, as

defined by Honold. It was right after this point that Peter called a halt to the meetings saying that everyone needed to focus on helping get the new internet site ready to go up.

My evaluation of what was accomplished during the meetings we had during those months follows. The biggest accomplishment seemed to be setting the vision, since it was from those meetings that the empowerment theme was chosen. Peter related later that he thought the vision work helped him clarify in his mind the direction for the company and freed him to move forward.

Staff people stated that as a result of these meetings they felt the beginnings of belonging, and of being a team with a purpose, rather than just individual people. This was echoed in the comments they made, as reported in chapter 4: Aloysius, a sales rep, said, "Up till now I felt like an outsider. A lot of the people who work here came because they knew or were related to someone. I didn't. Now I feel like we're one group" (from my notes). RM, a customer service rep said, "I always sorta knew what we were doing, but I really know now. It helps to know why I do what I do, and where we're going with it" (from my notes). Little progress was made on the topic of empowerment itself, other than identifying it and beginning to define it as a group.

The next formal intervention, beginning in May of 2000, was much longer, more sustained, and deep. Peter had said that he felt ready to resume work on the project, and so we did. We began by returning to the seven themes from Honold's dissertation. In a

company meeting, we reviewed the themes, and sorted through which ones the staff members felt they could have impact on. They chose to focus on the theme, “An Integrated System of Performance, Reward and Feedback.” They stated that part of their reason for choosing this was so that they could understand and have some effect on the salaries they were earning. This choice seemed to coincide nicely with a project that Steve was beginning, which was to formalize the compensation structure for the company. In terms of Honold’s designation of the perspectives from which empowerment is viewed, this would fall under the fourth definition: systemic or procedural changes.

Over the next few months, we began a series of meetings with the whole staff, including Peter and an external compensation consultant, to educate each other on what was involved in setting up a compensation structure, including how to do it in an empowered way. There were three main foci to the work. One took place between the compensation consultant and the staff members, as she interviewed them and tried to establish job titles and levels. Consistent with our desire to have an empowered structure and thus fewer levels of management, she concentrated on establishing the least number of job grades as possible, with a wide range of possible duties encompassed in each one of them. Secondly, she conducted a survey of other similar companies to compare XYZ’s current compensation structure vis-à-vis the market.

Thirdly, Steve and I, with her help, led what we called a series of compensation philosophy meetings, where we discussed different ways to set up compensation structures and how to relate them to feedback and performance issues. Staff members stated clearly that even though they wanted to know more about the financial issues of the company, they were not interested in specifically learning about what individual staff members' salaries were. They were concerned about possible rivalries and resentments.

One particularly thorny issue was, if there was to be a pay-for-performance, or bonus, plan, how could contributions be measured in a company where things changed so quickly? Different staff members started developing possible approaches for that issue, including whether to be bonused as a group or individually, and also began developing creative ways to define contribution.

At the same time, Peter was struggling with how much of the company's financial structure to disclose. For example, the market survey revealed that XYZ staff members were compensated at a lower rate than were employee at similar companies in the industry. However, the company's benefits were far above what most comparable organizations offered, and when taken together with salaries, averaged out against them. Peter didn't know how the staff would react to hearing that they made less than others.

Secondly, and related to the above, the company had a profit margin of about 9%, after taxes. This was virtually unheard of among the new dot.coms, where most operated

at huge losses, even though their market capitalizations as reported by the financial press were astronomically high. However, XYZ's profitability status was information that, being the owner of a private company, Peter did not have to disclose to anyone, and he kept it a closely guarded secret. He was very concerned that employees would look at the profit margin versus what their salaries were, and revolt. Both Steve and I tried to persuade him that he was selling the staff short, and that if they knew the whole story, the opposite would happen.

The whole story was that Peter reinvested almost all of the profit margin back into the company, particularly in the area of website development. He was concerned that XYZ's software and product be state of the art, and so kept salaries low, and took virtually none for himself, so that the company could continue to grow. At the same time, his generous benefit package for the staff seemed to speak of a concern for their welfare even in the facing of economizing in other areas.

After Peter thought it over, he decided to take a risk and share the whole story with the employees. That was the meeting referred to in the story where Steve disclosed that Peter had taken only \$42,000 out of the company for himself during the entire time the company had been in existence. Steve also talked about salaries being below the market average, as well as benefits being above average during the same conversation. And he shared what Peter had done with the profit margin.

As a result of Steve sharing this information in the context that he did, not only did people not feel resentful, their level of loyalty increased. They had experienced the self-sacrificing aspect of their leader, and they responded by becoming more bonded to him. I depicted this in the story by describing Steve's tone of awe, as well as the playful reaction of the staff in getting Peter to come back to the meeting from a break. Another example involved one of the staff, Phil, asking for a copy of a video tape of one of the meetings to show his wife, so that she would understand what made him want to spend the long hours he did working for this company for less than what he might make elsewhere.

The step following that meeting was for Steve and me to meet with the staff in smaller groups to work out their views on different parts of the compensation philosophy. The dialog started focusing on bonus pay, pay for performance and stock options. We discussed putting 0%, 10%, 20% or 30% of a salary at fair market value at risk with the promise of a significant upside, should they make their performance goals, and should the company attain certain levels of profit. At the next large meeting, the staff was ready to start talking about what degree risk they were interested in taking. Peter had decided it was alright with him to hear an answer of 0%. And a few people chose that; however, many more chose between 10% and 30%.

Thus, a significant amount of momentum was building to institute a bonus plan, and also to institute an employee stock ownership plan (ESOP). At the same time, it was through learning about the ins and outs of these plans, particularly the extra responsibility brought on by ownership such as a question voiced by a number of staff regarding what to do in a situation where there is profit in the company. RM: “As an employee, I might want to take the extra money out for myself. But as a part owner, I might want to leave it in to help the company grow over the long term” (field notes). Issues like this prompted some of the staff’s comments about not being sure they wanted to be that empowered where they made decisions like this. The responsibility became more real to them.

It was at the time of the last few meetings, during October and November of 2000, that it became increasingly clear that the company was having significant problems in negotiating a new contract with its customer. Thus, these discussions of ownership and bonuses took place during the first shaky financial time the company had experienced.

Before the November meeting finished, Peter had promised that the plan would be in place by January. However, when January came, he stopped the process. I asked him why he stopped, and he gave a number of sometimes conflicting reasons: that he couldn’t do it because he stopped the valuation of the company because the company was no longer worth anything, and you can’t

give stock without a valuation; that he'd rather have people earn ownership; that he didn't trust them ("I don't trust anyone."); that he stopped because he got scared; that he didn't know how to give people ownership; and that there were other ways to empower—not just through giving ownership. (Field Notes)

He also offered that he hadn't seen people take the kind of initiative he'd like to see: He had proposed to pay for school and PCs at home for anyone who wanted to get more education, and only one person took him up on that. However, he also said that he made a commitment to staff members in January that if the company survived, they would be owners. When we reviewed this whole episode later, including my notes of the reasons he gave for stopping, he acknowledged that both P1 and P2 were present in the reasons he gave. P1: This is not a good time, given that a valuation would show we're not worth anything, or that he didn't know how to give ownership. P2: that he didn't trust anyone. Thus, his motives seemed to be complex and ambiguous.

Empowerment on the Informal Level

At the same time that the initiative to install the integrated system of feedback, performance and reward was grinding to a halt, there were other things happening informally regarding empowerment.

In February of 2001, I asked the staff to fill out a written survey on how they felt about empowerment at this point—whether and when they felt more or less empowered. I did this partly to find out how the stopping of the compensation process affected them. About a month later, at Peter's request, I also interviewed most of the staff to get a sense from them about how they were handling the change and uncertainty that was falling over XYZ's landscape.

One of the people I interviewed was Phil, who along with Larry and Steve had been closer to what could be called a management position in the company. Phil had assumed the role of being project manager/coordinator for other staff members' work. At the time I interviewed him, he had just left the company for another position. Phil had decided to do this given the uncertain future that seemed to lie ahead.

Phil told me that he had a hard time believing that Peter trusted him. He said that he promoted people's ideas, but in reality any ideas needed to be within Peter's master plan. He also said that he and Larry were afraid of being yelled at, and that pressure and day to day uncertainty were a part of working with Peter. His advice for Peter was to

find a way to trust people more in order to help people thrive, and to help a person take advantage of all the things Peter had to offer. He wished that the pay for performance system had been implemented earlier, and felt that it might have helped. This seemed to fit in with the experiences with Peter that I related in the section on charisma, and also with those of Steve, who had coined the terms *P1* and *P2*. However, now it seemed I was seeing the behavior in terms of how empowered or disempowered people close to him felt.

So, the situation was a complicated one. On one level we had been undertaking a system wide initiative to share ownership, following Honold's fourth definition of empowerment. On another level, it seemed that at least two of the people working closest with Peter did not feel empowered, following Honold's second definition regarding empowerment from the individual's point of view.

It seemed that Peter was espousing one thing, but doing another. Because I have said that one thing I intend to show in this chapter is Peter's ambivalence toward empowerment, it could be tempting to stop here and say: "See, here it is." However, there are also other explanations that could account for at least some of what happened up till this point.

One explanation for Peter espousing empowerment at least on the system level, and then not following through is that it was simply bad timing in the company's life

cycle. This is indeed what Peter gave as one of his reasons for stopping—the company was not going to be valued as being worth anything. Although he gave other reasons that attributed negative motivations to himself, those other reasons could have just been him being hard on himself, and overlooking that his business gut instinct told him it was not a good idea to go ahead.

However, even if this is at least partially true, that does not account for the experience that Phil related of feeling that it was not OK to disagree, or that Steve related of being beaten up by P2, or that I experienced in the fights I had with Peter. My claim is that Peter's ambivalence toward empowerment may or may not have shown up in his attitude or actions regarding the formal empowerment interventions, but that it certainly did in his one-to-one encounters with the people who worked closest with him. When they disagreed with them, P2 often showed up, and they felt put off, anxious, uncertain and less likely to voice disagreement again. This would be called an experience of disempowerment on the individual level. In the section on charisma, I argued that Peter bore characteristics of the mythic, in that he believed he created his world, and if someone disagreed, he felt threatened, and so attacked the other person. Here I am further asserting that this trait affected those around him in a disempowering way.

This is illustrated by what happened next. Through the written surveys that I conducted regarding empowerment, I learned that a number of people were feeling more

empowered right then—during the months of March and April, even though this was a time of uncertainty for the company and even though Peter had pulled back from the performance-pay and ownership initiative.¹ Even though some had left the company, many of the others who stayed began reporting feeling a change. This is what they said in the answer to the question, “If there has been a change (regarding level of empowerment), what caused it?”:

From one person:

I feel the change came when Peter decided to pull away. He said that he wanted us to get more involved and by him moving away he has forced us to use our brains more. Which I feel is good because it allows people to be more of a group.

From a second:

Other changes have occurred I believe with Peter starting to delegate some of the tasks he one did to others. With him giving new responsibilities to others the trickle down effect has taken place. Others have started doing Peter’s old tasks and that has allowed others to learn more of the company themselves.

From a third:

Peter has always tried to empower people, but still has kept a lot of attachment to what’s gong on. In the last four months or so he has made a concerted effort to detach himself and let us manage on our own. This has given us the opportunity to step up and take the reins to get things done, with that also comes more accountability. Some people have stepped up more than others.

And a fourth:

What made me become more empowered I think was a change in the business as a whole. It started with Peter being able to let go of situations and let us make the decisions and run with it. . . . I guess it started with Peter letting me know it was

¹ Three people also indicated later during interviews that they felt disillusioned when the compensation initiative fell through; however, that does not detract from the fact that in the area of individual perspectives on empowerment (the second of Honold’s five), that staff members note making some gains.

OK, then personally accepting it, then reinforcing everything through the meetings.

(Field Notes)

What is interesting to note here is that this experience of empowerment that people reported came during the stage that Peter later described as when he was absent from the company emotionally, mentally and often physically. As he started losing the business with his major client, his own feelings of shame, failure and hurt caused him to detach from the company and from caring about what happened to it for a while. This was when the staff reported feeling more empowered. Therefore, it was not his direct attempts to empower people that made it happen, rather, it was his lack of attention. This still may not conclusively point to the role P1 and P2 played, so I will offer one more excerpt, from Larry and from another staff member about Larry, who was the person who worked closely with Peter, day in and day out, up until the time of his detachment. Once Peter checked out, Larry was the person that the staff turned to for help.

While Peter was gone, I learned how to laugh at myself when making mistakes. I learned how to say I don't know. I am no longer afraid of people thinking I'm dumb when I answer people's questions as they learn things. At first I was not confident in answering questions because I wasn't sure myself—but as I became more confident in saying I don't know, it became easier. I found that I was no longer afraid of people thinking I'm dumb and at the same time they respected me more when I said it.

(Field notes)

And from someone else observing Larry: “Larry seems more confident in helping and giving the right tools these days. He seems more comfortable—not afraid of getting chewed out by Peter if what he said was wrong.” (Field notes)

This shows a growing sense of empowerment and of self-confidence that happened when Peter was no longer around to make comments on what they were doing or saying.

Given the relationship that I maintain exists between P1 and P2 and Peter’s ambivalence regarding empowerment, the further element added to the local theory of change is that as Peter modulates his P2 behavior, he will be experienced by those around him as being empowering.

In reviewing this part of the theory with Peter after the data collection period was over, and after he had been experimenting with the idea of P1 and P2 for a while, he offered that the way he was finally learning how to empower Larry, by any other way than just being absent, was by keeping check on how he was doing with P1 and P2. He related that there were times when Larry had not done something the way Peter would like it, and Peter’s first reaction was to want to say: “Why didn’t you do it? (Or do it the way I wanted?) This is stupid!” However, he had learned that that is P2 in him. Instead, what he started to do was to slow down and reflectively listen. Through doing that, he

felt like he began to understand what Larry was trying to tell him, and then they could dialogue.

Peter related that he was also learning to reflectively listen in other situations, particularly when his reality felt threatened. He said he began to realize that his first reaction when he felt threatened and didn't know what to do was to blow up and get the person away from him. Instead, he started to repeat back what the other person was saying, which helped him keep from blowing up.

Larry, in a separate interview, agreed that there had been a change:

Before in meetings, I would get caught up in his energy, and tell him what he wanted to hear. I got shut down if I told him different than what he wanted to hear, so I just quit talking. Now, he's not telling me "my way or the highway," and I'm not lying any more. Now I take his input as input, not as law.

I then asked him what had made the difference:

"Peter no longer treats it as law, and I don't agree when I don't agree."

There are a number of points to be noted in this brief excerpt:

1. "I would caught up in his energy and tell him what he wanted to hear"—the energy of a charismatic had an effect.
2. "I got shut down if I told him different than what he wanted to hear, so I just quit talking"—it did not seem OK to disagree with the charismatic, plus, he shut down, which can be seen as a form of disempowerment.

3. “Now he’s not telling me ‘my way or the highway.’” “Peter no longer treats it as law.” - Peter exhibited a behavior change.
4. “I’m not lying anymore.” I disagree when I disagree.”—Larry changed behavior as well.

In this short selection, Larry identified what I have maintained is Peter’s charisma, his dislike of being disagreed with, but also more importantly, the subtle workings of behavior change. Larry doesn’t say the change happened in an “if-then” sort of way—first he changed, and then I changed (or vice versa), yet an “and” joins the two behavior changes each time, as though they are definitely connected. Thus, behavior changes Peter was making seemed linked with behavior changes of an intimate associate of his. Larry indicated that he felt increasingly more able to stand his ground.

This is evidence in this story that the local theory of change, in terms of helping Peter change his behavior (P1 and P2), seemed to be useful both to Peter and to at least one intimate around him in a positive way. Further, the effect on the person close to him was to help him feel more empowered. Tying back to Honold’s definitions, it would seem that through changing his behavior, Peter became more effective at setting the context for empowerment (definition one)—being more able to effectively delegate, resulting in Larry feeling more empowered from an individual perspective (definition two).

Thus, the local theory regarding his charismatic behavior seems to have application and does work for Peter in changing his relationships with others, including when he is trying to empower them.

Summary

During the time I was at XYZ, the company, both within and apart from the initiatives I was involved in, seemed to experiment with more than one of the first four approaches to empowerment described by Honold, but not with the fifth, or comprehensive approach to it. Most of the time, no clear distinction was made between the different approaches, or that we were veering into one and out of the other, or vice versa. In addition, the company never achieved its own mutually agreed upon definition of empowerment, so it is probable that as people spoke about it with each other, they were not necessarily speaking of the same thing.

The formal intervention did not result in the implementation of a system or set of procedures designed to align people's personal objectives with company outcomes in such a way as to provide an integrated system of performance, feedback and reward. This may have been due to a number of factors, either internal to the intervention itself, such as trying too sophisticated an intervention for a company so young, or whose personnel were just beginning to grapple with the concept. On the other hand, the reason

for the lack of implementation may have had primarily to do with external business conditions, or with the unwillingness of the owner to carry through with the plan he had started.

However, many of the employees who remained with the company reported that they did feel more empowered, on the level that Honold would call the individual perspective. This seemed to be due to the owner's absence, rather than to any other planned intervention.

This, along with my, Steve's, Phil's and Larry's experiences with P1 and P2 led me to extend the findings reported in the section on charisma regarding the mythic's experience of reality and disagreement with that to how a mythic would act in terms of empowering others around him: He would be ambivalent about it, as evidenced by his contradictory behavior. This contradicts Conger's assertion (Conger & Kanungo, 1998) that charismatic leaders tend to empower those around them, in that they help them feel an increased sense of self-efficacy (this is a quality of empowerment taken from Honold's individual perspective). The people around this leader felt more self-efficacy when the charismatic leader was not around.

When Peter began to apply the new knowledge about himself that was created through the local theory about the affects of his charisma, he started to experience different, and better outcomes.

CHAPTER SEVEN: Stage Development

In this chapter, the intersection of organization life cycle development and management ego stage development will be the final lens used to make sense of the story of XYZ. The possible benefits to be gained by adding this final body of knowledge to the situation at XYZ did not become evident until far along into the project itself. Indeed, it was almost at the end of the data collection period that the relevance of research done on the intersection of organizational stage development with ego stage development theory emerged. So, in some ways, it became a retrospective lens through which to view what had happened so far, and also the groundwork for yet another cycle of theory, action and reflection. It is included here for three purposes. First of all, Peter completed an ego stage development assessment that corroborated the findings of an assessment given at an earlier stage in the intervention, and verified that he was deeply changing. Secondly, it provides a framework according to which one may assess the kinds of novelties that can be encountered when attempting action research in an early stage organization. Thirdly, it draws attention to the fact that charismatic theory so far has not been thought of in terms of self development: Are there differences between charismatics different stages of ego development?

First, the pertinent literature will be reviewed. Then it will be applied in XYZ's instance, to show what further meaning it uncovers. Lastly, findings from the preceding two chapters will be interpreted in light of the concepts in this chapter, leading to further extensions of the theory created.

Organization Life Cycle/Ego Stage Development

Theory in the field of organizational behavior on the combination of ego stage development and organization stage development began in the late 1970s/early 1980s. It was the result of the conjunction of the at-that-time relatively mature field of human ego stage development, and the more recently developing domain of organization life cycle literature. The work on the organization life cycle itself came about because of theorists' extension of the ego stage development paradigm to organizations.

In the sections that follow, theories regarding ego stage development and organization life cycle development will first be treated separately, and then their intersection will be explored, primarily through the work of William Torbert. Since ego stage development theory is a generally more-mature field, only the authors of immediate relevance to this work will be reviewed. Somewhat more space will be given to organizational life cycle development.

Ego Stage Development

Through much of the 20th century, Western researchers have been exploring human consciousness and how it grows or develops. *Ego stage development* is one of the terms used to describe the study of the self or self-system. Along with Lawrence Kohlberg on moral development, Jean Piaget on cognitive development, Abraham Maslow on self-actualization, Erik Erickson on identity development, and others, ego development researchers such as Jane Loevinger and Robert Kegan have tried to capture aspects of this self as it goes through stages of change. According to Wilber,

One of the primary characteristics of the self seems to be its capacity to identify with the basic structures or levels of consciousness, and every time it does so, according to this view, it generates a specific type of self-identity, with specific needs and drives. The self thus appears to be a functional system (which includes such capacities as identification, will, defense, and tension regulation (Wilber et al, 1986), and it also undergoes its own type of development through a series of stages or waves (as investigated by, e.g., Jane Loevinger, 1976; Robert Kegan, 1983; Susanne Cook-Greuter, 1990). (Wilber, 2001)

These stages are characterized by some as containing within them

. . . a fulcrum of self-development (Blanck and Blanck, 1974, 1979; Kegan, 1983; Wilber, 1986, 2000b). A fulcrum occurs each time the self encounters a new level of consciousness. The self must first identify with that new level (embed at that level, be in fusion with that level); it eventually disidentifies with (or transcends) that level so as to move to a yet higher wave; then it ideally integrates the previous wave with the higher wave. (Wilber, 2001)

Thus, humans appear to access a stage of consciousness, make it their own, and then evolve to the next one. Loevinger's work, as modified by Torbert (1987; Torbert & Rooke, 2001) and Cook-Greuter (1999), will be used extensively in this next phase of meaning making. Loevinger's stages of ego development are listed below in Table 6-2, and are explained, using Torbert's modifications, in the discussion of the intersection of organization life cycle and ego stage development, which follows the next section.

Organization Life Cycle Development

Beginning in the late 1960s and extending through the 1980s, organization theorists began experimenting with appropriating the stage development model from psychologists' work, and transferring it to the level of organization, finding rich results from the application. The impetus for this adaptation stemmed from a number of interwoven realizations: (a) an acknowledgement of the weakness of the "one-slice-in-time" approach in explaining the complexity of organizations' functioning—even at the surface, it was apparent that organizations evolved through time; (b) the growing awareness that interventions that were effective in some situations were total failures in others with seemingly similar superficial characteristics; and (c) recognition that not much was known or studied about organizations in the earlier stages of evolution.

Contributions by a number of authors (Adizes, 1988; Cameron & Whetten, 1981; Greiner, 1998¹; Lavoie & Culbert, 1978; Torbert, 1974) laid a foundation of approaches that overlapped each other to a greater or lesser degree. In 1983, Quinn and Cameron (1983) published an article in which they compared the work of nine life cycle theorists, devising a summary model that assigned the steps of each one of the theorists' models to the appropriate stage in their meta-model. The stages of their model are listed in Figure 9.

Thus, the summary model depicts the general issues that an organization typically faces from before incorporation (i.e., "Lots of Ideas," "Marshalling Resources"), through to maturity. Activities that would be categorized as those facing an organization in its entrepreneurial phase are the ones listed for the first and second stage.

What is missing from the general, summary model, however, are aspects of individual theories that one or two authors identified, but others didn't. For example, Greiner (1998) and Adizes (1988) maintained that the end of each stage was marked by a transition that typically manifested as a sort of conflict. This conflict was not the result of dysfunction, but was the normal outcome of successfully completing the tasks of the current stage of development. Adizes further argued that ignorance of the dynamics of

¹ The 1998 publication date for Greiner's article is for an HBR reprint of his 'classic' (their word) 1972 article.

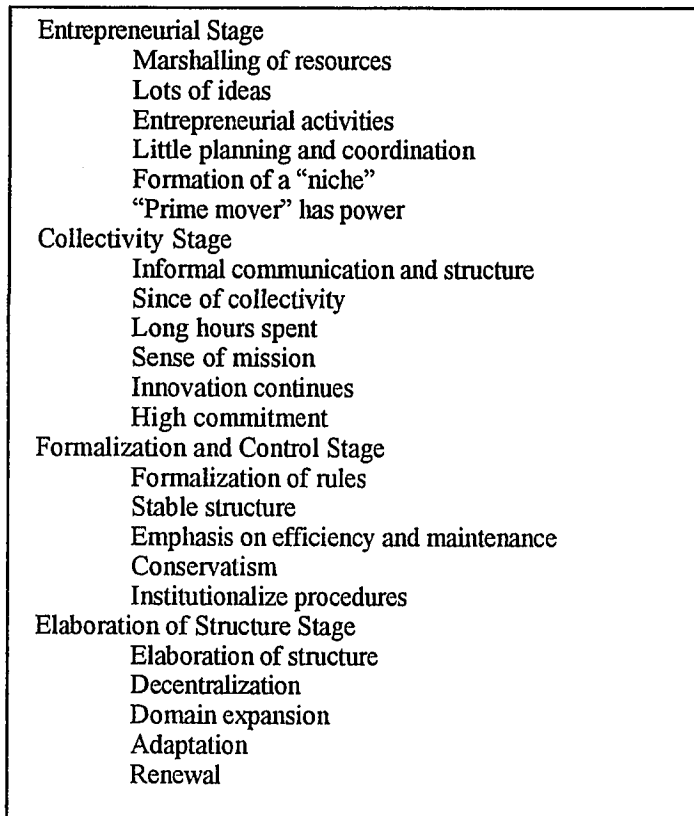


Figure 9. Summary Organization stage model. (Quinn & Cameron, 1983)

the transition and/or unsuccessful resolution of the conflict could lead to the death of the organization. Torbert also has some flavor of this through identifying critical issues that must be addressed at each stage. Others of the authors left the issue of transition unaddressed.

As the discourse on life cycle development progressed, researchers began to focus on the development of different types of organization. Bartunek and Betters-Reed's

(1987) study on the creation of organizations focused on social service enterprises, whereas Adizes' (1988) work on organization life cycles addressed the dynamics and issues more typically facing organizations started by entrepreneurs in the private sector.

Additionally, researchers also began to categorize then-popular approaches to organizational development interventions as to the stage of development in which they were most likely to be effective. Lavoie and Culbert (1978) argued that approaches such as Argyis' management effectiveness, Bennis' emphasis on culture, Blake & Mouton's and Likert's organic approach and Walton's and others' equilibrium approach would likely only be effective for organizations beyond the first two stages in the Quinn and Cameron's meta-model (Figure 9), and in some cases, only for organizations in the fourth stage. They further assert that since these approaches are not structured to help organizations move between stages they should more appropriately be called organization *change* models, rather than organization *development* models. The findings of this particular study become relevant in chapter 8, where a recommendation to modify action research approaches in working with earlier stage organizations will be presented.

Aspects of the Theory Relevant to This Study

For the purposes of this study, the life cycle work of Torbert, Adizes and Greiner, particularly as it pertains to the early stages of organizational life cycle

development, will be compared and described in further detail. Three researchers were chosen rather than just one, to highlight the fact that different researchers include distinct phenomena in their schemas, yet all are useful in terms of making sense of the complex occurrences that take place in organizations. Torbert is also chosen as one of the three because of his later work combining organization life cycle and ego stage development; this nexus and his work is of particular relevance to this study. Their descriptions of organization stage development appear in Table 3.

Table 3: A Comparison of Organization Life Cycle Stages Among Three Theorists

	Adizes (1988)	Greiner (1998)	Torbert (2001)
A.	<p>Courtship: Founders are dreaming up “what we might do. Entrepreneurial activities. Tensions:</p> <ul style="list-style-type: none"> • Excitement, reality tested vs. no reality testing of commitment • Realistically committed vs. unrealistically fanatic founder • Commitment to value added of product vs. exclusive ROI-profit orientation • Commitment commensurate vs. not commensurate to risk 		<p>Conception: Dreams, vision, informal conversations about creating something new to fill need not now adequately addressed; interplay among multiple ‘parents’; working models, prototypes, related projects, or business plans developed. Critical issues: timeliness and mythic proportions of vision.</p>
B.			<p>Investments: ‘Champions’ commit to creating organization; early relationship-building among future stakeholders; peer networks and parent institutions make spiritual, structural, financial commitments to nurture; critical issues: authenticity and reliability of commitments; financial investment appropriately subordinated to structural and spiritual investments.</p>
C.	<p>Infant Organization Stage: Emphasis on production, time pressures keenly felt, no tradition, few meetings, little planning. Tensions:</p> <ul style="list-style-type: none"> • Risk does not evaporate commitment, vs. risk does • Negative cash flow vs. chronic negative cash flow • Hard work nourishes commitment vs. loss of commitment • No managerial depth vs. premature delegation. • No systems vs. premature rules, systems, procedures 	<p>Phase I: Creativity. Energies of the founders are usually absorbed in making and selling a new product—viewing management activities with disdain; communication among employees is informal; long hours of work; management acts as customers react. As the company becomes successful at the above, issues of managing the multiplication of activities lead the organization into its first revolutionary dilemma: the crisis of leadership—the need for someone adept at managing, rather than creating. This crisis is solved by the hiring of a strong business manager</p>	<p>Incorporation: Products or services produced; recognizable physical setting, tasks, and roles delineated; goals and operating staff chosen; critical issues: display of persistence in the face of threat; maintaining or recreating consistency between original dream and actual organizational arrangements</p>
D.	<p>Go-Go Organization Stage: Rapid expansion, personalized leadership, some planning, fast, frequent, intuitive decision making. Issues:</p> <ul style="list-style-type: none"> • Effectively prioritizing opportunities • Selling reactively vs. proactive planning 		<p>Experiments: Alternative administrative, production, selection, reward, financial, marketing and political strategies practiced, tested in operation and reformed in rapid succession; Critical issues: truly experimenting—taking</p>

Table 3: A Comparison of Organization Life Cycle Stages Among Three Theorists

	<ul style="list-style-type: none"> • Rapid growth that could become unfocused • Company organized around individuals' talents • Founder's control can become stifling 		<p>disciplined stabs in the dark—rather than merely trying one or two preconceived alternatives, finding a viable, lasting combination of strategy and structure for the following stage</p> <p>Systematic Productivity: Attention legitimately focused only on systematic procedures for accomplishing the pre-defined task; standards, structures, roles taken for granted as given, usually in deductive, pyramidal terms; marketability or political viability of product or service, as measured in quantifiable terms the overriding criterion of success; reality usually conceived in dichotomous, competitive terms win/lose, rational/emotions, leader/follower, critical issue: whether organization “rememberers” analogical concerns about congruity from mission to strategy to operations to outcomes during this period of emphasis on deductive systems.</p>
E.	<p>Adolescent Organization Stage: Planning and coordination are important, administrative activities increase at the expense of entrepreneurial activities and production, stability and conservatism, formalized rules and policies Tensions:</p> <ul style="list-style-type: none"> • Conflict between administrators and entrepreneurial types vs. control by owner • Temporary loss of vision vs. entrepreneurs leave and administrators take over • Founder accepts organizational sovereignty vs. founder is squeezed out • Incentive systems reward the wrong behavior vs. ind'ls get bonuses while the company is losing money • Yo-yo delegation of authority vs. paralysis during power shifts 	<p>Phase 2: Direction. A functional organization structure is introduced, and job assignments become increasingly specialized; accounting systems, incentives, budgets and other standards are adopted; communication becomes formal; upper management assumes responsibility for most direction setting activities. Successful accomplishment of the above tasks creates a central hierarchy. This is called the crisis of autonomy. Its successful resolution is delegation, which is difficult for both senior managers used to making all the decisions, and junior managers not used to doing that.</p>	
F.	<p>Prime Organization Stage:</p> <p>Characteristics:</p> <ul style="list-style-type: none"> • Functional systems and organizational structure • Institutionalized vision and creativity • Results orientation; the organization satisfies customer needs • The organization <i>predictably</i> excels in performance • The organization spins off new Infant organizations 	<p>Phase 3: Delegation. Greater responsibility given to plants, territories, profit centers and bonuses used as motivators, HQ managers manage by exception, communication from the top is infrequent. A crisis occurs as top level managers sense they are losing control over a highly diversified field operation: the crisis of control. Unsuccessful attempts to resolve this crisis include attempting to recentralize decision making. The effective solution is to create coordination techniques.</p>	
G.		<p>Phase 4: Coordination. This phase is characterized by the use of formal coordination systems, and by senior management taking responsibility for the initiation and administration of these new systems. A red-tape crisis emerges</p>	

Table 3: A Comparison of Organization Life Cycle Stages Among Three Theorists

H.		<p>as line and staff become frustrated with their bureaucratic system. The organization has become too large to be managed through formal systems and rigid programs.</p> <p>Phase 5: Collaboration. Spontaneity in management action through teams and the skillful confrontation of interpersonal differences. Social control and self discipline replace formal control; a more flexible and behavioral approach to management. Focus is on solving problems quickly through team action, matrix structures are used to create cross functional teams, formal control systems are simplified and combined into single multipurpose systems.</p>	
I. J. K. L.	<p>Stable Organization Stage ²</p> <p>Aristocracy¹</p> <p>Bureaucracy¹</p> <p>Death¹</p>	<p>What's next?¹</p>	<p>Collaborative Inquiry: Explicit, shared reflection about corporate mission; open interpersonal relations with disclosure, support and confrontation of apparent value differences; systematic personal and corporate performance appraisal on multiple indexes; creative resolution of paradoxes—inquiry/productivity, freedom/control, quality/quantity; interactive development of unique, self-amending structures appropriate for this particular organization at this particular historical moment.</p> <p>Foundational Community¹</p> <p>Liberating Disciplines¹</p>

² Each of the theorists has later stages; however for the purpose of this study we will not focus on them here.

The following paragraphs distinguish and critique aspects of the theorists' approaches.

In the broadest sense, the three researchers approach organizational life cycles by profiling different types of phenomena, so their stage descriptions do not overlap completely. Adizes, drawing on a model created from intersecting organization flexibility with control concerns, seems to highlight functions and stage related problems, Greiner emphasizes structure and roles, and Torbert underscores the mentalities (Lavoie & Culbert, 1978; Quinn & Cameron, 1983) needed to carry out the tasks of each stage. Therefore, they sometimes highlight differing issues in terms of what constitutes a stage, or when a transition occurs. More similarities exist among the earlier stages (Rows A-E) than among the later stages.

Row C is the stage in which all three theorists describe the incorporation stage. Greiner starts his approach to organizational life cycles at that point. However, both Adizes and Torbert include stages before incorporation, which inclusion highlights that critical decisions and investments need to be made even before the organization is born.

Both Adizes and Torbert allow for a stage after incorporation (Row C) but before standardization (Row E) where the organization is growing and producing, but flexibility outstrips control (Go-Go), or the organization is trying out alternative methods to maximize its effectiveness (Experiments). Informality prevails in both of these

organizational stages. They could both be described by the term in the meta-model called *collectivity*: informal communication and structure, innovation continues, long hours spent, etc. Adizes specifically mentions that an issue at this stage is whether or not the leader can successfully learn how to delegate, which, from chapter 6, is one of the definitions Honold uses for *empowerment*: the ability on the part of leadership to set the context for empowerment (Honold, 1999).

The theorists, in the stages depicted in Row E, all describe a similar transition at this point—where the informal organization begins creating and adopting more conventional procedures to govern the processes, decisions, roles, etc. that the growing organization needs to function. Both Adizes and Greiner advise that for a successful transition to occur at this point, the original founder should step aside in favor of a professional manager, because the assets of the type of leader it takes to create a company are often insurmountable deficits at this stage. Torbert is silent on this point in terms of organization stage progression. However, part of the reason for his coupling of ego development with organization stage development is to offer the option to managers to learn the skills of later ego stage development that might enable them successfully make this type of transition (Torbert, 1987).

Beyond the stage of the introduction of the first formal systems, differences in the theorists' views of stage development become clear. Adizes (1988), continuing to

explicate the relationship of flexibility to control in each stage, says the organization reaches its peak in terms of balancing those two forces when it reaches its prime. Greiner describes his next two stages in terms of the structures and roles that seem to dominate development. However, Torbert does not have stages that would correspond with either of the other two theorists. Here his “mentalities” bent becomes clearer.

Torbert does not divide any of the activities described by Adizes or Greiner in the steps displayed in rows F and G. What he sees as the next transition is a transition to another way of thinking—from deductive and either/or (in Systematic Productivity), to analogic, paradoxical, self-and-other inquiring and reflective (in Collaborative Inquiry), the type of thinking that is now often associated with the learning organization (Torbert, 2001). He makes no assertion as to what events are taking place in the external life of the business while these internal shifts are happening for the organization members.

Greiner (1998) as well eventually arrives at a stage called *collaboration*, which in his schema only occurs after two more stages of external restructuring (Delegation and Coordination). Adizes does not directly address the issue of collaboration, although one could infer that for an organization to be functioning in its prime, that this kind of ability may be employed. The implication in Greiner’s progression through the stages seems to be that only after the limits of external restructuring become apparent will a company resort to changing behavior and/or assuming a stance of reflection. By separating out

mental abilities from the external situation, Torbert's schema leaves open the possibility that these mental abilities could be employed at any one of the steps depicted in rows F and G, rather than waiting till those stages are completed. Indeed, the habit of inquiry he suggests could, if employed early enough, perhaps change or short circuit some of the problems associated with those stage, or change the nature of those intervening external-structure-focused steps.

This distinction further emphasizes the difference in purpose that underlies Torbert's work as distinct from Adizes' or Greiner's. Greiner wants to emphasize the importance that the force of an organization's history has on its development (Greiner, 1998). On the other hand, Torbert, rather than being content with describing organizations as they are, is trying to help organization members realize the dream that often was the impetus for the incorporation of the organization in the first place. This is reflected in the title of his 1987 book on the subject, Managing the Corporate Dream (Torbert, 1987).

A further difference appears among the three theorists regarding stages after the ones illustrated in row H of the table: Adizes is the only one to have a stage in his model regarding organization decline. Although other authors later in the 1980s wrote about problems arising from issues of decline, no one else included in their model (Quinn & Cameron, 1983). Greiner leaves his model incomplete, saying he is not sure what stage is

next for organizations, but speculating that there might be something. He strengthens this speculation in the 1998 version of the article.

Torbert boldly asserts that there are two stages possible beyond Collaborative Inquiry: Foundational Communities and Liberating Disciplines. He asserts that organizations at these stages build their structures and purpose around the pursuit of the four goods of the good life: good money, good work, good friends and good questions. Partial examples of Foundational Communities are the various Twelve Step organizations and the Society of Friends (Quakers). A partial example of Liberating Disciplines is a group called the Gurdjieff Work, following the ideas of the Russian-Armenian, George Gurdjieff. A difference between Foundational Communities and Liberating Disciplines comes as the latter tries to use the principles of the good life to transform society. Torbert maintains that at this point in human evolution, only partial examples of these last two stages exist. They only exist as we are capable of creating them, and we are only evolving to that point (Torbert & Rooke, 2001).

Because we are concerned with earlier stages of organization development, probing into the nature of these last stages is beyond the scope of this study. However, it is worthwhile to note that in his study of organizations, Torbert, in describing these last two stages of organizational life cycles, seems more interested in exploring what is humanly possible, not only what is typical.

The Intersection of Organization Life Cycle and Ego Stage Development

In the late 1970s researchers began turning their attention to the intersection of these two stage development approaches. A journal article published by Lavoie and Culbert (1978) married the organization life cycle thinking of Torbert to Lawrence Kohlberg's work on the stages of moral development. Soon after, Torbert wrote about the same subject himself, combining his eight-stage organization life cycle model with Loevinger's ego stage development theory (Torbert, 1987).

From Ego Stage Development to Managerial Ego Stage Development

He renamed and adapted the stages in Loevinger's model (Loevinger, 1976) to encompass types of managerial activities. These stages are depicted in Table 4.

What Loevinger calls the *Self-Protective* stage, Torbert names *Opportunist*. This stage is dominated by the individual's need to look out for him or herself, whether as a person, or as a Manager. Diplomat Stage is Torbert's translation of the young ego's need to conform to a group for acceptance, the first awareness of the other. Although Opportunists place self interest above all others and continually look for opportunities to forward that interest, Diplomats integrate that capacity with an overweening desire to fit in and gain the acceptance of others. Studies of the ego stage development of U.S.

Table 4. Comparison of Loevinger's Stages of Ego Development with Torbert's Stages of Managerial Ego Development ³

Self Protective Stage - The first step toward self control of impulses. He uses rules for own satisfaction and advantage.	Opportunist –Manipulative; deceptive; rejects feedback; externalizes blame; distrustful; fragile self-control; hostile humor; views luck as central; flouts power, sexuality; stereotypes.
Conformist—the beginning of identifying one's own welfare with that of the group. One's moral code defines actions as right or wrong according to compliance with rules rather than according to consequences.	Diplomat—Observes protocol; avoids inner and outer conflict; works to group standard; conforms; feel shame if violates norm; seeks membership, status; face saving essential; loyalty to immediate group, not 'distant' organization or principles.
Conscientious Conformist—modal level for adults in our society. Awareness of oneself as not always living up to the idealized portrait set by social norms. (This is the way in which self differentiation from conformity begins.)	Expert—Interested in problem solving; seeks causes; critical of self and others based on craft logic; dogmatic; values decisions based on merit; wants to stand out, be unique; sense of obligation to wider, consistent moral order
Conscientious Stage—at this stage, the major elements of an adult conscience are present: they include long-term, self-evaluated goals and ideals, differentiated self-criticism, and a sense of responsibility. At this stage a person is his brother's keeper.	Achiever—Long-term goals; future is vivid, inspiring; welcomes behavioral feedback; effectiveness and results oriented; feels like initiator, not pawn; seeks mutuality, not hierarchy in relationships; feels guilt if does not meet own standards; blind to own shadow, to the subjectivity behind objectivity.
Individualistic Level First awareness of inner conflict between focus on self & achievement vs. others. Moralism begins to be replaced by inner conflict. Increased ability to tolerate paradox and contradiction leads to greater conceptual complexity.	Individualist –Is freer of obligation and imposed objectives, thus finds new creativity; aware that what one sees depends upon one's world view and experiments with this; experiments with using power differently; starts to notice their own shadow (that they may have a negative impact).
Autonomous - marked by the capacity to acknowledge and cope with inner conflict. Comfortable with paradox; high tolerance for ambiguity. Aware not only that others have motives, but that they are based on past experience. Self-fulfillment becomes a goal, rather than only achievement.	Strategist –Recognizes importance of principle, contract, theory and judgment for making and maintaining good decisions; process oriented as well as goal oriented; aware of paradox and contradiction; relativistic; enjoys playing a variety of roles; witty, existential humor (as contrasted to prefabricated jokes); aware of dark side, of profundity of evil.
Integrated—hardest to conceptualize, since rare. Similar to Maslow's self-actualizing person. Much of description of Autonomous stage holds, along with a sense of identity.	Magician/Ironist—Disintegration of ego-identity, seeks participation in historical/spiritual transformations; creator of mythical events that reframe situations; sees light and dark, order and mess, blends opposites, creates positive-sum games; treats time and events as symbolic, analogical, metaphorical (not merely linear, literal).

³ Loevinger's first three ego stages, Presocial, Symbiotic and Impulsive, have been omitted because no managers have been found who tested at these levels.

managers found that less than 5% of managers function at the Opportunist stage, and 12% operate at the Diplomat stage (Cook-Greuter, 2001).

Torbert has translated Loevinger's Conscientious-Conformist stage into the Expert stage. He translates the growing ego's ability to start to differentiate itself from the group through realizing how it does not live up to idealized portrait set by social norms into a passion for excellence in craft logic. Individuals who master craft logic, often managers of technical functions, are often perfectionistic and critical of self and others according to the rules of the logic. Interestingly enough, measures on two inventories mirror each other: Ego development measures show that this is the model level for adults in the US, whereas according to the Cook-Greuter Leadership Development Profile, they also comprise the highest percentage (36%) of managers out of the 4510 who were tested. Similarities can also be seen between what Loevinger calls *Conscientious*, and Torbert calls *Achiever*. Achiever managers (30% of managers tested) incorporate the reasoning abilities and self-understanding of the previous levels with a capability to be goal and outcome directed, rather than merely task and efficiency focused.

Between this and the next level, Torbert profiles a dimension about the transition that is not emphasized in Loevinger's work. That is, he argues that this transition is from conventional levels of consciousness to *postconventional*, borrowing terminology from Kohlberg and others (Kohlberg, 1969).

The Achiever is the highest stage fully supported by Western culture and society and encompasses the traditional scientific frame of mind. Culturally it forms a kind of ceiling in development, overcome by less than 10% of the general population. Those individuals who do develop beyond the 'conventional' stages . . . move into what are described as 'postconventional' stages of development. (Cook-Greuter, 2001 p. 8)

What making this transition entails is developing a qualitatively different type of consciousness, distinct from any of the earlier stages: the ability to understand that one's own view of reality is only that: one's own view, not *the* view.

The manager at the Individualist stage has discovered that how objects and events are viewed and understood depends upon one's position. In other words, "reality" is relative to where you stand, and thus there is no such thing as absolute truth. It all depends! (Torbert & Rooke, 2001, p. 108)

This may be a disorienting period for the manager, as she realizes that the things that she thought she knew to be certain, aren't. However, as the transition period continues, the manager moves into the Strategist stage.

The Strategist realizes that all frames, including his or her own, are relative. With this realization, the Strategist . . . is open to the possibility of "reframing" his or her viewpoint and purposes in a situation, and helping others to "reframe", consciously seeking and choosing new frames that accommodate the disparities, paradoxes, and fluidity of multiple frames. Moreover, the Strategist senses that such frame-changes cannot be generated unilaterally either by external command or by internal effort. Instead, the exercise of transforming power is a mutual process in which all the participants are initiators and in which all participants make themselves vulnerable to transformation in the service of greater organizational legitimacy and effectiveness.

The Strategist frame is not without potential shadows and turmoil. . . . However, it is this very ability to see many meanings simultaneously that can drive the Strategist to develop an encompassing frame that makes order out of chaos, and not to take the easy way out by simply adopting one of the earlier, simpler frames. (Torbert & Rooke, 2001, p. 115)

It is at this level, Torbert contends, that 85% of senior management functions. Strategists as a whole, however, make up only 10% of the management ranks (Cook-Greuter, 2001).

What functioning at this level of consciousness allows the individual to do is to not only change the actions used to achieve goals, but to be able to see the relativity of goals themselves, and to substitute new strategies or goals when necessary. It also allows the individual to value the world-view of the other, and to understand that the other's viewpoint is as valid as one's own.

The Juxtaposition with Organization Stage Development

Torbert next juxtaposed the Ego Stage development sequence with the organization life cycle development. What this juxtaposition allowed him and others to do was to begin to theorize on the levels of development or mentalities necessary to bring organizations through earlier stages of development into the later ones. The juxtaposition is summarized in Table 5.

Table 5. Managerial Ego Stages and their corresponding Organization Life Cycle Stages, according to Torbert (Torbert, 1987; Torbert and Rooke, 2001)

Managerial Ego Stages	Organization Life Cycle Stages
	Conception
Opportunist	Investments
Diplomat	Incorporation
Expert	Experiments
Achiever	Systematic Productivity
Individualist and Strategist	Collaborative Inquiry
Magician/Witch/Clown	Foundational Community
Ironist	Liberating Disciplines

Although there are similarities between the characteristics of organizations and individuals at each stage, this does not mean that a manager at the level of Diplomat is the type best suited to bring a new organization to the Incorporation level. Managers need to be ahead of the level of the organization they are trying to manage for effective organizational functioning.

Torbert contends that few organizations function at a level higher than that of Systematic Productivity. If his assertion that ego stage development is a determining factor regarding the organization stage level that an enterprise can attain is true, then the fact that only 10% of American managers function at a post-conventional level may be one reason why. As was described earlier, the ability to function at a level of Collaborative Inquiry depends upon an organization's members being able to self-reflect and deal with multiple possibilities. Now, with the addition of ego stage theory, we see that that ability is not developed until the Individualist stage is reached.

Torbert also maintains that it is highly desirable for entrepreneurs or others bringing an organization through the earlier levels of Conception, Investments, Incorporation, and Experiments to be able to function at the Strategist level (Torbert, 1987). One particular reason for this is the agility that is needed to manage the strategic and creative choices that attend the Conceptions and Experiments stages. For example, if the activity of the Experiments stage truly consists of taking “disciplined stabs in the dark” (Torbert & Rooke, 2001, p. 98), then it is to the organization’s advantage if the leader is capable of deeply listening to and appreciating alternative approaches, sorting out desirable goals from merely appealing ones, and balancing the many other strategic urgencies that present themselves as one is trying to create success out of the always attendant scarcity of resources.

Application to XYZ

I now turn to how this avalanche of theory can aid in further sense-making of the events at XYZ. This organization/ego stage development theory will be applied in a number of ways.

First of all, I will establish the level of organization at which XYZ was performing during the years of the project. Secondly, using Peter’s scores on the Cook-Greuter Leadership Development Profile, I will assess his level of functioning according to

Torbert's Managerial Ego Stage model. I will then relate the findings of that profile back to the earlier assessment of Peter as a charismatic leader, and his growth and experimentation with new behaviors. I will comment on how his growth may be useful in continuing to face the challenges relating to the stage at which the organization is functioning. Finally, I will speculate on the new avenues of exploration that have opened from this study from intersecting a behavior based approach to leadership (charisma) with a developmental approach.

Level of Organizational Functioning

In assigning the level of organizational functioning, I asked the assistance of Peter and Steve themselves (I asked only these staff members because this part of the inquiry took place after most staff had left). As participants in an Action Research process, their opinion and perception needed to be included. After a healthy dialogue about Torbert's model of Organizational Stages, they picked the level of Experiments.

The definition of Experiments is: "alternative administrative, production, selection, reward, financial, marketing, and political strategies practiced and tested in rapid succession" (Torbert & Rooke, 2001, p. 96). Over the two years duration of the project, they experimented with many of the above aspects of organizing, including one not mentioned above: the level of product definition itself. Some aspects of these

experiments have been portrayed in the story; other parts have not, due in part to the sheer volume of activity that took place.

The primary nature of their experiments seemed aimed at answering the question: How do we expand this business be more than a one-customer shop? Successive experiments with product definition, pricing, and eventually marketing were tried in attempts to resolve the question. In addition, the story of their experiment with reward systems is chronicled as part of chapter 4. As of the end of the study, they had not yet transitioned out of Experiments, and were beginning on another one.

In addition, Peter's organization fits the characteristics of Adizes' Go-Go organization, which is Adizes' level similar in the overall stage progression to Torbert's Experimentation stage. The company did manifest many of the symptoms Adizes describes, chief among them, for our purposes, the issues around delegation. That would be one way to characterize the discussions regarding the effects of P1 and P2 on those closest to him, which were chronicled above in chapter 6.

Peter's Level of Ego Stage Development, as Measured by Administration of a Stage Inventory

During the summer of 2001, Peter completed the Leadership Development Profile created by Susanne Cook-Greuter (1999)⁴. Greuter's instrument is an extension of the Loevinger ego-development inventory, modified to work with the ego development model that Torbert adjusted from Loevinger's work for use with organizational managers.

This instrument is a 36-item sentence completion inventory scored by a professional trained to discern the level of reasoning evident in the inventory taker's responses. Results come back displayed to graphically depict the percentage of answers at each ego stage level, and also with a written narrative.

The percentages of Peter's answers are presented in Table 6.

Table 6
Classification of Peter's responses to the Cook-Greuter Leadership Development Profile (Cook-Greuter, 2001)

Ego Stage	Opportunist	Diplomat	Expert	Achiever	Individualist	Strategist
Percentage of responses	0%	5.5% ⁵	16.6%	52.7%	22.2%	2.7%

Because of the developmental focus of the inventory, the manager's level of functioning is not decided by the highest percentage of responses in a category. If that

⁴ Cook-Greuter's work comprehensively describes the theory and validity testing underlying the inventory.

⁵ Total does not equal 100% do to rounding of percentages.

was so, Peter would have been scored as an Achiever (52.7%). Rather, because each stage contains within it the ability to use the assets mastered while at earlier levels, the level of attainment is more clearly indicated by the most sophisticated level of ego development in which there is a concentration of answers. For Peter, this would be the Individualist stage. This is further clarified in the narrative comments that follow below:

This protocol shows enough evidence of postconventional capacity to rate at an early Individualist stage. The Achiever base is very strong (52.7%). However, Peter sees some limits of the Achiever values (4,16)⁶. He shows growing self-knowledge (2,8,32) and is aware of his Diplomat concerns (8, 17). Beginning cognitive complexity expressed as multiple possibilities (3,27,30). More attention to context, process and multiple causes of thinking, behavior and feelings in self and others will likely support further growth.

(Cook-Greuter, 2001, p. 4)

What this means is that Peter seems to be at the early stages of comprehending on a deep level the relativity of beliefs and approaches, rather than believing that there is one truth, or one best way to accomplish something. As described above, because the transition from conventional to postconventional stages is so complex, the Individualist stage is depicted more as a transitory stage through which the ego evolves on the way to becoming a Strategist, rather than possessing its own fulcrum. Thus, Peter seems to be on his way to developing the capabilities of a strategist. The last sentence in the narrative points out areas on which to focus that might facilitate that transition.

⁶ These numbers refer to individual items from the inventory.

Relationship to Local Theory of Change

The results of both Cook-Greuter's Leadership Development Profile and McWhinney's Realities Inquiry showed Peter to be likely undergoing a period of significant change. Both of these assessments were given during 2001, after XYZ's main client left, the Realities Inquiry in March, and the Cook-Greuter Profile in July. Neither of these assessments was given in a pre- or post-test mode, since neither charisma nor ego development was foreseen as a theme at the beginning of the project. Therefore, it is not possible to know how long he had been in this state of change, or whether the immediately preceding interventions that resulted in his growing willingness to tolerate others' disagreement with him played a role. Torbert estimates that change between one ego stage and the next takes between 1-2 years (Torbert & Rooke, 2001). However, we can at least say that he was in a period of deep change.

The similarity between what the Cook-Greuter inventory identifies as his "beginning cognitive complexity expressed as multiple possibilities" seems to overlap with the finding expressed earlier in the local change theory of his increasingly being able to let others disagree, and benefit by what he learned through doing that, rather than being threatened by it. That is, in both instances, he seems to be showing an awareness that ways of doing things, of thinking about things, other than his are valid.

The level of the Individualist is the first where one realizes his or her own relativity and that there is more than one version of the truth. This seems like it could also be another way to express what Peter was discovering through his experimenting with reacting differently. And that behavior was increasing toward the end of the data-gathering period.

The benefit of being able to use assessment instruments whose validity is known in a case like this is that they can offer an extra measure of credibility to the project and the type of change that the actors and/or I report as having happened. It is the kind of credibility important on the “for them” level of research—the level in which the academy is interested (Reason, 1999). However, having some external confirmation that what we thought was happening was actually happening is less useful on the “for us” level of research—the level in which the players themselves are interested. In chapter 3 I asserted that the one of the best validity measures of an action research project is whether, in the eyes of the participants, it worked. In this case, there is some informal, anecdotal evidence I have reported that for the people closest to Peter and Peter himself, the P1-P2 way of looking at Peter’s leadership style was useful: It gave both him and them (and me) a more effective way of understanding our situation and of having more control over it. However, the chance to implement this theory on a broader organizational basis was

missing, due to the downturn in the company's fortunes: Most of the staff was gone by the time we could have implemented it.

For me in the role of researcher, this is very frustrating—it leaves the project with an aura of being less than complete. However, as a consultant on real time projects, this is how things sometimes turn out. I still aver that the title of the dissertation, in that it includes the growth of “His Organization” is still correct. The project had to end during a down-turn, but because of the kind of growth Peter was undertaking, For his organization to continue to grow, this kind of personal growth was necessary. Therefore, more solid indications of this would only be visible during the next cycle of action research, or the next structured Experiment that the company underwent.

In the meantime, it became more necessary to rely on the results of instruments such as these than on a broad implementation of the created theory itself.

Another overlap between the findings of the Leadership Development Profile and the local change theory has to do with use of power. Torbert maintains that it is only at the Strategist level that a person becomes fully capable of using power in a mutual, rather than one-sided way. His term for this kind of power is *transforming power*.

Transforming power is a rare, little understood type of power that invites mutuality, seeks contradiction, and requires heightened awareness of the present. The exercise of transforming power makes everyone present (including the person exercising the power) vulnerable to transformation. (Torbert & Rooke, 2001, p. 130)

As described in the section above on Empowerment, as Peter began to understand and accept the reality of P1 and P2 and the effects they had on people, as evidenced in his relationship with Larry, Peter began to change his approach with him. Instead of yelling at him, he began to use active listening to hear what Larry was saying. As he did this, he was better able to support Larry's own brilliance, and Larry felt more empowered. Thus, here is another example of where the results of the Leadership Development Profile support or amplify the discoveries of the local change theory.

Also, it may point to insights about the level of ego stage development at which leaders need to be to effectively empower those closest them, or perhaps at least charismatic leaders. Although this is an *n* of one, the seeming link between the level of ego stage development and a more mutual use of power could be a fruitful avenue of study.

Effect on the Level of XYZ's Organizational Stage Development

Torbert argues that the level of ego development attained by the leadership of an organization has an effect on the level of development to which an organization can grow itself. Above, I made the case that the XYZ's level of functioning during the time of the study remained at Torbert's level of Experiments. Therefore, as depicted in Table 6-3, even if Peter only started to shift to the post-conventional ego level of Individualist during the last part of the project, his "solid Achiever base," to use the words of Peter's

Leadership Development Profile, should have been more than adequate to address the needs of an organization at the Experiments stage.

However, as related above, Torbert asserts that the mentalities available to a leader at the post-conventional stages can be very useful at the Experiments stage in terms of helping fashion the most effective disciplined stabs in the dark. That is, the ability to see multiple causes and multiple realities and to strategize regarding them can help the organization create more effective experiments. Because their earlier attempt at Experimenting ended up being not successful (they were not able to replace their single client and maintain a steady cashflow), if Peter's beginning emergence into the Individualist stage is a recent occurrence, than as this ability is nurtured, he may indeed be able to create more effective experiments in this next phase of expansion.

For example, he may be able to more effectively take in the ideas and strategies of those around him, causing better choices—at least from the point of view of better choices being those that are made after an examination of complex sides to a situation. He may also be more able to effectively delegate (using Adizes word from his Go Go stage), or empower, using the terminology of this study.

Summary

In this chapter, the basic tenets of several researchers' approaches to organization life cycle theory and individual ego development theory were reviewed. Attention was given to the fruitful juxtaposition arising from Torbert's combination of ego and organization development stage theory.

These theories were applied to Peter and to XYZ as an organization. I argued that XYZ as an organization functioned at the level of Experiments. Further, through the discussion of the results of the Cook-Greuter Leadership Development Profile, I described Peter's apparent transitioning from the conventional Achiever stage of ego development into the first post-conventional stage, Individualist. Similarities in the findings of the Leadership Development Profile, McWhinney's Realities Inquiry, and the components of the local theory of change created earlier were noted, with an emphasis on how these similarities could be used to promote further growth.

CHAPTER EIGHT: Conclusions

In this chapter I bring together the results of the study and summarize them here.

First, I review the local theory of change that was constructed within the project, and how it was used. Then, I move to the level of the study itself, how the action research methodology was employed, and what learnings about the methodology itself have resulted from this project. Lastly, I turn to implications for further research.

Complete Local Theory of Change and Relationship to Charisma

Following are the components of the local theory that was created during the project, including what it does and doesn't say about charismatic leadership. I restate it here so that the theory can be reviewed in its entirety, and as a basis for describing the avenues for further investigation opened up by the research done here.

Here are the basic tenets of the theory.

1. There are two different sides to Peter's personality, which Steve coined *P1* and *P2*. *P1* was Steve's description of the Peter who had inspired all of us to try to make this big idea of his a success. This was the Peter we all wanted to know, whose praise we waited for, whose energy lifted us up, to whom we want to be close. *P2* was Steve's name for another side of Peter: an angry, attacking, intimidating part of Peter that also made regular appearances. Although initially the label *P1* seemed to have a positive

valence, and P2 a negative valence, Peter found it more helpful to think of P2 as feelings he had a hard time managing.

2. P2 came out for Peter whenever his mythic sense of reality was threatened. He felt that he was in danger of no longer existing, and felt shame in that moment. This aspect of his mythic personality could control him for periods until he learned how to deal with shame. He did this through therapy, and through experimenting in safe places, such as with letting me disagree, feeling whatever feelings that brought up, and in so doing, realizing he still existed and was still valid. This allowed him to accept another's version of reality, not instead of his, but in addition to his.

3. When P2 appeared, it affected others around him in a disempowering way. This was reported on by Phil, Steve, and through my own experiences with Peter. This led me to conclude that Peter was ambivalent about empowerment—in some cases acting to bring it about, such as in the second formal empowerment intervention, and in other cases disempowering those around him. His pro-empowerment behavior seemed to predominate in the public arena—e.g., with the formal empowerment intervention—and disempowering behavior seemed to manifest with his closest circle of employees, on an informal level. However, even on the public level, he eventually shut down the empowerment initiative before it was implemented. Peter attributed part of this shutdown to P2 thinking “I don't trust anyone.”

4. As Steve and I began to see Peter as P1 and P2, it helped us manage our expectations of Peter and alter our styles with him accordingly. As Peter began to understand P1 and P2 and to recognize how it affected his behavior, he became able to modify his behavior. This had the effect of changing the dynamic between him and Larry, as reported by both of them, to one where Larry felt more valued, able to express his opinions, and to act effectively on his own. My claim is that this shift is the necessary precursor to Peter being able to more effectively empower those around him. The project ended before this last claim could be tested.

Results from the Cook-Greuter Leadership Development Profile seemed to corroborate the experience that the project members were encountering as a result of the local theory: that Peter was in a period of deep change that could be characterized as one in which he was learning to hold and value multiple versions of reality. The profile also corroborated that it was likely that Peter was beginning to use power differently—to use a form called transforming power, which is the type of power most likely to be effective in producing the kind of results that are looked for in empowerment initiatives.

How is this theory related to charismatic theory, and what can be said about charisma because of it? The path to the development of this theory began with an introduction into the project of scholarship on charismatic theory. Later, writing on related phenomena, narcissism and mythic personality, were added as well. Though these

concepts became useful lenses through which to view the situation and were fruitful in terms of leading to a seemingly helpful theory, two kinds of inventorying that were done were inconclusive as to whether Peter was a charismatic leader. It may be that an adequate inventory to measure charisma does not yet exist (see Conger & Kanungo, 1998, for a review of other tools).

Therefore, there is not enough evidence to conclusively say that it was as a facet of charisma that Peter exhibited this behavior, although there is enough to say that it is likely he did. Subsequent research should study other leaders to see if they exhibit a similar type of P1-P2 behavior, and if some do, are charismatic and/or narcissistic leaders more likely to be the ones who do? This could be crucial to understanding the dynamics of leadership in a way that explores the nether side of leaders' behavior as well as the productive side. Since by their nature charismatic leaders seem to inspire their followers to a greater vision and hope for the future, the contrast between that side and the nether side behavior of disempowerment would be important. That is, on the one hand, leadership may be building up the followers, and on the other hand, it may be undoing some or all of what it just did by acting in a way that contradicts it. This would be particularly true if empowerment was one of the initiatives being implemented. If this dynamic exists on a broader scale than just this case, it should be attended to for the continued growth of our organizations and the welfare of their members.

Action Research Findings

Analysis of the adaptation of action research methodology as applied in this case extend the findings of Chisholm and Elden (1993) regarding the emergent use of action research in novel situations.

With regard to Chisholm and Elden's second dimension of emergent action research, the degree of organization of the research setting, I found performing action research in an early-stage company to be another instance of a relative lack of organization, different from the lack of organization that results from the intersection of networks and/or organizations trying to come together, and different from later stage organizations experiencing chaos due to internal or external factors. Carrying out action research in this type of not yet structured environment calls for greater degrees of flexibility in what constitutes the methodology. Specifically, I found four things: (a) the necessity to be very flexible with the concept of research cycles, adapting or abandoning them as necessary; (b) the necessity to create my own process validity check: that of relying on trusted colleagues outside the situation to help maintain a level of reflective detachment, (c) the need to rely on the principles of action research, rather than proscribed steps, and (d) the likelihood that an additional role for AR in early stage organizations may be to create stability (freezing), rather than promote change (unthawing)

and then changing a situation). Along with this, the role of creating local theory may be more prominent in assisting that stabilization than in other settings.

The second dimension of Chisholm and Elden's that this research extends is the degree of openness of the research process. The focus of the project moved away from the participants of the system, and toward the leader of the system, still within the context of trying to improve the organization as a whole. The focus on the leadership subsystem is not an area that has been explored much, if at all, in the action research literature, yet I contend that it needs to be considered, and perhaps more seriously with an early stage company where the leader's role is so immediately influential. This may be particularly true where the leader bears charismatic and/or narcissistic tendencies and so is an even stronger focus for action. Interventions of this sort have some dimensions in common with coaching interventions; however, they differ from what is usually thought of as coaching because the primary goal is still system change, a purpose traditionally and rightfully associated with action research and not coaching.

The third dimension for which the project extended knowledge regards the intended outcomes of AR: the types or levels of change that AR promotes. The findings for this are related to the findings for the first dimension. Elden and Chisholm describe the levels of change that can happen in AR projects as Alpha, or incremental, Gamma, or foundational, and Beta, a level in between. However, I argue again that there may be

another role for AR, and that is to promote stability and reduce chaos. One way to characterize this might be as a change in the quality or type of change, but because this new purpose is so disparate from AR's classic purpose, I maintain that it is helpful to describe its role in these kinds of situations as fostering stability, rather than just promoting a different type of change.

The last dimension where this work extends Chisholm and Elden's findings regards the role of the researcher in emergent AR projects. Aside from the usual factors regarding the choosing of an expert or collaborator stance, there are additional pressures in an early stage organization to maintain an expert, rather than collaborator stance. As can be concluded even from Adizes' (1988) title for one of these early stages, "Go-Go," the bent is toward action and not reflection. Time is a precious commodity. Therefore, the action researcher must learn to use collaborative methodologies judiciously to maintain the participative nature of the project, while informing the client of the tradeoffs involved in a choice that sends the researcher back to an expert role.

Implications for Further Research

There are implications for further research that fall out from this study. Some of them are related directly to the local theory created, and to the findings regarding using

emergent action research. Others stem from other parts of the research—not directly related to the above findings, but worthy of note, nonetheless.

Research on Charisma

The implications for further research linked to the P1-P2 local theory, which is that this leader manifested both strong productive and counterproductive behaviors, were basically described in the section at the beginning of this chapter and relate to implications for leadership research, particularly in terms of charismatic leaders, and particularly with regard to empowerment initiatives. Because this study was focused on an *n* of 1, conclusions or implications directly adding to general theory cannot be expected. However, as Greenwood and Levin (1998) note, some of the significant contributions that action research makes is to disconfirm aspects of general theory, and point new directions for further research. In terms of the P1-P2 theory, a direct link to charisma was not forged because the results of the inventories available were inconclusive. At the same time, the P1-P2 notion may provide a basis for creating a hypothesis with regard to types of leadership to see if more agreement on existence of this syndrome can be found.

Conger and Kanungo (1998) assert that charismatic leaders tend to promote a sense of empowerment among their followers. According to Conger and Kanungo, the type of empowerment they promote is a heightened sense of self-efficacy, the individual

definition of empowerment, according to Honold's research (1999). Because this study found that Peter's closest followers felt disempowered by P2, if a closer link can be found between P1-P2 behavior and charisma, this might refute or at least call for refinement of Conger and Kanungo's assertion on this point.

The results of this study on this dimension could also be used as a basis to research more about charismatic leaders' nether sides, when a stronger link is be forged between P1-P2 and charisma. Conger and Kanungo name this aspect of charismatic leadership as one of the areas needing more research, and this way of characterizing the leader's behavior could be helpful in framing that research.

Research on the Relationship of Two Leadership Paradigms: Charisma and Managerial Ego Stage Development

There are other implications for research connected to charisma that surfaced during this project, but are unrelated to the local theory created. One is on the relationship between ego stage development theory and charismatic leadership theory. Ego stage development theory speaks to how humans develop increased capacity to reason strategically, account for others' interests, and in general manifest greater levels of maturity and self-awareness. I do not find this capacity for growth accounted for in any of the research about charisma that I read. Howell and House speak of *socialized* versus

personalized charisma, the former embodying charisma's positive attributes, and the latter signifying the negative, or self-centered ones (1993, in Conger & Kanungo, 1998). House and Howell also find strong correlations between the negative side of charisma and narcissism (1992). However, I found no research on the likelihood of charismatics to grow, or on what happens to how they lead as they do. If nothing else, this study may show one potential growth path for a leader manifesting some of the narcissistic qualities associated with charisma, and how he learned to manage his narcissistic tendencies. Does this mean that he might later become a more socialized charismatic? That is not known, however, it seems a fruitful path of inquiry might be to explore the juxtaposition of the two paradigms of leadership thought.

Research on the Role of Sexual Affairs in the Leadership Discourse

Lastly, probably the most speculative path for further inquiry arising from this study is the phenomenon of leaders having sexual affairs. This is where the *n* of 1 case-study approach of this project most strongly prevents us from knowing exactly what it is we are looking at with this incident. Is it a charismatic leader having an affair and expressing a pattern that charismatic leaders share? Is it a leader doing this? Is it a man doing this? Is it anyone doing this? By this latter question I mean, is it just that it is the tendency of people to have sexual affairs, and so has no correlation with leadership at all?

Any of these things may be true; on the other hand, what this datum at least causes one to notice is that the field of leadership development is deafeningly silent on this point. From most of the organization behavior theory I researched, leadership is a pristine subject, safe from any of the sexual conundrums into which humans enmesh themselves. Yet, aren't these kinds of behaviors strong influencers of business situations when they happen? By minimizing their existence in the world of leadership research we have a much less accurate picture of the reality in which leadership takes place, and the challenges leaders face. I call for their inclusion more strongly in the leadership discourse.

Using Action Research to Promote Stability in Early Stage Companies

I now move on to the implications of this study for research involving action research methodology itself. Aside from additional research using the methodology with other early stage organizations in general to further validate the conclusions I reached, one area of potential interest would be to see if using AR in its stabilizing role might prove to be a useful tool for consulting with early stage organizations. That is, the point would be to develop a model of action methodology specifically suited to the needs of early stage companies. It may include emphasizing the role of local theory building, looking for ways to use AR to further the Experiments stage (Torbert & Rooke, 2001), and/or focusing increased attention on the leadership subsystem. In addition, other extensions might be

uncovered as well. Because early stage organizations, especially in the private sector, usually need to evolve and reach some kind of viability quickly, AR might prove to be a useful tool in helping them do so.

Action Research as a Learning Tool

This is related to the last implication for further research that I will forward. In fashioning the research methodology for this project, in chapter 3 I stated that I would be extending AR away from its problem focus and instead would be centering on using the methodology to help foster the company's identity. During the course of the project, the problem focus returned, although in a context of how the leader's personality influenced the company and its identity. I urge further attempts be made to use AR away from its problem focus: as a way to help organizations do continuous learning, for example, so they won't have to focus on problems as much because potential problems may be ameliorated before they get to that stage. This would potentially further blur the distinction between action research and other action-oriented methodologies such as action science (Argyris and Schon, 1996 and others), action learning, (Cunningham, 1994 and others), etc. However, it would also point out more clearly that using action research to solve problems is a choice, not a given.

Learnings of the Researcher

The first learning for me as a researcher came around the realization that I could no longer rely on the action research recipe I knew in order to conduct effective action research in this setting. It transformed how I used the methodology from a more mechanical reliance on steps into a thoughtful reflection on the methodology's purpose and spirit, in order to assure that I was enacting that in the project underway. In that sense, I internalized the methodology.

Secondly, I believe I entered into a reflexive relationship (Gadamer, 1998) with my client, in the sense that the work he did in his change process influenced my own work on my own process of change. I developed a great respect for the lengths he was willing to go to in order to transform dynamics that he gradually realized were destructive to him. It also caused me to explore how much I believe others are a reflection or an extension of me, rather than their own separate beings, and how much independence of motive and need I am willing to grant them. I mean this in terms of the specific ways these issues are spoken of in the Cooks-Greuter ego stage development inventory (2001), that is, in the movement from an achiever to an individualist or strategist stance. In an ongoing way, I have become much more reflective about my own leadership style, and the effects I have on others, and vice versa, in the role.

Lastly, in terms of thinking and organizational thinking, I learned that I had been limiting what I included as being with in the organizational system to just those things that were overtly business related, and therefore more rational. Realizing the impact that Peter's relationship with Hannah had on the whole functioning of the organization helped me to take down a barrier I'd erected between that rational and the non-rational, or the legitimate-for-discussion and the unspoken, subsystems in the firm. In this case, the relationship Peter had with Hannah was the context in which his company gained this multimillion-dollar contract, its dynamics influenced how Peter ran the company, and its demise nearly led to the demise of the company. It made me wonder how many other organizations are so deeply influenced by sexual or other dynamics equally unable to be spoken about in the organizational behavior discourse, and how many others of our organizational behavior theories are inadequate to explain or help transform systems because they do not or cannot incorporate these very powerful human behaviors into their explanations of how systems work. These are questions I will seek to investigate in the future.

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Appendix A: Affinity Diagram

YNIWGI Staff Meeting Affinity Diagram – August 14, 1999

Urgency/Effectiveness

- Urgency
- Don't leave anything that for later that can get done now
- Can't spend 10 minutes talking about something (e.i. incorrect order) then look it up; just look it up first and fix it
- People have to work very fast – don't pile things up for later. Sometimes hard but need to do it because things go so fast.

YNI Surviving

- Be truly competitive price. Stay abreast of price market
- BB is 90% of sales
- Monthly check
- YNI thrive
- Sales wish list
- Customers
- Broaden customer base
- Believe that we have a product that I cannot help but be excited about!
- Profit
- Get more customers; never say die
- Sell; sell; sell

Think Outside the Box

- Think
- Stay cutting edge and state of the art, in IT and ideas
- OK to push people past their normal rules
- Nothing is impossible attitude
- An openness to change
- Continue to hire versatile people and then challenge them
- Not be afraid to give new ideas
- Keep focus on newer technology and newer use of technology
- Continually incorporate new ideas, strategies, and technologies.

Strategy

- Need someone to take the "sour" out of sourcing
- Dedicate resources to outsourcing
- Need to define a strategy
- Growing pains – how to deal with
- Formalize strategy and "bring it home" for everyone
- Are we standing up to our name?
- Keep "the river" feel even if it floods
- Stay open to flowing into the future
- Franchise what works for BB and broaden
- Steps to achieve our big picture

Communication is the Bridge to Focus


- Know the facts and the site inside out
- Find a way to inform and communicate well – include the sales guys
- Commit the ideas of YNI and keep focused
- Let communication and expectations happen
- Keep everyone updated on our changing systems
- Formalize communication of priorities
- Keep open, direct communication and focus
- Commitment and focus on goals
- Communication improvements
- Give 100% focus; keep brain working
- Real time lines
- Not enough R&D
- Mechanics of process

Empowerment

- Mechanics of process
- Develop capacity in more than PK/PL to implement systems
- Need to all become data managers/systems thinkers
- Trust
- Learn more all the time
- Learn from those around me; draw from their vast experience; make known lack of understanding
- Maintain willingness to learn; thirst for knowledge
- More distribution of authority to make decisions
- No one is the boss except you
- Remain challenged and when Admit mistakes and when wrong
- Believe in your abilities
- Don't discourage; coach
- Take the time needed and think

To be People Oriented
 Utilize your personal strengths
 Focus on team, not just self
 Continue to do a variety of tasks in order to keep job new/fun/challenging

Expectations
 Clearer boundaries, but not isolated
 What do people expect of me?
 Definition of role
 As we get bigger, who will do what? Stamps?
 New parts?
 Define job duties: not exactly job descriptions, but general responsibilities
 Clearly define expectations of me



Retain tight-knit, yet open structure
 Joking around when CS is on the phone
 To understand and be understood
 Be open and honest
 Phone etiquette; yelling, eating, language
 Respect for religious beliefs
 Need to know how my behavior/personality affects others
 Crack don't smoke itself
 Need people to approach me if they have an issue or something bothering them
 Need to be myself -- sometimes vulgar
 Not to be left out because I'm not on site
 Allow 4 a person to take a break without feeling guilty

Customer Service
 Have every client feel like the only client
 Focus on customers needs; each customer is first
 How do we treat BB different than others?
 Maintain FRESH environment wile expanding customer base
 Maintain service level regardless of size
 Before fixing a CS issue, stop, find out what happened first, then go on.

Responsibility
 Complete projects
 Follow through
 Be consistent in giving 100%
 Follow through

Gender Imbalance
 Women hold grudges?

Flexibility
 Retain flexibility with growth
 Continually follow my schedule
 Be connected at home/I need to be able to work at odd times of the day or night
 No meetings before 10 AM
 Retain flexibility
 Flexible schedule
 Flexible hours
 Enjoys freedom

Appendix B: Comparison of Theorists on Charisma and Related Phenomena

Comparison of Theorists on Charisma and Related Phenomena

	Weber	Burns	Maccoby	McWhinney	Trice and Beyer	Conger and Kanungo
Social Science Discipline	Sociology	Political Science and history	Psychology	Psychology and Organization Behavior	Organization Behavior	Organizational Behavior
Unit of Interest	Endowed with supernatural, superhuman qualities Rooted in an attempt to come into contact with the essence of being Spurns rational economic activity Could be creative or deranged	Leader as hero	Gifted and creative strategists See big picture Audacity to push through massive transformations Gripping visions Not good listeners Uncomfortable with people expressing feelings, esp. negative Overly sensitive to criticism Cannot tolerate dissent. Intense desire to compete	All reality is one with the mythic Reality is a product of one's free choice I create reality Mythic is often seen as a charismatic leader Disagreement with the mythic threatens his existence.	The person is, or is seen as, extraordinarily gifted The individual is the promulgator of a set of ideas providing a radical solution to a crisis situation The person's stature is validated by repeated successes	Effective articulation of deficiencies in status quo. Effective articulation of inspirational vision that is highly discrepant from the status quo Exhibits risk taking, countercultural, empowerment and impression management practices in order to demonstrate means to achieve goals, builds follower trust and motivates followers
Organization	Lack of elaborate systems, rules, procedures Disdain of everyday economic activity Antithesis of routine					Organizational outcomes: high internal cohesion, low internal conflict, high value congruence, high consensus

Comparison of Theorists on Charisma and Related Phenomena

Followers	Stand outside the ties of the world. Devotion arising out of despair or hope	Heroic leadership is the symbolic solution of internal and external conflict by projecting fears, aggressions and aspirations onto some social objects Followers feel emotionally appeased	Can convert masses with charm Wants to control others, rather than change self		Some types of people are more prone to become followers of charismatic leaders than others. Need more research to discover what characterizes the followers of such leaders	Follower outcomes: reverence for and trust in and satisfaction with leader Work group cohesion, high task performance, high level of empowerment
Attention to Societal Context	Form of organizing likely to be legitimated during times of crisis Tendency toward decomposition of institutions Attempts to reestablish contact w/roots of cosmic and sociopolitical order may breed opposition to more attenuated and formalized forms.		Are useful only in tumultuous times when their gifts are desperately needed		Charismatic leadership arises in a time of social crisis or desperation	Charismatic leaders come to prominence now because of the turbulent nature of business and its environment
Strengths	Identified the field. Vivid descriptions, making identification easy. Does not separate the bearer of charisma from the context in which it occurs.	Created concept of transformational and transactional leadership, on which most further research has been based.	Very focused at the individual level Clear depiction of personal strengths/ liabilities	Gives an insight into the lived experience of the mythic personality. Not based on a pathological construct	Excellent summary of research up to that time. Found five constants among many theories.	Operationalized construct – able to be tested and predicted. Confirms that there is a “there” there
Limitations	Lack of precision on which attributes belong to the bearer of charisma, and which belong to the organization or followers.	Notion of heroic leadership divorced from any real ability to be transformational	Constructed from a pathological framework Little description of relationship to context	Little description of relationship to context.	Not operationalized No enumeration of what the charismatic’s gifts are supposed to be	Little exploration of the nether side of charismatic leaders

Appendix C: Results of the Conger-Kanungo Leadership Inventory With the
Mean and Standard Deviation for Each Item

The Conger-Kanungo Leadership Questionnaire

Please reflect on the following questions and indicate the extent to which each of the following items is characteristic of Peter, by circling the appropriate category next to the item.

The response categories are numbers 6 to 1 and represent the categories in the following way:

6 = Very characteristic
 5 = Characteristic
 4 = Slightly characteristic
 3 = Slightly uncharacteristic
 2 = Uncharacteristic
 1 = Very uncharacteristic

	6	5	4	3	2	1	Here n = 7 Ave.	SD	Not here n = 3 Ave.	SD
1. Influences others by developing mutual liking and respect	6	5	4	3	2	1	4.57	1.59	5.33	0.94
2. Readily recognizes barriers/forces within the organization that may block or hinder achievement of his/her goals	6	5	4	3	2	1	5.14	0.83	4.67	1.25
3. Engages in unconventional behavior in order to achieve organizational goals	6	5	4	3	2	1	5.71	0.45	5.33	0.47
4. Entrepreneurial; seizes new opportunities in order to achieve goals	6	5	4	3	2	1	5.71	0.7	5.67	0.47
5. Shows sensitivity for the needs and feelings of the other members in the organization	6	5	4	3	2	1	4.86	1.25	3.33	2.36
6. Uses nontraditional means to achieve organizational goals	6	5	4	3	2	1	4.86	1.25	5	0.82
7. In pursuing organizational objectives, engages in activities involving considerable self-sacrifice	6	5	4	3	2	1	4.71	1.03	5.33	0.47
8. Readily recognizes constraints in the physical environment (technological limitations, lack of resources, etc.) that may stand in the way of achieving organizational objectives	6	5	4	3	2	1	4.43	1.59	4.67	0.94
9. Advocates following non-risky, well-established courses of action to achieve organizational goals	6	5	4	3	2	1	2.86	1.55	3.33	1.25
10. Provides inspiring strategic and organizational goals	6	5	4	3	2	1	5	1.31	4.33	0.47

11.	Readily recognizes constraints in the organization's social and cultural environment (cultural norms, lack of grassroots support, etc.) that may stand in the way of achieving organizational objectives	6	5	4	3	2	1	3.93	1.08	4	0.82
12.	Takes high personal risks for the sake of the organization	6	5	4	3	2	1	5.14	0.83	5.67	0.47
13.	Inspirational; able to motivate by articulating effectively the importance of what organizational members are doing	6	5	4	3	2	1	5.29	0.45	5.67	0.47
14.	Consistently generates new ideas for the future of the organization	6	5	4	3	2	1	5.86	0.35	6.	0
15.	Exciting public speaker	6	5	4	3	2	1	5.57	0.49	3.67	1.89
16.	Often expresses personal concern for the needs and feelings of other members of the organization	6	5	4	3	2	1	4.86	0.64	4.67	0.47
17.	Tries to maintain the status quo or the normal way of doing things	6	5	4	3	2	1	2.43	0.9	1.33	0.47
18.	Often exhibits very unique behavior that surprises other members of the organization	6	5	4	3	2	1	4.86	0.64	3.67	1.89
19.	Recognizes the abilities and skills of other members of the organization	6	5	4	3	2	1	5.43	0.73	4.33	1.25
20.	Often incurs high personal costs for the good of the organization	6	5	4	3	2	1	5	0.93	4	1.41
21.	Appears to be a skillful performer when presenting to a group	6	5	4	3	2	1	5.57	0.49	4	1.41
22.	Has vision; often brings up ideas about possibilities for the future	6	5	4	3	2	1	5.86	0.35	4.33	2.36
23.	Readily recognizes new environmental opportunities										

(favorable physical and social conditions) that may facilitate achievement of organizational objectives	6	5	4	3	2	1	4.43	0.9	4.67	0.94
24. Recognizes the limitations of other members of the organization	6	5	4	3	2	1	4.43	1.4	4	1.41
25. In pursuing organizational objectives, engages in activities involving considerable personal risk	6	5	4	3	2	1	5.07	0.86	4.	0.82