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Organizational Change, Member Emotion, and Construction of Charismatic Leadership:

A Follower-Centric Contingency Model

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Abstract

Building on the romance of leadership theory and the social construction perspective as proposed by Meindl (1990), we take a follower-centric perspective and develop a theoretical model depicting how organizational members construct charismatic leadership as they experience radical organizational change. We propose that the perception of charismatic leadership is first and foremost affected by the change strategy adopted by the organization: a growth strategy will increase charismatic leadership attribution more than will a retrenchment strategy. Furthermore, we propose that the impact of a change strategy on charisma attribution is mainly due to different emotions aroused by the change strategy, namely, a growth strategy will arouse optimistic emotions and create emotional convergence among organizational members, whereas a retrenchment strategy will arouse pessimistic emotions and create emotional divergence. Finally, we identify a set of factors that may moderate either the relationship between the change strategy and charisma perception or the relationship between the change strategy and emotions. These moderators range from the individual dispositions of the organizational members, to group network structure, to the symbolic characteristics of the leader.

Organizational Change, Member Emotion, and Construction of Charismatic Leadership: A Follower-Centric Contingency Model

The role of followers has been recognized by charismatic leadership research, more so than by research on any other types of leadership. Charisma, for example, is defined in terms of the leader's intellectual, socio-psychological, and even behavioral effects on the follower (Fiedler, 1996; George, 2000; House, 1977; House, Spangler & Woycke, 1991; Willner, 1984) or as reflecting the quality of relationship between the leader and the follower (Howell & Shamir, 2005; Klein & House, 1995). However, such recognition by and large is through the perspective of the leader, known as leader-centric, which has serious limitations as critiqued by Meindl (1990, 1995). First, there is a risk of tautology in the leader-centric perspective of charisma in that a key leadership characteristic is itself defined in terms of effectiveness. If, for example, follower identification with and loyalty to the leader is already an integral part of a leader's charisma, it would be somewhat redundant to focus on how charismatic leaders are more effective than say transactional leaders. Second, the role of the follower is by and large conceived as passive, if not negative. Most past research focused on the leaders' charismatic traits or behaviors, which influence the followers in a uni-directional, "top-down" manner (Fiedler 1996; House, 1977; Pescosolido, 2002; Sashkin, 1992). In this perspective, followers are treated as passive, often blind, recipients of great charismatic personas or actions. Even in some works that take into account followers' perspectives and follower-leader relationships (e.g., Klein & House, 1995), potential or actual followers are referred to as "flammable material," with the charismatic leader as the spark and the environment as oxygen (Howell & Shamir, 2005). Third, the leader centric perspective sheds little on the process of charisma emergence. If indeed a follower's attribution is part of the charisma phenomenon, as most leader-centric researchers

acknowledge, focusing on the leader overlooks how the same leader trait or act may or may not come to be perceived as charismatic depending on members' experiences, cognitions, and affect (Meindl, 1995).

In view of the limitations of the leader-centric perspective on charisma attribution, Meindl (1990) proposed a follower-centric perspective. First, in contrast to the traditional view that leadership resides in or emanates from the leader, who uses leadership as means to influence organizational members to achieve organizational objectives, the follower-centric perspective and the romance of leadership theory contend that leadership resides in and emanates from organizational *members*, who use leadership as means to understand and evaluate their organizational experiences. Accordingly, Meindl (1990, 1995) advocated switching research focus away from the leader as the primary determinant of followers' charisma perceptions. Instead, he emphasized follower characteristics and social-organizational contexts as the primary determinants of charisma attribution.

Second, leadership is by and large a given in leader-centric theories and research in that presumed followers are studied to validate the existence of charisma in the leader. From the follower-centric point of view, charismatic leadership is contested, negotiated, and constructed. Accordingly, the primary objective of the traditional leadership research is to uncover the process of the effective exercise of leadership, whereas the primary objective of the follower-centric leadership research is to uncover the process of leadership construction.

Third, due to differences in the conceptions of charisma and in the research objectives, the follower-centric perspective pays greater attention to the underlying cognitive and affective mechanisms by which charismatic leadership is constructed. The emergence of charisma, that is, the construction of charisma in the minds of organizational members, is itself a worthy outcome

variable. Additional outcome variables can include the consequences of charisma attribution, such as employee attitudes and behaviors with regard to the leader and the organization.

Finally, it is worth pointing out that the follower-centric view of leadership does not object to nor negate the role of the leader in the followers' construction of leadership in general and charisma in particular. Rather, it holds that the role of the leader has been exaggerated and romanticized so much that it is necessary to pursue a follower-centric perspective to the exclusion of the leadership role until the followers' role is well understood. In this paper, we build on and extend Meindl's follower-centric perspective of charismatic leadership by exploring the process of charisma attribution during times when organizations experience dramatic transformations. We contribute to the follower-centric perspective in a number of ways. First, we situate our theoretical model in the context of organizational change, when charisma is "up for grabs" with a change of leadership. The backdrop of organizational change and leadership change, in our view, is most conducive to examine the emergence of charismatic leadership. Second, focusing on how charisma becomes perceived and attributed to the change leader by organizational members, we approach all relevant factors purely from the vantage point of the follower, whether the change relates to organizational strategy, network structure, or the symbolic characteristic of the leader. Third, we place organizational members' emotions at the center of our theoretical model. Specifically, we examine how organizational change strategies arouse different kinds of emotion in organization members and how emotions can mediate between change strategy and the perception of charismatic leadership. Finally, we identify a series of individual, group, and organizational level factors that interact with change strategies to influence emotion and charisma attribution.

ORGANIZATIONAL CHANGE AND CHARISMATIC LEADERSHIP ATTRIBUTION

Charismatic Leadership Attribution during Organizational Change

Researchers have defined charismatic leadership in various ways, with many acknowledging the role of subordinates or followers as a critical element. House and colleagues (1991) for example offered some representative definitions of charisma: “Charisma refers to the ability of a leader to exercise diffuse and intense influence over the beliefs, values, behavior, and performance of others through his or her own behavior, beliefs, and personal example... We define charisma here as a relationship or bond between a leader and subordinates or other followers” (p. 366). Our follower-centric perspective on charisma is distinct in two major ways. First, while the leader-centric perspective holds that followers’ charisma attribution is mainly a reflection of their leader’s substantial traits or behaviors, we seek to investigate how charisma attribution is part and parcel of organizational members’ cognitive and emotional responses to the unfolding organizational change. The second distinction of our follower-centric perspective is that we are as interested in the charisma attribution process as we are in the outcome. This will be reflected in the selection of not only independent variables and moderators but also in the dependent variables in our model. In this paper, we will target two dependent variables. The first is the level of perceived charismatic leadership and the second is the variance of such perception, namely, the degree of divergence of charismatic leadership perception among members of the organization.

Previous researchers have postulated that organizations in crisis provide fertile grounds for the emergence of charismatic leaders (e.g., Ashkanasy, Hartel & Daus, 2002; Bass, 1985; House, 1977; Klein & House, 1995; Pillai, 1996; Pillai & Meindl, 1998; Weick, 1993; Willner, 1994). Bass (1985), for example, observed that charismatic leadership is more likely to be found

in a new and struggling, or in an old and failing, organization, as opposed to in a successful and stable one. Pillai (1996) found evidence in a lab experiment that individuals in threatening situations are more likely to make charisma attribution to emergent leaders than those in normal, non threatening situations.

Most of the observations about crises indicate the presence of uncertainty and stress in times of crisis. We focus on organizational change instead of crisis as the backdrop for our theoretical dialogue. This we believe is necessary for the process of charismatic leadership emergence and construction. Organizational change may either be triggered by a crisis itself, or may be a proactive response to anticipated crisis. Change resembles crisis in that it is uncertain and stressful, but crisis itself does not create charisma, neither in the leader's persona nor as subjectively constructed in the minds of the followers. The precondition for the emergence of a charismatic leader is that he or she provides a resolution of the crisis or is believed to have the ability to do so. In explaining why "crisis breeds charisma," Klein and House (1995) state: "In crisis individuals are uncertain and stressed and, thus, open to the influence of pervasive leaders who offer a hopeful, inspiring vision of the crisis resolved" (pp.185-186). Note that to be perceived charismatic by organizational members the leader has to provide "a hopeful, inspiring vision" for resolving the crisis. We further argue that the provision of hope and inspiration is itself amendable by subjective construction because organizational change increasingly carries a mixture of positive and negative consequences and its implications depend on perspectives and interests of different stakeholders (Pfeffer & Salancik, 1978; Perrow, 1972). It is the organizational response to crisis, rather than crisis per se, that provides ideal testing grounds for the construction of charismatic leadership.

Organizational Change Strategy and Attribution of Charismatic Leadership

Organizational change from the evolutionary perspective has been characterized as either minor, incremental change that adjusts and refines operations within the existing system or radical, transformational change that involves core changes of the system in areas such as organizational strategy and structure (Amburgey, Kelly, & Barnett, 1993; Halliday, Powell, & Tinsley, 1994; Tushman & Anderson, 1997). Transformational organizational change can be further distinguished into two types: growth and retrenchment (Tushman & Anderson, 1997). A growth strategy refers to the aggressive expansion of existing business or diversification into new businesses whereas a retrenchment strategy is a significant downscoping so as to focus on corporate core competences (Koskisson & Hitt, 1994), often involving reduction of the size and diversity of business operations. The two strategies are both radical changes and both carry uncertainty as they bring disruptions of established routines and authority relationships, e.g., mergers and acquisitions in growth strategies, and downsizing in retrenchment strategies.

We propose that a growth change strategy is more likely to increase the perception of charismatic leadership by organizational members than a retrenchment change strategy. We are aware that this proposition may run counter to perceptions of charismatic leadership by external parties such as the media and industry analysts, who evaluate the short or long term merits of retrenchment versus growth strategies from a somewhat disinterested perspective. For example, to the extent a retrenchment strategy signifies more radical change than does a growth strategy, executives adopting the former strategy, everything else equal, may be portrayed in the media as more charismatic than those adopting the latter strategy. Organizational members, however, may respond differently than the media because they are more likely to assess a change strategy according to its consequences on their own personal career and life. Where consequences have

not materialized or are uncertain for ongoing changes, according to prospect theory (Kahneman and Tversky, 1979), people will evaluate a change strategy according to the probability that it will bring about a better or worse future than the status quo of the pre-change situation. Members of organizations adopting a growth strategy will see more opportunities for organizational and personal growth whereas those in organizations adopting a retrenchment strategy will see the restriction of operations and the possibility of layoffs. In the case where organizational change has already borne results, members of expanding organizations are more likely to be retained and be given increasing responsibilities whereas those in downsizing organizations are likely to see the resources being dwindled and coworkers being laid off. Organization members therefore assess effectiveness of organizational change primarily in terms of its effect on their own life and career, be they anticipated or realized. It should be pointed out that retrenchment change may eventually bring about a future that is drastically better than the pre-change status quo but such an eventuality could be too far ahead for the current organizational members to foresee.

The assessment of the impact of the organizational change will be linked to charisma attribution if and when such impact is attributed to the leader in the mind of the organizational members. Such linkage, we believe, is quite strong for two reasons. First, previous theory and research on leadership attribution predict that members construct leadership images according to performance outcomes. Studies on the effects of performance cues found that leadership images are based on the direction of performance outcomes, positive for positive group performance and negative for negative group performance (e.g., Staw, 1975). A similar phenomenon occurs at the organizational level when concepts of leadership are appealed to when the economy or business is doing either very well or very poorly but not moderately (Meindl & Erlich, 1987). Second, in addition to the general tendency to explain organizational outcomes in terms of leadership,

organizational change often coincides with the change of a company CEO. Indeed it is often the case that the new executive is hired with great expectation to resolve an existing organizational crisis. The co-occurrence of leadership and organizational change therefore further reinforces the general romance of leadership tendency to attribute anticipated outcomes of organizational change to the leader. In summary, we propose:

Proposition 1: A growth change strategy will be more likely to increase the perception of charismatic leadership by organizational members than will a retrenchment change strategy.

While the above proposition is about the level of charisma attributed to the leader who is supposed to embody the organizational change strategy, the change strategy itself may also affect the consensus or divergence of charisma attribution. To the extent organizational members differ in their assessment of the positive-negative impact of organizational change, there will be greater variation in the construction of charismatic leadership within the organization. In fact, scholars of charisma have remarked how charismatic leaders often create bipolar love-hate relationships with followers and non-followers (Dasborough & Ashkanasy, 2002). Of interest to us is whether such a difference exists among organizational members at the very beginning, when charisma is being constructed. We hold that there will be variations among employees in the assessment of change outcomes in both growth and retrenchment organizations. In companies pursuing rapid growth such as aggressive mergers and acquisitions, there will be a reallocation of authorities and resources and some parts of the company may lose while others may gain. Accordingly, assessments of the organization's future as well as assessments of future personal careers may not be monolithically positive among all organizational members. Similarly, in retrenching organizations, assessment of future will not be monolithically negative among all organizational

members because some parts of the company may gain more authority and resources even though most parts are downsizing. In spite of the above argument about variations within either growing or retrenching organizations, we nevertheless contend that the variation of one's future outcome assessment will be greater for the latter than the former. This is because a growth strategy, despite its accompanying uncertainty and stress, is expected by the majority of employees to move the company in a positive direction whereas members of retrenching companies will be more divided in their assessment of the company's future because the change for them may have a stronger short term impact, while the long-term change benefits are less certain. Due to the link between organizational performance outcomes and leadership attribution, then, variations in outcome assessment will be related to variation in charisma attribution. We therefore propose:

Proposition 2: A growth change strategy will be more likely to be associated with less divergence in the perception of charismatic leadership among organizational members than will a retrenchment change strategy.

THE MEDIATING ROLE OF EMPLOYEE EMOTIONS

Scholars in the leadership field began focusing on the value of emotions in the charisma attribution process fairly recently, but mostly through a leader-centric perspective, either in the sense that follower-emotion is a response to leader-emotion, or in that effective leadership involves the management of follower-emotions. For instance, Lord, Brown and Freiberg (1999) proposed that supervisors often unconsciously influence employees with their affective states. Brown & Keeping (2005) showed that affect mediates the relationship between leaders' and followers' performances. Specifically, followers' liking of a leader also leads to higher

transformational leadership ratings (Brown & Keeping, 2005). George (2000) stated that emotional intelligence, or the ability to understand and manage moods and emotions in the self and others, contributes to effective leadership in organizations. Even when authors have considered the attribution of charisma as a reciprocal emotional process between the leader and the followers, follower-emotion is not linked with organizational change and is conceived of as more responsive to leader-emotion than vice versa (e.g., Lord, Brown & Frieberg, 1999; Willner, 1984). In summary, most of the research emphasized the role of leaders' emotions as a primary focus of their research and follower-emotion is merely a byproduct of the leader's emotions, or the target rather than the source of influence in charisma attribution.

In the spirit of the follower-centric perspective, we propose that employee emotions originate from their own perception and assessment of organizational change, which in turn affect their charisma attribution. However, we do not mean that employees' assessment of organizational change and the associated emotions are formed in isolation of any influence from their peers or leaders. While we will address those factors later, we here theorize about how employee emotions mediate their assessment of an organization's future and their charisma attributions.

Organizational Change Strategy and Member Emotions

We define emotion as a specific affective occurrence that is identified with or directed toward particular stimuli. Emotions are relatively high in intensity and short in duration, can disrupt ongoing thought processes (Barry, 1999; Forgas, 1992; Frijda, 1993), and are often considered in discrete dimensions, such as happiness, anger, fear, joy, anxiety, elation, guilt, etc. (Brief & Weiss, 2002; van Kleef, De Dreu, & Mainstead, 2004a; 2004b). Previous research in psychology and organization studies has primarily examined mood states and emotions along

two dimensions: valence (positive-negative direction of affect) and arousal (high-low intensity of affect) (see Russell 1979; Watson & Tellegen, 1985). Because organizational change is typically charged with intense emotions (Ashkanasy et al., 2002), in this paper we focus on the direction of emotions. In addition to the individual level of analysis, we are also interested in the emotional consensus among members of an organization. In particular, relevant to the study of variance in charisma attribution, we are interested in emotional divergence in organizations (high if organizational members experience diametrically opposed emotions and low if they experience similar emotions either in the positive or in the negative direction).

Though organizational change is often surrounded by high levels of uncertainty, which may create a prevailing negative emotion of anxiety, we expect to both positive and negative emotions to appear. In the above section, we discussed how different change strategies may affect organizational members' assessment of change outcomes. Here we further argue that such assessment of the change strategy is rarely cool-headed but rather is likely to be emotionally charged, both because the stakes involved are so high and because organizational transformation is often accompanied by organizational politics, characterized by alliances and contestation among different stakeholders (Pfeffer, 1981). To the extent different organization change strategies arouse different attitudes toward the change, employee emotions will be significantly related to the change strategy. As described above, we expect that members of organizations adopting a growth strategy will be more likely to experience optimistic emotions such as hope and excitement about organizational change whereas those of a retrenchment change strategy will be more likely to experience pessimistic emotions such as fear and insecurity about the change. Furthermore, because there is higher consensus regarding outcome assessment for

growth than for retrenchment strategy, we expect more emotional convergence among members of growing companies than among those of retrenching companies. We therefore propose:

Proposition 3a: Organizational members will experience stronger optimistic emotions under a growth change strategy but stronger pessimistic emotions under a retrenchment change strategy.

Proposition 3b: There will be less divergence in emotions among organizational members under a growth change strategy than under a retrenchment change strategy.

Member Emotion and Charisma Attribution

We propose that charisma attribution will be affected by attributors' emotions in that people with optimistic emotions will make more charisma attributions than will people with pessimistic emotions. It is worth noting that this proposition is different from the general assertion that people in a crisis situation (Tichy & Devanna, 1986; Pillai, 1996), or under high emotional arousal (Mayo, Pastor & Meindl, 1996), are more likely to perceive charisma than are people in normal conditions. We assert that it is primarily not the high arousal or stress per se but the direction of the emotion that affects charisma attribution.

There is ample research evidence that emotion colors perception in that positive emotions generate more favorable perceptions than do negative emotions (Isen, 1987; Seligman & Csikszentmihalyi, 1991). Applying this emotion-colors-perception principle to the organizational context, it is expected that because charisma is generally viewed as a positive attribute, optimistic emotions should lead to more charisma perceptions while pessimistic emotions to less charisma perceptions. Furthermore, as discussed earlier, according to the romance of leadership

perspective, there is a general tendency that organizational members attribute organizational events and experiences to those in leadership positions. This general tendency gets reinforced and intensified during an organizational change that explicitly ties the change to the change agent, namely the new CEO. The same new CEO therefore will be perceived differently depending on how the members feel about the consequences of the organizational change.

In summary, we expect a link between outcome assessment of an organizational change and emotion on one hand, and a link between emotion and charisma attribution on the other hand. Thus, we propose:

Proposition 4a: Optimistic emotions will have a positive effect on the perception of charismatic leadership whereas pessimistic emotions will have a negative effect on the perception of charismatic leadership.

Proposition 4b: The greater the divergence in emotions among organizational members the greater the divergence in the perception of charismatic leadership.

MODERATING FACTORS OF CHARISMA ATTRIBUTION

As stated earlier, taking the follower-centric perspective does not preclude consideration of non-follower factors. Furthermore, the proposed theoretical relationships among organizational change, member emotion, and charisma attribution may or may not hold true depending on multiple factors at the individual, group, or organizational level. In this section, we seek to identify these factors.

Member Dispositions

Optimistic disposition. Research on positive emotions has demonstrated that some people are able to cultivate positive emotions in times of crises (Folkman & Moskowitz, 2000) and use them strategically by looking for opportunities to achieve their desired outcomes (Folkman, 1997; Tugale & Frederickson, 2002). These individuals are viewed as having a resilient personality. Similarly, research on optimism-pessimism has also identified a stable individual characteristic that orients individuals to approach adverse situations optimistically versus pessimistically (Peterson, Seligman, & Vaillant, 1988; Seligman, 1991). Relating this individual characteristic to the link between organizational change strategy and member emotion, we propose that an optimistic disposition will moderate the effect of an organizational change strategy on emotions such that:

Proposition 5. Organizational members with higher as opposed to lower optimistic dispositions will experience stronger optimistic emotions under a growth change strategy but weaker pessimistic emotions under a retrenchment change strategy.

Romance of Leadership Tendency. The romance of leadership tendency refers to an individual's tendency to attribute organizational events and outcomes to those in leadership positions. Such a tendency is more likely to be aroused when explanations are sought to account for drastic performance fluctuations (Meindl & Ehrlich, 1987). Furthermore, the romance of leadership tendency is also conceived of as a stable individual attribute (Meindl, 1990), which directs some individuals more than others to attribute outcomes to leaders across a variety of situations. Following previous theory and research we propose that the romance of leadership tendency will enhance the link between organizational change strategy and charisma attribution such that:

Proposition 6. The positive effects of a growth change strategy and the negative effects of a retrenchment change strategy on the perception of charismatic leadership will be stronger for organizational members with a strong romance of leadership tendency than for those without it.

Organizational Network Density

One important social mechanism for influencing the convergence versus divergence of emotion is known as social contagion, which Meindl (1990) considered to be key to the construction of leadership among followers. “In its broadest sense, social contagion is defined as the spread of affect, attitude, or behavior from Person A (the “initiator”) to Person B (the “recipient”), where the recipient does not perceive an intentional influence attempt on the part of the initiator” (Levy & Nail, 1993, p. 266). In other words, social contagion is a process where individual emotional states and behaviors spread to others through communication or the mere physical presence of initiators.

Leader-centric research has examined how a leader’s emotions and moods are contagious to followers and influence their attitudes and performance (e.g., Brown & Keeping, 2005; Cherulnik, Donley, Wiewel, & Miller, 2001; Gaddis, Connelly & Mumford, 2004; Lewis, 2000; McColl-Kennedy & Anderson, 2002). For example, Cherulnik et al. (2001) demonstrate that by exhibiting positive emotions through nonverbal behaviors (such as frequent intense smiles or maintaining close visual contact with the audience) leaders can be perceived by followers as charismatic through the process of social contagion. A follower-centric perspective, however, focuses on social contagion among peers (Meindl 1990; Pastor, Meindl, & Mayo, 2002). Here, we consider the impact of the employee network structure on emotional contagion. More

specifically, we expect network density, which reflects the frequency of contact and communication among network ties, to have an impact. Previous research has shown that individuals' emotions are highly influenced by social contexts (Fiol, 2002; Weick & Roberts, 1993), and group structure can even influence the emotional convergence of group members (Bartel & Saavedra, 2000). Specifically, these authors found that mood convergence was higher based on the degree to which group members worked together closely and saw each other socially. Thus, we would expect network density to have a systematic (main) effect on both emotional valence and on emotional convergence, namely, members of very dense networks are more likely to share similar emotions. However, putting the generation and dispersion of emotion into the context of organizational change, we also propose an interaction effect between the organizational change strategy and the organizational network density. We propose that the organizational network density will enhance the effect of the organizational change strategy on emotion and emotional divergence such that:

Proposition 7a. The positive emotional effect of a growth change strategy and the negative emotional effect of a retrenchment change strategy will be stronger in high density organizational networks than in low density organizational networks.

Proposition 7b. The difference in emotional divergence between the two change strategies will be greater for members with high density organizational networks than for those with low density organizational networks.

Symbolic Characteristics of the Leader

Researchers of a strict follower-centric perspective would exclude the consideration of the role of the leader in their theory building (Meindl, 1995). This is partly because the follower-

centric perspective is aligned with the romance of leadership perspective, which offers a social construction critique of the excessive fascination and prominence of the leader-centric perspective with the leader's personality. The social constructive perspective of leadership holds that "rather than assuming leaders and followers are linked in a substantially causal way, it assumes that the relationship between leaders and followers is primarily a constructed one" (Meindl, 1995, p. 330). Another reason for excluding the leader is more pragmatic and tactical, as the follower-centric researchers want to reserve their complete devotion to the underdeveloped follower-centric perspective. In the spirit of building a bridge between the leader-centric and follower-centric perspective and yet staying true to the social constructive perspective, we examine two leader characteristics that are more symbolic than substantial.

Insider and Outsider Status of the Leader

Organizational change could be initiated and implemented by a new leader brought in from the outside or by one who has been chosen from inside the company. There are advantages and disadvantages to each insider and outsider status for the effectiveness of organizational change (Gabarro, 1987; Kotter & Heskett, 1992; Shen & Cannella, 2002). An outsider CEO is generally expected to have a broader perspective, more change experience, and is more detached from the old ways of doing things in the company. Due to these expectations, we contend, the status of the individual, perhaps even more so than their actual capabilities, carries important information for the construction of charismatic leadership by organizational members. Our position is consistent with the argument that new leaders are more likely to be perceived as charismatic when they replace a non-charismatic old leader (Shamir & Howell, 1999). Bligh and colleagues' research on political leadership (2004) found that new leaders (challengers) received higher charismatic attributions than the previous, established leader in the California recall

election. Instead of proposing the main effect of insider-outsider status, we propose an interactive effect between the organizational change strategy and the change of the leader's insider-outsider status. This shift is again primarily due to the salience of the context of organizational change. We propose that the insider status of the leader will moderate the effect of the organizational change strategy on the perception of charismatic leadership such that:

Proposition 8. Outsider status will increase the positive effect of the growth change strategy on the perception of charismatic leadership but decrease the negative effect of the retrenchment strategy.

Leader's Delivery Style

Existing research already supports the notion that communication style contributes to perceptions of charisma (e.g., Bligh, Kohles, & Pillai, 2004; Bligh, Kohles, & Meindl, 2004; Groves, 2005). Specifically, Bligh and colleagues (2004) investigated how perceptions of leaders change in times of crisis, and have demonstrated that the changes in communication and language (e.g., shift in message delivery, such as articulation of similarity to followers, collective focus, action, adversity, etc.) has been linked to an impression of the leader as charismatic. Moreover, as Bligh and colleagues (2004) demonstrated, situational factors coupled with leaders' communication style can influence followers' perceptions of leaders, resulting in higher ratings of charisma. Building on the above evidence, we propose that a leader's "charismatic" delivery style will moderate the effect of the chosen organizational change strategy on the attributions of charisma. Specifically, we propose:

Proposition 9: The positive effect of a growth change strategy on charisma attribution will be greater when the leader's delivery style is perceived to be charismatic

whereas the negative effect of a retrenchment change strategy will be reduced by a leader's charismatic delivery style.

DIRECTIONS FOR FUTURE RESEARCH

Building on the romance of leadership theory and the social construction perspective as proposed by Meindl (1990; 1995), we developed a theoretical model depicting how organizational members construct charismatic leadership as they experience dramatic organizational change. We propose that the perception of charismatic leadership is first and foremost affected by the kind of change strategy adopted by the organization: a growth strategy is more likely to be associated with charismatic leadership attribution than is a retrenchment strategy. Furthermore, we propose that the impact of the change strategy on charisma attribution is mainly due to different emotions aroused by the change strategy, namely, a growth strategy will arouse optimistic emotions and create emotional convergence among organizational members whereas a retrenchment strategy will arouse pessimistic emotions and create emotional divergence. Finally, we identify a set of factors that may moderate either the relationship between change strategy and charisma perception or the relationship between change strategy and emotions. These moderators range from the individual disposition of the organizational members to group network structure and to the symbolic characteristics of the leader.

The follower-centric contingency model points out new directions for research on charismatic leadership. First, we direct attention to organizational change (as opposed to crisis) as the context in which charismatic leadership is constructed. One advantage of studying organizational change is that as an independent variable it has greater variability. While crisis is typically contrasted with absence of crisis, organizational change can be further differentiated into radical versus evolutionary change, reactive versus proactive change, adaptive versus

disruptive change, and growth versus retrenchment change. The more we can segment change into distinct types, the easier it will be for future research to connect these categories with crisis events, and study possible interaction effects of types of organizational change and types of organizational crisis on emotional response and charisma construction. For example, organizational crisis can be of a political as opposed to financial nature. And a retrenchment strategy following a financial crisis may be more justified, hence more likely to facilitate charisma construction than will a retrenchment strategy following a succession crisis in which the company's financial situation is stable.

The second advantage is, even without operationalizing organizational change as a variable, it can serve as a given context to examine the process of social construction of charismatic leadership. For example, when an organization is experiencing growth or retrenchment, different units of the same organization may be differentially affected. Will those differences of emotions and charisma perceptions between the change strategies hold for different subunits within the same change strategy? For example, an overall retrenchment strategy may not be applied equally across all subunits of the organization, which will result in different emotions in members of between different subunits and affect their perceptions of charisma.

The second research direction is in the focus on the perspectives of organizational members who are experiencing the organizational change, as opposed to those of the leader or those of external observers such as the media. Past research on the media, for example, has made a great contribution to the understanding of charismatic leadership attribution, yet it is not clear if media-constructed charismatic leadership can be generalized to organizational members. Executives of retrenchment change, especially those of companies that brought positive change

outcomes to shareholders, may well be hailed as charismatic heroes by the business media. Will they be viewed equally or uniformly as charismatic by employees of those companies? Our theoretical model suggests otherwise. Results of studies investigating employees who are directly affected by organizational change may well challenge some of the assumptions of previous research. For example, the effect of crisis and its associated uncertainty and stress on charisma attribution may not be as straightforward as has been previously thought. That effect may depend very much on organizational members' anticipation of personal outcomes from the organizational change.

Third, our theoretical model seeks to identify underlying mechanisms through which charismatic leadership attribution is made. We posit emotion valence and divergence as important affective mechanisms that mediate the relationship between change strategy and perception of charismatic leadership. Previous literature on crisis and charisma rarely considered emotion divergence among followers and in the case of emotion valence, it is far from specific and explicit as it implies that the prevailing follower emotions are uncertainty and stress. Our conceptions of emotion are more target-specific, namely, we focus on emotions regarding organizational change and we include both positive and negative emotions. Future research may consider the effects of mixed, positive and negative emotions and measure leader specific emotions as well. Besides affective mechanisms, one could also posit cognitive mechanisms. Implicit in our model is the cognitive assessment of costs and benefits regarding the outcomes of organizational change. Researchers can also explore the independent and interactive effects of cognitive and affective mechanisms on charisma attributions in organizations.

Finally, the contingency model points to the importance of identifying factors that moderate either the main effect of the organizational context or the mediating effect of emotion

and cognition. Note that although the moderators we selected cut across different levels of analysis, they may not necessarily be the most relevant and are definitely not complete as they only represent our first attempt to move charismatic leadership research in this direction. For example, the reputation of the change leader could also be an important moderator for the effect of change strategy. Depending on the research focus of a particular study, some of these moderators may be included as control variables. For example, the symbolic characteristics of a leader could be control variables in a strictly follower-centric research design.

In summary, through the follower-centric contingency model of charismatic leadership attribution we seek to stimulate and guide research on the process of charismatic leadership construction by organizational members during major organizational change.

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Figure 1. A Follower-Centric Contingency Model of Charismatic Leadership Attribution

