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Poster
TITLE
Transformational Leadership and Follower Attitudes: The Role of Diversity Climate

ABSTRACT

Previous research overlooks diversity climate perceptions as an explanatory variable for the impact of transformational leadership in diverse groups. This study supports that transformational leadership is an antecedent to positive diversity climate perceptions, which mediate the impact of transformational leadership on organizational commitment and job satisfaction in a military sample.

PRESS PARAGRAPH

As organizations and the military face the challenge of managing a diverse workforce and leveraging diversity, they are forced to implement diversity initiatives aimed at fostering inclusion to alleviate detrimental consequences associated with negative minority work attitudes. Leadership is often argued to be an important factor in successful diversity practices; however, empirical examinations of the interplay between leadership and fostering inclusive diversity climates are scarce. In a military sample, this study supports that transformational leadership is an antecedent to positive diversity climate perceptions, and diversity climate mediates the relationship between transformational leadership and work attitudes.

Transformational Leadership and Follower Attitudes: The Role of Diversity Climate

The American workforce is becoming increasingly heterogeneous (Jackson, Joshi, & Erhardt, 2003), leading many organizations to implement equal opportunity policies in compliance with federal mandates against discrimination (Thomas & Ely, 1996). Despite these initiatives, women and racial/ethnic minorities still fall victim to workplace discrimination (e.g. Greehaus, Parasuraman, & Wormley, 1990) and often feel excluded or marginalized, resulting in negative work related attitudes compared to majority group members (Greenhaus et al, 1990; Mor Barak, Cherin, & Berkman, 1998).

In addition to legal reasons, many organizations have embraced diversity as a way to enhance performance (Thomas & Ely, 1996). However, diversity has been shown to relate to improved performance and innovation, as well as increased group conflict and decreased productivity (for a review, see Jackson et al, 2003). Consequently, it has become necessary to investigate potential explanations for how organizations may circumvent hurdles due to diversification.

Diversity climate is a variable that captures the degree of organizational openness to diversity, and pro-diversity climates are related to more positive individual and organizational outcomes (Ely & Thomas, 2001; Polzer, Milton, & Swan (2002). Inclusive work environments have been shown to reduce turnover, absenteeism, legal grievances, and increases in work group cohesion and performance (e.g. Hays-Thomas, 2004; McKay, Avery, & Morris, 2007, 2008). Still, the implementation of diversity related policies alone does not foster inclusion (Jane & Dipboye, 2007); and, despite findings that the positive relationship between inclusive climates and work attitudes extends to both minorities and non-minorities, diversity initiatives often fail due to resistance from dominant group members (Stevens, Plaut, Sanchez-Burks, 2008).

Leadership is often argued to be a vital component in the success of the initiatives aimed at creating inclusive organizational climates (e.g. Chrobot-Mason & Ruderman, 2004; Cox & Blake, 1991, Cox, 2001). Yet, minimal research has been devoted to the empirical examination of the relationship between leadership and diversity climate (Chin, 2010). Researchers have begun to address this gap by examining how the positive effects associated transformational leadership may impact outcomes related to the experiences of minorities and diverse groups (e.g. Kearney & Gebert, 2009; Shin & Zhou, 2007).

This phenomenon extends to the military, as women and racial/ethnic minorities continue to increase their representativeness (Edwards, 2001), while indicating more negative work related attitudes than dominant group members (Dansby & Landis, 1991; Truhon, 2008). The military has sought to leverage diversity as a resource; however, resistance is still an obstacle, as whites in the military view diversity management as less important than minorities (Military Leadership Diversity Commission, 2010). Furthermore, military personnel appear to view the management of differences in work units by unit leaders as an important factor in perceptions related to discrimination (Military Leadership Diversity Commission, 2010).

This study contributes to the literature by examining diversity climate as an explanatory variable of the impact of transformational leadership on work attitudes. In doing so, this study addresses the scarcity of research that has investigated the role of diversity climate in the military context.

Transformational Leadership

Transformational leaders are theorized to influence their followers by heightening follower self-awareness, instilling a sense of purpose and mission, and influencing followers to

transcend lower-order needs and goals for the long term benefit of the group (Bass, 1985). Four ostensibly distinct dimensions of leader behavior are traditionally associated with transformational leadership including: (1) *idealized influence/charisma* (more recently split into idealized attributes and idealized behaviors; Bass & Avolio, 1995), whereby leaders influence followers by arousing strong emotions and loyalty from followers; (2) *inspirational motivation*, when a leader communicates high expectations, uses symbols and imagery to focus effort, and expresses the importance of organizational purposes; (3) *intellectual stimulation*, whereby a leader increases follower awareness of problems and encourages followers to view problems from a new perspective; and (4) *individualized consideration*, when a leader provides support and encouragement by giving personal attention and successfully advising followers.

Research has demonstrated the validity of transformational leadership, substantiating its relationship to important organizational outcomes across settings, including the military (Deluga, 1991; Judge & Piccolo, 2004; Kane & Tremble, 2000). Specifically, transformational leadership is an important antecedent of follower job satisfaction, perceptions of leader effectiveness, follower motivation, group performance, and reduced levels of turnover and absenteeism (Deluga, 1991; Judge & Piccolo, 2004; Kane & Tremble, 2000; Richardson & Vandenberg, 2005).

One possible explanation for the outcomes of transformational leadership is the leader's ability to shape climate perceptions. Climate at the individual level is a psychological construct that entails employees' "perceptions of events, practices, and procedures and the kinds of behaviors that get rewarded, supported, and expected" (Schneider, 1990, pg. 384). Leaders of all ranks are vital to the creation and maintenance of climate, as the nature of leader-member interactions, leader behavior and commitment, and leader implemented policies impact

followers' interpretations of climate (Gonzalez-Roma, Piero, & Tordera, 2002; Zohar, 2000).

Transformational leadership, specifically, has shown to be significantly positively related to

safety climate perceptions within military units (Luria, 2008; Zohar & Luria, 2005). However,

the direct effect of transformational leaders on diversity climate perceptions and subsequent

outcomes has not yet been explored.

Diversity Climate

Diversity climate describes employees' perceptions of how one's organization values

diversity, utilizes fair employment policies, and integrates minority employees into the work

setting through specific initiatives (McKay et al, 2009; Mor Barak et al, 1998; Thomas & Ely,

1996). This is necessarily distinguished from equal opportunity climate, or perceptions of the

likelihood of discrimination and harassment at work (Walsh et al, 2010; Dansby & Landis,

1998). Although distinct from related constructs, diversity climate is influenced by equal

opportunity climate, workplace treatment, and access to resources, as well as the perceptions of

minority group members (Kossek & Zonia, 1993; Thomas & Ely, 1996). The Military

Leadership Diversity Commission (2010) recently found that military personnel view equal

opportunity climate and diversity climate as separate but related constructs.

Often, organizations exert effort to the increase demographic diversity; however, they fail

to fully integrate minority employees and encourage assimilation, which fosters an environment

that is exclusive (Thomas & Ely, 1996; Jayne & Dipboye, 2004). However, pro-diversity

climates affirm minority identities (e. g. Chrobot-Mason & Thomas, 2002) through the

recognition of cultural differences and pluralistic ideals (Cox, 1991; Thomas & Ely, 1996).

Inclusive diversity climates lead to increases in minority performance (McKay et al, 2008),

psychological engagement (Plaut, Thomas, & Goren, 2008), group/organizational identification, employee retention, and organizational commitment (Gonzalez & Denisi, 2009; McKay et al, 2007). Furthermore, pro-diversity climates foster group cohesion, (Ely & Thomas, 2001), productivity, and performance (Richard, 2000; Gonzalez & Denisi, 2009). Recently Parks et al (2008) investigated the relationship between diversity climate and organizational commitment, trust in the organization, and job satisfaction for Hispanic women in the military, finding that diversity climate had positive relationships with these outcomes. Overall, it is evident that pro-diversity climates are beneficial for organizations in general and importantly for the present study, the military.

The Current Study

Researchers have recently begun to investigate the impact of transformational leadership on the processes and productivity of organizations with diverse demographic composition. Several studies have demonstrated that when leaders of diverse teams are transformational, teams experience enhanced creativity, greater collective team identification, and more information sharing which positively impact performance (Kearney & Gebert, 2009; Shin & Zhou, 2007). In the military setting, Parks et al (2008) additionally found that transformational leadership moderated the relationship between diversity climate and organizational commitment for Hispanic women, such that perceptions of a transformational leader buffered negative consequences of a poorer diversity climate and enhanced the impact of a positive diversity climate. However, this literature has ignored the potential direct effect of transformational leadership on creating a pro-diversity climate.

Cox's (2001) Change Model for Work on Diversity suggests leadership is a core component of creating a pro-diversity climate, through establishing a management philosophy and an espoused vision related to inclusion, organizational design, personal involvement, communication strategies, and strategic integration. Others theorize that role modeling through goal setting, interpersonal communication with followers concerning diversity, conflict management, and active involvement is critical for effective diversity management (Chrobot-Mason & Ruderman, 2004). These proposed diversity management behaviors reflect the traditional transformational leadership. More directly, Kearney & Gerbert (2009) have postulated that through transformational leadership behaviors, leaders will motivate followers to commit to tasks and shared goals, promoting collaboration with others in the face of diversity, and they appeal to followers' need to be acknowledged, creating perceptions of inclusion.

In sum, the current study proposes that follower perceptions of transformational leadership will be positively related to follower evaluation of their organization's diversity climate, which in turn will impact follower job satisfaction and organizational commitment (Figure 1.).

Method

Data for this study were collected from a recent administration of the Defense Equal Opportunity Management Institute's (DEOMI) Organizational Climate Survey (DEOCS) to members of the United States Military. DEOMI administers the DEOCS to the Department of Defense (DoD) personnel online or via paper and pencil. The surveys are completed at the discretion of the participant and all data is confidential and only aggregated data is provided to military unit commanders.

Our analyses focused on the 1,315 enlisted military personnel who were stationed in 82 units in the continental U.S. We did not include personnel serving overseas, due to the demonstrated impact of combat and peacekeeping activities on the variables of interest (e.g. Tyson, 2008). This sample was 84.9% male, 61.3% White, and the modal age band was 22-30. These individuals worked in a cross-section of career fields in the military.

Measures

The DEOCS evolved from the Military Equal Opportunity Climate Survey (MEOCS; Dansby & Landis, 1991) and is designed to measure perceptions of military or civilian equal opportunity climate and organizational effectiveness. Previous research has supported the psychometric quality of the survey (e.g. Estrada, Stetz, & Harbke, 2007; Truhon, 2003). Additional scales were added to measure diversity climate and transformational leadership.

Transformational leadership, diversity climate, and organizational commitment items were answered on a 5-point Likert-type scale (1= totally agree with the statement; 5=totally disagree with the statement); Job satisfaction items were responded to on a 5-point Likert-type scale (1= very satisfied; 5=very dissatisfied).

Transformational Leadership. Transformational leadership was measured with 6 items (Chronbach's alpha= .96) of the Transformational Leadership Inventory (Podsakoff, Mackenzie, Moorman, & Fetter, 1990). As is common when collecting field data, survey length was a major concern and prohibited the use of the full measure. Participants were asked to rate the top leader in their current location, for example, "The top leader of my organization at this location inspires others with his/her plans for the future."

Diversity Climate. Perceptions of diversity climate were measured with 9 items (Chronbach's alpha= .92) adapted from previous research (Mor Barak et al, 2008; McKay, Avery, & Morris, 2008). A sample item includes, "My work unit is valued for the different perspectives that we bring to the organization."

Job Satisfaction. Job satisfaction was measured with 5 items (Chronbach's alpha= .85), such as "How satisfied are you with the job as a whole."

Organizational Commitment. Organizational commitment was measured using 5 items (Chronbach's alpha= .82) that are intended to gauge how much one identifies with the organization and intends on staying with the organization. Sample items are "I am proud to tell others I am part of this organization."

Control Variables.

Individual Demography. In order to determine the impact of transformational leadership on diversity climate and subsequent outcomes above the impact of demographic diversity, individual demography was controlled for using dichotomized and dummy coded variables representing race/ethnicity, gender, and age (Gonzalez & Denisi, 2009).

Equal Opportunity Climate. Previous research has demonstrated the impact of perceptions of equal opportunity climate on employee attitudes (Walsh et al, 2010) and perceptions of diversity climate (Kossek & Zonia, 2003). Therefore, this construct will also be controlled for in the current analyses. Following Walsh et al (2010), equal opportunity climate will be measured as comprised of positive equal opportunity behaviors (4 items), race discrimination (4 items), racist behavior (3items), age discrimination (3items), and religious discrimination (3items), and disability discrimination (3items). A 5-point Likert-type scale (1=

totally agree with the statement; 5=totally disagree with the statement) was used to measure all items.

Results

Means, standard deviations, and correlations among all of the study variables and control variables are presented in Table 1.

Model Estimation

The hypothesized path model and alternative models were tested using Lisrel version 8.8 (Jöreskog & Sörbom, 2006). Model fit and path coefficients for all estimated models are summarized in Tables 2 and 3, respectively.

Overall model fit for the hypothesized model was weaker than anticipated; however, all of the estimated paths were significant and in the expected direction. The model accounted for 16% of variance in diversity climate, 4% of variance in organizational commitment, and 8% of variance in job satisfaction. Organizational commitment and job satisfaction were allowed to correlate because of the ambiguity concerning which attitude variable precedes the other (Curry, Wakefield, Price, & Mueller, 1986). Transformational leadership was a significant predictor of individual diversity climate perceptions ($B=.48, t =29.86, p< .05$), and diversity climate significantly predicted organizational commitment ($B=.47, t =18.45, p< .05$) and job satisfaction ($B=.52, t =23.27, p< .05$). The total indirect effect of transformational leadership on organizational commitment was .23, and the indirect effect on job satisfaction was .25.

An alternative model that builds by adding a direct effect of transformational leadership on organizational commitment was also estimated (Figure 2). We suspected that diversity climate may only partially account for the relationship between transformational leadership and

the fostering of organizational commitment, as there are likely to be additional variables that account for variance in this relationship that were not measured. This path lead to a significant improvement in model fit, $\Delta\chi^2= 59.18, df= 1$, and all modeled paths were significant. This model increased the variance accounted for in organizational commitment to 6%. Transformational leadership significantly predicted diversity climate ($B=.48, t=29.86, p< .05$) and organizational commitment ($B=.18., t=7.85, p< .05$). Diversity climate perceptions significantly predicted organizational commitment ($B=.32, t=10.21, p< .05$) and job satisfaction ($B=.52, t=23.27, p< .05$). The total indirect effect of transformational leadership on organizational commitment and job satisfaction were, .15 and .25, respectively. The superiority of model 2 indicates that TFL has both a direct effect on follower OC and an indirect effect through diversity climate.

Discussion

As the military and most organizations face the challenge of the diversifying workforce and embrace diversity as a competitive advantage, understanding how to create inclusive, diversity friendly climates is critical to avoid consequences related to employee turnover, absenteeism, and decreased productivity or information sharing (Edwards, 2001; Thomas & Ely, 1996). The Military Leadership Diversity Commission (2010) has undertaken a large scale initiative of investigating diversity and equal opportunity related perceptions in the military in an attempt to understand the persistence of more negative minority work related attitudes compared to dominant group members (Dansby & Landis, 1991; Truhon, 2008). They have found that leaders within military units are seen as important to managing diversity effectively (Military Leadership Diversity Commission, 2010); however, the relationship between leadership and diversity climate has been rarely empirically studied across contexts (Chin, 2000). Our study

contributes to the literature by further explaining the mechanisms through which transformational leaders influence organizations and the military, underscoring the importance of diversity climate as an explanatory variable for the impact of transformational leadership on follower attitudes.

Specifically, our findings suggest that transformational leadership is an antecedent to inclusive diversity climates in the military, predicting climate perceptions above the impact of demographics and equal opportunity climate. This study empirically supports theories that have proposed leadership behaviors such as espousing a vision, personal involvement, and communication with each follower about may be critical to fostering pro-diversity climates and successful diversity initiatives (Chrobot-Mason & Ruderman, 2004; Cox, 2001; Kearney & Gerbert, 2009). By understanding that transformational leadership predicts diversity climate, the military will have insight into specific directives and behaviors that can be used to change the perceptions and values of their followers and foster diversity friendly work environments.

Transformational leadership maintains a direct effect on followers' organizational commitment, likely because of other probable mediators for its impact on follower motivation towards a shared goal. Nonetheless, the indirect effects of transformational leadership on organizational commitment and job satisfaction through diversity climate were significant. This suggests that diversity climate perceptions may be one explanation for how transformational leaders are able to foster the more positive outcomes in diverse groups found in previous literature (Kearney & Gerbert, 2009; Shin & Zhou, 2007). Furthermore our study confirms previous research that demonstrated that diversity climate is an important factor in minority and non-minority employee attitudes, retention, and productivity across settings, including the

military (Gonzalez & Denisi, 2009; McKay et al, 2007, 2008; Parks et al, 2008, Stevens et al, 2008).

Practical Implications

The findings of this study have several practical implications. When organizations are attempting to implement diversity initiatives, they must consider leadership and leadership behaviors for these programs to be effective and not a waste of resources (Jayne & Dipboye, 2004; Kearney & Gerbert, 2009). By using transformational leadership behaviors, leaders can create perceptions that employees are valued and help alleviate resistance (Stevens et al, 2008).

From this notion, leadership development for the military should coach leaders to be able to effectively portray qualities of transformational leaders, such as espousing a vision of inclusion or communicating with all employees about how they contribute to reaching the goals of their unit. It may be beneficial for diversity practices to be an important aspect of performance evaluations for military leaders. This will increase accountability for the climate that is perpetuated in their unit, which may encourage leaders to embrace diversity practices as a priority and to engage in transformational leader behaviors that will foster inclusion. Furthermore, military leaders should better provide mentoring opportunities or resources for minority development, which will bolster impressions that they are acknowledged, valued, and do have opportunities to advance.

Limitations and Future Research

Although the findings from this study are important in understanding the relationship between transformational leadership and workforce diversity, there are a few limitations and needs for future research. First, the cross-sectional design of this study interferes with the ability

to examine causal relationships. Future research should investigate the longitudinal relationship between transformational leadership and the development of inclusive diversity climates, as well as subsequent outcomes.

Self-report measures also have limitations, as they are subject to the survey taker's interpretation of the items. Responses may also be influenced by social desirability, halo and other rater biases, as well as mood and a variety of contextual factors (e.g. Cardy & Dobbins, 1994; Yun, Donahue, & Dudley, 2005).

Our study relied on data obtained from a military sample. While this is beneficial to understanding the role of transformational leadership and diversity climate in this context, it limits the generalizablity to other types of organizations. Thus, another future step would be looking at how the importance of transformational leadership in fostering a positive diversity climate may differ for other populations.

Future research should also investigate group level analyses, as transformational leadership plays a role in developing different facets climate at both the individual level and unit levels in the form of consensus among followers (Luria, 2008; Zohar & Luria, 2005). Unfortunately, because our sample only represented an adequate response rate from 57 distinct units, sample size constraints prevented us from doing do.

Additional outcome variables may also be of interest. In particular, bottom-line or performance outcomes may shed light on how diversity climate accounts for the influence of transformational leadership of effectiveness in diverse organizations. Lastly, research should continue to examine other potential explanatory variables for the effects of transformational leadership across settings.

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Table 1.

Correlations between Measures, Means, and Standard Deviations

Measure	M	SD	Transformational Leadership	Diverstiy Climate	Organizational Climate	Job Satisfaction
Transformational Leadership	3.72	1.03	1.0			
Diversity Climate	3.78	.83	.78*	1.0		
Organizational Commitment	3.40	.96	.59*	.59*	1.0	
Job Satisfaction	3.80	.85	.57*	.64*	.62*	1.0
Gender	.85	.36	.03	.05	-.00	.02
Hispanic (yes/no)	.87	.34	.05	-.00	.03	.02
Race 1	.02	.14	-.01	-.03	-.01	-.03
Race 2	.04	.20	-.03	-.00	-.02	-.03
Race 3	.23	.42	.03	.02	.02	.07*
Race 4	.02	.13	-.02	.03	.02	.03
Race 5	.61	.49	.02	-.01	.02	-.06*
Age 1	.15	.36	-.05	-.08*	-.07*	-.06
Age 2	.45	.50	-.05	-.05	-.13	-.15

Age 3	.28	.45	.05	.08*	.08*	.11*
Age 4	.10	.29	.08*	.07	.18*	.14*
Positive EO Behavior	.39	1.0	.20*	.29*	.22*	.28*
Racist Behavior	2.00	1.0	-.27	-.27	-.39	-.30
Racial Discrimination	1.53	.79	-.28	-.28	-.34	-.29
Religious Discrimination	1.53	.79	-.24*	-.25	-.31*	-.29*
Age Discrimination	1.65	.90	-.27*	-.25*	-.32*	-.28*
Disability Discrimination	1.62	.88	-.21*	-.26*	-.31*	-.29*

Note. * Correlation is significant at the .05 level (2-tailed).

Table 2.

Path Coefficients for Hypothesized and Alternative Models

	Diversity Climate			Organizational Commitment			Job Satisfaction		
	B	SE	t	B	SE	t	B	SE	t
Hypothesized Model									
Transformational Leadership	.48	.02	29.86						
Diversity Climate				.47	.03	18.45	.52	.02	23.27
Alternative Model									
Transformational Leadership	.48	.02	29.86	.18	.02	7.85			
Diversity Climate				.32	.03	10.21	.52	.02	23.27

Note. *Significant at the .05 level

Table 3.

Summary of Model Fit

	χ^2	df	RMSEA	SRMSR	TLI	CFI
Hypothesized Model	94.81*	2	.18	.064	.87	.96
Alternative Model[a]	35.63*	1	.17	.037	.90	.98

Note. * *Significant at the .01 level, *Significant at the .05 level. [a] Alternative model adds a direct effect of transformational leadership on organizational commitment.
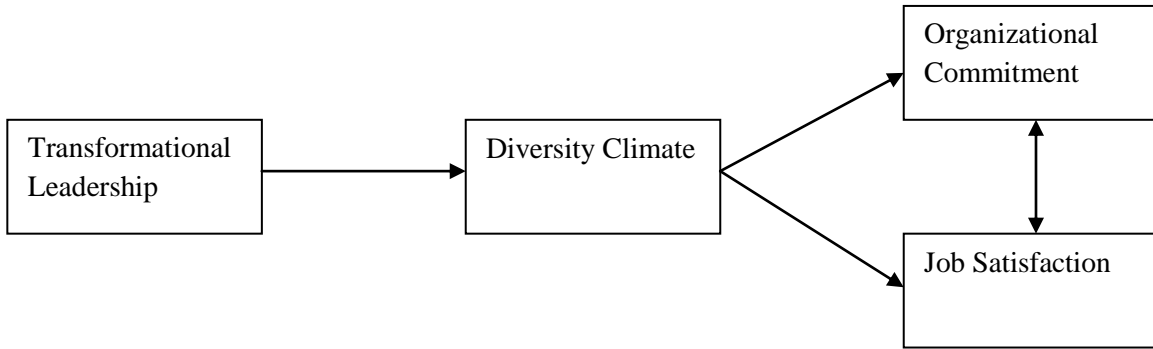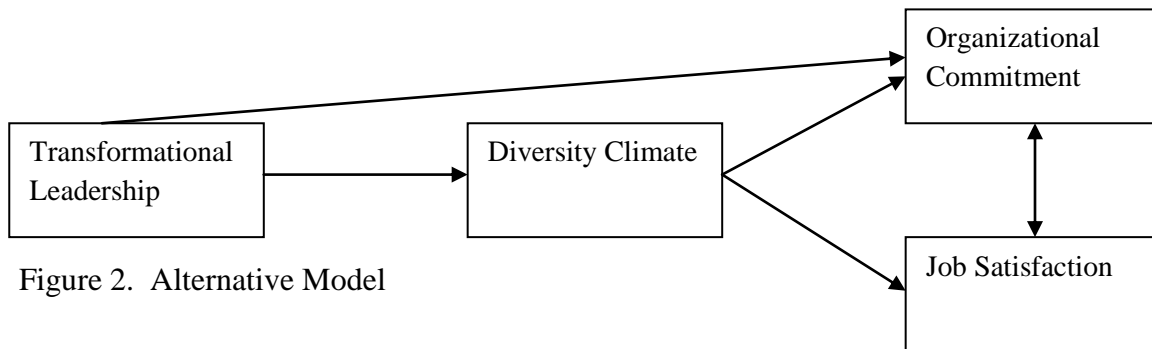
Figure 1. Hypothesized Model

Figure 2. Alternative Model