Abstract

A laboratory study was conducted to examine how gender team diversity influences men and women’s charismatic relationships with an elected group leader. We examined individuals’ charismatic relationships with their leaders when working in groups varying in gender composition. Results supported the argument that gender diversity provides a context that facilitates the emergence of charismatic leadership. Furthermore, the effect of gender diversity on charismatic relationships is asymmetric, being more marked in the case of men than that of women. Our results question the similarity-attraction hypothesis and contribute to the incipient follower-centric approach to leadership.

Key words

gender diversity, charismatic leadership, gender, followership and group composition.

* The authors would like to acknowledge financial support provided by MCYT SEC 2002-02868.
WORKGROUP GENDER DIVERSITY AND CHARISMATIC LEADERSHIP: ASYMMETRIC EFFECTS AMONG MEN AND WOMEN

Several leadership scholars have suggested that leadership resides in the intersection of leaders, followers, and the context (e.g., Hollander, 1978). Yet, while such views are widely espoused, leaders -rather than followers and the context- have dominated the attention of organizational theorists and researchers. With some notable exceptions (e.g., Emrich, 1999; Meindl, Erlich and Duckerich, 1985, Shamir and Howell, 1999), the prevailing view considers that the persona of the leader is the focal point when it comes to understanding the leadership process. Although some contextual factors are accounted for and have entered into the thinking of researchers, theoretical models and empirical studies which treat them as the focal interest are relatively rare in the role of mediators, moderators and outcomes of leader effectiveness. As a consequence, there has been a steady accumulation of knowledge regarding personal and behavioral attributes associated with leadership. This widespread focus on the persona and behaviors of the leader, however, has left the influence of the context on the leadership process unexplored. The result is an under-socialized account of how followers respond to, and define their relationship with, their leaders.

The lack of attention to the context constitutes a serious limitation to leadership research given that the organizational context in which leaders and followers interact is changing dramatically. One of the most fundamental changes in the last few decades has been the steady increase of women in the U.S. and European workforces. According to the US Department of Labor (2005), the percentage of women in the labor force rose from 43% in 1970 to 60% in 2004 in the US. The European Union has followed a similar pattern, rising from 39% in 1970 to 55% in 2004. Furthermore, women now comprise 47% of the total labor force in the US and 43% in the EU, up from a mere 42% and 37% in 1980. Managing a gender diverse workforce is often cited as one of the major challenges confronting today’s managers. Given the interest that diversity issues have received in the last decade, the scant attention that has been paid to the impact of this increasing diversity on leadership is surprising. In this paper, we attempt to complement existing literature on charismatic leadership by offering a more socialized account of the charismatic leadership process, highlighting the impact of workgroup gender composition on the emergence and effectiveness of charismatic leadership.

Focusing on the charismatic leadership literature and drawing on similarity-attraction and social identity theory, we build on the idea that gender diversity acts as a context that favors the development of charismatic leadership. We suggest that establishing charismatic relationships with a leader may help individuals deal with the uncertainties and ambiguities of working in a sex-diverse context. This study contributes to both leadership and diversity literature by demonstrating that the charismatic relationship that individuals develop with the group leader is influenced by the gender composition of the group in which they are embedded. We also take into consideration the insights of social categorization theory to demonstrate that this effect is stronger for men than for women, adding to existing literature on asymmetric effects of diversity among men and women (Tsui, Egan and O’Reilly, 1992; Chatman and O’Reilly, 2004). Hence, this study represents a first attempt to link research on gender diversity with charismatic leadership in small groups from a follower-centric approach. This increasingly relevant issue has
practical implications for managers as they are more likely to manage teams with increasing gender diversity.

THEORETICAL BACKGROUND AND HYPOTHESES

Contextual Effects on Charismatic Leadership

Following in the steps of House and Shamir (1993), we define charismatic leadership as a relationship that followers establish with their leaders and that is characterized by (1) a close relationship between followers’ self-esteem and the goals and vision of the leader, (2) an internalization of the leader’s goals and vision, (3) a strong commitment to the goals and mission of the leader, and (4) a willingness to go beyond their self-interest for the sake of the team. Although we recognize that the emergence of charismatic leadership is the result of an interaction among leaders, followers and the context in which they are embedded, we argue in this paper that the development of charismatic relationships between leaders and followers is strongly influenced by the social context.

The romance of leadership theory (Meindl, 1990; 1993; Meindl, Erlich and Duckerich, 1985) provides a comprehensive framework to investigate the role of the context on the type of relationships that followers establish with their leaders. Taking a social constructivist perspective, the romance of leadership states that followers develop charismatic relationships with their leaders to help them make sense of their group and organizational environment (Meindl, 1990, 1993). As individuals construct their own social realities they tend to place greater emphasis on their leadership relationships, which are romantized and elevated to a higher than normal status. The romance of leadership perspective suggests that the extent to which people romantize leadership is influenced by the social context in which they interact. In particular, whenever followers experience ambiguities and need to make sense of events, they are more likely to romantize leadership, especially the charismatic qualities of their leaders.

The conditions of ambiguity and uncertainty are typical of crisis situations and charismatic leadership has traditionally being associated with crisis (e.g., Burns, 1978; House, 1977). Indeed, social crises have long been thought to be a precursor of charismatic leadership (Weber, 1947; Parsons, 1951). In Parson’s words: “Any situation where an established institutional order has to a considerable extent become disorganized, where established routines, expectations, and symbols are broken up or under attack is a favorable situation of such a [charismatic] movement. This creates widespread psychological insecurity which in turn is susceptible of reintegration to a charismatic movement.” The basic argument is that in periods of crisis and stress, people feel anxious and frustrated about the uncertain future. In these situations, people develop a high need for direction and certainty and will eagerly accept a leader who displays self-confidence and provides a clear vision of the future. In fact, there is increasing empirical evidence for the relationship between crisis and charisma (House, Spangler and Woycke, 1991; Pillai, 1996; Pillai and Meindl, 1991).

However, a crisis is not absolutely sufficient or necessary for the emergence of charismatic leadership. Recent theorizing by Shamir and Howell (1999) has broadened the conceptualization of context and charisma by considering crisis as a particular situation within a
more general context of organizational uncertainty. Shamir & Howell borrow Mischel’s (1977) distinction between strong and weak psychological situations to understand the contextual effects on charismatic leadership. Strong psychological situations are those in which individuals have clear structures and low ambiguity regarding expectations and behaviors. Based on this rationale, there is some empirical evidence that troublesome contexts promote the emergence of charismatic leadership. For example, Hamblin’s (1958) study of three-person groups of college students showed that group members facing stressful conditions tend to centralize the structure of their groups by addressing comments around one group member who automatically becomes the group leader. More recently, Pastor, Mayo and Brass (2005) found that team diversity is related to centralized leadership structures. Similarly, Emrich (1999) had participants read descriptions of either troubled and tranquil groups, as well as a description of a candidate to lead the group in the future. Then, participants had to rate the potential of the candidate for leadership and recall certain statements made by the candidate. She found that participants developed more favorable perceptions and recalled more charismatic statements of the candidate as a leader in the troubled-team condition. Thus, evidence suggests that individuals placed in challenging situations experience greater need for charismatic leadership.

Gender Diversity and Charismatic Leadership

Extrapolating the above arguments to the specific case of gender diversity, we argue that a context of social diversity may act as a psychologically weak situation that creates uneasiness and uncertainty, generating the need for charismatic leadership. Diversity literature shows that mixed-sex groups tend to report more process losses than same-sex groups. For instance, increasing levels of gender diversity are associated with lower levels of prosocial behavior, - behavior that is beyond the requirements of the job, (Kizilos, Pelled, & Cummings, 1996; Tsui, Porter, & Egan, 2002), higher levels of conflict (Alagna, Reddy, & Collins, 1982), lower levels of friendliness (Kent & McGrath, 1969; Clement & Schiereck, 1973; Pelled, & Ledford, 1999), and lower levels of job-related satisfaction and self-esteem (Wharton & Baron, 1987; Pelled, Eisenhardt, & Xin, 1999).

These effects fit well into what Mischel (1977) calls psychologically weak situations which, according to Shamir and Howell (1999), underline the emergence of charismatic leadership. Gender diversity provides an ambiguous and uncertain social context where role expectations are less clear. The explanation for these negative effects of gender heterogeneity comes from the similarity-attraction paradigm (Byrne, 1971). The similarity-attraction hypothesis suggests that people are attracted to others who hold similar attitudes to their own. Based on this idea, organizational demography scholars (Tsui et al, 1992) have suggested that similarities in demographic attributes, such as gender, lead group members to infer that other group members share their attitudes, values, and beliefs, and hence increase their feelings of security. In contrast, dissimilarity in these attributes may lead group members to infer that other group members have different attitudes and values, and hence increase their feelings of distrust and discomfort. Following this logic, we may assume that individuals working in gender diverse groups would be experiencing the same feelings of insecurity and uncertainty felt by the subjects placed in the troubled-team condition of Emrich’s (1999) lab study and the crisis contexts created by Pillai and Meindl (1991).
Thus, it seems reasonable to expect that individuals who are placed in gender diverse contexts should have a greater tendency to develop charismatic relationships than individuals placed in homogeneous contexts, who could feel more psychologically at ease interacting with similar others. The most evident way to detect individuals’ charismatic relationship with a leader is reflected in their attributions of charisma to the leader. Thus, we reasoned that if followers are more likely to develop charismatic relationships with their leaders within contexts of gender diversity, then, when given the opportunity to choose a leader, group members will tend to select the most charismatic person available in the group and attribute to him or her high levels of charisma. If this is true, it follows that when group members are free to elect their leader, we would observe that individuals placed in balanced gender groups will have, on average, leaders who are rated as more charismatic than individuals placed in gender-homogeneous contexts, where the need for charisma is less keenly felt by group members.

Hypothesis 1: As the level of gender diversity increases in the work team, individual members will attribute higher levels of charismatic leadership to their elected leader.

Differential Effects of Charismatic versus Transactional Leadership

Thus far we have argued that increasing gender diversity highlights the need for one particular aspect of leadership, -charisma. Yet, one could argue that a gender diverse context may increase the need for any kind of leadership. In order to discard this alternative explanation, we ought to use more traditional aspects of leadership as a baseline to test our previous hypothesis. In the last decade, the leadership literature has crystallized around two broad types of leadership: -charismatic (or transformational) leadership and transactional leadership. Charismatic leadership is usually defined by its effects on followers. For instance, House (1977) includes in the so-called "charismatic effects" the willingness to exert extra effort, self-sacrificial behavior, loyalty, and heightened motivation on the part of followers.

In contrast, transactional leadership occurs when leader-follower interactions are viewed as exchange processes in which followers comply with the demands of the task and leaders reward their efforts and compliance (Bass, 1985). There is an implicit agreement about what followers need to do in order to be rewarded or to avoid punishment. The leader guides and motivates followers toward the established goals by clarifying role and task requirements, and by showing the linkage between the expected behavior and the expected reward or punishment. The general philosophy of transactional leaders is “if it ain’t broken, don’t fix it!” In a transactional relationship between the leader and follower, the role of the leader is primarily to set and clarify task requirements and the follower is expected to perform according to pre-existing standards. Thus, transactional leadership emphasizes exchange, direction, rewards, and formal contracts. Hence, we reason that these transactional behaviors are less appreciated by members of mixed-sex teams than the charismatic aspects of leadership because they are less likely to be considered instrumental to address the kind of social ambiguity they are likely to experience. This argument leads to the following comparative hypothesis:
Hypothesis 2: Gender diversity will be more likely to have an effect on individual’s attributions of charismatic leadership than on individuals’ attributions of transactional leadership.

Asymmetric Effects Among Men and Women

Recent work on gender diversity suggests that men and women do not react equally to being in heterogeneous groups (Tsui, Egan, & O’Reilly 1992; Chatman and O’Reilly, 2004). While the similarity-attraction paradigm (Byrne, 1971) has found wide empirical support in relational demography literature, it is somewhat limited to explaining the different reactions of men and women to team gender diversity. For instance, Tsui et al (1992) found that men reacted more negatively than women when in a minority in their groups. More recently, Chatman and O’Reilly (2004) found that women expressed greater likelihood of leaving their homogeneous groups than men did. These results suggest that social status considerations, besides similarity-attraction dynamics, play a role in the reactions of men and women to gender team diversity.

In this respect, men are not only in a socially uncertain situation as the number of women increases in the group, but they may face another difficulty that increases their need for charisma: they may sense a loss of social status. Social categorization and social identity theories support this rationale. These theories maintain that individuals build up a positive social identity through a process of self-categorization into social categories (Tajfel and Turner, 1986). Individuals classify themselves into social categories using demographic attributes, such as gender, and use them as a source of self-concept and self-esteem. Because these categories are historically charged with social status evaluations, identification with a high-status category is a source of increased self-esteem, whereas identification with a low-status category lowers self-esteem. In our case, men are more widely associated with higher status than women, and therefore the idea that gender diversity creates a weak psychological situation may not equally apply to men than to women. Although gender diversity may be experienced as a debilitating situation among men because of greater ambiguity and lower social status, an increase in gender diversity may be experienced as a strengthening situation among women because of a self-perception of increasing social status. Thus, we can formulate the following hypothesis:

Hypothesis 3: The positive effect of gender diversity on individuals’ charismatic relationships with the leader will be stronger for men than for women.
METHOD

Overview

We attempted to find support for these hypotheses using an experimental design, for several reasons. First, since this study is the first attempt to understand the relationship between gender diversity and charismatic leadership, we wanted to examine if the hypothesized effect appears under control conditions before testing it in the field. Second, we wanted to ensure a high degree of control by systematically varying the degree of gender diversity while keeping other characteristics of the groups, such as the task and the setting, as similar as possible. This experimental design allowed us to control other group characteristics, that may have an important impact on the life of the group, such as group tenure, education and age, thus increasing the internal validity of the study. Finally, the degree of gender heterogeneity in the group can be easily manipulated. Although the time for social interaction between group members and the group leader is limited in a laboratory study, this time constraint is less of a problem when the dependent variable results in the emergence of charismatic leadership in the followers’ minds. For example, social cognition scholars have shown that little interaction and only a short period of time is needed to trigger cognitive schemas and social categorization processes (Brewer, 1979; Fiske & Taylor, 1991). Similarly, a brief group activity where men and women work together should be sufficient to trigger particular leadership schemas.

Sample and Procedure

A total of 125 undergraduate students, working in 30 groups of 3 to 6 people each, from introductory business classes at a large Northeastern university volunteered to participate in the study. 60 women and 65 men participated in the study in partial fulfillment of course requirements. The average age of the participants was 22 years. Most of the individuals (80%) were Caucasian, and about half of them (58%) had work experience. In order to manipulate the degree of heterogeneity in the teams, the 125 participants were placed in the three different types of groups: (1) Homogeneous groups comprising exclusively men (20 participants divided into 5 groups) and exclusively women (17 participants divided into 5 groups), (2) heterogeneous groups with a minority of members of the opposite sex (27 people divided into 6 male-dominated groups and 27 people divided into 6 female-dominated groups), and (3) low-level heterogeneous or balanced groups with half the participants from each sex (34 subjects divided into 8 groups). Participants were greeted by a female experimenter who verified their names and explained the nature of the study thus:

“We are interested in knowing about the nature of the sexual harassment problem on campus and about how undergraduates work together to solve and prevent this problem. In this study you will be part of a group of people who will be asked to discuss the problem of sexual harassment on campus for 15 minutes, then you will have to choose a leader who will guide and coordinate the next 20 minutes in which the group has to
write a reaction paper on what kind of actions could be taken to help to prevent future cases of sexual harassment.”

Prior to their participation, subjects were asked to read and sign an informed consent form, and were given the option to terminate their participation without penalization. For the next 15 minutes, group members participated in an open discussion session. Immediately following this session, the group collaborated to write a reaction paper. Finally, each member was asked to complete a questionnaire evaluating their elected leader.

The Discussion Session. Participants were involved in a discussion session about the topic of sexual harassment that was designed to familiarize subjects with each other and to provide them with personal information on which to base their judgments when choosing a leader for the second part of the task. Based on Langer’s (1989) framework of mindfulness, we designed a task that would make individuals in the group aware, or mindful, of the gender composition of the group. Thus, we reasoned that discussing the topic of sexual harassment would act as a catalyst on people’s gender schema, and they would be more aware of the level of gender composition in the group. Before the open discussion, participants read a short essay on sexual harassment. Afterwards, participants were asked to choose a leader who would coordinate the written work in the next session. They did so, first individually, ranking each member of the group in order of preference; and second as a group, arriving at a consensus decision about who the leader of the group would be.

The Writing Session. The second part of the task was a writing session on several point-format recommendations for solving this problem. This session was designed to provide members of the group with a real situation in which they could evaluate their elected leader. Once the group had an emergent leader, participants were asked to compose a reaction paper with recommendations to solve the issue of sexual harassment on campus for 20 minutes. The leader of each group received a sheet of blank paper where the leader wrote the group’s ideas. The leader’s assignment was to coordinate the task by promoting discussion, organizing ideas, and helping to decide what should be written in the reaction paper. After that, each member of the group, including the leader, completed a questionnaire evaluating the charismatic and transactional qualities of their emergent leader and the general effectiveness of the group when working with the leader. Before leaving, subjects were debriefed by the experiment coordinator.

Measures

Gender: Participants indicated their gender in the survey and we created a dichotomous variable according to which males were assigned 1 (52%) and females were assigned 2 (48%).

Workgroup gender composition: The participants who were elected leaders of their groups were not used in this analysis since we were interested in the kind of leadership attributions made by the remaining members of the team toward their elected leaders. In total, there were 95 subjects (50 men and 45 women). Based on the three types of groups in which participants worked (homogenous, low-level heterogeneous and high-level heterogeneous), participants were categorized into four different diversity conditions based on their relative
diversity with regard to the other members of the team: (1) Homogeneous condition (n=27) in which the person has the same sex as all the other members of the team, (2) majority condition (n=26) in which the majority of the members of the team are of the participant’s sex, (3) balanced condition (n=26) in which half the members of the team are the same sex as the participant, and (4) minority condition (n=16) in which the person is either the only one of his/her sex or there is one other person of the same sex in the group.

**Charismatic leadership.** A global measure of charisma was obtained through a questionnaire that included 10 items from the charisma scale of the Multifactor Leadership Questionnaire (MLQ; Bass & Avolio, 1990) (e.g., “he/she makes others feel good around him/her”). All items were evaluated on a five-point scale format ranging from 1=totally disagree to 5=totally agree (mean=3.47, sd=.42, alpha=.87).

**Transactional leadership.** This was measured using five items each from the contingent reward and management-by-exception scales from the Multifactor Leadership Questionnaire (MLQ; Bass & Avolio, 1990) (e.g., “he/she would tell people what to do if they want to be rewarded for their efforts”). All 10 items were evaluated on a five-point scale format ranging from 1=totally disagree to 5=totally agree (mean=3.35, sd=.38, alpha=.73).

**Control Variables:** We introduced controls for size, age, work experience and race. Work experience may affect the perceptions of leadership of participants who had already experienced working in formal teams. Race was included also because the experience of being different is based on multiple categories of which race is one the most salient (Tsui et al., 1992). Even in gender homogeneous groups, a person of a different race might feel different from the other members of the team, even though the nature of the task was designed to elevate the gender dimension above other dimensions of group heterogeneity. Although there is little variation, we control for team size because the size of the team affects the internal dynamics in terms of commitment to the group (see Bonito and Hollingshead, 1997 for a review) which may also affect their relationships with the leader.

**Analyses**

Both the independent variable (gender diversity condition) and the dependent variables (charismatic and transactional leadership attributions) were defined and analyzed at individual level for theoretical purposes. We were interested in knowing how individuals develop charismatic relationships with their leader as a result of their relative relational gender-based differences with other members of the teams. We reasoned that in the case of male-dominated and female dominated teams, the experience of the minority will be different from that of the majority. In any case, and given that there was also the possibility that other group-level variables could influence the attributions of charisma to the leaders, we also checked for the effects of being placed in a specific group. We conducted a within and between analysis (WABA, Dansereau, Alutto, Yammarino, 1984) of the charisma ratings under the experimental conditions. The Between Eta correlation is .13 and the Within Eta correlation is .99 indicating that most of the variance occurs within groups. The F test with 2, and 91 degrees of freedom equals 11.12 (p<.01), providing support for interpretations at the individual level of analysis.
RESULTS

Table 1 summarizes the means, standard deviations, reliability coefficients and, intercorrelations among all variables. The correlation between charismatic ratings and transactional ratings is .66 and it is similar to the one reported in other leadership studies. Also, a frequency analysis of the number of times men and women were elected as a group leader across gender diverse groups showed that in the low-heterogeneous groups a member of the sex dominating group was always elected as leader, and in balanced groups, women and men became the leaders of their groups the same number of times, five times each. Table 2 shows the means and standard deviations of all cells and values for Cohen’s D, indicating effect sizes (Cohen, 1988).

Hypotheses 1: General Effect of Gender Diversity on Charismatic Leadership

To test the general effect of gender diversity on the emergence of charismatic leadership (Hypothesis 1), we conducted an analysis of covariance predicting the perceptions of charismatic leadership. In each equation we included the covariates (team size, race, gender, age, and work experience) and the categorical diversity condition variable. We also conducted simple-effects tests to compare individuals’ responses across the four types of groups. The results are summarized in Table 2, which includes standard deviations for all cell means. We expected to find evidence of significant effects across the four types of group composition for attributions of charisma. We found a significant main effect for diversity conditions (\(F_{7,87}=2.95, p<.01\)). The post-hoc comparisons revealed significant differences between homogeneous groups (mean=3.46) and majority groups (mean=3.78; mean difference=.32, \(p<.05\)). Participants in the minority condition made lower ratings of charismatic leadership (mean=3.45) than participants in the majority condition (mean=3.78, mean difference=.33, \(p<.05\)) and participants in the balanced condition (mean=3.72, mean difference=.27, \(p<.05\)). These results partially support hypothesis 1. As expected, members of homogeneous groups made lower attributions of charisma than participants in majority and balanced conditions. However, contrary to our hypothesis, participants in the minority condition made the lowest attributions of charisma to the leader. This pattern of findings shows that the relationship between gender diversity and attributions of charisma is not linear.

Hypotheses 2: Differential Effects of Transactional Leadership

To test hypothesis 2, the differential effects of charismatic and transactional leadership, we ran the same analysis for transactional leadership. Table 1 shows that the main effect of condition for attributions of transactional leadership is not statistically significant (\(F_{3,87}=2.32, \text{ns}\)). This result supports hypothesis 2 and suggests that perceptions of charisma are more likely to be influenced by contextual factors related to gender composition.
Hypotheses 3: Nonsymmetrical Effects of Gender Diversity among Men and Women

To test the asymmetric effects for men and women (hypothesis 3), we conducted analyses of covariance, with each equation including the covariates, the two categorical variables (diversity condition and gender), and the interaction between gender and diversity condition. We then conducted simple-effects tests to compare men’s and women’s responses across the four types of groups. We found a significant interaction between gender and workgroup gender composition (F=3.98, p<.01) indicating that men and women differed in their perceptions of charisma to the emergent leaders across the four diversity conditions. Table 3 and figure 1 show these results. In the homogeneous condition, women gave the highest ratings of charisma to their leaders (mean=3.92) and men gave the lowest ratings of charisma to their leaders (mean=3.09, mean difference=.83, p<.01). When we compared both sexes across conditions, we found that women in homogeneous groups rated their leaders as more charismatic than women in the other three conditions, though the differences did not constitute a statistical significance, - majority condition (mean=3.91, mean difference=.01, ns), the balanced condition (mean=3.75, mean difference=.17, ns) and the minority condition (mean=3.34, mean difference=.58, p<.10). The pattern for men was quite different. Men reported lower evaluations of charismatic leadership in the homogeneous condition (mean=3.09) than in the majority condition (mean=3.63, mean difference=.54, p<.10), the balanced condition (mean=3.67, mean difference=.58, p<.10), and the minority condition mean=3.53, mean difference=.44, ns). These results provide support for hypothesis 3.

We conducted the same kind of analysis for ratings of transactional leadership. The results of the ANCOVA procedure showed a similar pattern of results, although neither the main effects nor the interaction constituted statistical significance. These results provide further support for hypothesis 2.

We further analyzed the asymmetric effects of workgroup gender diversity on ratings of charisma for men and women using discriminant analysis. This procedure is a form of canonical analysis used when the dependent variable is categorical, and it is especially useful when the dependent variable has more than two categories. Discriminant analysis uses a set of predictors to produce a function that distinguishes maximally among the groups. In our case, we used discriminant analysis to identify the leadership aspects (charismatic and transactional items) most useful in distinguishing participants who were placed in a homogeneous context, a same-sex dominated context, in a balanced context, and in other-sex dominated context. We want to determine how well individuals’ scores on the leadership items serve to classify their
membership of one of these four diversity conditions. We used stepwise discriminant analysis on the 20 leadership items. The leadership items were used as predictors’ variables and the level of group diversity as the criterion variable.

The discriminant analysis produces one less function than the number of groups in the analysis. We ran the analysis separately for men and women. In the men sub-sample, the results produced a best set of discrimination that comprised 4 items, and yielded three functions. The first function had a canonical correlation of .56 and thus an R2 of .31 (p < .05). The second function had a canonical correlation of .30 and an R2 of .09 (no significant); the third function had a canonical correlation of .19 and an R2 of .04 (no significant). The structure matrix shows the correlation between the leadership items and the functions aids in interpreting the functions. The matrix reveals that the first function is correlated with “respect for the leader” (r = .83) and “faith in the leader” (r = .61). The second function is most highly correlated with “believe the leader would take corrective action if people make mistakes” (r = .54). Finally, the third function is most correlated with “believe the leader sees what is really important” (r = .93). The group centroids (or means based on the discriminant functions), shown in Figure 2, graphically display the men’s groups’ relative positions on the first two functions (Tatsuoka, 1988). With regard to men in homogeneous groups, men placed into the other three diversity conditions showed a stronger preference for charismatic relationships, based on respect and faith in the leader (function 1). Also, the transactional leadership aspect of expecting the leader to take corrective action (function 2) further distinguishes between men in the majority and token positions. With regard to men in the majority condition, men in the token condition attach more importance to the corrective aspect of leadership. Together, these three functions correctly classified 46% of men across the four types of groups. Yet, these functions correctly classified 60% of men in the homogeneous context and 62% in the majority context, representing an increment of approximately 35% over the prior probabilities. When men go from a homogeneous to a diversity context (majority, balanced, and minority), they report stronger charismatic relationships, emphasizing respect and faith in the leader.

In the women’s sub-sample, the results produced a best set of discrimination that comprised 7 items and yielded three functions. The first function had a canonical correlation of .69 and thus an R2 of .48 (p < .01); the second function had a canonical correlation of .51 and an R of .26 (p = .18); the third function had a canonical correlation of .34 and an R of .12 (not significant). The structure matrix reveals that the first function is correlated with “expectations of leader taking action when things go wrong” (r = .49). The second function is most highly correlated with “trust in the leader” (r = .68), with “belief in leader’s fair allocation of rewards” (r = .51) and with “enthusiasm about the leader and the task” (r = -.46); and the third function is most correlated with “feeling good about the leader” (r = .57) and with “increasing optimism for the future” (r = .56). The group centroids, shown in Figure 3, graphically display the women’s groups’ relative positions on the first two functions. Compared to women in a token situation, women in balanced groups expressed a strong transactional relationship with the leader expecting him or her to take actions when difficult situations arise (function 1). Also, the leadership aspects related to trust and fair allocation (function 2) further distinguishes between women in female-dominated groups and in balanced groups. Relative to women in female-dominated groups, women in balanced groups expressed strong trust and fairness in the leaders. Together, these three functions correctly classified 67% of women across the four types of groups. Yet, these functions correctly classified 86% of women in the token condition and 76% of women in the
balanced groups, representing an increment of approximately 60% and 50%, respectively, over the prior probabilities. These results further support hypothesis 3. Men and women differ in their reactions to leadership as they move to more gender-diverse environments. Women report stronger transactional relationship with the leader, emphasizing action taking and fairness on the part of the leader, and moderate charismatic relationship, emphasizing trust, as they move into balanced gender groups.

[Insert Figures 2 and 3 about here]

DISCUSSION

These results offer the first empirical evidence linking gender diversity to charismatic leadership. Our study shows that perceptions of charismatic leadership are affected by the gender composition of the social context. In particular, we found important asymmetric effects in that men reported higher ratings of charisma of the leader in balanced settings, whereas women reported higher ratings of leader charisma in homogeneous contexts. Our theory and findings add new light to previous studies on gender diversity that debate the limitations of the similarity-attraction hypothesis and explanations based on social status. In addition, the general effects of the social context on ratings of charismatic leadership provide support to the incipient follower-centric approach to leadership, highlighting the differential effects on the charismatic and transactional aspects and suggesting a contingency approach to charismatic leadership that is consistent with the claims of the romance of leadership notion (Meindl, 1990, 1993) and self-identity-based theories of leadership (Hogg, 2001; Shamir, House and Arthur, 1993). We conclude with some suggested directions for future research and some practical considerations.

Asymmetric Effects

The most interesting findings of our study have to do with the differential effects of team gender diversity on ratings of charismatic leadership for men and women. We considered people’s ratings of the charisma they attribute to their elected leader as an indication of the importance they place on establishing a charismatic relationship with their leader. Men were more likely to rate their elected leader as charismatic as the proportion of women increased in their groups. In fact, men were more likely to rate their leader as charismatic with the mere presence of a single woman in the group. When men are in homogeneous groups, they report the lowest attributions of charisma among all different experimental conditions. The low ratings of charismatic leadership for men in homogeneous groups as compared with their ratings in gender diverse situations are consistent with the similarity-attraction hypothesis. Men are more likely to experience uneasiness and discomfort with the presence of women in the group. This uneasiness makes men most eager to develop a charismatic relationship with the leader. Men might feel more comfortable working with other men, and as women enter the team they perceive a “psychologically weak” social context that is conducive to the emergence of charismatic leadership. The results are also consistent with previous studies on team gender diversity dynamics which found that men working in mixed sex teams report lower job-related satisfaction,
lower self-esteem and more job-related depression (Warthon and Baron, 1987).

Women, however, reacted in a different way, and one that cannot be explained by similarity-attraction dynamics, to the increasing percentage of men in their groups. In direct contrast to men, women rated their elected leaders as more charismatic in homogeneous and female-dominated groups. That is, they were less likely to rate their leader as charismatic as the proportions of men in their groups increased. This pattern of results is, however, consistent with social identity theory which takes into consideration status differences associated to social categories. Women in female-dominated contexts may view their group with low status and are motivated to maintain a positive identity by turning to a charismatic leader who shows high confidence and esteem. On the other hand, women in balanced or male-dominated groups may perceive their situation as high status and psychologically strong enough, with no clear motivation for charismatic leadership. In fact, it is interesting to observe that the lowest ratings of charisma are given by women in minority situations among all groups.

The positive relationship between being in mixed-sex groups and charismatic leadership for men and the negative relationship between being in mixed-sex groups and charismatic leadership for women corroborates previous studies in that increasing gender diversity has a stronger negative effect on men. For example, Wharton & Baron (1987) found that in balanced settings men reported lower satisfaction levels whereas women reported higher levels. Also, Tsui et al. (1992) found that lower attachment, evidenced by being absent more often, less committed and more likely to leave, was lower among men in minority situations and higher among women in minority. Finally, Chatman & O’Reilly (2004) found that women reported greater likelihood of leaving homogeneous groups than men. Our results also show that gender composition affected men and women’s reactions to leadership differently. While men show high concern for charismatic leadership when in heterogeneous groups, women expressed their lowest concern for charisma when different from others in the group. Thus, these findings also shed some new light on previous studies in as much as understanding how group composition influences men and women’s reactions to leadership implies both similarity-attraction forces and social identity motivations. Men’s reactions to groups with differing gender composition is consistent with both the similarity-attraction assumption and social identity theory that implies that being with similar others who, furthermore, are historically considered high status, creates a psychologically strong situation. However, women’s reaction to groups with differing gender composition is best understood by applying social identity theory, which considers that being with high-status individuals is a stronger force that creates a psychologically strong situation than if colleagues are demographically similar.

Men and women also differ in the relative preference they show for charismatic versus transactional aspects of leadership across groups with differing gender composition. The results from the separate discriminant analysis suggest that what best distinguishes men across the groups are their ratings on charisma. In contrast, what best distinguishes women across the groups are their ratings on transactional leadership. Men placed more value on charismatic aspects of leadership, such as respect and faith; whereas women placed more value on transactional aspects of leadership, such as corrective action and fairness. When in balanced groups, men are more eager to report respect and faith in the leader and women are more eager to report confidence in the leader’s corrective actions and fairness. For men the greatest difference in the charisma dimension is between their reaction when in a homogeneous group and their
reaction in any of the other diversity conditions, suggesting that the mere presence of a single woman in male-dominated group can make men magnify the charismatic aspects of leadership. Using the concept of implicit leadership theory (Lord and Smith, 1983), it seems that a diversity context stimulates the implicit theory of charismatic leadership in men and the implicit theory of transactional leadership in women.

General Effects

Several leadership scholars suggested that more research is needed to shed light on the contextual forces that influence the emergence and development of charismatic relationships between leaders and followers (Bass, 1990; Meindl, 1990; 1993; Shamir and Howell, 1999). Current research provides empirical evidence of a link between a context of gender diversity and the development of charismatic leadership. The results from our study show that gender diversity in work groups seems to be a charisma-eliciting context. Previous research has found that a troubled climate (Emrich, 1999), a crisis situation (Pillai, 1996), and organic structures and collectivistic cultures (Pillai and Meindl, 1998) provide contexts that are conducive to the emergence of charismatic leadership. Our study adds to this literature the idea of team gender diversity as another context influencing the development of charismatic relationships between leaders and followers. In particular, charismatic leadership aspects, such as respect, faith and trust in the leader seem to be highly influenced by the gender diversity of the social context.

It is also worth noting that while gender diversity had a significant effect on ratings of charismatic leadership; it showed no significant evidence of impact on ratings of transactional leadership. This suggests that charismatic leadership is more influenced by situational cues than transactional forms of leadership. These findings are consistent with the romance of the leadership framework that suggests that the heroic and charismatic aspects of leadership have an important emotional component that makes them easily romanticized, and therefore they are more sensitive to variations in context and situations than the more transactional aspects of the leadership process (Meindl, 1995, Meindl, Pastor, & Mayo, 2004).

The results of the present study also contribute to the charismatic leadership literature by suggesting a contingency approach to charismatic leadership. As Bryman (1992) pointed out, new theoretical perspectives to leadership seem to return to the “one best way” approach that was typical of the first trait models. Research seems to suggest that the effectiveness of charismatic leadership may be the same across situations. However, he argues that leadership is always a situational contingent and points out the need for studies that indicate how charismatic leadership may be more effective in some situations than others. An important finding of this study is that men attribute more charisma to their leader as gender diversity increases in the team, suggesting that charismatic leadership may be most effective among men working in gender diverse contexts.

This finding may also have implications for existing literature on the effects of gender diversity on men. Some authors have argued that men may have three possible responses to the frustration created by the changes of increasing diversity: fight, flight or psychological withdrawal (Baron & Pfeffer, 1994; Tsui et al., 1992). Our results suggest that there may be one more possible response: turning to the leader. As men work under increasing diversity, they
seem to attach more importance to the figure of the group leader, seeming especially eager to establish a charismatic relationship with the leader. This suggestion is consistent with a social identity-based theory of leadership proposed by Hogg (2001) in that men may turn to leadership for uncertainty reduction and self-enhancement. Also, the fact that men in diverse contexts turn to charismatic leadership (rather than transactional leadership) is further consistent with the self-concept theory of charismatic leadership (Shamir, House & Arthur, 1993) that emphasizes the role of self-concept clarity in followers’ charismatic relationships. Accordingly, men in gender diverse situations may experience relatively low self-concept clarity that renders them prone to the development of charismatic relationship. Our theory and findings suggest that future research should conceptualize men’s reactions to diversity as a general pattern that also includes leadership as a coping mechanism.

Limitations and Future Research

While significant in their own right, the results we have obtained highlight a number of new issues for future research. We found a marked association between the degree of gender diversity and attributions of charisma to an elected leader within a laboratory setting. Future research should focus on field studies of ongoing work teams that have an appointed leader. Understanding how diversity affects leadership can surely provide valuable insights into the social and psychological dynamics of diverse work teams. The present study attempted to link these two important streams of research by adopting an approach that focuses on workgroup gender composition and charismatic leadership. Additional research is needed to document the collateral social psychological processes that may mediate the relationship between diversity and leadership. We have argued that uncertainty reduction and motivation for status enhancement are likely to mediate this relationship. Presumably, gender diversity should be positively related to charismatic leadership among men, because it increases uncertainty and decreases social status. In contrast, gender diversity may have the opposite effect among women because of an increase (rather than decrease) in self-perception of social status. It would be valuable to examine these links directly.

Also, these findings are based on the assumption that attributions of charisma are an indication of followers’ preference for a charismatic relationship with the leader. However, there may still be two plausible explanations to account for the increasing charisma attributions to elected leaders in the context of gender diversity. It may be that individuals “select” the most charismatic member of the group, or alternatively, that they simply “perceive” any emergent leaders as more characteristically appealing. A selection explanation suggests that leadership ratings reflect actual behavioral differences on the part of leaders, which are then registered in the ratings of followers. A perceptual account is also possible, suggesting that individuals in diverse groups are prone to perceive any leader as somewhat more charismatic. The possibility exists that followers’ desire for charismatic leadership predisposes them to “see” and remember charismatic qualities in any leader. Although this research cannot provide a definitive answer to this issue, the results of the WABA analysis, showing that the within-group variance on charisma rating is significantly higher than the between-group variance (within-eta correlation=.99 versus between-eta correlation=.13), provide support for a perceptual account. This perceptual bias of charismatic leadership in the context of gender diversity is also consistent with research on social cognition which suggests that the cognitive activation of a social category, such as gender, may result on
biases associated with that category, such as exaggerated perceptions (c.f., Fiske & Taylor, 1991; Hogg, 2001).

Although by design we focused on gender diversity, this may be seen as a limitation if one is concerned with the degree of generalization of the results if based on other demographic attributes, such as race. Organizational demography research suggests that the relative composition of the group tends to be a significant predictor of organizational behavior, especially for social categories, such as gender and race. For example, Tsui et al. (1992) found significant effects for gender and race diversity when predicting organizational attachment. Thus, it is reasonable to expect that group heterogeneity, based on race, will produce similar effects on leadership variables to those we have presented here. It would be interesting to test asymmetric effects for whites and minorities. We should expect stronger effects of race diversity for whites than for minorities.

Finally, several tentative implications for managing diversity in the workplace can be derived from these results. Because high levels of gender diversity seem to emphasize the importance that men give to charismatic leadership, this form of leadership may be an effective way to alleviate some of the challenges associated with diversity in the workplace. Based on our findings, we may speculate that charismatic leadership may be a way to reduce turnover rates among men in gender diverse groups. Charismatic leadership may act as a coping mechanism by increasing men’s self-perceptions of social status and reducing uncertainty while working in gender diverse environments. Charismatic leadership is often related to positive individual and group outcomes, such as job commitment, satisfaction, extra effort and harmony (c.f., Bass, 1990). Of course, such implications are tentative, pending more extensive research. Overall, this research illustrates the value of examining the effects of group diversity on individuals’ reactions to leadership. Diversity management efforts may benefit from this line of research, given that it will place us on the road to understanding diversity and its implications for leadership practices.
REFERENCES


### TABLE 1
Means, Standard Deviations, Reliability, and Correlation Coefficients for all Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>M</th>
<th>SD</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
<th>5</th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Group Size (n=3 to 6)</td>
<td>4.34</td>
<td>.81</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2. Age (years)</td>
<td>21.40</td>
<td>2.25</td>
<td>-.14</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Race (1=minority, 2=non-minority)</td>
<td>1.77</td>
<td>.41</td>
<td>.06</td>
<td>.12</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. Work experience (0-1-)</td>
<td>.59</td>
<td>.50</td>
<td>.06</td>
<td>.22*</td>
<td>.21*</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5. Gender (1=male, 2=female)</td>
<td>1.47</td>
<td>.50</td>
<td>-.03</td>
<td>.08</td>
<td>-.10</td>
<td>.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6. Charisma ratings</td>
<td>3.47</td>
<td>.42</td>
<td>.05</td>
<td>.03</td>
<td>-.17</td>
<td>-.14</td>
<td>.28*</td>
<td>(.87)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. Transactional ratings</td>
<td>3.35</td>
<td>.38</td>
<td>.05</td>
<td>.09</td>
<td>-.16</td>
<td>-.14</td>
<td>.18+</td>
<td>.66**</td>
<td>(.73)</td>
<td></td>
</tr>
<tr>
<td>8. Leadership Effectiveness</td>
<td>3.73</td>
<td>.66</td>
<td>.00</td>
<td>.10</td>
<td>-.02</td>
<td>-.03</td>
<td>.20*</td>
<td>.58**</td>
<td>.38**</td>
<td>(.81)</td>
</tr>
</tbody>
</table>

*p<.05  ** p<.01  + p<.10. N=95  (Alpha reliabilities in parentheses)
TABLE 2
Analysis of Covariance predicting ratings of charismatic and transactional leadership for all four conditions.

<table>
<thead>
<tr>
<th></th>
<th>Homogeneous</th>
<th>Majority</th>
<th>Balanced</th>
<th>Minority</th>
<th>F(3,87)</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(n=27)</td>
<td>(n=26)</td>
<td>(n=26)</td>
<td>(n=16)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charismatic leadership</td>
<td>3.46 (.74)</td>
<td>3.78 (.50)</td>
<td>3.72 (.48)</td>
<td>3.45 (.41)</td>
<td>2.72*</td>
<td>.19</td>
</tr>
<tr>
<td>Transactional Leadership</td>
<td>3.22 (.52)</td>
<td>3.41 (.37)</td>
<td>3.48 (.43)</td>
<td>3.38 (.31)</td>
<td>2.04</td>
<td>.15</td>
</tr>
</tbody>
</table>

Means are reported and standard deviations (in parenthesis). Control variables for team size, work experience, race, and gender were included. * p<.05.
TABLE 3
Analysis of covariance predicting the perceptions of charismatic and transactional leadership.

<table>
<thead>
<tr>
<th>DEPENDENT VARIABLE</th>
<th>MEN</th>
<th>WOMEN</th>
<th>F for gender</th>
<th>F for team gender composition</th>
<th>F for interaction</th>
<th>Comparisons of means of significant effects (Cohen’s $d$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Homo geneous</td>
<td>Majority</td>
<td>Balanced</td>
<td>Minority</td>
<td>Homo geneous</td>
<td>Majority</td>
</tr>
<tr>
<td></td>
<td>Model 1 n=15</td>
<td>Model 2 n=13</td>
<td>Model 3 n=13</td>
<td>Model 4 n=9</td>
<td>Model 5 n=12</td>
<td>Model 6 n=13</td>
</tr>
<tr>
<td>Ratings of charismatic Leadership</td>
<td>3.09</td>
<td>3.63</td>
<td>3.67</td>
<td>3.53</td>
<td>3.92</td>
<td>3.91</td>
</tr>
<tr>
<td>Ratings of Transactional Leadership</td>
<td>3.02</td>
<td>3.35</td>
<td>3.47</td>
<td>3.41</td>
<td>3.48</td>
<td>3.47</td>
</tr>
</tbody>
</table>

Control variables for team size, work experience, race, and gender were included.
* p<.05  ** p<.01 +p<.10
Figure 1. Test of hypothesis 3: Men’s and Women’s ratings of charismatic leadership as a function of their relative gender differences with members of their groups.
Figure 2. Group Centroids from Discriminant Analysis among Men.
Figure 3. Group Centroids from Discriminant Analysis among Women.