

Different strokes for different folks: An interactive approach to diversity management

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by:**

**Dr. Ian O. Williamson
Robert H. Smith School of Business
University of Maryland, College Park U.S.A.**



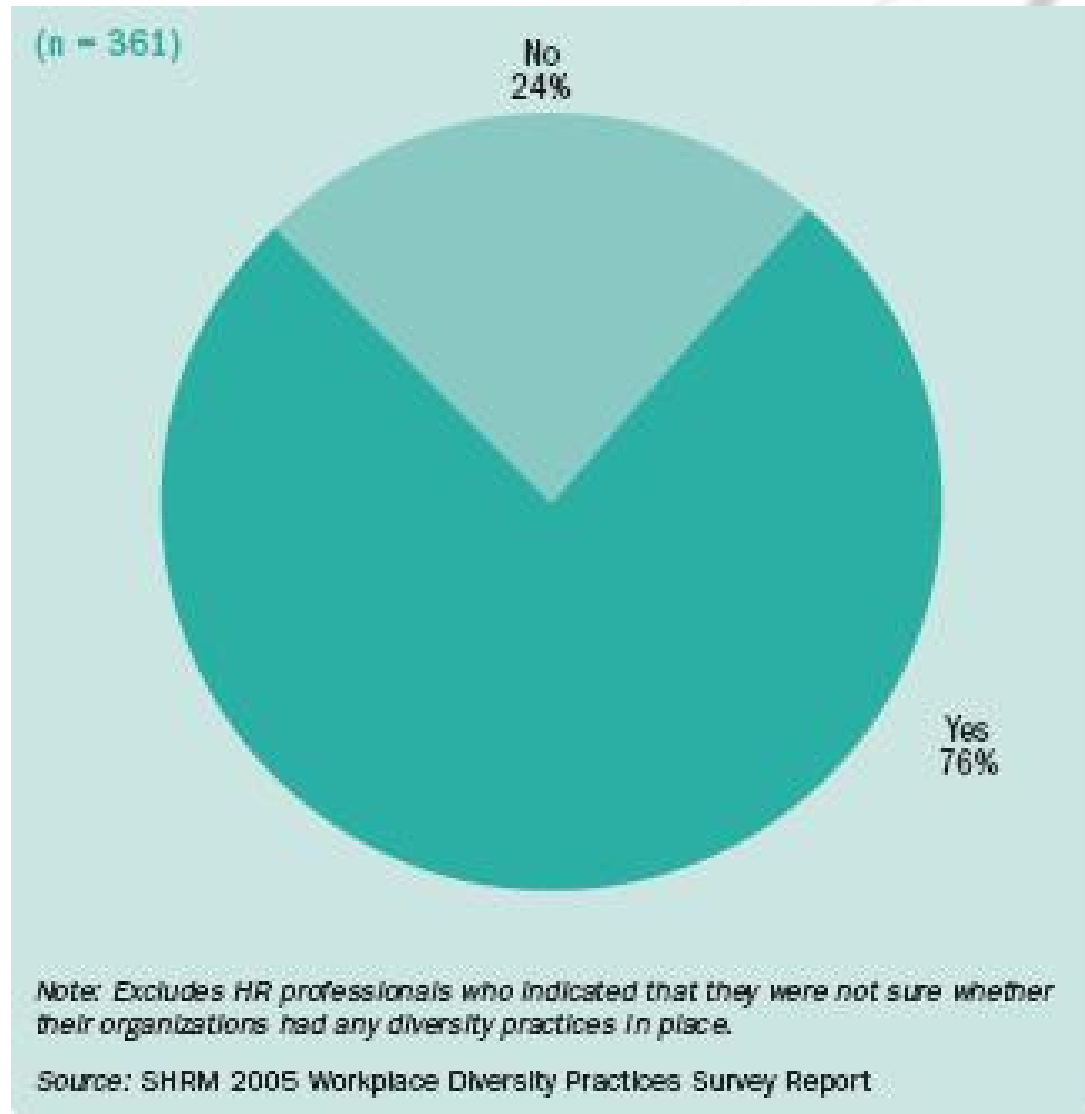
**ROBERT H. SMITH
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Leaders for the Digital Economy

Managing a Diverse Workforce

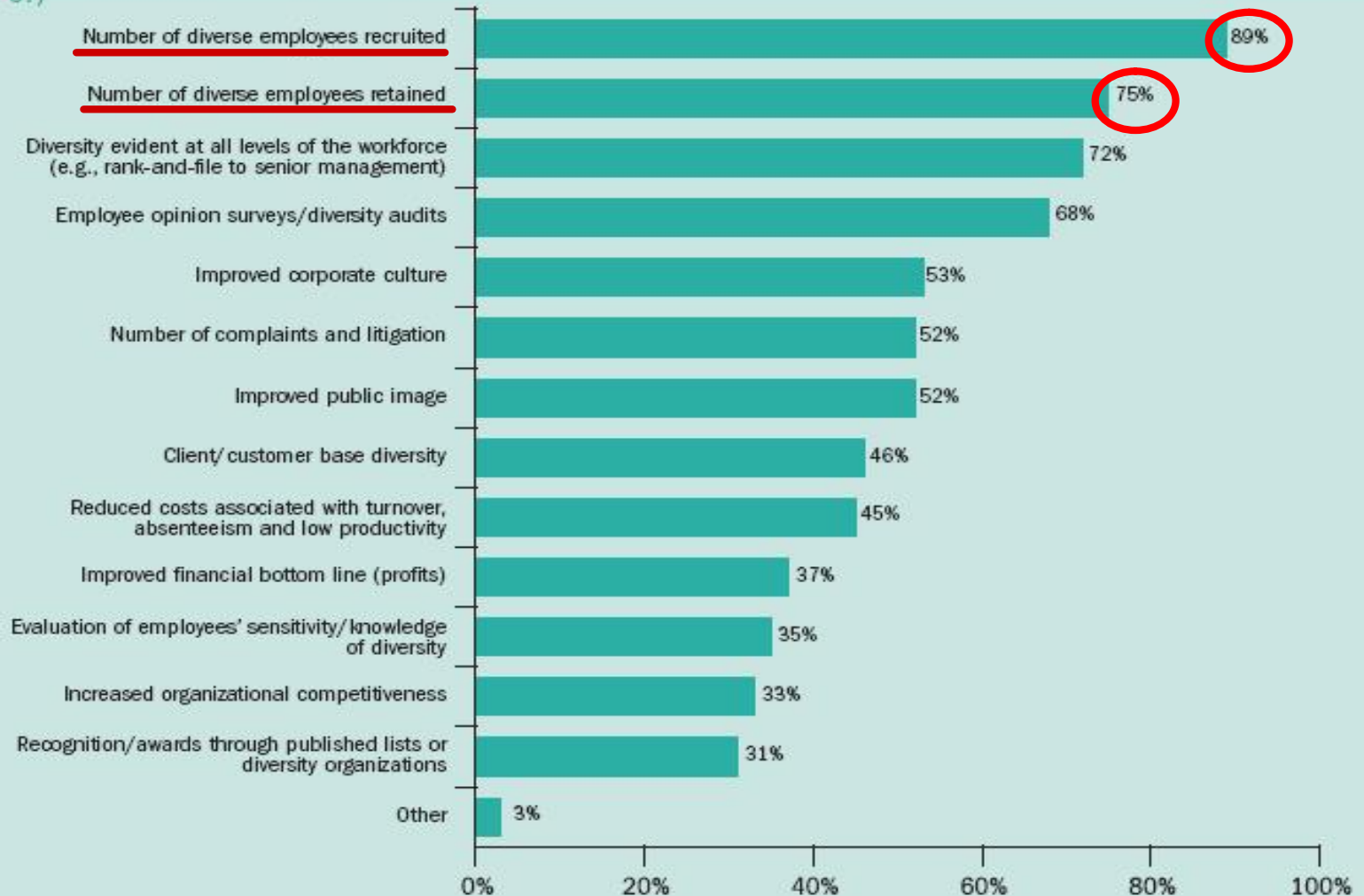
- Both scholars and practitioners have identified the ability to develop and retain a racially diverse workforce whose members have positive job attitudes as a key component of organizational success (Cox & Blake, 1991; Thomas, 1990; Thomas, 2004).
- The importance of diversity management is driven by:
 - Demographic Trends:
 - In the U.S. the Asian, African American, and Hispanic representation in the labor force has increased by approximately 50%, 16%, and 58% respectively, over the past decade (Cassison, 2001).
 - Globalization of the workforce:
 - The world's 40 largest multinationals employ on average 55% of their workforces in foreign countries (Economist, 2006)
 - Employment Diversity Legislation
 - Ex. Affirmative Action

Use of Diversity Practices in U.S. Organizations



How U.S. Organizations Measure the Impact of Workplace Diversity Practices

(n = 87)

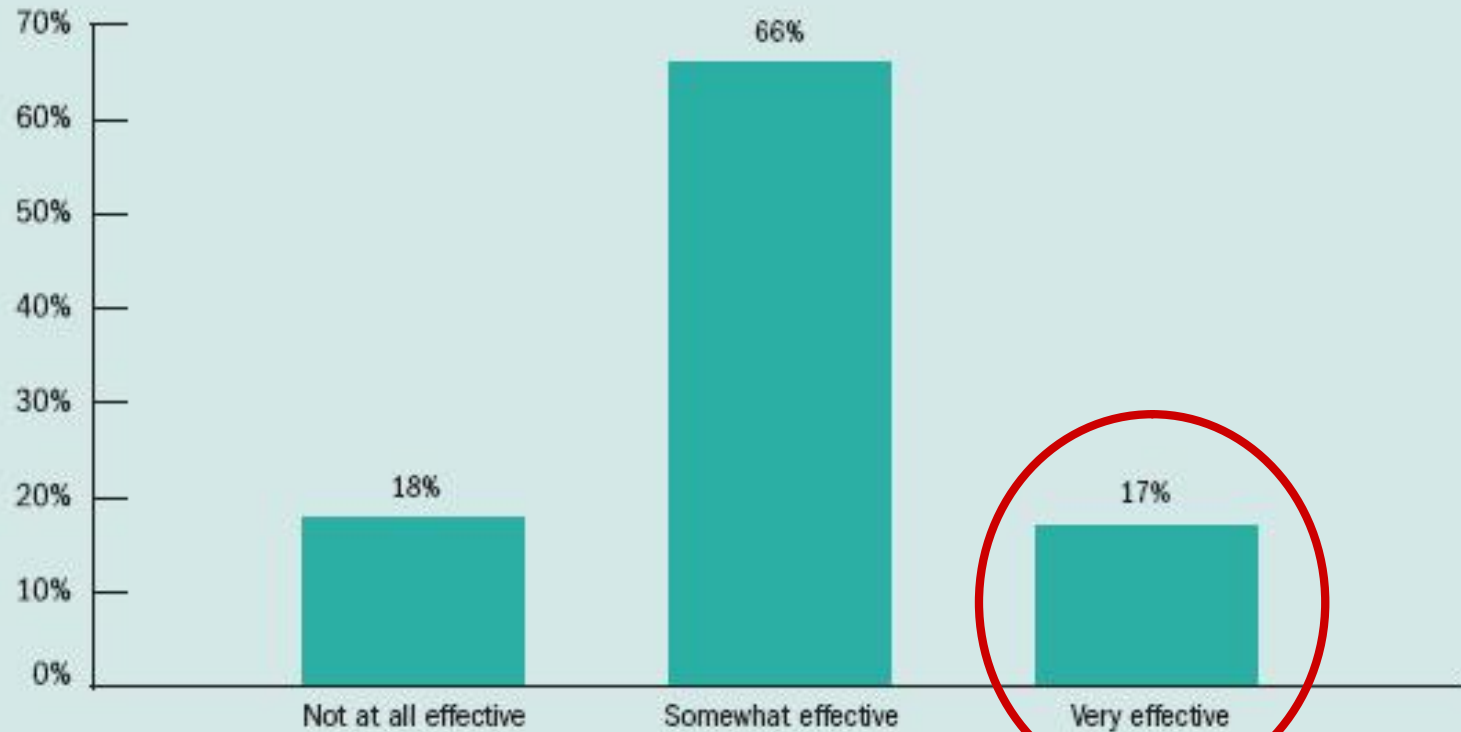


Note: Percentages do not total 100% due to multiple response options. Only HR professionals who indicated that their organizations measured the impact of diversity practices were asked this question.

Source: SHRM 2005 Workplace Diversity Practices Survey Report

HR Professionals Perceived Effectiveness of Diversity Practices

(n = 296)



Note: Percentages may not total 100% due to rounding.

Source: SHRM 2005 Workplace Diversity Practices Survey Report



Research Problem

How can organizations effectively recruit and retain diverse workforces?

Limitations of Prior Research on Diversity Recruitment and Retention

- Focus mainly on creation of organizational policy/practice
- Assumption that members of different racial groups are culturally, socially, and economically homogenous (Smith & Moore, 2000).
- Failure to consider how individual-level differences in disposition and/or experience might influence employees' job attitudes
- Suggests the need for a richer theoretical framework that considers how race, individual-level differences and organizational practice interact to jointly shape job attitudes.

Goal of Research

- We develop a theoretical model that accounts for the simultaneous affect of individual-level dispositions, demographic group membership, and workplace attributes on employee recruitment and attraction.
- We hypothesize that individual differences and race simultaneously influence how individuals evaluate a work environment.
- Test our theory using data from two studies that examine:
 - Organizational attraction of diverse group of prospective applicants (Williamson, Slay, & Shapiro, working paper)
 - Job Attitudes of diverse sample of entry level professionals (Williamson, Burnett, & Bartol, working paper)

Interactionist Perspective

- Attitude formation is theorized to be a function of both characteristics of individuals and their environment (Bowers, 1973; Lewin, 1951; Schneider, 1987).
- Individual characteristics determine the significance employees place on particular organizational attributes, and in turn moderate the effect that these attributes have on employees' attitudes.
- Thus, a proper understanding of attitudes requires the collection of information about relevant individual and work place attributes and an examination of the person X situation interaction (Bretz, Ash, & Dreher, 1989; Meyer et al 1998; Turban & Keon, 1993).

Dual Lens of Evaluation

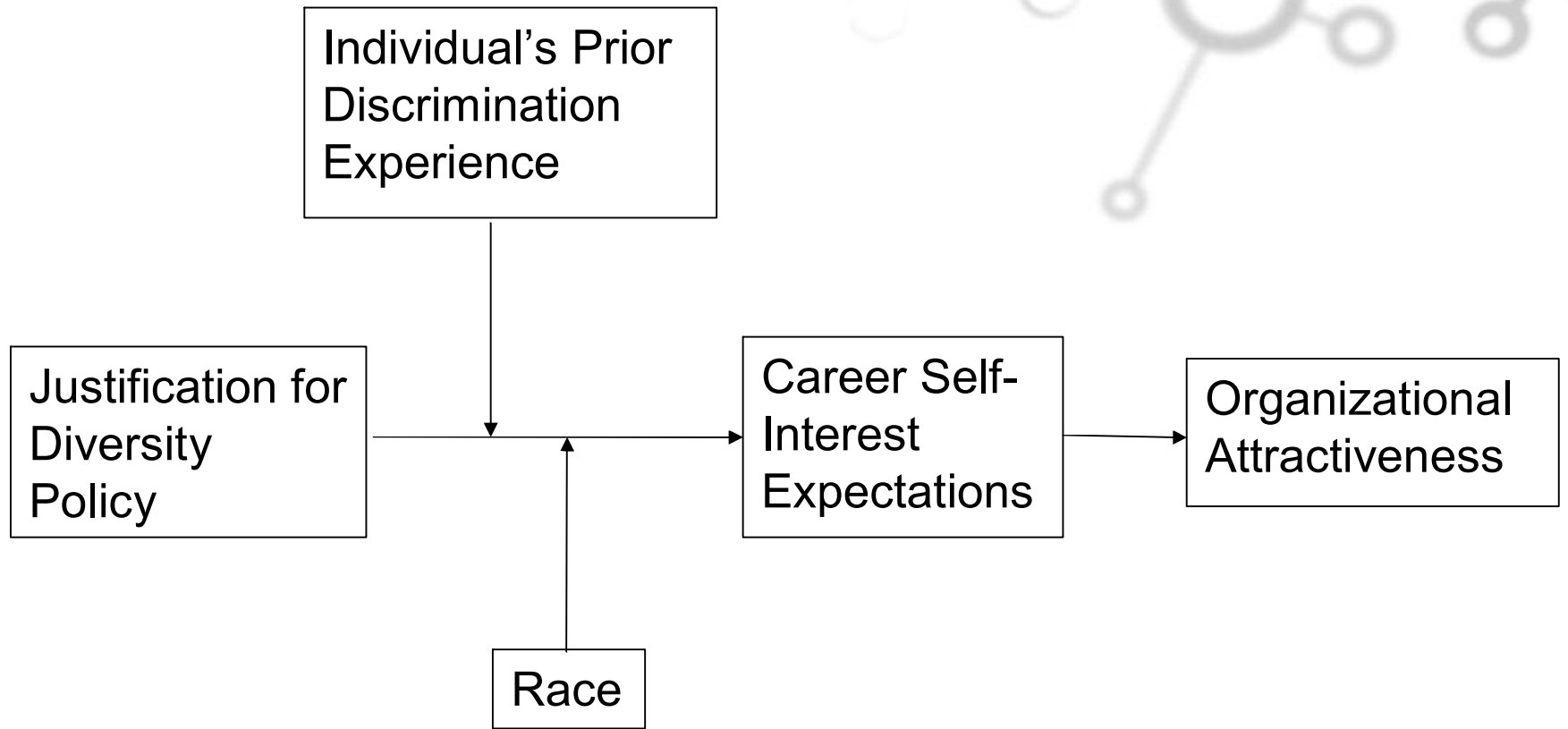
- Individual-Level Differences
 - Ex. prior experiences, values and preferences
 - Likely to be great variance within racial groups on these dimensions
- Race/Culture
 - Individuals' evaluations and actions are embedded in historical patterns of social relationships (Dacin, Ventresca, & Beal, 1999; Granovetter, 1985; Zukin & DiMaggio, 1990).
 - Race and culture are socio-historical concept that represents the specific social, economic, political, and historical experiences of different segments of society, which can sensitized individuals to the presence or absence of particular work attributes (Omni & Winant, 1986).

Overarching Theory

- We propose that individual- and demographic group factors may simultaneously influence how people respond to a work environment.
- Individuals from different racial groups may use different frames of reference when interpreting and making sense of their work environment, influencing the nature of the person X situation interaction on job attitudes
- Thus, members of different racial groups may report different job attitudes even when they have similar preferences or experiences and perceive similar organizational attributes.

Diversity Recruitment

- The advertisement of diversity practices in firm recruitment materials has been found to influence applicant attraction (Highhouse, Stierwalt, Bachiochi, Elder, & Fisher, 1999; Rau & Hyland, 2003; Richard, Fubara, & Castillo, 2000).
- Recent research suggests that providing a justification for why a firm uses diversity practices can enhance applicant attraction (Bobocel & Farrell, 1996; Ely & Thomas, 2001).
 - Justifications: explanations about how a practice will help a firm achieve some desirable super-ordinate goal
- Examples of Diversity Practice Justifications
 - “Business case” justification
 - Diversity practices help organizations achieve the super-ordinate goal of superior firm performance
 - “Ideological” justification
 - Firm should adopt diversity practices because “it is the right thing to do”



Sample



- 340 MBA students from 3 U.S. business schools
 - 158 Whites and 181 Non-Whites.
 - Non-White grouping was composed of:
 - African-Americans (43%),
 - Hispanics (9%)
 - Asian/Pacific-Islanders (41%)
 - Other (7%)

Diversity Policy Justification Manipulation

- Participants given one of three brochures
 - **Control**
 - *“Our corporation aggressively recruits women, minority group members, as well as handicapped individuals and veterans for management positions”*
 - **Business case justification condition**
 - Control condition statement plus: *“We believe the experiences of employees from diverse cultural identity groups are valuable resources that stimulate innovation and enable us to continually redefine our business strategies. We strategically staff our work units to create a multicultural learning environment that integrates diverse views.”*
 - **ideological justification condition**
 - Control condition statement plus: *“We believe it is a moral obligation to ensure the fair treatment of all members of society. Maintaining a diverse workforce is consistent both with our values as a company and our obligations as a government contractor.”*

Measures

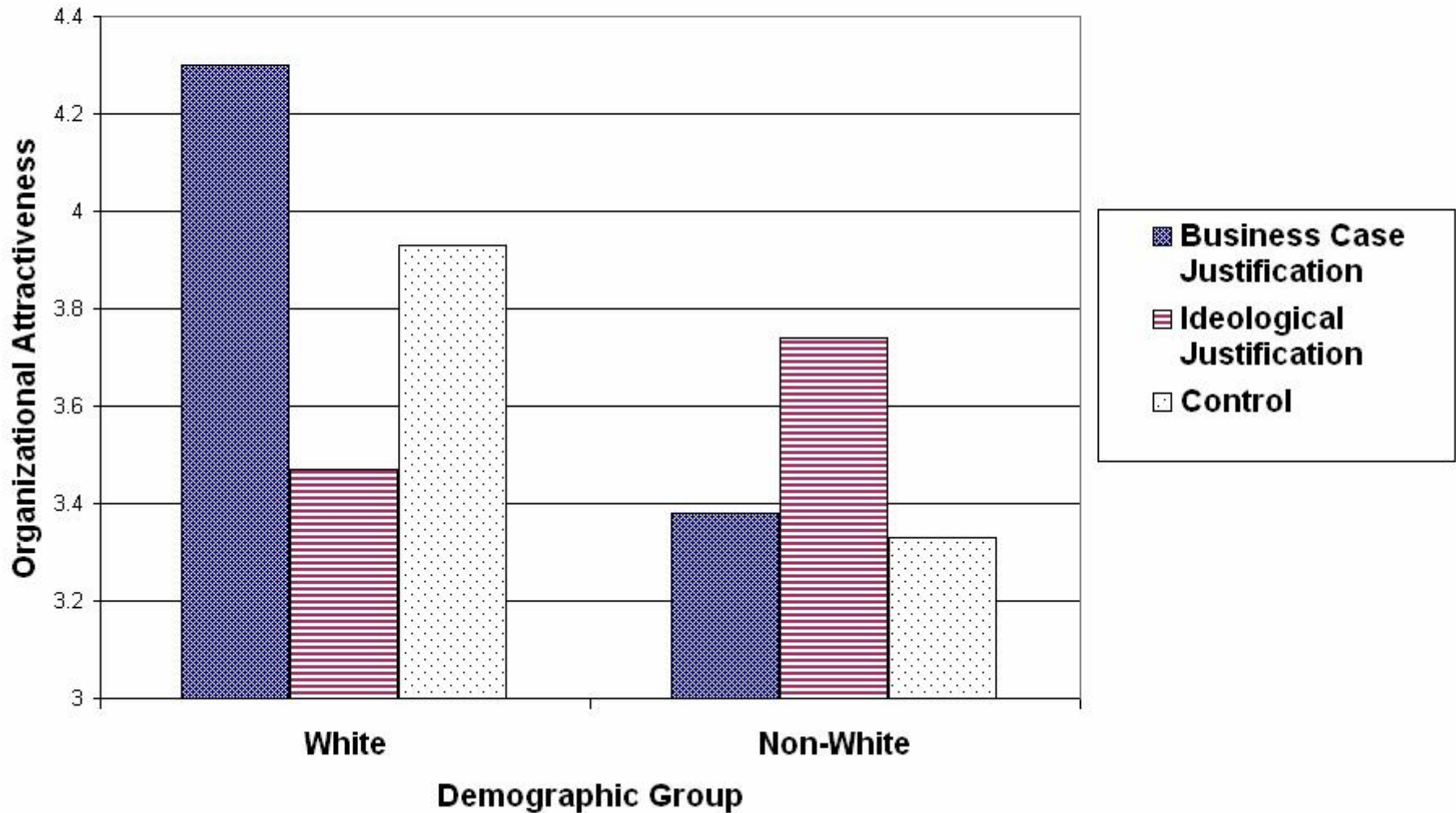
- **Previous discrimination experience**
 - 3 statements regarding individuals personal experiences with discrimination in the workplace due to their ethnicity, race or gender (adopted from Kravitz and Klineberg, 2000 and Kravitz, 1995)
 - Cronbach's alpha of .85.
- **Career self-interest**
 - 3 statements adapted from Kravitz (1995) regarding individuals' perceptions of whether the advertised diversity practices would negatively affect their career outcomes (e.g., employment opportunities, pay and promotion)
 - Cronbach alpha of .82.
- **Organizational attractiveness**
 - 3 items measuring likelihood that individuals would pursue employment with a firm (adopted from Schwoerer and Rosen 1989)
 - Cronbach alpha of .92.

Results



- 3-way interaction of race X justification x previous discrimination experience had a significant effect on organizational attractiveness
- The effect of the significant 3-way interaction was mediated by career self-interest

Organizational Attractiveness Perceptions of Prospective Applicants with High Perceived Prior Discrimination Experience



Conclusions



- Diversity practice-related justifications can influence the reactions of prospective job applicants, but the nature of justification-effects depends on prospective job applicants' racial backgrounds and discrimination-related experiences
- Career self-interest beliefs are a key mediating mechanism in determining how prospective job applicants with different racial backgrounds and experiences respond to firm recruitment advertisements.

Implications for Diversity Recruitment

- Perform detailed market research in order to understand both the demographic make-up of the applicant pool and the experiences of prospective job individuals
 - Ex. Organizations recruiting applicants from companies or educational institutions that have recently experienced discrimination-related incidents may want to pay particular attention to the types of justifications they use to support the use of diversity practices.
- It is important *not* to assume that the only individuals that have suffered discrimination are Non-Whites.
- Justifications may *not* provide a universal solution to the non-targeted individual paradox.
- Addressing career self-interest concerns is likely to be more effective than target marketing in assisting firms in attracting diverse applicant pools
 - Ex. Communicating that there are mentoring-, training-, or other resource-related opportunities at the firm that promise to help *every* employee maximize their career opportunities

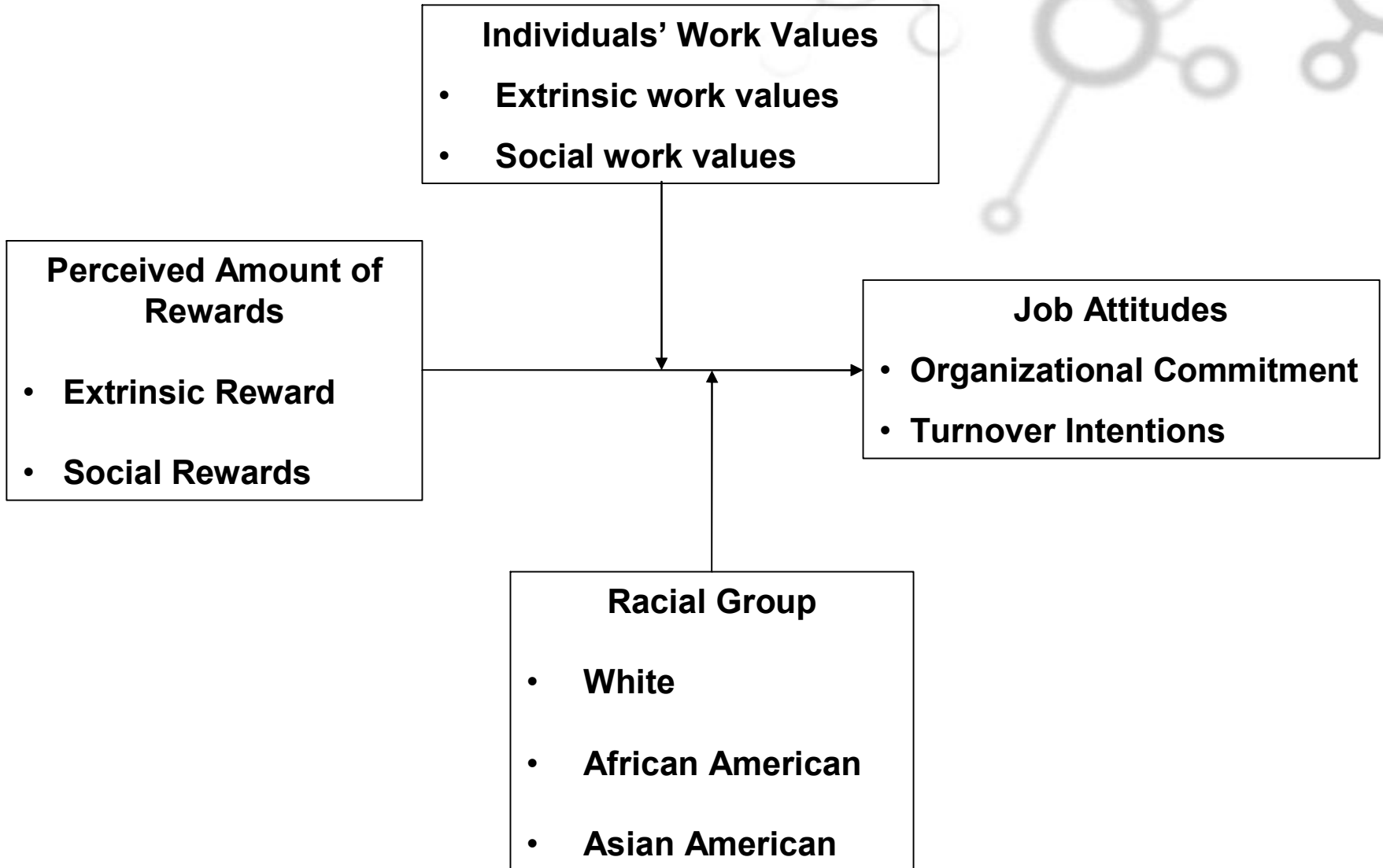
Diversity Retention and Organizational Rewards

- The rewards (extrinsic, intrinsic, or social) provided by organizations play an important role in shaping individuals commitment to an organization
- Work values, defined as the importance of a reward to an individual, represent the personal standards used by individuals when interpreting and evaluating their work environment (Elizur, 1984, James & James, 1989; Jones & Gerad, 1965, Mandler 1982).
- Thus, employees should develop the most positive job attitudes when they receive rewards that they view as important and develop their most negative job attitudes when they do not receive rewards that are highly valued (e.g., Butler, 1983; Meyer et al., 1998; Rice, Gentile & McFarlin, 1991; O'Brien & Dowling, 1980).

Racial Group Differences in Reactions to Extrinsic and Social Rewards

- Extrinsic Rewards
 - Historically Non-Whites in the U.S. have had less access to high levels of extrinsic rewards (e.g., pay or job security) than Whites. (Cohn, 2000; Dong & Kleiner, 1999; Elvira & Zatzick, 2002; James, 2000; Martin & Tuch, 1993; McBrier & Wilson, 2004)
 - Therefore, Non-Whites may be more sensitive to extrinsic issues than Whites when evaluating their work environments (Martin & Tuch, 1993)
- Social Rewards
 - In the United States, Asian Americans, African Americans, and individuals of Latin descent have been found to have higher levels of collectivism than Whites (Coon & Kemmelmeier, 2001; Gaines, Marelich, Bledsoe, Steers, Henderson, Granrose, Barajas, Hicks, Lyde, Takahashi, Yum, Rios, Garcia, Farris, & Page, 1997)
 - Collectivism is a cultural dimension associated with individuals having a desire for engaging in activities with others and wanting to maintain positive social relations (Eby & Dobbins, 1997; Hofstede, 1984; Hui & Villareal, 1989; Wagner, 1995)
 - Therefore, Non-Whites may be more sensitive to social rewards than Whites when evaluating their work environments (Martin & Tuch, 1993)

Hypothesized Model



Methods



- Sample
 - 433 graduating undergraduate business students from three universities across the United States.
 - 320 Whites, 53 African-Americans and 60 Asians.
- Procedures
 - Time 1: prior to starting job participants' work values were measured
 - Time 2: 12 months after start of employment, participants were asked to fill out survey measuring perceived amount of extrinsic and social rewards and job attitudes

Measures

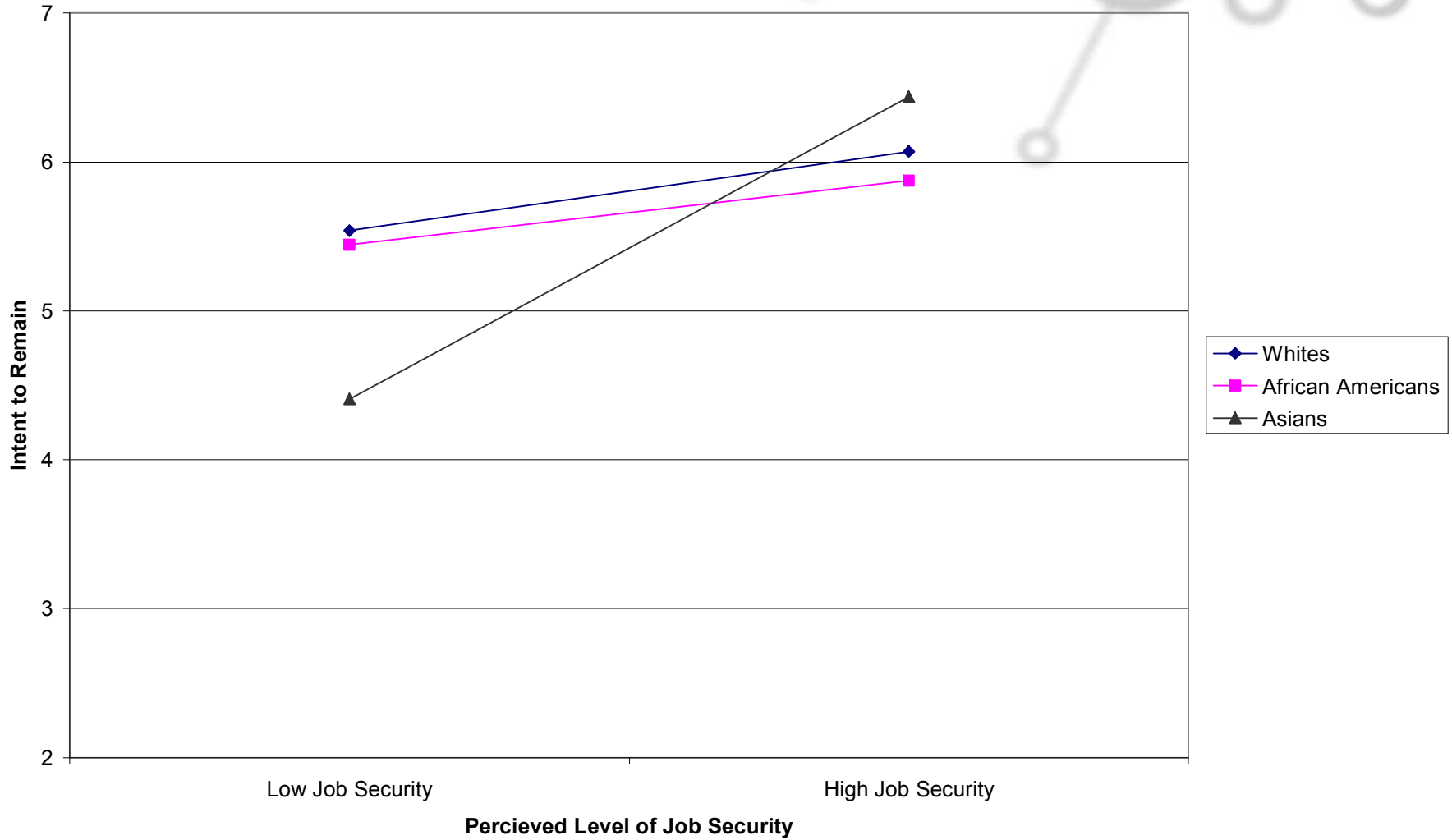
- **Extrinsic and Social Work Values**
 - Items adopted from Minnesota Importance Questionnaire (MIQ; Gay, Hendel, Dawis, & Lofquist, 1971), the Work Aspect Preference Scale (Pryor 1983), and the Work Values Inventory (Super 1973, 1980).
 - Importance of Pay: two items (Cronbach's alpha = .90)
 - Importance of Job Security: two items (Cronbach's alpha = .89)
 - Importance of Supportive Co-Worker Relationships: two items (Cronbach's alpha = .89)
- **Perceived Amount of Extrinsic and Social Rewards**
 - Items used to measure work values were revised to measure perceived amount of extrinsic and social rewards available in employees' jobs.
 - The Cronbach's alpha scores for these 3 scales ranged between .85-.94
- **Organizational Commitment**
 - Nine items adapted from Mowday, Steers and Porter's (1979)
 - Cronbach's alpha = .95
- **Intent to Remain**
 - Three items adapted from Bluedorn (1982)
 - Cronbach's alpha = .87

Results

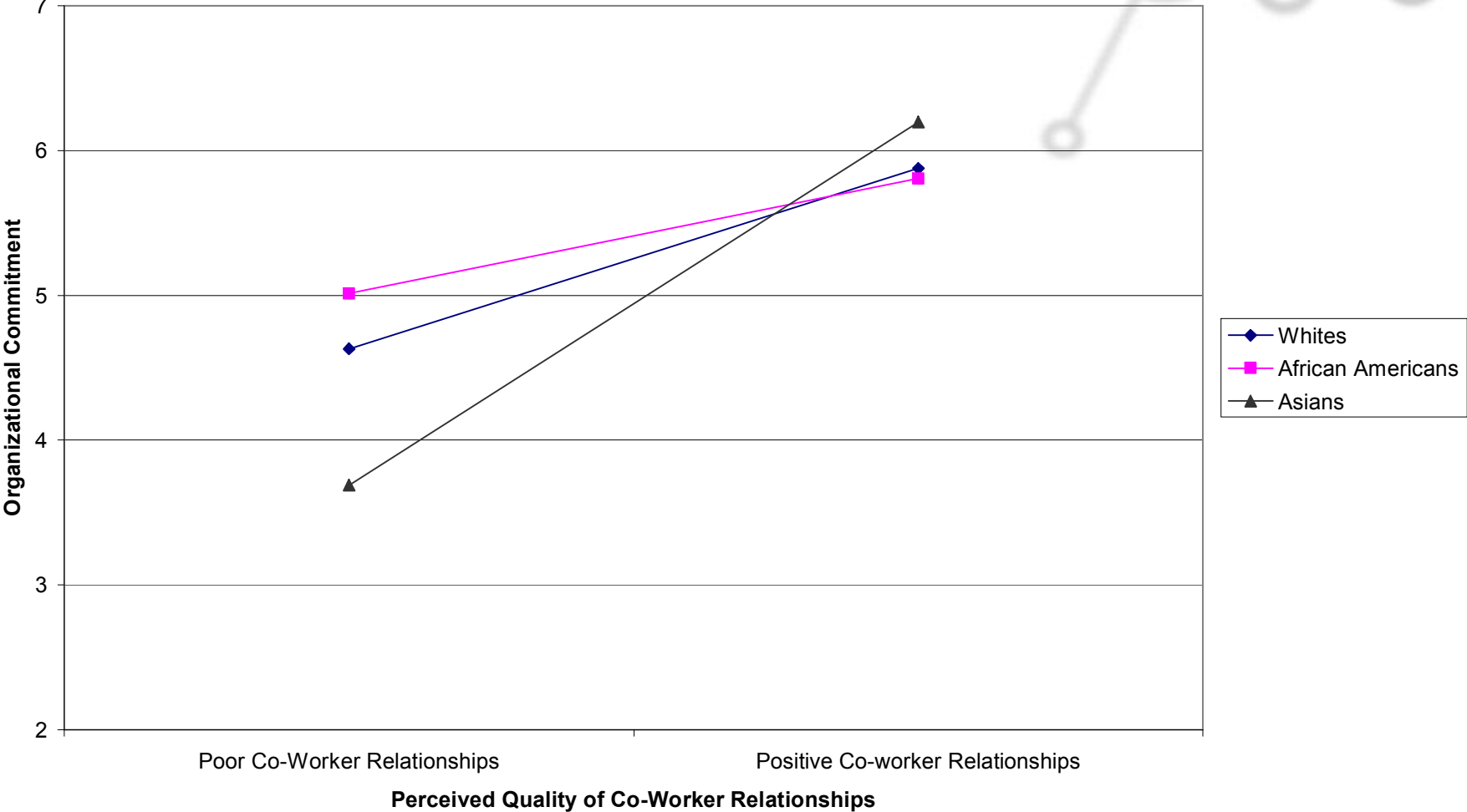


- Extrinsic Rewards
 - Significant 3-way interaction between importance of job security, perceived amount of job security, and race on organizational commitment and turnover intentions
- Social Rewards
 - Significant 3-way interaction between importance of co-worker relationships, perceived supportiveness of co-workers, and race on organizational commitment

Effect of Job Security on Intent to Remain at High Levels of Importance



Effect of Co-Worker Relationships on Organizational Commitment at High Levels of Importance



Conclusions



- Individuals' work values, perceived organizational rewards and race simultaneously interact to influence employees' organization commitment and turnover intentions
- Due to historical and cultural differences the social psychological process proposed by the work values literature may not apply consistently across members of various racial groups.
- Alternatively, a richer understanding of job attitudes may be developed by conceptualizing employees as unique individuals embedded within broader social structures.

Implications for Diversity Retention

- Organizations which provide job security and encourage the development of positive employee relationships may have an advantage in developing and retaining a diverse work force.
- However, organizations which provide employees with less than optimal levels of extrinsic and social rewards risk alienating certain segments of their workforce more than others.
- In situations where organizations may need to conduct layoffs or downsize, managers' effectiveness at addressing employees concerns may be especially important to the retention of talented Asian employees.
- Proactive efforts by managers to effectively resolve interpersonal disputes and help develop positive working relationships between team members may be especially important in enhancing the commitment of Asian employees

Summary



- Results across the two studies suggest that focusing solely on race or on dispositions when predicting attitudes may provide an incomplete picture.
- A richer understanding of how to recruit and retain a diverse workforce may be developed by conceptualizing employees as unique individuals embedded within broader social structures.

Closing Thought...

“It also very clear... that with globalization, with the movement of people across international and cultural boundaries, that no company is going to escape being diverse, or having to deal with a diverse workplace.”¹

¹ Thomas, D. (2004). Diversity as strategy. see: http://w3-1.ibm.com/hr/global/diversity/feature_thomas.shtml