

# Beyond Charismatic Leadership: The Case of Jack Ma

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**Abstract:** *The twenty-first-century business world requires a new leadership paradigm based on elements such as vision, extra effort, commitment and pro-action. Consequently, the leaders should be not only visionary and positive, but also charismatic and transformational. The theorization of charismatic leadership has become a challenging subject in the literature in the last decades. The goals of the paper are to define the concept of charismatic leadership and to exemplify it in the case of Jack Ma, a famous Chinese entrepreneur. The methodology was based on a quantitative research method and a case study. The paper underlines the existence of a strong relationship between the charismatic leader and his followers. Also, it identifies some of the key characteristics of a charismatic leader by analysing the case of Jack Ma.*

**Keywords:** *charismatic leadership, leader, Jack Ma, Alibaba*

**JEL Classification:** M1, M19

## 1. Introduction

Leadership has always been a topic of interest for various stakeholders (e.g., researchers, academics, businessmen, policy makers). Just as today's companies are redefining in order to become more flexible and adaptive, leadership is expected to be open to incessant changes. In this respect, the twenty-first-century business world requires a new leadership paradigm based on elements such as vision, extra effort, commitment and pro-action (Cooper, 2005). Consequently, the leaders should be not only visionary and positive, but also charismatic and transformational (Lane et al., 2006).

In the face of increasing levels of uncertainty and risk leaders need the ability to identify, define and solve a multitude of problems in today's unpredictable business environment. This is why today's leaders should "continually create and manage change" and, consequently, have to "constantly evolve, finding new ways to engage, motivate, inspire, influence, and transform" (Northeastern University, 2019, p. 5). In this sense, charismatic leaders are important as they not only provide direction and energy for their companies, but they also have the capacity to inspire loyalty to other people, convince them to follow him and obtain their commitment to his vision (Willner and Willner, 1965; Nadler and Tushman, 1990; Conger, 1991). Thus, the theorization of charismatic leadership has become a challenging subject in the literature in the last decades (Tucker, 1968; Conger, 1989; Den Hartog et al., 1995; Conger and Kanungo, 1998; Choi, 2006; Judge et al., 2006). Alexander the Great, Napoleon Bonaparte, John F. Kennedy, Nelson Mandela, Eva Perón, Johan Cruyff, Jim Jones, Lee Iacocca, and Steve Jobs have

been considered charismatic leaders in different domains such as politics, religion, sport and business (Howell and Avolio, 1992; Popper, 2000; Toma and Marinescu, 2013).

The goals of the paper are to define the concept of charismatic leadership and to exemplify it in the case of Jack Ma, a famous Chinese entrepreneur. The structure of the paper is as follows: the next section illustrates the literature review. The third section deals with the research methodology. The results are presented in the fourth section. The paper ends with conclusions.

## 2. Literature review

Especially after the end of the Second World War, the level of interest in leadership has significantly increased in society. Since then, leadership has been seen both as a research domain and a skill of an individual/a team, both an art and a science (Schmitt, 2017). There are numerous theoretical approaches regarding the concept of leadership, in general, and the concept of charismatic leadership, in particular. Thus, charismatic leadership has been explained in different ways by various researchers (Choi, 2006). Charisma is a Greek word and means "divinely inspired gift" (Yukl, 2013). It is an "attribute of astonishing power and capacity ascribed to the person and personality of extraordinarily magnetic leaders" (Enciclopedia Britannica, 2019, p. 1). Charismatic leadership can be defined as:

- "any leader who has ..." charismatic effects" on followers to an unusually high degree" (House, 1976, p. 9).
- "an attribution based on followers' perceptions of their leader's behaviour" (Conger and Kanungo, 1998, p. 47).

• “a possible and indeed probable product of the leader–disciple relationship in a situation where there is ideological or social schism” (McCulloch, 2014, p. 8).

All these mentioned definitions emphasize the existence of a strong relationship between leader and his followers. It is said that charismatic leaders influence and motivate their followers in various ways such as:

“(a) Increasing the intrinsic valence of effort.

(b) Increasing effort-accomplishment expectancies.

(c) Increasing the intrinsic valence of goal accomplishment.

(d) Instilling faith in a better future.

(e) Creating personal commitment.” (Shamir et al., 1993, pp. 582-583)

This is why charismatic leaders’ attitude and behaviour represent key factors in inspiring and persuading their followers. They include the following:

“(1) articulating an appealing vision,

(2) using strong, expressive forms of communication when articulating the vision,

(3) taking personal risks and making self-sacrifices to attain the vision,

(4) communicating high expectations,

(5) expressing optimism and confidence in followers,

(6) modeling behaviors consistent with the vision,

(7) managing follower impressions of the leader,

(8) building identification with the group or organization, and

(9) empowering followers.” (Yukl, 2013, p. 312)

Consequently, charismatic leaders should possess specific abilities and competencies. They are persons who (Atwater et al.,

1991; Raelin, 2003; Shastri et al., 2010; Morrill, 2010; Marinescu and Toma, 2012; Robbins and Judge, 2013; Marinescu and Toma, 2015; Lipinskiene, 2015):

- Have a clear vision.

- Are willing to take risks in order to accomplish their vision.

- Are magnetic personalities.

- Possess good communication and negotiation skills.

- Have the capacity to make a strong impression on their followers.

- Inspire, influence and motivate their followers.

- Build trust and commitment among their followers.

- Demand full devotion from their followers.

- Express their sensitivity to follower needs.

- Are extremely self-confident.

- Show passion and high energy.

- Are self-supporting people.

- Exhibit unconventional behaviours.

- Firmly believe in the rightness of their convictions and decisions, etc.

In this respect, Jack Ma constitutes a valuable example.

### 3. Research methodology

In order to reach the aims of the paper the authors employed a quantitative research method and a case study. The information was acquired by desk research. The secondary data were collected through the deployment of a significant literature review from various sources such as journals and books from the fields of management and leadership, political science, sociology and psychology, and were found in electronic databases

(e.g., ProQuest, Emerald Insight, JSTOR) and libraries (e.g., British Council, the Central Academic Library “Carol I” Bucharest).

#### 4. Results

Born as Ma Yun on September 10, 1964, in Hangzhou, Zhejiang province, located in southeast China, Jack Ma is considered the richest person in China with a net worth of \$38.5 billion (Stone et al., 2019). He has an older brother and a younger sister. Since as a young boy, Ma has shown great interest in the English language. In spite of the fact that he grew up in a poor family and passed on the third try his university exam, he has become a very successful entrepreneur and an exponential business leader.

Ma finally attended Hangzhou Normal University (former Hangzhou Teachers College) and graduated with a B.A. in English in 1988. Between 1988 and 1993, he was a lecturer in English and International Trade with Hangzhou Dianzi University (former Hangzhou Institute of Electronics and Engineering). Ma got an MBA from Cheung Kong University in the early 2000s (Clark, 2016a). He established his first company, the Haibo Translation Agency, in 1994 (Gregersen, 2019).

As the co-founder and former executive chairman of Alibaba Group and the head of the shopping site Taobao.com, Ma is a charismatic leader as he mixes the joy of showmanship with the defy of stereotypes (Clark, 2016b). This assertion is supported by numerous elements as follows:

I. Ma is a visionary leader. After visiting the United States of America and navigating for the first time on the world wide web, he realized that the Internet provided

an enormous potential for business. At his return to China, he raised money and founded his first Internet company, China Yellow Pages. Ma had the vision to “build a marketplace connecting the world’s small- and medium-sized businesses engaged in global trade” (Erisman, 2015, p. 17). Later, Alibaba became a gigantic e-commerce company with hundreds of million customers all over the world. It is said that “Alibaba brought the dream of using the internet to conduct business globally for Chinese based companies to reality” (Clark, 2016a, p. 18).

II. He is a brilliant communicator. Ma always speaks freely without notes. His speaking style is highly effective because his messages are so easy to agree with. Many of his quotes circulate widely on the Internet. In this respect, Ma stated: “When you are 20 to 30 years old, you should follow a good boss [and] join a good company to learn how to do things properly. When you are 30 to 40 years old, if you want to do something yourself, just do it. You still can afford to lose, to fail... when you’re 40 to 50 years old, my suggestion is you should do things you are good at. When you are 50 to 60 years old, spend time training and developing young people, the next generation. When you are over 60 years old, you better stay with your grandchildren.” (Mejia, 2018, p. 1)

III. Ma has a magnetic personality. Nicknamed “Jack Magic”, he possesses a lot of charm and charisma. His ability to “charm and cajole played an important role in attracting talent and capital to the company, as well as building his own fame” (Clark, 2016b, p. 23). The basis of his charismatic authority is emotional because Ma often appeals to people’s emotions (Clark, 2016b).

IV. He is an inspirational leader. In spite

of the fact that Ma was rejected many times by different companies when he applied for a job and he failed twice at the university entrance exam he never gave up. He affirmed: "If you don't give up, you still have a chance. Giving up is the greatest failure." (Clark, 2016a, p. 12). He always motivates his employees in order to overcome various obstacles in their activity and professional life.

V. Ma behaves in an unconventional way. He learned "the most fundamental parts of life from questioning, observing and experimenting with situations that pushed the status quo" (Clark, 2016a, p. 12). Most of his decisions are made quickly, "based on instinct and gut" (Erisman, 2015, p. 20). Ma encourages a sense of informality at the work place as employees are asked to have a nickname (Clark, 2016b). Also, Ma has given his businesses the image of a fun adventure because he often tells jokes and anecdotes. Humour is an intrinsic part of his challenging businesses.

VI. He shows ambition, passion and energy. Ma succeeded only when "the task was something he had passion for" (Clark, 2016a, p. 12). In this respect, he learned English from his childhood mostly through informal

education. Since the first day when Ma has opened Alibaba's operations he vigorously declared his three key business objectives: "We want Alibaba to be one of the top ten websites in the world. We want Alibaba to be a partner to all businesspeople. And we want to build a company that lasts 80 years!" (Erisman, 2015, p. 20).

Thus, charismatic leadership has played an important role in the Jack Ma's successful business story.

### Conclusions

Charisma represents a rather rare characteristic of people. The appearance and development of charismatic leadership as a field of interest in the business literature has led to the emergence of numerous studies.

The paper makes two contributions to the development of the literature related to charismatic leadership. First, it underlines the existence of a sound connection between the charismatic leader and his followers. Also, the paper briefly analyses the case of a famous Chinese entrepreneur and identifies some of his key characteristics as a charismatic leader.

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