

Leaders' Timely Succession: No Term Limits Nor “Golden Parachutes,” Rather Periodic Tests of Ascending Trust

By Reuven Shapira, Ph.D., Western Galilee College, Acre, Israel

Tenured leaders often reach a dysfunction phase and entrench as conservative oligarchs (Hambrick & Fukutomi, 1991; Michels, 1959[1915]). Against such an eventuality, polities ever since ancient Athens and modern organizations such as government agencies and armies use term limits despite major drawbacks, while corporations use “Golden Parachutes,” a costly measure with major drawbacks as well. After 55 years of research, leaders’ timely succession as they reach the dysfunction phase, in order to avoid the drawbacks, is still a recalcitrant problem that requires solution.

Term limits of a few years rarely bred effective high-moral leaderships ever since ancient Athens and up to the present-day US and Israeli armies, US state legislators and other large organizations; these moved the control locus to unaccountable entrenched self-server powerholders such as ex-PMs (e.g., Japan’s Kaku’ai Tanaka), senators, congressmen or top-level officials. In Israel these weakened leaders of *kibbutzim* (pl. of *kibbutz*) while empowering dysfunctional federation heads who became entrenched for good (Shapira, 2017).

The first and third US Presidents Washington and Jefferson initiated a less strict limit of two 4-year terms; in 1951 this became the 22nd Constitutional Amendment. However, many successful leaders who remained high-moral effective and efficient much longer than 8 years proved that this limit is a Procrustean bed for leaders, hence business firms never adopted it. Firms mostly use “Golden Parachutes” (GPs for short), encouraging CEOs to retire relatively early by awarding generous severance benefits. Vancil (1987) found GPs successful but others uncovered major negative effects.

Neither succession research nor experience with term limits and GPs offer a true solution to timely leaders’ succession that accords their job-functional period, prevents oligarchic entrenchment and spares bad leadership by selectively prolonging the tenures of only effective high-moral trustworthy leaders. As organizational functioning requires tenured officials who specialize in operating its complex mechanisms, a true solution must enable leaders to overcome the conservatism of continuous officials, often defended by intrigue, abuse of power, suppression of innovators, and more. Re-election helps this aim, constituting an experience-based trust in effective leaders who “empower followers and make them partners in the quest to achieve important objectives” (Yukl, 1999: 301). Such leaders generate ascending mutual trust spirals that boost their ability to promote controversial radical changes and innovations, turning conflicts regarding changes to a

constructive course, while due to the first term's lessons such leaders avoid inefficient/ineffective tactics and strategies. More responsive to well-acquainted followers, they further collaborative problem-solving by encouraging know-how and *phronesis* contributions and innovations.

These advantages of re-election raise the question: how can we allow trusted effective leaders tenures of more than 8 years, i.e., allow a 2nd re-election while avoiding leaders' entrenchment?

A limiting mechanism(s) is required, as history shows that 12 years in office often make a leader democratically irreplaceable; trying to replace her/him may cause worst conflicts and even civil wars (e.g., Syria). A possible limiting mechanism is a higher trust threshold, such as a 2/3 majority. The 11 US presidents who failed re-election suggest that a simple majority is a high enough screening threshold for a 1st re-election, while a 2/3 majority can be an effective screening threshold for a 2nd re-election. A higher majority threshold for political decisions of special importance is quite common in democracies, for instance for constitutional changes; a 2nd re-election by a super-majority is advantageous: it rewards leaders emotionally by this majority's consequent prestige; the proven wide trust helps them gain information, know-how and *phronesis* that better decisions, prevent mistakes, failures and crises and help solve more difficult problems; it can solve the problem of grooming successors which posed a dilemma for leaders throughout history as it still does in the corporate world, as evident from 60% of the largest US firms that have no CEO succession planning (Bower, 2007: 14); prestigious third term CEOs can groom successors for several years, free of the threat of nurtured successors premature attempts at succession.

Leaders who remained effective and high-moral beyond 12 years are nadir but often have an enormous contribution to the public good, like Pericles' 15 years in Athens and Ben-Gurion's first 13 years in Israel. An extra high majority threshold for a fourth term may screen such nadir leaders and bar entrenchment if this threshold is an integral part of a reasonable, consistent, and universally agreed principle for the increase of re-election thresholds from 1st to 3rd. The proposed principle is to increase thresholds exponentially; this due to the tendency of the power and prestige of successful leaders to grow exponentially (Goode, 1978). Thus, each majority threshold is exponentially higher than the previous one. Various polities use the easily understood threshold of 2/3; this threshold is proposed for a 2nd re-election, and its exponential increase for a 3rd re-election means an 88% majority threshold. If experience proves this too high it can be relaxed to 85%, but even this relaxation means that a 4th re-election is impossible as an exponential increase, even from 85%, will necessarily exceed 100%.

Conclusion

The paper points to the plausible use of intangible rewards rather than tangible "Golden Parachutes" and overcoming term limit drawbacks by allowing up to three re-elections,

provided that in each re-election leaders achieve an exponentially higher majority. This proposal may solve the recalcitrant problem of timely leaders' succession, allowing effective trusting transformational leaders prolonged tenures for fuller contribution to the common good, while avoiding many unnecessary leaders of lower calibre.

References

Bower, J.L. (2007). *The CEO Within*. Boston: Harvard Business School Press.

Goode, W.J. (1978). *The Celebration of Heroes*. Berkeley (CA): University of California Press.

Hambrick, D.C., & Fukutomi, G.D.S. (1991). The seasons of a CEO's tenure. *Academy of Management Review*, 16, 719-742.

Michels, R. (1959[1915]). *Political Parties*. New York: Dover.

Shapira, R. (2017). *Mismanagement, "Jumpers," and Morality*. New York: Routledge.

Vancil, R.F. (1987). *Passing the Baton*. Boston: Harvard.

Yukl, G. (1999). An evaluation of conceptual weaknesses in transformational and charismatic leadership theories. *Leadership Quarterly*, 10, 285-305.