The Charismatic CEO: A Study on Charismatic Leadership in High-performing Businesses

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Resumé

Den Karismatiske CEO: En analyse af karismatisk ledelse i højt præsterende virksomheder

Inden for de seneste 15-20 år er administrerende direktører (CEO’er) fra store selskaber blevet mere og mere synlige i medierne og begrebet 'personal branding' har i den forbindelse fået ny betydning, i og med at CEO'en i stadig højere grad er blevet den skikkelse, som repræsenterer virksomheden og dets 'corporate brand' udadtil. Dette stiller nye og høje krav til nutidens topledere, som nu bruger en stor del af deres tid på den repræsentative del af deres arbejde, og egenskaber som medietække, effektiv kommunikation og karismatisk fremtoning er derfor afgørende parametre for den moderne topleders præstation, og indirekte dermed også organisationens resultater som helhed.

Denne kandidatafhandling har til formål at afdække konceptet ‘Den Karismatiske CEO’ og dermed analysere det direkte link mellem toplederens personlige brand og virksomhedens brand for derigennem forsøge at finde frem til målbare parametre for den karismatiske topleder samt konkludere, hvorvidt en højt profileret karismatisk topleder er en positiv eller negativ attribut til en virksomheds palette af 'brand touch points'.

Fremgangsmåden er primært domineret af en eksplorativ tilgang til begrebet karisma, som beskrevet af sociologen Max Weber og mere moderne forskere, kombineret med relevant teori omkring corporate branding samt personal branding og andre begreber, som ligger tæt op ad dette (bl.a. 'reputation management' og 'celebrity'). Gennem en komparativ analyse af to virksomheders topledere (Tryg og Topdanmark) analyseres og eksemplificeres begrebet og de fundne parametre og kriterier for karismatisk lederskab testes imod de to casevirksomheder.

Som konklusion findes der belæg for en direkte sammenhæng mellem toplederens personlige brand og virksomhedens 'corporate brand', ligesom der findes belæg for visse afgørende parametre og forudsætninger for, at en karismatisk CEO kan skabe både positiv og negativ omtale for en given virksomhed qua sin højt profilerede personlighed. Der findes dog ikke noget
direkte bevis for, at en karismatisk topledere rent faktisk kan generere flere kunder eller direkte have en positiv indflydelse på virksomhedens indtjening, på trods af, at han eller hun kan skabe en høj grad af opbakning og effektivitet internt i organisationen. Ligeledes findes der belæg for, at begrebet karisma er ustabil i sin karakter og i høj grad reguleres af (udefrakommende) faktorer, som kun i meget lille grad kan styres af en given organisation, og dermed udnyttes som strategisk værktøj i kampen for at vinde markedsandele. Dermed er der fundet visse farer forbundet med ’Den Karismatiske CEO’ og bevis for, at begrebet kun tjener nytte som strategisk værktøj under begrænsede forudsætninger.
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I. Introduction

During the last 15-20 years, CEOs of large businesses have become increasingly more visible in the media and our surrounding world as a whole. The term ‘personal brand’ is often used to describe the added value and essence that lies within the intangible assets of the high-profiled CEO, and furthermore; the executive becomes the corporate public persona representing the company both internally (e.g. towards employees) and externally (towards external stakeholders; e.g. the media, the local community and external shareholders). For the CEO, this means a shift away from focusing purely on operative tasks, thus expanding the demands for allocated time and core competencies into the fields of personal brand building, relationship and reputation management, media management and public speaking.

Studies show that there is a direct link between the image of the company (corporate brand) and the image of the CEO in charge (personal brand). This link provides evidence that the image of the CEO helps create positive results for the company as a whole and can support the hypothesis that a highly visible CEO contributes to performance on a company level. Nevertheless, it is yet to be tested on which parameters the high-profiled CEO is an asset to the company (corporate brand), and there is a lack of empirical evidence and relevant tools for measurement to support the claim. Tangible economical results of a company and a CEO’s personal performance can be measured; the problem arises when wanting to analyse the intangible assets of the executive: His or her ‘charismatic persona’ and ability to generate positive results on company level.

This master thesis seeks to examine the charismatic CEO in relation to the supposed link between ‘personal brand’ and ‘corporate brand’ while defining the complex nature of the ‘charismatic CEO’: Does a high-profiled executive always create positive results for the company?

In order to obtain this knowledge, it is important to analyse the theoretical background of the term ‘charisma’, as described by sociologist Max Weber. Moreover, the relationship between ‘personal brand’ and ‘corporate brand’ will be examined according to literature and research inside the fields of marketing
and more specifically; brand management. The results will be held up against a comparative analysis on the background of two high-performing companies and their CEOs within a given industry. The result of the analysis is meant to be a step towards understanding the intangible assets of the CEO’s personal brand and as a corporate brand touch-point, linking it directly to the business’ economic performance.

1. Research question

Does a charismatic CEO create positive results on corporate level, and; how does a charismatic and highly visible CEO affect the alignment between his or her personal brand and the corporate brand?

2. Aim

With corporate entities becoming an increasingly larger part of our everyday, in the media and through a variety of other marketing channels such as social media and advertising, the corporate image (the brand) becomes increasingly vital for companies and the corporate brand identity touches on all parts of the business. The high-profiled CEO becomes a key factor in creating success and his or her results are monitored closely. Moreover, the image of the CEO becomes aligned and/or compared with that of the corporation. In order to make the transition from ‘personal brand’ to ‘corporate brand’ successful, it is important to gain knowledge of the parameters on which the charismatic CEO can be measured.

3. Methodology and applied theory

This section will outline the methodology and theories applied throughout this master thesis with the purpose of clarifying the approach taken in order to make the travel from research question to final conclusion.

The journey starts in part II with an exploratory research approach to the concept of charisma as used in 1) sociology and 2) management theory. These finding are then analysed against more traditional branding literature in part III with the purpose of establishing and defining a relationship between the concept of (CEO) charisma and branding on both personal and corporate level. The
findings of parts II and III are tested against a comparative analysis in part IX using a qualitative empirical approach in relation to interviews. As the concept of CEO charisma is found to be a relatively unexplored area of study, the qualitative research approach is the most suitable and acknowledged method to apply, and is used throughout this master thesis as the primary investigative tool. Furthermore, it should be noted that this exploratory research approach demands a high degree of information gathering and that emphasis is put on a conceptualisation of CEO Charisma using research scholars and peer-reviewed articles from different areas of research, as well as qualitative research material from the management industry.

The theories used in part II are primarily tools for explaining and defining the concept of charisma, and consists of Max Weber's\(^1\) writings on the topic and a more modern scholarly approach to the concept through peer-reviewed research articles mainly published in acknowledged management journals inside the last 15 years. In the search for the conceptualisation of CEO Charisma, the applied parameters for defining charisma proposed by M. B. Al Amri and J. R. McLaurin, (2008) are meant as an example of the exploratory methodology applied in this master thesis. The research literature applied in part II is particularly selected through an extensive information gathering with the sole purpose of painting an in-depth picture of the complex and intangible personal quality that is charisma, and, more importantly; charismatic leadership. Part III consists of a combination of branding literature (mainly Schultz and Hatch (2008), Aaker and Joachimsthaler (1999)), research within the areas of management industries and celebrity, and a set of hypotheses in measuring charisma in relation to performance is presented (Agle, R. B. et al, 2006). The theoretic framework used in part IX – the comparative analysis – is mainly based on Kvale's theories of qualitative research methods (Kvale, S. and Brinkmann, S. (2009)), as are the interviews throughout this master thesis.

The journey from research question to final conclusion is also expressed through the following figure:

\(^1\) Max Weber is widely acknowledged as one of the pioneers within charisma studies and is renown for his work in this area.
## I. Research question: What do I want to learn?

<table>
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<tr>
<th>Part</th>
<th>Methodology</th>
<th>Theory</th>
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<td>Charisma (II)</td>
<td>Exploratory</td>
<td>Max Weber et al; charisma</td>
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<td>Branding (III)</td>
<td>Exploratory/qualitative</td>
<td>Schultz, Aaker and other; personal and corporate branding</td>
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<tr>
<td>Analysis (IX)</td>
<td>Qualitative</td>
<td>Kvale and other</td>
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## X. Conclusion: What have I learnt?

### 4. Structure

The structure of this master thesis should be seen as an intuitive and logical disposition in accordance with the above figure, and the introductory research question(s) posed in I. Research question. This disposition falls in five main chapters, which include the following content:

I. *Introduction.* Includes formulation of primary research question(s), aim of the master thesis, applied methodology (including a discussion on theory and sources), structure and limitations (including a reference to further studies).

II. *Charisma.* An essential introduction to the concept of charisma based upon traditional sociology literature (primarily Max Weber) and modern charisma conceptualisation, in relations to charismatic leadership on CEO-level.

III. *Branding the CEO.* Provides an analysis of the relationship between the CEO’s personal brand and the corporate brand of the represented corporation. The
theory of ‘business celebrities’ is introduced, as well as management industries’ views on charismatic leadership related to personal and corporate branding.

IX. Comparative analysis. This part applies the findings in Chapters II-III to a case study of two companies’ CEOs within a selected industry.

X. Conclusion and final discussion. The results of the analysis will be discussed in the light of the posed research question and aim of this master thesis. In addition, suggestions for further studies will be discussed.

5. Limitations

In general, and as stated before, this master thesis is of a qualitative and exploratory nature due to the relatively unexplored topic of CEO charisma. Therefore, no quantitative studies have been undertaken during this master thesis\(^2\), leaving the results and findings affected by some degree of subjectivity. The results of this master thesis are based on the literature found on the topic and the qualitative interviews undertaken in the process of my own research.

Part II on charisma is limited to an introductory clarification of the term, subsequently linked to a more in-depth exploration of the concept in relation to leadership, charismatic authority and management theory. More authors and critics on the Max Weber approach to charisma could have been included, but are deliberately left out in this connection. Furthermore, the outlined parameters (1.-9.) of charisma presented in this part should not be seen as absolute, but more as a base for discussion of the concept and a way of explaining a highly intangible personal quality.

Part III on branding the CEO is largely based on traditional branding literature in the attempt to link the concept of charisma to personal branding (and measuring effect on corporate branding). In this part, more emphasis could have been put on measuring performance in relation to charismatic leadership, and more approaches could have been presented such as an in-depth analysis of external

\(^2\) But could be a subject for further studies (see also Chapter X, 2. Further studies pp. 77-78).
stakeholder management. Although the focus of this master thesis is primarily on an external stakeholder value level, it is hard to find concrete measurements of this relationship, and the research is forced to depend very much upon internal stakeholder relationship theory. The relationship between internal and external stakeholders is further discussed in Chapter X.

Chapter IX, the comparative analysis, is primarily based on two qualitative interviews and could have included more subjects. This is left out, as no quantitative data is needed and the interviewees are the head representatives\(^3\) for the respective case companies. The questions asked in my research are meant to further elaborate on the discussion posed after parts II and III, and are furthermore a validation of the parameters used for measuring CEO Charisma in this master thesis.

\(^3\) Head representatives working with communication and stakeholder relations
II. Charisma

1. Introduction - Definition of charisma

This chapter focuses on the definition of the term ‘charisma’ or ‘charismatic persona’, as originally introduced in sociology terminology, and relates it to modern management terminology. In the process of defining charisma, it is possible to draw on numerous sources. In this chapter, charisma as a term will be analyzed from a sociological viewpoint, relying on the studies of Max Weber and his ‘Charisma and its transformations’. Max Weber introduces the term charisma in his largely renown and respected work ‘Economy and society’ (Weber, Max, 1978, Volume II, pp. 1111-1157) and reflects on the term from different sociological perspectives. His definition will work as the primary source throughout this chapter, as will more recent research studies on the area.

In modern terms, ‘charisma’ can be described as following: “A strong personal quality that makes other people like you and be attracted to you” (MacMillan, p. 227). Furthermore, the adjective ‘charismatic’ is also described as “relating to a group of Christians who believe that God can give people unusual abilities, for example the ability to cure people who are ill”. This, the second description of ‘charismatic’, will be examined more in relation to the studies of Max Weber.

Another description of the concept of ‘charisma’ can be found in the Encyclopaedia Britannica (Britannica, Academic Edition, 2010). Although quite similar in its way of describing ‘charisma’ as a personality trait, the usage of the word ‘leader’ is introduced and thereby connects the concept of ‘charisma’ to those of ‘leadership’ and ‘authority’: “Charisma; attribute of astonishing power and capacity ascribed to the person and personality of extraordinarily magnetic leaders. Such leaders may be political and secular as well as religious. They challenge the traditional order, for either good or ill.” It seems, according to this definition, that charismatic personalities are born with extraordinary leadership abilities or have ‘extraordinarily magnetic’ personality traits, which qualifies them to possess power and authority. This claim will be further investigated throughout this chapter.
Yet another reference describes the term ‘charisma’ on three levels: “1) a divinely conferred gift or power. 2) a spiritual power or personal quality that gives an individual influence or authority over large numbers of people. 3) the special virtue of an office, function, position, etc., that confers or is thought to confer on the person holding it an unusual ability for leadership, worthiness of veneration, or the like.” (Dictionary.com, 2010). Again, ‘charisma’ is linked to ‘authority’ and unusual ability for ‘leadership’. Moreover, the term is connected to an “office, function, position, etc.” which gives the person holding it charismatic abilities. In this case, ‘charisma’ is no longer a personality trait given to a person by birth or by the higher powers (i.e. ‘divinely conferred’), but by the position given to a person, not necessarily possessing ‘charisma’ as a personality trait. This hypothesis becomes especially interesting when discussing the ‘charismatic CEO’, as the executive function in a large corporation is often one of a ‘special virtue’.

2. A scholarly approach to charisma

The concept of charisma is originally rooted in early Christianity and goes back a long time in history: “It is a Greek word meaning “gift of grace”, used in two letter of St Paul to describe the Holy Spirit (Romans 12 and 1 Corinthians 12). Rudolf Sohm (1892) first employed the term in social science literature in his 1892 analysis of the transformation of the primitive Christian community into the Roman Catholic Church, emphasizing the “charismatic institution” and referring to the gift of grace, the possession of pneuma by a religious inspired individual.” (Edwards III, G. C., 2002, p. 26).

The intangible asset of charisma is widely discussed inside literature concerning management theory as well as sociology. The purely sociological perspective will be discussed later in this chapter in accordance with Max Weber’s theory. The definition of charisma in scholarly circles inside management theory will be the focal area of this section, working as an introduction to the concept linking it to leadership theory.

One definition of charisma, from a management point of view, could be as following:”(...) CEO charisma is a publicly created person symbolizing control over
organizational performance – a simplified archetypical image that results from the celebration and romance of leadership” (Fanelli, A. and Misangyi, V. F., 2006, p. 1051). Furthermore, “(...) the vision of charismatic leaders helps followers to see opportunities in change and provides them with the hope and confidence in the future that allow them to mobilize their energy in pursuit thereof” (Agle, B. R. et al, 2006, p. 164). Within this definition lies many core elements of charisma as a concept; one of them being the existence of and reliance upon the relationship between leadership and followers. Not only is the charismatic persona (here; the CEO) created to have control over organizational performance, he or she is additionally the creator of opportunities for the followers (here: suggestible both internal and external stakeholders) and is able to mobilize their energy as a result hereof. The natural authority of the charismatic CEO also allows him or her to achieve confidence through times of change, resulting in even more potency in his or her leadership. The relationship between the charismatic leader and the followers is, as stated, one of the most important synergies within the concept of charisma, as the one part seemingly cannot exist without the other. In addition to this, it is worth noticing that, according to the literature, the charismatic persona is able to provide hope for the future through leadership and authority, and therefore provides guidance through times of uncertainty. This could be why followers prefer to rely upon charismatic leaders in times of uncertainty, and could support the claim that uncertainty (be it economically, social etc.) is a key factor in creating the charismatic persona.

Furthermore, charismatic leadership is characterized as a “subset of leaders who ‘by the force of their personal abilities are capable of having profound and extraordinary effects on followers’” (Flynn, F. J. and Staw, B. M., 2004, p. 309). Again, emphasis is put on the leader-follower relationship through the pre-existence of certain personal abilities of the charismatic leader. Subsequently, the leader is able to influence and manipulate followers through the nature of his or her charismatic authority. Moreover, the interrelated concept of the leader-follower hypothesis must surely work in the opposite direction as well. Edwards III (2002, p. 26) describes the charismatic persona’s dependency upon his or her followers as the essence of the charismatic ability, thus supporting the claim that
charisma can not exist in the individual alone: “The perceptions of followers are ultimately based on performance, and if success eludes the leader for long, his or her charismatic authority will disappear. Charismatic leaders must continually prove themselves, making their authority naturally unstable.” Here, the seemingly unstable character of the charismatic authority is seen as not only dependent upon the followers, but equally as much as a direct result of follower loyalty.

Having established a deeply rooted connection between the charismatic authority and his or her followers, it is important to look for other inter-dependencies, which could affect the creation of charismatic authority. Looking isolated on organizational performance in relation to the charismatic CEO, it shows that macroeconomic factors also play a role in the manifestation of charismatic authority. “(...) leaders in unstable, risky, or crisis situations may also take on greater symbolic importance. Factors such as greater follower effort and greater follower cooperation that mediate the relationship between charisma and organizational performance depend on the followers’ willingness to accept the influence of their leaders. Under conditions of uncertainty and crisis, followers feel the need for greater direction and guidance, and their inclination to accept influence may be greater. Thus, willingness to follow a leader may be more pronounced in unstable environments.” (Flynn, F. J. and Staw, B. M. 2004, p. 312).

In times of crisis, the need for a (charismatic) leader proves more evident. The inter-dependency between leader and follower is effectively strengthened by outside threats, increasing the momentum of the charismatic persona and influence upon followers. This hypothesis could be expanded into all internal and external stakeholders in the respective organization’s environment.

This means that the positive relationship between the charismatic CEO and the organisational results, during times of crisis, becomes stronger as a result of an enhanced need for strong leadership. In order to further describe the charismatic leader, scholars have tried to identify a number of characteristics shared by these. Although not definite, a list of such characteristics could be as following:

a) Self-confidence

b) Strong faith in their vision
c) Out of ordinary behavior

d) Change-seekers

House (1977) identified five key behavioral aspects of charismatic leaders. He pointed out that charismatic leaders share the following behavioral traits:

a) Role modeling

b) Image Building

c) Articulation of goals

d) Showing confidence

e) Arousing follower’s motives


Furthermore, the authors elaborate on this with stating that “charismatic leaders can be defined as those who have a high self-confidence, a clear vision, engage in unconventional behavior, and act as a change agent, while remaining realistic about environmental constraints. Charismatic leaders are believed to possess particular personality traits and abilities while displaying unique behavioral model. Different researchers have identified common characteristics for charismatic leaders with an addition or an omission of a characteristic or two” (Al Amri, M. B. and McLaurin, J. R., 2008, p. 16).

It should therefore be noted that researchers have different approaches to the concept of charismatic leadership abilities and all scholars used as references in this assignment agree on the fact that general characteristics are open for discussion. The process of putting tangible characteristics into the otherwise intangible asset of charisma is challenging even for experienced researchers in the field and must be viewed, as in the line of this assignment, as an expression of interest for a subject that is hard to define, and, subsequently, apply validated research data on. Scholars agree on the value of charismatic leadership, yet struggle to define the concept clearly. Likewise, the consequences of charismatic leadership are hard to define from a scientific viewpoint. By moving into the field
of sociology, the concept can be tested against a broader conceptualization of the subject.

3. The concept of charisma according to Max Weber

“The term “charisma” will be applied to a certain quality of an individual personality by virtue of which he is considered extraordinary and treated as endowed with supernatural, superhuman, or at least specifically exceptional powers or qualities. These are such as are not accessible to the ordinary person, but are regarded as of divine origin or as exemplary, and on the basis of them the individual concerned is treated as a “leader”.” (Weber, M., 1978). This definition opens Max Weber’s analysis on ‘Charismatic Authority’ in his respected work ‘Economy and Society’, which was first published in Germany 1922.

Max Weber’s approach to charismatic authority is largely based on the study of religious leaders (e.g. prophets), relating the term “followers” to “disciples”. Nevertheless, the term is extended into “resting on magical powers, whether of prophets, persons with a reputation for therapeutic or legal wisdom, leaders in the hunt, or heroes in war” (Weber, M., 1978). The divine gift of charismatic authority is therefore directly applicable to a wide range of leaders, both of religious and secular origin. The character of charismatic abilities is further described in Max Weber’s ‘Essays in Sociology’ published in 1946 (Weber, M., 1968, pp. 18-19):

“(…) the natural leaders – in times of psychic, physical, economic, ethical, religious, political distress – have been neither officeholders nor incumbents of an ‘occupation’ in the present sense of the word, that is, men who have acquired expert knowledge and who serve for remuneration. The natural leaders in distress have been holders of specific gifts of the body and spirit; and these gifts have been believed to be supernatural, not accessible to everybody.” The concept of supernatural abilities created by extraordinary situations such as times of crisis, combined with “magical powers”, is the focal area of Max Weber’s conceptualization of charisma. Furthermore, the prerequisite of natural leaders as being neither officeholders nor in the search of remuneration is an interesting conclusion when relating charisma to CEOs – who rely mainly on creating economic results as a prerequisite for success. The clear distinction between
expert knowledge and charismatic authority, when describing the natural (charismatic) leader, is a pivotal point when characterizing the charismatic CEO.

Another one of Max Weber’s pivotal points is the relationship between leader and follower. His definition of the ‘charismatic community’ is especially interesting when trying to implement the term in a modern corporate organization: "An organized group subject to charismatic authority will be called a charismatic community (Gemeinde). It is based on an emotional form of communal relationship (Vergemeinschaftung). The administrative staff of a charismatic leader does not consist of “officials”; least of all are its members technically trained. It is not chosen on the basis of social privilege nor from the point of view of domestic or personal dependency. It is rather chosen in terms of the charismatic qualities of its members. (...) There is no such thing as appointment or dismissal, no career, no promotion. There is only a call at the instance of the leader on the basis of the charismatic qualification of those he summons. There is no hierarchy; the leader merely intervenes in general or in individual cases when he considers the members of his staff lacking in charismatic qualification for a given task.” (Weber, M., 1978). The leader-follower relationship is largely dependent on the charismatic qualifications of the followers. Subsequently, the natural leader takes over where the need is, but does not act as a constantly dictating authoritative figure. One could argue, that his main aim is to inspire and increase self-confidence in his followers, much as one would expect in a corporate environment. Naturally, the charismatic staff of a modern commercial organisation expects to be honoured economically through career possibilities and promotion, and they are technically trained to execute their tasks.

Furthermore, the organisational hierarchy is present, as are clearly defined lines of responsibility and competencies. Yet, in the context of a modern organisation, the natural leader remains the charismatic authority; a role model, change-seeker, articulator of goals etc.

Another essential premise for the charismatic authority is the ability to create results – even more so in a performance culture such as the business environment. If the success is absent for longer periods of time, the charismatic authority can be weakened or even disappear entirely: “If proof and success elude
the leader for long, if he appears disserted by his god or his magical or heroic powers, above all, if his leadership fails to benefit his followers, it is likely that his charismatic authority will disappear." (Weber, M., 1978). Furthermore: “By its very nature, the existence of charismatic authority is specifically unstable. (...) The charismatic holder is deserted by his following, however, (only) because pure charisma does not know any 'legitimacy' other than that flowing from personal strength, that is, one which is constantly being proved.” (Weber, M., 1968, p. 22).

The instability of the charismatic persona (i.e. his or her authority) is closely related to a high-performance business culture. If the followers are not duly benefitted, the relationship between the natural (charismatic) leader and his or her followers can suffer damage. The personal strength of the charismatic leader is proven through a continuous flow of good results, and, one could argue, as a not always natural consequence; a proper communication of these, especially where the benefits are not directly obvious to the followers. In a modern business organisation a charismatic CEO can be replaced, should the charismatic authority disappear. In that way, the organization relying on a charismatic leader can maintain a relatively stable leader-follower relationship (as a part of the organisational culture). However, the replaced CEO, formerly renown as a charismatic authority by his or her followers, cannot rely upon his or her charismatic persona in a new position, as the prerequisite of followership is not fulfilled. This would most likely be the case if the CEO changes business sector entirely.

The problem of succession derives from a historical tradition for *hereditary charisma* – a situation where the office itself, held by the charismatic authority, is a position of natural leadership. This is not only applicable to royal successions, heads of state etc., but can be directly applied to the duty of top management (e.g. a CEO of a corporation). Yet, as Max Weber proceeds, this is not an expression of personal charisma: “In the case of hereditary charisma, recognition is no longer paid to the charismatic qualities of the individual, but to the legitimacy of the position he has acquired by hereditary succession. (...) The concept of divine right is fundamentally altered and now comes to mean authority by virtue of a personal right, which is not dependent on the recognition of those subject to
authority. Personal charisma may be totally absent.“ (Weber, M., 1978). Most commonly known is the ritual act taking place, when a state head (e.g. a newly elected president) is inaugurated into (an charismatic) office. As elected by a majority of followers, a relatively stable leader-follower relationship is inevitable, yet proven to be highly unstable over a given period of years. The charismatic authority is obliged to constantly prove him or her self charismatic. Even more instable is the hereditary charisma of a CEO, as he or she is subject to higher competition when in office. More specifically; it is relatively easy to discharge a CEO due to a lack of proven good results.

Weber’s analysis focuses on the leader-follower relationship in clearly defined groups (charismatic communities). These groups are comparable to the term internal stakeholders\(^4\) in organizations. Yet, it is important to notice that external stakeholders also play a great role in creating the charismatic CEO, and that these are also followers by modern standards. As media relations play an increasingly more important role for modern businesses, organizations have a much larger share of followers due to a constant interaction with the surrounding community. Followers are therefore both internal and external stakeholders and the charismatic community is, for international businesses acting in a globalised world, consequently, the international community at large. This complex relationship will be further analyzed in Chapter III (Branding the CEO).

3.1 Applicability and relevance of Weber’s charisma

The relevance of the term charisma, in a modern day context, can be described in the following abstract: “Weber never imagined that what the future held was a new age of charisma, and indeed he specifically placed the possibility of the old Gods arising from their graves at the time after the last ton of fossilized coal had been burned, after which a new era of cultural creativity might emerge as well. But what we see instead is the ubiquity of originality, a kind of ongoing cultural change in no particular direction, for example the decline of which Spengler wrote. This

\(^4\) The differences between internal and external stakeholders vary, and will not be further discussed in this master thesis. Here, internal stakeholders primarily include employees.
amounts to an age in which the extraordinary is ordinary, in which changes in values and attitudes led by the example and personal force of publicly acclaimed personalities is a characteristic feature of the culture. These considerations point to an ironic conclusion: that charisma has become mundane, or everyday, and has lost its special force not because it has become rare but because it has become commonplace.” (Turner, S., 2003, pp. 23-24). The description of charisma as ‘mundane’ in modern contexts is central to the understanding of charisma. He concludes, that the concept of charisma is poorly applicable to modern contexts as our culture has a high degree of “charismatic authorities”, thus making the concept superfluous. Charisma, as a concept, has lost all attributes concerning “magical powers” and being of “divine origin” and is, today, a way of describing an influential “celebrity” rather than a natural leader. Weber, to some extent, describes this process as the “routinization of charisma”, and it is therefore already mentioned in his studies. Although he could not foresee the role of charisma in today’s society, he was aware of this danger already then.

Stephen Turner's dismissal of a modern day approach to charisma is, one could argue, a topic of discussion. Weber’s analysis remains relevant as it describes the core conceptualization of charisma and provides the first evidence of the relationship between the leader and follower in the creation of charismatic authority. The ‘commonplace’ charisma is still charisma, although less obvious and powerful, one could argue, and is still subject to research within both management and sociology studies. The following section will try to explain the modern day approach to charisma and its raison d’être in relation to defining the concept natural leadership (or; charismatic authority).

4. A modern approach to charisma

Turner’s description of the mundane charisma is closely related to another term, used increasingly more as media coverage of the business world grows; celebrity. Pure charisma does not call for media attention, but relies on the leader-follower relationship, as well as celebrity (concept) relies on the media as a tool for the celebrity (persona) to reach his or her target audience. As Treadway, D. C. et al (2009) describes: “Celebrity is not a characteristic of the
social actor in question, but a property of the actor’s relationship with the audience; specifically, a relationship that is documented by the media.” Therefore, one could argue that the concept of charisma, in a modern day context, is closely related to the concept of celebrity. The ability to appear charismatic in front of the public at large can be used as a strategic tool to manage reputation, augment credibility and, subsequently, calls for a CEO with the charismatic authority needed to perform this task. Furthermore, the relationship between leader and follower is progressively stronger due to media coverage: “The media must engage its audience; it must tell a story. In order to meet these goals while working under strict deadlines, journalists often use the most compelling evidence, cognitive simplification, and dramatic narratives to focus on change rather than the status quo. This can lead to CEOs or firms being viewed as responsible for all outcomes, as well as playing a role in shaping future expectations (Treadway, D. C. et al, 2009, p. 555). It can be argued whether charisma is or is not an imperative in order to become a celebrity CEO, but the fact remains that media coverage can improve the leader-follower relationship simply by being used as a communicative channel or tool. The media acts as a key player when communicating change and credibility and thus strengthens the ties between the charismatic authority and its followers. In extension of this, the opposite should be supposed as well: The uncharismatic CEO can, due to media exposure, be unveiled as less credible and less capable of managing change and therefore permanently damage the leader-follower relationship. Therefore, it can be discussed whether charisma is a true personality trait deeply rooted in the charismatic persona, or, as Hunter proposes; a mundane quality possessed by the influential celebrity.

Another term used by researchers and scholars in the field is ‘reputation’ and the concept of ‘reputation management’. While being closely related to the subject of charisma and celebrity, it also defines a well-researched marketing discipline used strategically by most top firms with multiple stakeholders. Again, we find the same dilemma as with the relationship between celebrity and charisma; does a high-profiled CEO reputation drive celebrity or is it vice versa?

Treadway, D. C. et al (2009) find three significant differences between reputation and celebrity: “First, reputation is grounded in signaling theory, and celebrity is
based on theories of mass communication. As such, reputation acknowledges a strategic orientation to the actor. Second, as an intangible asset, reputation is based on the perception of an ability to create value for the firm. In contrast, celebrity is based on the perception that individuals can build an attractive social identity. Third, because of the bases listed above, reputation is developed through strategic action, and celebrity is a product of media creation.” It can be discussed whether the distinction can be made so clearly, when seeking to conceptualize and describe the term charisma. Using charisma strategically, by means of communicating through mass media, would arguably help building a charismatic social identity that could benefit not only the CEO, but also the firm that he or she represents. Subsequently, the ability to create value to the firm lies within the frames of the individual charismatic ability of the CEO thus making the process of communicating CEO charisma a strategic action. A thorough analysis on how to define the boarders between individual reputation management (personal branding) and strategic corporate reputation management (corporate branding) will be presented in Chapter III (Branding the CEO).

While being closely related, the concept of ‘reputation’ does not embody charisma and cannot explain any personality traits or intangible assets of charisma. As well as the concept of ‘celebrity’, it is simply a closely related tangible asset, which can help to explain the nature of charisma in a modern day context. As researchers struggle to find any clear definitions to the term charisma, and little empirical studies have truly verified its effect on organizational performance, it is necessary to search for definitions in related areas of research, although the findings may not be absolute.

5. CEO charismatic leadership

In trying to explain the consequences and effects of charismatic leadership, Waldman, D. A. and Yammarino, F. J. (1999) defines CEO charisma in two parts: “First, it is based on behavioral tendencies and personal characteristics of the leader, including the articulation of a clear vision derived from firmly held values of

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5 The concept of celebrity and its relation to charisma will be further discussed in Chapter III, 3. The causes and effects of personal branding
moral justifications, role modeling of those values, communication of high performance expectations and confidence in followers’ abilities to meet these expectations, references to the greater collective and its identity, symbolic behaviors and the assumption of personal risks and sacrifices. Second, the CEO charisma involves 1) a relationship between a CEO and one or more followers in close organizational proximity, 2) combined with favorable attributions, primarily from followers at distant organizational echelons, which 3) results in internalized commitment to the vision of the leader, exceptionally strong admiration and respect for the leader, the vision, and the collective forged by the leader.” Again, the leader-follower relationship is a focal area of the charisma theory, and it is suggested that a follower-commitment to the charismatic leader is a

Figure 1. A model of Close and Distant CEO Charismatic Leadership (Waldman and Yammarino, 1999). See also Appendix A.
precondition for the existence of charisma. Furthermore, the personal qualities of the charismatic CEO play a vital part in the process and in combination with the right relational circumstances the leader can gain influence on both close and distant stakeholders. The relationship between the charismatic CEO and the organizational performance can be further elaborated through figure 1, where a variety of interrelated propositions (P1-P8) are shown. Particularly interesting is the proposition five (P5). P5 suggests that charismatic attributions of a CEO (at a distance) are based on symbolic behaviors, articulation of an ideologically based vision, sagas, storytelling and prior organizational performance (Waldman, D. A. and Yammarino F. J., 1999, p. 276). It should be noticed that if the organization as a whole performs poorly, the CEO would lose charisma as a consequence of this, no matter how well he or she performs on the P5 propositions. Furthermore, the authors suggest, on the basis of House and Howell (1992), that there are two categories of charisma; the personalized and the socialized charisma. The personalized charisma is narcissistic, authoritarian and undermines the leader-follower relationship through a loss of self-initiative and self-control. These dangers are ever present for the charismatic CEO and the hypothesis supports the evidence for a relational, inconsistent and instable view on charisma, although a powerful asset under the right circumstances.

Another approach to the leader-follower relationship of charismatic leadership can be found in Angelo Fanelli and Vilmos F. Misangiya’s (2006) study of CEO charisma and its effects on external stakeholders, while at the same time giving an explanation to the external stakeholders’ identification with charismatic top managers: “CEO charismatic behaviors and symbolism—strong values, vision for the future, unconventional and risk-taking behaviors—serve to increase identification among external stakeholders with CEOs and, by extension, their organizations. CEOs, as “the most visible members of an organization”, give a face to an otherwise abstract social category, resulting in outsiders’ viewing managers as the organization” (Fanelli, A. and Misangiya, V. F., 2006). The relationship between the charismatic CEO and the follower is here described as an image-

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6 See also Appendix A.
based interdependency, shaped by followers’ willingness to participate and identify with the most visible symbol of the organization; the CEO. Figure 2 shows the relationship between the charismatic CEO/organization and external stakeholders, applying effects on organizational effectiveness and reputation. The usage of the CEO as a symbol for the organization then serves as a cognitive shortcut to an otherwise complex organizational image and, by the help of intermediaries, such as the media, participating in the social construction of the CEO/organization, effects external stakeholders’ (e.g. customers and potential customers) decision to participate as followers.

![Figure 2. The Effects of CEO Charisma on External Stakeholders (Fanelli, A. and Misangiya, V. F., 2006). See also Appendix B.](image)

**6. Sub-conclusion: Charisma**

Central to the theory of charisma is the relationship between leader and follower. This relationship is verified in both sociology and management literature and is described as a prerequisite for the charismatic authority, let it be socially constructed, inherited or a subjacent personality trait. Furthermore, charismatic leadership is strengthened through times of crisis and should be

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7 See also Appendix B.
viewed as a dependency upon strong leadership expressed by a given group of followers seeking a definition of clearly stated goals and high degree of certainty. The occurrence of charisma can be further strengthened by the means of clear communication, using mass media as a tool to reach external stakeholders and thereby enhance the perceived presence of charismatic leadership. In relation to performance indicators, a CEO acting as a symbol for the organisation as a whole could be directly linked to either good or poor economic results. It is suggested that the absence of good results will entail a negative effect on perceived charisma and therefore, charisma should be viewed as a fundamentally instable mechanism nourished through a steady flow of performance.

The modern literature on charisma, specifically related to management theory, widely lacks empirically verified measurements on perceived charisma, although some researchers have found parameters that identify certain behavioural aspects of charismatic leaders. Although not absolute, researchers have found the following preconditions for charismatic leadership:

1. Self-confidence
2. Strong faith in their vision
3. Out of ordinary behavior
4. Change-seekers
5. Role modeling
6. Image Building
7. Articulation of goals
8. Showing confidence
9. Arousing follower’s motives

(Al Amri, M. B. and McLaurin, J. R., 2008)

Furthermore, by implementing the research literature in the area of charisma conceptualisation, it is possible to suggest the following preconditions for the appearance of charismatic authority:

10. Economic results (as a tangible charisma enhancer)

   *Is the perceived charismatic authority strengthened by 1) economic crisis followed by 2) (continuous) positive economic results during CEO tenure?*
11. Media coverage (as a tangible charisma enhancer)

*Is the perceived charismatic authority strengthened through intensive media coverage?*

These eleven parameters, combined with an analysis of the charismatic nature, will be the primary tool for analyzing the appearance of charismatic authority in the comparative analysis (Chapter IX) and should be seen as an attempt to measure charismatic leadership in relation to external stakeholders using a sector-specific case study.

The personal brand and (strategic) image building of CEOs as the primary symbol for complex organizations is a fundamental area when analyzing CEO charisma and will be further analyzed in the following chapter.
III. Branding the CEO

1. Introduction

The American Marketing Association defines a brand as "a name, term, symbol, or design, or combination of these, which is intended to identify goods or services of one seller or group of sellers and to differentiate them from those of competitors" (American Marketing Association, 2011). By seeing the top executive as a symbol of his or her company, one could argue that the CEO automatically becomes an integrated part of the corporate brand and thereby contributes to giving the brand economic value through symbolic representation.

Mary Jo Hatch and Majken Schultz (2008) place the responsibility of the corporate brand at top-level management; the CEO or executive team. Moreover, “corporate brands address all the company's stakeholders – not only customers and consumers but also investors, suppliers, distributors, partners, governments, and local, national, and international community groups, as well as employers – in other words, the entire enterprise” (Hatch, M. J. and Schultz, M., 2008, p. 9). Therefore, the top management has the responsibility to align the corporate brand with all possible internal and external stakeholders and in the cases where the CEO is the top manager; he or she bares the ultimate responsibility of this process, which can be summed up in the Vision-Culture-Image Alignment Model (figure 3). The greater the coherence of vision, culture and image, the stronger your brand is. Thus, the successful corporate brand is created through alignment between 1) (top management) strategic vision, 2) corporate culture expressed through what employees believe and know, and 3) external stakeholders’ images (desires and expectations) of the company. Any gaps between the above mentioned parameters would lead to misalignment in the organizational identity, which forms the corporate brand. It is therefore essential for the CEO to bear these parameters in mind, when acting as the representative for a company or organization.
Gaps in the Vision-Culture-Image Alignment Model are likely to occur in situations of radical strategic change in the organization, e.g. new market entries, mergers, downsizing, CEO successions or even smaller changes that effect any parameter of the organizational identity (Hatch, M.J. and Schultz, M., 2008, p. 84). To avoid misalignment, it is important for the strategic management to anticipate any changes and manage them properly in a timely fashion. The implications of the VCI Alignment Model are evident: In order to create and maintain an aligned organizational identity (corporate brand identity), the CEO must be able to predict and avoid any threats (radical changes) or maneuver through them in a credible way, so that no gaps occur between the parameters during the change process.

Having stated a direct relationship between the corporate brand and the CEO (specifically in the cases where the CEO works as the symbol for the organization as a whole), it is interesting to analyze further, how the charismatic CEO affects the corporate brand in a given positive or negative way, through integrated value addition. Furthermore, it is necessary to study the implications of the term ‘charisma’ applied to both ‘corporate branding’ and ‘personal branding’ theory. The following chapter seeks to analyze the relationship between the terms and relate it to the theory of charismatic leadership on CEO-level.
2. The CEO and the corporate brand identity

As defined by Hatch and Schultz (2008), the corporate brand is the organizational identity of any one company or organization. Furthermore, Erich Joachimsthaler and David A. Aaker (1999) suggest that senior management best drives brand management, because building a brand is a strategic maneuver. The top level management, and in particular the CEO, therefore should have the overall strategic responsibility of developing and consolidating the corporate identity in order to increase performance of the organization. In order to do this, it is important that senior management creates a “clear brand identity with depth and texture so that those designing and implementing the communications programs do not inadvertently send conflicting or confusing messages to the customers” (Aaker, D. and Joachimsthaler, E., 1999, pp. 5-6). Likewise, it is important that senior management themselves send clear and defined messages to the company’s surrounding world of internal and external stakeholders, in order to build and maintain a strong corporate brand.

David Aaker and Erich Joachimstaler (2000, p. 66-67) give some examples of the brand identity relating to some of the world’s leading brands. A few examples will highlight the meaning of a clearly defined corporate brand:

• A “break the rules” leader who introduces unusual and sometimes outrageous programs and actions. As an example the authors suggest Virgin, but arguable a brand such as Apple would also fall into this “rebellious” category.
• A “successful” leader with a large market share. Coca Cola is given as an example, but any one company holding the majority of market shares falls into this definition.
• A “quality” leader who sets standards for excellence. Lexus is one, and other manufacturers of quality products such as Mercedes could be mentioned.

Although it is possible to fit some brands into more categories than one, and taking into consideration the fact that brand identity in general can be subject to
individual bias, the above mentioned corporate brand identities still serve as good examples of successful brand building. Furthermore, it can be argued whether e.g. the brand Lexus or Coca Cola is actually a corporate brand or more a product brand, but these definitions are sometimes vague and subject to another discussion.

To further elaborate on the relationship between corporate brand identity and the role of senior management, Aaker and Joachimstaler (2000, p. 77-78) define the benefits of incorporating the CEO in the brand strategy: “People, such as a founder or a strong, visible CEO with a clear brand vision, can be powerful role models. (...) The impact of the founders can be made even more vivid if their picture is a brand symbol, as in the cases of Charles Schwab (broker), Norton Software (now Symantec), and the Smith Brothers (cough drops). When the name and picture are on the door, so to speak, the founder not only is there in spirit but actually appears to be watching over what is being done. Some founders, like Bill Gates of Microsoft and Richard Branson of Virgin, are not formally included in the brand’s symbol, but their faces are so familiar (not only to employers but also to others) that the result is similar.” This form of brand personalisation is evidently a powerful tool to help build strong brands, which are perceived as trustworthy by both internal and external stakeholders. It should be noted that a strong brand alignment between the CEO (persona) and the corporate brand is vital in order to successfully build the brand personality around one person, as is the case of Bill Gates, Richard Branson and more recently; the late Steve Jobs of Apple. There is always the underlying risk of misalignment (as the term used by Schultz and hatch), which can lead to a loss of a clear organizational identity, due to conflicting and confusing messages sent by top management.

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8 It is widely known within branding literature that personal bias affects image, so that a brand being perceived as a “break the rules” leader by one person could be perceived as a “quality” leader by another person.

9 A brand personality can be defined as a set of human characteristics associated with a specific brand. This can include gender, age, socioeconomic class as well as personality traits such as warmth, humor and authority (Aaker, 1996, pp. 141-142). The term is most commonly used when trying to explain the psychological processes a customer goes through when buying a specific product or service. Seeing buying processes as an interaction between the customer and a given product, a customer will relate more to a product representing the same values as him or her self, thus buying a set of perceived values (brand personality traits) more than a product for its practical use.
The corporate branding literature shows evidence that CEO brand personalization can support and help build a strong corporate brand identity. Therefore, analyzing the relationship between corporate brand and the CEO personal brand will give a more in-depth view of the importance and consequences of CEO charisma.

3. The causes and effects of personal branding

The term personal branding is often times applied to the process of marketing individual persons with the purpose of positioning themselves for career opportunities inside the labor market. The motives for personal branding can therefore be viewed as implicitly selfish (for personal gain) and a process of self-promotion and defining one's own unique selling proposition in a competitive workforce market. Furthermore, the conscious action of personal branding can be related to celebrities and politicians being promoted as products, and the process could, to a large extend, be described as the same. The duality of personal branding in relation to corporate branding can be described in the complexity of personal versus group success, i.e. the motives behind personal branding: Is the CEO promoting him or her self in order to gain personal success or are the motives behind CEO branding in fact group-related and a way of supporting the corporate identity as a whole?

While charisma literature defines charismatic leadership as a combination of personality traits and leader-follower relations, the branding theory defines personal branding as a process of turning oneself into a product, as a means of self-commoditisation. Or expressed in another way; “A personal brand is the method by which one demonstrates their ability to add value to the company thus providing oneself with at least some degree of security” (Lair, D. J. et al, 2005, p. 319). In that sense, personal branding offers a win-win situation for both the individual and the hiring company by adding value to both. The individualistic nature of personal branding is, according to the authors, a natural next step in the corporate branding evolutionary progress: “The progress from consumer branding to company branding to the branding of a person and a career is hardly surprising when we consider the push for consolidating the branding movement via
an ideology of individual efficacy, identity, and control." (Lair, D. J. et al, 2005, p. 314). It is interesting to notice that the effects of personal branding can be positive for both parties; the individual and the company, as supported by both corporate branding and personal branding theory.

3.1 Personal branding in its extreme form: The Celebrity CEO

It is interesting to further analyse the effects of branding a CEO, and what happens when the CEO becomes (to some extend) larger than the company he or she represents. As mentioned earlier (chapter II Charisma), the term celebrity can be closely related to professionally built personal brands, and often times, business celebrities such as Richard Branson or Steve Jobs can be described as celebrities on the same level as movie stars or rock stars. The duality of personal branding is interesting when analysing the charismatic CEO, because business celebrities represent a constructed personal brand (or; socially constructed charisma), created to add value to a specific corporate brand. Or is it that these individuals actually posses charismatic personality traits and a natural leadership that enables them to excel in the business world?

One of the authors behind the book 'Demystifying Business Celebrity' (Guthey, E. et al, 2009), Eric Guthey, sees both parallels and clear distinctions between the terms 'celebrity' and 'personal branding'. First of all, he explains, a personal brand is put together by diffuse images (plural) held by a number of different people, and therefore you cannot construct one specific image (singular). On the other hand he offers a set of dynamics, which are involved when referring to business celebrities (Guthey, E., Appendix 1):

1. Attribution: When people attribute business success to a specific celebrity.
2. Access: Public access to the celebrity.
3. Mediation: The shaping role played by a number of individuals, organisations and institutions acting as promotional agents, boundary spanners and gatekeepers.
4. Traction: Meaning the ability of the celebrity to appeal to a large audience of conflicting stakeholders.
Bearing in mind that the production of a business celebrity is described as a cultural commodity, the authors put heavy emphasis on the relationship between the individual celebrity in question, the stakeholders involved that wish to gain profit on the production of the specific celebrity and, closely related to the leader-follower theory of charismatic authority; the audience who receive and “buy in” on the celebrity. All of the above mentioned factors cannot be controlled by the CEO and therefore it is, according to Guthey, impossible to create a celebrity CEO for individual (personal) gain or corporate branding purposes. It is a complex dynamic process that happens when all stakeholders see an opportunity to profit from the celebrity.

When linking the concept of celebrity to leadership, the authors present a set of dynamics that are involved in the production of leadership. Again, these parameters are interesting because they can be linked to the creation of charismatic leadership and explain the leader-follower dynamics involved:

- As with the production of celebrities, the production of leadership takes place via a number of distinct yet interrelated sub-industries and institutions. Each of these has its own niche, its own strategic logic, and its own set of organizational dynamics. They are connected in a loosely coupled network characterized by cooperation, cross-fertilization, and competition. A partial list of these industries and institutions would include consulting; coaching; leadership training and development; commercial and academic publishing; business media and journalism; leadership education and research in universities and business schools at the undergraduate, masters, and executive levels; the guru-oriented leadership seminar and promotional event industry; and the burgeoning leadership institute industry.

- Likewise, the production of leadership in these different contexts, as well as the interaction that occurs across these contexts, involves the active participation of a host of content providers, promotional entrepreneurs, boundary-spanners and gatekeepers. These business culture intermediaries include authors, journalists, editors of newspapers,
magazines, and academic journals, public relations representatives, agents, photographers, filmmakers, academics, human relations professionals, coaches, trainers, seminar and conference organizers, consultants, and many others.

• The consumption of leadership contributes to the production of leadership. (...) We have stressed that fans, audiences, and media consumers are a crucial component of the process of celebritification. By the same token, leaders do not exist without followers, and the production of leadership cannot function without its own consuming audience made up of organizers, corporations, executives, MBAs, leadership enthusiasts on the street, and aspiring leaders of all sorts. And, especially since the products of the leadership industries are discourses of agency and power, it makes little sense to cast the consumers of those products as the passive recipients of a set of prepackaged goods.

• The participation of so many different industries, actors, and end-users means that leadership actually consists of a range of different cultural and symbolic products and services which are difficult to categorize under any unitary definition or theoretical paradigm. Again, this means that it is important for scholars and practitioners to recognize the existence of different “leaderships” (..).

(Source: Guthey, E. et al, 2009, pp. 154-155)

The promotion of leadership as an industry might help to clarify the increasing focus on charismatic leaders and thereby explain why public access to leaders plays a key role in the leader-follower relationship. Furthermore, the dynamic process of CEO celebritification could also be explained by a tendency to focus on specific industries on a specific time. One could argue that in a time highly influenced by technological evolution, CEOs such as Bill Gates of Microsoft and Steve Jobs of Apple are more liable to succeed in the four parameters of attribution, access, mediation and traction.

In relation to performance indicators, the business celebrity does not necessarily represent good leadership or even good economic results. As Guthey argues (Guthey, E., Appendix 1), the celebrity CEO only appears to be creating good
results and it is not possible to measure performance from celebrity. Furthermore, in relation to charismatic leadership or charismatic personality traits, Guthey remains critical to the fact that business celebrities should possess any form of personal charisma, as he sees charisma as a pure social dynamic (socially constructed charisma). The constructed nature of personal branding and business celebrity combined with the active involvement of various stakeholders, as for instance when Steve Jobs presented the new IPad in front of a large audience and media press, negates the presence of charismatic personality traits. While Guthey does not deny a possible presence of (constructed) charisma, he expresses his views by saying that “once it’s a strategic move, it’s not authentic and therefore not charismatic. And that’s another good reason not to have an essentialist approach to charisma. If you have a relational understanding of charisma, you can still attribute charisma to a person even though it’s fake, because it’s in the interest of the audience, or they like to or whatever. But I don’t think that consumers of business news are that stupid. They are pretty savvy about the fact that there are massive PR engines behind.” (Guthey, E., Appendix 1).

4. Charisma in management industries

While the production, or rather construction, of charisma and the construction of celebrity shares many similarities; for instance it can be argued that the same set of dynamics can be applied to both terms (Guthey, E., Appendix 1), it seems that the two phenomena are divided by the relational nature of charisma. By perceiving charisma as a constructed phenomenon created in the interaction of a leader-follower relationship, and celebrity as an industry-constructed cultural phenomenon, the distinction becomes more visible. That being stated, there are still a large leadership industry that profits on charisma as a personal attribution, and in order to understand the concept of charisma, it is interesting to gain more insight on this industry’s views on how charisma is perceived, measured and used.

One of the industries that works most intensively with the attraction and promotion of charismatic leaders is the headhunter-industry. Headhunters work
on a daily basis with top-performing leaders, using measurements of both professional success and personal attributes to find the right candidate for top positions in high-profiled companies. This analysis focuses on personal attributes and how these affect the perceived image of a given CEO, and therefore, it is interesting to get the headhunters’ views on what makes a top-manager charismatic and how this is used in the selection process of candidates. When being asked whether CEO charisma is value-adding for an organisation, Christian Bjerring, Partner at the headhunting firm Frisberg & Partners International replies that “First of all, I have to say that you cannot measure charisma. But we always evaluate it. I myself do not know any way of measuring charisma, but charisma is something you evaluate on an individual level. What we evaluate, first and foremost, is appearance; how do people enter a room, do they seem credible, do they seem as though they have energy and strength and so on. And good appearance for a top manager is a hygiene factor. On top of that then comes charisma, which is where you really shine and take over the room, which is something you really notice. But it is worth noticing that many of the top managers become top managers because they are addicted to the acknowledgement they get from their surroundings. What drives these people to perform is, basically, acknowledgement. And if they do not receive acknowledgement from their surroundings, they are not motivated.” (Appendix 2). This aspect is interesting as it represents the intangible character of charisma and its immeasurable nature. It is worth noticing that, while it is not possible to measure charisma (or appearance), it plays a vital part in the selection process. Peter Scheuer Jensen, CEO of SAM Headhunting Denmark\textsuperscript{10} shares this viewpoint: “To my knowledge, you do not measure it (charisma, red.). But there is an enhanced consciousness about the fact that your company, and your brand, is also your management. And the decisions you make in your private life, as a top CEO, affects your company’s reputation and image to a large extend, no doubt about that. (Appendix 3).” He agrees that charisma is not measured, but plays a central part in forming the corporate brand as a whole. Both headhunting firms puts emphasis on the power of personal charisma among top executives, and one of the two firms also, to

\textsuperscript{10} Part of SAM Headhunting International
some extend, actively seek candidates with personal charisma. When being asked specifically if CEO charisma adds value to an organisation or company, the two headhunting firms agree that charismatic leaders adds value through their representation abilities and, as expressed earlier as the vital leader-follower relationship, perceived image among stakeholders. Peter Scheuer Jensen replies the question with: “Yes, without a doubt. Take Richard Branson for instance, who is one of the largest icons inside personal branding. And that’s charisma in its purest form. But it is dangerous, because there are many examples of top managers who have taken it too far. Another example is Stine Bosse, who is incredibly charismatic and there is no doubt that the decision to remove her from the position as CEO was not hers – and she was really exposed in the media, but as a personal brand. The decision was without a doubt the board’s, who saw something negative happen in the bottom line.” (Appendix 3). Jakob Krejsager, Managing Partner at Friisberg & Partners International, agrees by stating that: “Yes, I believe that.

When I search for a candidate, and I want to match it with some concrete problems in a given company, then I often ask the company who they would like to recruit for this position. And then they point to someone who, if they got him onboard, then it would say something to the world about the company. So therefore your question is very relevant, because it is the candidate’s profile, his or her charisma, the brand so to speak, that sends signals to all stakeholders that; okay, if this person believes in it, then the company must be on the right track.” (Appendix 2). The relationship between leader (CEO) and follower (stakeholder) being emphasised, the two headhunters agree on the value of charismatic leadership, even though it could be dangerous, thereby confirming the unstable nature of CEO charisma. Giving the example of Stine Bosse (Group CEO of the large Danish insurance company Tryg 2001-201111), Peter Scheuer Jensen stresses the complex dynamics between the personal brand and personal charisma, indicating that the potentially dangerous promotion of her personal brand actually cost her the job as CEO of Tryg. This example is interesting when analyzing the effects of CEO charisma and will be further researched in the comparative analysis in Chapter IX of this master thesis.

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11 See also Chapter IX Comparative analysis
The research interviews supports the hypothesis that charisma has a central role in the shaping of a corporate brand and gives evidence that charisma, to some extent, is being used as an intangible and immeasurable parameter when selecting executives for top management positions in Denmark. Potentially, managers with a high degree of personal charisma can more easily achieve a top position in highly profiled companies, because of their ability to shine through, formulate clear goals and persuade stakeholders.

Another industry that works with charismatic leadership on a strategic level is the management industry, specifically in the coaching and personal development of top managers. In an interview with Henrik Wenøe, Executive Coach and founder of the company Aquisty World, which develops and offers executive training and coaching programs, the emphasis on charisma in their Personal Leadership Program ® is explained through the following statement: “The way we work with charisma is that we relate it to effectiveness. In order to be effective as a manager, you need to work well on three parameters: You need to be professionally founded, have solid business acumen and a good personal and social skillset. When you have these three things, you stand on solid grounds. And in order to be truly charismatic, you need to master all three disciplines, because if your professional qualifications are not sufficient, your leadership becomes hollow. If you do not have good business acumen, then you cannot make your professional skills come into play, because, even though the ideas you have might be good, they would never work in the business environment. And having really strong personal and social skills that can sell your great ideas is not enough, because you need to know your market and business as well in order to succeed. You might even succeed being elected president in the United States on your personal and social skills, but if you basically do not possess professionalism and business acumen, you fall through. And speaking of a business context, you typically have relations over time, and you might be very charismatic on the first morning meeting, but it fades if you do not create the results to back it up. The point where we come in is on the personal and social level, and when we do that, we talk about three things. First of all, we work with the manager’s personal impact, meaning that charismatic people have some authority and impact that makes people listen. It is not meant as power by your
function, but on a purely personal level. The second thing is personal creativity, which is the ability to restructure on a strategic level in times of change, and stay open to input. The last thing is personal influence, the ability to make other people buy in to their ideas. So people who are charismatic possess these three qualities. They are able to have impact, come with solutions and communicate on a high level.” (Appendix 4). Furthermore, not having found a specific “gene” for charisma, Henrik Wenøe believes that charisma is closely related to the concept of “authenticity” and is something that can be both taught and learned. Although some people, according to him, are more charismatic as a consequence of their upbringing and having authentic and charismatic role models, it has something to do with the leader-follower relationship. As he explains, you can only be charismatic in relation to other people and under the right circumstances and in the right context. When he works with personal charismatic leadership, he implements the parameters personal impact, creativity and influence and adds the important element of understanding the role in the business context. Furthermore, he emphasises the leader-follower relationship by stating that a strong alignment between the personal brand and the corporate brand provides a strong tool for charismatic leadership, and, even though it can have negative consequences if a misalignment occurs, could add value to the organisation:

“Again, charismatic, or authentic, leaders have easier access to followers. The employees want to do, what they are asked to do. Plus the fact that top managers more and more are the representatives of the company on an external level, and thereby brand the company. So being charismatic does make your personal brand stronger and having a strong alignment between your personal brand and the corporate brand is an incredibly strong tool. When this goes wrong, and there is no alignment, it is because that the person does not understand the business context and environment they are in. And this is, of course, dangerous to any company.” (Appendix 4).

Both the headhunter industry and executive training industry works with charisma as an intangible asset of the successful CEO, and sees brand alignment on personal and corporate level as a vital tool for increasing leader-follower identification. Confirming the instable nature of personal charisma, the industry
sees both clear advantages and dangers in the promotion of personal charisma among CEOs and indications of a performance-based charisma are clearly stated, as well as a tendency towards the promotion of personal achievement and acknowledgement, rather than achieving organisational targets and promoting group-related results.

The importance of promoting group-related goals instead of personal achievements is highlighted by the hypothesis that “(...) leadership centers around the process of creating, coordinating and controlling a social self-categorical relationship that defines what leader and follower have in common and that makes them ‘special’ (Haslam, 2001; Haslam & Platow, in press-a, in press-b). In Reicher and Hopkins’ (1996, 2001; Reicher, Drury, Hopkins, & Stott, in press) terminology, leaders must therefore be ‘entrepreneurs of identity’. The success of their leadership—as judged by followers—hinges upon an ability to turn ‘me’ and ‘you’ into ‘us’ by defining a social project which gives that sense of ‘us-ness’ meaning and purpose. (Haslam S. A. et al., 2001, p. 194)”. The authors support the claim that a group-identity relationship between leader and followers is vital for the success of the leader, and thereby indicates a positive relationship between identity-affirming actions from the part of the charismatic CEO and perceived charisma from the followers.

Figure 4 shows the effect of 1) identity-affirming, 2) even-handed and 3) identity-negating leader behavior on perceived CEO charisma. This study also supports the hypothesis that perceived charisma is heightened through times of crisis turnaround.
5. Performance in relation to the charisma phenomenon

A study made by Bradley R. Agle and Jeffrey A. Sonnenfeld (1993) supports the hypothesis that charismatic CEOs are in fact more effective on a variety of parameters. The study was conducted by using a sample of 250 CEOs of major US firms and based on multiple responses from the top management team of each firm and objective measures of performance. The study concluded a positive relation between CEO charisma and performance measured on the following parameters: Dynamic leadership, exemplary leadership, personal leadership, leader expectations and leader risk compared against organizational performance, CEO accomplishments and stock value. These findings are further supported by Shamir et al (1993), who concluded that: “(...) leaders who engage in the theoretical charismatic behaviors produce the theoretical charismatic effects. In addition, they receive higher performance ratings, have more satisfied and highly motivated followers, and are viewed as more effective leaders by their superiors and followers than others in position of leadership.”

The study not only concludes a positive relationship between CEO charisma and performance it also provides us with a set of parameters on which to measure charisma among CEOs, and although more research is needed on the subject, these (performance) parameters serve as a suggestion to measuring the complex
nature of charisma. It should be noted that these parameters are closely related to those presented earlier (Chapter II on Charisma), and although the parameters in this specific study are only tested against internal stakeholders, they might very well be applied to external stakeholders as well (public, media, investors/shareholders etc.). The suggested parameters are as follows: Dynamic leadership (related to parameters 1.-9.), exemplary leadership (closely related to parameter 5. Role modeling), personal leadership (related to parameters 8. Showing confidence and 9. Arousing follower’s motives), leader expectations (related to parameters 7. Articulation of goals and 8.), leader risk (closely related to parameters 3. Out of ordinary behavior and 4. Change seekers) and, finally, CEO tenure.

A more recent study builds upon the work of R. Agle and Jeffrey A. Sonnenfeld (1993) by seeking to give evidence for the causal relationship between charisma and performance (Agle, R. B. et al, 2006). The article suggests a range of useful hypotheses connected to the relationship between CEO charisma and performance:

•  **Hypothesis 1: Organizational performance and subsequent top management team perceptions of CEO charisma have a positive relationship.**

The theory is, that when a company performs well, the success will automatically be attributed to the leader(s) of the organization. It can be discussed whether charismatic leadership leads to organizational performance or if it in fact is the organizational performance that causes positive attributions to the leader.

•  **Hypothesis 2: Top management team perceptions of CEO charisma and subsequent organizational performance have a positive relationship.**

Most notable is the charismatic leader’s influence on organizational performance through: Their ability to inspire and motivate employees and other corporate stakeholders; their ability to create cohesion among the members of organization with their vision and power; the influence their values have on their strategic choices; the cascading effect their leadership has on followers throughout their organization; and their willingness to implement strategic change.
Hypothesis 3: The positive relationship between CEO charisma and subsequent organizational performance is stronger under conditions of high uncertainty. Under conditions of uncertainty and crisis, followers feel the need for greater direction and guidance, and their tendency to accept influence can be greater.

Although these hypotheses are not fully verified by the study analysis, the conclusion is evident: CEO charisma’s impact on organizational performance is greatest earlier in the CEO tenure and therefore CEO charisma is changing through time and likely to fade over a long period of time.

6. Sub-conclusion: CEO branding

This chapter has analyzed the relationship between corporate branding and personal branding, drawing parallels to the analysis in chapter I on charisma. Furthermore, indications of higher performance among charismatic CEOs have been examined and connections to organizational performance have been included, although no direct evidence has been provided of the effect of charismatic CEOs to bottom line results. Moreover, the personal brand theory combined with theory and scientific opinions about the celebrity CEO has been implemented and related to the theories of charisma, as well as the viewpoint of the management industry. Findings have resulted in indications of a positive relationship between CEO Charisma on a personal brand level, although being instable and subject to cyclical swings (such as turnarounds, crisis, uncertainty levels) and specific actions affecting the leader-follower relationship (leader behavior, increased/decreased interest from external stakeholders).

In terms of analyzing the personal brand in the comparative analysis in part IX it is important to include a perspective on the personal-corporate branding and how the CEO is being used as a brand touch point for company products. Acting as a brand touch point, the CEO transcends traditional touch points and actively works as a brand channel for the whole company and its products (see figure 5).
Figure 5. Brand touch point wheel including the CEO as both a pre- and post-purchase experience. Also note that social media such as Facebook or Twitter is not included in this wheel, neither as a pre- or post-purchase touch point. Brand touch point retrieved from http://www.service-innovation.org/?p=283 on the 21st of January 2012.
IX. Comparative analysis

1. Introduction

The comparative analysis presented in this chapter will be used as a tool to measure and analyze the degree of charisma occurrence in a selected area of business and the effects of branding the CEO, as concluded in Chapter III. The aim is to find indicators of increased performance among corporations being led by a charismatic executive manager (the CEO), and, subsequently, relating these findings to the theory of charismatic leadership, as presented in Chapter II.

The business sector chosen for this analysis is the Danish insurance industry. The reason for this choice is primarily based on the perceived charismatic leadership of the former CEO for Tryg A/S – one of the largest Scandinavian insurance companies. In her time as chief executive officer for the company, Stine Bosse was highly visible and known in the public, and not only for her role as a CEO. Moreover, she engaged in a variety of extracurricular activities not directly related to her job function, resulting in a celebrity status and a strong personal brand. In comparison, the current CEO (Christian Sagild) of another top performing insurance company, Topdanmark A/S, has been less profiled and visible in the general public. In relation to perceived charisma, a comparative search on Google’s search engine reveals a clear difference in the use of adjectives in relation to the two CEOs. When searching for the word “karisma” (charisma, eng.) or “karismatisk” (charismatic, eng.) and Christian Sagild, the results are, respectively, 84 and 62. In comparison, when searching for the same two adjectives and Stine Bosse, the results are, respectively, 497 and 1.460. Although this search is strictly introductory and should not be seen as a scientific proof of perceived charisma, it serves as a primary indicator of the charismatic image as perceived by external stakeholders.

In order to complete a relevant comparative analysis of the two CEOs, it is necessary to take some preliminary steps for achieving reliable results. Firstly, a clear overview of the insurance industry as a whole should be presented,

12 Results found on the 18th of February 2012 using Google's web search engine.
including the image of the business sector as a whole, seen from the external 
stakeholders’ (here; the customers’) point of view. Secondly, the specific 
performance of the two companies under the leadership of the two CEOs should 
pave the way for performance measurement under charismatic leadership. 
Finally, the parameters of charismatic leadership found in Chapter II, along with 
the theory of using the CEO as a brand touch point found in Chapter III, should be 
tested against the two CEOs. By validating the use of charismatic leadership 
theory applied to the two protagonists of this comparative analysis, and, 
subsequently, relating the results to performance indicators, the aim is to 
conclude whether charismatic leadership can be used as a positive performance 
indicator, applicable to businesses with a high level of external stakeholders.

2. Analyzing image in the insurance industry

Without going into an in-depth analysis of the insurance industry in Denmark, it 
is useful to this analysis to get a view of the sector concerned. The insurance 
industry in Denmark is part of what is typically referred to as the ‘banking, 
finance and insurance industry’ or the ‘financial sector’ and involves all 
corporations dealing with banking, insurance, pensions and credit. While credit 
institutes account for 87.7 percent of the sector, the remaining percent is divided 
between banking, insurance and pension institutes (Top1000.dk, 2012). Taking 
the insurance and pension companies isolated, the industry has experienced a 
decrease in the number of active players of more than one third in the period 
2000-2009 (figure 6).
Figure 6. Shows the amount of insurance companies (antal) on y-axis over a ten year period, 2000-2010 on x-axis. Source: Danish FSA 2011.

The primary source of income for insurance companies is insurance premiums paid by customers\textsuperscript{13}, which could be described as a complex trade area involving a large degree of trust, involvement and information gathering from the customer’s side. A report from The Danish Consumer Council affirms the relatively complex conditions involved in committing to insurance. The report, released in October 2011\textsuperscript{14}, concludes that only 26 percent of customers actually read their insurance terms and that the reason for this is primarily that they are either too difficult or too extensive to understand (Appendix 6). It is therefore relevant to take a closer look at the relationship dynamics between the insurance companies and their clients.

3. Image analysis of the insurance industry

Looking at the Danish insurance industry from a customer’s point of view provides information of the industry’s image as a whole. The following figure (figure 2\textsuperscript{15}) is developed by EPSI (Extended Performance Satisfaction Index) in

\textsuperscript{13} See also Appendix 5 for a complete view of the insurance sector’s income statement

\textsuperscript{14} See Appendix 6 for complete report (Danish)

\textsuperscript{15} See Also Appendix C.
2011\textsuperscript{16} and shows an increase in perceived image in the industry 2010-2011 of 4.1 percent. Furthermore, worth noticing is the significant decrease in perceived image following the financial crisis in 2008.

Figure 7. Customers' evaluation of image in the private insurance industry 2007-2011. Source: EPSI Danmark 2011 (Insurance B2C Image) (Appendix 7). See also Appendix C.

While there can be many explanations for the positive image increase 2010-2011, one could be that insurance-takers actually used their insurance company following the big flood in the summer of 2010, thereby enhancing their commitment after have been given counseling and compensations. Another tendency can be found in relation to customer satisfaction over the same period of time. Figure 8 shows that customer satisfaction has been relatively stable in the period 2007-2011.

\textsuperscript{16}See Appendix 7 for full report
This indicates that, during times of economic crisis, insurance companies have a tendency to decrease in perceived image measurement, but not in customer satisfaction. Also worth noticing is, that the two top performing companies, in relation to increase in customer satisfaction during the period 2010-2011, are Tryg (75.3-76.4 = +0.9 percent) and Topdanmark (72.5-73.7 = +1.2 percent), while the industry as a whole has dropped 2.7 percent over the five-year period, and 0.3 percent from 2010 to 2011. It should be noted that, according to EPSI, the “customer satisfaction index is reported on a scale from 0 to 100. The higher the score, the more satisfied customers. The average for corporations is typically to be found in the area of 60 to 75. Corporations achieving a score of 75 or above have a strong position in relation to their customers, while corporations that achieve scores below 60 have a risk of loosing their customer base. A positive change of 2 point or more is considered a recognized change.” (See appendix 7).

According to the above figured EPSI surveys, the Danish insurance market consists of 13 large players, with Tryg and Topdanmark being the two highest ranked companies measured on market shares (Tryg having a market share of
32.7 per cent in 2010, and Topdanmark 13.8 per cent\textsuperscript{17}). Tryg possesses a large share of the insurance market based on premium income and effectively has an 18.9 per cent advantage in comparison to the closest competitor, Topdanmark.

In relation to this, it is interesting to include other parameters of customers’ perceptions of the insurance market, such as loyalty. The following figure 9 shows (from left to right) the relation between customers’ perceived 1) image, 2) expectations, 3) product quality, 4) quality of service, 5) value for money, 6) costumer satisfaction and 7) loyalty.

<table>
<thead>
<tr>
<th>Image</th>
<th>Forventninger</th>
<th>Produktkvalitet</th>
<th>Servicekvalitet</th>
<th>Værdi for pengene</th>
<th>Kundetilfredshed</th>
<th>Loyalitet</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALKA</td>
<td>77,7</td>
<td>82,4</td>
<td>79,5</td>
<td>82,8</td>
<td>77,4</td>
<td>79,6</td>
</tr>
<tr>
<td>Alm. Brand</td>
<td>70,4</td>
<td>80,1</td>
<td>75,6</td>
<td>78,5</td>
<td>71,8</td>
<td>72,2</td>
</tr>
<tr>
<td>Bauta</td>
<td>77,6</td>
<td>82,4</td>
<td>81,1</td>
<td>81,4</td>
<td>78,0</td>
<td>80,4</td>
</tr>
<tr>
<td>Codan</td>
<td>71,2</td>
<td>78,1</td>
<td>74,4</td>
<td>76,6</td>
<td>70,3</td>
<td>71,6</td>
</tr>
<tr>
<td>FDM</td>
<td>80,1</td>
<td>84,0</td>
<td>81,7</td>
<td>81,3</td>
<td>78,1</td>
<td>80,2</td>
</tr>
<tr>
<td>GF Forsikring</td>
<td>76,7</td>
<td>82,6</td>
<td>79,5</td>
<td>82,2</td>
<td>77,6</td>
<td>78,0</td>
</tr>
<tr>
<td>Gjensidige</td>
<td>67,8</td>
<td>76,2</td>
<td>71,8</td>
<td>74,6</td>
<td>69,3</td>
<td>69,0</td>
</tr>
<tr>
<td>LB</td>
<td>80,1</td>
<td>81,9</td>
<td>82,6</td>
<td>82,6</td>
<td>79,8</td>
<td>82,7</td>
</tr>
<tr>
<td>Runa</td>
<td>75,6</td>
<td>79,5</td>
<td>79,3</td>
<td>79,7</td>
<td>75,8</td>
<td>78,6</td>
</tr>
<tr>
<td>Topdanmark</td>
<td>71,5</td>
<td>79,6</td>
<td>75,1</td>
<td>78,7</td>
<td>72,1</td>
<td>73,7</td>
</tr>
<tr>
<td>Tryg</td>
<td>74,8</td>
<td>80,8</td>
<td>78,5</td>
<td>79,5</td>
<td>73,9</td>
<td>76,4</td>
</tr>
<tr>
<td>Ørige</td>
<td>74,2</td>
<td>80,8</td>
<td>78,0</td>
<td>80,9</td>
<td>74,9</td>
<td>75,7</td>
</tr>
<tr>
<td>Branchen</td>
<td>73,4</td>
<td>80,2</td>
<td>77,0</td>
<td>79,4</td>
<td>73,5</td>
<td>75,0</td>
</tr>
</tbody>
</table>

Figure 9. Top 11 Danish insurance companies measured on parameters of customer perception.

It should be noted that the two top performing companies, Tryg and Topdanmark, do not perform as well on the loyalty parameter (respectively achieving 74.4 and 70.7 percent with the highest ranked company achieving 89.2 percent and an average in the industry of 73.8), but are very much in line with their smaller competitors on all other parameters. This could indicate, if we furthermore include the relatively poor loyalty rank of the third largest company measured on market share, Codan (13.4 percent market share in 2010 and 70.0 percent loyalty), that the large companies suffer from a lack of loyalty among their customers in comparison to the rest of the industry.

By combining the parameters of market share (Appendix 8) and perceived image (figure 2), it is possible to measure both performance parameters interrelated.

\textsuperscript{17}See appendix 8. Note that Tryg is part of TrygVesta and figures as such and that market shares include business overseas for all companies as well.
When looking at the five top-performing insurance companies according to market share 2010 and measuring combined performance on both parameters (image x market share /100), the y-axis reveals a clear tendency that not only is Tryg the best performing company, but Codan actually outperforms Topdanmark (using 2010 statistics for all five companies).

![Bar chart showing market share and perceived image for Tryg, Topdanmark, Codan, Alm. Brand, and If.]

Figure 10. Perceived image x market share /100 – the five largest insurance companies

Even more interesting, the following figure shows both market shares (blue) and perceived image (red) of the five largest insurance companies, and it seems that market shares do not account for or give any signs of a higher or lower image as seen from a customer’s perspective. Again, it could be discussed whether the industry is actually seen as a whole with very little differentiating parameters or whether the reason is, that all major players on the market actually perform equally well. This could be a basis for further discussion, but will not be elaborated more upon in this master thesis.
In addition, the annual Image Analysis made by IFO in cooperation with Berlingske Media\textsuperscript{18} shows that Topdanmark has moved from a rank as number 54 in 2010 to number 64 in 2011 (-10 in rank), while competitor Codan has moved from 91 to 99 (-8 in rank). More interestingly, Tryg drops -34 in the ranking from number 14 to number 48 after Stine Bosse leaves the company in January 2011.

Overall, this means that even though both Tryg and Topdanmark have increased image perceptions in the period 2010-2011, according to EPSI’s analysis made on industry level, the two companies have experienced a drop in the annual Image Analysis ranking all businesses/corporate brands in all Danish sectors. In addition, there is an indication that the top-performing insurance companies do not perform as well on the loyalty parameters, as do their smaller competitors, which might be related to the financial crisis affecting all companies in the insurance industry. Furthermore, Tryg experienced a large drop in image

\textsuperscript{18}Instituttet for Opinionsunders\o{a}gelse (IFO) and Berlingske Media develop and publish an annual image analysis covering all the largest Danish companies. (Source: IFO, 2012)
ranking 2010-2011, which coincides with CEO Stine Bosse leaving the company, leaving external stakeholders speculating in her significance for the company.

4. Validating charismatic leadership in the insurance industry

In the comparative analysis of the two competing insurance companies Tryg and Topdanmark, the goal is to validate parameters for charismatic leadership occurrence while linking this to organizational performance. While this analysis is limited from analyzing charismatic leadership occurrence in the insurance industry as a whole, the purpose of using the parameters described in chapter II (Charisma) is to measure the two companies’ CEOs isolated from the rest of the industry players. Thus, the parameters found in Chapter II will serve as an indicator of charismatic leadership, comprised by the two CEOs being measured on the following parameters:

1. Self-confidence
2. Strong faith in their vision
3. Out of ordinary behavior
4. Change-seekers
5. Role modeling
6. Image Building
7. Articulation of goals
8. Showing confidence
9. Arousing follower's motives

Furthermore, the CEOs will be measured on external factors\textsuperscript{19}, comprised by:

10. Economic results (as a tangible charisma enhancer)

\textit{Is the perceived charismatic authority strengthened by 1) economic crisis followed by 2) (continuous) positive economic results during CEO tenure?}

11. Media coverage (as a tangible charisma enhancer)

\textsuperscript{19}These two factors are measurable and to a larger extend; tangible. It should be noted that parameters 1.-9. are not tangible and not possible to measure objectively, while parameters 10-11 are comprised of tangible charisma enhancers, which can in fact be measured and analyzed objectively.
Is the perceived charismatic authority strengthened through intensive media coverage?

In accordance with the findings of chapter II on Branding the CEO, the relationship between the CEO’s personal brand and the organization’s corporate brand will be included, as well as an analysis of the performance under perceived charismatic leadership. Including external factors such as the above mentioned 10.-11., it will be analyzed whether using the CEO as a brand touch point could have a positive or a negative effect on organizational performance.

In support of the hypothesis that charismatic leadership has a positive influence on bottom-line results (expressed through stock appreciation), Flynn, F. J. and Staw, B. M. (2004) has conducted a study on the impact of charismatic leadership which concluded that, in times of economic crisis, charismatic leadership does have a positive effect on organizational performance. The relationship between charismatic leadership and stock appreciation, as expressed through figures 12 and 13, shows that a weak economy and a weak industry actually has a positive effect on stock price in corporations lead by charismatic CEOs.

![Graph showing stock price appreciation](image)

Figure 12. The impact of charismatic leadership and economic conditions on stock price appreciation (Flynn, F. J. and Staw, B. M., 2004, p. 315)
Figure 13. The impact of charismatic leadership and industry strength on stock price appreciation (Flynn, F. J. and Staw, B. M, 2004, p. 315)

As expressed by the authors, the results are validated through the fact that “Because it is possible that differences in stock price appreciation are driven by factors relating to firm performance rather than charisma, we also included measures of firm performance (ROA, ROS, ROE), firm growth, and relative size as covariates in the analysis. After controlling for these factors, however, differences between stock price appreciation for companies led by charismatic CEOs and other companies in their industries remained significant.” (Flynn, F. J. and Staw, B. M., 2004, p. 315). These results further support the claim that companies lead by charismatic CEOs perform better economically that their uncharismatically lead peer companies.

The above-mentioned parameters (1-9), and supplementing external factors (10-11), are, by and large, validated through charisma and branding literature, although scholars struggle with finding absolute parameters indicating charismatic leadership. This position will be the starting premise of the following analysis.

5. Charismatic leadership analysis

5.1 Case I: Tryg

Tryg is Denmark’s largest insurance company providing their services to more than 2.7 million private individuals and 140.000 corporations (Tryg, 2012).
Having its roots all the way back from the 18\textsuperscript{th} century, the corporation is deeply rooted in the Danish insurance industry, although the name \textit{Tryg} first appeared in 1911. The corporation now covers insurance, finance and banking industries in Scandinavia and parts of Eastern Europe. This analysis will focus entirely on the Danish operations and Tryg as a leading brand on the insurance market.

Figure 14: Results over a period of ten years (Tryg during Stine Bosse’s CEO tenure)\textsuperscript{20}

Figure 14 displays Tryg’s results in the period 2001-2011, showing that Stine Bosse was appointed CEO in 2003 after a year with a devastating result. Furthermore, the figure shows increasingly positive results in the years following her appointment (period 2003-2006 included). After a drop in 2007\textsuperscript{21} and a financial crisis in 2008, the company struggles with creating stable results, although some good results are presented in 2009 and 2011\textsuperscript{22} (the year that Stine leaves the company; effectively 1\textsuperscript{st} of January 2011). The economic results in relation to Stine Bosse’s CEO tenure will be further analyzed, particularly in

\textsuperscript{20} Annual results found at \url{www.tryg.dk} (6th of April 2012). Note that the heavy rain in Denmark in 2010 also affects the result of this year.
\textsuperscript{21} But still exceeding 2005-levels
\textsuperscript{22} It should be noted that the big flood in Denmark in the summer of 2010 affected all insurance companies’ results and could explain a relative poor result in 2010.
the section concerning parameter 10, but also in parameters 4 and 7 concerning her charismatic authority.

**Parameter 1: Self-confidence**

The parameter of self-confidence is extraordinarily hard to measure without going into an in-depth psychological analysis of the person involved, but we can get a good indicator by analyzing her appearance. As also emphasized by professionals in the management industry (see chapter III, p. 32-37), appearance is an important part of the charismatic authority, and being viewed as self-confident must, evidently, be a part of this appearance. Furthermore, self-confidence is connected to the concept of authenticity and credibility, another two highly important factors in the appearance of charisma.

Stine Bosse was, during her time as CEO for Tryg, well renown for her media appearances, where she engaged in debates and interviews with a high degree of self-confidence. She was one of the few Danish business personas who could attract viewers through her excellent communication skills and known persona. In an interview with Troels Rasmussen, the Director of Communication under Stine Bosse, he personally ranks her self-confidence on a scale from one to five as four. The reason, as he states, why she cannot be ranked as five is, that she also had a great need for coaching as well (see Appendix 9). When elaborating on her authenticity, he explains that “she means what she says and her DNA is connected with the company because she “grew up” with it. And that kind of authenticity adds something to the charisma. I have seen top managers who were charismatic, but were not in harmony with the company. There has to be an alignment between the company image, its development and the CEO. And on top of that, there is this personal quality that you can see from an early age.” (see Appendix 9). Stine Bosse’s authenticity (and self-confidence) should be seen in the perspective that she understands the company and its surrounding world very well, which meant that she was able to speak on the behalf of Tryg without creating misalignment between the corporate brand and her own (or by using her as a brand touch point). There is no doubt that Stine Bosse appeared with a high degree of self-confidence.
Moreover, a high degree of self-confidence is closely related to the next parameter of having a strong faith in one’s own visions.

**Parameter 2: Strong faith in their vision**

When Stine became CEO in 2003, she came with a clear vision for change. Immediately, she launched a turnaround strategy under the project name “Combined Ratio 95”, which was also a turnaround strategy paving the way for Tryg’s entrance on the Copenhagen Stock Exchange (NASDAQ OMX) in 2005. Not only did she succeed with this turnaround strategy; Tryg actually beat its competitors in 2004, became the most profitable insurance company and continued its growth until 2006 (see figure 14, p. 53). Her successful turnaround vision could be the most central factor when analyzing her charisma, even though it is most likely that this strategy was created even before her CEO tenure. Moreover, her excellent communication skills must have helped her when articulating the new vision and the new goals to both external and internal stakeholders. In accordance with this, Troels Rasmussen ranks Stine Bosse a five on this parameter (see Appendix 9).

**Parameter 3: Out of ordinary behavior**

Stine Bosse was well known for her out of the ordinary behavior. From being involved with projects concerning socially un-adapted teenagers from other ethnical backgrounds than Danish to her personal struggle against cancer, Stine has always been highly profiled in subjects not directly linked to her professional career at Tryg. This has been one of the most discussed subjects around her CEO tenure and probably where opinions around her have been the most divided.

Stine Bosse’s out of the ordinary behavior has, though, generally been viewed as a positive factor, which is also supported by an image survey that concluded that 77 per cent would claim that having a CEO who actively takes part in the social debate has a positive effect on the corporate image. The same survey also concluded that Tryg’s image suffered greatly after Stine Bosse’s departure in

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23 Source: IFO - Instituttet For Opinionsanalyse, Mannov and Berlingske Nyhedsmagasin (IFO, 2011).
2011. Again, Troels Rasmussen ranks her a five on this parameter, highlighting her extracurricular work with un-adapted teenagers (see Appendix 9).

**Parameter 4: Change-seekers**

Stine Bosse as a change-seeker should primarily be evaluated on her ability to change company strategy radically. Stephen P. Robbins (1998, p. 371) elaborates on this parameter by stating that “charismatic leaders are perceived as agents of radical change rather than caretakers of the status quo”, and therefore she should be evaluated relatively low on this parameter. Stine Bosse did not make any radical changes in company strategy but rather continued the already formed strategy, extending it to the outside world. As a consequence, Troels Rasmussen scores her a 3.5 on this parameter for the exact same reason (Appendix 9).

It can be discussed whether her turnaround strategy in 2003 and her creation and elaboration of the “Tryg Universe” should be described as a radical change or not. The two strategies paved the way for Tryg’s strong brand today and did present some change on strategy level, but whether it was radical changes or a more natural consequence of an already confirmed brand strategy could be a subject for discussion.

**Parameter 5: Role Modeling**

Stine Bosse was, in line with the feminine corporate brand as stated by Troels Rasmussen, a great role model, especially for female professionals (see Appendix 9). As he expresses it: “Stine Bosse added value, because she as a person exemplified the deliverance of insurance. She exemplified that we as a large company took social responsibility, and she exemplified with her own example that women could run a thriving business and that has had a huge significance in our recruitment of talented women. So in that way she has changed the corporate DNA forever. Even in the way we speak and communicate internally, which is to a large extent feminine. And I also know people who wanted to do business with Tryg because they saw Stine as being a woman of honour” (Appendix 9). This statement is central in understanding the charisma of Stine Bosse. Not only was she a successful executive, she was a respected and admired businesswoman in a business sector typically dominated by men, and she was highly aligned with the
feminine corporate brand that she played the key role in creating. In that way, she also paved the way for other ambitious women in the industry and was a great role model. Troels Rasmussen ranks her five on this parameter as well.

**Parameter 6: Image Building**

Stine Bosse had a positive image and was able to project this image on Tryg as a corporate brand. Even though she, according to Troels Rasmussen, did not work strategically on promoting her own image, there is no doubt that the surrounding stakeholders used her image strategically. In accordance with Eric Guthey’s theories of celebrity production (Chapter III, pp. 29-33), there was undoubtedly a profit to be made on her celebrity as a CEO. Troels Rasmussen ranks her four on this parameter, but it can be argued whether this is a fair judgment as her personal brand was intensively used for creating media coverage around Tryg. This hypothesis will be further elaborated in parameter 11. Media coverage.

**Parameter 7: Articulation of goals**

Stephen P. Robbins (1998, p. 371) describes this parameter as being "(...) able to clarify and state the vision in terms that are understandable to others. This articulation demonstrates an understanding of the followers’ needs and, hence, acts as a motivating force". Extraordinary communicative skills and being able to articulate goals are confirmed both by scholars and the management industry as decisive factors in the charismatic authority and Stine Bosse was highly competent in this. Although her communication to external stakeholders (customers and the public at large) often of times was subject to noise in the shape of her extracurricular activities, she managed to communicate goals effectively internally, which is expressed through the respect and confidence she evoked among employees. Furthermore, her ability to understand her followers’ needs made her an exceptional communicator and created the high brand alignment24 between her own personal brand and Tryg’s corporate brand. She is scored four by Troels Rasmussen on this parameter (see Appendix 9).

24 In accordance with the findings presented in Chapter III.
**Parameter 8: Showing confidence**

House (1976) introduces this parameter of showing confidence towards subordinates in his working paper “A 1976 Theory of Charismatic Leadership” (see Appendix 10) by stating that "leaders who communicate high performance expectations for subordinates and exhibit confidence in their ability to meet such expectations are hypothesized to enhance subordinates’ self-esteem and affect the goals the subordinates accept or set for themselves” (see Appendix 10, p. 14). This positive relationship between showing confidence and the enhancement of subordinates’ understanding of goals is a vital area when speaking of the effects of CEO charisma on internal stakeholders (employees), but hardly transcends into the realms of external stakeholders. The importance of this parameter on the analyzed effects on external followership can be discussed, although it can tell us something about the performance of in-group members.

Troels Rasmussen gives Stine Bosse a score of 5 on this parameter (Appendix 9), thus indicating her strong ability to show confidence in employees and thereby enhancing motivation and a sense of positive in-group dynamic.

**Parameter 9: Arousing followers' motives**

On this parameter, House (Appendix 10, p. 19) emphasizes the need for arousing motives that are extensively goal-oriented, or here; relevant to mission accomplishment: "One explanation for the emotional appeal of the charismatic leader may be the specific content of the messages he communicates to followers. It is speculated here that charismatic leaders communicate messages that arouse motives that are especially relevant to mission accomplishment." This can be done in a variety of ways that contain key messages, including content from parameters 1.-8., and should be seen as an ability to communicate relevant and goal-fulfilling key messages.

Troels Rasmussen rates Stine Bosse a five on this parameter, expressing that she was extremely good at this. Furthermore, this is supported by the notion that she was in strong demand in the media (Appendix 9), because her messages were relevant in content and well articulated.
Parameter 10: Economic results (tangible charisma enhancer I)

When Stine Bosse began her CEO tenure in 2003, Tryg was coming out of a year with horrible economic results. Her turnaround strategy “Combined Ratio 95” was a success and she saw herself in 2004 being the CEO of a very successful insurance company creating good results. This could have been a deciding factor in her being viewed as charismatic and could be a vital factor in her becoming more visible in the media. Her success continued until 2008, where both Tryg and all other insurance companies in Denmark suffered from bad results as a direct consequence of the international financial crisis. After having experienced a positive development again in 2009, the 2010 result was not satisfying. This could have been the reason why Stine Bosse left Tryg in January 2011. Without being able to provide concrete evidence for this statement, it can be argued that Stine Bosse was being seen as not generating positive results for Tryg anymore at this point. Figure 15 shows Tryg’s stock appreciation rates approximately 2005-2012 and clearly states a steady decrease from mid 2007 onwards, and could further support the hypothesis, that Stine Bosse no longer generated as much value as a charismatic CEO after the year 2007. Furthermore, the figure actually shows an increase in stock value directly after she leaves Tryg in 2011.

![Tryg stock development](image)

*Figure 15. Tryg stock development (Source: Penge.dk, 2012)*

But as a decisive factor in the enhancement of her charismatic authority, there are some correlations between Stine Bosse's appeared charisma and Tryg's
economic results, and the fact that she was not able to produce a continuous flow of good results during her tenure might have been the reason behind her leaving Tryg and possibly; loosing charismatic authority.

**Parameter 11: Media coverage (tangible charisma enhancer II)**

Media coverage as a charisma enhancer is vital for the *production* of a charismatic authority, and Stine Bosse was definitely highly exposed in the media. Troels Rasmussen, Director of Communication at Tryg, highlights her importance and ability to generate value through her media appearances by stating that: "Actually we did some research when she left Tryg that showed that she had provided positive publicity for the company covering a value of 17 million DKK during the last year. The numbers where very clear: We calculated that our strategic communication, which is the department I am heading, generated a value of 65 million DKK converted into advertisement costs and out of this amount, Stine generated more than one fourth of this extra added value to our communication effort, using her own personal brand." (Appendix 9). This research is confidential and it has not been possible to get an in-depth view of the results, and it can be discussed whether the *quality* of this media exposure is measured in comparison to the quantity. A report made by Infomedia\(^{25}\) (figure 16\(^{26}\)) shows that Tryg has actually experienced an increase in the quality (expressed through PR-score\(^{27}\)) of their media coverage from 2010-2011 (where Stine left), while the same value decreased from 2009-2010. This could indicate that a large(r) amount of the media exposure in 2010 that Troels Rasmussen refers to actually had little relevance to Tryg as a corporation. It is true that Tryg received the most media coverage in 2009 and 2010, but the quality of this exposure could be a subject of discussion, and could be directly linked to the high exposure of CEO Stine Bosse.

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\(^{25}\) Infomedia is a provider of media intelligence and measures media coverage in Denmark, providing analyses and reports on the basis of print, broadcast and online media surveillance. This report was made for Topdanmark in 2012.

\(^{26}\) See also Appendix E.

\(^{27}\) The PR-score is created from five parameters, that are decisive for the quality of publicity: Number of readers, exposure in the headline, exposure in the article, the size of the article and whether the article is negative, positive or neutral. The PR-score goes from -100 to +100.
Figure 16. The Media exposure of the largest Danish insurance companies 2009-2011 (Source: Infomedia and Topdanmark, 2012, Appendix 11). The light blue boxes show the development in PR-score. Note that in 2011, Topdanmark and Tryg have changed places. See also figure 16 for details and Appendix E for large-scale figure.

Moreover, it is worth noticing that the level of negative exposure dropped from 2010-2011 when Stine Bosse left, which could indicate that she actually generated negative media coverage for Tryg. Even more so, it should be noted that the overall level of media exposure increased from 2010-2011, which is furthermore supported by figure 17, showing the number of media coverage for the period 2009-2011.
Conclusively, it is not possible to analyze whether Stine Bosse actually did generate positive media coverage for Tryg (measured on both quantity and quality), even though she was widely exposed in the media as a recognizable persona. Her ability to communicate and her perceived charisma would undoubtedly have been strengthened by her massive media appearance, but it is most likely that this, for a large part, contributed more to her personal brand and was not entirely aligned with Tryg’s corporate brand.

5.2 The Stine Bosse Brand: Charismatic leadership as performance indicator

The analysis of Stine Bosse’s CEO tenure shows relatively stable economic results for Tryg following the turnaround period of 2003-2006. It is likely that Stine Bosse’s personal brand was of great value for the organization up until the period of 2007-2011, but actually presented some dangers afterwards, as her personal brand became increasingly more exposed in the media. Alternatively, it can be argued that Stine Bosse’s personal brand had no effect on the company’s economic results, and solely affected the corporate brand. To this hypothesis it should be added that, for the largest part of her tenure, her personal brand was aligned with Tryg’s corporate brand and represented the exact same core values. But it could be argued that her personal brand, at some later stage of her tenure, became too exposed and took focus away from the Tryg corporate brand. This would most likely not have affected her personal charisma, but will undoubtedly
have created some degree of misalignment between Tryg’s *corporate* values and Stine Bosse’s *personal* achievements. The production of Stine Bosse as a business celebrity might have been the reason behind her leaving Tryg, because she simply became too famous and too exposed.

In accordance with hypotheses 1-3 (Chapter III, pp. 39-40), it is possible to conclude the following:

• *Hypothesis 1: Organizational performance and subsequent top management team perceptions of CEO charisma have a positive relationship.*
  During the turnaround period, much of the company’s success was likely to have been attributed to CEO Stine Bosse, and, subsequently, the following instability would most likely have been attributed to her as well on an internal and external stakeholder level.

• *Hypothesis 2: Top management team perceptions of CEO charisma and subsequent organizational performance have a positive relationship.*
  Stine Bosse’s ability to motivate and arouse follower needs, her excellent communication of core values and visions combined with her high level of media exposure has very likely influenced organizational performance positively, provided that this organizational performance was measurable in the company’s (positive) economic results. During periods of economic instability, her perceived charisma most likely did not affect performance positively.

• *Hypothesis 3: The positive relationship between CEO charisma and subsequent organizational performance is stronger under conditions of high uncertainty.*
  Although followers are more likely to accept influence during times of uncertainty, the 2008 crisis affected organizational performance on a long term, and Stine Bosse did not manage to create stability through her charismatic leadership during the period 2007-2011. It is therefore possible that she failed to take advantage of her charismatic leadership, which was most likely built up as of 2003, during this period of great uncertainty, or, alternatively; her charismatic persona became overly exposed during this period as a direct consequence of this uncertainty, which resulted in an over-exposed personal brand that affected the corporate brand negatively.
5.3 Case II: Topdanmark

Topdanmark is the second largest insurance company on the Danish market and was officially founded in 1972 as a consequence of a merger between two smaller insurance companies and entered the Copenhagen Stock Exchange in 1985, where the name first appeared. Topdanmark only operates on the Danish market and has its largest share of customers inside private damage insurance and corporate insurance for the agricultural sector and small to medium sized companies. The company focuses on stability and customer satisfaction and has no large expenditures on branding and advertising (see Appendix 12). The economic performance of the company shows steady results through the years 2007 and 2009-2011, the only exception being 2008 where the financial crisis affected the whole industry (see figure 18).

![Graph showing results over five years](image)

Figure 18. Results over a period of five years (Topdanmark just before and during Christian Sagild’s CEO tenure up until 2011)²⁸

The current CEO, Christian Sagild, began his tenure in 2009 and immediately the company began making a profit. The following will analyze whether this is due to

²⁸ Annual results found at Topdanmark’s Annual Report 2012 (April 2012). Note that the heavy rain in Denmark in 2010 also affects the result of this year.
Christian Sagild as a charismatic leader, or whether the reason behind should be found somewhere else. It should be noted that the fact that Christian Sagild is much less visible in the media makes it harder to analyze his charismatic appearance and this analysis will therefore, to a large extend, be based on the internal view on him as described by Steffen Heegaard, Director of Investor Relations & Communication at Topdanmark.

**Parameter 1: Self-confidence**

Steffen Heegaard rates Christian Sagild five on this parameter, because he radiates self-confidence, credibility and is very convincing (see Appendix 12). Furthermore, he “enters a room and fills it out, he has a lot of impact and is a natural leader”, and therefore must have a self-confident appearance. In relation to this, Steffen Heegaard also states that, when speaking of using him externally to promote Topdanmark: “(...) the fact that we have used Christian Sagild as a person too little is another side of the coin, because we truly have a gift in him, because is a brilliant communicator. We have probably underplayed him a bit. For instance, when he appears in front of our investors, he is rated very high. It is about finding the right balance, and it might be in the interest of the company that he is more in the media, than he is now. Our media strategy now is, that he only makes statements concerning strategic or political topics and in relation to our annual reports, and he might have been shaped into being a bit too financial and having a bit too weak customer-focused profile.” (Appendix 12) The fact that Christian Sagild appears very self-confident and credible is actually, as Steffen Heegaard expresses it, not being used strategically and maybe even too little.

**Parameter 2: Strong faith in their vision**

Again, Steffen Heegaard rates the CEO five on this parameter even though he has not presented any extraordinary visions or strategies for Topdanmark. He has focused on status quo and stability according to the company’s overall strategy. It can therefore be discussed whether this parameter can be decisive for measuring the charisma of Christian Sagild, even though he is stated as being an extraordinarily good communicator when delivering his messages (Appendix 12).
**Parameter 3: Out of ordinary behavior**

In the core of Topdanmark’s strategy lies the key words focus and stability, and having a CEO that excels in out of the ordinary behavior would be extraordinarily different and probably very much noted by the media. Subsequently, he is rated two on this parameter and does not stand out in the media or deliver messages that are not related to Topdanmark as a company.

**Parameter 4: Change-seekers**

Again, as for parameter 3, the focus is on stability and customer satisfaction and it would be directly against company strategy to act as a change-seeker. Christian Sagild is rated three on this parameter as he acts accordingly to the strategy, which "limits the ability to be very visionary" (Appendix 12). Therefore, Christian Sagild is not an "agent of radical change" (Robbins, S. P., 1998, p. 371) but he does have a clear alignment between his own personal brand and the company brand, further increasing his credibility towards both internal and external stakeholders.

**Parameter 5: Role Modeling**

Christian Sagild is rated five on this parameter for his ability to be a good example of Topdanmark’s values (Appendix 12). Furthermore, again, he is very much aligned with the corporate brand and should be ranked very high on this parameter due to his role modelling internally in the company (on an internal stakeholder-level).

**Parameter 6: Image Building**

According to Steffen Heegaard, Christian Sagild is not “self-promoting” and therefore should be rated three on this parameter. This is, again, a strategic choice, which should be explained as following: “We use him too little; he’s a formidable communicator. He is very charismatic; if you meet him, he’s about two meters high and he’s a figure who really fills out a room when he enters. So you could say, we probably use him too little, but we want to have something to use him for, before we do it, and at some stage we will do it. But we need something to communicate. We do not want to communicate about his personal endeavors; it
has to be related to Topdanmark. As an example, I can tell you that at some point of
time, we will be communicating how we use a specific sponsorship, and it is clear,
that we need to use him more than we do right now, but we will not use him if we
do not have a message to send and we are aware of exactly how we will do it.”, and
adding that “(...) every manager in Topdanmark is responsible for, also in the
media, the profiling of the company. If there is a question about for instance car
insurance, then it is the manager responsible for this area who answers the
questions. This also, to a high extend, regulates behavior on an individual basis –
the manager is obliged to take more responsibility for his or her actions. And this
spreading out of responsibility is very much our strategy, which is in high contrast
to Tryg where the communication and profiling of the company primarily went
through Stine Bosse and her Communication Director. We think much more in
corporate branding here, than in personal branding – and we are very aware of
that.” (Appendix 12). Clearly, it is a strategic choice made by the top
management of Topdanmark, and a strategy that differs them from Tryg and the
way they communicate and brand themselves and, previously, Stine Bosse.
Christian Sagild is not ranked very high on this parameter, but again adds value
to the alignment between corporate and personal values (brand alignment).

Parameter 7: Articulation of goals

According to Steffen Heegaard, Christian Sagild is very well articulated and a
“brilliant communicator” and thus is rated five on this parameter (Appendix 12).
Moreover, his messages are not disturbed by media noise concerning personal
achievements and extracurricular commitments, and therefore he should be
viewed as not only a good communicator, but even more so as an effective
communicator. In relation to this, he is stated as being able to communicate goals
very clearly towards all stakeholders, in particular internal stakeholders and
shareholders.

Parameter 8: Showing confidence

As a parameter primarily affecting the relationship between leader and followers
on an internal stakeholder (employee) level, Christian Sagild is rated five for his
ability to show confidence and build self-esteem among his employees. Again, as
with the case of Tryg, the relevance of this parameter can be discussed, but it
does indicate some dynamic in the leader-follower relationship.

**Parameter 9: Arousing followers’ motives**

Steffen Heegaard rates him five on this parameter for his ability to appear very
convincing when speaking to stakeholders. According to House (Appendix 10, p.
19), he arouses motives that are relevant for mission accomplishment, which in
this case is the overall strategic areas of focus, stability and customer satisfaction
that constitutes the Topdanmark brand.

**Parameter 10: Economic results (tangible charisma enhancer I)**

As stated before, Topdanmark has had relatively stable results during the last
five years (2007-2011 included), with the only exception of 2008\(^{29}\), where the
whole industry was affected by the international financial crisis. When Christian
Sagild became CEO in 2009, the result immediately rose from a deficit on -189
million DKK (2008 result) to a surplus reaching +1.446 million DKK (2009
result). It is not possible to attribute this “turnaround” to the leadership of
Christian Sagild, as the whole industry (as well as most other commercial
industries) experienced poor results in 2008 and improved results in 2009, after
the crisis had settled. Furthermore, there is no indication that he introduced any
“turnaround strategy” in 2009, which could lead to these improved results, but
rather a (continued) focus on the strategic key words of stability, customer
satisfaction and focus (as a marketing strategy). Figure 19 shows the
development of the Topdanmark stock price during the last 10+ years, and we
see a steep rise from approximately 2002 until approximately mid 2007, where
the development changes downwards. Not until mid 2011 do we see an actual
positive development in stock price, and therefore it is not likely that the arrival
of Christian Sagild had a clear positive effect on stock value and; the companies’
shareholders.

\(^{29}\) And 2010 flooding
The positive 2009 result could have played a part in Christian Sagild’s perceived charisma internally in the Topdanmark organization, but had no real effect on stock price and there is no evidence that his perceived charisma was enhanced and expanded into the realms of external stakeholders, and the general public (and customers) at large.

**Parameter 11: Media coverage (tangible charisma enhancer II)**

Media coverage as a charisma enhancer provides the opportunity to expand CEO charisma to external stakeholders; customers and potential customers, society, shareholders (who do not work for Topdanmark) etc. Even though Topdanmark enjoys a high level of media exposure, the company does not use CEO Christian Sagild strategically as a brand touch point, and his persona is therefore not exposed on the same level as where Stine Bosse. Steffen Heegard explains: “He has an excellent relationship to the media, and he is very likable, as a person, but again he only want to talk about Topdanmark and not his personal achievements. And again, every statement that he makes must be totally aligned with Topdanmarks values and that is the most important thing.”, and then adds: “But speaking of charisma, it is worth noticing that not all CEOs have charisma. I know examples of brilliant top executives who have no chance of making an impact because they do not posses charisma. Charisma is that intangible ingredient that
makes your word have real impact. The value of your statements is so much higher if you have charisma as a CEO. This was not the case 20 years ago, but today, a large part of the CEO’s time goes into profiling the company in the surrounding world.” (Appendix 12). The above statement indicates that Topdanmark is very much aware of the benefits of having a charismatic CEO, who has some degree of media exposure, but highlights the necessity of having control over the image created and the alignment between Christian Sagild (personal brand) and Topdanmark (corporate brand).

Again, looking at figure 20\(^{30}\), it is evident that Topdanmark is widely mentioned in the media and even excels Tryg in quantitative media coverage in 2011 (mostly due to a focused local media strategy). On qualitative media coverage (PR-score), Topdanmark outperforms Tryg both 2009, 2010 and 2011, supporting the overall media and brand strategy of focus (and alignment).

Figure 20. The media exposure of the largest Danish insurance companies 2009-2011 (Source: Infomedia and Topdanmark, 2012, Appendix 11). The light blue boxes show the development in PR-score. Note that in 2011, Topdanmark and Tryg have changed places. See also figure 16 for details and Appendix E for large-scale figure.

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\(^{30}\) See also Appendix E.
5.4 The Christian Sagild Brand: Charismatic leadership as performance indicator

In contrast to the CEO tenure of Stine Bosse, Christian Sagild has been the CEO of an insurance company producing stable results during the period 2009-2012, and this has played a key role in shaping his personal brand. He is far from as exposed in the media as Stine Bosse was and does not engage in media activities beyond Topdanmark. He is very much aligned with the Topdanmark corporate brand and, although he is perceived as charismatic internally in the organization, lacks the media exposure on a personal brand level, in order for him to be a brand touch point. Undoubtedly, Christian Sagild adds great value to Topdanmark because of his charismatic appearance towards internal stakeholders, and, to some extend, external stakeholders such as shareholders, investors etc, but in order for Topdanmark to take full advantage of his (perceived) charisma, the strategy needs to include charisma enhancers (10.-11.) and more focus on his personal brand (in this case, parameters 3, 4 and 6).

In accordance with hypotheses 1-3 (Chapter III, p. 39-40), it is possible to conclude the following for the case of Christian Sagild:

- **Hypothesis 1: Organizational performance and subsequent top management team perceptions of CEO charisma have a positive relationship.**  
  Christian Sagild enjoys a high level of perceived charisma internally, on an organizational level, and is therefore a positive factor in organizational performance. The stable organizational performance has most likely played a key role in aligning personal and corporate brand and thereby; producing the charismatic authority.

- **Hypothesis 2: Top management team perceptions of CEO charisma and subsequent organizational performance have a positive relationship.**  
  Christian Sagild’s ability to communicate core values and motivate followers is most likely beneficial to the company’s organizational performance and is directly measurable in the company’s stable, positive results during his tenure.
• **Hypothesis 3:** The positive relationship between CEO charisma and subsequent organizational performance is stronger under conditions of high uncertainty. Again, the headline for Christian Sagild’s tenure has been *stability*, and he entered the company in a time of high uncertainty in 2009, right after the financial crisis swept over the Western World. It is plausible that his perceived charisma, to a large degree, can be attributed due to the fact that he personified stability in a time of great uncertainty and therefore benefitted from these external circumstances and added positive value to the corporate brand identity.

6. **Sub-conclusion on comparative analysis**

The findings of this analysis provide some useful indications of charismatic leadership on CEO-level. Firstly, it provides evidence for the hypothesis that charismatic leadership is both useful as a performance indicator, yet dangerous under circumstances of high media coverage on a personal brand level. In the case of Stine Bosse, Tryg benefitted from a high level of media attention during times of good economic results, but most likely also attributed the company’s poor and instable post 2007-results to their charismatic and largely exposed CEO. The fact that her personal brand became increasingly more exposed could be the reason why she is no longer the CEO of Tryg, and could have been a strategic move on behalf of the board. Furthermore, the analysis shows that she did not deliver a constant flow of good results, which is necessary in order to maintain charismatic leadership, and it is therefore possible that she lost her charismatic authority as a result of poor results on company level.

Christian Sagild, on the other hand, has not benefitted from intensive media coverage, but did enter Topdanmark during a period of uncertainty and therefore did benefit, in accordance with parameter 10 (charisma enhancer I), from an increased perceived charisma on an internal stakeholder level. Due to his lack of media attention, he has not experienced the dangers of the personal brand, or; business celebrity, i.e. by becoming overly exposed. He is very much aligned with the corporate brand of Topdanmark, but does lack some qualities on the charisma parameters suggested in this analysis. Figure 21 shows the
scores, which the two CEOs received from their Communication Executives during the research interviews.

![Charisma scores index chart](image)

**Figure 21. Charisma scores index chart (internal stakeholder level)**

*Parameter 1: Self-confidence*

*Parameter 2: Strong faith in their vision*

*Parameter 3: Out of ordinary behavior*

*Parameter 4: Change-seekers*

*Parameter 5: Role modeling*

*Parameter 6: Image Building*

*Parameter 7: Articulation of goals*

*Parameter 8: Showing confidence*

*Parameter 9: Arousing follower's motives*

While both CEOs are perceived as being charismatic on an internal stakeholder level, Stine Bosse excels on parameter 3 (out of ordinary behavior) in comparison with Christian Sagild, using parameter 11 (media coverage) as the
primary charisma enhancer to reach external stakeholders. Therefore, it should be concluded that charisma could be used as a positive performance indicator on external stakeholder level, but only under given circumstances of 1) increased media coverage and 2) positive economic results, and bearing in mind the unstable nature of charismatic leadership.
X. Conclusion

1. Conclusion and final discussion

The main purpose and focus of this master thesis was to find indications of positive results on corporate level on the basis of a (perceived) charismatic CEO while bridging the alignment gap between personal and corporate branding.

Central to the concept of charisma is the leader-follower relationship, and it was found that this relationship is both instable and subject to subjectivity (see parameters 1.-9.) and a number of external factors, such as uncertainty (e.g. economic crisis) and exposure (e.g. media coverage) (see parameters 10.-11.).

Furthermore, the relationship between CEO personal branding and corporate branding has been analyzed. The findings show a positive relationship between a CEO’s personal brand and the represented corporate brand in cases of strong brand alignment. This positive relationship is affirmed by actors inside the management industry, but concrete evidence of improved bottom-line results as a direct result of strong alignment is not found. The instability of the (high-profiled) charismatic CEO was affirmed by the theory of ‘CEO Celebrity’ and a subset of hypothesis were presented on internal stakeholder level, affirming the positive relationship between CEO charisma and organizational performance as being strongest in the early phase and then fading out over time (hypothesis 1-3, pp. 39-40).

The comparative case study affirmed the hypothesis of uncertainty and exposure as charisma enhancers, but more importantly, it was found that both case companies were led by (internally perceived) charismatic leaders, and that the decisive factors for Stine Bosse’s being perceived as more charismatic on an external stakeholder level, as suggested in this master thesis, were, specifically, extraordinary behavior combined with exposure (media coverage). In both cases, a strong personal and corporate brand alignment was found, but the instable character of Stine Bosse’s charismatic leadership was found to be (suggestible) the reason for her leaving Tryg and ending her CEO tenure in 2011.
From the research and analysis undertaken in this master thesis, it should be concluded that a charismatic CEO does create positive result on an *internal* stakeholder level, which *could* transcend into organizational performance and higher employee satisfaction, and, given the presence of the suggested charisma enhancers *uncertainty* and *exposure*, the charismatic authority of a CEO could transcend into external stakeholder-level (although being highly instable and decreasing over time). There is no evidence *directly* affirming the hypothesis that this externally perceived charisma does affect the *performance* of a company in a positive or negative direction, and thereby supporting the studies of Flynn, F. J. and Staw, B. M. (2004), although some *indications* are shown in the comparative analysis of this master thesis. Positive results and media exposure does, on the other hand, help create or enhance the perceived charisma of a given CEO.

The same tendency is shown in creating/maintaining customer loyalty, as neither of the two case companies are ranked high on loyalty in comparison to their smaller competitors. It could be argued though, that charismatic CEOs do create loyalty internally among internal stakeholders by their means of effective communication and positive appearance.

Furthermore, it should be concluded that a strong alignment between the CEO's personal brand and the corporate brand identity does have a positive relationship, but given the instability of charismatic leadership on external stakeholder level, the danger of misalignment is highly present through the combination of *out of ordinary behavior* and high media coverage.

**2. Further studies**

The explorative and purely qualitative nature of this master thesis leaves room for further studies inside the validation and measuring of charismatic leadership using quantitative studies and research methodology.

Furthermore, while the suggested charisma parameters are found applicable specifically on internal stakeholders, it could be discussed whether they actually transcend into external stakeholders and add value in relation to creating a larger base of external followers (i.e. attracting investors and new customers).
No concrete evidence is found for this hypothesis in this master thesis and this could be a basis for further studies.

Moreover, further studies can include a focus on charisma in the forms of 1) socially constructed, 2) inherited or 3) personal, paving the way for a deeper understanding of the nature of charisma and the dynamics of the leader-follower relationship.

In addition to the hypothesis of promoting group-related goals versus personal achievements, further studies in the fields of CEO compensation could include an analysis of CEO salary and bonuses in relation to overall performance (including company and CEO results, flow of staff, employee satisfaction and bonus systems) in order to conclude whether charismatic CEOs are motivated by monetary rewards or, as suggested in this master thesis, a leader-follower relationship and group-related achievements.

Further studies should also include a broader basis of analysis, including cases from multiple business sectors, in order to avoid criticism concerning business- or sector specific tendencies.
Bibliography

Books

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Appendix 1


(Duration: approx 45 min. Interviewed on the 26th of May 2011)

The purpose of this interview is to gain insight on the connection between CEO charisma and corporate branding. By defining the charismatic CEO as a personal brand, the purpose is to analyze the intangible assets of the “Celebrity CEO” and how he/she is created. Understanding the fact that it is a complex process, and that the author (Eric Guthey) has expressed his concerns about setting up absolute parameters for defining and creating a Celebrity CEO, my goal is to come one step closer to the definition of the concept, and relating it to the theory of the Charismatic CEO.

How would you define the Celebrity CEO?

"Like we write about in the book, there are four dynamics involved. The four dynamics are attribution – that is people attributing, you know, business success to an individual. Access is really crucial, 'cause if you look at all the stuff about Bill Gates, it's always about getting inside his mind and who gets to do it. And that's actually part of the industry because, when you think about what publicists do, they give some people access and restrict other people from access. Or if you take Trump and Obama recently, the big argument they where having was over the access to documents, Obama's birth certificate, and at the end of the day, the reason Trump backed down was that he realized that he would have to give access to his financial records, and the guy's finances are a mess. He's actually suing - and Trump is clearly a celebrity – 'cause he's actually suing the journalist that wrote this great book about him “Trump Nation”. It's a book that goes through and shows, you know, what kind of a charlatan and self-promoter he is. Trump is suing him because he disparages his financial. Anyway, so access and then mediation – that is all the different people involved in the process, and then this last intangible called traction, that is this intangible quality of, you know, people just have to get into it. And sometimes it happens and sometimes it doesn't. And actually, theories on the cultural industries are basically that the reason that the production of culture is so diffuse about all these people; agents and interviewers and go-betweens, is that it spreads out the risk of the fact that you
never know what’s going to hit. If you take the movie industry, no one ever really knows what’s going to be big and what is going to flop. And for that reason there is massive risk involved in that industry, and having so many people involved spreads the risk out. So that’s a financial sort of proof of the fact that these types of industries are incredibly networked and diverse. Celebrities are no exception to that, it’s like – I don’t know, a spider web is not a good analogy to that, but – that’s the way we approached it.”

**That leads me to the question of how a celebrity CEO is created – and can you even create one?**

“No, I don’t think you can. I think that a celebrity CEO can fail miserably and he often do. A celebrity CEO is a media phenomenon that occurs at the conjuncture of a variety of different efforts from a variety of different people. It has to be in the interest of the celebrity industries to cease on that person. And that basically means, that all different sorts of people can see that they can make a profit from this person. By attaching themselves to this person in a variety of different ways. So many factors come into play, that can not be controlled or constructed by the CEO.”

**Is there a difference between a business celebrity industry and a celebrity industry in general?**

“Yes, we talk about this in the first chapter of the book. There is a similarity and a difference. The similarity is that the structure is the same; the difference is that the sell is different. This is what we talk about in the introduction of the book, that for some reason, people think that business celebrities are better at running their businesses than other people. And that is not necessarily the case. That has something to do with the performance rationality. An example: George Clooney is not a celebrity because he can do some thing; it’s just because of who he is, what he’s like, you know what I mean. And with business celebrities it’s both those things, but they don’t really have to run businesses well. They just have to appear to be running businesses well. So what’s the difference? There’s not that big of a difference actually.”
But when you say ‘who’ they are, or appear to be, is that a form of charisma attribution to their person?

“What sources are you using to talk about charisma?”

**Primarily Max Weber who talks about personal charisma; the charisma you are born with.**

“See I wouldn’t read Weber that way, I see charisma in Weber as kind of a – it serves a function in the context of rationality. I don’t think of charisma, and I don’t think Weber thinks of charisma, as a personal quality. He thinks of it as a social dynamic.”

**The way I see it there are two kinds of charisma: There’s the constructed charisma, which is expressed through a specific function, and then there’s the personal charisma, which is a charisma you are born with, as a gift of natural leadership. The constructed charisma can be inherited, as Weber also describes. And that’s where I see the link to CEOs who inherit an authority because of a job position. Or is it because they possess this personal charisma that makes them able to succeed as a leader?**

“I don’t buy the second one, basically. I don’t think people are born with it, people may have more skill at one thing or another but it would still be the case, if you had certain interpersonal skills that, from my perspective, the charisma would be an aura attributed to you rather than a thing that you have – because of the fact that it can be interpreted in different ways by two different people in two different contexts. The types of interpersonal skills, and I don’t want to be blatantly intercultural about it, that would work in Denmark, would be different than the types of interpersonal skills – charisma would mean something different – in the US than in Denmark, and therefore it is not inherent to the person, it’s inherent to the social relationships surrounding the person. Regardless of if you are a better speaker – I don’t believe in essential theories of leadership and charisma. So I would say that yes, someone can be better at talking, establishing eye contact or listening, or some personal quality that some might call charisma. But I would call those personal qualities. Full stop. And say that charisma is still the field created by the combination of those skills and the
interaction with other people that perceive those skills in ways that others may or may not, you know. So I would still say that charisma is an attributed quality, not an inherent quality. An inherent quality would be, for me, the ability listen, the ability to connect, the ability to speak eloquently, those might be either cultivated or inherent qualities, but they are not charisma.

For instance, would you think of George Bush or Obama as charismatic – well that would depend; are you a republican or a democrat? Republicans would say that Obama’s an idiot, he’s not even American, he’s a socialist manchurian candidate. They wouldn’t think he was charismatic. And I would stare in disbelief of people who would think that George Bush is charismatic. But that’s because of my personal political views; I can’t attribute charismatic qualities to him. But clearly, a significant number of the US voting public disagrees with me."

So do you think it’s at all possible to construct some parameters for charisma? For instance, if you score high on all parameters, you are charismatic

“Well what are the parameters, though?”

Through my research up until know I have yet to find them.

“See I don’t thin that’s possible. It’s possible, but in context, through the relational nature of charisma – charisma as a field rather than an attribute, meaning that it exists between social actors. For the purpose of talking about celebrity however, it’s important for the celebrity industries for the attribution of charisma to seem like it’s actually a natural attribute, rather than an attributed quality. As an example, guru events are all orchestrated to make people look charismatic although they are not. This is called stages corporate events. They are staged to focus all attention and create an aura around this person. Even the fact that the event is staged helps contribute to that aura. Because why would stage an event around a person if he is not charismatic. So I support a relational theory of charisma rather than an essential theory of charisma, because it seems to be more defensible.”
For the external stakeholders, wouldn’t charisma and celebrity be perceived as being the same thing?

“That presumes that people do not know that celebrity is constructed. The theory is, that there are four different types of audiences when talking about celebrity: One is the true believer, who just buy it, swallow it. The second one is the pragmatic believer, who thinks; “I’m not sure he’s the greatest guy in the world but it’s useful to think so”. The third one is the complete sceptic, who just thinks that all celebrities are all nonsense all the time. The last one is this thing called game-playing, where people actually know and understand the celebrity phenomenon, but still derive pleasure from it in a way they want. And the proof for that would be in any one of these X-Factor, Britain’s Got Talent and so on, in which the process of making a celebrity is actually featured. It’s not hidden. The thing that you say would presume that people would just not notice the attempt to make someone a celebrity. In fact, it’s pretty obvious when companies do it.”

It’s a strategic move?

“Yes, and once it’s a strategic move, it’s not authentic and therefore not charismatic. And that’s another good reason not to have an essentialist approach to charisma. If you have a relational understanding of charisma, you can still attribute charisma to a person even though it’s fake, because it’s in the interest of the audience, or they like to or whatever. But I don’t think that consumers of business news are that stupid. They are pretty savvy about the fact that there are massive PR engines behind. For instance, as we mention in the book, when Bill Gates was under investigation for his financial methods, Microsoft actually put out seed money to create grass root groups in favour of Microsoft and then they got exposed which of course was a huge PR blunder. But it basically proved the point of people who think that Microsoft was a big fake, you know.”

Again, that bears resemblance with the concept of constructed charisma?

“Yes, well, my personal opinion is that he lucked out and stole other people’s ideas and was smart about how to use it, and thereby, charisma has been attributed to him. But he’s not an inherently charismatic person in any way, shape or form. We write about it in the book, we call it back-lash against
ceelebrity, and during these back-lashes, ironically, uncharismatic people become celebrities; we call it that you go from this period of men in black to men in brown. An all of the sudden it's cool to be not cool. But that's a form of celebrity too, you know, in that context. But only when it's part of the celebrity industries, because otherwise it's fame or renown or notoriety or those types of things. It has to be part of the media. Basically, this critical mass of people interested in promoting some idea of this person for fun and profit has to be involved. And so, someone who just appears charismatic is not a celebrity, but a person who simply appears charismatic and a good communicator. I mean, that's the way we approach it. We wanted to push as far as we could the idea that celebrity is not a function of individuals, it's a function of a set of industries that overlap and compel these people."

**So when talking about celebrity and branding, how do you see the link between celebrity and personal branding versus corporate branding?**

"On the level of corporate branding, I have yet to read a really good piece that takes the idea – not our ideas, but the ideas we use – about the way cultural industries work – because brands are basically forms of culture, right – there's a whole literature about the production of culture and how it is such a diffused, networked process, that involves so many different people, I have yet to read that about brands. It's always about how companies create a brand and lives the brand and, you know, I just don't think that's right. I don't think that companies, even though brands appear on the balance sheet as an asset, I don't believe that companies own them. In the same way, I don't believe that Bill Gates has an image. He's the perfect example; if you type Bill gates in an image search, you will see images of him being everything from a brown-shirted Nazi to leading a group of black-booted storm troopers. There are so many various images of him out there, and so, it doesn't make sense to say Bill Gates' personal brand. To me that doesn't make any sense, because the images of him are so diffuse and people use Bill Gates as a place to argue and fight about anti-trust or what computers should be like, to fight about the things they care about. And I would say that people use images of companies the same way. And because of that, companies don't own their brands, they only can have input into their brands. I would still like to read
a piece that takes that idea seriously, and knocks off the way my colleagues use the word image. They make it too easy for themselves.”

**How would you apply the term reputation, then?**

“I would use it in plural. Reputation according to whom? The problem is actually not the fact that you haven’t asked enough people, the problem is that you use an average. That’s the problem. At the end of the day, it’s your calculation that creates your image. It’s like saying – taking the Bush example again: Well, Republicans think this and Democrats think that, but this is what they all think together. And for an American, it’s meaningless to say what they all think together. Europeans can say: Well, we all thought he was a cowboy. But no, a lot of people thought he was a phony cowboy who was just posing like that because it was politically convenient to do so. But the theory of reputation kind of squashes that all together into a number. I feel it’s more useful to say that companies have reputations – different reputations with different constituencies and different stakeholders, and then they decide which ones are more convenient and useful to concentrate on. That would make more sense to me.

**Specifically, what are the assets and downsides of the celebrity CEO to a) the CEO and b) the company?**

“Well, if we are talking about the kind of celebrity that I’m talking about, it’s probably a case of diminishing returns. Except for very large companies like Microsoft. The reason for that is that companies that are that large can absorb the negative; they have a cushion to absorb the negative spins and interpretations of the celebrity phenomenon. Smaller companies lose control of their images. Once you become a celebrity all sorts of different people have all sorts of stakes in you, and then you have less control over the images of you that are circulated. And if you in any way attempt to cultivate a particular celebrity image as a CEO, you’re immediately open to charges of in-authenticity. Take for instance the former head of Hewlett-Packard, Carly Fiorina, we wrote a lot about her, and the stories in the press when she was ousted basically said that she became such a celebrity that she was more interested in her self than she was in Hewlett-Packard. And in that instance, she lost control. From that point,
regardless of that was true, being perceived as a celebrity was a liability and not an asset, because it left her open to charges of in-authenticity. So I think it’s a liability and not an asset. Because of the fact that attached to celebrity is always the narrative of in-authenticity. And even though I don’t believe it, the media will eventually say: they should stop worrying so much about themselves and start worry about their company. “

**So that’s a matter of the personal brand becoming larger than the corporate brand, and actually damaging it?**

“Yes, you can put it that way. But again, that’s a judgement based on emphasising certain media exposure and de-emphasising others, because again, I don’t think there is a brand, I think there’s brands. Who’s doing the math – who’s crushing the numbers saying this is what our brand is. That thing doesn’t exist inside anybody’s head. It’s like an approximation of what everybody thinks, and at the end of the day, that’s an imprecise science.”

**By saying that a brand or celebrity has multiple images, wouldn’t it then be the majority of images that counts?**

“That’s what the brand literature says; the majority counts. And I’m not sure it does. Especially in the current environment where anybody can put up a blog or a website. You know what, that’s an interesting thing you said there; it’s a broadcasting mentality. But the point is still the same, that celebrity is not an asset for two reasons: One is that celebrity is owned by multiple people and it’s such a complicated dynamic system, and when people use celebrity to describe an individual, they are using it metaphorically. Because celebrity is a media phenomenon that is rooted in a particular set of industries, the celebrity industries. The second reason why CEO celebrity is not an asset is that more often than not, CEOs who are caught up in the celebrity phenomenon find that they are wide open to charges of in-authenticity. And the way you put it was that the personal brand was bigger than the company brand. But that’s one of the many charges that can be made against the attempt to celebrify an individual.

**What are the other charges?**
“Well that it’s a stages process, that it’s in-authentic. Because the one you said is that it’s egotistical or narcissistic or selfish, and that they are not fulfilling their responsibility as a CEO of the company. They are fulfilling their own ego. The second one would be more judgemental, that it’s not authentic to do, it’s fake to become a celebrity because you have to orchestrate all these events and things. So that would be the second one.”

**So when Steve Jobs presents the next Ipad on a big stage, everybody knows it’s a constructed event. But yet he does not lose authenticity, it’s sending a positive message to all internal and external stakeholders. How would you explain that?**

“It’s a positive thing until it’s not. It’s like the market. It goes up and up and up until it doesn’t. Because, Jobs has had a really long run, and I would actually argue that his run has been extended because of the fact that he’s ill, but a lot of people are not so happy with the way that Apple controls information. He did not create his own celebrity, but he’s been a master at benefitting from it. But also the negative images of Apple will be a part of the images of Steve Jobs, alongside the images of how innovative he is and so on. So the corporate brand affects him as well. And all of the sudden, somebody comes up with something far better than the Iphone, and their stocks plummet. He can do no wrong until suddenly he can, and then he will.”

**So my question is now, does the images people have of the CEO have to be the same as the images people have of the company?**

“I don’t think that the company has an image and that the CEO has an image, I think there’s multiple competing images. And there has to be enough satisfaction of enough people, that enough of the images are similar. Most of the time. That’s the best way I can put that phrase. Because I don’t believe that a company has an image, it has multiple images. And I don’t believe the CEO has an image, I believe a CEO has multiple images. And I don’t believe the public all view those images in the same way. Therefore I have to say enough people have to think enough of the time that enough of the images are similar. And it’s not only people in the consumer side, because you have intermediaries in the middle as well. Enough
business culture intermediaries have to play along with the idea that the images are the same. And they have multiple reasons for doing that. On the one hand, they want access to Steve Jobs, and they won’t discredit him because then they won’t get any access to him. On the other hand, they have to seem fair and reliable, so they can’t just leap into bed and get money from Steve Jobs. Or they won’t seem objective in any way, shape or form. And they will get scooped by people who are more objective. There are so many things going on and that’s why we tried to depict celebrity CEOs as a field, rather than a thing. It’s not a quality, it’s a series of interactions.”

**But basically, the higher number of similar images, the more success will be attributed to the CEO?**

“Not necessarily. What we said in the book was that companies – you know it’s almost like this phrase strategic ambiguity – companies can’t have a really clear, definite strategy, because it’s to hard for everyone to fit into that strategy. Strategic ambiguity is all about the idea that companies that are a little bit vague around the edges, so that people who work for that company will try different ways of fitting into that strategy and do different things and then they will be innovative. And it’s not like the company said; our strategy is to be innovative. It said; people try to make sense of what’s going on, and of doing stuff, and that’s why strategies often of times seem so vague. And the same with celebrity; the reason Bill gates is so popular is that he’s so divisive, not because he’s so reassuring.”

**Just to wrap up the discussion, do you see any direct links between CEO charisma and CEO celebrity?**

“Charisma is not the province of an industry, but it is formally similar in the sense that, like celebrity, charisma is a phenomenon that is relational and sort of snowballs on the basis of various reactions. The charisma that I attribute to someone will be affected by what someone else says about that person. And that shows me that it is not just the quality of that person, it’s also the quality of the interaction and the interface between that person and me, that creates the charisma.”
So the construction of the two is the same?

“Yes, attribution is crucial to both celebrity and charisma. Access is also somewhat similar, but not as central for charisma as it is for celebrity. Mediation could also be somewhat the same – those four dynamics that we isolated could be plausibly applied to charisma as they are to celebrity. But it’s an interaction: If a variety of different people do not attribute charisma to someone, then they are not charismatic. You can be charismatic even by not taking centre stage at the company, by just being compelling and standing in the background.”
Appendix 2

Interview with Jakob Krejsager (JK), Managing Partner and Christian Bjerring (CB), Partner at Friisberg & Partners International.

(Duration: Approx. 60 min. Interviewed on the 28th of September 2011)

The purpose of this interview is to gain more knowledge about the intangible asset of personal charisma. I want to see this characteristic from the point of view of a professional headhunter, who actively searches and selects individuals for top management positions. The goal is to clarify whether charisma plays a part in this selection process and, if yes, how it is measured and used strategically. Note that financial results and experience of the search topics are not discussed in this interview, only personal characteristics.

When searching for topics for top-management positions, what do you look for in personal attributes?

JK: The personal qualities are what we define in step three of our search and selection process. When a person walks through our doors, we use a document for his profile that is divided into three categories. The first one is about the company; what level is it on, which strategic considerations do we have to take notice of etc. This leads to the second category, which defines the job much more accurately; who do you rapport to, where is your place at the organisation, what are the more practical details, and so on. Then we come to the third category, and this is the part that could be relevant for you. Here we come closer to finding what is it they want. And what they want, we again divide into two categories. The first category is very factual and is about educational background, age, experience, languages and so on. This now leads to the very last category, where we describe what we consider to be the ideal candidate. And this is where the culture comes into play, which means we have to match the company culture with the candidate culture. The values of the candidate of course have to be matched with the values of the recruiting company. And also, it is about knowing the strengths and weaknesses of both candidates and the companies.

Now, when speaking of the personal attributes of any given CEO, it very much depends on the task and the profile of the company; is it privately owned or a company on the stock exchange? What is the culture like? What is the specific task at hand? So when the company wants, as an example, to expand in the Eastern European countries, they naturally want a profile who knows all about management in these countries and is able to lift this task. It is all about matching the profile with the needs. Some CEOs are good at building companies while others are good at restructuring. Those who are good at restructuring are good at looking at processes, systems and the like, and those who build are more creative, see opportunities, have a tendency to not see all the risks. And what we do is, we find out what the company needs and where the company is now. And what I have seen happen over the last six to eight years is that when you hire a CEO for a certain task and not for a long-term period of ten or more years. You actually see management positions as project positions, and it is now normal to
fire and hire CEOs according to tasks and where the company is at a given time. You hire a CEO who is the world’s best at restructuring when you need this, and when he or she has succeeded, you fire him/her and hire a new one that is a world champion at growth. Through time, this fact has been more acknowledged from both sides of the table.

**How would you describe charisma?**

**JK:** In our description of the ideal candidate, we describe personal factors like appearance, the ability to convince and communicate complex problems in a clear and precise way. Also, credibility is very important and we test this with detailed references; does the candidate have a trustworthy appearance and is he or she confidence-building? And we actually give them scores on these parameters in a very systematic way.

When talking about references, we always test the candidate against his former employees and this is a way to check whether the candidate is true and actually does what he says, on all levels of management. And even though he gives some signals to the top management team and others to the employees, he can still appear credible if he is good at communicating in a confidence-building way, to all levels. You just have to be consistent in the way you do it. If you are a “political animal”, then you are not credible.

We also do personality tests on candidates. And to make a long story short, it is possible for us to get a personal profile of the candidate, that we can match up against the references, experience and so forth, and then paint the full picture of the candidate. In our business, the worst thing we encounter is the psychopath. He or she is impossible to read and can only be discovered through taking thorough references. They are very often intelligent, alive, attentive, selling, friendly and so on, but they lie and plot.

I believe that charisma is a combination of personal qualities and a result of the surroundings. Charisma disappears from the charismatic person if he is put in a position where it is impossible for him to be charismatic. The light goes out and the charisma slowly fades away. But put into the right frames, the charisma will grow and the person shines.

**Do you actively seek topics with personal charisma?**

**JK:** Yes, through meeting with the person and evaluating him or her.

**CB:** We actively look for candidates with good appearance, while charisma is something you can put on top of this. Charisma can contain really good leadership abilities, but also, people with strong charisma are usually followed more intensely and this can reinforce their charisma. So they actually need people around them who dare to argue with them.

**Do you believe that a charismatic CEO adds value to a company because of his persona?**

**JK:** Yes, I believe that. When I search for a candidate, and I want to match it with some concrete problems in a given company, then I often ask the company who
they would like to recruit for this position. And then they point to someone who, if they got him onboard, then it would say something to the world about the company. So therefore your question is very relevant, because it is the candidate’s profile, his or her charisma, the brand so to speak, that sends signals to all stakeholders that; okay, if this person believes in it, then the company must be on the right track.

**CB:** First of all, I have to say that you cannot measure charisma. But we always evaluate it. I myself do not know any way of measuring charisma, but charisma is something you evaluate on an individual level. What we evaluate, first and foremost, is appearance; how do people enter a room, do they seem credible, do they seem as though they have energy and strength and so on. And good appearance for a top manager is a hygiene factor. On top of that then comes charisma, which is where you really shine and take over the room, which is something you really notice. But it is worth noticing that many of the top managers become top managers because they are addicted to the acknowledgement they get from their surroundings. What drives these people to perform is, basically, acknowledgement. And if they do not receive acknowledgement from their surroundings, they are not motivated.

**In times of crisis, is the charismatic persona strengthened or weakened?**

**CB:** When a company goes through a crisis, the charismatic leader stands in front and leads the way and makes other people follow him/her. And that type of leader abilities demands, or not demands, charisma, but charisma would definitely help.

**When talking about this personal brand of the CEO, is it a problem when the personal brand becomes larger than the company brand?**

**JK:** It is important that there is some synchronicity between the two. This again has something to do with the values of the person and the company.

**CB:** When I was Marketing Chief of a large Danish insurance company, we actually discussed many times whether the profiled nature of our CEO was an advantage or a disadvantage for the corporate brand. And there was no doubt that for a long period of time, it was an advantage, and we could see in our analyses that the CEO’s brand actually attracted costumers to the company. We measured a direct positive effect on our sales, and we also measured how much the CEO’s presence in the media meant on the profits. So there is no doubt that a strong personal brand will have a positive effect on a company.

But what happened in this case was that the CEO brand, and also the CEO’s media coverage, went from being a professional brand to becoming a more personal brand. The CEO started talking in public about personal illnesses and interests and the brand went from being a strong professional brand to becoming a more personal brand, and what happened was that share value dropped through the last two years of her management. When she stopped, the share value increased again, and actually pretty radically.
JK: And then we come back to what we talked about earlier. This CEO was good in times of success, but when the company needed to restructure, the CEO was not the person for the job.

CB: In a case where the professional brand is mixed with too much personal branding - and I think it is important to know what is the difference here, because a rock star can brand himself personally as well as a tv-presenter, but a corporate manager has to have some professional values and not mix it with private values. And this CEO was an outstanding communicator and had mass appeal, but there really are three types of people; some people are charismatic in the private sphere and some people are charismatic on screen while the last type is charismatic in both situations. Some have it and others are not, but you do not get a top manager job because you are charismatic, you get a top manager job because you create good results. Charisma is just the icing on the top, and a reason why someone might see you as a natural leader.

If yes, how do you measure this?

JK: Visibility is important for the CEO - more than media coverage is. It is crucial for a leader to be visible for the blue-collar employees on the floor. What it really comes down to is, that all employees want to be part of a success, and they want to belong. That is stimulated through open leadership.

The thing with media coverage is, that it is dangerous for the CEO. You can talk the stocks up, but it catches up to you, which is the same thing that happened to Pandora. So it is a really short-term strategy. Take for instance Maersk, who are really successful at being as quiet as possible. Even though Smedegaaard (red. the CEO of the Maersk conglomerate) is out there, he is very careful in his statements. And when talking about brands, this is the probably the company with the strongest brand.

CB: And you often times see incredibly charismatic leaders who are never in the medias, and the reason might be that they are not driven by the same level of external acknowledgement as the top managers who use every opportunity they get, to have media coverage. And if you seek the sort of acknowledgement you get through media coverage and a string personal brand, you automatically exclude yourself from a lot of positions. For instance, take the CEO we talked about earlier – this person could never be hired for top position in the financial sector because the CEO has a personal brand that is very much concentrated around the soft values that this CEO posses.

According to you, do charismatic individuals have natural leadership abilities?

JK: No, not necessarily. Being charismatic does not mean that you are able to lead others. Again, take the psychopath as an example. He is charismatic and has excellent appearance. But is he a good leader? No.

CB: A charismatic person is not necessarily a good leader, but a good communicator. And even possibly a good manipulator.
Appendix 3

Interview with Peter Scheuer Jensen, CEO of Sam Headhunting Group A/S

(Duration approx. 30 min. Interviewed on the 11th of October 2011)

The purpose of this interview is to gain more knowledge about the intangible asset of personal charisma. I want to see this characteristic from the point of view of a professional headhunter, who actively searches and selects individuals for top management positions. The goal is to clarify whether charisma plays a part in this selection process and, if yes, how it is measured and used strategically. Note that financial results and experience of the search topics are not discussed in this interview, only personal characteristics.

When searching for topics for top-management positions, what do you look for in personal attributes?

Our process secures an assessment standard where we look at, among other things, your personality. What we do is, we try to get a 360 degree view of the task, where we describe the task, the hiring corporation and its strategy, the personalities in the corporation and how they feel that this new personality should look like. And it’s very hard to define this, because often of times, the hiring company does not know what they are really searching for. Often it comes down to chemistry.

Now, the personal attributes we look for is often good communicative abilities – you have to be able to communicate in a clear and precise way. Also, you have to have an analytic talent, because if you don’t, you are not able to communicate. You have to be thick-skinned and be able to perform under pressure and stand to be isolated. And you have to be self-motivated as well, and be able to motivate other people, of course.

Do you actively seek topics with personal charisma?

No, that’s rare. But it’s expressed in a lot of other ways like appearance and the way you communicate.

How would you describe charisma?

Charisma is, to a large extent, the ability to make relatively complicated stuff very simple, and win people’s confidence. It can have something to do with your social empathy and such things, but it is related to this idea of seducing people. But that’s the negative side of charisma; the fact that if you need people to follow you, you have to start out with a lie, basically. If you base your seduction on the truth, it’s very hard to get followers. Or rather, you put emphasis on the positive things and make a sort of a delimitation of the truth. And it is in this delimitation charisma is good, telling a story that creates followers. And then there’s an element of charisma. You cannot keep your charisma unless you keep your promises, and a way to do that is by understating the facts, which is another way to limit the truth, balance the message and seduce people.
Another important point is that, when somebody succeeds in a job, it's a combination of many factors, e.g. timing and market-fluctuations. And a person, who is perceived as charismatic in one business culture, can fail miserably in another business culture. And that enhances the whole perception of talent and charisma. On the other hand, a top manager, who can make a good turn-around is often perceived as charismatic and a good general. A good example of this was General Schwarzkopf during the gulf war in the nineties. He was one of the first generals who used the television media and did it with great charisma and great success. What he did was, he painted a clear picture of the enemy and the cruelty of war, and thereby created a huge base of followers. And most of the time, a crisis situation makes it a lot easier for the top manager to be perceived as charismatic. There is no doubt about that.

Charisma depends on getting through to the receiver and how the receiver perceives you – and that is very individual. And charisma is something you can learn as well. By seeing it as a form of acting, and playing a role you can come of as very charismatic and, if you are good, maintain this charisma. This is what managers do; we learn from experience and from what has previously worked and not worked.

**Do you believe that a charismatic CEO adds value to a company because of his persona?**

Yes, without a doubt. Take Richard Branson for instance, who is one of the largest icons inside personal branding. And that’s charisma in its purest form. But it is dangerous, because there are many examples of top managers who have taken it too far. Another example is Stine Bosse, who is incredibly charismatic and there is no doubt that the decision to remove her from the position as CEO was not hers – and she was really exposed in the media, but as a personal brand. The decision was without a doubt the board’s, who saw something negative happen in the bottom line.

Also, it hurts the corporate brand when CEOs appear unethical or make bad decisions. Charismatic leaders are definitely more self-centred than other people, and they have a tendency to overestimate their own capabilities, which can make the ratio of errors very large. Not so much in professional contexts, but more when making the ethical decisions, but this also affects economical results and bottom line in the last end.

**If yes, how do you measure this?**

To my knowledge, you do not measure it. But there is an enhanced consciousness about the fact that your company, and your brand is also your management. And the decisions you make in your private life, as a top CEO, affects your company’s reputation and image to a large extend, no doubt about that.

**According to you, do some individuals have natural leadership abilities?**

No, all neurological studies disprove that. It’s more something about your social heritage and the surroundings you grow up in.
Note: Interview methodology is based on Steinar Kvale’s qualitative interviews; more specifically the semi-structured qualitative interview (Kvale, S., InterView, 1996).
Appendix 4

Interview with Henrik Wenøe, Executive Coach and founder of Aquity World.

(Duration approx 30 min. Interviewed on the 10th of October 2011)

The purpose of this interview is to gain more knowledge about the intangible asset of personal charisma. I want to see this characteristic from the point of view of an executive coach, who works with top managers on a personal level, in order to maximize performance on executive and business level. Aquity World is an executive coaching company who uses charisma as an important part of their Personal Leadership Program (the title of module two out of four is called “Advanced Personal Charisma”).

Why is personal charisma an integrated part of your Personal Leadership Program?

We use charisma because it is one of the concepts that a large number of managers actually can relate to and wish to learn more about. I believe that most people at some point of their career have met a manager who has charisma, and have seen that when somebody has charisma in a positive way, then it is something that really makes the employees want to follow, instead of being pushed.

A word that has popped up the last couple of years is the authentic leader, someone who is a authentic person. Actually, I believe that the words authentic and charisma are – I wouldn’t say synonyms but – it is very hard to be authentic and not have charisma. And it is hard to have charisma without being authentic, and the way I work with it, they are actually almost synonyms.

The way we work with charisma is that we relate it to effectiveness. In order to be effective as a manager, you need to work well on three parameters: You need to be professionally founded, have solid business acumen and a good personal and social skillset. When you have these three things, you stand on solid grounds. And in order to be truly charismatic, you need to master all three disciplines, because if your professional qualifications are not sufficient, your leadership becomes hollow. If you do not have good business acumen, then you cannot make your professional skills come into play, because, even though the ideas you have might be good, they would never work in the business environment. And having really strong personal and social skills that can sell your great ideas is not enough, because you need to know your market and business as well in order to succeed. You might even succeed being elected president in the United States on your personal and social skills, but if you basically do not possess professionalism and business acumen, you fall through. And speaking of a business context, you typically have relations over time, and you might be very charismatic on the first morning meeting, but it fades if you do not create the results to back it up. The point where we come in, is on the personal and social level, and when we do that, we talk about three things. First of all, we work with
the manager's personal impact, meaning that charismatic people have some authority and impact that makes people listen. It is not meant as power by your function, but on a purely personal level. The second thing is personal creativity, which is the ability to restructure on a strategic level in times of change, and stay open to input. The last thing is personal influence, the ability to make other people buy in to their ideas. So people who are charismatic possess these three qualities. They are able to have impact, come with solutions and communicate on a high level.

**So in your opinion, charisma can be taught?**

I have never seen the gene for charisma, and it is not something that everybody can learn, and I believe that charisma is something you possess as a consequence of your upbringing and surroundings. This has something to do with role models and having authentic and charismatic parents, so a lot of those who have charisma haven't learnt it on a conscious level, but unconsciously through role models. I call this unconscious modelling, and you can compare it to young boys wanting to be like their favourite football star and so on. And those who do not have this untaught charisma, we can help through our program. We cannot make them great, but we can make them better, and I have yet to see a person who cannot become more charismatic by learning.

**How would you describe charisma?**

For me, a person who has charisma is a person that makes people say: “wow, this is a person who really knows who he is, what he wants, and goes for it”. And again, when you have charisma, you are authentic, and the more authentic a leader is, the more people want to be around this leader. The term charismatic also implies some elements of leadership, that you do not necessarily have when you are authentic, and that is why I say, that they are not synonyms, but they share a lot of qualities. But no matter if you talk about being authentic or charisma, then it is always in relation to someone else. Because no person can be either two in a vacuum, and a person can even be very charismatic in one context but absolutely disturbed, and sometimes even scary, in a different context. And you will see top managers who in one context, or business industry, will be perceived as authentic and charismatic, but when changing industry, he will be perceived as being “too much” and disconnected. So charisma is determined in relation to who and the surrounding context.

**Do you believe that a charismatic leader adds value to a company because of his persona?**

Yes, if he has the right mix of professionalism, business acumen and personal skills and understands his role in the context. If he only uses his charisma as a tool for self-promotion, then it has no value, and is actually contra-productive. Then he or she takes the focus away from what it is really about.

**How do you measure this value addition?**

That's hard. I believe that one way to measure this is on employee satisfaction, because there is a proven correlation between employee satisfaction, customer
satisfaction rates and bottom line results. But it is very hard to measure charisma in a direct way, because it is part of a complex system and many external factors.

**According to you, do some individuals have natural leadership abilities?**

Both yes and no – some have a greater talent for leading others, and the environmental factors of course also plays a great part. I believe that a large part of our personality is created in the first four or five years of our lives, and therefore it is crucial to your modelling, how, for instance, your parents have interacted with you. This controls how you interact with others. Also, it matters if you are the first, middle or last-born child, and so on.

**Why is charisma an important part of the management industry?**

Again, charismatic, or authentic, leaders have easier access to followers. The employees want to do, what they are asked to do. Plus the fact that top managers more and more are the representatives of the company on an external level, and thereby brand the company. So being charismatic does make your personal brand stronger and having a strong alignment between your personal brand and the corporate brand is an incredibly strong tool. When this goes wrong, and there is no alignment, it is because that the person does not understand the business context and environment they are in. And this is, of course, dangerous to any company.

Note: Interview methodology is based on Steinar Kvale’s qualitative interviews; more specifically the semi-structured qualitative interview (Kvale, S., InterView, 1996).
### Forsikring & Pension

#### Resultatopgørelsen for forsikringsbranchen

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**Kilde:** Finanstilsynet

**Kontaktperson:**
Andreas Østergaard Nielsen, konsulent

[mailto:forsikring&pension.dk](mailto:forsikring&pension.dk)
Forbrugerpanelet om forsikring

Stort set alle respondenter (99%) har en indboforsikring, der bl.a. dækker tyveri, brand og ansvar, mens knap to ud af tre (62%) angiver at de også har en bygningsforsikring, der – som navnet antyder, dækker selve bygningen.

I forbindelse med tegningen af en forsikring skal der udleveres betingelser for den pågældende forsikring, forsikringstageren tegner. Det er dog kun hver fjerde forsikringstager (26%), som angiver at have læst samtlige betingelser igennem. Op mod hver tredje (33%) har kun skimmet, eller slet ikke læst, forsikringsbetingelser hos deres nuværende selskab. Den primære årsag hertil er, at de findes for omfangsrige, mens knap hver femte forsikringstager (18%) angiver, at de (også) er svære at forstå.

Dette bekræftes blandt de forsikringstagere, der har læst i betingelser, hvoraf op mod hver tredje (33%) angiver, at de fandt forsikringsbetingelserne lidt eller meget svære at forstå.

Knap hver tredje forsikringstager (30%) med en indboforsikring, og hver knap hver femte (23%) med en bygningsforsikring, har haft skade(r) inden for de seneste tre år. Langt de fleste har haft én skade, nogle færre har haft to skader. De fleste havde en god oplevelse i forbindelse med selskabet i forbindelse med selskabets håndtering af deres anmeldelse(r), mens omkring hver tiende (≈10%) dog oplevede den som dårlig/meget dårlig.

Op mod hver anden forsikringstager (41%) var ikke bekendt med, at forsikringsselskaberne selv kan vælge, om de vil erstatte eller udbedre skader. Flertallet, knap to ud af tre (62%), er ydermere ikke bekendt med, at for sikringsselskaberne også kan bestemme med hvem der skal handle, hvis den forsikrede ønsker fuld erstatning for en skade/tyveri. Mere end hver tredje forsikringstager (39%), nu oplyst herom, er ikke tilfreds hermed, mens knap halvdelen (52%) dog kan leve med det.

Skybruddene i 2010 og 2011


Samlet har hver syvende (14%), der blev ramt af skader i forbindelse med disse skybrud, oplevet en præmiestigning som følge heraf – otte ud af ti af disse er bosat i Hovedstadsområdet. Halvt så mange af de skadesramte, en ud af fjorten (7%), har oplevet en forhøjelse af selvirisko men som følge af skybruddet – alle bosat Øst for Storebælt.

Endelig har godt hver tiende (13%) oplevet, at deres vilkår er blevet skærpet som følge af skybruddene i 2010 og /eller 2011.

Figur 1 – ALLE
Hvilke, hvis nogen, af følgende forsikringer har din husstand?

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<thead>
<tr>
<th>Forsikring</th>
<th>Andel i %</th>
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<td>Indboforsikring</td>
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<tr>
<td>Bygningsforsikring</td>
<td>62%</td>
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<tr>
<td>Har ingen af de nævnte forsikringer</td>
<td>1%</td>
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N = 1.011
Kilde: Tænkt Analyse

Stort set alle respondenter (99%) har en indboforsikring, der bl.a. dækker tyveri, brand og ansvar, mens knap to ud af tre (62%) angiver at de også har en bygningsforsikring, der – som navnet antyder, dækker selve bygningen.

Der er en regional forskel, idet det i Hovedstadsregionen er knap hver anden (47%), der også har en bygningsforsikring, mens det i resten af landet i gennemsnit er godt tre ud af fire (73%), der har en bygningsforsikring. Det er ikke så overraskende, da der er flere lejlighedsbebyggelser i Hovedstadsregionen, end resten af landet, hvorfor de enkelte husstandes behov for bygningsforsikring vil være lavere her end i resten af landet.

I figur 2 på næste side er gengivet hvilke selskaber, respondenterne er forsikret igennem. Der er generelt god spredning udover selskaberne, om end Alm. Brand, Topdanmark, Lærerstandens og Tryg er mere anvendte end andre; de førstnævnte (Alm. Brand & Topdanmark) har en relativ stor andel af de bygningsforsikrede, mens Tryg har en relativt større andel af indboforsikringerne.
Figur 2 – HVIS HUSSTANDEN ER FORSIKRET
Hos hvilket selskab har du tegnet de(n) pågældende forsikring?

Som nævnt er der fire selskaber, der har en lidt større andel af de forsikrede, indbo-som bygning. Under "Andet selskab" er nævnt;
Figur 3 – HVIS HUSSTANDEN ER FORSIKRET
Hvor lang tid har du haft de(n) pågældende forsikring i det nuværende selskab?

![Bar chart showing distribution of years for household insurance and building insurance.

Hver tiende forsikrede (10%) har haft den pågældende forsikring, indbo som bygning, i under et år, mens yderligere godt hver fjerde (27% / 29%) har haft forsikringen i op mod fem år.

Den største gruppe har dog haft deres nuværende forsikring i mere end 10 år, nemlig 40% af dem, som har en indboforsikring og 44% af dem som har en bygningsforsikring.

I forbindelsen med tegningen af en forsikring skal der udleveres betingelser for den pågældende forsikring, som forsikringstageren tegner. Som figur 4 på næste side viser, er det dog kun hver fjerde (26%) som angiver at har læst samtlige betingelser igennem.
Har du læst de samlede betingelser for de(n) pågældende forsikring hos dit nuværende selskab igennem?

Op mod hver tredje (31-33%) har kun skimmet, eller slet ikke læst, forsikringsbetingelser hos deres nuværende selskab, mens den største gruppe (40-41%) dog angiver, at de har læst betingelserne for de dækninger, de anså for vigtigst for dem.

For sikringstagerens bopælsregion, køn eller husstandsindkomst har ikke nogen entydig betydning for, i hvilken grad forsikringstageren læser mere eller mindre af betingelserne. Derimod har alder og uddannelsesniveau en vis betydning, idet de yngre forsikringstagere i højere grad helt afstår fra at læse betingelserne, end andre gør. Ligeledes læser færre af de lavest uddannede alle forsikringsbetingelserne, og afstår også i højere grad fra helt at læse dem, jf. tabel 1 herunder.

### Tabel 1
Har du læst de samlede betingelser for de(n) pågældende forsikring hos dit nuværende selskab igennem? x Alder og Uddannelse

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indboforsikring</td>
<td>Ja, har læst alt/ stort set alt</td>
<td>28%</td>
<td>22%</td>
<td>23%</td>
<td>26%</td>
<td>27%</td>
<td>20%</td>
<td>25%</td>
</tr>
<tr>
<td></td>
<td>Jeg har læst om de dækninger, der er vigtige for mig</td>
<td>33%</td>
<td>25%</td>
<td>37%</td>
<td>44%</td>
<td>50%</td>
<td>41%</td>
<td>48%</td>
</tr>
<tr>
<td></td>
<td>Jeg har skimmet lidt i dem</td>
<td>26%</td>
<td>44%</td>
<td>34%</td>
<td>25%</td>
<td>21%</td>
<td>28%</td>
<td>23%</td>
</tr>
<tr>
<td></td>
<td>Nej</td>
<td>12%</td>
<td>5%</td>
<td>5%</td>
<td>4%</td>
<td>2%</td>
<td>9%</td>
<td>3%</td>
</tr>
<tr>
<td>Husker ikke</td>
<td>1%</td>
<td>4%</td>
<td>1%</td>
<td>1%</td>
<td>0%</td>
<td>2%</td>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>
Figur 5 – HVIS HUSSTANDEN ER FORSIKRET, MEN KUN SKIMMET / IKKE LÆST BETINGELSER

Hvorfor har du ikke læst (alle) betingelserne?

- **Resp. med kun indboforsikring**
- **Resp. med både indbo- og bygningsforsikring**

<table>
<thead>
<tr>
<th>Grund</th>
<th>Angivelse</th>
<th>Procent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Der er for meget tekst / det er for langt</td>
<td>37%</td>
<td>44%</td>
</tr>
<tr>
<td>Jeg ved nogenlunde, hvad der står</td>
<td>29%</td>
<td>30%</td>
</tr>
<tr>
<td>Jeg har ikke haft brug for forsikringen endnu</td>
<td>27%</td>
<td>27%</td>
</tr>
<tr>
<td>Det er svært at forstå</td>
<td>18%</td>
<td>18%</td>
</tr>
<tr>
<td>Anden årsag</td>
<td>12%</td>
<td>11%</td>
</tr>
</tbody>
</table>

**N (indeks) = 146 / N (afsp) = 180**

Anm.: Tallene summerer ikke til 100%, da der kunne angives flere årsager til den manglende læsning.

Kilde: Tænk Analyse

--

Den mest udbredte grund til at forsikringsbetingelser ikke læses, eller kun skimmes, er at de er for omfangsrige. De respondenter, som har både en indbo- og bygningsforsikring mener i noget højere grad dette end dem med "blot" en indboforsikring. Knap hver tredje (29-30%) angiver, at de ikke har læst (alle) betingelserne, fordi de (ydermere) nogenlunde ved hvad der står, mens svagt færre, godt hver fjerde (27%) angiver, at de ikke har læst (alle) betingelserne, fordi de ikke har haft brug for forsikringen endnu.

Knap hver femte (18%) angiver dog, at de ikke har læst (alle) betingelserne, fordi de (også) er svære at forstå.

Under andre årsager er primært nævnt, at det er en anden part i husstanden, kæreste eller ægtefælde, der står for dette.

---

1. Bemærk, at det ikke er udelukket, at respondenterne også kan have andre forsikringer end de to nævnte. Således er det muligt, at respondenterne også har bil-, livs-, fritidshus- eller andre forsikringer.
Figur 6 – HVIS HUSSTANDEN ER FORSIKRET, OG LÆST ALT / NOGET AF BETINGELSERNE
Var betingelserne for de(n) pågældende forsikring forståelig(e)?

Op mod hver tredje forsikringstager (33%), der har læst alt eller noget af sine forsikringsbetingelser, fandt dem lidt eller meget svære at forstå. Hverken uddannelsesniveau, indkomst, alder eller geografi har nogen entydig betydning for om forsikringstagerne fandt betingelserne forståelige.
Figur 7 – HVIS HUSSTANDEN ER FORSIKRET
Hvor mange skader / tyveri, der skulle dækkes via din(e) forsikring, har du haft inden for de seneste tre år?

Langt hovedparten af de forsikrede har ingen skader/tyveri oplevet inden for de seneste tre år, nemlig omkring tre ud af fire af de forsikrede. Knap hver tredje (30%) med en indboforsikring, og hver knap hver femte (23%) med en bygningsforsikring, har dog haft en skade inden for de seneste tre år. Langt de fleste har haft én skade, nogle færre har haft to skader.

De fleste havde en god oplevelse i forbindelse med selskabets håndtering af deres anmeldelse(r), mens omkring hver tiende (=10%) oplevede den som dårlig/meget dårlig.

Figur 8 – HVIS HUSSTANDEN HAR HAFT SKADER INDEN FOR DE SENESTE TRE ÅR
Hvad var din overordnede oplevelse af selskabets håndtering af din(e) anmeldelse(r)?
Antallet af skader / tyveri, man har oplevet inden for de seneste tre år, har ingen betydning for, om man oplevede selskabets håndtering som god eller dårlig. Geografi har derimod en lille betydning, idet det blandt respondenter øst for Storebælt, der har oplevet skader, er en ud af fjorten (7%), der havde en dårlig / meget dårlig oplevelse med det pågældende selskab, mens det blandt respondenter vest for Storebælt, er hver ottende (13%), der havde en dårlig / meget dårlig oplevelse.

Respondenterne har haft mulighed for at uddybe deres vurdering af selskabets håndtering:

- Asurandøren havde kun tilføjelserne i sine noter. Ikke i betingelserne. - [skade på indbo, selskab: Alm. Brand, som håndterede det meget dårligt]

- Bygningsforsikringen var på det tidspunkt hos Nykredit og deres håndtering var latterlig. Jeg endte med aldrig at få en afgjørelse om dækning da de skændtes internt mellem afdelingerne om hvem af dem, der skulle dække. - [skade på bygning selskab: Danske Forsikring, som håndterede det meget dårligt]

- Da vi havde skade vedr. vores huskøb, var vi forskivet ved Nykredit og Trekroner. Vi er nu hos Codan og ved ikke hvordan de vil håndtere en evt. skade - [skade på bygning selskab: Codan, som håndterede det godt]

- De gjorde hvad de kunne for ikke at dække skaderne og opstiller nye betingelser for hvad der sker hvis skaden opstår igen - [skade på indbo, selskab: Tryg, som håndterede det meget dårligt]

- De var langsomme men ellers ikke så meget bøvl eller tvivl. - [skade på indbo, selskab: Tryg, som håndterede det godt]

- Den første var ok, den anden fik jeg forkerte oplysninger vedr. præmie stigning o.a. Skader sket mens jeg var hos GF, har siden skiftet til if - [skade på indbo, selskab: if..., som håndterede det dårligt]

- Det tog mig 3 måneder at få udbetalt min forsikring da jeg kørt galt med min bil - [skade på indbo, selskab: Alka, som håndterede det meget dårligt]

- Det var en orkanskade, vi er stadig ikke kommet igennem til forsikringen (skaden skete i juli 2011) - [skade på indbo, selskab: Tryg, som håndterede det dårligt]

- Det var et lynnedslag og vi skulle blot sende regningerne ind og de betalt uden andre spørgsmål og alt blev betalt. Det var helt okay. - [skade på indbo og bygning, selskab: Alm. Brand, som håndterede det meget godt]

- Dog for lang sagsbehandling - [skade på indbo, selskab: Alm. Brand, som håndterede det godt]

- Dog meget dårlig omkring retshjælp - [skade på indbo, selskab: Tryg, som håndterede det meget godt]

- Effektiv, hurtig. - [skade på indbo, selskab: Lærer standens, som håndterede det meget godt]

- Fik stjålet cykel og fik straks en check til køb af ny dagen efter, at jeg havde ringet :-) - [skade på indbo, selskab: Tryg, som håndterede det meget godt]
Egentlig god nok, men MEGET utilfredsstillende med LANG ventetid (= flere mdr. Til nu ca 2 mdr). Har givet mig problemer i forhold til selv at skulle betale/lægge penge ud til emner, som det har været nødvendige at udskifte FØR endelig afklaring fra forsikringsselskabet. - [skade på indbo og bygning, selskab: Lærerstandens, som håndterede det dårligt]

For lang ventetid på taksators besøg og bedømmelse ifb vandskade i sommers - [skade på indbo, selskab: Holbæk Forsikring, som håndterede det godt]


I forbindelse med vandskade, Meget fin hurtig service. - [skade på bygning selskab: Tjenestemændenes Forsikring (TRYG), som håndterede det godt]

Ikke i orden at man skal købe cyklen et bestemt sted og hvis man ikke gør det får man en mindre erstatning. - [skade på indbo, selskab: Alm. Brand, som håndterede det godt]

Indtil videre, sagen er ikke afsluttet - [skade på indbo, selskab: Tjenestemændenes Forsikring (TRYG), som håndterede det godt]

Jeg skiftede efterfølgende forsikringsselskab til mit nuværende - [skade på indbo, selskab: Tryg, som håndterede det meget dårligt]

Land og bøvlet behandlingstid - [skade på indbo, selskab: Danske Forsikring, som håndterede det godt]

Lang svar tid. Og svar fra forskellige medarbejdere - [skade på indbo, selskab: Tryg, som håndterede det dårligt]

Lærerstandens Brandforsikring: Billig / Ydende den service, der er nødvendig / U-bureaucratisk - [skade på bygning selskab: Lærer standens, som håndterede det godt]

Man har accepteret ansvaret men har ført skaden således at den omfattes af en ejerskifteforsikring hvor jeg har 30.000 i selvrisiko - på trods af at skaden også omfattes af den almindelige bygningsforsikring jeg har på huset. Det har vi noget polemik om - [skade på bygning selskab: Tryg, som håndterede det dårligt]

Meget lang behandlingstid - [skade på indbo, selskab: Lærerstandens, som håndterede det dårligt]

Nem og effektiv sagsbehandling via webside og email. - [skade på indbo, selskab: Alm. Brand, som håndterede det godt]

Nykredits sagsbehandler var let at komme overens med. Vores forslag om, at selskabet betalte standardreparation på brud på skjulte vandrør, og at vi selv samtidig fik udført og betalte for forbedringer, blev vi hurtigt enige om, hvilket jo er til begge parters fordel. - [skade på bygning selskab: Nykredit, som håndterede det godt]

Pengene udbetalt hurtigt efter ltf. henvendelse, men bør selskabet ikke tække op på sagen aht. svindel? - [skade på indbo, selskab: Tjenestemændene, som håndterede det meget godt]

Næ fungerer perfect - [skade på indbo, selskab: Tryg, som håndterede det meget godt]

Sagen er endnu ikke afsluttet, da det er efter skybrud 2.7., og min skade er ikke af de største, som selskabet først behandler. - [skade på indbo og bygning, selskab: Tryg, som håndterede det godt]
Sagsbehandlingen var lidt lang - men de kan jo ikke gøre for, at jeg fik stjålet min cykel lige efter et skybrud :-) - [skade på indbo, selskab: Tryg, som håndterede det godt]

Selskabet anvendte en ekstern taxator fra et selskab i Næstved, jeg var meget utilfreds med behandlingen. der var ingen respons på henvendelser og pengene måtte vrides ud af taxator. - [skade på indbo, selskab: Købstædernes, som håndterede det meget dårligt]

Skaderne blev behandlet af andet selskab (Nykredit) end det nuværende (Tryg). - [skade på indbo, selskab: Tryg, som håndterede det meget godt]

Super behandling - [skade på indbo og bygning, selskab: Topdanmark, som håndterede det meget godt]

Suveren - [skade på indbo, selskab: Tryg, som håndterede det meget godt]

Svære at komme i kontakt med og sen respons - [skade på bygning selskab: Tryg, som håndterede det dårligt]

Taget for lang tid, fordi andre skader dukkede op imellem tiden (vandskader i København) og min blev nedprioriteret. - [skade på indbo, selskab: Topdanmark, som håndterede det dårligt]

TopDanmark anvender håndværksmestre som en form for taksatorer. Den "taksator" der kom ud til min skade var så ualmindelig ubehøvet. I løbet af meget kort tid måtte jeg bede forsikringen om at fjerne ham fra sagen, og det gjorde de så også, men det havde allerede kostet mig noget af den dækning, jeg mener at have ret til i henhold til forsikringen. - [skade på bygning selskab: Topdanmark, som håndterede det dårligt]

Tryg er et kanon selskab - [skade på indbo, selskab: Tryg, som håndterede det meget godt]

Ved bygningsskade var behandlingen noget langsommelig - [skade på indbo og bygning, selskab: Nykredit, som håndterede det godt]
Figur 9 – HVIS HUSSTANDEN ER FORSIKRET
Vidste du, at forsikringsselskaberne kan vælge om de ønsker at reparere/udbedre, genanskaffe en tilsvarende/ny ting eller udbetale en kontanterstatning uden du har et valg?

Mere end hver anden forsikringstager (55%) er godt klar over, at forsikringsselskaberne selv kan vælge, om de vil erstatte eller udbedre skader. 41% er dog ikke bekendt hermed.

Som det fremgår af tabellen herunder, er kendskabet til denne praksis større blandt de forsikringstagere, der har læst de samlede betingelser. Således er to ud af tre (67%), som har læst (stort set) alle betingelser, bekendt med denne praksis, mens det blandt dem, som ikke har læst dem/ikke husker, om de læste dem, blot er omkring to ud af fem (≈40%).

Tabel 2
Vidste du, at forsikringsselskaberne kan vælge om de ønsker at reparere/udbedre, genanskaffe… x Har du læst de samlede betingelser … hos dit nuværende selskab…?

<table>
<thead>
<tr>
<th></th>
<th>Ja, har læst alt/ stort set alt</th>
<th>Jeg har læst om de dækninger, der er vigtige for</th>
<th>Jeg har skimmet lidt i dem</th>
<th>Nej</th>
<th>Husker ikke</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ja</td>
<td>67%</td>
<td>52%</td>
<td>52%</td>
<td>41%</td>
<td>38%</td>
</tr>
<tr>
<td>Det fandt jeg ud af, da jeg fik en skade</td>
<td>2%</td>
<td>4%</td>
<td>4%</td>
<td>2%</td>
<td>15%</td>
</tr>
<tr>
<td>Nej</td>
<td>31%</td>
<td>43%</td>
<td>44%</td>
<td>57%</td>
<td>46%</td>
</tr>
</tbody>
</table>

Anm.: Tallene angiver hvor meget af betingelserne for indboforsikringen, respondenterne har læst, men tendens er den samme i forhold til læsning af betingelserne for bygningsforsikringen.
Kilde: Tænk Analyse
Demographics have found that a significant number of customers are not aware of the practice where insurance companies can determine who they should handle their claims with to receive full compensation. If customers handle claims with others, the company may deduct 20% from the compensation amount before paying it.

Var du bekendt med denne praksis / regel?

Knap hver tredje forsikringstager (32%), er bekendt med, at forsikringsselskaberne kan bestemme med hvem man skal handle, hvis man ønsker at få fuld erstatning for en skade/tyveri. Flertallet, knap to ud af tre (62%), var dog ikke bekendt hermed.

Som tilfældet er med kendskabet til, at forsikringsselskaberne kan vælge om de vil udbedre eller genanskaffe, er kendskabet til at selskaberne kan bestemme, hvor der skal handles, hvis der ønskes fuld erstatning også størst blandt de forsikringstagere, der har læst (stort set) alle betingelser, og mindst blandt dem, som ikke har læst noget af dem/ikke husker, at de har læst dem, jf. tabel 3 herunder.

Tabel 3

<table>
<thead>
<tr>
<th>Hvor meget læst af de samlede betingelser hos nuværende selskab</th>
<th>Ja, har læst alt/stort set alt</th>
<th>Jeg har læst om de dækninger, der er vigtige for</th>
<th>Jeg har skimmet lidt i dem</th>
<th>Nej</th>
<th>Husker ikke</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ja</td>
<td>41%</td>
<td>32%</td>
<td>27%</td>
<td>24%</td>
<td>15%</td>
</tr>
<tr>
<td>Det fandt jeg ud af, da jeg fik en skade</td>
<td>4%</td>
<td>7%</td>
<td>6%</td>
<td>6%</td>
<td>8%</td>
</tr>
<tr>
<td>Nej</td>
<td>55%</td>
<td>61%</td>
<td>66%</td>
<td>69%</td>
<td>77%</td>
</tr>
</tbody>
</table>

Anm.: Tallene angiver hvor meget af betingelserne for indbørsforsikringen, respondenterne har læst, men tendens er den samme i forhold til læsning af betingelserne for bygningsforsikringen.

Kilde: Tænk Analyse
Overordnet set angiver godt hver tiende forsikringstager (13%), at de synes, at det er helt fint med denne praksis, mens yderligere knap halvdelen (52%) kan leve med det, jf. figur 11 herunder.

**Figur 11 – HVIS HUSSTANDEN ER FORSIKRET**

Forsikringsselskaberne forklarer bl.a., at baggrunden herfor er, at de dermed kan skaffe billigere præmier til alle deres kunder.

**Hvad synes du om denne praksis / regel?**

![Diagram](image)

Mere end hver tredje forsikringstager (39%) er dog ikke tilfreds med denne praksis, og som tabellen herunder viser, er de forsikringstagere, som ikke tidligere kendte til denne praksis, mere utilfredse hermed, end de forsikringstagere, der godt kendte til denne praksis.

**Tabel 4**

**Hvad synes du om praksis med, at forsikringsselskaberne kan bestemme hvor der skal handles, hvis fuld erstatning ønskes... x Kendskab til praksis**

<table>
<thead>
<tr>
<th>Kendskab til praksisen</th>
<th>Det fandt jeg ud af, Ja da jeg fik en skade</th>
<th>Nej</th>
</tr>
</thead>
<tbody>
<tr>
<td>Det er helt fint</td>
<td>23%</td>
<td>11%</td>
</tr>
<tr>
<td></td>
<td>7%</td>
<td></td>
</tr>
<tr>
<td>Jeg kan leve med det</td>
<td>47%</td>
<td>57%</td>
</tr>
<tr>
<td></td>
<td>48%</td>
<td></td>
</tr>
<tr>
<td>Det er jeg ikke tilfreds med</td>
<td>30%</td>
<td>31%</td>
</tr>
<tr>
<td></td>
<td>45%</td>
<td></td>
</tr>
</tbody>
</table>

Kilde: Tænk Analyse

Således er det knap hver fjerde (23%), der kendte til praksis, der synes, at det er helt fint, mens det blot er 7% (svarende til én ud af fjorten), af dem der *ikke* kendte til praksis, der mener tilsvarende.
Hver femte forsikringstager (20%) har undladt at anmelde en skade / tyveri inden for de seneste 5 år. Som tabel 5 viser nedenfor, er der en sammenhæng mellem antal skader, man har anmeldt, og om man har undladt at anmelde en skade.

Blandt de forsikringstagere, som ingen skader har haft, er det knap hver sjette (16%), der har undladt at anmelde en skade / tyveri, mens det blandt de forsikringstagere, der har haft tre eller flere skader er mere end hver tredje (35%), der har undladt at anmelde en skade, jf. tabel 5 herunder.

Tabel 5
Har du inden for de seneste 5 år undladt at anmelde en skade / et tyveri? x Hvor mange skader / tyveri, der skulle dækkes via din(e) forsikring, har du haft...?

<table>
<thead>
<tr>
<th></th>
<th>Ingen skader</th>
<th>1 skade</th>
<th>2 skader</th>
<th>3 eller flere skader</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ja</td>
<td>16%</td>
<td>23%</td>
<td>31%</td>
<td>35%</td>
</tr>
<tr>
<td>Nej</td>
<td>80%</td>
<td>69%</td>
<td>63%</td>
<td>56%</td>
</tr>
<tr>
<td>Husker ikke</td>
<td>4%</td>
<td>8%</td>
<td>6%</td>
<td>9%</td>
</tr>
</tbody>
</table>

Uanset hvor mange skader, hvis nogen, forsikringstagere har haft de seneste 5 år, er den primære årsag til den manglende anmeldelse, at værdien af de skadesramte / stjålne var for lav / mindre end selvisikoen, jf. figur 13 på næste side.
Figur 13 – HVIS HUSSTANDEN ER FORSIKRET, OG HAR UNDLADT AT ANMELDE SKADE/TYVERI

Hvorfor anmeldte du ikke skaden / tyveriet?

<table>
<thead>
<tr>
<th>Grund</th>
<th>Procent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Værdien var lav / mindre end selvrisikoen</td>
<td>57%</td>
</tr>
<tr>
<td>Jeg troede ikke, at forsikringen ville dække</td>
<td>22%</td>
</tr>
<tr>
<td>Det virkede besværligt</td>
<td>21%</td>
</tr>
<tr>
<td>Jeg havde ikke kvitteringen på det ødelagte/stjålte</td>
<td>20%</td>
</tr>
<tr>
<td>Anden årsag</td>
<td>12%</td>
</tr>
</tbody>
</table>

N = 202
Kilde: Tænk Analyse

Omkring hver femte (≈20%) angiver (også) som årsag til den manglende anmeldelse, at de ikke troede, at forsikringen ville dække, at det virkede besværligt og/eller manglende kvittering for det ødelagte/stjålte.

Under ”Anden årsag” er nævnt;

- Bonustab - [forsikret hos Codan, ingen skader har haft de seneste tre år]
- Fordi forsikringen ikke dækker noget som helst når det kommer til stykket - [forsikret hos Gjensidig, ingen skader har haft de seneste tre år]
- Forholdvist små skader - tjekkede ikke engang om de ville betale faktisk - [forsikret hos Codan, ingen skader har haft de seneste tre år]
- Genstanden blev tabt og aldrig fundet. Så ikke et simpelt tyveri - [forsikret hos Alm. Brand, ingen skader har haft de seneste tre år]
- Har dårlige erfaringer med at anmelde skader, efter et vist antal er de mindre villige til at dække - [forsikret hos Nykredit, ingen skader har haft de seneste tre år]
- Jeg fandt ud af at jeg ikke var ulykkesforsikret før da en opdagelse - [forsikret hos Tjenestemændenes forsikring, ingen skader har haft de seneste tre år]
- Jeg har et fantastisk forsikringsselskab - og jeg synes ikke, jeg vil udnytte forsikringen - [forsikret hos Topdanmark, ingen skader har haft de seneste tre år]
- Jeg havde glemt at låse en cykel foran mit hus - [forsikret hos Tryg, ingen skader har haft de seneste tre år]
- Jeg overvejer sjældent på om det kan være dækket af forsikringen - [forsikret hos Lærerstandens, ingen skader har haft de seneste tre år]
- Min fryser blev tømt ved indbrud i skur - [forsikret hos Lærerstandens, ingen skader har haft de seneste tre år]
- Det var indbrud i mit loftsrum, og jeg kunne ikke overblik over om/hvad der var stjålet - [forsikret hos Codan, har haft 1 skade de seneste tre år]
- Havde nogle tærede vandrør, men skulle alligevel til at renovere. - [forsikret hos Alm. Brand, har haft 1 skade de seneste tre år]
- Ingen dokumentation for indbrud, da børnene havde glemt at låse døren - [forsikret hos Lærerstandens, har haft 2 skader de seneste tre år]
Skybruddene i 2010 og 2011

Figur 14 – HVIS HUSSTANDEN ER FORSIKRET
Har du haft skader på dit hus/indbo i forbindelse med skybruddet i 2010 og/eller 2011?


Der er dog betydelig geografisk forskel, som figuren også viser. Forsikrede bosat i Hovedstadsområdet (lysegrå søjle) blev især i 2011 betydeligt mere ramt af skybrud end respondenter i resten af landet (mørke grå søjle), og er altså i høj grad med til at trække den gennemsnitlige andel af forsikringstagere, der har haft skader som følge af skybruddet, op.
Figuur 15 – HVIS HUSSTANDENR AV FORSIKRET, OG HAFT SKADER VED MINDST ET SKYBRUD

Hvor lang tid gik der fra du anmeldte skaden / skaderne til de(n) var vurderet / opgjort fra forsikringsselskabets side?

![Diagram showing time between reporting of damage and evaluation/compensation]

<table>
<thead>
<tr>
<th>Time Period</th>
<th>Skaded(0r) i 2010</th>
<th>Skaded(0r) i 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-2 months</td>
<td>17%</td>
<td>17%</td>
</tr>
<tr>
<td>2-3 months</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>3-4 months</td>
<td>4%</td>
<td>6%</td>
</tr>
<tr>
<td>4-5 months</td>
<td>0%</td>
<td>0%</td>
</tr>
<tr>
<td>Longer than 5 months</td>
<td>0%</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Anm.: Respondenter, som har oplevet skader i 2011, har ikke kunne angive svarmulighederne '4-5 måneder' og 'Længere tid'**

Kilde: Tænk Analyse

Hver fjerde forsikringstager (26%), der oplevede skader i forbindelse med skybruddet i 2010, anmeldte ikke dette til forsikringen. I 2011 er det næsten hver anden (43%), der ikke har anmeldt skaderne herfra.

Blandt dem der anmeldte skaderne i 2010 (grønne søjler), fik de fleste vurderet / opgjort skaderne af forsikringsselskabet inden for en måned, mens knap hver tiende (8%) skadesramt dette år måtte vente to måneder eller mere.

Knap hver femte skadesramt i 2011 (18%) havde ved undersøgelsens gennemførelse, oktober 2011, endnu ikke modtaget opgørelsen / vurderingen fra deres selskab. En tilsvarende andel (17%) modtog dog en sådanne inden for en måned efter skybruddet, mens samme andel måtte vente mellem 1-3 måneder herpå.

Skadesramte bosat i Hovedstaden har generelt oplevet længere ventetid på vurderingen / opgørelsen end skadesramte i resten af landet, men som vist på forrige side, figur 14, var der også betydeligt flere skadesramte i netop Hovedstadsområdet.

Respondenterne har kunne uddybe deres svar (frivilligt), og følgende kommentarer er givet;

- Der har været forsikringsmand for at bese skaderne, men selve afregningen venter jeg på. - [forsikret hos Tryg, som endnu ikke har modtaget vurdering/opgørelse for skaden, der skete i 2011]
- Det er ALKA der her er i spil - ejendommen er en andelsbolig - [forsikret hos Lærerstandens, som endnu ikke har modtaget vurdering/opgørelse for skaden, der skete i 2011]
Jeg fik en mindre skade på loftet i et gæsteværelse og følte, at det var lidt min egen skyld, da jeg ikke havde fået renset tagrenden ordentligt inden vinteren kom med frost og sne. Derved stod der vand i tagrenden og det frøs til is. Smeltevandet løb så ved tøbrud ind på loftet i stedet for igennem nedløbsrøret. Derfor meldte jeg det ikke. Jeg har aldrig været utilfreds med mit forsikringsselskab og har for ca. 10 år siden uden problemer fået dækket en skade. - [forsikret hos Lærerstandens, og har ikke anmeldt skaden, der skete i 2010]

Skaderne jeg fik, var ikke noget af værdi. Gamle papirer der stod på gulvet i min kælder, som fik vandskade. Ikke noget af synderligt værdi. Jeg skulle have kigget på det i forvejen til udsmed. - [forsikret hos Alka, og har ikke anmeldt skaden, der skete i 2010]

Det potentielle erstatningsbeløb ville være lavere end min selvrisiko, hvorfor jeg valgte ikke at anmelde den. - [forsikret hos Codan, som ikke har anmeldt skaden, der skete i 2011]

Det var grundejerforeningen der anmeldte vandskaderne i kælderen. - [forsikret hos Topdanmark, og har ikke anmeldt skaden, der skete i 2011]

Det var ikke min forsikring der skulle dække skaden - [forsikret hos Tryg, og har ikke anmeldt skaden, der skete i 2011]

For lang ventetid på taksator - [forsikret hos Holbæk forsikring, som modtog vurdering/opgørelse for skaden, der skete i 2011, inden for 1 - 2 måneder]

Forstår godt forsikringsselskaberne har travlt i dette tilfælde - [forsikret hos Danske Forsikring, som modtog vurdering/opgørelse for skaden, der skete i 2011, inden for 2 - 3 måneder]

Jeg bor i andelslejlighed, og foreningen har haft vandskade, som er anmeldt - [forsikret hos Topdanmark, som modtog vurdering/opgørelse for skaden, der skete i 2011, inden for Mindre end en måned]

Mine ting i kælderen blev våde, Intet andet problem. - [forsikret hos Codan, og har ikke anmeldt skaden, der skete i 2011]

Mine ting i kælderen blev våde, Intet andet problem. - [forsikret hos Codan, og har ikke anmeldt skaden, der skete i 2011]

Super hurtig håndtering. Skaden (brud på falldamme under gulvhøjde - ikke kompliceret) blev udbedret indenfor 5 arbejdsdage da vi skulle på ferie. Det var super! Vi kæmpede også for det, men dejligt at det lykkedes. - [forsikret hos Tryg, som modtog vurdering/opgørelse for skaden, der skete i 2011, inden for en måned]

Var i tlf. kontakt. Gik selv i gang med at reparere. Der har ikke været nogen ude a se på huset efter skybrudet. - [forsikret hos Lærerstandens, som endnu ikke har modtaget vurdering/opgørelse for skaden, der skete i 2011]

Vi har endnu ikke kunne komme igennem til forsikringen. - [forsikret hos Tryg, og har ikke anmeldt skaden, der skete i 2011]

Vi skulle rykke taksator en del gange, men jeg tænker han har haft tralvt. Det har været håndteret meget professionelt. - [forsikret hos Codan, som modtog vurdering/opgørelse for skaden, der skete i 2011, inden for 2 - 3 måneder]
Mere end halvdelen (53%) af de forsikringstagere, der anmeldte skader i forbindelse med skybruddene i 2010 og/eller 2011, har ikke oplevet en præmiestigning i forbindelse hermed, og yderligere hver tredje (33%) ved (endnu) ikke, om de får en præmiestigning.

Samlet har hver syvende (14%) ramt af skader i forbindelse med de seneste skybrud oplevet en præmiestigning som følge heraf – otte ud af ti af disse er bosat i Hovedstadsområdet.

Halvt så mange skadesramte generelt, en ud af fjorten (7%), har oplevet en forhøjelse af selvriskoen som følge af skybruddet – alle bosat Øst for Storebælt, men ikke i mere udbredt grad i Hovedstaden end resten af dette område.
Overordnet set har godt hver tiende (13%, angivet over 'tuborgerne') oplevet, at deres vilkår er blevet skærpet som følge af skybruddene i 2010 og /eller 2011, mens knap to ud af tre (63%) ingen ændringer har oplevet.

**Figur 18 – HVIS SKADER VED MINDST ET SKYBRUD, OG ANMELDTE DEN / DEM**

*Har du som følge af skybrud i 2010 og/eller 2011 oplevet, at dit forsikringsselskab har skærpet dine forsikringsbetingelser?*

_Det kan fx være krav om opsætning af klinker i en kælder, at ting skal løftes fra gulv, m.m._

Selvom der er få respondenter, som har oplevet skader enten kun i 2010, 2011 eller begge år, viser figuren ovenfor at forsikringsselskaberne generelt har skærpet vilkårene efter skybruddet i 2011, idet det efter skybruddet i 2010 var 7% af de skadesramte (grøn søjle), der oplevede en skærpelse af deres vilkår, i 2011 var det 13% (midterste lysegrå søjle), mens det blandt, de forsikringstagere, godt nok få, der oplevede skader begge år, er hver fjerde (25% - mørkegrå søjle), der har oplevet at få skærpet deres vilkår som følge heraf.

Blot en enkelt, svarende til 1% af de skadesramte i forbindelse med skybruddene, er dog direkte blevet opsagt, eller advaret herom, af sit forsikringsselskab (ikke gengivet i figur). Den pågældende blev skadesramt af skybruddet både i 2010 og 2011.
Pressemeddelelse

FORSIKRING PRIVATMARKEDET 2011 – DANMARK

- Den generelle kundetilfredshed i forsikringsbranchen på privatkundemarkedet er i år på samme niveau som i 2010

- Topdanmark har oplevet den største fremgang i kundetilfredshed fra 2010 til 2011

- Lærerstandens Brandforsikring, Bauta og FDM Forsikring scorer højest i 2011 når det gælder kundetilfredshed på forsikringsmarkedet

- Når det gælder kundernes bedømmelse af forsikringselskabernes Image har Alm. Brand, Lærerstandens Brandforsikring samt GF Forsikring oplevet markant fremgang siden 2010

København 7. november 2011
© EPSI Rating, 2011
1 FORSIKRING PRIVATMARKEDET DANMARK


KUNDETILFREDSHED:

Figur 1.0 Udviklingen i kundetilfredshed - Forsikring B2C Danmark 2011
### Tabel 1.0 Udviklingen i kundetilfredshed – Forsikring B2C Danmark 2011

<table>
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**IMAGE:**


**Figur 1.1 Udviklingen i Image - Forsikring B2C Danmark 2011**
## Tabel 1.1 Udviklingen i Image - Forsikring B2C Danmark 2011

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</tr>
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</table>
SAMLET PROFIL:

Som et af de vigtigste resultater i undersøgelsen er profilerne på de forskellige forsikringsselskaber blevet vurderet fra image til opfattet loyalitet.

Den største spredning i kundernes vurdering af deres selskab finder man på loyalitet, hvor der er markant forskel på den loyalitet, som Lærerstandens Brandforsikrings finder hos deres kunder i forhold til loyaliteten hos Gjensidige og Codans kunder.

Figur 1.2 EPSI profil - Forsikring B2C Danmark 2011
**Tabel 1.2 EPSI profil - Forsikring B2C Danmark 2011**

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**2 FORSIKRING NORDISK REGION B2C**

**Figur 2.1 Udviklingen i kundetilfredshed - Forsikring B2C Nordisk region 2011**
### Tabel 2.1 Udviklingen i kundetilfredshed - Forsikring B2C Nordisk region 2011

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Samlet set ligger den nordiske region højere end de tidligere år, når det gælder kundetilfredshed på privat markedet. Finland ligger højest og Norge ligger lavest. Der ses en tendens over årene til en mindre spredning i kundetilfredshed blandt forsikringselskaberne. Den finansielle krise har ikke påvirket forsikringsbranchen på samme måde som mange andre brancher og har ikke haft en negative påvirkning på kundetilfredshed.

### EPSI


EPSI Rating indsamler, analyserer og formidler informationer om image, præferencer og opfattet kvalitet samt loyalitet hos kunder, medarbejdere og andre interessenter til kommersielle virksomheder, NGO’ere (ikke-statslig organisationer), statslige organer og andre organisationer.

Denne undersøgelse præsenterer resultaterne af, hvordan kunderne opfatter deres forsikringsselskaber som privatkunder. Undersøgelsen er en national undersøgelse, som er blevet gennemført på årsbasis siden 1999 i de nordiske og nordeuropæiske lande. Resultaterne, i undersøgelsen, er baseret på en stikprøve på mere end 5.000 telefoninterviewere fra privatkunder (B2C) vedrørende deres forsikringsselskaber.
Interviewene er baseret på tilfældige stikprøver af mennesker, der bor i Danmark og blev gennemført i september 2011 af Norstat A/S.

Tilfredshedsindekset er rapporteret på en skala fra 0 til 100. Jo højere score jo mere tilfredse kunder. Gennemsnittet for virksomhederne findes normalt i området fra 60 til 75. Virksomheder, som får en score på over 75 har en stærk position blandt sine kunder, mens virksomheder som får en score under 60 har en risiko for at miste sit kundeunderlag. En forbedring på 2 point og derover er en anerkendt forandring.

For yderligere information:

EPSI-Denmark
Tel: +45 20 26 06 54 (Hanne Kühl Hejgaard)
E-mail: hanne.hejgaard@epsi-denmark.org
www.epsi-denmark.org
**Forsikring & Pension**

**Forsikringskoncerner - markedsandele 2010**

_Bemærk fra 2009 er statistikken inkl. udenlandsk forretning_

**Beløb i mio. kr.**

Bruttopræmieindtægter - Markedsa direkte forretning ndel i pct.

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*Kilde: Finanstilsynet og If...

*Bemærk fra 2009 er statistikken inkl. udenlandsk forretning*

### Danske selskabers koncerntilknytning - navne og tilhørsforhold i 2010

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*Kontaktperson:
Andreas Østergaard Nielsen, konsulent
[ao@forsikringogpension.dk](mailto:ao@forsikringogpension.dk)*
Appendix 9

Interview with Troels Rasmussen, Director of Communications, Tryg

(Duration approx 45 min. Interviewed on the 12th of March 2012)

The purpose of this interview is to gain an in-depth knowledge of Tryg’s corporate brand strategy under the leadership of Stine Bosse and the corporation’s brand strategy in relation to her personal brand and perceived charisma. Specifically, it is desired to clarify whether Stine Bosse’s personal brand had an effect on performance results and whether her perceived charisma had a positive or a negative effect on the bottom line.

How would you describe Tryg’s branding strategy in comparison to its large competitors (Topdanmark in particular)?

In many ways we have a different strategy. By and large, we have the same market share in Denmark, although we are a bit larger than Topdanmark. But in comparison we are on the same level. We are very aware that we are a business-to-consumer company, which means that we work much more externally than Topdanmark does, and they use as many resources internally as we do externally, but not as much externally to tell about themselves. They use sponsorships more than us, but apart from that they count on parameters such as price and the right risk management to get the customers they want. They are typically “blue”, going for the business segment, where we are typically “red”. By that I’m not saying in any way that Topdanmark do not treat their customers well, but we have more soft values. For instance, Topdanmark do not advertise at all. When we advertise, we use for instance that “train movie”, which is actually a continuation of Stine Bosse’s influence on the company, because it was conceived when she was at Tryg. It is shown now, but was conceived by Stine, or rather she was the one who paved the way for that corporate branding strategy. The whole “safe universe” (Tryghedsunivers, red.) is very much her idea.

And I believe that Stine Bosse is an extremely charismatic person, as is her successor, but some people have that ability that they are noticed when they enter a room, and that ability Stine evidently had. She has had her entire professional career at Tryg and has “grown up” with Tryg, so not only has she influenced Tryg, but Tryg has also influenced her just as much. So you could say that she personifies the company and when Stine spoke of Tryg, she always used the feminine gender: So in that way, we are a feminine workplace and basically the insurance industry is parted into two: The first is very masculine covering business, non-life insurance, marine insurance and so on while the second one, personal insurance and family insurance, is very feminine and has feminine values. So in that way, Stine Bosse personified Tryg. And that does not mean that she was not business minded, because if she was not she would not be such a successful board member she is, and she could be very straightforward as well.

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1 The “train movie” is an award-winning TV-advertisement launched by Tryg in 2011, which puts emphasis on the soft values of safety and trust in the community as a whole.
Does Tryg use the personal brand of the CEO as a strategic corporate branding tool 1) now 2) in the case of Stine Bosse? (as a brand touchpoint)

We did it more when Stine was here because she was so visible and a shortcut to the headlines in the media. Actually we did some research when she left Tryg that showed that she had provided positive publicity for the company covering a value of 17 million DKK during the last year. The numbers were very clear: We calculated that our strategic communication, which is the department I am heading, generated a value of 65 million DKK converted into advertisement costs and out of this amount, Stine generated more than one fourth of this extra added value to our communication effort, using her own personal brand. This was very exciting for us, but put the pressure on us when she left.

How did the personal brand of Stine Bosse affect 1) the corporate brand and 2) bottom line results?

One could say that our bottom line was improved when she left but many of the things that helped improve our bottom line at this point, where things that she had started before she left. And she had worked closely with the current CEO Morten Hübbe, who was CFO when she was here, and we also use him very deliberately in our external communication. But he is not, and should not be, a copy of Stine Bosse. His background and his credibility is based on the fact that he is an extremely talented finance professional, who has not wasted money on wild speculations but has acted very rational and conservative both before and during the financial crisis. And by acting very conservative, he has saved the company billions in losses. Actually, Ekstra Bladet\textsuperscript{2} named him the most boring CEO because nobody knew who he was. His proclaimed goal is to run a sensible, decent and intelligent business for the good of customers, shareholders and employees. And in that way, he holds on to the idea of “safety” that Stine carried out.

Did bottom line results or performance change as a direct consequence of Stine Bosse leaving Tryg?

2010 was a terrible year, and we had planned some price increases that came through in 2011, and you should see the connection in that perspective. But also, Morten Hübbe did some good things in 2011, and Stine would probably have done the same things as he. Under all circumstances, he would have been her primary advisor. Of course, some things change when a new CEO enters but basically, we have not changed a lot. Insurance terms change over time due to weather conditions and market price, but at the end of the day, we as a company have not changed.

Stine Bosse added value, because she as a person exemplified the deliverance of insurance. She exemplified that we as a large company took social responsibility, and she exemplified with her own example that women could run a thriving business and that has had a huge significance in our recruitment of talented women. So in that way she has changed the corporate DNA forever. Even in the

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\textsuperscript{2} Denmark's most read daily newspaper
way we speak and communicate internally, which is to a large extent feminine. And I also know people who wanted to do business with Tryg because they saw Stine as being a woman of honour. But we also have people who think the quite opposite, because when you are dealing with such an explicit brand as Stine, it is impossible that everyone likes it – that’s not even a brand. And some people thought that Stine got too much attention, and they won’t do business with us either.

**Did Stine Bosse's personal brand ever outperform or damage Tryg’s corporate brand?**

Tryg is a huge brand, and that might have happened if the corporate brand was weaker. Her personal brand did damage the corporate brand, but the positive sides where far bigger. But yes, some did probably choose not to do business with us because of her and a far bigger part chose to do business with us because of her.

**What do you believe was the reason behind Stine Bosse being perceived as charismatic? And how was this used for communicative purposes (e.g. was it used in the media)?**

A part of it has to do with her as a person. Being charismatic is a personal quality, and I do not believe it can be taught. And of course it is related to her authenticity, she means what she says and her DNA is connected with the company because she “grew up” with it. And that kind of authenticity adds something to the charisma. I have seen top managers who were charismatic, but were not in harmony with the company. There has to be an alignment between the company image, its development and the CEO. And on top of that, there is this personal quality that you can see from an early age.

But speaking of personal qualities, Stine could not enter any corporation and be charismatic, only if she is in harmony with the company and understands the company DNA, and the company DNA is close to hers, then she can add a large amount of value. You have to be able to identify her with the company, and I do not believe that she could be CEO of another company and add as much value as she did here.

**On a scale from 1-5 (5 being maximum score), please rate Stine Bosse on the following parameters, during her time at Tryg:**

1. **Self-confidence**

4 I would say. She had a great need for coaching as well.

2. **Strong faith in their vision**

5

3. **Out of ordinary behaviour**
Clearly a 5, especially for her extracurricular work with un-adapted teens and so on.

4. Change-seekers

Probably a 3,5 I would say, again because she grew up with this “safe” universe

5. Role modelling

Very high, because a lot of women out there could see themselves in her. 5.

6. Image Building

4, because she did work strategically in promoting her own image

7. Articulation of goals

4

8. Showing confidence

5

9. Arousing follower’s motives

5, she was extremely good at this.

Do you have any statistics or estimations that show Stine Bosse’s personal brand-effect on bottom line results?

No, only when calculating her added value in relation to publicity. But of course, her brand was used strategically to make our products more interesting for the media and public. And that worked so well, that I had to turn down a lot of interview requests from the media, at least 75 per cent I had to turn down.

But when you look at the results since she started heading Tryg, and you correct it according to the financial crisis and the tough winter in 2010, you will see that we have not had negative results in the period. She really made a turnaround, starting with a business that did not make money and ending with a high-performing company. Even though the management team and the management style, according to me, became a bit too “feel good”.
Note: Interview methodology is based on Steinar Kvale’s qualitative interviews; more specifically the semi-structured qualitative interview (Kvale, S., InterView, 1996).
ABSTRACT

This paper reviews the traditional literature on charisma, as well as selected social psychology literature the author feels is relevant to the concept of charisma. Throughout the paper, the author examines a number of topics related to the concept of charisma, including charismatic effects, characteristics of charismatic leaders, behavior of charismatic leaders, and situational factors associated with the emergence and effectiveness of charismatic leaders. Based on this analysis, the author develops a speculative theoretical explanation of charisma from a psychological perspective, rather than from a sociological or political science perspective. He also presents eight testable propositions on which to base further leadership research. (Author/JG)
A 1976 THEORY OF CHARISMATIC LEADERSHIP

ROBERT J. HOUSE

Working Paper 76-06


The author is indebted to Hugh J. Arnold, Martin G. Evans, Harvey Kolodny, Stephan J. Motiwidlo and John A. Dearness for their helpful critique of this paper.
Charisma is the term commonly used in the sociological and political science literature to describe leaders who by force of their personal abilities are capable of having profound and extraordinary effects on followers. These effects include commanding loyalty and devotion to the leader and of inspiring followers to accept and execute the will of the leader without hesitation or question or regard to one’s self interest. The term charisma, whose initial meaning was "gift", is usually reserved for leaders who by their influence are able to cause followers to accomplish outstanding feats. Frequently such leaders represent a break with the established order and through their leadership major social changes are accomplished.

Most writers concerned with charisma or charismatic leadership begin their discussion with Max Weber's conception of charisma. Weber describes as charismatic those leaders who "... reveal a transcendent mission or course of action which may be in itself appealing to the potential followers, but which is acted on because the followers believe their leader is extra-ordinarily gifted" (Dow, 1969, p. 307). Transcendence is attributed implicitly to both the qualities of leader and the content of his mission, the former being variously described as "supernatural, superhuman or exceptional" (Weber, 1947, p. 358).

Several writers contend that charismatic leadership can and does exist in formal complex organizations (Dow, 1969; Oberg, 1972; Runelman, 1963;
Shils, 1965). Yet despite the profound effects that charismatic leaders are presumed to have on followers' commitment, motivation and performance, discussions of charisma have been speculative in nature and almost exclusively theoretical. To the knowledge of this writer none of the theoretical notions in the sociological or political science literature have been subjected to empirical test, despite the fact that many of these notions are implicitly testable.

In this paper the traditional literature on charisma will be reviewed and, where possible, the major assertions in this literature will be re-stated as propositions in an attempt to make them testable. In addition selected literature from the discipline of social psychology will be reviewed and propositions which the writer believes are relevant to the concept of charisma will be inferred from the literature.

In the remainder of this paper the concept of charisma will be examined under the following topics: charismatic effects, characteristics of charismatic leaders, behavior of charismatic leaders, situational factors associated with the emergence and effectiveness of charismatic leaders. While these topics will be addressed separately they are necessarily intertwined. Thus, at times a discussion of one topic will have implications for the other topics, and reference will be made to such implications.

The outcome of this analysis is a speculative theoretical explanation of charisma from a psychological perspective rather than from a sociological or political science perspective. Hopefully, such an explanation will help us to have greater insight into how charismatic leadership emerges and its effects in modern organizations. Further, it is hoped that such
an explanation will provide testable propositions with which to further leadership research.

**The Effects of Charismatic Leadership**

In the current literature the term charismatic leadership is generally defined and described in terms of the effects of the leader on followers, or in terms of the relationship between leaders and followers. For example Oberg (1972) states that "the test for charisma ... is the degree of devotion and trust the object (charismatic leader) inspires and the degree to which it enables the individual to transcend his own finiteness and alienation and feel made whole" (p. 22). Tucker (1968) refers to both "charismatic following" and the "charismatic relationship".

Often times, the relationship of the followers to the charismatic leader is that of disciples to a master, and in any event he is revered by them. They do not follow him out of fear or monetary inducement, but out of love, passionate devotion, enthusiasm. They are not as a rule concerned with career, promotion, salary, or benefice. The charismatic following is a non-bureaucratic group" (p. 735).

It appears that all writers agree that the effects of charismatic leadership are more emotional than calculative in that the follower is inspired to enthusiastically give unquestioned obedience, loyalty, commitment and devotion to the leader and to the cause that the leader represents.

The charismatic leader is seen to be an object of identification by which the followers emulate the leaders' values, goals, and behavior. Thus, one of the effects of the charismatic leader is to cause followers to model their behavior, feelings, and cognitions after the leader (Friedrich, 1961). Through the articulation of a transcendent goal the leader is assumed to clarify or specify a mission for the followers. By the leader's expression
of self-confidence, and through the exhibition of confidence in followers the leader is also assumed to inspire self-confidence in the followers. Thus the charismatic leader is asserted to clarify followers' goals, cause them to set or accept higher goals and have greater confidence in their ability to contribute to the attainment of such goals.

Finally, according to the traditional literature on charisma the charismatic leader is assumed to have the effect of bringing about rather radical change by virtue of beliefs and values that are different from the established order. Thus Oberg (1972) speaks of the "change agent" function of the charismatic leader.

The above review of the effects of charismatic leadership suggests several dependent variables for a theory of charisma. Some of these effects are: follower trust in the correctness of the leader's beliefs, similarity of followers' beliefs to those of the leader, unquestioning acceptance of the leader, affection for the leader, willing obedience to the leader, identification with and emulation of the leader, emotional involvement of the follower in the mission, heightened goals of the follower, and the feeling on the part of followers that they will be able to accomplish, or contribute to the accomplishment of the mission. This large number of charismatic effects is consistent with Etzioni's definition of charisma as "... the ability of an actor to exercise diffuse and intensive influence over the normative (ideological) orientations of other actors" (Etzioni, 1962, p. 203).

The charismatic effects listed above constitute an initial list of variables that can be used as preliminary dependent variables for a theory
of charisma. While this number of variables lacks parsimony as the defining criteria of a charismatic leader, this list of presumed "charismatic effects" provides a starting point for empiric research on charisma. If one were to identify a number of persons in a population (say military or industrial leaders in a given society) whom informed observers (such as superiors or peers) could agree on as being clearly charismatic, it would be possible to identify these leaders' effects by measuring the degree to which their followers' responses to them are different from responses of followers of other leaders randomly selected from the same population. The major differences in follower responses could then be clustered into primary groups and scaled. The scores of the followers on these groups could then serve as the basis for a more accurate, complete and parsimonious operational definition of charismatic effects. Leaders who have such effects on followers could be identified in subsequent samples. Such leaders could then be classified as charismatic leaders. Their personality characteristics and behaviors could be compared with those of other leaders (who do not have such effects) to identify characteristics and behaviors which differentiate the charismatic leaders from others. This process of operationally defining charismatic leadership permits one to identify leaders in a population who have the charismatic effects described in the traditional literature and thereby specify an operational set of dependent variables for a theory of leadership.

Some of the above effects have also been the dependent variables in social-psychological research. Specifically, the ability of one person to arouse needs and enhance self-esteem of others, and the ability of one
person to successfully serve as a behavioral model for another have been the subject of substantial empirical investigation by psychologists. In later sections of this paper we will review this research, in an attempt to identify and describe the specific situational factors and leader behaviors that result in such "charismatic" effects.

Defining charismatic leadership in terms of its effects permits one to identify charismatic leaders only after they have had an impact on followers. Such a definition says nothing about the personal characteristics, behaviors, or situational factors that bring about the charismatic effects. This is the scientific challenge that must be addressed if the mysterious quality of charismatic leadership is to be explained and charismatic effects are to be made predictable. We now turn to a discussion of these issues.

**Definition of Charismatic Leadership**

Throughout this paper the term charismatic leader will be used to refer to any leader who has the above "charismatic effects" on followers to an unusually high degree.\(^1\) The specific operational definition of a given charismatic leader awaits research which will allow one to scale the effects and establish specific cutting points on such scales to differentiate charismatic leaders from other leaders. While it is not likely that all

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\(^1\) This definition would be tautological if the "charismatic effects" were not operationally discovered using two independent operations. However since the discovery of the "charismatic effects" involves having charismatic leaders identified by one set of observers (peers or superiors) and specification of their effects by an independent set of observers, (namely their followers) such a definition avoids the tautological problem.
charismatic leaders have all of the above "charismatic effects," there are many possibilities that can be examined. For example such effects may be present in a complex interacting manner. Alternatively it may be the sum of, or some absolute level of selected effects that do indeed differentiate charismatic leaders from others.

Characteristics of the Charismatic Leader

Both the literature concerning charismatic leadership and the opinion of laymen seem to agree that the charismatic leader can be described by a specific set of personal characteristics. According to Weber the charismatic leader is accepted by followers because both the leader and the follower perceive the leader as possessing a certain extraordinary gift. This "gift" of charisma is seldom specified and generally held to be some mysterious quality that defies definition. In actuality the "gift" is likely to be a complex interaction of personal characteristics, the behavior the leader employs, characteristics of followers and certain situational factors prevailing at the time of the assumption of the leadership role.

The literature on charismatic leadership repeatedly attributes three personal characteristics to leaders who have charismatic effects, namely: extremely high levels of self-confidence, dominance, and a strong conviction in the moral righteousness of his/her beliefs.\(^2\) It is interesting to

\(^2\)It is entirely possible that charismatic leaders present themselves as highly confident and as having a strong conviction in the moral righteousness of their beliefs but do not indeed believe in either themselves or their beliefs. Some leaders may thus have charismatic effects because of their ability \underline{act as though} they have such confidence and convictions. The writer is indebted to Ed Locke for pointing out this alternative hypothesis.
note that three of these characteristics are also attributed to charismatic leaders by laymen as well as by scholars. As a classroom exercise I have on three occasions asked students to form into small groups and to discuss the characteristics of some charismatic leader that they have personally known or to whom they have been exposed. These groups repeatedly described the charismatic leaders that they selected for discussion as possessing dominance, self-confidence and a strong conviction in their beliefs and ideals.

While the consensus of political science and sociological writers and the results of my own informal experiment are not evidence that leaders who have charismatic effects do indeed possess these characteristics, the argument is certainly subject to an empiric test with self-report measures of personality traits, beliefs and values.

In addition to the characteristics discussed above it is hypothesized here that leaders who have charismatic effects have a high need to have influence over others. Such a need seems intuitively likely to characterize leaders who have such effects because without such a need they are unlikely to have developed the necessary persuasive skills to influence others and also unlikely to obtain satisfaction from the leadership role. Uleman (1972) has developed a measure of the need for influence that can be used to test the above hypotheses.

The following proposition summarizes the above discussion:

PROPOSITION 1

Characteristics that differentiate leaders who have charismatic effects on subordinates from leaders who do not have such charismatic effects are dominance and self-confidence, need for influence, and a strong conviction in the moral righteousness of their beliefs.
Behavior of Charismatic Leaders

The sociological and political science literature offer some hints about the behavior of charismatic leaders.

Role Modeling: First it is suggested that leaders who have charismatic effects behave in the manner in which they want their followers to behave. That is the leader "role models" for the followers. Gandhi constitutes an outstanding example of such systematic and intentional role modeling. He preached self-sacrifice, brotherly love, and non-violent resistance to British rule. Repeatedly he engaged in self-sacrificing behaviors such as giving up his lucrative law practice to live the life of a peasant, engaging in civil disobedience, fasting, and refusing to accept the ordinary conveniences offered to him by others.

The importance of role modeling as a leadership strategy is illustrated by Gandhi's proposed leadership policies for the self-governance of India.

Most important for Gandhi was the example that leaders set for their followers ... 'No leader of an independent India will hesitate to give an example by cleaning out his own toilet box.' (Collins and LaPierre, 1975, pp. 234-235).

Concerning role modeling, a study by Joestling and Joestling (1972) is suggestive of the effects that a high status role model can have on the self-esteem of observers. Male and female students were asked to rate the value of being a woman. Half of the students were enrolled in the class taught by a qualified female instructor. Twenty-six percent of the women subjects in the class taught by a male thought there was nothing good about being a woman. In contrast only five percent of the women subjects in the class taught by a qualified female had similar negative attitudes toward being a woman.
While role modeling often proves successful, success does not always occur. The question then is what permits a leader to be a successful role model, i.e. to be emulated by the followers.

There is substantial evidence that a person is more likely to be modeled to the extent that that person is perceived as nurturant (i.e. helpful, sympathetic, approving) and as being successful or possessing competence.

There is evidence that role modeling can have profound effects. Behavior resulting from modeling may be very specific such that the individual can be said to imitate or mimic the behavior of the model. Or, the behavior may be more general, taking the form of innovative behavior, generalized behavior orientations and applications of principles for generating novel combinations of responses (Bandura, 1968).

Bandura (1968) reviews a substantial body of experimental evidence that shows that:

(a) Model's emotional responses to rewards or punishments elicit similar emotional responses in observers (p. 240).

(b) Stable changes in the valences (a measure of attractiveness) subjects assign to outcomes and changes in long standing attitudes often result from the role modeling (pp. 243-244), and;

(c) Modeling is capable of developing generalized conceptual and behavioral properties of observers such as moral judgement orientations and delay-of-gratification patterns of behavior (p. 252).

Of particular significance for the study of leadership are the diverse kinds of attitudes, feelings and behavior and the diversity of subjects
involved in prior studies. Role modeling has been shown to influence the degree to which: (a) undergraduate females learn assertive behavior in assertiveness training programs (Young, Rimm and Kennedy, 1973); (b) mentally disturbed patients assume independence in their personal life (Goldstein, et al., 1973); (c) undergraduates are willing to disclose unfavorable or favorable anxiety related information to others (Sarason, Ganzer and Singer, 1972); (d) personal changes and learning outcomes result from adult t-groups (Peters, 1973); (e) individuals are willing to induce punishment (electric shock) to others (Baron, 1971); (f) nurses experience fear of tuberculosis (DeWolfe, 1967); (g) subjects adopt biased attitudes toward minority ethnic groups (Stotland and Patchin, 1961; Kelman, 1958).

Many of the subjects in the above studies were either college students or adults. Thus, the findings are not limited to young children but are also relevant to persons in full-time occupations. Further, the dependent variables are all of significance for effective organizational or group performance. Feelings of fear, willingness to disclose information unfavorable to self, stereotyping, willingness to administer punishment, prejudicial attitudes, learning of interpersonal skills, and learning of independence are relevant to interpersonal relations within organizations. Similarly, these cognitions and behaviors are relevant to the establishment of trust, to adequacy of communication and to experiences that are satisfying in organizational life.

Thus it is argued here that role modeling is one of the processes by which leaders can bring about charismatic effects. Furthermore, it is likely that the feelings, cognitions and behavior that are modeled frequently
determine subordinates' adjustment to organizational life, their job satisfaction and their motivation to work. With respect to motivation the above findings suggest that leaders can have an effect on the values (or valences) subordinates' attach to the outcomes of their effort as well as their expectations. And, as will be discussed below, leaders can also have an effect on subordinates' self-esteem, and their goal levels. Based on the above review of the literature concerned with role modeling, the following proposition is advanced:

PROPOSITION 2

The more favorable the perceptions of the potential follower toward a leader the more similar will be:

a) The valences of the follower and the leader
b) The expectations of the leader and the follower that effective performance of the follower will result in desired or undesired outcomes for the subordinate
c) The emotional responses of the follower and the leader to work related stimuli
d) The attitudes of the follower and the leader toward their work and toward the organization.

Here "favorable perceptions" is defined as the perceptions of the leader as attractive, nurturant, successful or competent.

Image Building. If proposition 2 is valid then it can be speculated that leaders who have charismatic effects engage not only in the behaviors they want followers to model but also that such leaders take actions consciously designed to be viewed favorably by followers. This speculation leads to the following proposition:

PROPOSITION 3

Leaders who have charismatic effects are more likely to engage in behaviors designed to create the impression of competence and success than leaders who do not have such effects.
This proposition is consistent with the traditional literature on charismatic leadership. Weber (1947) speaks of the necessity of the charismatic leader to "prove" his extraordinary powers to the followers. Only as long as he can do so will he be recognized. While Weber and others have argued that such "proof" lies in actual accomplishments, the above proposition stresses the appearance of accomplishments and asserts that charismatic leaders engage in behaviors to gain such an appearance.

**Goal Articulation.** In the traditional literature on charisma it is frequently asserted that charismatic leaders articulate a "transcendent" goal which becomes the basis of a movement or a cause. Such a goal is ideological rather than pragmatic and is laden with moral overtones. Alternatively, if a movement is already in effect one behavior of the emerging leader is the articulation of the goal of the movement with conviction and exhortation of the moral rightness of the goal (Tucker, 1968; p. 738).

Examples of such goals are Martin Luther King's "I have a dream", Hitler's "Thousand year Reich" and his "lebensraum", or Gandhi's vision of an India in which Hindus and Moslems would live in brotherly love, independent from British rule.

Berlew states:

The first requirement for ... charismatic leadership is a common or shared vision for what the future could be. To provide meaning and generate excitement, such a common vision must reflect goals or a future state of affairs that is valued by the organizations members and thus important to them to bring about. ... All inspirational speeches or writings have the common element of some vision or dream of a better existence which will inspire or excite those who share the author's values. This basic wisdom too often has been ignored by managers. (1974; p. 269).
Thus the following proposition is advanced:

PROPOSITION 4

Leaders who have charismatic effects are more likely to articulate ideological goals than leaders who do not have such effects.

Exhibiting High Expectations and Showing Confidence: Leaders who communicate high performance expectations for subordinates and exhibit confidence in their ability to meet such expectations are hypothesized to enhance subordinates' self-esteem and to affect the goals subordinates accept or set for themselves. Some examples of this kind of charismatic leader behavior are Churchill's statement that England's air defense in World War II was "England's finest hour," Hitler's claim that aryans were "the master race," black leaders' exhortation that "Black is beautiful," and Martin Luther King's prediction that "We shall overcome." All of these statements imply high expectations and confidence in the followers.

There is substantial evidence that the degree of self-esteem and the expectation that one can accomplish one's goals are positively related to motivation and goal attainment. Persons with high self-esteem are more likely than low self-esteem persons to seek higher personal rewards for performance (Pepitone, 1964), and to choose occupations that are congruent with self-perceived traits (Korman, 1966, 1969) and self-perceived ability level (Korman, 1967b). Further, Korman (1968) has shown experimentally that for high self-esteem subjects there is a positive relationship between task performance and satisfaction but that no such relationship exists for low self-esteem subjects. Raben and Klimoski (1973) have also shown experimentally that high self-esteem subjects are more likely than
low self-esteem subjects to rise to the challenge of doing a task for which they believe they are not qualified. Thus, it is argued here that to the extent that the leader can affect the self-esteem of subordinates, leader behavior will have an effect on the kinds of rewards subordinates seek, their satisfaction with the rewards they obtain and their motivation to perform effectively.

The effect of leader behavior on subordinate self-esteem has been given little attention in the leadership literature. The assertion that leaders can affect subordinates' self-esteem is derived from two lines of research: research concerning the role modeling effects and research concerned with reality testing.

We have already argued that through role modeling leaders can have a rather profound effect on subordinates' beliefs. One of these beliefs is self-esteem which is defined by Lawler (1971, p. 107) as the belief that subordinates have with respect to their own general level of ability to cope with and control their environment. It is argued here that subordinates' self-perceptions are likely to be modeled after the leaders' perceptions of the subordinates. Thus if the leader communicates high performance expectations and shows confidence in subordinates they will in turn set or accept a higher goal for themselves and have greater confidence in themselves.

The second line of research suggesting that leaders affect subordinates' self-esteem is that research concerned with "reality testing". In social situations where inter-personal evaluation is highly subjective, individuals tend to "reality test" i.e. to test their notions of reality against the opinions of others (Festinger, 1950; Deutsch and Gerard, 1955).
Consequently, to the extent that the leader shows followers that he/she believes them to be competent and personally responsible the followers are hypothesized to also perceive themselves as competent. This self-perception is hypothesized to enhance motivation, performance and satisfaction. Some indirect evidence in support of this line of reasoning is found in the results of studies by Berlew and Hall (1966), Stedry and Kay (1966), Korman (1971), Rosenthal and Jacobson (1968), Seaver (1973), and Meichenbaum, Bowers and Ross (1969). Berlew and Hall (1966) and Stedry and Kay (1966) in field studies both found that individual performance increased as a function of the level of expectation superiors communicated to the individuals. Similarly, Korman (1971) showed in a laboratory study that the performance of students on creative tasks were a direct positive function of the expectations that other college students had for the laboratory subjects. Korman (1971) also showed that ratings of subordinates' performance in two field settings and self-ratings of motivation in three field settings were all significantly correlated with the degree to which subordinates perceived their leaders' practices to reflect confidence in the subordinates.

These findings are consistent with those conducted in educational settings in which the expectations of teachers have been shown to be reflected in the performance of students (Rosenthal and Jacobson, 1968; Seaver, 1973; Meichenbaum, Bowers and Ross, 1969). In these studies teachers were induced to believe that certain students were more competent than others. This belief, or expectancy, on the part of the teacher was shown to be associated with higher student performance. However, there are also studies conducted in educational settings which have failed to demonstrate
an effect of teachers' expectancies on students' performance (Anderson and Rosenthal, 1968; Claiborn, 1969; Conn, Edwards, Rosenthal and Crowne, 1968; Evans and Rosenthal, 1969; Fiedler, Cohen and Finney, 1971). Seaver (1973) points out that in all of these disconfirming studies and also in the Rosenthal and Jacobson study which is the subject of much controversy, the means of inducing teacher expectations were weak and thus "... the failure to find expectancy effects may be attributable solely to their failure to induce the desired expectancy in teachers" (p. 341).

If it is assumed that the leader's expectation of subordinates affect the subordinates' self-esteem and their self-esteem in turn affects their performance then the above studies all provide indirect support for the assertion that leader's expectations affect subordinate's performance.

The combination of leader's confidence and high expectations, rather than high expectations alone, should be emphasized here. It is possible that leaders might set high performance standards thus implying high expectations of subordinates, while at the same time showing low confidence in the subordinates' ability to meet such expectations. An example of this would be the leader who scores high on such questionnaire items "he needles foremen for production/" (Fleishman, Note 1). While such leader behavior may motivate subordinates to strive for high performance in order to avoid punishment, it is also likely to induce fear of failure. Such a state in turn will likely be accompanied by efforts to avoid accountability on the part of the subordinates, strong feelings of dissatisfaction, low acceptance of the leader and resistance to the leaders' influence attempts in the long run.
Thus, while leader expectations are considered to have a significant effect on the reactions of subordinates, high expectations are hypothesized to have a positive effect only when subordinates' perceive the superior to also have confidence in their (the subordinates') ability to meet such expectations.

**Effect on Followers' Goals:** In addition to affecting the self-esteem of subordinates, leader expectations and confidence are also hypothesized to affect several important characteristics of the subordinates' goals. In the following paragraphs we review the research concerned with goal characteristics.

In a series of laboratory studies, Locke and his associates (Bryan and Locke, 1967a, 1967b; Locke and Bryan, 1966a, 1966b) have demonstrated that when subjects are given specific goals by the experimenter they perform at significantly higher levels than those given the instruction to "do your best." Two field studies (Mace, 1935; Mendleson, 1971) also offer support for the generalizability of these laboratory findings to natural field settings. Thus, it is argued here that if laboratory experimenters can influence the goal characteristics of experimental subjects it seems reasonable that leaders can have similar influence on the goal characteristics of subordinates.

Specific and high expectations of leaders are hypothesized to clarify subordinates' performance goals. Further, it is hypothesized that the more the leader shows confidence in the subordinates' ability to meet goals the more subordinates are likely to accept them as realistic and attainable.

Specific and high leader expectations are likely to provide a standard against which subordinates can evaluate their own performance. Accordingly,
it is hypothesized here that leaders' expectations also serve as a basis on which subordinates may derive feedback. Finally it is hypothesized that when the leader's expectations are both high and clear to the subordinate and when the leader shows confidence in the subordinate's ability to meet such expectations, the subordinate will set and/or accept higher goals for themselves than would otherwise be the case, and will have more confidence that they will be able to meet the goals.

The above hypotheses concerning the leaders' effect on followers self-esteem and goals can be summarized in the following proposition:

PROPOSITION 5

Leaders who simultaneously communicate high expectations of, and confidence in followers are more likely to have followers who accept the goals of the leader and believe that they can contribute to goal accomplishment and are more likely to have followers who strive to meet specific and challenging performance standards.

Motivation Arousal Leader Behavior: One explanation for the emotional appeal of the charismatic leader may be the specific content of the messages he communicates to followers. It is speculated here that charismatic leaders communicate messages that arouse motives that are especially relevant to mission accomplishment. For example Gandhi's exhortations of love and acceptance of one's fellow man likely aroused the need for affiliation, a need (or motive) especially relevant to the goal of uniting Hindus, Moslems and Christians.

Military leaders often employ symbols of authoritarianism and evoke the image of the enemy. Thus arousing the power motive, a motive especially relevant to effective combat performance. For example Patton (1963) when addressing infantry recruits would do so against the background of a large
American flag, and dressed with medals of his accomplishments and wearing a shining helmet displaying the four stars indicating the status of general.

Miner's research is relevant to defining some of the conditions under which the arousal of the need for power is associated with successful performance. Miner found that individuals who were high on a projective (sentence completion) measure of the power need were more likely to be successful in hierarchical bureaucratic organizations than individuals low on the power need. These findings did not hold true in egalitarian non-bureaucratic organizations however (Miner, 1965).

Industrial leaders and leaders of scientists frequently stress excellence of performance as a measure of one's worth, thus arousing the need for achievement, a motive especially relevant to the assumption of personal responsibility, persistence and pride in high quality work performance. Varga (1975) has shown that the need for achievement is positively associated with economic and technical performance among research and development project leaders. He has also shown that the need for power is a strong factor contributing to such success when in conjunction with the need for achievement but a factor making for failure when possessed by leaders low on the need for achievement.

There is some evidence that formally appointed leaders in a laboratory situation are capable of arousing subordinate's need for achievement (Litwin and Stringer, 1968). There is also a substantial amount of evidence that the achievement, affiliation and power needs can be aroused from experimental inductions. For example the need for achievement has been aroused for males by suggesting to subjects that the experimental task is a measure of personal competence, or that the task is a standard against
which one can measure his general level of ability (McClelland et al., 1958; McClelland, 1953; Raynor, 1974; Heckhausen, 1967).

The need for affiliation has been aroused by having fraternity members rate one another, while all were present, on a sociometric friendship index (Shipley and Veroff, 1952) while at the same time requiring each brother to stand and be rated by the other members of the fraternity on a list of trait adjectives.

The power need has been aroused experimentally by (a) evoking the image of, or remaining one of an enemy, (b) having subjects observe the exercise of power by one person over another or (c) allowing subjects to exercise power over another (Winter, 1973). Thus it is hypothesized that needs can be, and often are, similarly aroused by leaders in natural settings. By stressing the challenging aspects of tasks, making group members acceptance of each other salient to performance appraisal or talking about competition from others, it is hypothesized that leaders can and frequently do arouse the needs for achievement, affiliation and power. Further it is hypothesized that to the extent that such motives are associated with task required performance, the leaders arousal of these motives will result in increased effectiveness on the part of subordinates. Thus the performance consequence of motive arousal is contingent on the task requirements. For example, when task demands of subordinates requires assumption of calculated risks, achievement oriented initiative, assumption of personal responsibility, and persistance toward challenging goals, the arousal of the need for achievement will facilitate task accomplishment. Further, there is evidence that when subordinates' need for achievement is high,
task accomplishment will lead to satisfaction. When subordinates' need for achievement is low task accomplishment will not be related to satisfaction (Steers, 1975).

When the task demands of subordinates require them to be persuasive, assert influence over or exercise control of others, or be highly competitive or combative, the arousal of the power motive is hypothesized to be related to effective performance and satisfaction. For example on competitive tasks, or tasks requiring persuasion or aggression, the arousal of the power motive is hypothesized to lead to effective performance.

Finally, when task demands require affiliative behavior, as in the case of tasks requiring cohesiveness, team work and peer support, the arousal of the affiliative motive becomes highly relevant to performance and satisfaction. An example of such tasks would be tasks that are enriched by assignment of major work goals to groups rather than individuals (Trist and Bramforth, 1951).

These speculations are summarized with the following proposition:

PROPOSITION 6

Leaders who have charismatic effects are more likely to engage in behaviors that arouse motives relevant to the accomplishment of the mission than are leaders who do not have charismatic effects.

Social Determinants of Charismatic Leadership

The traditional literature (Weber, 1947) stresses that charismatic leadership is born out of stressful situations. It is argued that such leaders express sentiments deeply held by followers. These sentiments
are different from the established order and thus their expression is likely to be hazardous to the leader (Friedland, 1964). As the expression of sentiments are deeply held by followers they are sympathetic to the cause expressed by the leader. Since their expression is hazardous the leader is perceived as courageous. Because of other "gifts" attributed to the leader such as extraordinary competence the followers believe that the leader will bring about social change and will thus deliver them from their plight.

Thus it can be hypothesized that a strong feeling of distress on the part of followers is one situational factor that interacts with the characteristics and behavior of leaders to result in charismatic effects.

However Shils (1965) argues that charisma need not be born out of distress. Rather, according to Shils charisma is dispersed throughout the formal institutions of society. Accordingly, persons holding positions of great power will be perceived as charismatic because of the "awe-inspiring" quality of power. Shils' only requirement is that the expression of power must appear to be integrated with a transcendent goal.

The above controversy suggests the hypothesis that leaders are more likely to have charismatic effects in situations stressful for followers than in non-stressful situations. Further it can be hypothesized that persons with the characteristics of dominance, self-confidence, need for influence and strong convictions will be more likely to emerge as leaders under stressful conditions. Whether or not follower distress is a necessary condition for leaders to have charismatic effects or for persons with such characteristics to emerge as leaders is an empirical question that remains to be answered.
While there is lack of agreement as to whether or not leaders can have charismatic effects under non-stressful situations, all writers do seem to agree that charisma must be based on the articulation of an ideological goal. Opportunity to articulate such a goal, whether in stressful or non-stressful situations, thus can be hypothesized as one of the situational requirements for a person to have charismatic effects. This hypothesis suggests that whenever the roles of followers can be defined as contributing to ideological values held by the follower, a leader can have charismatic effects by stressing such values and engaging in the specific behaviors described in the above propositions.

The question then is under what circumstances are roles definable terms of ideological values. Clearly the roles of followers in political or religious movements can be defined in terms of ideological values. In addition Berlew (1974) argues that since man seeks meaning in work there are many such ideological values to be stressed in modern formal organizations. Specifically he argues that any of the following value-related opportunities listed in figure 1 can have a charismatic effect.

There are some work roles in society which do not lend themselves to ideological value orientation. These are generally the roles requiring highly routine nonthinking effort in institutions directed exclusively to economic ends. It is hard to conceive of clerks or assembly line workers in profit making firms as perceiving their roles as ideologically oriented. However the same work when directed toward an ideological goal could lend itself to charismatic leadership. For example in World War II "Rosie the Riviter" expressed the ideological contribution of an assembly line worker. And, such menial efforts as stuffing envelopes frequently are directed
toward ideological goals in political or religious organizations. The following proposition summarizes the above argument:

PROPOSITION 8

A necessary condition for a leader to have charismatic effects is that the role of followers be definable in ideological terms that appeal to the follower.

Summary and Overview

Figure 2 presents a diagramatic overview of the theory presented above. It is hypothesized that leaders who have charismatic effects are differentiated from others by some combination (possibly additive and possibly interactive) of the four personal characteristics shown in the upper right box: dominance, self-confidence, need for influence, and a strong conviction in the moral righteousness of his or her beliefs. Charismatic leaders are hypothesized to employ these characteristics with the following specific behaviors: goal articulation, role modeling, personal image building, demonstration of confidence and high expectations for followers, and motive arousal behaviors. Goal articulation and personal image building are hypothesized to result in favorable perceptions of the leader by followers. These favorable perceptions are asserted to enhance followers trust, loyalty and obedience to the leader and also to moderate the relationships between the remaining leader behaviors and the follower responses to the leader. The follower responses are hypothesized to result in effective performance if the aroused behavior is appropriate for their task demands.

Conclusion - Why a 1976 Theory

This paper presents a "1976" theory of charismatic leadership. The
date, 1976, is attached to the title to reflect the philosophy of science of the writer. The theory is advanced for the purpose of guiding future research and not as a conclusive explanation of the charismatic phenomena. As such it includes a set of propositions that are hopefully testable. Admittedly tests of the theory will require the development and validation of several new scales. However it is hoped that the propositions are at least presently testable in principle. "A theory that can not be mortally endangered cannot be alive" (cited in Platt from personal communication by W.A.H. Ruston).

The results of empirical tests of the theory will undoubtedly require revision of the theory. It is believed by the writer that theories, no matter how good at explaining a set of phenomena, are ultimately incorrect and consequently will undergo modification over time (see Kuhn, 1970 for evidence of this assertion). Thus as Mackenzie and House (1976) have stated "... the fate of the better theories is to become explanations that hold for some phenomena in some limited conditions." Or, as Hebb (1962, p. 21) asserts "A good theory is one that hold together long enough to get you to a better theory."

Hopefully at some future date this theory will have led to a better theory.
Figure 1

Sources of Meaning in Organizations:
Opportunities and Related Values*

<table>
<thead>
<tr>
<th>Type of Opportunity</th>
<th>Related Need or Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. A chance to be tested; to make it on one’s own</td>
<td>Self-reliance</td>
</tr>
<tr>
<td></td>
<td>Self-actualization</td>
</tr>
<tr>
<td>2. A social experiment, to combine work, family, and play in some new way</td>
<td>Community</td>
</tr>
<tr>
<td></td>
<td>Integration of life</td>
</tr>
<tr>
<td>3. A chance to do something well—e.g., return to real craftsmanship; to be really creative</td>
<td>Excellence</td>
</tr>
<tr>
<td></td>
<td>Unique accomplishment</td>
</tr>
<tr>
<td>4. A chance to do something good—e.g., run an honest, no rip-off business, or a youth counselling center</td>
<td>Consideration</td>
</tr>
<tr>
<td></td>
<td>Service</td>
</tr>
<tr>
<td>5. A chance to change the way things are—e.g., from Republican to Democrat or Socialist, from war to peace, from unjust to just</td>
<td>Activism</td>
</tr>
<tr>
<td></td>
<td>Social responsibility</td>
</tr>
<tr>
<td></td>
<td>Citizenship</td>
</tr>
</tbody>
</table>

*Source Berlew, 1974
Dotted lines indicate that favorable perceptions moderate the relationship between leader behavior and follower responses.
Note

References


Baron, Robert A. Exposure to an aggressive model and apparent probability of retaliation from the victim as determinants of adult aggressive behavior. *Journal of Experimental Social Psychology*, 1971.


Bryan, J.F. and Locke, E.A. Parkinson's law as a goal-setting phenomenon. *Organizational Behavior and Human Performance*, 1967, 2, 258-75. (b)


Topdanmark Medieanalyse
4.Kvartal og årsanalyse 2011
**Topdanmark**  
**Hovedresultater for 4. kvartal 2011**

Tabel 1: Nøgletal fordelt på forretningsområder

<table>
<thead>
<tr>
<th>FORRETNINGSOMRÅDER</th>
<th>ANTAL</th>
<th>NEGATIV</th>
<th>NEUTRAL</th>
<th>POSITIV</th>
<th>PR-SCORE</th>
<th>SAMLET ANONCE/VERDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Forsikring</td>
<td>348</td>
<td>12</td>
<td>75</td>
<td>261</td>
<td>+38</td>
<td>4.026.959</td>
</tr>
<tr>
<td>Finans/investering</td>
<td>238</td>
<td>2</td>
<td>144</td>
<td>92</td>
<td>+17</td>
<td>3.203.753</td>
</tr>
<tr>
<td>Corporate</td>
<td>237</td>
<td>56</td>
<td>130</td>
<td>51</td>
<td>-2</td>
<td>4.035.853</td>
</tr>
<tr>
<td>Pension</td>
<td>12</td>
<td>0</td>
<td>9</td>
<td>3</td>
<td>+16</td>
<td>474.569</td>
</tr>
<tr>
<td>HR</td>
<td>11</td>
<td>0</td>
<td>0</td>
<td>11</td>
<td>+54</td>
<td>270.265</td>
</tr>
<tr>
<td>Andet</td>
<td>7</td>
<td>0</td>
<td>6</td>
<td>1</td>
<td>+7</td>
<td>718.369</td>
</tr>
<tr>
<td>Miljø/CSR</td>
<td>1</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>+33</td>
<td>4.710</td>
</tr>
<tr>
<td><strong>Hovedtotal</strong></td>
<td><strong>854</strong></td>
<td><strong>70</strong></td>
<td><strong>364</strong></td>
<td><strong>420</strong></td>
<td><strong>+21</strong></td>
<td><strong>12.734.647</strong></td>
</tr>
</tbody>
</table>

Figur 1: Omtale og PR-score, fordelt på måneder
Topdanmark
Positive/negative artikler/indsag
4. kvartal 2011


• **Forsikring:** I 4. kvartal blev forsikring det mest omtalte forretningsområde med 348 omtaler mod 329 i forrige kvartal. PR-scoren for Forsikring blev +38 (mod +7 i 3. kvartal), og den flotte score skyldtes først og fremmest god omtale af Husforsikring hvor 86 pct. (144 omtaler) var positive. Især omtaler af stormforsikring havde stor gennemsnitskraft og overskriver såsom ”Topdanmark: Tjek summerhuset efter stormen” og ”Hold på husets hat og briller i stormen” gik ofte igen i mediebilleder. Også Virksomhedsforsikring fik meget omtale i 4. kvartal, og bl.a. Topdanmarks samarbejde med minkfarmere gav over 30 positive omtaler.

• Det nærmest omtalte forretningsområde i 4. kvartal blev Finans/investering med 238 omtaler og PR-score på +17. I 3. kvartal fik Finans/investering 360 omtaler og en PR-score på +5.

• **Proaktivitet:** Der blev skabt 125 proaktive omtaler i 4. kvartal, svarende til 15 pct. af den samlede omtale. 4. kvartal var dermed proaktivt bedre end 3. kvartal (10 pct.) og på højde med 1. og 2. kvartal (16 og 20 pct.). Den mest benyttede pressemeldelse var ”Sådan undgår du stormskader”, der blev bragt 34 gange fordelt over hele kvartalen. Der blev kun bragt en enkelt selskabsmeddelelse i 4. kvartal, ”Med. 19. Medarbejderaktif”, der genererede 14 omtaler.

• **Top10-medier:** Børsen.dk blev det medie som omtalte Topdanmark mest i 4. kvartal med 37 omtaler og en PR-score på +34. Herefter fulgte Jyllands-Posten og Børsen med henholdsvis 33 og 32 omtaler. Hvor de tre mest eksponerende medier i 3. kvartal alle var web medier, så skete der en ændring i 4. kvartal, hvor to print medier brød ind i top 3. Otte ud af ti medier var gengangere fra sidste kvartals Top 10-liste, kun DR.dk og TV 2 Nyhederne var nye, da de afliste TV2Syd.dk og Nordjyske.dk.


• **Finans/investering:** blev årets mest omtalte forretningsområde med 1.040 omtaler svarende til 34 pct. af den samlede omtale. Det andet mest omtalte forretningsområde blev Corporate med 915 omtaler (30 pct.).

• Epon.dk blev for tredje år i stræg det medie, der bragte mest omtale af Topdanmark. Der var i 2011 tale om 198 omtaler og en PR-score på +17.

<table>
<thead>
<tr>
<th>Tabel 2: Top10 medier, der omtalte Topdanmark mest i 4 kvartal</th>
<th>MEDIE</th>
<th>ANTAL</th>
<th>PR-score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Børsen.dk</td>
<td>37</td>
<td>+10</td>
<td></td>
</tr>
<tr>
<td>Jyllands-Posten</td>
<td>33</td>
<td>+19</td>
<td></td>
</tr>
<tr>
<td>Børsen</td>
<td>32</td>
<td>+34</td>
<td></td>
</tr>
<tr>
<td>Business.dk</td>
<td>32</td>
<td>+11</td>
<td></td>
</tr>
<tr>
<td>FyensStiftstidende.dk</td>
<td>31</td>
<td>+17</td>
<td></td>
</tr>
<tr>
<td>Epon.dk</td>
<td>30</td>
<td>+10</td>
<td></td>
</tr>
<tr>
<td>Berlingske</td>
<td>29</td>
<td>+19</td>
<td></td>
</tr>
<tr>
<td>DR.dk</td>
<td>21</td>
<td>+10</td>
<td></td>
</tr>
<tr>
<td>AktieUgebrevet</td>
<td>21</td>
<td>+17</td>
<td></td>
</tr>
<tr>
<td>TV 2 Nyhederne</td>
<td>18</td>
<td>+11</td>
<td></td>
</tr>
</tbody>
</table>
Topdanmark
Fordeling på medietyper og forretningsområder
4. kvartal 2011

Figur 2: Forretningsområder
Husforsikring 19,6%
Corporate 27,8%
Finans/investering 27,9%
Andet 0,1%
Bilforsikring 0,6%
Miljø/CSR 0,1%
Fritidsforsikring 1,5%
Liv- og sundhedsforsikring 1,6%
Ulykkesforsikring 1,8%
Anden forsikring 2,5%
Virksomhedsforsikring 10,7%
Ulykkesforsikring 6,3%
HR 1,3%

Figur 3: Medietyper
Web indslag 43,9%
TV indslag 3,9%
Radio indslag 4,9%
Regionale og lokale dagblade 13,1%
Landsdækkende dagblade 14,3%
 Lokale ugeavisner 13,3%
 Fagblade og magasiner 6,6%
Topdanmark
Regioner, 4. kvartal 2011

Figur 4: Nøgletal fordelt på regioner

NORDJYLLAND
53 artikler
PR-score: +29
Annonceværdi: kr. 330.283

MIDTJYLLAND
121 artikler
PR-score: +26
Annonceværdi: kr. 497.683

SYDDANMARK
137 artikler
PR-score: +19
Annonceværdi: kr. 650.748

LANDSDÆKKENDE
420 artikler
PR-score: +16
Annonceværdi: kr. 10.417.673

HOVEDSTADEN
44 artikler
PR-score: +24
Annonceværdi: kr. 517.391

SJÆLLAND
79 artikler
PR-score: +30
Annonceværdi: kr. 310.869

Topdanmark
Benchmark måling og Topdanmarks proaktivitet
4. kvartal 2011

Figur 5: Benchmark
Antal

PR-score
+100
+75
+50
+25
+0
-25
-50
-75
-100

1000
500
0

Topdanmark
Tryg
Codan
Alm. Brand
Alka
AP Pension
Nordea Liv & Pension
SEB Pension

Negativ
Postiv/neutral
PR-score

Figur 6: Omtaler genereret af pressemeddelelser

Figur 7: Omtaler genereret af selskabsmeddelelser

Topdanmarks proaktivitet

87%
13%

Medieomtale aktiveret af pressemeddelelser
Resterende medieomtale

2%
98%

Medieomtale aktiveret af selskabsmeddelelser
Resterende medieomtale
# Topdanmark

**Pressemeddelelsestracking**

4. kvartal 2011

Figur 8 Presse- og selskabsmeddelelsestracking

<table>
<thead>
<tr>
<th>Topdanmark</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sådan undgår du stormskader</td>
<td>34</td>
</tr>
<tr>
<td>Julefrokostskader er arbejdsskader</td>
<td>18</td>
</tr>
<tr>
<td>Forbered dit hus på frosten</td>
<td>16</td>
</tr>
<tr>
<td>15 gange flere frostsprængninger i sommerhuse</td>
<td>14</td>
</tr>
<tr>
<td>Med. 19 Medarbejderaktier</td>
<td>14</td>
</tr>
<tr>
<td>Lad ikke sneen vinde</td>
<td>6</td>
</tr>
<tr>
<td>Mange skolebørn er ikke forsikret</td>
<td>5</td>
</tr>
<tr>
<td>150.000 hunde kan glæde sig til juleaften</td>
<td>4</td>
</tr>
<tr>
<td>Indbrudsølgen har toppet på Sjælland</td>
<td>3</td>
</tr>
<tr>
<td>Computeren går mest i stykker</td>
<td>3</td>
</tr>
<tr>
<td>Topdanmarks butik i Vejle lukker</td>
<td>2</td>
</tr>
<tr>
<td>Topdanmarks butik i Skive lukker</td>
<td>2</td>
</tr>
<tr>
<td>Vi er vilde med vovsen</td>
<td>2</td>
</tr>
<tr>
<td>Topdanmarks butik på Amager lukker</td>
<td>1</td>
</tr>
<tr>
<td>Frosne rør kan også brænde</td>
<td>1</td>
</tr>
</tbody>
</table>
Topdanmark
Årsanalyse 2011
## Topdanmark Årstal

Tabel 1: Benchmark for hele året 2011, 2010 og 2009

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Topdanmark</td>
<td>3.082</td>
<td>2.467</td>
<td>2.146</td>
<td>+19</td>
<td>+20</td>
<td>+20</td>
</tr>
<tr>
<td>Tryg</td>
<td>3.047</td>
<td>2.625</td>
<td>2.374</td>
<td>+16</td>
<td>+3</td>
<td>+16</td>
</tr>
<tr>
<td>Alm. Brand</td>
<td>1.409</td>
<td>1.634</td>
<td>571</td>
<td>+10</td>
<td>+3</td>
<td>-9</td>
</tr>
<tr>
<td>Codan</td>
<td>970</td>
<td>1.433</td>
<td>962</td>
<td>+24</td>
<td>+20</td>
<td>+30</td>
</tr>
<tr>
<td>Alka</td>
<td>380</td>
<td>181</td>
<td>232</td>
<td>+35</td>
<td>+31</td>
<td>+21</td>
</tr>
<tr>
<td>AP Pension</td>
<td>319</td>
<td>326</td>
<td>154</td>
<td>+30</td>
<td>+20</td>
<td>+29</td>
</tr>
<tr>
<td>Nordea Liv &amp; Pension</td>
<td>312</td>
<td>357</td>
<td>403</td>
<td>+16</td>
<td>+13</td>
<td>+14</td>
</tr>
<tr>
<td>SEB Pension</td>
<td>189</td>
<td>133</td>
<td>111</td>
<td>+20</td>
<td>-2</td>
<td>+2</td>
</tr>
</tbody>
</table>
Topdanmark
Benchmark - share of voice fordelt på årene 2009, 2010 og 2011

Figur 1: 2011
- Topdanmark 32%
- Tryg 31%
- Alm. Brand 15%
- Codan 10%
- AP Pension 3%
- Alka 4.0%
- Nordea Liv & Pension 3%
- SEB Pension 2%

Figur 2: 2010
- Topdanmark 27%
- Tryg 28%
- Alm. Brand 18%
- Codan 16%
- SEB Pension 1%
- AP Pension 4%
- Alka 2%
- Nordea Liv & Pension 4%

Figur 3: 2009
- Topdanmark 31%
- Tryg 34%
- Alm. Brand 8%
- Codan 14%
- AP Pension 2%
- Alka 3%
- Nordea Liv & Pension 6%
- SEB Pension 2%
Topdanmark
Benchmark måling 2009, 2010 og 2011

2011

Antal

<table>
<thead>
<tr>
<th>Brand</th>
<th>PR-score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Topdanmark</td>
<td>+19</td>
</tr>
<tr>
<td>Tryg</td>
<td>+16</td>
</tr>
<tr>
<td>Alm. Brand</td>
<td>+10</td>
</tr>
<tr>
<td>Codan</td>
<td>+24</td>
</tr>
<tr>
<td>Alka</td>
<td>+35</td>
</tr>
<tr>
<td>AP Pension</td>
<td>+30</td>
</tr>
<tr>
<td>Nordea Liv &amp; Pension</td>
<td>+16</td>
</tr>
<tr>
<td>SEB Pension</td>
<td>+20</td>
</tr>
</tbody>
</table>

2010

Antal

<table>
<thead>
<tr>
<th>Brand</th>
<th>PR-score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tryg</td>
<td>+3</td>
</tr>
<tr>
<td>Topdanmark</td>
<td>+20</td>
</tr>
<tr>
<td>Alm. Brand</td>
<td>+3</td>
</tr>
<tr>
<td>Codan</td>
<td>+20</td>
</tr>
<tr>
<td>Nordea Liv &amp; Pension</td>
<td>+13</td>
</tr>
<tr>
<td>AP Pension</td>
<td>+8</td>
</tr>
<tr>
<td>Alka</td>
<td>+31</td>
</tr>
<tr>
<td>SEB Pension</td>
<td>+55</td>
</tr>
</tbody>
</table>

2009

Antal

<table>
<thead>
<tr>
<th>Brand</th>
<th>PR-score</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tryg</td>
<td>+16</td>
</tr>
<tr>
<td>Topdanmark</td>
<td>+20</td>
</tr>
<tr>
<td>Codan</td>
<td>+30</td>
</tr>
<tr>
<td>Alm. Brand</td>
<td>+14</td>
</tr>
<tr>
<td>Nordea Liv &amp; Pension</td>
<td>+21</td>
</tr>
<tr>
<td>AP Pension</td>
<td>+29</td>
</tr>
<tr>
<td>SEB Pension</td>
<td>+17</td>
</tr>
</tbody>
</table>
Topdanmark
Fordeling på forretningsområder
År 2011

Figur 4: Fordeling på forretningsområder 2011
Topdanmark
Fordeling på forretningsområder
År 2010

Figur 5: Fordeling på forretningsområder 2010

- Corporate: 19%
- Finans/investering: 33%
- Miljø/CSR: 1%
- Landbrug: 4%
- Bilforsikring: 4%
- Virksomhedsforsikring: 2%
- Ulykkesforsikring: 3%
- Liv- og sundhedsforsikring: 4%
- Anden forsikring: 1%
- Husforsikring: 17%
- HR: 5%
- Fritidsforsikring: 4%
- Andet: 0%
- Liv- og sundhedsforsikring: 4%
- Pension: 3%
Topdanmark
Fordeling på forretningsområder
År 2009

Figuur 6: Fordeling på forretningsområder 2009

- 31% Finans/investering
- 20% Corporate
- 13% Husforsikring
- 5% Liv- og sundhedsforsikring
- 5% Anden Forsikring
- 5% Ulykkeforsikring
- 4% Virksomhedsforsikring
- 5% Landbrug
- 8% Bißforsikring
- 2% Pension
- 2% HR
- 4% Fritidsforsikring
- 1% Andet
- 0% Miljø/CSR

Procentafdeling for forretningsområder 2009.
Topdanmark
Top 10 medier i 2011, 2010 og 2009
Figur 7: Top10 medier 2011

Figur 8: Top10 medier 2010

Figur 9: Top10 medier 2009
Topdanmark
Ugeudvikling i og omtaler fordelt på medietyper 2011

Figur 12: Antal artikler og PR-score fordelt på uger, år 2011

Antal omtaler: 200

Tabel 2: Omtaler fordelt på medietyper, år 2011

<table>
<thead>
<tr>
<th>SAMLET MEDIEOMTALE</th>
<th>ANTAL</th>
<th>HERAF POSITIV/NEUTRAL</th>
<th>HERAF NEGATIV</th>
<th>LÆSERTAL</th>
<th>PR-SCORE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Web indslag</td>
<td>1391</td>
<td>1297 (93 pct.)</td>
<td>95 (7 pct.)</td>
<td>24.928.494</td>
<td>+13</td>
</tr>
<tr>
<td>Landsdækkende dagblade</td>
<td>502</td>
<td>480 (96 pct.)</td>
<td>22 (4 pct.)</td>
<td>210.152.000</td>
<td>+22</td>
</tr>
<tr>
<td>Regionale og lokale dagblade</td>
<td>476</td>
<td>451 (95 pct.)</td>
<td>25 (5 pct.)</td>
<td>50.177.130</td>
<td>+19</td>
</tr>
<tr>
<td>Lokale ugeavisser</td>
<td>285</td>
<td>280 (98 pct.)</td>
<td>5 (2 pct.)</td>
<td>9.922.405</td>
<td>+47</td>
</tr>
<tr>
<td>Fagblade og magasiner</td>
<td>168</td>
<td>166 (99 pct.)</td>
<td>1 (1 pct.)</td>
<td>3.753.466</td>
<td>+23</td>
</tr>
<tr>
<td>TV indslag</td>
<td>154</td>
<td>150 (97 pct.)</td>
<td>4 (3 pct.)</td>
<td>41.413.000</td>
<td>+13</td>
</tr>
<tr>
<td>Radio indslag</td>
<td>106</td>
<td>88 (83 pct.)</td>
<td>18 (17 pct.)</td>
<td>11.911.000</td>
<td>+15</td>
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<tr>
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<td>170 (6 pct.)</td>
<td>352.278.641</td>
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Topdanmark
Uge udvikling i 2009 og 2010

Figur 10: Antal artikler og PR-score fordelt på uger, år 2009
Antal omtaler

Figur 11: Antal artikler og PR-score fordelt på uger, år 2010
Antal omtaler
Infomedia Metode

- Infomedia analytikere forsøger så objektivt som muligt at tildele variablerne en numerisk værdi. "Objektiv" betyder, at analytikere så langt som muligt søger at reducere betydningen af egne skøn, så holdninger og aversioner holdes uden for undersøgelserne, for i stedet at tilstræbe intersubjektivitet.

- Infomedia analyseafdeling udarbejder (derfor) en kodingsmanual til enhver analyse, hvor alle kodningsvariablerne bliver beskrevet for at sikre konsistens. Her fremgår eksempelvis hvilke forretningsområder, der skal codes for med en klar definition af den type omtale, der falder inden for hvert område. Desuden beskrives særlige forhold, vi skal være opmærksomme på i omtalen til den specifikke kunde.

- Når en artikels eller et indslags kritiske niveau overfor en kunde skal vurderes, er det en central pointe, at Infomedia koder vinklingen i artiklen overfor kunden. Det vil sige, at Infomedia vurderer, hvorvidt virksomheden fremstår og beskreves positivt, neutralt eller negativt i den pågælende omtale. Selvom en talperson eksempelvis klarer sig godt i egne udtalelser i en kritisk sag, vil en sådan omtale ofte anses som negativ, såfremt sagen og vinklingen er negativ for virksomheden.

- Infomedia arbejder med en numerisk værdi som "kvalitets måleværdi" for vores kunders medieomtale. Vi kalder denne for PR-score.

- I de engelsktalende lande kaldes denne måleværdi ofte for tone of voice, favorability, editoriel tone eller slant. Uanset hvilken betegnelse, der benyttes, er værdien et udtryk for omtalens kvalitet og gennemslagskraft.

- PR-scoren bygger på fem faktorer, der er afgørende for omtalens kvalitet: Læsørtal, ekspersoner i overskrift, ekspenere i artiklen, størrelse på artiklen samt hvorvidt artiklen er positiv, neutral eller negativ i forhold til den virksomhed eller det tema, der indgår i analysen.


- Til måling af Infomedia PR-score benyttes en ordinalskaala på fem trin. Skalen går fra: +100 (meget positiv) til -100 (meget negativ).

- +51 til +100 er udtryk for en meget favorabel vinkel i forhold til kunden.
- +11 til +50 er udtryk for en lettere positiv omtale af kunden.
- +0 til +10 er udtryk for en neutral vinkel i forhold til kunden.
- +0 til -50 er udtryk for en lettere kritisk vinkel i omtalen af kunden.
- -51 til -100 er udtryk for en meget kritisk vinkel i omtalen af kunden.

- Den estimerede annonceværdi beregnes ud fra artiklens størrelse/indslagets varighed x annonceringsprisen for det pågældende medie. Annonceværdien er således et udtryk for omtalens synlighed og er især nyttig relativt set, når man ønsker at vurdere udviklingen i medieomtalen over en længere periode, på forskellige forretningsområder eller forhold til konkurrenter.

- Annonceværdien er beregnet ud fra antal ord i artiklen/indslaget, eksklusiv billeder. Der er sat en grænse på maksimalt to siders omtale pr. artikel. Dvs. at selvom en artikel fylder mere end to sider, kan man maksimalt få omtaleværdi af to sider. Negativ omtale tæller med i den samlede annonceværdi.

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Appendix 10

Interview with Steffen Heegaard, Director of Investor Relations & Communication, Topdanmark

(Duration approx. 45 min. Interviewed on the 17th of April 2012)

The purpose of this interview is to gain an in-depth knowledge of Topdanmark’s corporate brand strategy under the leadership of Christian Sagild and the corporation’s brand strategy in relation to his personal brand and (possibly) perceived charisma. It is particular interesting to discover whether him being perceived as charismatic or not directly affects bottom line results and performance in general.

How would you describe Topdanmark’s branding strategy in comparison to its large competitors (Tryg in particular)?

Tryg has a larger part of the big industrial companies, and we are about the same size on the private customer market, but in agriculture we are larger than Tryg and that is the primary difference.

The keyword in Topdanmark’s strategy is focus. We are extremely focused in everything we do, and we are extremely focused on creating value for our shareholders. We have three stakeholders and that is our shareholders, our customers and our employees. Ad we view the customers and the employees as means to reach the goal, which is creating value for the shareholders. We are in the situation, in contrast to Tryg, that we do not have a majority shareholder, which means that if we do not perform, we run the risk of being taken over by somebody else. This means, that if we do not perform and do not create good results, then we cannot satisfy our shareholders and we will be taken over. Tryg has the advantage that they do not have this risk because they have a majority shareholder in the shape of Tryg Fonden. And that is the reason behind us having such a strong focus on shareholder value.

We are focused on selling life and damage insurance, and only in Denmark. And we are focused on having our focus on the private market, the agriculture market and on small and medium sized companies – which are markets with many insurance claims, but many smaller claims. This means, that it is much easier to control and demands much less capital in order to run the business, and this makes it easier to yield interest on capital as well.

When speaking of our branding Strategy, Topdanmark spends no money at all on advertising. Insurance is low interest, which means that insurances are not bought, they are sold. So there is no connection between being top of mind among consumers and actually getting them as customers. That’s why we at Topdanmark have at strategy, that our marketing department does not spend money on advertising – they spend all their resources on creating subjects for our employees who are in direct contact with our customers. This results in a strategy we call “micro tariffing”, where we use risk based pricing. In contrast to some of the smaller companies who have the same price for their customers, we
have large differences in our price calculations. For instance, you pay a different price if you live on ground level than you do if you live on the fifth floor in the same house. In that way you pay for the risk you represent in Topdanmark, and we know exactly where we are competitive and we can work extremely focused with this in a kind of one-to-one marketing.

Tryg uses branding much more than we do, and the way we think is that we use our resources on customer satisfaction, and we have some projects at the moment where we work on making more of our customers ambassadors. And the idea is, that this will spread on a mouth-to-mouth basis, and we believe that this is much more effective. And we think very much internally, so that when our employees are satisfied and motivated, this will reflect on how they communicate to our customers. Our reputation comes from within and spreads out, and we cannot, through marketing, improve our reputation on the long term.

**Does Topdanmark use the personal brand of the CEO as a strategic corporate branding tool 1) now 2) before Christian Sagild?**

We use him too little; he’s a formidable communicator. He is very charismatic; if you meet him, he’s about two meters high and he’s a figure who really fills out a room when he enters. So you could say, we probably use him too little, but we want to have something to use him for, before we do it, and at some stage we will do it. But we need something to communicate. We do not want to communicate about his personal endeavours; it has to be related to Topdanmark. As an example, I can tell you that at some point of time, we will be communicating how we use a specific sponsorship, and it is clear, that we need to use him more than we do right now, but we will not use him if we do not have a message to send and we are aware of exactly how we will do it. And that is probably in contrast with Stine Bosse. But on the other hand I think that Tryg has changed now 100 per cent, because Morten Hübbe (CEO of Tryg, red.), on many parameters, has copied us and uses the same communication strategy as we do.

Before Christian Sagild, the CEO was Michael Pram Rasmussen, who was also very charismatic and very much in the media. He was extremely open and this was very new at that point and the media loved him. And he built Topdanmark up from being on the verge of bankruptcy to being one of the highest performing insurance companies in Europe, and he was put up on a pedestal. But what we experienced then was, that when the media has put a corporate executive up on a pedestal, then there is no higher target for a journalist than to shoot him down. This meant, that the media tried very hard to find some ways of shooting him down, and that’s the biggest thing a journalist can achieve, or not the biggest thing, but it would be a great moment of the journalist’s career if he or she can shoot down a CEO. And that is the danger of too much personal branding, and it was not even deliberate that Michael was creating this personal brand, but he was constantly contacted because he was open and willing to answer questions. It was never a deliberate strategy, but we became very aware of not using him, because it contained some risks. One of them being that he becomes a target for the media; the second was that our image became very dependent on one person. And if something were to happen to Michael, then we would be in trouble. So what we did was during his tenure was that we made a strategy that
said, that every manager in Topdanmark is responsible for, also in the media, the profiling of the company. If there is a question about for instance car insurance, then it is the manager responsible for this area who answers the questions. This also, to a high extend, regulates behaviour on an individual basis – the manager are obliged to take more responsibility for his or her actions. And this spreading out of responsibility is very much our strategy, which is in high contrast to Tryg where the communication and profiling of the company primarily went through Stine Bosse and her Communication Director. We think much more in corporate branding here, than in personal branding – and we are very aware of that.

But the fact that we have used Christian Sagild as a person too little is another side of the coin, because we truly have a gift in him, because is a brilliant communicator. We have probably underplayed him a bit. For instance, when he appears in front of our investors, he is rated very high. It is about finding the right balance, and it might be in the interest of the company that he is more in the media, than he is now. Our media strategy now is, that he only makes statements concerning strategic or political topics and in relation to our annual reports, and he might have been shaped into being a bit too financial and having a bit too weak customer-focused profile.

**How has the personal brand of Christian Sagild affected 1) the corporate brand and 2) bottom line results?**

We did not measure this, but we did measure our press coverage and what we saw is that we had received more coverage than our competitors on quality-based\(^1\) coverage during the period. What the newest research has shown is that Topdanmark has been best in class during the last three years, and in 2011 we also received more quantitative coverage. We put a lot of effort in our so-called decentralized media work, which is coverage in local media, and we want to work very focused on getting a word in there, so that we are not only mentioned in the national media, where it is often reactive. In the local media, we have better control and are able to be more proactive in our media work. So that surprises a lot of people, the fact that we are mentioned the most in the media.

The reason that we have more quantitative coverage in 2011 could be partly because Stine Bosse left Tryg in 2011, and that has played a part, but also because we are so active in the local and regional media.

**Has Christian Sagild’s personal brand ever outperformed or damaged Topdanmark’s corporate brand?**

No, it has not damaged and we have not used it actively.

**How is the relationship between Christian Sagild and the media? - is his persona being used for communicative purposes?**

He has an excellent relationship to the media, and he is very likable, as a person, but again he only want to talk about Topdanmark and not his personal

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\(^1\) Infomedia measures the quality of media coverage by connecting statements and coverage to industry-based relevance.
achievements. And again, every statement that he makes must be totally aligned with Topdanmarks values and that is the most important thing.

But speaking of charisma, it is worth noticing that not all CEOs have charisma. I know examples of brilliant top executives who have no chance of making an impact because they do not posses charisma. Charisma is that intangible ingredient that makes your word have real impact. The value of your statements is so much higher if you have charisma as a CEO. This was not the case 20 years ago, but today, a large part of the CEO's time goes into profiling the company in the surrounding world. Christian enters a room and fills it out, he has a lot of impact and is a natural leader.

*On a scale from 1-5 (5 being maximum score), please rate Christian Sagild on the following parameters, during her time at Topdanmark:*

1. **Self-confidence**

5. He is very convincing and radiates self-confidence and credibility

2. **Strong faith in their vision**

5.

3. **Out of ordinary behaviour**

Probably 2, he appears very well balanced and acts accordantly.

4. **Change-seekers**

Not so high, 3 I would say. It is a part of or strategy to not be change-seeking, and that limits the ability to be very visionary

5. **Role modelling**

5, he is a good example of our values

6. **Image Building**

Probably 3, he is not self-promoting

7. **Articulation of goals**

A large 5. And that is very important for us and as a top executive in general

8. **Showing confidence**
9. *Arousing follower’s motives*

4 or 5, he is again very convincing when speaking to stakeholders

Note: Interview methodology is based on Steinar Kvale’s qualitative interviews; more specifically the semi-structured qualitative interview (Kvale, S., *InterView*, 1996).
Appendix A: Figure 1. A model of Close and Distant CEO Charismatic Leadership (Waldman and Yammarino, 1999)
media, stock analysts) who participate in the social construction of organizational and CEO images (Chen & Meindl, 1991; Deephouse, 2000; Meindl & Thompson, 2004; Rindova & Fombrun, 1998). These act not only as "mirrors of reality reflecting firms' actions, but also act as active agents shaping information" (Fombrun & Shanley, 1990: 240). CEO charisma increases external stakeholders' identification with organizations, which positively influences their decision to participate (Dukerich et al., 2002). It also influences the images "refracted" by institutional intermediaries, as well as organizational reputations, in a favorable manner. Refracted images and reputations inform external stakeholders' beliefs about how others perceive CEOs (and their organizations) and, thus, strongly shape their participation in, and identification with, organizations (Dutton, Dukerich, & Harquail, 1994).

We first examine CEO charisma with respect to outsiders and its "direct" effects on external stakeholders.

**CEO Charisma and External Stakeholders' Decision to Participate**

In defining CEO charisma, we build on CLT but recognize that "charisma may arise from the leader's behavior, follower attributions, or some combination of the two" (Gardner & Avolio, 1998: 34; emphasis added). This view emphasizes that outsiders' attributions of CEO charisma play an active role in constructing the charismatic relationship (Gardner & Avolio, 1998; Meindl, 1995). Therefore, CEO charisma is a relationship between the CEO and organizational participants that is a function of both the CEO and followers' attributions of the CEO. As shown in Figure 1, the "leader's side" of the CEO charismatic relationship comprises both CEO charismatic behaviors and the projection of CEO charismatic images (CCI) through various forms of organizational discourse (i.e., advertising, firm logo, letters to shareholders, financial reporting, press releases, public relations initiatives, etc.). The former affect primarily insiders...

**Appendix B:** Figure 2. The Effects of CEO Charisma on External Stakeholders (Fanelli, A. and Misangiya, V. F., 2006)
Appendix C: Figure 7. Customers’ evaluation of image in the private insurance industry 2007-2011. Source: EPSI Danmark 2011 (Insurance B2C Image)
Appendix E: Figure 16. The Media exposure of the largest Danish insurance companies 2009-2011 (Source: Infomedia and Topdanmark, 2012, Appendix 11). The light blue boxes show the development in PR-score. Note that in 2011, Topdanmark and Tryg have changed places.