Leading Diversity: Towards a Theory of Functional Leadership in Diverse Teams

Astrid C. Homan and Seval Gündemir
University of Amsterdam

Claudia Buengeler
Kiel University

Gerben A. van Kleef
University of Amsterdam

The importance of leaders as diversity managers is widely acknowledged. However, a dynamic and comprehensive theory on the interplay between team diversity and team leadership is missing. We provide a review of the extant (scattered) research on the interplay between team diversity and team leadership, which reveals critical shortcomings in the current scholarly understanding. This calls for an integrative theoretical account of functional diversity leadership in teams. Here we outline such an integrative theory. We propose that functional diversity leadership requires (a) knowledge of the favorable and unfavorable processes that can be instigated by diversity, (b) mastery of task- and person-focused leadership behaviors necessary to address associated team needs, and (c) competencies to predict and/or diagnose team needs and to apply corresponding leadership behaviors to address those needs. We integrate findings of existing studies on the interplay between leadership and team diversity with insights from separate literatures on team diversity and (team) leadership. The resulting Leading Diversity model (LeaD) posits that effective leadership of diverse teams requires proactive as well as reactive attention to teams’ needs in terms of informational versus intergroup processes and adequate management of these processes through task- versus person-focused leadership. LeaD offers new insights into specific competencies and actions that allow leaders to shape the influence of team diversity on team outcomes and, thereby, harvest the potential value in diversity. Organizations can capitalize on this model to promote optimal processes and performance in diverse teams.

Keywords: team diversity, team leadership, team performance, intergroup bias, information elaboration
related processes in teams. Our comprehensive review of this literature reveals inconsistent findings pertaining to the interplay of leadership and team diversity. For instance, research on the role of transformational leadership behaviors—the most widely studied leadership behavior in diverse teams—demonstrates positive, negative, and null effects for its moderating influence on the effects of team diversity (e.g., Kearney & Gebert, 2009; Kim, 2017; Scheuer, 2017). Based on the current empirical findings, it remains unclear why the same leadership behaviors result in different outcomes of team diversity.

The idiographic approaches adopted in previous empirical work do not allow for generalized conclusions about the mechanisms and contingencies that govern effective leadership of team diversity. New empirical research is unlikely to successfully tackle this challenge in the absence of a guiding theoretical framework. Diversity characteristics and leadership styles can converge in myriad ways, and scattered investigations of random combinations are unable to provide theoretical insights necessary to derive broadly applicable managerial implications and effective interventions. As a result, academics and practitioners alike continue to face the challenge of understanding why certain types of leadership facilitate the performance of diverse teams in some cases and frustrate performance in others (Homan & Greer, 2013; Klein, Knight, Ziegert, Lim, & Saltz, 2011; Nishii & Mayer, 2009; Stewart & Johnson, 2009).

Here we systematically integrate theory on the potential consequences of team diversity with theory on functional team leadership. This integration offers a novel lens to (re)interpret past research findings and guides future research through a unique theoretical synthesis of diversity and (team) leadership literatures. Our Leading Diversity (LeaD) model provides a dynamic perspective to diversity management that goes beyond prevailing static empirical approaches, which explicitly or implicitly assume that particular leadership behaviors have similar effects across diverse team contexts. LeaD accounts for variations in team-specific needs (that are related to the dominant process instigated by diversity) and the ability of leaders to adapt to those anticipated or existing needs. Moreover, LeaD generates actionable insights by revealing antecedents of functional leadership in diverse teams that can be influenced by organizations through, for example, training and selection. As such, LeaD can help leaders more effectively manage diverse teams as well as aid organizations in pairing leaders with teams to enhance performance.

LeaD incorporates the psycho-behavioral processes that can be instigated by diversity, the behaviors that leaders may exhibit to address these processes proactively and reactively, and the diversity-related competencies of leaders that facilitate these behaviors. First, we propose that team diversity can create highly different situations for leaders to operate in, depending on the predominant processes instigated by team diversity (i.e., subgroup categorization and concomitant intergroup bias or information elaboration). Second, to be able to address these processes, leaders must possess diversity-related competencies (i.e., cognitive understanding, social perceptiveness, and behavioral flexibility), which help them to predict and/or diagnose the team’s needs and perform functional leadership behaviors (i.e., diversity-related actions; cf. Hooijberg, Hunt, & Dodge, 1997). Third, leaders must be able to exhibit functional leadership behaviors (i.e., enact person- and task-focused leadership), and to flexibly adopt these behaviors to address distinct diversity-related processes. In short, as we elaborate below, LeaD specifies how leaders’ diversity-related competencies shape their proactive and reactive behaviors vis-à-vis diverse teams, and when and how the exhibited leadership behaviors improve or deteriorate the relationship between team diversity and team performance.

Developing an integrative theory of the interplay between team diversity and team leadership is important for two interrelated reasons. First, it is widely accepted that diversity can bring about favorable as well as unfavorable processes in teams (Milliken & Martins, 1996; Van Knippenberg, De Dreu, & Homan, 2004; Williams & O’Reilly, 1998), but scholarly understanding of what leaders can do to promote the favorable effects and curtail the unfavorable effects of diversity is limited. LeaD systematically explains how diversity-related processes give rise to specific needs at the team level for certain forms of leadership. We will argue that, depending on the nature of those needs, leaders can proactively or reactively provide complementary or supplementary leadership behaviors. While we acknowledge leaders’ direct influence on team dynamics (independent of diversity; e.g., Burke et al., 2006; Day, Gromm, & Salas, 2006; Morgeson, DeRue, & Karam, 2010; Zaccaro et al., 2001), the current work aims at contributing to a better understanding of the requirements of leaders who operate in and with diverse teams by focusing specifically on the interplay between team diversity and team leadership (cf. Burke et al., 2006). Second, there is a deficiency in the current literature with respect to understanding when and how which types of leader behaviors are instrumental in diverse teams. LeaD advances researchers’ and practitioners’ understanding of when and why which types of leadership behaviors are effective in managing diverse teams. By considering team leaders’ role at the forefront of day-to-day diversity management, our model offers a fine-grained understanding of the management of team diversity through leadership.

**Definitions and Scope of the Current Model**

We define a team as an interdependent group of people with relative stability and a clear collective goal (e.g., a group task; Hackman, 2002). This definition includes (but is not limited to) boards, management teams, R&D teams, brainstorming teams, service teams, and project teams. Teams can be composed of members with a variety of different demographic backgrounds, personalities, values, knowledge, and expertise. We view diversity as a team-level construct, that is, the distribution of differences among the team members (Guillaume, Brodbeck, & Riketta, 2012). Diversity is defined as “differences between individuals on any attribute that may lead to the perception that another person is different from the self” (Van Knippenberg et al., 2004, p. 1008). Some scholars have proposed that diversity effects depend on the type of diversity (Harrison, Price, & Bell, 1998; Williams & O’Reilly, 1998), with surface-level diversity (e.g., gender) being associated with intergroup bias and reduced performance, and deep-level diversity (e.g., personality) being linked to information elaboration and increased performance. Nonetheless, previous research has not found consistent effects of surface- or deep-level diversity on team functioning (Bowers, Pharmer, & Salas, 2000; Van Dijk, Van Engen, & Van Knippenberg, 2012; Webber & Donahue, 2001). Rather, all dimensions of diversity can instigate
positive as well as negative effects depending on moderating influences (Van Knippenberg et al., 2004), provided that team members are aware of the respective differences (Shemla, Meyer, Greer, & Jehn, 2016). Our model is, therefore, applicable to the wide range of possible diversity characteristics.

We focus our theory development primarily on smaller (rather than larger) teams, in which leaders can more easily observe and address group processes. In line with Zaccaro and colleagues (2001), we presume that a team has a clear hierarchical structure, in which the leader is held responsible and accountable for its functioning. We assume that the leader is motivated to understand the team’s needs and manage team diversity (see also Nishii, Khattab, Shemla, & Paluch, 2018). Additionally, as diversity has greater potential to benefit performance on complex and interdependent rather than simple and independent tasks (Bowers et al., 2000; Chatman, Greer, Sherman, & Doerr, 2019; Jehn, Northcraft, & Neale, 1999; Van der Vegt & Janssen, 2003; Wegge, Roth, Neubach, Schmidt, & Kanfer, 2008), our analysis focuses on interdependent teams working on more complex tasks (e.g., problem-solving, creativity, decision-making). Finally, we examine leader effectiveness at the team level. This means that effective team leadership should be reflected in the team’s performance, including its productivity, decision-making quality, innovation, creativity, viability, and member satisfaction (Yukl, 2010).

Setting the Stage for LeaD

Diversity Effects: Two Overarching Processes

According to the Categorization-Elaboration Model (CEM; Van Knippenberg et al., 2004), the effects of diversity on team performance can be understood by considering the favorable and unfavorable processes that diversity may instigate (Joshi & Roh, 2009; Van Knippenberg et al., 2004; Williams & O’Reilly, 1998). The negative effects of diversity arise from subgroup categorization and intergroup bias. When diversity triggers subgroup categorization, teams are divided into subgroups—creating ingroups (i.e., subgroups one is part of) and outgroups (i.e., subgroups one is not part of)—based on the perceived differences between the team members (Tajfel & Turner, 1986). These subgroups, in turn, are prone to experience intergroup bias. People tend to favor members of their ingroup over outgroup members, which may result in negative intrateam interactions, conflict, distrust, disliking, and limited communication between members of different subgroups (Brewer, 1979; Turner, Hogg, Oakes, Reicher, & Wetherell, 1987). Thus, subgroup categorization and concomitant intergroup bias can impair team performance (Pelled, Eisenhardt, & Xin, 1999; Van Knippenberg et al., 2004).

The positive effects of diversity can be explained by the availability of a richer pool of information. Given their heterogeneous makeup, diverse teams often have more different perspectives, information, and ideas available than do homogeneous teams (Cox, Lobel, & McLeod, 1991). As a result, diverse teams can potentially outperform homogeneous ones to the extent that they engage in information elaboration (Van Knippenberg et al., 2004). Team information elaboration refers to “the degree to which information, ideas, or cognitive processes are shared, and are being shared, among the group members” (Hinsz, Tindale, & Vollrath, 1997, p. 43; see also De Dreu, Nijstad, & Van Knippenberg, 2008) and involves “feeding back the results of [. . .] individual-level processing into the group, and discussion and integration of their implications” (Homan, Van Knippenberg, Van Kleef, & De Dreu, 2007a, p. 1189). Information elaboration is related to positive outcomes of diverse teams, such as increased creativity and enhanced decision-making quality (Homan et al., 2007a; Kearney & Gebert, 2009; Mesmer-Magnus & DeChurch, 2009).

In summary, two distinct processes—intergroup bias and information elaboration—resulting from differences between team members can explain the differential effects of diversity on team performance. These processes are not mutually exclusive, but they tend to be negatively related, and at any given point in time one process will typically be more dominant and predict performance better than the other (Van Knippenberg et al., 2004). If diverse teams experience intergroup bias, information elaboration is less likely to occur. Conversely, if information elaboration is prominent, intergroup bias is likely to be less pronounced.

Informed by CEM (Van Knippenberg et al., 2004), research in the last decade has examined a variety of moderators that can explain why diversity in some cases instigates intergroup bias and in other cases stimulates information elaboration (for an overview, see Guillaume, Dawson, Otaye-Ebede, Woods, & West, 2017). One stream of research has shown that diverse teams are less likely to experience intergroup bias when social categories are less salient (Homan et al., 2007a, 2008; Nishii, 2013; Van Knippenberg et al., 2004). Another stream of research has shown that teams are more likely to engage in thorough information elaboration when team members are more open to different information (Homan et al., 2008; Kearney, Gebert, & Voelpel, 2009; Schippers, Den Hartog, Koopman, & Wienk, 2003). Within this focus on moderators of team diversity effects, the interest in the role of leaders in addressing diversity has been steadily increasing (e.g., Guillaume et al., 2014, 2017; Nishii et al., 2018; Roberts, 2006).

Review of Research on the Interplay Between Diversity and Leadership

We conducted an extensive review of the literature on the interplay between team diversity and leadership. We performed a literature search using Web of Science, Ovid, and Google Scholar (using the key words “team” or “group” AND “diversity” AND “leadership”) and identified 44 empirical papers out of approximately 500 hits that examined the interplay between team diversity and team leadership on a variety of team processes and outcomes. A detailed description of the 44 reviewed articles and findings can be found in Table 1.

Our review reveals that authors have adopted idiosyncratic approaches in studying the intersection between diversity and leadership, focusing on a myriad diversity dimensions and over 30 different leadership behaviors and leader characteristics. In terms of diversity, scholars have investigated, among other things, effects of diversity in demographic characteristics (e.g., nationality, ethnicity, gender, and age), personality (e.g., traits, values), and informational background (e.g., education, professional experience). These dimensions were crossed with an even larger number of leadership behaviors and characteristics (see below). The heterogeneity of the available set of studies notwithstanding, our review allows for four broad conclusions about the current state of the art.
### Table 1
Overview of Papers on the Interplay Between Team Diversity and Team Leadership

<table>
<thead>
<tr>
<th>Study</th>
<th>Diversity typea</th>
<th>Diversity main effectb (direction)</th>
<th>Leadership behavior/characteristic</th>
<th>Pro- (P) or reactive (R) leadership</th>
<th>Leadership main effectb (direction)</th>
<th>Dependent variables [Mediators]</th>
<th>Relevant findings pertaining to the interplay between team diversity and team leadershipc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ayoko and Konrad (2012)</td>
<td>Racioethnic</td>
<td>Mixed (+ only for task conflict)</td>
<td>Conflict management; Emotion management; Transformational</td>
<td>R</td>
<td>Mixed (− only for performance); Mixed (+ only for performance); Mixed (− only for task and relationship conflict, + on performance)</td>
<td>Performance, Morale [Task conflict, relationship conflict]</td>
<td>The interaction between diversity and leadership was not tested. Active leader conflict management weakened the negative effect of relationship conflict on team morale. Leader emotion management weakened negative effects of relationship and task conflict on team performance. TFL weakened negative effects of relationship and task conflict on team performance.</td>
</tr>
<tr>
<td>Buengeler and Den Hartog (2015)</td>
<td>Nationality</td>
<td>Yes (−)</td>
<td>Interpersonal justice behaviors</td>
<td>P</td>
<td>No</td>
<td>Performance</td>
<td>The relationship between team nationality diversity and team performance was positive when leader justice behavior mean was high and leader justice behavior dispersion was low. Conversely, the relationship between team nationality diversity and team performance was negative when leader justice behavior mean and dispersion were both low, both high, and when the mean was low and dispersion was high (the latter slope being not significant).</td>
</tr>
<tr>
<td>Choudhury and Haas (2018)</td>
<td>Functional area; Community membership</td>
<td>Mixed (+ only for patent application scope); Mixed (+ only for patent application scope)</td>
<td>Job and patent experience</td>
<td>P</td>
<td>NA</td>
<td>Patent approval speed [Patent application scope]</td>
<td>Functional and community membership diversity increased patent application scope, which in turn was negatively related to patent approval speed. Leaders’ lack of job or prior patenting experience weakened these relationships.</td>
</tr>
<tr>
<td>De Poel, Stoker, and Van der Zee (2014)</td>
<td>Tenure</td>
<td>Mixed (+ only for job satisfaction)</td>
<td>Transformational; Participative</td>
<td>P</td>
<td>No; Mixed (+ only for job satisfaction and team performance)</td>
<td>Commitment, creative behavior, job satisfaction, innovation, performance, conflict</td>
<td>Tenure diversity was positively related to commitment and satisfaction when TFL was high rather than low. Tenure diversity was positively related to performance and innovation when participative leadership was low rather than high.</td>
</tr>
<tr>
<td>García-Granero et al. (2018)</td>
<td>Age; Functional</td>
<td>Yes (+); No</td>
<td>Cognitive trust in team; Shared responsibility with TMT members</td>
<td>P</td>
<td>No; No</td>
<td>Ambidexterity</td>
<td>Functional diversity was positively associated with TMT ambidexterity under high CEO trust, whereas age diversity was negatively associated with TMT ambidexterity under high CEO trust. Age diversity was positively associated with TMT ambidexterity under high CEO’s shared responsibility.</td>
</tr>
<tr>
<td>Georgakakis, Greve, and Raugæsk (2017)</td>
<td>Knowledge-based faultlines (i.e., on functional background and international experience)</td>
<td>Yes (−)</td>
<td>Career experience variety</td>
<td>P</td>
<td>No</td>
<td>Performance (ROA)</td>
<td>A greater variety in leaders’ career experience weakened the negative effect of knowledge-based faultlines on firm performance.</td>
</tr>
<tr>
<td>Greer, Homans, De Hoogh, and Den Hartog (2012)</td>
<td>Ethnic</td>
<td>No</td>
<td>Visionary; Categorization tendencies</td>
<td>P</td>
<td>Mixed (+ only for communication adequacy); Mixed (− only for communication adequacy)</td>
<td>Financial performance [Communication adequacy]</td>
<td>For ethnically diverse teams, visionary leadership enhanced team communication adequacy and financial performance when leader categorization tendencies were low, but harmed communication and performance when leader categorization tendencies were high. There were no effects of visionary leadership and leader categorization tendencies in ethnically homogeneous teams.</td>
</tr>
<tr>
<td>Groves and Feyerherm (2011)</td>
<td>Composite measure of ethnicity and nationality</td>
<td>No</td>
<td>Cultural intelligence; Emotional intelligence</td>
<td>P</td>
<td>No; No</td>
<td>Performance</td>
<td>Team diversity was positively related to team (and leader) performance under higher levels of leader cultural intelligence. Leader emotional intelligence did not moderate diversity’s effects.</td>
</tr>
<tr>
<td>Study</td>
<td>Diversity typea</td>
<td>Diversity main effectb (direction)</td>
<td>Leadership behavior/characteristic</td>
<td>Pro- (P) or reactive (R) leadership main effectb (direction)</td>
<td>Dependent variables [Mediators]</td>
<td>Relevant findings pertaining to the interplay between team diversity and team leadershipc</td>
<td></td>
</tr>
<tr>
<td>-------------------------------</td>
<td>------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>-----------------------------------</td>
<td>-------------------------------------------------------------</td>
<td>---------------------------------</td>
<td>------------------------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>Hassan, Bashir, Abnar, Baig, and Zubair (2015)</td>
<td>Cognitive diversity (perceived)</td>
<td>Yes (+)</td>
<td>Transformational</td>
<td>Yes (+)</td>
<td>Creative self-efficacy (individual)</td>
<td>The interaction between TFL and cognitive diversity was significant. Slopes were not tested, but inspection of the data suggests that TFL increased individual creative self-efficacy more under perceptions of low rather than high cognitive diversity.</td>
<td></td>
</tr>
<tr>
<td>Hmieleski and Ensley (2007)</td>
<td>Composite measure of functional specialty, educational specialty, educational level, and skill diversity</td>
<td>Yes (−)</td>
<td>Empowering; Directive</td>
<td>P Yes (−); Yes (+)</td>
<td>New venture performance (i.e., inverse growth and employment growth)</td>
<td>In highly dynamic environments, diversity was negatively related to new venture performance when empowering leadership was high, whereas this relationship was positive under low dynamism. Conversely, in highly dynamic environments, diversity was positively related to new venture performance when directive leadership was high, whereas this relationship was negative under low dynamism.</td>
<td></td>
</tr>
<tr>
<td>Homan and Greer (2013)</td>
<td>Tenure</td>
<td>No</td>
<td>Consideration</td>
<td>P No</td>
<td>Performance quality [Subgroup formation, leader individuation]</td>
<td>Tenure diversity was negatively related to subgroup formation and positively related to leader individuation when considerate leadership was high rather than low. Tenure diversity was positively related to team performance quality when leader consideration was high, but not related to team performance quality when leader consideration was low. The interactive effect on performance was mediated only by leader individuation.</td>
<td></td>
</tr>
<tr>
<td>Homan, Van Kleef, &amp; Côté (2015)</td>
<td>Conscientiousness</td>
<td>No</td>
<td>Emotion management</td>
<td>P No</td>
<td>Satisfaction, Performance [Cohesion, information elaboration]</td>
<td>Conscientiousness diversity was positively related to team satisfaction, cohesion and information elaboration when the leader scored higher on emotion management, whereas these relationships were negative when the leader scored lower on emotion management. The interaction between conscientiousness diversity and leader emotion management indirectly influenced team performance via cohesion and information elaboration.</td>
<td></td>
</tr>
<tr>
<td>Hsu, Li, and Sun (2017)</td>
<td>Value (perceived)</td>
<td>Mixed (− only for shared leadership)</td>
<td>Vertical (i.e., sense making; providing feedback, solving problems and supporting social relationships)</td>
<td>P and R NA</td>
<td>System quality [Shared leadership]</td>
<td>There was an interaction between value diversity and vertical leadership on shared leadership, and between shared leadership and vertical leadership on system quality. Vertical leadership weakened the negative effect of value diversity on shared leadership and the positive effect of shared leadership on system quality.</td>
<td></td>
</tr>
<tr>
<td>Kearney and Gebert (2009)</td>
<td>Age; Nationality; Educational background</td>
<td>No; No</td>
<td>Transformational</td>
<td>P Mixed (+ only for identification and information elaboration)</td>
<td>Performance ratings (by leader) [Identification, information elaboration]</td>
<td>Under high levels of TFL, nationality and educational diversity were positively related to team performance. These relationships were nonsignificant when TFL was low. Age diversity was not related to team performance when TFL was high, but was negatively related to team performance when TFL was low. Team identification and information elaboration mediated these effects.</td>
<td></td>
</tr>
</tbody>
</table>

*(table continues)*
<table>
<thead>
<tr>
<th>Study</th>
<th>Diversity typea</th>
<th>Leadership main effectb (direction)</th>
<th>Leadership main effectb</th>
<th>Relevant findings pertaining to the interplay between team diversity and team leadershipc</th>
<th>Table 1 (continued)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kim (2017)</td>
<td>Composite measure of deep-level diversity (perceived)</td>
<td>P</td>
<td>Transformational</td>
<td>The relationship between surface-level diversity and team learning was not moderated by TFL. Even though TFL was not reported, it was not perceived for conflict, NA for effectiveness.</td>
<td></td>
</tr>
<tr>
<td>Kunz, Betsch, and Bronk (2013)</td>
<td>Functional dominance</td>
<td>Mixed (+, only for professional diversity)</td>
<td>Transformational</td>
<td>Benevolent paternalism weakened the negative influence of intercultural diversity on information elaboration via intercultural communication openness.</td>
<td></td>
</tr>
<tr>
<td>Lam, Siu, and Lee (2016)</td>
<td>Cultural (perceived)</td>
<td>P</td>
<td>Transformational</td>
<td>The negative relationship between cultural diversity and task-focused leadership was weakened under higher rather than lower levels of TFL.</td>
<td></td>
</tr>
<tr>
<td>Li, Shao, and Yang (2016)</td>
<td>Expertise</td>
<td>P</td>
<td>Transformational</td>
<td>The negative effect of functional dominance on task performance was weakened under higher rather than lower levels of TFL.</td>
<td></td>
</tr>
<tr>
<td>Lu et al. (2018)</td>
<td>Cultural (perceived)</td>
<td>P</td>
<td>Transformational</td>
<td>Charisma did not moderate sex and race diversity effects on category salience. Charisma weakened the negative relationship between sex diversity and task performance.</td>
<td></td>
</tr>
<tr>
<td>Study</td>
<td>Diversity type*</td>
<td>Diversity main effectb (direction)</td>
<td>Leadership behavior/characteristic</td>
<td>Pro- (P) or reactive (R) leadership</td>
<td>Leadership main effectb (direction)</td>
</tr>
<tr>
<td>-------------------------------------------</td>
<td>------------------------------------------------------</td>
<td>-----------------------------------</td>
<td>------------------------------------</td>
<td>-------------------------------------</td>
<td>------------------------------------</td>
</tr>
<tr>
<td>Mo, Ling, and Xie (2019)</td>
<td>Faultline based on gender, education, and tenure</td>
<td>Yes (−)</td>
<td>Ethical</td>
<td>P</td>
<td>No</td>
</tr>
<tr>
<td>Mohammed and Nadkarni (2011)</td>
<td>Temporal (i.e., time urgency, pacing style, and future time perspective)</td>
<td>No</td>
<td>Temporal</td>
<td>P</td>
<td>Yes (+)</td>
</tr>
<tr>
<td>Muchiri and Ayoko (2013)</td>
<td>Gender</td>
<td>Mixed (− only for OCB, collective efficacy, general productivity)</td>
<td>Transformational</td>
<td>P</td>
<td>Yes (+)</td>
</tr>
<tr>
<td>Na, Park, and Kwak (2018)</td>
<td>Faultline on age, gender, and educational specialty</td>
<td>NA</td>
<td>Teamwork behaviors</td>
<td>P</td>
<td>Yes (+)</td>
</tr>
<tr>
<td>Nishii and Mayer (2009)</td>
<td>Composite measure of race, gender, and age; Tenure</td>
<td>No;</td>
<td>Leader-Member exchange mean</td>
<td>P</td>
<td>No;</td>
</tr>
<tr>
<td>Reuveni and Vashdi (2015)</td>
<td>Profession</td>
<td>Mixed (+ only for team shared mental model)</td>
<td>Transformational</td>
<td>P</td>
<td>No</td>
</tr>
<tr>
<td>Rosnauer, Homan, Hoestereiter, and Voelpel (2016)</td>
<td>Nationality</td>
<td>No</td>
<td>Cultural intelligence</td>
<td>Mixed (− only for performance)</td>
<td>Performance, diversity climate</td>
</tr>
</tbody>
</table>

*Study Diversity type: describes the type of diversity present in the study. *Diversity main effect: indicates the direction of the main effect of diversity. *Leadership main effect: denotes the direction of the main effect of leadership. *Dependent variables: lists the relevant variables (Mediators) that were studied. *Relevant findings: summarizes the findings related to the interplay between team diversity and team leadership.
<table>
<thead>
<tr>
<th>Study</th>
<th>Diversity typex</th>
<th>Diversity main effectb (direction)</th>
<th>Leadership behavior/characteristic</th>
<th>Pro- (P) or reactive (R) leadership</th>
<th>Leadership main effectb (direction)</th>
<th>Dependent variables [Mediators]</th>
<th>Relevant findings pertaining to the interplay between team diversity and team leadershipc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rowold (2011)d</td>
<td>Age (perceived); Gender (perceived); Culture (perceived)</td>
<td>NA; NA; NA</td>
<td>Transactional; Transformational; Laissez-faire; Consideration; Initiation structure</td>
<td>P NA; NA; NA; NA; NA</td>
<td>Performance</td>
<td>Three interactions were found to be significant, but slope tests were not reported. Inspection of the figures suggest that gender diversity had a stronger positive effect on performance under high TFL than under low TFL, and under high consideration than low consideration. Cultural diversity had a positive (negative) effect on performance when laissez-faire leadership was high (low).</td>
<td></td>
</tr>
<tr>
<td>Scheuer (2017; Study 3; Chapter 4)</td>
<td>Age (perceived)</td>
<td>No</td>
<td>TFL; Empowering</td>
<td>P Unclear (+ for performance, NA for information elaboration); Unclear (no for performance, NA for information elaboration)</td>
<td>Performance [Information elaboration]</td>
<td>Age diversity was negatively (positively) related to performance under higher (lower) levels of TFL. Age diversity was positively (negatively) related to performance under higher (lower) levels of empowering leadership. Age diversity was negatively (not) related to information elaboration under higher (lower) levels of TFL. Age diversity was positively (not) related to information elaboration under higher (lower) levels of empowering leadership. Information elaboration mediated the moderating effects of TFL and empowering leadership on the relationship between age diversity and performance.</td>
<td></td>
</tr>
<tr>
<td>Schölmerich, Schermuly, and Deller (2016)</td>
<td>Sociodemo-graphic faultlines (i.e., on gender and age); Experience-based faultlines (i.e., on education and tenure)</td>
<td>Yes (− for cohesion and + for social loafing); No</td>
<td>P Mixed (+ only for cohesion)</td>
<td>Performance, social loafing</td>
<td>Cohesion, social loafing</td>
<td>Leaders’ prodiversity beliefs weakened the negative relationship between sociodemographic faultlines and cohesion and the positive relationship between sociodemographic faultlines and social loafing.</td>
<td></td>
</tr>
<tr>
<td>Schölmerich, Schermuly, and Deller (2017)</td>
<td>Faultline on gender and age</td>
<td>No</td>
<td>Prodiversity beliefs</td>
<td>P No</td>
<td>Performance [Leader-Member Exchange]</td>
<td>Faultline strength was positively related to performance when both leader’s and team members’ prodiversity beliefs were stronger rather than weaker.</td>
<td></td>
</tr>
<tr>
<td>Seong and Hong (2018)</td>
<td>Age</td>
<td>No</td>
<td>Charismatic</td>
<td>P No</td>
<td>Performance, OCB</td>
<td>Charismatic leadership moderated the inverted u-shaped (curvilinear) relationship between age diversity and performance (but not OCB). Even though slope tests are not reported, inspection of the figure shows that the relationship between age diversity and performance is an inverted u-shape relationship under high charismatic leadership, but is almost linear negative under low charismatic leadership.</td>
<td></td>
</tr>
<tr>
<td>Shin and Zhou (2007)</td>
<td>Education specialization</td>
<td>No</td>
<td>Transformational</td>
<td>P Mixed (+ only for creative efficacy)</td>
<td>Creativity [Creative efficacy]</td>
<td>Educational specialization diversity was more positively related to creativity when TFL was high than when it was low. This relationship was mediated by team creative efficacy.</td>
<td></td>
</tr>
<tr>
<td>Somech (2006)</td>
<td>Functional</td>
<td>No</td>
<td>Participative; Directive</td>
<td>Mixed (+ only for innovation and reflection); Mixed (+ only for in-role performance and reflection)</td>
<td>Innovation, in-role performance [Reflection]</td>
<td>Functional diversity was more positively related to team reflection and innovation under higher (as compared with lower) participative leadership. Team reflection mediated the interaction on innovation. Functional homogeneity was positively related to team reflection under higher (but not lower) directive leadership. Functional diversity was negatively (positively) related to team in-role performance under higher (rather than lower) participative leadership. Functional diversity was positively related to team in-role performance under higher (rather than lower) directive leadership.</td>
<td></td>
</tr>
</tbody>
</table>

*This document is copyrighted by the American Psychological Association or one of its allied publishers. This article is intended solely for the personal use of the individual user and is not to be disseminated broadly.*
Table 1 (continued)

<table>
<thead>
<tr>
<th>Study</th>
<th>Diversity typea</th>
<th>Diversity main effectb (direction)</th>
<th>Leadership behavior/characteristic</th>
<th>Pro- (P) or reactive (R) leadership</th>
<th>Leadership main effect (direction)</th>
<th>Dependent variables [Mediators]</th>
<th>Relevant findings pertaining to the interplay between team diversity and team leadershipc</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stewart and Johnson (2009)</td>
<td>Gender;</td>
<td>Yes (+);</td>
<td>Leader-member exchange mean;</td>
<td>P</td>
<td>Yes (+);</td>
<td>Performance</td>
<td>There was no three-way interaction between functional background diversity, LMX mean and LMX differentiation on performance. For gender diversity, LMX mean and LMX differentiation interacted to predict performance, such that gender diversity was positively (non-significantly) related to performance in teams with high LMX mean when LMX differentiation was high (low). When LMX mean was low, gender diversity and LMX differentiation did not interact. Cognitive diversity had a positive (negative) effect on intrinsic motivation when TFL was high (low). The interaction between diversity and TFL on creativity was not tested, but the indirect effect on team creativity via intrinsic motivation was significant.</td>
</tr>
<tr>
<td></td>
<td>Functional background</td>
<td>No</td>
<td>Leader-member exchange differentiation</td>
<td></td>
<td>No</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wang, Kim, and Lee (2016)</td>
<td>Cognitive (perceived)</td>
<td>Yes (+)</td>
<td>Transformational</td>
<td>P</td>
<td>Unclear (+ only for intrinsic motivation, NA for creativity)</td>
<td>Innovation climate strength</td>
<td>Demographic diversity was positively related to climate strength when TFL was high, but not when TFL was low. Interaction between diversity and perceived leader task support was not tested. Team leader support weakened the negative relationship between relationship conflict and performance (but no slope tests reported).</td>
</tr>
<tr>
<td>Wang, Rode, Shi, Luo, and Chen (2013)</td>
<td>Composite measure of age and gender</td>
<td>No</td>
<td>Transformational</td>
<td>P</td>
<td>Yes (+)</td>
<td></td>
<td>Knowledge leadership moderated the relationship between knowledge diversity and performance as well as between transactive memory system and performance. There was a positive (non-significant) indirect relationship between knowledge diversity and performance via transactive memory system when knowledge leadership was high (low). The interaction between TFL and core self-evaluation diversity on advice network density was not significant, but the three-way interaction with mean level of core self-evaluation was. The positive relationship between TFL and team advice network density was stronger when team core self-evaluation diversity was low and team core self-evaluation mean was high. The interaction between core self-evaluation diversity and TFL on performance was not tested.</td>
</tr>
<tr>
<td>Wickramasinghe and Nandula (2015)</td>
<td>Background (perceived on nationality, language, geographical region, and age)</td>
<td>Unclear (NA for performance, + for relationship conflict)</td>
<td>Perceived task support</td>
<td>R</td>
<td>Unclear (+ for performance, NA for relationship conflict)</td>
<td>Performance [Relationship conflict]</td>
<td></td>
</tr>
<tr>
<td>Zhang and Guo (2019)</td>
<td>Knowledge (perceived)</td>
<td>No</td>
<td>Knowledge (consisting of leadership skills, cooperation and trust, and knowledge integration and innovation)</td>
<td>P and R</td>
<td>Unclear (+ for transactive memory system, NA for performance)</td>
<td>Performance [Transactive memory system]</td>
<td></td>
</tr>
<tr>
<td>Zhang and Peterson (2011)</td>
<td>Core self-evaluations</td>
<td>No</td>
<td>TFL</td>
<td>P</td>
<td>Mixed (+ only for advice network density)</td>
<td>Performance [Advice network density]</td>
<td></td>
</tr>
</tbody>
</table>

Note. TFL = transformational leadership; LMX = leader-member exchange; OCB = organizational citizenship behavior; TMT = top management team; CEO = chief executive officer.
a Within most studies team diversity was determined objectively, however, some researchers measured team diversity subjectively. This is indicated by the adding the word "perceived" in brackets. b The direct relationships between diversity and leadership and the dependent variables and/or mediators were obtained from the regression or path analysis in which the main effects were tested. The relationships were coded as Yes (i.e., there are significant relationships between the predictor and all outcomes), No (i.e., there are no significant relationships between the predictor and outcomes), or Mixed (i.e., there are significant relationships between the predictor and some, but not for all, outcomes). If no or partial information about main effects was provided, we coded this as NA (not available) or as Unclear (if statistical information was provided for some but not all of the outcome measures). c Some papers included additional moderators or predictors (e.g., organizational context, task type) that are outside of the scope of the current review. However, when these variables were deemed important for understanding the main findings, they are reported in the narrative in this column. d The analyses within a study or for a specific variable were conducted on the individual- rather than the team-level.
First, while most of the reviewed work revealed no direct relationship between diversity and processes or outcomes, some work found consistent positive effects of diversity across processes and outcomes, other work found consistent negative effects, and still other work found inconsistent effects (either differential effects of different diversity types on outcomes, or effects of diversity only on the more proximal mediator and not on the dependent variable). Altogether, our review corroborates metaanalytical findings (Van Dijk et al., 2012) that team diversity often has no consistent direct effects on team processes and outcomes. Moreover, our review supports the general consensus that diversity effects are moderated, underlining the significance of identifying and understanding the role of key moderating factors, such as leadership.

Second, our review reveals that a large variety of leadership styles, behaviors, skills, and characteristics have been examined, such as transformational leadership (e.g., Kearney & Gebert, 2009), visionary leadership (Greer, Homan, De Hoogh, & Den Hartog, 2012), participative and directive leadership (Somech, 2006), temporal leadership (Mohammed & Nadkarni, 2011), task-focused and person-focused leadership (Homan & Greer, 2013; Klein et al., 2011), ethical leadership (Mo, Ling, & Xie, 2019), inclusive leadership (Mitchell et al., 2015), leader cultural intelligence (e.g., Rosenauer, Homan, Horstmeier, & Voelpel, 2016), leader emotion management (e.g., Ayoko & Konrad, 2012), as well as leader behaviors that contribute to positive leader-member exchange (LMX) patterns in diverse teams (Nishii & Mayer, 2009; Stewart & Johnson, 2009). To date, transformational leadership is the most widely studied leadership style, but its moderating effects are inconsistent. This work illustrates that transformational leadership can stimulate positive effects of team diversity (De Poel, Stoker, & Van der Zee, 2014; Kearney & Gebert, 2009; Muchiri & Ayoko, 2013; Rowold, 2011; Shin & Zhou, 2007; Wang, Kim, & Lee, 2016; Wang, Rode, Shi, Luo, & Chen, 2013), hinder positive effects of team diversity (Reuveni & Vashdi, 2015; Scheuer, 2017), weaken negative effects of team diversity (Kearney & Gebert, 2009; Kim, 2017; Kunze & Bruch, 2010), diminish negative effects of negative intragroup processes (Ayoko & Konrad, 2012), or have no impact on the effects of team diversity (Hassan, Bashir, Abrar, Baig, & Zubair, 2015; Kim, 2017; Zhang & Peterson, 2011).

Third, across studies we observe that scholarly attention for leadership styles and behaviors and leader characteristics has developed in isolation. That is, previous research has exclusively examined either styles or behaviors (e.g., directive leadership) or abilities (e.g., cultural intelligence). A notable exception is the work by Greer and colleagues (2012) who examined leaders’ categorization tendencies (indicating a lack of diversity-related competencies) in combination with visionary leadership behaviors in diverse teams.

Fourth, leaders have been studied as shapers of diversity effects (as for instance proposed in CEM by Van Knippenberg et al., 2004) as well as managers of diversity-related processes. That is, team leadership has been found to moderate the relationship between team diversity and emergent states or processes (e.g., Kunze, Boehm, & Bruch, 2013) as well as the relationship between the processes instigated by diversity and team outcomes (e.g., Ayoko & Konrad, 2012). Notably, most empirical work tends to focus on leaders’ role in the relationship between team diversity and subsequent team processes (i.e., first-stage moderation) rather than in the relationship between the processes instigated by diversity and team outcomes (i.e., second-stage moderation). In our theorizing below, we incorporate this distinction between first-stage and second-stage moderation to develop new insights into how leaders can shape diversity-related processes (i.e., which we will refer to as proactive diversity leadership) and/or manage diversity-related processes (that we will refer to as reactive diversity leadership).

Overall the current literature review underlines the need for a comprehensive theoretical framework, by exposing a number of shortcomings. First, there are no consistent effects of team diversity on team outcomes, which confirms the necessity of considering moderators. Second, interestingly, even though existing research has conceptualized diversity leadership primarily in terms of one-size-fits-all solutions, our review shows that the same type of leadership can have divergent effects on team outcomes. This points to the importance of considering the specific needs of diverse teams to identify when leadership behaviors are effective. Third, past work mostly examined leadership styles and behaviors and leadership abilities in isolation, preventing insights into potential synergistic benefits of considering them in conjunction. Fourth, there is a limited understanding of leaders’ role as both proactive shapers of team processes resulting from team diversity and as reactive managers of the team process to team outcome relationship. We propose that addressing these shortcomings requires synthesizing theory regarding the processes that are instigated by diversity with theoretical and empirical insights concerning the effects of leader behaviors. We provide this synthesis in LeaD (see Figure 1). Below we introduce LeaD and clarify how this model addresses the theoretical needs emerging from our review of the literature.

**Leading Team Diversity: Introducing LeaD**

In line with the first conclusion of our review, the central tenet of LeaD is that emerging or existing diversity-related team processes and leadership behaviors interact to determine team performance. In so doing, our model highlights leaders’ role as diversity managers, shaping and addressing the effects of diversity in teams. That is, instead of exhaustively describing all the different ways leaders can influence team dynamics (e.g., Zaccaro et al., 2001; Zhao, Thatcher, & Jehn, 2019), LeaD highlights the impact leadership can have on emergent processes in diverse teams and on the relationship between processes and team outcomes. More specifically, and in line with the second conclusion of our review, we argue that teams experiencing intergroup bias have different leadership needs than teams engaging in information elaboration. As such, leadership behaviors’ effectiveness should differ substantially between these situations. Additionally, building on the third conclusion that we draw from the review, we propose that leaders’ ability to exhibit effective leadership behaviors depends on their diversity-related competencies (i.e., cognitive understanding, social perceptiveness, and behavioral flexibility, which we discuss in detail below). Relating to the fourth conclusion of our review, these competencies allow leaders to proactively predict likely future diversity-related processes and/or reactively diagnose ongoing diversity-related processes in teams, enabling them to flexibly adapt their behaviors to the (anticipated or occurring) dominant
process and, thereby, actively shaping team dynamics and outcomes.

To determine which type of leadership is effective for addressing these main processes, we draw on functional leadership perspectives (Hackman & Walton, 1986; McGrath, 1962), which hold that effective leadership is a function of the interaction between the leader and the situation in which the leader operates (see also Osborn, Hunt, & Jauch, 2002). Team leaders should allocate their time and energy in a way that maximizes the likelihood of enhancing the team’s performance, that is, by adequately matching their behavior to the current or future needs of the team (Burke et al., 2006; Fiedler, 1965; Fleishman et al., 1991; Kerr, Schriesheim, Murphy, & Stogdill, 1974; McGrath, 1962; Osborn et al., 2002; Zaccaro et al., 2001). As such, the matching principle we propose is that leader behavior should counteract ineffective processes and maximize effective ones. This means that leaders need to display certain leadership behaviors and avoid displaying others that are not useful or superfluous (Kerr & Jermier, 1978). Given this focus on functionality, the key question is: What can leaders do to effectively manage the processes that transpire in diverse teams? We propose that a distinction between person- and task-focused leadership is useful for answering this question as it allows for a theoretically meaningful mapping of leadership behaviors onto diversity-related processes in teams. This is because the distinction between person-focused and task-focused leadership behaviors shows conceptual overlap with the distinction between the two processes (i.e., intergroup bias and information elaboration) that diversity can trigger.

**Leader Behaviors: Person- and Task-Focused Leadership**

Over 65 different classifications of leadership can be found in the literature (see, e.g., Bass, 1990; Burke et al., 2006; Fleishman et al., 1991; House, 1996; Judge, Piccolo, & Ilies, 2004; Morgeson et al., 2010; Yukl, 2010). However, calls for parsimony have encouraged researchers to develop a more practical categorization system. This quest has resulted in ample theoretical and empirical evidence that leadership behaviors can be broken down into two broad categories. These categories include behaviors focused on task accomplishment (henceforth labeled task-focused leadership) and behaviors focused on facilitating team relationships and/or development (henceforth labeled person-focused leadership; Burke et al., 2006; Fleishman et al., 1991; Salas, Dickinson, Converse, & Tannenbaum, 1992; Yukl, 2010; Zaccaro & Klimoski, 2002; Zaccaro et al., 2001). Task-focused behaviors are those that facilitate the understanding of task requirements, operating procedures, and obtainment of task-relevant information. Leaders who show task-oriented behaviors (e.g., initiating structure, intellectual stimulation, contingent reward, directive leadership, concern for production, and autocratic leadership; Bass, 1990; Fiedler, 1965; Judge et al., 2004; Somech, 2006) focus on rewards, performance feedback, assignment of tasks, establishment of effective communication channels, and goal direction to concentrate team members on the task at hand (e.g., Burns, 1978; Hersey & Blanchard, 1977; Judge et al., 2004; Pearce et al., 2003). In contrast, person-focused leadership behaviors (e.g., supportive leadership, [individualized] consideration, and concern for people; Bass, 1990; Judge et al., 2004; Rafferty & Griffin, 2006) facilitate the social interactions and attitudes that must be established to enable effective team work (Hemphill & Coons, 1957). Leaders with a person-focused approach may exhibit charisma, coaching, conflict management, and consideration with personal problems, and promote mutual respect, trust, positive LMX (Dansereau, Graen, & Haga, 1975), and coherence to create motivated and cohesive teams (e.g., Bass, 1990, 1999; Hersey & Blanchard, 1977; Judge et al., 2004; Kerr et al., 1974).

We follow previous work showing that task-focused and person-focused leadership behaviors are distinct but not mutually exclusive—they can vary independently of one another. An extensive meta-analytic review of the literature revealed a weak (often nonsignificant) positive relationship ($r = .17$) between task-focused and person-focused leadership (Judge et al., 2004).
implies that leaders can score high or low on either or both dimensions (Blake & Mouton, 1964) and, thus, possess both types of behaviors in their repertoire. However, even though leaders may have the potential to use both types of behavior, task- and person-focused behaviors do not have to be, and often cannot be, exhibited at the same time (Kerr et al., 1974). Indeed, Waldersee, Simmons, and Eagleson (1995) concluded that “the idea that the one individual can, at the same time, be both task and relations-oriented is manifestly unreasonable for the majority of managers” (p. 297).

Integrating the team diversity literature with the literature on team leadership, we propose that person-focused leadership matches the needs of diverse teams experiencing subgroup categorization processes, whereas task-focused leadership matches the needs of diverse teams experiencing information/decision-making processes (see Figure 2). More specifically, we argue that when diverse teams are likely to experience or are experiencing intergroup bias, team leaders should try to prevent or suppress this process by stimulating or facilitating cohesion and manage relationship conflicts, which may be labeled “complementary matching.” Conversely, when diverse teams are likely to exhibit or are exhibiting information elaboration, team leaders could facilitate this process by further stimulating task understanding, epistemic motivation, and shared mental models, which may be labeled “supplementary matching.” Thus, we propose that leadership behaviors can complement (in case of diverse teams that will be or are experiencing subgroup categorization) or supplement (in case of diverse teams that will be or are exhibiting information elaboration) the needs of diverse teams (see Cable & Edwards, 2004). Using this matching approach, LeaD can explain inconsistent findings from previous research in which the same leadership behaviors had different effects (e.g., Homan & Greer, 2013; Klein et al., 2011), as these inconsistencies potentially arise from differential needs that were present in teams.

When managing diversity in teams, we propose that leaders can influence the relationship between team diversity and the likelihood that one of these two processes will be activated as well as manage these processes once these have been activated, which we term proactive and reactive leadership, respectively. LeaD holds that proactive and reactive approaches to diversity management are important and that insights into the antecedents and contingencies of both types of leader diversity management are pertinent for a comprehensive outlook on diversity management. Proactive diversity leadership can set the stage for effective processes in diverse teams by preventing categorization and concomitant intergroup bias and/or by inviting information elaboration. However, leaders may not always be able to proactively shape how diversity affects team processes, and may encounter (situational) factors that are outside of their control (McCLean, Barnes, Courtright, & Johnson, 2019), such as the fact that categorization processes can occur automatically (Ito & Urland, 2003). In such cases, reactive diversity leadership is required. Reactive diversity leadership can ameliorate dysfunctional and facilitate functional processes and, thereby, enhance team functioning and productivity.

In summary, we argue that at any point in time diverse teams primarily exhibit (or display an increased tendency to exhibit) either intergroup bias or information elaboration, which creates different needs. We propose that leaders can proactively or reactively adjust their use of person- or task-focused leadership depending on what their teams need (also see McClean et al., 2019). Consequently, leaders who have both types of behavior in their repertoire have the potential to be more effective than leaders who master only one (or none) of these behaviors (Blake & Mouton, 1964), but this potential can only be realized when leaders are able to effectively and strategically shift between these behaviors depending on the future or current needs of the team (McClean et al., 2019; Zaccaro, Foti, & Kenny, 1991).

For leaders to be able to functionally match their leadership behaviors to the needs of the diverse team, they must be able to proactively predict these needs and/or reactively diagnose these needs, and to flexibly adapt their behaviors accordingly. To do so, we propose that leaders require three diversity-related competencies: cognitive understanding, social perceptiveness, and behavioral flexibility (Hooijberg et al., 1997; Zaccaro, Gilbert, Thor, & Mumford, 1991). These competencies help leaders predict what processes are likely to arise in their diverse team or, if predicting is infeasible, to diagnose the predominant process in the team as it

<table>
<thead>
<tr>
<th>Dominant Diversity-related Process</th>
<th>Key Leadership Behavior</th>
<th>Task-focused</th>
<th>Person-focused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intergroup Bias (Dominant Diversity-related Process)</td>
<td>(the systematic tendency to evaluate the in-group more favorably than the out-group; Hewstone et al., 2002)</td>
<td>(e.g., by re-categorization, de-categorization, limiting identity threat)</td>
<td>(behaviors that facilitate the understanding of task requirements, procedures, and obtainment of task-relevant information; Salas et al., 1992; Zaccaro et al., 2001)</td>
</tr>
<tr>
<td>Information Elaboration (the systematic tendency to evaluate the in-group more favorably than the out-group; Hewstone et al., 2002)</td>
<td>(e.g., by promoting groupthink/common knowledge effect, rubbing away differences)</td>
<td>(e.g., by broadening representational gaps, enabling conflict escalation)</td>
<td>(behaviors that facilitate the social interactions and attitudes that must be established to enable effective team work; Hemphill &amp; Coons, 1957; Judge et al., 2004)</td>
</tr>
</tbody>
</table>

Figure 2. The main predictions following from Leading Diversity model (LeaD): Matching between the diversity-related processes likely within teams and the two sets of leadership behaviors.
unfolds, and to flexibly make use of appropriate leadership behaviors to address anticipated or ongoing processes (see Figure 3). Below, we detail what types of cues leaders can use to predict or diagnose the dominant team process, discuss possible antecedents of leaders’ diversity-related competencies that allow them to be attentive and responsive to these cues (i.e., specific diversity-related traits and characteristics of leaders; cf. DeRue, Nahrgang, Wellman, & Humphrey, 2011), and illuminate the mechanisms driving the functional matching of leader behaviors with team processes.

Predicting Diverse Team Needs: The Role of Leader Cognitive Understanding

When leaders are able to make a correct prognosis regarding the diversity-related processes that is most likely to become dominant in a team they can anticipate which behavior is most likely to be effective in proactively shaping the diverse team’s processes in a way that intergroup bias is avoided or information elaboration is invited. Hence, predicting is associated with proactive action of leaders to guide dynamics in diverse teams in a more effective direction. Seeing leaders as active agents who can shape a constructive team context (see also Van Knippenberg et al., 2004; Zhao et al., 2019), we propose that when leaders are able to predict which process will become dominant, they should act on this prediction (e.g., preventing categorization when categorization is predicted or further facilitating information elaboration when elaboration is predicted). We argue that cognitive understanding of the possible effects of team diversity in teams helps leaders to recognize the cues in the team and environment needed to predict whether the diverse team is more likely to show intergroup bias or information elaboration (Hooijberg et al., 1997; Mumford, Watts, & Partlow, 2015).

Cues that help prediction. Leaders can draw on a variety of predictive cues that can help to anticipate which process is likely to become dominant. One such predictive cue is the specific diversity constellation of the team. In particular, teams in which different diversity characteristics are aligned to form a diversity “faultline”—such as when all the technicians in a team are young women and all the economists are older men—tend to experience more intergroup bias and less information elaboration (Bezrukova, Thatcher, Jehn, & Spell, 2012; Homan, Van Knippenberg, Van Kleef, & De Dreu, 2007b; Lau & Murnighan, 1998). Conversely, teams in which different diversity characteristics do not converge—such as when sex, age, and education are distributed evenly across team members (“cross-categorization”)—tend to experience less intergroup bias and more information elaboration (Homan et al., 2007b; Sawyer, Houlette, & Yeagley, 2006).

Leaders may also consider the reward structure of the team task. In interdisciplinary teams, rewards can be linked to members of a specific discipline or be overarching. The former reward structure is more likely to result in intergroup bias and less information elaboration than the latter (Homan et al., 2008). Furthermore, leaders may attend to cues provided by the organizational context to predict the team’s needs. For instance, the history of the team may provide leaders with information about which process is likely to be dominant in the future (Feldman, 1984; Kelly & Barsade, 2001). Likewise, organizational diversity climates that ignore or de-emphasize diversity (e.g., colorblindness; discrimination-and-fairness perspectives) are more likely to set up for subgroup categorization than climates that acknowledge and celebrate diversity (e.g., all-inclusive multiculturalism, learning-and-effectiveness perspectives; Ely & Thomas, 2001; Nishii, 2013; Nishii et al., 2018; Plaut, Garnett, Buffardi, & Sanchez-Burks, 2011).

Possible antecedents of cognitive understanding. Leaders may develop cognitive understanding as a result of previous experiences with diversity or training. For instance, leaders with ample multicultural experience—extensive contact with and exposure to foreign cultures (Cheng & Leung, 2013)—are likely to have a greater cognitive understanding of the effects of team diversity, because encountering a foreign environment helps acquire new perspectives on different situations and cultures (Gutiérrez & Sameroff, 1990) and anticipate others’ interests and priorities (Galinsky, Maddux, Gilin, & White, 2008; Galinsky et al., 2015). Similarly, cultural intelligence—the awareness of cultural differences and the ability to take these into consideration when making judgments about people or situations (Ang et al., 2007; Triandis, 2006)—can heighten leaders’ cognitive understanding. Cultural intelligence provides people with knowledge about how diversity influences interpersonal interactions (Ng, Van Dyne, & Ang, 2009). Such metacognition, which can be cultivated by organizational diversity practices (Nishii et al., 2018), shapes responsiveness to cues that help predict the process that is likely to become dominant in the diverse team (Adair, Hideg, & Spence, 2013; Johnson, Lenartowicz, & Apud, 2006). Antecedents such as these may contribute to a leader’s cognitive understanding of diversity in teams, which we propose is critical for the effective management of team diversity because it allows leaders to anticipate diversity-related processes in teams.

Figure 3. A visualization of how diversity-related competencies of leaders influence their ability to predict, diagnose, and functionally match leadership behaviors to dominant processes within diverse teams in Leading Diversity model (LeaD).
Proposition 1: Leaders who have a better cognitive understanding of how diversity may influence teams will be better able to predict their team’s future dominant diversity-related process.

Diagnosing Diverse Team Needs: The Role of Leader Social Perceptiveness

Besides predicting the process that is likely to become dominant in diverse teams, it is important for leaders to be able to diagnose the dominant team process after it has emerged to reactively manage teams (see Zhao et al., 2019). That is, whereas leaders may sometimes be able to proactively shape their teams, they also need to be able to address issues that arise in teams because of situational requirements (“ebb and flow” effects; McClean et al., 2019). Team processes and related needs are dynamic and can change because of contextual variations (Mathieu, Tannenbaum, Donsbach, & Alliger, 2014). Moreover, in some cases, predicting the dominant process before it occurs can be difficult. For instance, leaders may not have been present during the team’s initial interactions or may themselves be newcomers to the organization. This makes them less aware of the specific diversity characteristics or climate of the team or organization. However, LeaD proposes that effective leaders can diagnose intergroup bias and information elaboration when these occur. We propose that a leader’s ability to successfully diagnose the predominant diversity-related process in a team hinges on the leader’s social perceptiveness—the awareness and interpretation of social information regarding teams’ needs (Mumford, Zaccaro, Harding, Jacobs, & Fleishman, 2000; Zaccaro et al., 1991). Social perceptiveness makes leaders attentive and attuned to the possible motives, intentions, and sensitivities of team members, and helps them understand current relationships and situations within the team (Zaccaro et al., 1991).

Cues that help diagnosing. Leaders can draw on a variety of diagnostic cues that can help to identify the dominant process. With regard to diagnosing intergroup bias, research has shown that intergroup bias can translate into verbal and nonverbal interpersonal communication within teams (Devine, 1989; Dovidio, Kawakami, & Gaertner, 2002; Fiske, 1998; Hekman et al., 2010). Teams characterized by intergroup bias are likely to communicate and work in subgroups rather than as a collective. This often manifests itself in more distant spatial seating arrangements, increased physical distance, and closed body postures between (members of) different subgroups (e.g., Amodio & Devine, 2006; Dotsch & Wibgoldsus, 2008; Ito & Urland, 2003; King & Ahmad, 2010). In addition to observing these nonverbal processes, leaders could detect less friendly communication, discomfort, and heated emotional arguments in teams that experience intergroup bias (Dovidio et al., 2002; Homan, Van Kleef, & Sanchez-Burks, 2016; King & Ahmad, 2010; Thatcher, Jehr, & Zanutto, 2003; Zellmer-Bruhn, Maloney, Bghappu, & Salvador, 2008).

With regard to diagnosing information elaboration, research has shown that teams that elaborate on information focus attention on the task at hand rather than on the self (Hinsz et al., 1997). Moreover, information elaboration requires team members to encode the information exchanged within the team. This encoding may become visible in questions for clarification and explicit task-related conflicts about different views in team interactions (Bettenhausen & Murnighan, 1991; Homan et al., 2007a). Finally, teams characterized by information elaboration may need fewer rounds of performance and process feedback to instigate learning (Sniezek, May, & Sawyer, 1990), which leaders could observe.

Possible antecedents of social perceptiveness. Social perceptiveness is shaped by previous experiences such as multicultural encounters (Leung, Maddux, Galinsky, & Chiu, 2008; Tucker & Chiu, 2008; Tadmor, Hong, Chao, Wirunchipawan, & Wang, 2012) that help individuals to better interpret and read social processes present in teams (Swenson & Casimir, 1998). Additionally, social perceptiveness is linked to more stable traits and social abilities (Mumford et al., 2000). For instance, the dispositional trait openness to experience entails an open mind to feelings, actions, and ideas in all kinds of situations (Flynn, 2005) and a motivation to clarify unexpected and new experiences (Canaday, 1980; McCrae & Costa, 1997). Openness has been linked to social curiosity (Kashdan, Sherman, Yarbro, & Funder, 2013) and social competence (Schneider, Ackerman, & Kanfer, 1996), and has been found to stimulate more accurate perceptions of others (Hall, Andrzewsiki, & Yopchick, 2009). Similarly, emotional intelligence, defined as a form of “social intelligence that involves the ability to monitor one’s own and others’ emotions, to discriminate among them, and to use the information to guide one’s thinking and actions” (Mayer & Salovey, 1993, p. 433), contributes to a leader’s social perceptiveness and ability to diagnose relational processes in teams (Ayoko & Konrad, 2012; Homan et al., 2015; Jordan & Troth, 2002; Joseph & Newman, 2010; Little, Gooty, & Williams, 2016; Lopes et al., 2004; Wang, 2015). Such diversity-related traits and characteristics shape leaders’ social perceptiveness, which we argue facilitates their ability to reactively diagnose the dominant process in diverse teams.

Proposition 2: Leaders who have higher levels of social perceptiveness will be better able to diagnose their team’s current dominant diversity-related process.

Functional Matching of Leadership Behaviors and Team Needs: The Role of Leader Behavioral Flexibility

Once intergroup bias or information elaboration has been predicted or diagnosed, leaders must show behaviors that address their team’s future or current needs that arise from the respective process (e.g., resolving relational conflict in teams experiencing categorization and concomitant intergroup bias). Such functional matching of behaviors to needs requires behavioral flexibility—“the ability and willingness to respond in significantly different ways to correspondingly different situational requirements” (Zaccaro et al., 1991, p. 322). Leaders with more behavioral flexibility are more adaptable in their behavioral responses, which helps them to effectively choose those responses that are required in specific situations. Behavioral flexibility will aid leaders to effectively match their leadership behaviors to needs arising from the future or current dominant process instigated by the team’s diversity.

Possible antecedents of behavioral flexibility. Behavioral flexibility can be acquired through multicultural experiences, which expose individuals to a variety of work-related situations, informing them about how people in different (cultural) contexts collaborate and communicate with each other. Such experiences provide leaders with tools to flexibly address a variety of needs and
understand what behaviors are (in)effective in a specific situation (Gutierrez & Sameroff, 1990; Leung et al., 2008; Rockstuhl, Seiler, Ang, Van Dyne, & Annen, 2011; Rosenauer et al., 2016; Tadmor et al., 2012). Another characteristic that heightens leaders’ behavioral flexibility is their interpersonal flexibility, a personality trait that captures the ability to alter behavior in different social situations and to flexibly use a variety of behaviors in different situations (Paulhus & Martin, 1988; Tracey, 2005). Trait interpersonal flexibility is positively associated with behavioral flexibility because it creates agility in light of existing needs (Paulhus & Martin, 1988). Similarly, openness to experience is linked to behavioral flexibility (Blickle, 1996; Driskell, Goodwin, Salas, & O’Shea, 2006), because openness is associated with receptivity to change, trying out new things, and being adaptable to changing situations (LePine, Colquitt, & Erez, 2000). Antecedents such as these may contribute to a leader’s behavioral flexibility in the management of diverse teams, which in turn allows leaders to effectively match their leadership behaviors to teams’ diversity-related needs.

**Proposition 3:** Leaders who have higher levels of behavioral flexibility will be better able to functionally match their leadership behaviors to their team’s future or current dominant diversity-related process.

### Matching Leadership Behaviors to Team Needs

We propose that it is important for leaders to be able to prioritize their focus on one or the other type of behavior (to the degree that they master both) in light of the demands of the situation that will be or is instigated by the team’s diversity. We argue that leaders promote team performance to the degree that their behaviors match the team’s needs.

**Intergroup bias and complementary matching.** Diverse teams that experience intergroup bias are likely to be characterized by conflicts, distrust, disliking, and low cohesion (Van Knippenberg & Schippers, 2007). We propose that these negative intragroup processes need to be managed by the leader, before the team can effectively start working on the task at hand (e.g., Hewstone, Rubin, & Willis, 2002; Sherif & Sherif, 1969). In this respect, we argue that for the leader’s behavior to be effective and have impact, they should provide to the team what the team is missing in terms of relational bonding by providing complementary leadership behaviors (Kerr & Jermier, 1978).

We propose that person-focused leaders are well equipped to avoid and counteract these negative relational processes. That is, when leaders attend to individuals’ well-being, listen to personal problems, solve frictions, increase trust and coherence, and engage in conflict management, this will help prevent or address intergroup bias by bringing together the members from different subgroups. Conversely, we argue that task-focused behaviors will be less effective for managing intergroup bias for two reasons. First, subgroup formation and concomitant intergroup bias often coincide with representational gaps in teams (Cronin & Weingart, 2007), which hinder effective interpretation and use of task-relevant information. Primarily focusing on the task and motivating information exchange may not be effective and potentially even counterproductive in such cases, given that people tend to reject information that comes from individuals who are viewed negatively (Hovland & Weiss, 1951). This can stimulate additional conflicts and misinterpretations between the different subgroups (De Dreu et al., 2008; De Dreu & Van Knippenberg, 2005; Tetlock, 2000; Yaniv & Kleinberger, 2000). Second, research on intergroup bias and ingroup favoritism has shown that these behaviors are difficult to counter (e.g., Sherif & Sherif, 1969) and that one needs effort and time to improve relationships between subgroups (Hewstone et al., 2002). If conflicts are not adequately managed, they may escalate (Montoya-Weiss, Massey, & Song, 2001; Simons & Peterson, 2000) and result in negative outcomes such as stress, turnover, absenteeism, and ineffectiveness (Dijksstra, De Dreu, Evers, & Van Dierendonck, 2009; Tekleab, Quigley, & Tesluk, 2009; Zapf & Gross, 2001). In summary, we propose that intergroup bias requires complementary matching using person-focused leadership behaviors (rather than task-focused leadership behaviors). This strategy can work through a number of processes.

First, through recategorization, leaders can bring together members of different subgroups under an overarching, common ingroup identity (Gaertner, Dovidio, Anastasio, Bachman, & Rust, 1993). We propose that person-focused leaders are capable of transforming team members’ cognitive representations of the multiple (potential) subgroups within the team to a single, more inclusive social entity by stressing egalitarian norms and cooperation and by promoting interpersonal contact between members of subgroups (Cook, 1985). Person-focused leaders tend to invite equal participation (Burke et al., 2006; Pearce et al., 2003), provide an inspiring overarching identity (Kearney & Gebert, 2009), and facilitate positive contact between team members (Bass, 1990). These behaviors contribute to a common ingroup identity and thereby reduce bias between subgroups (Gaertner, Dovidio, & Bachman, 1996; Gaertner, Mann, Dovidio, Murrell, & Pomare, 1990; Huo, Smith, Tyler, & Lind, 1996).

A second process by which person-focused leaders can limit intergroup bias is by de-categorization (i.e., individuation) of team members. Person-focused leaders acknowledge and appreciate individual feelings and ideas (Fleishman & Peters, 1962) and inspire participation and positive relationships between team members. This makes it likely that they will perceive their followers as unique individuals rather than as members of diversity-related subgroups. The tendency of person-focused leaders to prompt individuation should be especially likely to become manifest in diverse teams, which are characterized by differences between individual team members that create potential for individuation (Homan, Greer, Jehn, & Koning, 2010). This individuation is likely to limit further subgroup activation because it makes the potential social categories that distinguish team members from one another irrelevant (Gaertner et al., 2000). If members of different subgroups perceive each other as unique individuals (Wilders, 1981) or have repeated personal interactions that enable them to get to know each other and even become friends (Pettigrew, 1998), the validity of outgroup stereotypes is undermined and intergroup bias is reduced (Brewer & Miller, 1984; Gaertner et al., 2000). This individuation should in turn positively influence the relationships within the team as a whole and result in better team performance (Homan & Greer, 2013).

Finally, person-focused leaders can address intergroup bias by decreasing identity threat. Intergroup situations can lead to an experience of threat (Tajfel, 1982). People desire to feel positive
about themselves and they derive much of their self-esteem from the groups to which they belong (Hogg, Van Knippenberg, & Rast, 2012; Turner et al., 1987). When there is another group present that threatens the positive evaluation of their own ingroup, people tend to show ingroup favoritism to repair the standing and value of their own group. In diverse teams, subgroup formation can create identity threat and lead to ingroup favoritism (Branscombe & Wann, 1994). Person-focused leaders use relationship management and support to create positive relationships (e.g., Nishii & Mayer, 2009; Stewart & Johnson, 2009), which brings team members closer together. This improves feelings of psychological safety and trust among the team members, which in turn reduce threat (Matheson & Cole, 2004) and intergroup bias (Hewstone et al., 2002). These arguments converge in the following proposition:

**Proposition 4:** Diverse teams that are characterized by greater intergroup bias will perform better to the degree that the leader exhibits relatively more person-focused leadership behaviors (and relatively fewer task-focused leadership behaviors).

**Information elaboration and supplementary matching.** Diverse teams that engage in information elaboration are characterized by the exchange and processing of divergent information, perspectives, and ideas. However, the link between information elaboration and positive outcomes in teams does not guarantee better performance. Information elaboration effectiveness may be hampered, for instance, when teams do not possess a shared mental model of the task (Klimoski & Mohammed, 1994), are not sufficiently motivated to think thoroughly about the task (De Dreu et al., 2008), or focus more on shared rather than unique information (Gigone & Hastie, 1993; Stasser & Titus, 2003). Therefore, we propose that leaders should provide a supplementary match, by facilitating task-focused information exchange and processing.

We argue that task-focused leaders will provide such supplementary matching, by clarifying task structures and goals, providing feedback, and increasing accountability. Conversely, we propose that person-focused leaders will be less effective in diverse teams engaged in information elaboration for two reasons. First, such teams tend to be characterized by higher levels of intragroup trust and positive interpersonal relationships (Simons & Peterson, 2000; Van Knippenberg et al., 2004). As Kerr and Jermier (1978) note, the effects of person-focused leadership can be neutralized in this situation as the leader does not address anything that the team is not already providing to itself. Second, person-focused leaders might inadvertently lead groups to focus too much on consensus seeking and thereby limit constructive controversy and the exchange of unique information (Asch, 1955; Festinger, 1950; Janis, 1982; Postmes, Spears, & Cihangir, 2001; Tjosvold, Wedley, & Field, 1986). Work on the common knowledge bias, hidden profiles, and groupthink shows that too much cohesion and convergence can lead to suboptimal performance, because team members tend to focus on shared rather than unshared information, underutilize diversity, are uncritical, and agree too quickly on a course of action (Gigone & Hastie, 1993; Homan et al., 2008; Janis, 1982; Stasser & Titus, 1985, 2003). Therefore, we propose that information elaboration requires supplementary matching using task-focused leadership behaviors (rather than person-focused leadership). This strategy can work through a number of processes.

First, task-focused leaders structure tasks and procedures and provide team members with a clear context for collaboration. Within this context, information elaboration occurs on the basis of objectives, tasks, missions, or collective goals (Kaplan, Schaefer, & Zinkiewicz, 1994; Lin, 2007). In other words, to effectively exchange, use, and integrate information, teams need to have a shared reality of the tasks they confront (Bettenhausen & Murnighan, 1991; Festinger, 1950). Providing structure can further promote effective information elaboration by organizing the team’s retrieval and combination of information (Mesmer-Magnus & DeChurch, 2009; Stasser, Taylor, & Hanna, 1989). In line with this idea, research has revealed that formal procedures, such as agendas and decision rules, can positively affect information sharing and outcomes of decision-making groups (Kauffeld & Lehmann-Willenbrock, 2012; Stasser et al., 1989).

Second, feedback—an instrument task-focused leaders often use—is crucial for team functioning (Tindale, 1989). Feedback can provide team members with more accurate representations of others as well as of task progress, which can result in a better use of informational diversity (Sniezek et al., 1990). Adequate feedback can also improve team efficacy (Bandura, 1986), which in turn may increase the motivation to engage in processes that benefit the task at hand; thus, boosting information elaboration (Zaccaro et al., 2001).

Finally, task-focused leaders increase accountability of their team members by using rewards to distinguish the team’s and individual team members’ contributions (London, Smith, & Adsit, 1997; Nishii et al., 2018). Enhancing a sense of accountability within the team can increase epistemic motivation (Scholten, Van Knippenberg, Nijstad, & De Dreu, 2007)—the willingness to spend effort to develop a thorough, deep, and rich understanding of a situation (De Dreu et al., 2008; Kruglanski & Webster, 1996; see also Chaiken & Trope, 1999). Such motivation is related to the discussion of unshared information and the careful processing of task-relevant material (Kearney et al., 2009; Kelly & Loving, 2004; Van Kleef et al., 2009). In short, we propose:

**Proposition 5:** Diverse teams that are characterized by greater information elaboration will perform better to the degree that the leader exhibits relatively more task-focused leadership behaviors (and relatively fewer person-focused leadership behaviors).

**Temporal Dynamics**

In the previous section, we discussed the matching of leadership to the dominant process instigated by diversity as occurring in a (relatively) stable situation, in which the leader was able to predict or diagnose the team’s needs, which in turn required a certain leadership behavior. However, teams change and their needs might change as well. This requires leaders to be dynamic in their behaviors, depending on the needs that the team’s diversity creates. In their extensive review of research on dynamic leadership behaviors, McClean and colleagues (2019) suggest that leader behaviors change over time for different reasons and in different ways. Drawing on their work, we suggest that team diversity can be conceptualized as a dynamic exigency (i.e., need), which might stimulate leaders (who have the necessary competencies and skills) to adapt their behavioral responses to the anticipated or current...
situation in a multidirectional fashion (i.e., from person-focused to task-focused behaviors and vice versa). That is, leaders should show behavioral dynamism, adapting their response over time depending on what is required by the diverse team. We argue that effective behavioral dynamism demands leaders to understand when the team’s needs change and necessitates a different approach. Whereas behavioral flexibility provides the leader with the ability to show such dynamic leadership behaviors, predicting and diagnosing are the necessary prerequisites for leaders to be able to display the adequate dynamic leadership behavior (relatively more person- or task-focused behaviors) depending on the diverse team’s needs. We propose that anticipated and unanticipated events as well as effective matching in itself require behavioral dynamism. Anticipated events influencing the team’s composition or environment provide a unique opportunity for leaders to use their predictive capabilities. A new team composition, organizational reorganization, or altered reward structure may stimulate subgroup categorization and concomitant intergroup bias or might inspire groups to start elaborating information (Arrow & McGrath, 1995; Hewstone et al., 2002; Moreland & Levine, 1982). Dormant faultlines, which did not affect the team before, might be activated by the planned addition of a new team member who strengthens this faultline (Thatcher & Patel, 2012). In this situation, leaders should proactively adapt their behavior and become relatively more person-focused once the new team member joins the team. Similarly, active faultlines might become dormant and less consequential when a newly implemented reward structure cross-categorizes an existing faultline, which in turn should lead the leader to proactively display more task-focused behaviors once the new reward structure is in place.

Proposition 6a: In case of anticipated events, leaders’ ability to predict their team’s dominant diversity-related process as a result of these events stimulates the proactive shifting of their leadership behaviors.

Unanticipated events affecting the team’s composition or environment might be caused by absenteeism and turnover, unexpected failure or success, or economic instability. Using predictive capabilities in such situations might be more difficult (McClen et al., 2019), but leaders can use their diagnostic skills to understand how the diverse team was affected by the unanticipated change or event. The unexpected failure to finish a project on time because of equipment malfunction might set off subgroup categorization and conflict (Pirola-Merlo, Härtel, Mann, & Hirst, 2002), requiring the leader to reactively show more person-focused leadership. Similarly, the unexpected turnover of two team members could change communication channels within the team, requiring the leader to reactively exhibit relatively more task-focused leadership to manage these new communication channels.

Proposition 6b: In case of unanticipated events, leaders’ ability to diagnose their team’s dominant diversity-related process as a result of these events stimulates the reactive shifting of their leadership behaviors.

Finally, we argue that effective matching by the leader may also require behavioral changes over time. That is, when a leader has effectively alleviated intergroup bias within a team, he or she should then reduce the emphasis on person-focused leadership (as continuing to focus on relationships would create a mismatch between the leader’s behavior and existing diversity-related team processes) and increase the emphasis on task-focused leadership. This form of leader dynamism can be predictive as well as diagnostic. That is, if leaders understand how their behavior affects diverse teams over time, they will recognize that once conflicts are solved, person-focused leadership becomes less appropriate. As such, effective matching will stimulate both proactively and reactively changing leadership behaviors over time to keep matching the dominant process instigated by the team’s diversity.

Implications

Based on the basic tenets of our LeaD model, we have put forward propositions that are firmly grounded in theory. Below, we first suggest various methodologies and research designs that may be used to empirically test LeaD’s propositions, as well as to generate additional research questions informed by LeaD. We then summarize how LeaD helps to integrate current and stimulate future knowledge on the interplay between team diversity and team leadership, which is followed by theoretical and practical implications.

Testing LeaD

LeaD provides researchers with clear guidelines on how to systematically test the important intersection between team diversity and team leadership. First, controlled tests of the model that allow for causal conclusions require experimental research. To test LeaD’s propositions, key diversity-related processes (i.e., intergroup bias and information elaboration) can be experimentally turned on (or off) by manipulating established moderators such as information distribution, diversity beliefs, and subgroup salience (Brown & Miller, 2000; Homan et al., 2007a, 2008, 2010; Lau & Murnighan, 1998; Nishii, 2013; Van Knippenberg, Haslam, & Platow, 2007). Person-focused versus task-focused leadership can be manipulated by using confederates, written instructions, or video clips of leaders (e.g., Sosik, Avolio, & Kahai, 1997; Van Kleef et al., 2009).

Second, quasi-experimental setups can help gain insight in the relationship between leaders’ diversity-related competencies and their ability to predict, diagnose, and flexibly adapt their behaviors to team needs. This research could test whether leaders who score higher on the illustrative traits and characteristics discussed above (i.e., multicultural experience, cultural intelligence, emotional intelligence, interpersonal flexibility, and openness to experience) are indeed better able to predict, diagnose, and subsequently flexibly adapt their behavior to team needs via better cognitive understanding, social perceptiveness, and behavioral flexibility. Such research could, for instance, measure the strength of leaders’ diversity-related traits (e.g., openness to experience) and record their behavior or assess their preferred behavioral response toward diverse teams that either experience intergroup bias or engage in information elaboration or that are likely to experience these processes in the future given predictive cues in the environment such as the existence of diversity faultlines (Phillips, Weisbuch, & Ambady, 2014; Waller, Sotrab, & Ma, 2013).

Third, field research is needed to establish the generalizability of the model by examining a broad range of diversity characteristics.
Longitudinal research would be particularly valuable. One could measure the degree to which diverse teams experience intergroup bias and information elaboration (Gaertner et al., 1990, 2000; Homan et al., 2007a, 2008; Kearney & Gebert, 2009) and assess person- and task-focused leadership. A prediction would be that, over time, team performance increases to the degree that leadership behaviors more frequently match the processes that are dominant in the diverse team at a given time.

Fourth, to speak to the temporal dynamics of diversity effects and the resulting need for leaders to address changing team needs with specific behaviors (see also Dinh et al., 2014), diary studies would be informative (e.g., Breevaart, Bakker, Demerouti, & Derks, 2016; Rispens & Demerouti, 2016). Closely following members of different teams over time could yield rich insights into the variety and variability of the team’s diversity-related processes. Similarly, researchers could make use of coding software to look at the microdynamics in teams over time to see if changes in the team are diagnosed and correctly matched by the leader (Kozlowski, 2015; Lehmann-Willenbrock, Meinecke, Rowold, & Kauffeld, 2015). In this way, not only the dynamics of team processes and associated needs for certain leadership behaviors can be measured, but also the leader’s responses to these changes. Including leader traits and characteristics (e.g., multicultural experiences or emotional intelligence) can contribute to a better understanding of the requirements for functional matching.

Fifth, when theorizing about diversity one can conceptualize diversity as separation, variety, or disparity (Harrison & Klein, 2007). Depending on a researcher’s assumptions about the role of diversity within the team (e.g., will diversity instigate polarization, a unique pool of divergent resources, or inequality), theorizing about the functionality of certain leader behaviors may also change. We suggest that when diversity is conceptualized as separation (i.e., degree to which there are opposing subgroups), it is more likely that the team experiences intergroup bias when separation is maximal (i.e., in line with faultline theory; Lau & Murnighan, 1998). With regards to variety (i.e., team member differences on a categorical attribute), we argue that to the degree that a team has moderate variety, teams are more likely to split up into subgroups (e.g., three members from China vs. three from Germany vs. three from Brazil) than when there is maximum variety (i.e., nine different nationalities within the team). Maximum variety could facilitate information elaboration (and not intergroup bias). The work on disparity (i.e., the distribution of a valued resource among team members) is less clear-cut. Some predicted that maximum disparity (e.g., one powerful team member vs. all powerless team members) leads to most conflicts within teams (Siegel & Hambrick, 2005), whereas others argued that a clear hierarchy guards against conflict (Keltner, Van Kleef, Chen, & Kraus, 2008) or that the effects of disparity depend on the average power level of the team (Greer & Van Kleef, 2010) or on the ambiguity of the task (Greer, De Jong, Schouten, & DAnnals, 2018). Thus, researchers should be aware that particular conceptualizations of diversity are more likely than others to be associated with information elaboration or subgroup categorization and intergroup bias, which may shape interactions between leadership and diversity. For instance, when theorizing about diversity in terms of separation rather than variety, one may predict greater effectiveness of person-focused rather than task-focused leadership, as higher levels of separation are more likely to instigate intergroup bias.

Finally, the context in which the team operates might require leaders to be more or less attentive to certain cues. For instance, Bell and Kozlowski (2002) proposed that virtual teams, which are composed of members who are spatially and temporally distributed, require different leadership behaviors than do conventional teams. Although these team members are still interdependent and work on a common task, they typically use computer-mediated communication (e.g., e-mail, Skype), which makes it more difficult to perceive differences between group members. This could reduce intergroup bias. However, when social processes go awry, hostile verbal behavior and negative communication patterns can be amplified in virtual teams (Thompson, 1996). Leaders’ ability to show person-focused leadership to address such subgroup categorization processes might take more time and effort in virtual teams, as leaders cannot manage conflict in personal face-to-face interactions. Moreover, leaders may experience more difficulty in diagnosing team needs, as virtual settings have less rich cues available (Daft & Lengel, 1986), which could make leaders’ competencies for adequately detecting team processes even more important. Future research should examine LeaD in virtual teams given their increased prevalence in modern organizations.

Theoretical and Practical Implications

In unraveling the role of leadership in managing diversity in teams, LeaD integrates team diversity research with research on (team) leadership (e.g., Greer et al., 2012; Homan & Greer, 2013; Kearney & Gebert, 2009; Nishii & Mayer, 2009; Somech, 2006). LeaD stresses the critical importance of matching leadership behaviors to the specific needs arising from predominant diversity-related team processes. The model draws on the functional approach to leadership (Burke et al., 2006; Fiedler, 1965; Osborn et al., 2002) and specifies conditions under which diverse teams can optimally perform when diversity-related needs are successfully addressed by the leader. We argued that competencies of leaders can help them to be proactive—by accurately predicting the dominant process associated with the team’s diversity—and reactive—by accurately diagnosing the dominant process associated with the team’s diversity—diversity managers, who flexibly show complementary person-focused (in case of intergroup bias) or supplementary task-focused (in case of information elaboration) leadership behaviors.

Our review of papers on the interactive relationship between team diversity and team leadership illustrated that (a) diversity main effects are rare and that leaders can shape diversity effects; (b) there is need for an integrative theory on how leadership moderates team diversity effects as similar leadership behaviors show inconsistent effects; (c) both leadership behaviors and leadership competencies interact with team diversity, but it is unclear how these leadership concepts interrelate; and (d) leaders have been examined both as proactive as well as reactive managers of team diversity. LeaD addresses these four observations and brings the field forward by describing and illuminating the complex interplay between team diversity and team leadership.

Speaking to the first two observations, we proposed that diverse teams that experience intergroup bias require relatively more person-focused leadership behaviors, whereas diverse teams that experience information elaboration need relatively more task-focused leadership behaviors. All types of diversity can potentially instigate both processes (Van Knippenberg et al., 2004) and lead-
ers should proactively or reactively adapt their leadership approach to these two processes. Our approach to leaders as diversity managers helps to explain contrasting empirical evidence on the interaction between team diversity and team leadership. As an illustration, consider the inconsistent findings concerning person-focused leadership as reported in Klein et al. (2011) and Homan and Greer (2013). Klein et al. (2011) showed that person-focused leadership strengthened the positive relationship between team diversity and relationship conflict, which in turn negatively influenced performance. Conversely, Homan and Greer (2013) found that person-focused leadership decreased the positive relationship between team diversity and subgroup categorization, which in turn improved performance. Without an integrative theoretical framework, these two contrasting findings would be puzzling, and person-focused leadership effects difficult to predict. However, LeaD can illuminate why the same leadership behavior has positive effects in one study and negative effects in the other. That is, we would propose that in the Klein et al. study (that was conducted in a relatively cooperative nonprofit setting), teams were less likely to experience subgroup categorization and intergroup bias, which would make person-focused leadership less relevant. By contrast, in the Homan and Greer (2013) study (that was conducted in a relatively competitive for-profit setting), teams may have experienced more subgroup categorization and intergroup bias, which made person-focused leadership a supplementary match to the team’s needs.

In line with previous research (e.g., Burke et al., 2006), LeaD distinguishes between two broad categories of leadership behaviors (i.e., task- and person-focused). A clear benefit of this approach is that a broader classification provides a more parsimonious and broadly applicable theoretical framework to work with. Rather than restricting researchers to a single (idiosyncratic) framework, LeaD provides researchers with the opportunity to focus on concrete behaviors that can be grouped under person- or task-focused leadership. Furthermore, our review showed that next to specific leadership behaviors, certain characteristics of leaders (e.g., emotional intelligence, cultural intelligence, diversity beliefs; e.g., Ayoko & Konrad, 2012; Groves & Feyerherm, 2011; Kunze et al., 2013; Lisak, Erez, Sui, & Lee, 2016; Scholmerich, Schermuly, & Deller, 2016, 2017; Rosenaauer et al., 2016) also moderate team diversity effects. Instead of focusing on either leader behaviors or characteristics, LeaD proposes that these interact such that certain leader characteristics develop or stimulate diversity-related competencies in leaders that in turn make effective proactive and reactive matching of leadership behaviors to the diverse team’s needs possible.

That is, we propose that leader competencies are important in understanding the needs of diverse teams—rather than simply enacting their preferred style, leaders must actively determine when to display certain behaviors to be effective. To do so, leaders require cognitive understanding, social perceptiveness, and behavioral flexibility. These competencies can be developed and learned over time by stimulating multicultural experiences or by training leaders’ cultural and emotional intelligence (Black & Gregersen, 2000; Dragoni et al., 2014; McClean et al., 2019; Schute, Malouff, & Thorsteinsson, 2013). Additionally, leaders who possess higher trait-level openness to experience or behavioral flexibility are more likely to have these competencies. LeaD links these traits to specific competencies to explain why leader traits moderate diversity effects. As such, LeaD opens up new avenues of research by proposing that these competencies help leaders to effectively match certain leadership behaviors with the dominant diversity-related process.

Finally, speaking to the fourth observation, LeaD sees the leader as an active manager of diversity effects by influencing the relationship between team diversity and team processes, but also acknowledges that leaders can shape processes instigated by diversity after they are present in the team. Given the difficulties associated with predicting the future effects of diversity, reacting to the current state of the team is sometimes not only the most practical but also the only option. As such, LeaD extends extant ideas in the literature (e.g., CEM; Van Knippenberg et al., 2004) by stressing that the moderating role of leadership takes place not only before the processes are instigated but also after the process has been instigated. Focusing on both sides of the coin (i.e., proactive and reactive leadership) rather than assuming that leaders can always determine outcomes and processes before these arise provides a necessary additional outlook on leaders as diversity managers. Whereas some previous research has examined leadership as a moderator of the processes instigated by diversity (Ayoko & Konrad, 2012; Hsu, Li, & Sun, 2017; Mayo, Van Knippenberg, Guillén, & Firthay, 2016; Wickramasinghe & Nandula, 2015; Zhang & Guo, 2019), empirical research on reactive leadership of team diversity is still scarce. Therefore, more research is required on the reactive (in addition to the proactive) side of diversity management by leaders. LeaD can guide this research by describing when and how a leader’s reactive role will be effective in diverse teams.

In this respect, we do note that the current work does not suggest leaders cannot influence teams directly, for example, their role in team member selection or by translating organizational diversity initiatives to the team. That is, we acknowledge that leaders can have direct (“main”) effects on team processes and outcomes (Burke et al., 2006; Day et al., 2006; Morgeson et al., 2010; Zaccaro et al., 2001; Zhao et al., 2019). However, these direct effects of leadership on teams (and individuals and organizations) are beyond the scope of our model, which specifically focuses on the interplay between team diversity and team leadership. LeaD broadens the picture of leaders’ role as diversity managers, suggesting that leaders should show behaviors that functionally match the dominant processes within the team (which can change over time). We acknowledge that team processes are dynamic (Mathieu et al., 2014), and this requires the leader to be aware of not only the impact of their own behaviors but also of anticipated and unanticipated changes in the environment. We argue that cognitive understanding of diversity effects in teams helps to predict changes in the future processes instigated by diversity as a result of anticipated events. At the same time, unanticipated events require social perceptiveness to diagnose the influence of these events on the dominant process within the team. LeaD might also have implications that go beyond the direct management of team processes and outcomes. Whereas diversity research has generated knowledge about the effects and processes of exclusion and discrimination, we lack a thorough understanding of the leader-related processes and practices that foster workplace inclusion and synergistic performance benefits. LeaD enhances such understanding by illuminating how leaders can bring members of diverse teams to work together effectively by focusing not only on eliminating intergroup bias, but also on actively stimulating the use of diversity so that every team member can contribute to the team. We suggest that effective leadership of team diversity
may over time result in more favorable attitudes toward diversity at the organizational or industry level (Roberson, 2006), because effective team diversity leadership can develop more inclusive cultures in which all individuals feel accepted and appreciated.

Furthermore, these effective leadership behaviors might “trickle down” to team members, who may come to experience better and more productive interactions with diverse others. This could promote productivity attitudes, which in turn feed into better team performance (Homan et al., 2007a).

In this respect, it is important to acknowledge previous arguments, reviews, and overviews regarding the effectiveness of diversity practices and initiatives on the team and organizational level (e.g., Bezrukova, Jehn, & Spell, 2012; Dobbin, Kalev, & Kelly, 2007; Ellemers & Rink, 2016; Guillaume et al., 2014; Joshi & Roh, 2009; Mor Barak et al., 2016; Moss-Racusin et al., 2014; Nishii et al., 2018; Yang & Konrad, 2011). Besides leadership, organizations may have a variety of policies and practices in place that can help in managing the experienced inclusion of their diverse employees. There still is a strong focus on a “one-size-fits-all” approach to diversity interventions and practices, assuming that certain interventions, provided that these are effectively implemented in the organization, will have positive consequences for the experiences of the employees. LeaD calls for a qualification of these ideas. More specifically, when translating our ideas concerning functional leadership to functional diversity management at the organizational rather than the team level, we suggest that considering the needs of the employees is crucial in understanding the conditions under which such interventions are more or less useful. For instance, installing buddy systems to stimulate social interactions between demographic subgroups might be more effective for organizations characterized by subgroup categorization than for organizations characterized by information elaboration, whereas actively increasing diversity might be more effective in organizations characterized by information elaboration rather than intergroup bias.

We argued that for leaders to functionally adapt their behaviors to the needs of the team, leaders require certain competencies, namely predicting, diagnosing, and functional matching. To explain how leaders may obtain or develop such competencies, we discussed a number of illustrative constructs (i.e., multicultural experience, cultural intelligence, emotional intelligence, interpersonal flexibility, and openness to experience), which range from more stable traits to characteristics that can be trained or developed over time (Schutte et al., 2013; Zaccaro et al., 1991). Moreover, by introducing important leader competencies, which make functional leadership more likely, our model speaks to the development of effective diversity leaders. That is, we move beyond leadership styles, which might be more stable and dispositional, and put trainable competencies and characteristics of leaders at the forefront of diversity management (cf. Tasselli, Kilduff, & Landis, 2018).

In a practical sense, organizations may benefit from incorporating these ideas into how they recruit, select, and develop leaders. In the recruitment and selection of leaders, organizations could focus on specific diversity-related traits and characteristics such as time spent abroad and diversity education during college (Bell, Connerley, & Cocchiara, 2009). Society and teaching institutions could also stimulate these experiences and thereby develop better employable workers for the increasingly diverse workforce. Besides selecting leaders with these characteristics, leaders can also be aided to obtain or further develop relevant behaviors or competencies by means of training, coaching, or experiences (Mathieu, Tannenbaum, & Salas, 1992; McClean et al., 2019; Tannenbaum, Smith-Jentsch, & Behson, 1998). In this respect, it is important to understand the needs of leaders, and provide specific training programs that, for instance, focus on the development of (a combination of) cognitive understanding, social perceptiveness, and behavioral flexibility rather than overly broad programs (cf. Anand & Winters, 2008; Guillaume, Dawson, Woods, Sacramento, & West, 2013). The focus on developing these diversity-related competencies also moves beyond current practices of diversity training and ideologies to address sensitivities and biases concerning a variety of diversity characteristics, which are often ineffective (Homan, Buengeler, Eckhoff, Van Ginkel, & Voelpel, 2015; Nkomo & Hooibler, 2014), and may increase exclusion rather than inclusion (Gebert, Buengeler, & Heinitz, 2017). Finally, incorporating 360-degree feedback systems could help leaders better understand the needs of different constituent groups, and as such stimulate cognitive understanding (Day, Fleenor, Atwater, Sturm, & McKee, 2014).

Conclusion

LeaD offers a comprehensive framework for understanding the role of leaders in managing team diversity. While primarily grounded in organizational and social psychological literatures, the model’s implications are far-reaching. Diversity is not limited to organizations, but is also present in schools, neighborhoods, sport teams, and society as a whole. This means that the insights from this article are relevant for researchers and practitioners in other social sciences, such as economics, sociology, sport psychology, political sciences, and education. For instance, research based on LeaD can also inform sociological research on how to manage diversity in communities, understanding the role of the government in dealing with diversity issues, and research on diversity in schools (Oortwijn, Homan, & Saab, 2010). By offering testable propositions and providing an agenda for future research, we hope to contribute to a more systematic approach to research on leadership in diverse teams. This will bring us closer to understanding how to reap the benefits in diversity by creating true synergy between team diversity and leadership in the workplace.

References


LEADING DIVERSITY


Received April 18, 2018
Revision received November 30, 2019
Accepted December 16, 2019