Diversity in Corporations

Making it Work: Implementation

Youlanda M. Gibbons

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Preface

Just as many other higher education institutions, the University of Massachusetts—Amherst responded to the "affirmative action crisis" and the recurring debates over gender and race policies by eliminating affirmative action preferences across its business units. However, what was most disturbing and perplexing personally was the action undertaken by the university to change the name of the its Office of Equal Opportunity and Affirmative Action. Today, the title reads "Office of Equal Opportunity and *Diversity*."

Like the university, I wondered if other work organizations were replacing the language of *affirmative action* with *diversity*. What did this mean *really*? How does an organization *do* diversity? What motivates or influences organizations to enact diversity? How do organizations enact diversity? What are the key features or characteristics of organizations that tend to enact diversity? And are diversity behaviors within the organizations actually new and improved versions of affirmative action practices?

When turning to the sociological and organization research literature, I was dismayed to discover that there was *very* little evidence that addressed my questions. In fact, my search of the scholarly and popular literature on diversity in organizations revealed a growing body of research on how workplace diversity is *theorized*. Most studies attempt to apply the concept of diversity as a framework for analyzing political power, language structures, social identity, cultural values, intergroup relations, and discrimination.

This research project sought *not* to provide evidence of how diversity is conceptualized, but rather *how it is implemented* in the corporate sector. This focus is important, given the degree to which *talk* of diversity in organizations has pervaded the vast majority of corporations, colleges and universities, federal agencies, and nonprofit organizations. As argued by Jacoby (1994), workplace diversity may have become somewhat of an organizational and educational buzzword, signifying everything,

anything—and nothing. The American notion to *embrace* diversity has become a fashionable dimension of many organizations, and as a result, has exerted pressures to implement diversity strategies and programs.

My motivation to conduct research in this area was fueled by the fact that the rise of diversity as corporate strategy occurred at a time when support for affirmative action and civil rights laws pertinent to the workplace was under great scrutiny. During this time, corporate messages of *valuing diversity*, *encouraging inclusion*, *managing diversity*, *retaining diversity*, *supporting diversity*, and *fostering diversity* tend to reflect a recent way of thinking about not only employees, but customers and the global economy as well.

The linkage between *valuing* and *incorporating* diversity is essential. Today, the majority of scholarly research on diversity in organizations fails to provide evidence of this linkage. It is my aim to provide evidence of how *valuing diversity* translates into diversity behaviors within one of the nation's most critical, innovative, and globally dependent employment industries—the Information Technology Sector.

CHAPTER 1

What Motivates Corporate Adoption and Implementation of Diversity Strategies?

Some of the best creative minds are employed to assure our faith in the corporate world view. They seduce us with beguiling illusions. Designed to divert our minds and manufacture our consent.

—Anonymous

Research Study

By applying appropriate organization-environment perspectives, the intention of my research is to investigate why and how information technology corporations adopt diversity strategies geared toward women and minorities. Three and a half years of collecting empirical and interview data is sufficient time in which to document some of the perceptions, challenges, and frustrations experienced by corporations as they establish and implement diversity strategies. These experiences are circumscribed by economic, political, and social forces and pressures. Focusing on corporate policies, practices, activities, and behaviors, rather than on women and minority perceptions of diversity strategies, seems to be the best way to draw attention to the particularities of why and how corporations do diversity.

My primary thesis is that information technology corporations adopt diversity strategies because of interpretation of interorganizational ties,

legal mandates and political pressures, human resources professionals, and internal, formal labor market practices. To test my thesis, I gathered data from a mail survey questionnaire sent to a randomly selected group of one hundred information technology corporations. Information was also generated from a select group of eighty human resources professionals. Interview subjects were individuals employed in the one hundred corporations participating in the mail survey questionnaire (See Research Method). In order to gain a better understanding of organization features that characterized participating information technology corporations, survey data indicate a general profile of corporations in terms of employee racial and gender composition, company size, age, location, revenue volume, and industry type by the presence of diversity strategies (see Appendix A for a complete listing of corporations and profiles of participating corporations).

My survey questionnaire focused on corporations' experiences with recruitment, hiring, and retention activities targeting U.S.-born women and minorities, namely African Americans, Asian Americans, Latinos, and Native Americans. It was necessary to create questions that would encourage corporations to begin and continue to the end. In this regard, questions were presented in an order of sequence to ensure a sense of logic and clear understanding of the purpose of the study. To provide consistency throughout the questionnaire, the format of closed-ended questions with ordered-answer choices was employed to address anticipated time constraints of informants. Dillman (2001) suggests that this format can yield concise, usable, and cost-effective responses. A few open-ended important questions were included in the questionnaire, such as "What is your company's statement on diversity?" and "What is your company's age?"

After pre-testing the survey questionnaire several times, it was mailed out to a random sample of information technology intensive corporations across the United States. Three waves of mailings yielded a total of one hundred completed, usable survey questionnaires. Survey data analyses were straightforward. Simple descriptive statistics were employed to describe the relevant characteristics and compare important factors associated with the adoption of diversity strategies. Because my emphasis was on predictors of the adoption of diversity strategies, multivariate regression analyses were employed. The overall goal of both descriptive and

multivariate analyses was to determine the structure and behavior of cor-porations that adopt diversity strategies.

The survey questionnaire method was supplemented by in-depth, semi-structured interviews. I employed two interview techniques. They were the key informant and narrative methods. Kahn and Cannell (1957, 57) describe in-depth interviewing as "a conversation with a purpose." Data generated from key informant interviews and narratives offered a clearer and better understanding of the questionnaire data. Themes and patterns that emerged from interviews were relevant to my research questions and hypotheses. In fact, results from the survey questionnaire alone could not have been interpreted easily or have pro-vided rich explanations. Indeed, interview data were necessary to meet the goal and objectives of my research.

I conducted and structured interviews in terms of the research objective—to investigate why and how information technology corpora-tions adopt diversity strategies. As argued by Whyte (1984), the nature and structure of the key informant interview is not fixed by predeter-mined questions, but rather is designed to provide the respondent with the freedom to introduce materials or information that were not antici-pated by the interviewer. Because many interview subjects in my study were employed in positions characterized by excessive work loads and tight schedules, it was necessary to develop a set of very broad, semi-structured questions that would ultimately address time constraints yet yield the best possible information.

The key informant interview method rests on the assumption that in order to understand the *shaping* of individuals' attitudes, we must probe for reports of experiences. Moreover, the first step toward this objective is to describe the *events* the subject has experienced that are most relevant to one's study. When the interview is focused on events as revealed by the informant, Whyte argues that we can gain a better understanding of informant attitudes if we link them with the events experienced.

Because my research focus is on corporate structures and behaviors and not on the human resources professional specifically, I chose a rather informal sampling approach for interview subjects. The process of select-ing human resources professionals was based on convenience. As prospec-tive interview subjects, I chose human resources professionals who offered

further assistance toward the completion of my research. Individuals who wrote encouraging notes and attached business cards to the returned survey questionnaire were considered as potential interview subjects. Human resources professionals who established contact by telephone or electronic mail to inform me that they were in the midst of completing the questionnaire or to request additional time were also identified as potential key informants. Finally, I considered human resources professionals employed by the top-ranked information corporations in the U.S. and abroad. These interview subjects were of particular interest given their corporation's high visibility and large employee size. In any case, these criteria were convenient given that the survey questionnaire sampling procedure provided no contact names.

Interview subjects held the job titles of vice president, senior manager, regional or district manager, director, and senior consultant. They were located in and reported usually to one or two divisions within the corporation—human resources management and legal areas. In some cases, interview subjects were located in the Office for Diversity, considered to be its own department in the corporation. Surprisingly, after a week or so of receipt of the letter of invitation to participate in my study, the vast majority of subjects agreed to provide an interview. In general, they were college-educated and middle-aged and, on average, had been employed in the human resources profession for fifteen to twenty years. Subjects' average age was forty-six at the time of the interviews. Nearly half of the interview subjects were women and one-fifth identified as an ethnic minority. At the time of the interviews, two-thirds of the subjects were employed in a Fortune 500 corporation. In terms of U.S. regional location, the majority of subjects were located in the corporation's headquarters or primary site. Interview subjects were employed in corporations spanning thirty to one hundred nine years in operation. Industry types embraced three broad areas of information technology—manufacturing, software development and programming, and telephone and communications services.

Once my interview subjects understood the goals of my research, they were quite generous with their time and even welcomed the opportunity to provide their insights and experiences as key players in their corporations. On average, interviews were ninety minutes long but no shorter

than fifty minutes. In fact, I found that the majority of the interview responses were quite honest and sought to illuminate many of the challenges and difficulties associated with the pathways and barriers to attracting and retaining women and minority talent.

Many interview subjects seized the opportunity to provide clarification and interpretation of misunderstood popular notions of "diversity" behaviors in corporate America. In each interview, I paid close attention to common and different themes as subjects told of their experiences in working with corporate leadership, colleagues in their departments, and external organizations such as colleges and universities. By sharing their experiences and perspectives on why and how diversity behaviors exist or fail to exist in their company, different events and occurrences came together. I found that the key informant method triggered reflection in many of the interview subjects and was of great value.

On an interesting note, many of my peers cautioned that members of the business community, especially those in large corporations, may be less inclined to participate in the interview process because of their busy schedules. Also, it was suspected that prospective interviewees, given their key positions within the company, might be consumed with serious work challenges and responsibilities associated with major lay-offs and hiring freezes influenced by the nation's economic recession. Of major concern, my peers predicted that given the focus of my research, much of the interview data would resemble what they called public relations or "PR spill." They asserted that my interviews more than likely would yield public opinion and attitudes about diversity rather than the corporation's honest views and practices concerning diversity. After all, the PR spill's primary concern is creating and maintaining a positive image through effective communications. I found just the opposite.

Data generated from both key informant and narrative interviews were used to relate practice to theory (the reality of social phenomena). In this context, descriptive data were summarized then linked to more general theoretical constructs presented throughout this book. As a method of illustration, interview data were employed in my research to build upon theory by drawing on substantive data generated from human resources professionals located in America's leading information technology corporations.

Both survey and interview data provide important knowledge and information concerning corporations' structures and behaviors associated with the recruitment, hiring, and retention of women and minorities. As such, these data offer a broader view and understanding of the influence of the environment on corporations' decision making and strategic choices. Although quite powerful, resourceful, and resilient, corporations, too, are impacted by social forces. My research shows how over the last few decades, significant change has occurred in the life span of the corporation that ultimately impacts their interests and motivation to adopt and implement diversity strategies.

Plan of The Book

In Chapter 1, I bring the firm in. In other words, attention is now focused on the organization and its arrangements. Corporations that adopt and implement diversity strategies *justify* them. They do not create and absorb them without rationale. This chapter discusses how business, moral, and pluralistic arguments underscore a corporation's decision to adopt strategies targeted toward women and minorities. Customers, markets, population, and workplace demographics, past inequality and injustice, social legitimacy, and public opinion give shape to the policies and practices that embody why and how corporations seek strategies to recruit, hire, and retain women and minorities.

The challenge of getting and keeping women and minority professionals is addressed in Chapter 2. I discuss a number of factors related to the successful hiring and retention of women and minorities and the adoption of diversity strategies. First, a critical mass of women and minority professionals is associated with the presence of corporate diversity strategies. Second, most relevant to corporations' decisions to adopt and implement diversity strategies is leadership. Without the involvement and endorsement of senior managers and executives, diversity strategies lack accountability and are vulnerable to being reduced to symbolic gestures and corporate rhetoric.

Third, I also explore the relationship between traditional hiring- and retention-type strategies on the presence of women and minorities. I provide a discussion focused on how performance, supervision, mentoring, executive leadership programs, and rotating job assignments are positively

associated with women and minorities' long-term employment with the corporation.

In Chapter 3, I propose four imperatives of diversity that motivate corporations to adopt diversity strategies. The enforcement, moral, business, and pluralistic imperatives encourage corporations to implement structures and behaviors geared toward women and minorities. Often combined and integrated, the imperatives reflect the primary structures and behaviors of corporations. They move corporations to be responsive to environmental and organizational change. In this view, the enforcement, moral, business, and pluralistic imperatives of diversity are vehicles by which strategies are created and applied to the unique needs and conditions of women and minorities. In this chapter, I also discuss how corporations that adopt diversity strategies tend to demonstrate certain priorities. These priorities are foundational to our understanding of the enforcement, moral, business, and pluralistic approaches to "doing diversity."

Finally, in Chapter 4, the book's conclusion, I pull together the important threads that illustrate why and how information technology corporations develop and implement diversity strategies. I provide a synthesis of major themes running throughout previous chapters while offering a rich and substantive discussion of why and how organizational arrangements contribute to the presence of women and minorities.

I highlight the primary arguments that give shape to the enforcement, moral, business, and pluralistic imperatives of diversity in Chapter 4. I also tackle the complications, challenges, and struggles that corporations identify as indicative to "doing diversity." Central to my argument is that, indeed, there are certain reasons corporations focus recruitment, hiring, and retention strategies on women and minorities. However, I argue that there is variation among corporations in their efforts in doing so. The environment and organization arrangements shape the corporations' views on the relevance of women's and minorities' presence in the firm. What then continues to shape these corporate views is essential to women and minorities who seek entry to this sector and who are likely to benefit from its continued success as a major driving and innovative force in the global economy.

Over the past years, most corporations agree that diversity behaviors benefit the organization. In some way, they contribute to the overall desired outcomes of the organization. To understand better how diversity efforts benefit most corporations, it is important to recognize that there are

underlying reasons or justifications that drive corporations to implement them. Rarely are corporate decisions to attract and retain women and minorities made in a vacuum. There is some motivation to do so. This discussion requires that I "bring the firm in" and explore those organizational perspectives, practices, and behaviors associated with adopting diversity strategies. To accomplish this, I provide a discussion of how corporations' perception of diversity is shaped by business, moral, and plural arguments.

The Business Face of Diversity

The most frequently cited justification for implementing diversity strategies is the business objective. Eighty-five percent of corporations argue that diversity is a good business strategy. In other words, corporations need diversity strategies to survive and thrive. Corporations situate their diversity strategies in their overall business objectives. In fact, to solidify formal diversity structures and behaviors, the vast majority of corporations have adopted distinctive, clear, and well-articulated written policies on diversity.

Corporations view the ability to communicate their commitment to diversity through their mission and vision statements as a serious and legitimate way of laying the foundation for the implementation of diversity practices. Some corporations argue that diversity statements are crucial because they reflect the importance of diversity not only outside the organization but also internally. Kerry, a senior human resources manager, explains in his interview:

> I think there needs to be a statement of commitment that is obviously verbalized for all in the corporation to see that we take this issue seriously, that we apply ourselves to the pursuit of whatever the vision of the mission may be. And I think without it it's kind of like a boat without an oar, or a boat without a rudder, because it just doesn't steer you any way unless you have it.

Many corporations claim that diversity statements are an effective tool for communicating the corporation's position on diversity. Interestingly, some corporations claim that these statements are vehicles for moving corporate leaders to clearly and consistently communicate the

corporation's diversity goals. In her interview, Kimberly, a vice president for human resources, puts it this way:

> It's absolutely critical that there be a well-formulated strategy statement for a couple of reasons. One is so that leaders can have a common and consistent communication about diversity strategy, and the second is so that it can be clear to people what's important in terms of diversity.

The majority of corporations believe that leaders are crucial to adopting and implementing diversity initiatives. They, too, must embark upon their own personal journey in order to recognize and understand that the corporation's diversity practices are key to the organization's success. The corporation requires more than a nod toward diversity from its CEO. The leader's ability to communicate well the corporation's vision of diversity is only the beginning. Beyond its articulation, CEOs must look for ways to mentor for diversity, challenge their peers to do diversity, and, more importantly, take risks necessary to move implementation forward. Otherwise, their smooth language and articulation of the corporation's diversity propositions may prove to be empty rhetoric for public consumption.

While some corporations view diversity statements as an important tool inside the corporation, others claim that they are equally important externally. Considered central to marketing strategies, diversity statements attract people—both employees and customers—who value and appreciate organization efforts geared toward inclusion. One interviewee, Martha, a senior vice president for diversity, stated:

> Many of our customers and prospective hires are concerned about our diversity plans. Our customers are now asking us what we are doing in terms of diversity. We are now including information specifically on our diversity programs. Yes, the interest in our diversity pursuits is growing and growing among our key constituents.

Because formal, written statements are viewed as solidifying the corporation's commitment to diversity, such perceptions can form the basis

of recruitment and hiring decisions. However, diversity statements, just as mission and vision statements, are espoused values of the corporation. They are stated strategies, goals, and beliefs about what seems to work best for the company, as shown by the following examples:

> "In respecting and valuing the diversity among our employees and all those with whom we do business, managers are expected to ensure that there is a work environment free of all forms of discrimination and harassment."

> "We believe that diversity enriches our performance and products."

> Or, "As a global company touching diverse customers and markets wherever we do business, we value individual perspectives. We recognize that it is just and right to treat every human being and their culture with decency and respect."

Like these statements, mission and vision statements are useful in assessing the corporation's position on a particular issue. They provide insight into what corporate leaders and managers might say in many situations. However, they are not very useful in predicting what the corporation might *do.* That is, the espoused values of the corporation are idealized and not necessarily based in corporate practices and behaviors. Hence, diversity statements, although most often linked to the mission and vision of the corporation, may serve as window dressings that adorn the corporate suite.

Indeed, the business case for diversity extends well beyond affirmative statements and written declarations about inclusion in the workplace. The famous *Workforce 2000: Work and Workers for the Twenty-first Century* identified the changing gender and racial/ethnic composition of the workforce as a major trend in the economy. This report almost single-handedly is responsible for the nation's fascination with and urgency to implement formal and official diversity structures in corporate America. The report's conclusion indicates that by the year 2000, only 15 percent of individuals entering the workplace would be American-born white males compared to 47 percent in 1987. Certainly, these projections captured the attention of American businesses and consequently made managing diversity

a bottom-line issue. It is at this juncture that diversity strategies became linked to diverse customers and markets, which in turn were believed to contribute to corporate profitability and productivity.

An overwhelming 95 percent of corporations recognize the importance of understanding cultural nuances of diverse populations in that it allows them to tap into new and increasing markets. Demographic changes in the United States—that is, minorities' emergence as the majority population—are critical to increasing or even maintaining market share and attracting new employees. The growing awareness of the spending power of women and minorities has caused information technology corporations to recognize that the marketing, services, and sales of information technology products reflect the preferences of individuals' needs, wants, and styles. During the interview, one human resources manager explains:

> Diversity must be a priority if we want to continue to be a worldwide pillar of technology; if we want to remain number one, then we have to understand who our customers are. Therefore, to understand who are our customers, we have to have an employment base that can relate to various groups and to help us produce products that are going to be of interest to various groups. So it's full circle. We have to realize why diversity is an important part of our strategic goals, and even our products, why it's important to our employees and why is it important for us to be successful.

More recent population demographic data indicate that minorities are expected to compose 52.3 percent of the nation's population by 2043. This projection suggests a significant shift in the country's cultural, racial, and ethnic composition. Some U.S. states, for example, Texas, have already reached a "minority majority" status, where the number of single-race, non-Latino whites is lower than the population of other races and ethnic groups combined. California, the District of Columbia, Hawaii, and New Mexico are experiencing significant growth in minority groups (U.S. Census Bureau 2008). The same is true for women. More so than ever, it is anticipated that women will assume greater roles in corporations. Overall, these numbers are vital for corporations to, first of all, be aware of and, secondly, understand in terms of their business strategies. These demographic shifts are likely to

impact corporations' marketing plans, retention of market shares, and efforts to employ the best well-trained, qualified individuals.

Sociologically speaking, significant demographic shifts will have an impact on the nation's social makeup. Until these shifts are realized, one can only anticipate cultural, social, and political change. And, the institution most likely to be greatly impacted is the American business. Corporations employing a significant base of diverse populations will be prepared to understand, socially and culturally, the nuances of various population sectors, enabling them to recognize and respond to new opportunities in the marketplace. To gain a unique understanding of the consistent growth influencing women and minorities, it is necessary to take a look at what is actually driving it.

It is projected that between 1990 and 2012 blacks will double their spending power. This assumption is not only based on projected population growth, but also the rate at which many blacks are advancing in their careers and creating their own businesses. Compared to whites, a larger proportion of blacks are entering the workforce for the first time and climbing the corporate ladder, further increasing their household incomes (Selig Center for Economic Growth Report 2007). While an average of 14 million black households in the United States spent an overwhelming 70 percent of the overall average household expenditure in the United States, there were a number of key areas in which blacks spent more, including telephone services, utilities, property rentals, clothing for young children, and footwear (Selig Center for Economic Growth Report 2007). These data are fundamental to corporations. By focusing on blacks' buying power in certain regions and category of expenditure, companies are able to identify opportunities to provide services to meet the unique preferences and needs of these markets.

Focusing on Latinos as a viable market, data indicate that they are the largest-growing segment among all minorities and the fastest-growing segment among all U.S. populations. Latinos are anticipated to more than triple their discretionary income between 1990 and 2012. Hence, the news is good for corporations. Together, blacks and Latinos represent a superb and consistent source of buying power.

Latinos have grown in population to 41.5 million, accounting for half the nation's population growth over the span of one year—between

the period of July 2003 and July 2006 (U.S. Census Bureau 2007). This explosive growth in population is caused by higher birth rates and strong immigration numbers, with the highest proportion of immigrants coming from Mexico, Cuba, and El Salvador (U.S. Census Bureau 2000). A relatively large number of Latinos are benefiting from better job opportunities. Younger Latinos are entering the labor market at increasingly higher percentages and are earning increases in job responsibility and pay, which bolsters their buying power (Selig Center for Economic Growth Report 2007).

Culturally, corporations have gained significant knowledge in understanding the Latino market. For example, there are differences between acculturated, bicultural, and unacculturated Latinos. These categories also apply to many other immigrant groups. Acculturated Latinos consist mainly of those who are second generation or greater. They are comfortable speaking English at work or in social settings. Their values and perceptions are similar to the general U.S. population (Meadows 2004). Within this group, there is a trend toward retro-acculturation—the rediscovery of one's heritage—which has embraced cultural influences in food, music, and other elements of their Latino heritage. Bicultural Latinos have fully adapted to U.S. culture; however, many of them remain connected to their Latino heritage. They are comfortable speaking both English and Spanish and are exposed to both cultures. Most bicultural Latinos arrived in the United States at an early age and they continue to identify themselves with their parents' nationality (Meadows . On the other hand, unacculturated Latinos consist of foreign-born Latinos who have recently arrived in the United States, usually as adults. Their primary language is Spanish and their affinity for products and services remains deeply rooted in their experiences in their Latin American homeland.

Of primary concern to corporations when dealing with immigrant groups is communication. It is important to understand that a group's cultural references and experiences affect their perception of products and in general, their buying decisions. Messages that will appeal to an acculturated individual may not be likely to do so to an unacculturated audience. Understanding and embracing culture, especially for large and complex groups of immigrants with buying power, is important to corporations. Such markets cannot be avoided due to ill-prepared structures that fail to communicate and respond to customer's preferences and needs.

Let's turn our focus to another minority group—Asian Americans. There are nearly 14 million people of Asian heritage living in the United States. Asian Americans represent East Asian nations such as Japan, China, and Korea and South Asian countries such as India, Pakistan, and Nepal. Southeast Asian countries include Thailand, Vietnam, and Malaysia (Meadows 2005). The Census Bureau estimates that 13.5 U.S. residents are Asian American or Asian in combination with one or more other races, composing 5 percent of the total population. However, Asian groups represent a 5 percent surge in the population between 2000 and 2004 (U.S. Census Bureau 2005). California has both the largest population of Asians (4.6 million) and the largest numerical increase (367,100) since April 2000; in Hawaii Asians make up the highest proportion of the total population (58 percent) (U.S. Census Bureau 2005).

Asians are anticipated to double in population and spending power between 1990 and 2012. Like many other groups, they will benefit from the nation's economy. However, Asians in particular will benefit from greater education, which leads to employment or higher-level positions (Selig Center for Economic Growth Report 2005). Fifty percent of Asians age twenty-five and older have a bachelor's degree or higher level of education, compared to 27 percent of the total U.S. population. They are a higher proportion of college graduates compared to any race or ethnic group in the country. Eighty-eight percent of Asians age twenty-five and older are high school graduates versus 85 percent of the general population in this age group, and 19 percent possess an advanced degree such as a master's, M.D., or Ph.D. The corresponding rate for all adults in this age group is 9 percent (U.S. Census Bureau 2003). Continued strength in immigration among Asians and various subgroups is also positively impacting their buying power.

Data show that Asian spending power is geographically focused when compared to the overall customer market. In 2004, the ten states with the largest Asian consumer markets made up 63 percent of the national 77 percent of Asian buying power (U.S. Census Bureau 2004). Once again, it is imperative for corporations to identify areas where regional growth is occurring in order to pursue market opportunities.

Another minority group of the U.S. population that will increase in spending power is the Native American market. It is projected to grow

by an astounding 54 percent in the period between 1990 and 2012—more than four times that of the general population (Selig Center for Economic Growth 2007). However, despite this fast-paced growth, the Native American population will increase only from 0.8 percent of the total population in 1990 to 1 percent in 2010 (U.S. Census Bureau 2005). This is the only ethnic market whose growth is not propelled by immigration but solely by birth rate.

Native Americans also benefit from more jobs and increased levels of entrepreneurship (Selig Center for Economic Growth Report 2007). Between 1997 and 2004, businesses owned by Native American women and Asian Americans each grew 69 percent. Still, Native Americans are expected to make up only 0.6 percent of U.S. buying power in 2012. This is up slightly from their share of 0.5 percent in 1990.

While women are not an "emerging" market, they are indeed an important sector. They are responsible for a striking 83 percent of all consumer purchases. Women generate about 55 million dollars annually in spending—about half the nation's gross domestic product (Barletta 2002). Minority women are a buying powerhouse. According to a 2004 report by the market research firm Packaged Facts, the combined group of blacks, Asians, and Latinas have grown nearly 40 percent between 1995 and 2003 versus the population of white women, which grew a mere 7 percent (U.S. Census Bureau 2003). These 32 million women hold approximately $725 billion in purchasing power and the report estimates that the total will exceed $1 trillion by 2011.

The Partridge Report (2009) estimates that the buying power of multi-cultural women is approximately $1.1 trillion. In fact, multicultural women represent 26 percent of the buying power of all U.S women. The buying power of multicultural women will increase at a faster rate than that of U.S. consumers as a whole because of the disproportionately rapid growth in the multicultural women's population. In 2014, multicultural women will control 28 percent of the buying power of American women, compared to 26 percent in 2009. Between 2000 and 2008, the population of multicultural women increased by around 7 million, while the number of non-Hispanic white women grew by only 3 million. Multicultural women accounted for 70 percent of the growth in the population of women in the United States during this period.

The impact of demographic population change has been heightened by the ability of corporations to recognize and respond to women's and minorities' buying power. Corporations' diversity strategies, then, are inextricably linked to new markets and their significant growth over short periods of time. In fact, many corporations are faced with the awesome challenge of securing these markets by competing for them. Many corporations find themselves improving productivity and quality by capitalizing on the talents and skills of employees that provide connections to new markets and customers—women and minorities.

More and more corporations recognize that the cost of a homogeneous workplace is great. Many corporations adopt diversity strategies, understanding that they are an essential investment. However, some corporations act as if it is financially prudent to cut or reduce costs associated with developing a diverse workforce—but it is also necessary to examine closely the costs associated with doing so. The fact that women and minorities represent an astonishing level of buying power in the marketplace requires corporations to implement strategies to build relationships and alliances with them. To fail to do so could result in a loss of competitive advantage.

A brief word about buying power. The nation's buying power—the total after-tax income available for spending on goods and services—is anticipated to increase by 159 percent by 2012. Despite its uneven growth in recent years and moderate recessions over the past decade, the gross domestic product—output of goods and services produced by labor and property located in the United States—is expected to increase moderately through 2012. Despite economic hardships such as home foreclosures and stifling gasoline and food prices, recent data show that the gross domestic product has increased at an annual rate of 1.9 percent (Bureau of Economic Analysis 2008).

In order to capitalize on emerging and untapped markets, corporations need employees who understand them. Cultural, racial, ethnic, and gender stereotypes, myths, biases, prejudices, and misconceptions are costly and lead to missed opportunities to acquire new markets and customers and, worse, may also lead to the high probability of offending existing customers. PepsiCo has found that fostering a greater understanding of customers adds generously to the company's bottom line. Studying ethnic

markets leads to new products such as guacamole-flavored Doritos chips and Gatorade Xtremo, targeted toward Latinos, and Mountain Dew Code Red, which appeals to blacks. These additions to Pepsi's offerings added an estimated one percentage point of the corporation's 2003 revenue growth of 7.4 percent, about $250 million *(Wall Street Journal* 2005). In addition to focusing on external markets, corporations' diversity strategies are linked to companies' employee-retention behaviors. With the amount of time and money involved in recruiting women and minorities, the failure to retain them results in a waste of resources. Therefore, the retention of these human assets is a corporate priority.

The business justification of diversity also involves the corporation's vulnerability to negative publicity. Publicity surrounding accusations of racism, sexism, or any form of discrimination against any group in the population can easily lead to customer alienation or even protests and boycotts. Criticisms of excessively high profits of a company can even cause share prices to decrease or destroy relationships with valued customers or employees who may feel betrayed by unfavorable policies and behaviors, comments, or any communication in opposition to an organization's culture that does not value or demonstrate diversity. Hence, the power of public opinion toward diversity and diversity issues can affect the company's bottom line.

As discussed in Chapter 4, several corporate leaders agree that their diversity initiatives are in place to assist in protecting the company from litigation. Those companies that fail to adopt strategies to diversify their workplace are placing themselves at risk for hefty attorney fees and fines. In 2004, the EEOC received slightly fewer complaints than they did a few years prior. However, forty lawsuits filed with the EEOC in 2004 cost corporate America nearly $75 million. Accompanied by negative publicity and even a wave of additional complaints, possible lawsuits are never good for the company's bottom line.

Strategies focused on diversity are also linked to the corporation's business objectives through the pursuit of human capital. Because corporations value diversity, they must cultivate a diverse employee pool. Here lie strategies to not only attract and hire women and minorities, but also to retain them. Although many corporations do agree that their most important asset is their people, they must do what is required to actually

tap the human capital available to them. In fact, certain industries are quite reliant on innovation; this is the case for corporations who produce software products and services. Creativity, innovation, productivity, and efficiency come from capitalizing on, and even exploiting, human capital. Human capital, then, usually translates into success for most corporations. As Bill Gates stated, "Microsoft's only factory asset is the human imagination" (Peters 1992, 4). As a primary business objective, a diverse labor pool hinges on acquiring and developing human capital.

Being able to capitalize on untapped human resources leads to a corporation's capacity to gain and maintain competitive advantage. In other words, competitive advantage in the information technology world means that companies must acquire the ability and capacity to create and apply new technologies more rapidly and effectively than their competitors. This ability and capacity is greatly dependent on the skills of their workforce. Innovation is critical here, especially for corporations that are involved in creating, developing and applying new technologies. As noted by Elizabeth in her interview:

> Diversity means that the corporation can respond to the need for new and changing products to meet newly identified market segments. The more diversity we have, the more capable we are of maintaining our competitive advantage. We need employees that can flourish in diverse environments; we need their talents, genius and abilities to keep up with this new global economy.

At the heart of the business rationale for diversity is peak performance. As argued in resource dependence theory, an organization's ability to generate profits depends on their acquisition of specialized knowledge. In a profession-driven business like information technology, diversity strategies hinge on the acquisition of human capital—attracting, developing, and retaining it. Therefore, capitalizing on women and minority talent bolsters corporations' success in profits, productivity, competitive advantage, and innovation. Put another way, diversity, that is, women and minorities, is good for business.

During the 1970s and 1980s, public opinion about gender, racial, and ethnic discrimination shifted toward organizational efforts to create

policies to ensure equal opportunities for women and minorities. However, in the 1990s the political winds of change were filled with complaints about hiring targets, quotas, and reverse discrimination. In a slew of Supreme Court cases, the political and social backlash against Affirmative Action programs was launched. Nonetheless, despite negative sentiments and attitudes toward certain legislation, mandates have profoundly shaped corporate views on diversity. These mandates have led to the transformation of American corporations from rationalizing the targeting of women and minorities through the rhetoric of Affirmative Action to justifying their pursuit through moral arguments.

The Moral Face of Diversity

Sitting at the Business-Higher Education Forum's roundtable on diversity was perhaps the most thrilling experience of my life as a graduate student. Composed of the nations' top CEOs and college and university chancellors and presidents, the Forum gathered one rainy afternoon in Seattle to talk about diversity. The focus was on the recruitment of U.S.-born women and minorities from America's colleges and universities into the nations' top corporations. Leaders from both the private and education sector debated the reasons for "embracing" behaviors to diversify their institutions. It was 2002, not 1960; who would imagine that such influential individuals would gather to discuss the reasons corporations and colleges and universities should care about diversity?

Most CEOs agreed that, indeed, the presence of women and minorities was especially important to their work environment. Recognizing their influence and power, rarely did chancellors and college presidents disagree with any position taken by members of the corporate elite. In this spirit, many college presidents claimed that there was much work to be done in their local communities and throughout their regions to produce better-educated minorities. Together, both groups emphasized the need for increased partnerships with K—12 schools and community colleges to attract and graduate women and minorities in important areas such as science and technology. However, using the argument of globalization, while many CEOs were deliberate about their commitment to capitalizing on the talents of women and minorities, they were also

vehement that these groups must be well-educated, trained, and qualified for entry into the corporation.

As each individual around the table gave his or her own understanding of diversity and its relevance to their corporation, many CEOs offered a number of reasons for doing diversity. Interestingly, younger CEOs heading younger companies leaned toward the business case for diversity. However, in every instance, older CEOs responsible for guiding older corporations—especially those known as the diversity pioneers—offered a simple rationale: "It's just the right thing to do." Amidst arguments of globalization, competitive advantage, and human capital, moral arguments centering on the reparation of past injustices seemed to be the main focus. As such, the moral face of diversity was powerful. The moral face of diversity ended the discussion on a high note while silently setting a tone of equality and justice, both of which should resound in American schools and the workplace.

The case of implementing diversity strategies requires some convincing and persuasion. In response, moral arguments are heavily used to engender support of organization strategies that target women and minorities. In many American corporations, diversity is situated in ethical terms as *the right thing to do.* Influenced by the ideal of providing equal opportunities for historically oppressed groups, corporations now verbally acknowledge past injustices and inequalities and seek to correct them.

Shaped by a moral conviction or ethic to "do the right thing," corporations implement diversity strategies, in part, because they want to be perceived as *good corporate citizens.* That is, they seek to demonstrate social responsibility by helping solve social problems that adversely affect individuals, groups, and communities in society. Being a good corporate citizen usually entails advancing the social and economic well-being of others so as to ensure the development of their full potential and participation in societies.

Among corporations who advocate the moral relevance of diversity, establishing partnerships and alliances with women and minority organizations is a routine activity. Corporations justify such relationships by arguing that it is the right thing to do. Robert, a director of corporate diversity, comments, "We work with women and minority groups because

we want to be good citizens; we desire to build strong relationships with the community. Why? It's just the right thing to do."

Compared to the majority of corporations, a small proportion, only 18 percent, use moral arguments to support their diversity strategies. It is important to mention that corporations who use moral arguments are *unlikely* to link diversity to their business objectives. Typically, corporations attach mandates, such as Equal Employment Opportunity and Affirmative Action, to their decision to do the right thing. In fact, some corporations associate compliance with being a good corporate citizen. During his interview Walter explains:

> Our relationships with women and minority organizations exist because we strive to be good corporate citizens and, you know, there is a compliance effect to doing so. The company tries to display the right attitude about women and minorities and be responsible to these groups. The law says we have to and we really want to … so, we partner with minority-serving colleges and universities and other groups around the country.

Unlike the business rationale, the moral face of diversity relies on attitudes and beliefs rather than performance. Drawing their strength from broad societal principles of equality, fairness, and respect, moral arguments concerning diversity rest on the corporation's ability to demonstrate moral action. Hence, many corporations attach themselves to women and minority groups and institutions who, in turn, help promote their company as an ethically conscious institution.

Although moral arguments support the corporation's decision to implement diversity structures and behaviors, they do not address the trends of today's modern corporation of achieving competitive advantage by tapping into diverse groups. For those corporate executives that assert moral reasons for doing diversity, I am convinced that their diversity policies and practices are at greater risk for elimination because they are not linked to business objectives when times are hard or they are considered ancillary when times are good. Hence, the moral arguments of diversity are "nice" but not very sufficient for the long haul if a diverse workforce is to be realized. In fact, I am certain these arguments alone are not good enough

to ensure that complicated issues related to the discrimination of women and minorities be resolved as painlessly as possible. However, I believe that perhaps moral arguments are best suited for home, church, communities, schools, and even private settings where their philosophical and ethical principles are not swayed by the varying attitudes and behaviors of employees and shareholders. Of each dimension of diversity, I contend that moral arguments are the most fragile and volatile.

The Plural Face of Diversity

What happens when the corporation reaches one of its very important strategic goals—to become a diverse workplace? There are some corporations that have achieved success in doing diversity. They continue to be successful at recruiting, hiring, and retaining an adequate number of women and minorities. All is good. Well … not quite. Some corporations claim that seeking diversity is not the be-all end-all of an inclusive workplace. Once the work environment comprises diverse populations, there is great potential for problems. There is no guarantee that these groups, consisting of many individuals, will understand and respect each other but, more importantly, work cooperatively to achieve the organization's goals. For instance, in her interview, Susan, a senior vice president for human resources, recalls how her corporation experienced difficulties after achieving the company's diversity goals:

> Once we met our diversity goals, people began to have problems with each other based on individual differences. There was a great deal of competition and lack of unity among a large number of our employees. We had many disputes and complaints. We tried just about everything. Teams did not work. Senior management was ill-equipped to deal with all this. For a while, it was a fairly hostile environment where no one seemed to work well with their colleagues.

In essence, diversity, by its very nature, recognizes and values individual group differences. However, its challenge is to maintain a work environment that recognizes and values differences among individuals.

As this study suggests, a corporation hires an African American female network engineer who has more in common with her white male senior manager (e.g., education, lifestyle, and professional interests) than she does with her African American female secretary. The issue lies in the fact that the corporation *expects* the latter to be true.

In addition to business and moral arguments for diversity, there is also sentiment among corporations that the growing number of women and minorities who are new entrants to the corporation will present new issues and concerns. Beyond the goal of attracting and retaining a diverse talent pool is the challenge of incorporating not only individual differences but also establishing a work environment wherein the relational aspect of diversity is achieved between the individual employee and the corporation. In this context, diversity wears the face of pluralism.

The pluralistic dimension of diversity requires corporations to institute strategies that fit with the mission and values of the corporation. It involves establishing relationships between the corporation and individual employees that focus on interdependency and mutual respect (Norton and Fox 1997). This is accomplished by an integration of cultures that is characterized by members of each retaining significant aspects of their own culture, while viewing other cultures as having qualities that are attractive (Tung 1993).

My friend Riana and I were discussing the issue of diversity in corporate America. She recalled a recent situation at her workplace a few days earlier. Her employer, a large and prestigious software corporation, decided to have an outdoor luncheon for the employees in her division. At least a hundred or so people were present. After enjoying a delicious buffet meal, Riana looked around and noticed something quite striking. Each dining table was filled with her colleagues eating and chatting about issues of the day. But the most revealing aspect of the observation was that each table represented only one racial or ethnic group. African Americans sat with African Americans. Latinos sat with Latinos. Whites sat with whites. And Asians, the largest group present, filled several tables that accommodated people of Asian descent. When not forced to interact with each other, individual groups of the same racial and ethnic background *chose* to sit together enjoying social exchanges and interactions. Although somewhat troubling to Riana, she was not surprised. Opportunities for

informal connections, gatherings, and interactions usually result in individuals choosing a group with whom they are most familiar. Beverly Tatum's work *Why Are All The Black Kids Sitting Together in the Cafeteria?* proposes that adolescents and even adults participate in racial and ethnic groups of whom they are a member because of comfort, trust, and familiarity.

Groups performing formal tasks for the corporation typically mirror a mix of gender and racial and ethnic backgrounds. In most cases, sheer competence plays the most important part in assigning work projects. In a majority of information technology corporations, teams are the vehicle by which talent is shown. Thus, it is through the interaction of individuals seeking to meet their own needs and managing the needs of the corporation that they attempt to balance the nature of who they are as individuals while managing their work experiences. I would certainly agree that all other things being equal, individuals having varying kinds and degrees of interpersonal and professional relationships at work can only benefit the corporation and have value in terms of job satisfaction, commitment, self-esteem, and, even occasionally, high productivity.

A few corporations indicate that forecasts on how the U.S. workforce population is changing from one that had been traditionally male-dominated to one that includes a growing number of women and minorities have caused many companies to pause and consider the implications of such demographic change inside the workplace. In fact, such projections have motivated 12 percent of corporations to become better prepared for the diverse needs of new entrants. My work reveals that corporations implement diversity strategies to attempt to create and foster work environments that are pluralistic—that is, that are welcoming and tolerant, and that value the contributions of all employees, including white males. Interestingly, these companies are older and are considered to be diversity pioneers. They have weathered the storm of striving for and achieving diversity and now are dealing with the next level of its evolution—the integration not only of different groups, but also of individuals who represent different ideas, styles, and values. The plural support of diversity is demonstrated throughout the entire corporation. Across all business units, many corporations establish and implement diversity practices that encourage the recognition of individuality and the

distinctiveness of individual employees. As Norton and Fox put it, such practices affirm differences as organizational assets to be capitalized upon as well as rewarded as desirable behaviors.

In essence, the pluralistic face of diversity allows corporations to implement strategies designed to prepare the corporation for what is inevitable—a growing number of women and minority employees. It is critical to understand that plural arguments encourage corporations to create and foster a working environment—actual physical spaces and cultures—in which individuals are motivated and comfortable to contribute to those activities that enable the corporation to achieve its goals and maintain its competitive advantage.

The issue of attracting and hiring women and minorities in corporations cannot be simply reduced to implementing tailored strategies. The need for *justifications* continues to support corporate decisions to adopt and implement diversity practices. With the backlash against Affirmative Action, senior executives are addressing the diversity issue and many are strategizing about it. However, what is certain here is that business, moral, and plural arguments support the adoption and implementation of diversity strategies and, in turn, promote corporations' self-interests.

To sum, the business argument of diversity relies on attracting and retaining human capital—the kind that is innovative, creative, and productive, which translates into diverse products and greater profits. Framing diversity in these terms makes it easier to sell. However, corporations that use the business argument to support diversity fail to consider the contingency factor. As discussed in Chapter 5, my research on historically black colleges and universities (HBCUs) indicates that the implementation of diversity strategies is contingent on the economy as well as the availability and accessibility of women and minority talent. When the economy is booming, the recruitment and retention of diverse talent is easier than when the economy is sluggish. Thus, the business argument for diversity will go in and out of season—depending on the economic winds of time.

Nonetheless, the moral face of diversity is rarely influenced by business strategy but brings with it a perception of greater social legitimacy. Corporations use the face of morality as a justification for establishing and maintaining ties, mostly financial, with women and minority organizations. Grounded in the tenets of equality and justice for all, arguments

of a moral nature lead corporations to be good corporate citizens—to do the right thing! Usually, doing the right thing has its advantages for the corporation. Winning diversity awards and recognitions, gaining public approval, and avoiding litigation are desired outcomes for any corporation. The principle of good corporate citizenship, however, tends to reflect the corporation's *external* relationships and responsibilities. When addressing diversity as an internal effort, some corporations in this study are prone to ignore the issue altogether. Others tend to rely on the idea of plurality or valuing differences as justification for adopting and implementing diversity strategies.

The pluralistic face of diversity justifies corporations' engagement in a process of integration. The task, then, is to create an environment where common and uncommon backgrounds and characteristics of individuals are not only recognized but also valued. In this context, diversity supported by plurality is not solely in the purview of the human resources departments or the CEO. Instead, its efforts are sanctioned throughout the corporation. In effect, diversity as a force for plurality is about systems *change* and *preparation* rather than individuals' attitudes and behaviors toward it. A key dimension of the pluralistic face of diversity in corporations is rewards and incentives, which are discussed in detail in the succeeding chapter.

It is in the underlying assumptions about diversity that we find social forces that drive and even constrain corporations' decisions to adopt and implement strategies to attract and retain women and minorities. Be they consumers, markets, population demographics, or social inequality, corporations interpret these forces as facilitators of enhanced business opportunities. Given this interpretation, the *societal* intent of workplace inclusion, which is predicated on fairness, respect, and equal opportunity, becomes blurred in the face of corporate self-interest. The faces of diversity are alive and well. As justifications for doing diversity, business, moral, and plural arguments give shape to the policies and practices that embody why and how corporations seek to recruit, hire, and retain women and minorities. Together, these arguments provide a foundation for establishing concrete structures and behaviors that ultimately affect the entire culture of the corporation.

CHAPTER 2

Challenges to Recruiting and Retaining Women and Minorities

Corporations are social organizations, a theater in which men and women realize or fail to realize purposeful and productive lives.
>—Leslie Conway "Lester" Bangs,
American music journalist, author and musician;
writer for Creem and Rolling Stone magazines.

Structures are in place. However, more work remains. Once the company recruits women and minority talent, how does it keep them? What must the corporation do to ensure that the resources in recruiting and hiring women and minority talent are not wasted by the revolving door syndrome? After all, women and minority science and engineering professionals are scarce. They do not come a dime a dozen. In the marketplace, they are competitive and desirable. Typical of most scientists and engineers, they enjoy rotating job assignments and even rotating companies. They are motivated by better salary offers, fringe benefits, and innovative projects. Unlike some occupations where women and minorities are reasonably represented, women and minority scientists and engineers are rarely bound to one corporation. They are capable of reinventing their skills to be highly attractive and desirable in the labor market. Thus, women and minority scientists and engineers, given the nature and specialization of changing technologies, are not bound to one corporation. As such, corporations are faced with the challenge of not only recruiting

them but also securing them for the long haul. Corporations must meet their needs in order to retain them as valuable assets to the corporation.

It is no secret that getting and keeping the best and the brightest professionals is vital to the corporation's financial growth, stability, reputation, and competitive advantage. Jockeying for people to become a part of and remain in the corporation is an essential means to obtaining organizational goals. For those who carry out the day-today human resources functions within the corporation, getting and keeping skilled and qualified women and minority professionals rests on the favor of corporate leadership and internal decision-making. In essence, an interest in diversity on the part of corporate leaders is key to recruiting and retaining qualified professionals, but especially women and minorities. Although previous chapters have discussed the role of the external environment on the presence of diversity strategies, there exists yet another structure in which diversity behavior is played out in the corporation—that is, the role of corporate leadership.

Executive Leadership

Where the head goes, the body will follow. In most organizations, the leader sets the tone, climate, and pace. In the case of diversity, the role of leadership is considered its champion. Why is leadership a driver of the issue of diversity in American corporations? What is unique about senior-level management that can motivate or destroy a corporation's efforts to do diversity? Few research studies point to the relationship between leadership and the adoption of diversity strategies. However, a closer look at corporate leadership shows that leaders' stances on recruiting and retaining women and minorities affects employees' attitudes and perceptions of their importance to the overall corporation.

Diversity exists and survives in most corporations because of its attachment to organizational goals and strategic plans. As discussed in the previous chapter, it evolves and is usually manifested in a particular business context. The beginning of this process usually occurs with leaders. CEOs and senior-level managers have access to tools to make things happen. But despite this access, corporate leaders have been blamed for the absence of and problems associated with diversity. It is important to note

that, realistically, most senior executives are faced with other pressing challenges and problems that are likely to outweigh the issue of diversity. Yet, many human resources and diversity professionals are convinced that the adoption of diversity strategies must begin at the top of the corporation.

Consider the following observation from my study. In a meeting of several CEOs of the nation's top Fortune 500 companies, diversity is the only agenda item of the day. Presentations center on projected U.S. demographics and their impact on the labor force by 2050, math and science competencies at the high school and college levels, global competition, and recommended strategies to capitalize on untapped talent. Recognizing the need for stronger ties to the nation's education system and the military, discussions yield insights into the role of the CEO and senior executives to create and push forward formal diversity strategies as a part of day-to-day operations. Having heard myriad impressive explanations and ideas for "doing diversity," a sociologist present at the meeting asked the group of the nation's corporate elites how do they plan to implement their vision of diversity in their corporations. Amidst a round of chuckles and laughter, a CEO responded by saying, "A memo, with my signature, of course, stating 'Just do it!'"

This observation is not only about the stroke of the CEO's pen and the issuing of an edict but it also identifies specifically the preference and desire of the Chief Executive Officer. Simply put, it's what the leader of the pack wants. Without great discussion, debate, or argument, from the lips of the CEO, diversity rarely requires more than assessment, modification, implementation, monitoring, and evaluation. As a CEO priority, business units are urged to establish and meet diversity goals and be satisfied with them. Seventy-six percent of corporations reached the same conclusion that the role of the CEO and senior-level managers is crucial in the adoption of diversity strategies. They agree that "it starts at the top." Without the push from the top, diversity behaviors are not a *real* part of the corporation's day-to-day business practices. However, there is some resistance at the top as well. Terri, an HR executive, commented, "The greatest challenge associated with diversity and senior-level leadership is finding a CEO who believes in diversity and who is not afraid to address its issues throughout the organization." However, if not pushed down from the top, diversity efforts are likely to spring forth from the bottom

of the corporation. The social forces of diversity are too great to deny it admission into the corporation altogether.

Diversity downward rather than upward—that is, the push for diversity from the employee base poses an entirely different set of challenges and complexities. Petitions, proposals, and complaints tend to characterize diversity from the lower tiers of the corporation. In most corporations, to see diversity downward is to have newly formed women and minority associations and task forces, to encourage participation in contentious meetings with departments such as HR and to have senior-level executives, including the chairman, develop diversity measures, outcomes, and written reports. It is to engage a process from the grassroots level that tends to require much time, energy, and process, to say the least.

Corporations believe that diversity downward is based on the belief that management is ineffective and unfair. Corporate leaders tend to respond nervously to and are a bit uncomfortable with the *new* thinking about diversity. They are concerned with allegations of racism, sexism, and discriminatory labor practices. Diversity downward can challenge the integrity of senior leadership and conjures the idea of the possibility of class action suits and negative publicity. Unlike diversity behaviors emanating from the top, diversity downward assumes a lack of involvement from the CEO and senior executives. It implies inadequate, poor, or absent diversity-related practices.

In her interview, Terri explains this further:

At this corporation, one of the omissions is that the diversity strategies seem to be sound and to be realistic, but the execution systemically hasn't happened. I would say that compared to other companies that I know of and what they're doing, recruiting strategies are fundamental. Here, they are not as advanced or progressive as other IT companies. The commitment is very poor. It needs to come from the top. Hopefully with our new CEO, I am sure with her on board, things will change. But I really don't know.

The issue of accountability is raised for those corporations that report a lack of involvement from their CEO or senior executives. Accountability, in this context, refers to adhering to monitoring and evaluating

diversity strategies and outcomes. In turn, there are sanctions for failing to meet the corporation's diversity goals. When diversity plans are not supported from the top *formally,* that is, they are not a part of the CEO's or senior management's priorities, diversity practices tend to be weak and often lack ambition. They wind up mirroring symbolic gestures and tend to be reduced to corporate rhetoric. Little to no accountability for diversity generates weak and ineffective diversity plans and thus poor diversity outcomes.

Many corporations argue that accountability, finally, is associated with the appointment of those responsible for the adoption and implementation of diversity strategies throughout the corporation. The CEO and senior executives appoint the diversity leader. In many cases, corporations either have separate offices responsible for diversity or minimally, they attach diversity goals to an existing office or department. Because an official and formal appointment is made, there is usually an investment in time and money toward the corporation's diversity goals. In turn, it is the case that diversity leaders are given formal mandates and are held accountable to them by senior-level management.

At the same time, 84 percent of corporations echo the necessity for leadership to be diffused throughout the corporation. In the case of adopting and implementing diversity strategies, leadership from the top down is not enough. If strategies to attract and retain women and minorities are to be successful, then leadership in this area must be dispersed throughout the entire corporation. In this view, accountability must be shared and diversity leadership should flow up and down and throughout the corporation. Walter agrees with this argument by attesting that "every business unit in this corporation is responsible for establishing and meeting diversity goals. The responsibility does not lie alone with HR. It's the only way we will become truly a diverse organization."

The visibility and actions of corporate leadership concerning diversity is likely to rest on the need to sustain balance and harmony within the corporation. Internally, corporate leaders either drive or hinder the adoption of diversity strategies. Motivated by external environmental conditions and internal constituents, the formal adoption of diversity strategies assumes accountability. Hence, accountability sounds the gavel that sustains the adoption of diversity strategies as *action*—actual behavior.

Walter further contends that "without accountability in this company, no one here would take our diversity initiatives seriously. Our chairman makes it known throughout the company that each vice president and their associates must meet their diversity goals or else!"

Leadership is not a synonym for change. Although leaders can catalyze change, they can not implement policy in a vacuum. Diversity strategies that receive their signal from the top have a better chance of surviving throughout the corporation than those that do not. However, it is important to note that the activities associated with developing and implementing such strategies are done not at the top but at the lower levels of the organization. Change that results from activities is achieved over time and reflects the will of all members, not just leaders. Terri makes this point clear: "Sometimes I think the CEO and his executives have it easy; they issue the orders and the rest of us go to war. Orders without works are dead. It's like a good leader isn't very good without very good followers."

So far, most corporations assume that the CEO and senior executives have a clue about diversity and its relevance to the corporation. Yet, several companies report that they honestly believe that their corporate leadership is either "in denial about the need to address diversity" or "they don't know where to begin." In many instances, then, corporations run the risk of doing business as usual—that is, recruiting and hiring those who are familiar, comfortable, and in-network—in short, all white males. Sandra expounds on this point:

> At a corporate-wide event, senior management was up front and staged before everyone. They were all white men! I wondered if anyone else caught this. Are the senior executives *aware* of this? Later, I asked my senior vice president if he thought this was okay. He looked at me with a blank stare—totally clueless. He asked me, what do you mean by this?

Here opportunity, information, and exposure are crucial. Assumptions about the CEO's interest in, and knowledge and understanding of diversity are key factors. Being aware of and understanding the organizational features that impact human behavior and motivation is essential in the modern corporation. This leads to a better quality of work life and

more equitable opportunities for all employees. Although corporate leaders are instrumental in influencing the adoption of diversity strategies, there are also other means by which people use the corporation and operate through it that contribute to the adoption of diversity strategies. These involve the presence of minority human resources mangers and women and minority employees.

Research on a number of professional groups—nurses, physicians, lawyers, human resources mangers, social workers, accountants, teachers, stockbrokers, librarians, engineers, and advertising account executives—indicates that there is a relationship between professionalization and bureaucratization. In short, the attitudes and values associated with one's profession may interface with the organization's values and rules. However, research evidence in this area suggests that there is conflict between the professional and the organization. Richard Hall's work informs us that this conflict is not inevitable and should not be assumed without demonstration. For example, legal departments within large organizations are not necessarily more bureaucratized than law firms of comparable size. Lawyers working in a trust department in a bank may be working in an organization that is similar or perhaps identical to the one they would find in a law firm. Thus, these findings suggest that there are organizational structures that are quite comparable to the degree of professionalization of its members.

Professionalization

When professionals become employees of an organization, they bring with them their standards, rules of conduct, and values—simply put, their interests. There is a recent body of research that describes the influence of professionals in organizations as *agents of diffusion.* Specifically, this research suggests that groups' professional interests guide, shape, and determine corporate responses. The works of Edelman et al. (1992), Kelly and Dobbin (1999), and Sutton and Dobbin (1996) find that professional groups such as lawyers and human resources managers turn legal ambiguity into a professional and organizational asset. They exaggerate the *risk* of litigation in order to win corporate resources by lobbying executives to create and fund what they want—specialized personnel systems.

Similarly, Kelly and Dobbin discovered that having a professional within the organization to advocate for the adoption of maternity leave policy leads to formalized personnel functions that impact the organization's recruitment, hiring, training, and retention efforts.

In this study, multivariate analyses indicate that the presence of women and minority human resources professionals is associated with the adoption of diversity strategies. Their presence is important and not coincidental. Women and minority human resources professionals with managerial responsibility for recruiting and retaining women and minorities are a visible symbol or token representation of the corporation's commitment to addressing diversity. Corporations with a high-level commitment to diversity are more likely to choose diversity leaders who represent women and diverse racial and ethnic groups. Several corporations contend that this fosters a sense of trust and familiarity among prospective employees. Women and minority job candidates view the corporation more favorably if ushered in by those they identify with.

My analysis of the influence of women and minority human resources professionals is sustained advocacy. Given their vested professional and personal interest in meeting the corporation's diversity goals, it is likely that these groups understand the organizational politics that drive and restrain progress in recruiting and retaining women and minorities. In her interview, Linda, a human resources director, put it this way:

> I've been with this company nearly 27 years and I know where many of the bones are buried. I am pretty successful in recruiting diverse employees, too. The directors respect what I do and I am sure that I make a difference here. I work hard at it, though. Just look around—many of these people of color were recruited by me!

Trust

The issue of trust is paramount. Racist and sexist attitudes and ideologies are alive and well in the American workplace. These attitudes diminish trust in situations where recruitment and hiring takes place. When discussing her feelings about white males recruiting for diversity, Constance, a minority human resources executive, states, "I don't trust them as far as

I can throw them! They say they are concerned about diversity but only recruit at Virginia Tech and MIT. What about Howard University and Florida A&M?" There is a general consensus about most corporations that when it comes down to diversity issues, women and minority human resources professionals are considered a safer bet than their white male counterparts.

Because gender and race are the most visible, significant, and long-standing of all diversity indicators, women and minority human resources managers rank them among the top issues concerning workplace inclusion. As opposed to age, disability, sexual orientation, and national origin, there is a conscious effort to keep gender and race at the forefront in their diversity plans. In a profession-driven industry like information technology, the issues of race and gender continue to raise their heads given the underrepresentation of U.S.-born women and minorities in the information technology sector. This sentiment is expressed by Sandra in her interview in the following way:

> In information technology, it is sometimes very difficult to find women and minorities with the education and work experience we're looking for. So, our efforts are focused on ensuring that over time we have these groups represented more equitably in the company. We do care about people with disabilities and gay individuals, but we are still struggling to recruit successfully females and minorities, especially and in general."

Personal and Professional Obligation

Personal and professional obligation drives women and minority human resources professionals to place an emphasis on recruiting and retaining females and minorities. They identify with and are sympathetic to the "racialized" and "gendered" workplace experiences. They want to do all that is legally and ethically possible to ensure that these groups get their fair share. In fact, over half of corporations report that women and minority human resources managers use their positions to launch diversity programs in significant ways. They hire consultants to develop and implement diversity plans. They secure funds to create affinity groups.

They implement executive leadership and formal mentoring programs and they manage to have audiences with the CEO. Communications efforts are used to spread the corporation's intentions toward diversity inside and outside the organization.

Eighty percent of corporations indicate that women and minority human resources professionals feel as though their positions require and obligate them to be aggressive in recruiting and retaining women and minority talent. They use their professional training and knowledge to skillfully influence key players in the corporation to pursue with rigor diversity plans and initiatives. According to Walter's interview:

> After attending the national conferences on diversity each year, I schedule meetings with the senior vice president to discuss those key issues we should be addressing; my association meetings are very helpful in helping the corporation define its major priorities around diversity.

Decision-Making

The presence of a female or minority human resources manager is crucial to decision-making inside the corporation. Simply being present and participatory during meetings, for example, makes a difference. Nearly 73 percent of corporations report that the presence of women and minority human resources managers at meetings often changes the course of action regarding recruiting and hiring decisions. When asked about the possibility of women and minority human resources managers not being present, corporations expressed uncertainty about decisions and their impact on recruiting and hiring. Constance shared this experience in her interview:

> Until the faces in the room change, in the decision making conference room, the boardroom—and it happens at all levels in a corporation; it's not just always the board—that's when true change happens. I'll give you an example. I was working here in this business as the HR director, and so I had the whole business HR function to manage. And I was getting ready to move on to a new role,

and the general manager at the time was looking to hire a new program management director, and we had two candidates: We had a female candidate and a white male candidate. Unfortunately, the general manager's staff at that time was all male with the exception of me. And he knew that I was moving on and he wanted my opinion on these two candidates, and I said, "Well, I think they're equally qualified candidates. They both have their individual strengths that I think balance out which one is the better candidate. So think about this one thing. When I leave your staff you're going to look around the room and you're going to see only male faces. So in this decision, think about that. If you hire the male you will look around the room and continue to only see all male faces. If you hire the female, you will at least have a different perspective brought to the party." And that's what I call a moment of truth. That's when that manager, depending on their value system and whether or not they think that's important or not, makes the right or wrong decision, or makes at least *a* decision, call it what you want. In this case he decided to hire the woman. They were equally qualified, and she brought them something to the party that the other guy couldn't bring and that was a female perspective. And that's what changes, incrementally changes, things over time.

A Critical Mass

Yet at the same time, evidence suggests that diversity strategies are associated with the mere *presence* of women and minority employees and not exclusively women and minority human resources professionals; the greater the proportion of women and minority employees—that is, African Americans, Hispanic Americans, and Native Americans—the more likely the presence of diversity strategies. As for Asian Americans, compared to all other minority groups, diversity strategies are not consequential given their overrepresentation in the information technology sector.

Sociologist Rosabeth Moss Kanter, in *Men and Women of the Corporation,* examines the impact of the relative numbers of women and minorities in the corporation. She describes how the increase of the number of women and minorities affects the level of hostility and stereotyping toward

them. Kanter concludes that negative attitudes and behaviors decrease as the number of women and minorities in the corporation increase.

As found in this study, nearly 90 percent of corporations agree that there is a link between the proportion of women and minority employees and the adoption of diversity strategies. They conclude that the presence *alone* of women and minorities throughout the corporation encourages not only corporate diversity structures and behaviors but also increases the attractiveness of the corporation to women and minority job candidates. Reporting on this finding is one interviewee, Tammy, a human resources senior manager with the following observation:

> I think the main thing is people want to come to the corporation and see, especially at the top, people that look like them, so they know they can make it too. So women want to see women in senior leadership executive ranks, and women minorities especially. As you know, there's a lot fewer women minority executives, there's a lot more minority male executives, so people want to see people at the top that look like them. So if they come and they're a minority female and they don't see any minority females at the senior leader executive ranks or even throughout the corporation in general, they may be reluctant to come and work for the company. They may still come, but they may not stay because they may think no one here looks like me. But I think that's really the key—our companies promoting women and minorities higher than just middle management level.

There is strength in numbers. A critical mass of women and minorities has its privileges. The more women and minorities, the more opportunities for advancement. In fact, a greater proportion of these groups allow diversity initiatives to go beyond the monitoring of numerical representation to tackling those gender and racial and ethnic issues that constrain the corporation—for example, structural barriers such as promotions, salaries, job assignments, and executive leadership opportunities. As suggested by Kanter, the lives of women and minorities in the corporation are influenced by the proportion in which they find themselves. Significant proportions of women and minorities produce internal strong support

groups, social and professional relationships and interactions, shared experiences, acceptance, and familiarity. When women and minorities find corporations that meet these characteristics, they remain with them.

On the other hand, the scarcity of women and minorities is less likely associated with the adoption of diversity strategies. When women and minorities are absent, the perception of the corporation is "too white" and "too male." Often, in situations where the corporation is too white and too male, the scarce number of women and minorities are considered *tokens.* During her interview, Jillian, a junior human resources manager, provides an interesting example of the relationship between the small proportion of women and minorities and the absence of diversity strategies:

> At this company, we don't have formal policies or procedures concerning diversity. Our CEO feels as though we don't need it. He always says that we are not a racist organization. We practice equal opportunity. But, we only have 21 minorities out of 644 employees. And two of them are associate vice presidents. They're known as our tokens. If we could do more with diversity, then I am sure that our numbers would increase and we'd have more minority senior managers, too.

In coming to understand women and minorities as gatekeepers in the corporation, there are a couple of concepts that should be taken into account. First, there is indication that diversity strategies rely on the involvement of women and minority human resources professionals. There is pause for some concern here. Although it is easy to get hooked on the idea that women and minorities as gatekeepers is advantageous to the recruitment and retention of women and minorities, there is no guarantee that anyone will get or keep a job. Thus, the presence of these professionals is not a "magic bullet" for bringing women and minorities into the corporation.

Stereotypes

Forty-three percent of corporations report that certain diversity activities geared toward the recruitment and retention of women and minorities may hinder full acceptance and equality from their white counterparts.

Some activities reinforce stereotypes about women's and minorities' need for "extra" or "special" conditions before they are fit to compete in corporate America. As gatekeepers, the role of women and minority human resources professionals includes that of *informant.* However, this role is potentially problematic. Genuinely concerned about the welfare of new hires, these informants intentionally shape the perceptions and future experiences of new hires. They provide them with the lay of the land. They issue cautions and warnings. New hires are likely to take this information at face value and act accordingly. The danger of this is limited or non-existent interactions and work relationships that could be pivotal to an individual's advancement in the corporation. On the contrary, having a stake in the successful adoption and implementation of diversity strategies, women and minority human resources professionals provide access to organizational structures for certain groups who are the most likely excluded. In essence, they make diversity a reality.

The critical mass of women and minorities in the corporation is an ideal situation. It allows the organization to balance itself in a way that takes advantage of its primary resources—people. The presence of more women and more minorities draws more women and minorities. Hence, the link between the adoption of diversity strategies and a greater proportion of these groups is an indication that the strategies are effective. Over time, the corporation is likely to become tolerant of differences and moves to a place wherein differences become human capital and thus a valuable resource—human talent. All of these factors—the role of leadership and women and minorities as gatekeepers—represent the ways in which diversity strategies are constituted and become a part of corporate practices to bring in and keep women and minorities. However, there are other mechanisms for attracting and retaining them. These mechanisms are rooted in what researchers call bureaucratic control practices.

Hiring and Retention Practices

How does the corporation attract the best and brightest women and minority professionals? How do they encourage and motivate them to do their best work? How do they gain their loyalty and minimize their voluntary departures? Is it by promising career advancements, support, training,

and extrinsic incentives? Having competed successfully for them, most corporations prefer to *keep* women and minorities on board rather than function as a revolving door. As corporations adopt and implement diversity strategies, they invent practices that affect employee behavior. These practices are fundamental because they establish the structural conditions or structural *controls* that shape the work experiences of women and minorities. In turn, organizational arrangements become just as consequential to controlling employee behavior as to generating profits.

In the classic work *Contested Terrain,* Richard Edwards (1979, 20) argues that corporations develop formalized methods of "structural" control. He maintains that there are two possibilities of how this structural control shows up in corporations: "1) More formal, consciously contrived controls could be embedded in the physical structure of the labor process (producing "technical" control) or 2) in its social structure (producing bureaucratic control)." Edwards suggests that over a period of time, corporations require both technical and bureaucratic control given that new systems enable control to become more "institutional" and less obvious to employees. In fact, both technical and bureaucratic control provide a means for the corporation to control what Edwards terms "intermediate layers"—the lines that extend supervision and power.

Bureaucratic Control

As a method of controlling workers, technical control refers to the notion of the machinery itself directing the labor process and establishing the pace of work. In contrast, bureaucratic control focuses on the formalization and implementation of rules and procedures within the corporation. Bureaucratic control rests on the assumption that control is embedded in the social structure or the social relations of the work environment. The defining feature of bureaucratic control is the institutionalization of hierarchical power—rules of law—the firm's law—replacing rules by supervisorial command in terms of work functions, evaluation of performance, execution of sanctions and rewards, and managers and workers alike becoming subject to dictates of company policy. Moreover, under the tenets of bureaucratic control, work becomes highly stratified, each job has its own title and description and impersonal rules determine promotion.

As many theorists have pointed out, the notion of bureaucratic control as a method of institutionalizing *positive* incentives is quite important. Simply put, proper behavior within the corporation is rewarded. Further, positive incentives tend to heighten an employee's sense of personal growth or career mobility that lies in front of them *within the firm.* In accordance with the general logic of bureaucratic control, Edwards informs us that reprimand, suspension, dismissal, and other punishments become penalties for specialized categories of offenses. In this case, punishments flow from the established organizational rules and procedures.

Monitoring and Evaluation

Bureaucratic control practices are alive and well in this study. As shown in Table 7.1, I conduct multivariate analyses and results indicate that some corporations' hiring behaviors are targeted toward women and minorities. These findings reveal an important characteristic of diversity strategies— the *monitoring* and *evaluation* of hiring practices geared toward women and minorities. Corporations that are serious about establishing and meeting diversity goals are usually *required* by senior management to implement supervision to ensure that hiring objectives are met and, if they are not, the question of why not must be answered. Monitoring and evaluating the hiring procedures for women and minorities is quite familiar to most corporations. The influence of federal mandates rings a bell here. As discussed in Chapter 4, federal mandates such as Equal Employment Opportunity and Affirmative Action programs are associated with the presence of diversity strategies. In this case, the monitoring and evaluation of hiring practices for women and minorities tends to suggest the influence of government mandates.

Incentives and On-the-Job Training

Positive incentives also have their place in the corporation. My survey data in Table 2.1 also reveal that offering special incentives and providing on-the-job training characterize the hiring practices for women and minorities. Corporations that implement diversity strategies report that

Table 2.1 Logistic Estimates for Corporations' Hiring Activities for Women and Minorities on Adoption of Diversity Strategies

Additional Variable	Firm Size B(SE)	Firm Age B(SE)	Firm Revenue B(SE)	Additional Variable B(SE)	Model X^2	Pseudo R^2	Sample Size
Monitor/Evaluate Hiring Strategies	.132(.377)	.359(.386)	.228(.206)	.556(.502)	8.415[A]	.099	81
Offer Special Hiring Incentives (bonuses, fringes)	.111(.374)	.230(.385)	.249(.203)	.282(.731)	5.673	.068	80
Provide On-the-Job Training to New Hires	.109(.375)	.235(.381)	.280(.199)	.780(.916)	7.503	.088	81
Rely on Colleges/Universities for Training	.256(.365)	.328(.383)	.242(.196)	.485(.527)	7.956[A]	.091	83
Contract Externally for Training of New Hires	.184(.336)	.300(.379)	.269(.204)	.457(.614)	7.660[A]	.088	83
Majority of Women/Minorities Needing Training	.090(.371)	.490(.409)	.237(.199)	.620(.528)	8.002[A]	.095	80

[A]Significant at the $p < .10$.

women and minority new hires are often persuaded to join their company because of attractive signing bonuses, competitive salaries, and fringe benefits. Given the demand for women and minority professionals in the information technology sector, hiring practices are likely to employ positive and generous incentives, often financial, to attract these groups. And, these incentives are legitimized through and in the corporation's formal diversity strategies.

Corporation's Reputation

Not all incentives are visible or tangible. In fact, the most important means of bringing in women and minority new hires is invisible. In many cases, women and minority new hires are drawn to the corporation because of the firm's reputation for hiring, promoting, and retaining them. There are always lists of "Top 100," "Top 50," and "Top 10 Best Corporations for Women or Minorities." Issued by national organizations or special groups, their mission is to protect the professional interests and direct the professional experiences of women and minorities in corporate America. In recent years, national organizations have come up with a "Best Diversity Employer" award to recognize those corporations that promote and advance diverse populations in the workplace. There are also lists generated by national groups that identify corporations that are the *worst* employers for women and minorities.

These listings usually present themselves as rankings. They are indeed influential, believable, and likely to contribute to a corporation's success or difficulty in hiring diverse populations. The role of print media especially in informing the public and prospective employees about the opportunity structures, climate of the organization, and recent experiences of former and current employees is quite powerful. Corporations agree that a firm's reputation is essential to attracting women and minority professionals. Sandra states in her interview:

> I think a corporation's reputation is the best way to recruit and retain females and minorities. Most corporations are looked at just the way you look at colleges. What does a corporation have for me that is going to help me with my career?

The Retention of Women and Minorities

Successfully hiring a female or minority does not necessarily mean retaining them. Often, many women and minority professionals move around and rarely do they stay with a firm for the life of their career. They seek out and accept job opportunities with other firms that allow for greater advancement, higher pay, and more interesting work assignments. For those women and minorities fresh out of college, it is almost expected that they will not remain with the corporation for more than five to seven years before moving on to greater heights in the industry. Similar to entering a college or university, these groups master a great deal of knowledge and develop exceptional skills sets and look forward to senior-level technical or administrative positions with a competing firm. This revolving door syndrome may prove somewhat challenging for corporations who wish to retain talented women and minorities.

However, some corporations have mixed feelings about the responsibility of retaining women and minorities. In fact, 64 percent of corporations do not view it as a responsibility at all. There is no relationship between hiring the best and the brightest *and* retaining them. In most cases, white male senior managers and executives may not perceive that there is a retention problem in the company. Usually their perception of retention problems is driven by numerical indicators, which typically results in problems associated with employee turnover rates. Many corporations conclude that the link between hiring and retaining women and minority talent is too often based on perception. Consequently, this perception tends to impact hiring practices to attract the best and the brightest women and minority talent.

However, corporations that are concerned with encouraging women and minority groups to remain with them are less fixated on numerical goals. They tend to implement a range of retention activities that are diffused throughout the corporation. The retention activities are always a function of the corporation's formal diversity strategies. They range from activities such as offering executive leadership training and rotating job assignments and lateral assignments, to implementing succession plans, offering mentoring programs and support groups, to providing job training for specific job assignments, and implementing employee-recognition

Table 2.2 Retention Activities for Women and Minority Employees by Adoption of Diversity Strategies

Independent Variable	Firms with Diversity Strategies	Firms without Diversity Strategies	t
Executive Leadership Program	44.7	23.9	2.041**
Rotating Job Assignments	53.8	22.2	3.132***
Work Assignments Across the Company	66.3	45.6	1.963**
Supervisory/Annual Review Program	94.7	91.4	.575
Incentives (financial, promotions, etc.)	92.3	82.9	1.287
Succession Plans	60.5	41.3	1.765*
Continuing Education Programs	89.4	80.8	1.093
Professional Training Programs	91.8	82.9	1.198
Mentoring Programs	71.7	44.1	2.596***
Support Groups	42.1	15.9	2.718***
Job Training for SpecificAssignments	89.7	68.8	2.373**
Employee RecognitionPrograms	92.3	71.7	2.475**
Internal Newsletters/Publications	86.8	58.7	2.954***
Workshops/Seminars onNetworking	66.6	60.0	.625
Work/Life Programs	71.7	57.7	1.335
Number of Firms Diversity Strategies No Diversity Strategies	39 45		

*Significant at the p < .10.
**Significant at the p < .05.
***Significant at the p < .01.

programs, to publishing internal newsletters and publications for women and minority groups (see Table 2.2).

Retention Activities

As shown in Table 2.3, I take a closer look at these activities under multivariate analyses. My findings indicate that there are five activities most significantly related to retaining women and minorities, presented in order of importance. First, executive leadership training is the corporation's first step in endorsing women and minorities as potential leaders. This training provides curricula developed to address the varying challenges and

Table 2.3 Logistic Estimates for Retention Activities for Women and Minorities on Adoption of Diversity Strategies

Additional Variable	Firm Size B(SE)	Firm Age B(SE)	Firm Revenue B(SE)	Additional Variable B(SE)	Model X^2	Pseudo R^2	Sample Size
Executive Leadership Program	.172(.380)	.217(.413)	.207(.202)	.885(.556)[A]	8.814[B]	.110	78
Rotating Job Assignments	.166(.381)	.070(.417)	.294(.204)	1.030(.519)[B]	11.425[B]	.136	78
Work Assignments Across Company	.211(.371)	.225(.401)	.249(.199)	.713(.484)	9.097[B]	10.9	79
Supervisory/Annual Review Program	.271(.372)	.322(.392)	.194(.197)	.903(.950)	6.492	.079	79
Incentives (financial, promotions) Succession Plans	.239(.363)	.307(.380)	.188(.199)	.808(.750)	7.479	.089	80
Continuing Education Programs	.213(.374)	.129(.409)	.258(.202)	.752(.485)	8.668[A]	.105	78
Professional Training Programs	.226(.368)	.240(.386)	.222(.199)	.806(.679)	7.027	.085	79
Mentoring Programs	.254(.372)	.276(.387)	.206(.201)	.899(.755)	7.479	.091	78
Support Groups	.321(.376)	.263(.448)	.212(.208)	1.032(.502)[B]	11.428[B]	.140	76
Job Training for Specific Work	.271(.371)	.220(.434)	.156(.205)	.799(.573)	8.069[A]	.101	76
Assignments Employee Recognition Programs	.330(.378)	.179(.422)	.112(.204)	1.195(.661)[A]	9.405[B]	.112	79
Internal Newsletters/Publications	.304(.391)	.367(.397)	.227(.209)	.413(1.342)	8.287[A]	.102	77
Workshop Seminars on Networking	.281(.390)	.199(.418)	.151(.212)	1.743(.624)[C]	14.842[C]	.171	79
Work/Life Programs	.240(.364)	.310(.418)	.200(.202)	−.014(.506)	5.812	.071	79
	.227(.365)	.436(.412)	.167(.213)	.231(.541)	6.975	.085	79

[A]Significant at the p < .10. [B]Significnat at the p < .05. [C]Significnat at the p < .01.

opportunities inherent across every level of senior management. As a retention practice, it offers an opportunity for promotion—to ultimately become a senior executive with all rights and privileges. In many corporations with diversity strategies, women and minorities are selected for executive leadership training. They are the talent who have begun a journey wherein the corporation nurtures their progress. They have demonstrated high achievement and are on their way to a membership in a select and elite group—executive-level management in a Fortune 500 corporation. This is perhaps the pinnacle of one's career in corporate America—to make it to the top. Any realistic opportunity to achieve this goal—with the help of the corporation—is reason to stay with them. Career mobility is what keeps women and minorities with their employers.

Second, in a profession like information technology, rotating job assignments is an important means of retaining women and minority talent. The retention of information technology scientists and engineers relies heavily on changing job assignments. The opportunity to work on new and challenging projects with different and innovative technology is a motivator for information technology professionals. As inventors, analysts, scientists, and programmers, information technology professionals typically enjoy what they do. They thrive on the challenges associated with the development of and changes related to technology. Their technical skills and intelligence are shaped by problems resulting from cutting-edge technology. Therefore, corporations that allow for various and rotating assignments throughout the company are likely to retain their best professionals because they are kept stimulated and motivated, and their thirst for new challenges is quenched. The advantage of the rotating job assignment means that the new projects and development of the innovative technologies are not finite and skills never become obsolete. Heather, an HR specialist, explains why her corporation has difficulty retaining women and minorities: "If we don't produce the new and innovative technology, we are likely to lose some of our best scientists to the company that does. And often we lose our best and brightest when a project ends."

Third, similar to rotating job assignments, job training for specific work assignments is an important factor for the retention of women and minorities. In many corporations, training is targeted for the development

of specific skills. For women and minorities, job training for specific work assignments is often linked to internal mobility. The vast majority of corporations report that promotions are based on the development of certain skill sets and a mastery of knowledge acquired from a range of work assignments. Also, training for specific job assignments suggests that different skills are required as women and minorities move from one project to another. Indeed, training is critical in this regard. As mentioned earlier, this movement allows for constant stimulation and motivation for meeting new challenges. It encourages the creation and application of new technologies and new skills. In turn, women and minorities are likely to experience greater job satisfaction and thus they are more likely to stay with the corporation.

Fourth, central to women and minority retention is formal mentoring and support groups. Formal mentoring programs are essentially about relationships. Women and minorities seek to foster substantive relationships in which alliances are formed. Moreover, these alliances have a direct impact on their careers and career paths. Allies are usually found at any level of the organization and may change at any time. More recently, formalized mentoring programs attempt to go beyond a systematic wedding of mentor to protégé based primarily on skills and experience. Similar personalities, personal values, work ethic, and a sense of relatedness are important characteristics when matching mentor to protégé to ensure a stimulating and satisfying interaction. However, Sandra claims that mentoring relationships can have a significant impact on the careers of women and minorities. "What I've discovered is that mentors with senior-level status in the company are the best. It is important to have mentors who have the clout to make things happen. You know, to intervene on behalf of the mentee."

Mentoring relationships also involve trust—not only trust between the mentor and protégé but also trust in the organization, that is, trust in its processes, procedures, and practices. As this relates to women and minorities, it usually translates into "Can I trust the corporation to do right by me?" A good mentoring relationship can aid the protégé in cultivating trust in the corporation. In turn, this tends to result in the protégé becoming a benefactor of extraordinary opportunities throughout his or her career with the corporation.

Corporate sponsored support groups provide a network of relationships for women and minorities. Composed of same-sex and same-race individuals who share common concerns and experiences, these networks serve as support for each other and provide a safe environment for the open sharing of feelings. Important exchanges of information and experiences occur, sometimes resulting in personal and professional relationships within and outside the corporation. Support groups are usually a comfortable place. They also encourage accountability for work behaviors and foster peer group responsibility for addressing workplace issues and problems.

Lastly, internal newsletters and publications targeted to women and minorities, published by support and networking groups, are an important retention activity for many corporations. These publications identify and present issues that are pertinent to women and minorities. They legitimize not only the work experiences of women and minority professionals but also their presence through a formal written means of communication within the corporation. At the same time, newsletters and publications are a preferred mechanism for translating the corporation's commitment to diversity as well as other important issues.

Retention practices that are linked to diversity strategies are *not* based on reward, recognition, or even evaluation. Rather, these practices have to do with *performance.* In general, retaining women and minorities in the corporation is simply a matter of making sure that there are opportunities for career advancement, intellectual stimulation, and professional growth and development. In order for this to occur, the corporation is faced with the daunting challenge of creating and maintaining a work environment that is accepting and welcoming. It must perpetuate trust and demonstrate an ethic of caring.

Despite corporations' efforts to implement certain practices and activities designed to retain women and minority talent, there are other challenges and difficulties that are more volatile for women and minorities and the corporation. For many women and minority professionals, their decision to remain with a company hinges on the strength of their work relationship with their supervisor. For those driven by career advancement and professional development opportunities, it is no secret that this process begins with one's boss.

The supervisor-subordinate relationship is shaped and influenced by many relationship factors—for example, decisions, conflict, consensus, trust, training, support, company priorities, power, politics, evaluation, feedback, compensation, race, gender, sexual orientation assumptions, expectations, work assignments, and perceptions, to name just a few. Inmany supervisor-subordinate relationships, race and gender issues are known to present difficult challenges to manage and overcome. In turn, these difficult challenges are likely to impede one's career mobility and block opportunities for professional growth and development throughout the entire corporation. Yvonne shares her experiences on this matter during her interview:

> We did a retention development and advancement survey a couple of years ago. One thing that came out was, whom the person works for is important—it is very important that the leader provides women and minorities opportunities, support, develops assignments and provides work that helps one grow. I think that is very key—who you work for. Everyone is working for someone, even if you're at the top. Also important is the question of am I being compensated fairly for what I'm doing? As a woman or minority, am I being paid the same for doing the same job as my white male counterpart?

The retention of women poses its own unique challenges for most corporations. Seventy-three percent of corporations report that they are faced with the problem of women leaving the company at a faster rate than any other group. They are realizing that women not only have a job in the workplace but also in the home. Assuming the domestic and traditional roles of mother and wife, many women struggle to lead balanced lives in corporate America. However, in order to encourage work/ life balance, corporations are instituting work/life policies that are based on flexibility and telecommuting that help retain women professionals.

A few corporations are beginning to create career mobility policies that take into account nontraditional approaches to performing and managing work assignments. Without such accommodations, many highly performing women are being forced to leave the firm. Creating and living

a well-rounded life that does not involve competing demands and priorities is the real issue for most women professionals. Several corporations are beginning to realize that developing oneself outside the firm only adds to one's value inside. However, their structures and behaviors have yet to fully reflect this realization.

As intimated by many corporations, the retention of women and minority professionals is indeed difficult. There are times when it seems as if no traditional strategy will work. They leave the corporation regardless of career opportunities, competitive salaries, or extraordinary mentoring. It is at this point that a handful of corporations point to nontraditional retention approaches that involve much creativity.

There are times when the geographic location of the corporation poses a challenge for minority employees. When the corporation is located in areas that do not have well-established African American, Latino, or Asian communities, it may be very difficult for individuals to adapt and feel comfortable. Quality-of-life issues such as racialized preferences and tastes in food, churches, hair salons, entertainment, and community networks are often essential to leading a balanced and happy life. One interviewee, Monica, addresses this problem by offering a creative solution:

> I've always said that when you bring particularly African Americans out here in the West, one of the things that you have to look at is whether their experiences are going to be different from their place of origin. So one of the things that I advocated for, which was of course readily turned down, was to have a little retention kit—that is, probably their significant others, parents and all are going to be someplace else, so you give them a little long-distance card and you fill it up with free minutes, you know, so they can talk and call or whatever; it helps, and a couple of airplane tickets a year and other things as well just to, like, we acknowledge what you're doing.

> You're being an astronaut [...] you're going out to a place that you'll probably be the only one there and we acknowledge that, so here's just a little kit for you to help you with your transition. And there are other things as well that you can do, have a little guide as far as hair products or particular foods that one might like, places

we know that have a good barber or a place that can do hair. It's a little transition kit. That's what makes you recruit or retain; it's the experiences that people go through.

Corporate internal factors such as employee payoffs and economic hardships pose the greatest threat to retaining women and minorities. Often, under these conditions, retention practices focused on these groups are at high risk for elimination. For example, support groups are the first to be suspended. Although most corporations strive to retain their top women and minority performers, a downturn in the economy makes it quite difficult to do so. In turn, these groups typically have no place to go either. Competitor firms are generally not hiring.

The greatest challenge for corporations in the next few decades is the successful recruitment and retention of top-performing women and minorities. Corporate leadership, women and minority gatekeepers, and hiring and retention practices geared toward women and minorities work best together to get and keep the highly qualified talent. But there are other realizations that ought to be taken into consideration. Women and minority professionals, similar to their male and white counterparts, have lives outside of the corporation. They are motivated by family, friends, spirituality, politics, community service, personal relationships, and a cadre of values and beliefs that emanate from outside the corporation. They have passion for their profession *and* their life.

If corporations want to capitalize on the extraordinary talents of women and minority professionals, they must develop diversity strategies that are totally inclusive of the varying dimensions of who they fully are. Otherwise, corporations will continue to experience the revolving-door syndrome. Likewise, women and minority professionals will continue to roam from corporation to corporation seeking a sense of belonging and the appropriate fit.

CHAPTER 3

The Four Imperatives of Diversity

The corporation is not a person and it does not live. It is a lifeless bundle of legally protected financial rights and relationships brilliantly designed to serve money and its imperatives. It is money that flows in its veins, not blood.

—David Korten, American economist,
author, political activist and prominent critic;
former professor, Harvard Graduate School of Business

Resource dependency arguments bring information technology corporations and their strategic efforts to recruit, hire, and retain women and minorities into the center of my study's analysis. In essence, organizations, like information technology businesses, depend on their ability to control and solve external and internal resource dependencies. In the case of information technology corporations' attempts to attract, develop, and retain women and minority talent, this ability is dependent on the firm's link to the outside world. In this effort, corporations must interact with other organizations given the critical need for human resources. Hence, the *environment* is thus the critical factor in which corporations become dependent on human talent.

Considerable attention has been devoted to understanding organizational structures and behaviors and their responses to the environment in terms of resource dependencies. Grounded in theoretical arguments such as institutionalism, interorganizational relations, neoinstitutionalism, and bureaucratic control, my research provides evidence of what I consider to be four imperatives underlying the structures and behaviors

of diversity: (1) *enforcement imperative,* (2) *moral imperative,* (3) *business imperative,* and (4) *pluralistic imperative.* The multiple and distinctive imperatives determine, at least in part, whether or not and to what extent corporations adopt and implement diversity strategies. I contend that these imperatives reflect corporations' justifications for adopting and implementing diversity strategies and their longstanding involvement in addressing discrimination and inequality.

The Enforcement Imperative

The enforcement imperative of diversity calls for corporations to develop and implement strategies focused on reducing risk and uncertainty associated with grievances, complaints, and lawsuits that demonstrate vulnerability to legal sanctions. In this context, diversity as enforcement *responds to* and *recognizes* situations in need of repair—that discrimination in the recruiting, hiring, and retention of women and minorities in the corporation must be eradicated in order to preempt complaints. Hence, as posed by institutional theory, federal policies such as Equal Employment Opportunity and Affirmative Action encourage corporations to adopt and institute structural defenses. This is evidenced by corporations' formal, written statements of strategies to recruit, hire, and retain women and minorities.

The enforcement imperative also dictates that corporations continue to struggle in the hiring, promotion, and retention of underrepresented groups. Affirmative Action, along with other civil rights legislation, remains crucial in aiding and prompting corporations to recognize and develop untapped and underrepresented talent. But most work organizations are not there yet. In fact, corporations that adopted diversity strategies early on did so as part of their Affirmative Action plans. Without mandates to *ensure* the development of a plan focused on hiring and retaining women and minorities, corporations would probably experience *greater* difficulty hiring and promoting women and minorities. Diversity strategies have utility in the workplace given its ties to Equal Employment Opportunity and Affirmative Action.

Lastly, the enforcement imperative encourages corporations to *physically* locate diversity offices, managers, and staff in legal departments that include

Equal Employment Opportunity and Affirmative Action personnel. The structural strategy to physically align diversity personnel to corporations' legal departments demonstrates how recruiting and retention strategies focused on women and minorities are linked directly to the need to have internal proportional racial and gender balances in the workplace.

In most cases, corporations use Equal Employment Opportunity and Affirmative Action as part of a strategy to investigate the organization and *identify* diversity issues most pertinent to the recruitment and retention of women and minorities. Because most corporations continue to deal with workplace discrimination, to abandon Affirmative Action structures that tend to characterize diversity strategies would be hazardous to the corporation. What is discovered here is that Equal Employment Opportunity and Affirmative Action are foundational to the practices that underlie diversity strategies. Hence, the strategic linkage between Affirmative Action and diversity as *enforcement* is one way of responding to legal mandates and political pressures to increase the proportional representation of women and minorities. Put another way, the enforcement imperative of diversity is based on the *conception* of the liberal principle of equal opportunities— the idea of fair procedures implemented through the bureaucratization of decision-making. What is primary here is effective positive action, and the aim is to generate the perception that justice has been done. More radically, the enforcement imperative relies on the principle of the fair distribution of rewards implemented by politicization of decision-making. Effectiveness here is positive discrimination that gives preferential treatment to underrepresented groups. Here the aim is to raise consciousness so that corporations' employees take opportunities to advance the position of disadvantaged groups. For example, a corporation interviews two equally qualified candidates; selectors would choose an individual from an underrepresented group, if possible.

Lastly, diversity as an enforcer of equal opportunity addresses a climate in which many white Americans have turned against a strategy that emphasizes programs they perceive as benefiting only racial minorities. Moreover, diversity as enforcer creates an enormous impression that federal antidiscrimination efforts have largely failed and have certainly overlooked the tremendous and complicated changes in demographics that have been unfolding since the mid-1960s. In essence, diversity as

enforcement of equality and justice demonstrates that politically, federal legislation is not enough to address major demographic and workplace change. For corporations, diversity as enforcement keeps the company at least one step ahead of the negative consequences of government regulations and legal mandates. It provides the corporation with a broader understanding for dealing with not only historical sexism and racism but also a contemporary perspective of corporate-employee relations that cannot be addressed by gender or race-based legislative policies or programs.

The Moral Imperative

Moral and ethical responses to workplace discrimination are generally aimed at achieving equal opportunity for women and minorities. Moreover, moral responses attempt to foster improved and better work relations and environments through tolerance, acceptance, understanding, and sensitivity to individual and group differences. The moral imperative of diversity encourages corporations to institute a strategy to recruit and retain women and minority talent because of an organizational assurance and belief that everyone should have equal opportunities. U.S. work organizations continuously attempt to correct injustices endured by women and minorities in the past. In this study, many corporations' diversity strategies are inspired by and premised on moral and ethical motives—it is simply "the right thing to do."

As mentioned earlier, an important dimension of the moral imperative encourages corporations to assume and demonstrate *social responsibility*—to be good corporate citizens. The notion of social responsibility has been met with controversy because of its business points. Some theorists claim that the corporation's overall goal is to act on behalf of its owners—its shareholders. Many would agree that corporate shareholders can certainly donate their own assets to charities that promote causes they believe in. However, in the case of the corporation, social responsibility suggests that companies are "responsible" for creating quality products and marketing them in an ethical manner in compliance with laws and regulations and with financials represented in an honest, transparent way to shareholders. But the notion that the corporation should apply its assets for social purposes, rather than for the profits of its owners, is irresponsible (Atkins 2006).

Nobel Laureate Economist Milton Friedman argues that the corporation's only social responsibility is to make profits. He claims further that social issues are in the realm of public policy, for example, government action; corporate managers have no constituency to whom they are responsible and they are not trained to make public policy decisions. Other arguments against corporate social responsibility are that it restricts the free market goal of profit maximization, it dilutes the primary goal of business, and it limits the ability to compete in a global marketplace.

Conversely, many critics of the American corporation posit that corporations have little concern for the consumer. They care nothing about the deteriorating social order and have little to no concept of ethical practices and behaviors. They are indifferent to the problems of women, minorities, and the environment. From this perspective, many scholars argue that corporations, indeed, have a responsibility to not only their shareholder, but also to society. Rousseau's *Social Contract* suggests that corporations as citizen societies have a responsibility to give back to that society in fair measure to what they receive from that society. Other arguments for corporate social responsibility claim that companies must address social issues they may have caused and should help to resolve them. Further, corporate social responsibility limits government intervention and protects corporations' self-interest. And in many ways, corporate social responsibility addresses social issues by being proactive rather than reactive.

Most theorists agree that corporate social responsibility, in part, requires the individual to consider his or her actions in terms of a whole social system and holds them responsible for the effects of actions anywhere in that system. The impact of a company's actions on society is the focus. In particular, the corporation's *performance* of social responsibility encompasses economic, legal, ethical, and discretionary or philanthropic expectations that society has of corporations at a given point in time.

One way in which corporations demonstrate social responsibility is to establish interorganizational ties within their industries. One of the assumptions underlying interorganizationalists' arguments is that interorganizational relationships exist to achieve legitimacy and public approval. In this case, corporations seek to maintain ties with women and minority organizations such as historically black colleges and universities

(HBCUs) and women and minority science and engineering professional associations.

In general, the moral imperative drives corporations to establish defined relationships with HBCUs. In most cases, they perceive themselves as financial aides to HBCUs rather than participants in substantive relationships focused on recruiting and hiring women and minority students. Hence, ties to certain HBCUs become one-sided—benefiting the HBCU. The case for women and minority science and engineering professional associations is similar. In corporations, the nature of the relationship with women and minority science and engineering associations is, again, one of dependence for financial contributions.

The moral imperative of diversity encourages corporations to assume the role of good corporate citizen through their relationships with women and minority organizations. Ethical as well as economic considerations of these groups have resulted in significant philanthropic performance on the part of the corporation. The moral imperative, layered with economic, legal, and political factors, leads corporations to develop and engage in practices such as community outreach, corporate giving, and the creation of special programs, both internal and external, that focus on the needs and conditions of women and minorities.

Interorganizational ties with women and minority organizations, especially, help corporations push their moral motives to institute diversity strategies forward. While the relationship between corporations and women and minority organizations is strained, companies still need to find ways to perform their roles as good corporate citizens, especially among vulnerable and highly visible groups. However, when ties to women and minority organizations become distinguished by ineffective behaviors, corporations make alternative choices—they choose to shift the focus from their relationships with women and minority organizations to predominantly white colleges and universities and personal networks in order to enact diversity behaviors more effectively. As argued by resource dependency theory, corporations constantly seek to manage control over critical resources by altering their choices and manipulating their environments. A moral imperative, then, makes it easier to do so and positions the corporation in a view that is publicly favorable.

The Business Imperative

An organization's ability to control external resources (or generate prof-its) depends on its specialized knowledge. Here, in a profession-driven business like information technology, the business imperative of diversity hinges on the acquisition of attracting, developing, and retaining human capital. Capitalizing on the hiring and retention of women and minori-ties contributes to corporations' business objectives. It is an approach to doing business that is aligned with a multitude of organizational busi-ness strategies, not just one or two. There is a repeated theme for most corporations—diversity makes good business sense. It is one of the cor-poration's best features. Supporting the assumption of external control by Pfeffer and Salancik, many corporations link diversity to the firm's business strategies in response to two environmental forces: customers and markets *and* competitive advantage and innovation.

Corporations emphasize that an increasingly diverse customer base encourages the adoption of diversity strategies. The marketing, services, and sales of information technology products that reflect the preferences of individuals' needs, wants, and styles are influential in sustaining cus-tomers. Taking advantage of the changing demographic composition of the workforce, such as the increased employment of women and minori-ties, is key here. This argument is founded on the belief that only corpo-rations that attract and retain a diverse population of employees will be successful, particularly in tight labor markets. Many American corpora-tions are persuaded by this argument. They express certainty concerning the increased buying power and financial mobility of women and minor-ity groups. Employing groups that mirror emerging and lucrative markets makes it easier for companies to gain access to them.

Put another way, by recruiting, hiring, and retaining women and minorities, corporations increase their business opportunities—their po-tential to enhance their marketing strategies by capitalizing on the intel-lectual, creative, and technical insights and ideas of talented women and minorities. Selling goods and services is now predicated on a reasonably adequate representative workforce. In this case, corporations need the skills of women and minority professionals to enhance products and per-meate diverse markets. Instituting strategies to attract and retain women

and minorities provides a broader, richer, and more productive environment. The intention and desired outcome is for innovation, which translates into increased profits and performance.

Competitive advantage for most corporations means that companies must acquire the ability and capacity to create and apply new technologies *more* rapidly and effectively than their competitors. As pointed out by Pfeffer (1994), this ability and capacity is dependent on the skill and motivation of the workforce. Innovation is crucial here, especially for corporations involved in creating, developing, and applying information technologies.

In my study, many corporations claim that today's markets are demanding that corporations meet myriad tastes and styles simultaneously. It is imperative for companies to employ a cadre of diverse talent that can develop and apply latest technological advances for all markets. As new markets emerge and are permeated, it is the speed with which information technology corporations are responsive to the market that will ultimately determine their competitive advantage.

The successful implementation of business strategies to meet the demands of diverse customers and markets and maintain competitive advantages and innovation encourages the adoption and implementation of diversity strategies. Toward this end, the business imperative of diversity requires organizational activities and practices that seek and obtain employees who mirror the market and are sensitive to and understand customers' wants and needs. Corporations that resist instituting diversity strategies may be unable to respond quickly to new and changing markets and therefore will neglect critical business opportunities, thus risking serious economic harm.

The Pluralistic Imperative

The pluralistic imperative of diversity calls for corporations to institute strategies driven by the mission and values of the company. The primary goal of organizational plurality is simple. It is about the integration of group culture and behavior. Corporations' sensitivity to organizational plurality is motivated by changing workplace demographics. It has been well documented that new entrants to the labor market are becoming

more ethnically and racially diverse. In fact, influenced by changing population demographic projections, corporations are moved to institute strategies to not only acquire the skills and talents of women and minorities, but also to implement behaviors to become better prepared for the diverse needs of new and existing employees.

In accord with changing internal demographics, the pluralistic imperative of diversity calls for corporations to establish and push forward bureaucratic control practices that address the professional needs and interests of women and minorities. Specifically, corporations implement activities and programs focused on the development of new skills, career opportunities, and advancement of *individuals*, not groups. These practices are not solely for the sake of improving the individual, but also of increasing corporate performance and productivity.

The pluralistic imperative of diversity dictates that diversity is a systematic function of the corporation. When the word "diversity" is mentioned, it is not foreign. Diversity ideas, goals, and anticipated outcomes are planted throughout the corporation, at all levels. The invisible insignia of diversity is marked by networks and relationships that impact individuals' work experiences. Further, the pluralistic imperative directs corporations to implement strategies that ultimately lead to a critical mass of diverse employees. Shifting attention away from individual groups to individualstaps into the significant richness and specialized talents that diverse populations bring to the company. Practices that nurture leadership and high performance characterize firms concerned with valuing and producing talent that is critical to the corporation.

The enforcement, moral, business, and pluralistic imperatives of diversity represent the external and internal social forces that drive high-performing technology corporations to address and meet their organization goals and objectives. The imperatives, often combined and integrated in many corporations, reflect the primary structures and behaviors of the corporation that, in turn, impact its day-to-day operations. In this view, these imperatives are not unique but specific to the needs and conditions of women and minorities. As vehicles by which strategies and practices are created and applied to the recruitment, hiring, and retention of women and minorities, the enforcement, moral, business, and pluralistic imperatives, then, move corporations toward improvement typically

resulting from significant social change outside or within the corporation. The understanding of the enforcement, moral, business, and pluralistic approaches to doing diversity begins with a number of "priorities" that I consider fundamental to effectiveness, flexibility, and change in modern corporations. I believe that these priorities characterize corporations that adopt and implement diversity strategies and, as such, I offer the following terms and descriptions: corporations act, corporations love their customers, corporations as people, value-based corporation, corporations stick to what they do best, and global corporations.

First, *corporations act.* Companies that adopt and implement diversity strategies are not bogged down in bureaucratic practices or hierarchies. They respond to the internal and external environment quickly. Rather than conducting in-depth and lengthy research investigations that generate cumbersome reports, discussions, and meetings, corporations conduct quick and limited experiments to determine the best course of action. Most often, in the case of adopting diversity strategies, corporations assess quickly their relevance to the business objectives. Some determine, without hesitation, their importance not only to immediate goals but also their future place in the global economy.

Corporations' proclivity to action is an antidote to the constraining and dulling efforts of grapping with uncertainty and ambiguity. Waiting for and responding to social forces to serve as full justification for action rarely results in any new structures and behaviors or different visions and directions. Efforts to capitalize on untapped and fresh talent become stagnant and unattainable; new and emerging markets and opportunities are always a goal for the corporation but never a reality. And productivity and innovation remain a difficult challenge for the corporation to master. In essence, corporations that act swiftly, act first. They become the best and top companies for diversity and have little problem recruiting and retaining top women and minority talent in their specific industry. Companies that demonstrate quick action are characteristic of an integration of the enforcement, moral, business, and pluralistic imperatives of diversity.

Corporations love their customers and hold them close. Customers are at the center of every aspect of the corporation. The primary focus here is to meet the needs and demands of current and emerging markets. In this view, corporations that adopt diversity strategies are dependent on

the skills and talents of employees that mirror the tastes, preferences, and styles of their customers. Corporations as lovers of the customer flow in a way in which the corporation and people need each other. The production and delivery of products and services is paramount. New and emerging markets and their capability to consume products and services over the long haul motivate the corporation, at every level, to continuously satisfy customers. As such, the corporation keeps its pulse on every segment of the customer base—racial, ethnic, gender, age, disability, sexual orientation, and nationality. Moreover, they are in tune to their socioeconomic and cultural beliefs, behaviors, and conditions, which affects ultimately their desires and preferences for services.

Those corporations that produce services, especially telecommunications/ communications, rely on keeping their customers. And, in order to do so, they must be aware of and understand what they want and deliver it in a competitive manner. Intensive sponsorships and philanthropic behaviors are common identifiers of corporations as lovers of the customers. Corporations are actively visible among their customers and are perceived by them as good citizens. They demonstrate appreciation and value toward customers through practices that engender loyalty and sustained patronage. In essence, corporations as lovers of the customer characterize business and moral imperatives.

Corporations as people demonstrate a great need for talent. This need is different from the pursuit of customers. Corporations with diversity strategies need their employees and they tend to implement initiatives to capitalize on untapped talent. They rely heavily on their energy, ideas, and skills. On the other hand, people need the corporation. They need careers, work opportunities, and salaries. However, when the fit between the corporation and its people is poor, both parties suffer. The corporation wastes its resources and performance is inadequate and, conversely, people wind up being exploited and misused.

The need factor in most corporations reveals itself in the autonomous nature and entrepreneurial spirit of employees. Many corporations with diversity strategies are decentralized and broken down into sub-units. They promote practices such as revolving job assignments and offer incentives and rewards that focus on career opportunities rather than salary and income. The work environment is shaped by the innovative process.

It is flexible, low-key, and nonthreatening, and allows for mistakes. It encourages risks. More importantly, the work environment is concerned with individuals rather than groups.

Recognizing individuals' needs and requirements in the workplace contributes to higher productivity and smoother work conditions. Corporations implement structures and practices that identify and meet individuals' needs in order to retain their talents and better prepare the corporation for new entrants. Corporations that are consistently concerned about people use in-house language and resources identifying the importance of individuals, the corporation itself, and its extended affiliates. Employees tend to view the corporation as a "family." Using the family model, the chain of command is informal and the training and socialization of new and current employees is intensive and substantive. Corporation as people characterizes the pluralistic imperative of diversity.

The *value-based corporation* is about its mission and vision. In fact, the corporation's mission and vision is linked strongly to its structures and practices. Products and services are created and based on what the corporation stands for. In most instances, quality, tradition, and experience shape the work environment and its people. Stories, narratives, and myths are a vital part of the corporation. In fact, the lifespan of the corporation is articulated through the telling of stories and narratives.

Corporations' values are transmitted informally but constantly. Major areas or divisions of the corporation have their stories that are inextricably linked to the legacy of the company. Often, stories and narratives are responses to major changes in the corporation that emanate from larger societal forces such as the economy, social movements, and political turmoil. The value-based corporation tends to be among the oldest firms in the country. They demonstrate great pride and longstanding traditions that have lasted for decades. They are prestigious. These corporations insist that their value-based mission and visions are responsible for their longevity and corporate success. They adopt diversity strategies out of a sense of moral obligation and the corporation's sense of history in the United States. Together, the enforcement and moral imperatives are central to the value-based corporation.

Some *corporations stick to what they do best* and avoid becoming conglomerates. Corporations grow by creating new businesses that relate to what they do best. Microsoft stays away from making hamburgers and McDonald's does not produce software. They rarely are involved in the

merger and acquisition hysteria that occurs often on Wall Street. They constantly seek to advance and enhance their products while maintaining their reputation for being the best in a certain industry, such as the production of software or research and development.

Firms with diversity strategies are *corporations that stick to what they do best* and are very specific about their labor needs. They seek serious individuals with specialized skills and knowledge, and find these attributes are especially true in the case of women and minority talent. Firms are highly competitive and innovative. Their growth hinges on developing new products and services regularly. Structures of the corporation tend to be loose and fluid. In most instances, all areas of the company work collaboratively and are dependent on each other for production and services. Many of these corporations recognize that a jack of all trades is a master of none. They are conscious of new opportunities and are convinced that they would undoubtedly distract them from advancing their current production and services. Indeed, these corporations illustrate how business strategy is imperative to their approaches.

Loose and *tight coupling* refers to corporations with diversity strategies that combine high levels of centralized and decentralized control. Simply put, corporations can have it both ways. Coupling refers to the notion that anything can be tied together in the corporation and has a broad range. For example, performance indicators may be tied to decisions or goals, actors coupled with actors, sub-units coupled with sub-units, and systems coupled with systems. Loose coupling means that corporations have autonomous groups. They are sensitive to environmental changes and tend to adapt to conflict at the institutional level. Adaptation generally means that there are conflicting demands by the environment.

For some corporations with diversity strategies, loose coupling is evident when structural changes occur and there is yet a commitment on the part of the corporation to external constituents, regardless of the effectiveness of the new structure. Employees communicate through several levels of hierarchy rather than directly with one another.

In contrast, many corporations with diversity strategies demonstrate tight coupling. Tight coupling means that structural arrangements represent mechanisms and behavior within a corporation. These mechanisms are formal and task-related and are modified only through formal decisions. They reflect formal hierarchy, rules, and differentiation and

integration. Prescribed, conscious, and planned activities demonstrate tightly coupled corporations.

Corporations with diversity strategies that employ both loose and tight coupling are closely guided by their mission and vision. They tend to rely on formal and informal structures. However, their formal structures do not solely mean tight coupling. Some mechanisms such as decentralization, delegation, and professionalization are methods to bring looseness and flexibility into the corporation. These mechanisms are desirable and serve as a positive means of responding to conflicting demands from the environment. Loose and tight coupling thus characterize corporations' imperatives to do business, to be moral and pluralistic, and to enforce legal mandates.

Lastly, many corporations with diversity strategies are characterized as *global corporations,* or transnational corporations. They manage production establishments and investments or deliver services in two or more countries. Many global corporations have great influence in international relations and local economies. Also, they play an extraordinary role in globalization. Without a doubt, global corporations locate in countries outside the United States to gain access to foreign markets, pay low costs for production facilities, and acquire an abundance of skilled and inexpensive labor. Global corporations are diversified in that they manage a wide range of proprietary and specialized products to multiple markets.

The management of global corporations differs from that of domestic ones and they, too, have their own issues. In particular, fundamental foreign, economic, strategic, organizational, and sociopolitical issues have a significant impact on the foreign expansion of the firm, and on the linkages between foreign subsidiaries and corporate headquarters in the home country. The relationship between global corporations and interest groups in foreign countries, including the government, labor unions, and suppliers, are just a few areas of grave concern.

Global corporations exist because economic conditions make it possible for their products or services to be profitable in a foreign land. There are three major economic aspects of global corporations. First, foreign investment tends to occur more frequently among corporations that compete in an oligopoly in the home country. Second, the process of foreign expansion is often, though not always, driven by product lifecycle dynamics. In other words, corporations seem to come up with new product ideas and services

based on stimuli from the home country. And third, global corporations benefit from their "multinationality" in that it is only companies in several countries that can use their network of subsidiaries to arbitrate differences in prices or adverse stocks such as sudden currency realignment.

Assuming there is competitive advantage over domestic companies, there are two fundamental strategic decisions made by global corporations. First, the corporation decides where to locate its assets and employees. This decision is almost purely economic and results in whether or not a corporation is more or less geographically dispersed throughout the world. Second, if the corporation is dispersed throughout the world, it determines if there is a need for managerial coordination. Depending on the degree of geographical dispersion and organizational coordination, global corporations are likely to be less decentralized. It is important to understand that the degree of dispersion and coordination is continuous in nature and not dichotomous.

Corporations located in two or more countries typically use the "teamwork" or "network" approach. They are less bureaucratic in hierarchy and more flexible. Communication, for example, is independent of hierarchy in global corporations. In fact, information technologies are significant in global corporations. A wealth of communication takes place by computer. Some scholars claim that global corporations have forged the end of bureaucracy and the rise of the intelligent corporation.

Key issues facing global corporations include local responsiveness, global integration, the dynamics of local interest groups in foreign countries, and the corporations' relative bargaining power. In particular, global corporations must implement strategies across the border. This requires companies to exploit new opportunities that will ensure competitive advantage over domestic companies. In this case, the mastery of international situations results in corporations' successful expansion throughout the world. Because of the emphasis on economic strategy and coordination throughout the world, global corporations are highly characterized by the business imperative.

The seven priorities of high-performing information technology corporations characterize the principles and central tenets that underpin the enforcement, moral, business, and pluralistic imperatives of diversity. Corporations' traditions, values, philosophies, strategies, and histories are

reflected in these priorities. In turn, these priorities lay the groundwork for corporations to establish enforcement, moral, business, and pluralistic approaches to adopt diversity strategies.

A crisp and clear understanding of how one factor motivates corporations to adopt diversity strategies has little relevance in a messy world of uncertainty, unpredictability, and instability. Economic times that resemble a recession are likely to encourage any formal actions toward implementing strategies concerning women and minorities. Many researchers and business leaders note how the business imperative is the driving force for adopting and implementing diversity strategies. However, it is important to understand that, when combined, the enforcement, moral, business, and pluralistic imperatives are very effective in negotiating the hiring and retaining of women and minorities.

Often, I am asked which imperative is the most important in a corporation's decision to adopt and implement diversity strategies. It was not until the writing of this book that I became clear that the answer is not about which imperative, but rather about which organizational variable is most important to help determine the imperative more likely to be effective in any given situation. Some key organizational variables associated with the motivation of corporations' decisions to adopt diversity strategies are motivation, leadership, technical constraints, uncertainty, scarcity, and conflict.

Recognizing that social forces also remain important to corporations when considering strategies to recruit and retain women and minorities, effective and high-performing companies rely on them to push forward imperatives that reflect their structures and behaviors as well as their mission and values. Although each of the four imperatives generates a different strategy or practice for attracting women and minority talent, depending on their social, economic, and political environments at a particular point in time, corporations can enhance their flexibility and freedom. Each imperative provides a guideline for leading corporations to action and even to different results, although applied to the same goal. Therefore, I believe that the appropriate pathway to workforce inclusion is to hold each imperative of diversity equal in its perception of importance in order to meet and go beyond corporations' and society's expectations and experiences.

CHAPTER 4

Putting it All Together: Why and How Information Tech Corporations Implement Diversity

Small battles [against discrimination] are being won around the world, but, I think people are losing. I do see the present and the future of our children as very dark. But I trust the people's capacity for reflection, rage, and rebellion.

—Oscar Olivera, leader of the protest against
water privatization in Bolivia

During the time of this study, there is no doubt that corporate America has improved its efforts at creating a more inclusive environment at the CEO and boardroom levels. Given the recent selections of Lloyd Ward, the first African American CEO of a Fortune 500 company, the Maytag Corporation; Franklin Raines, CEO of the Fannie Mae Corporation, the second African American to head up a Fortune 500 company; Kenneth Chenault, the first African American to helm a Dow Jones blue chip company, American Express; Richard Parsons, the first African American to guide Time Warner, a major media conglomerate; Brandy Thomas, CEO of Cyveillance, an online business brand monitoring service; and Stanley O'Neal, at the helm of Merrill Lynch; many agree that minorities, African Americans, in particular, are, at least, represented. Comparatively, female CEOs have not fared nearly as well. However, the appointments of Carly Fiorina, the only female and former CEO of a Fortune 500 company, the Hewlett-Packard Corporation, a Top 30 technology firm located

on the Dow Jones; and Nancy Stetson, the first female CEO of Public Broadcasting Services (PBS); may have shattered the glass ceiling for women in corporate America. In fact, management seems to have its own flavor and behavior concerning women and minorities. There are visible efforts to ensure that these groups have opportunities to assume leadership positions and be counted among the nation's corporate elites. But the story does not end here.

Although many corporations feel strongly that they are becoming more inclusive environments, many female and minority professionals are not convinced. Today, an overwhelming number of Fortune 500 companies employ diversity programs. However, critics claim that the large majority of these programs are "the flavor of the day," "superficial," "cosmetic," "a form of window dressing," "quick hits," or make "symbolic and unreal" efforts at achieving diversity. Over the past year, myriad publications ranging from newspaper and magazine articles to scholarly journal articles and books have criticized corporate diversity initiatives as having an illusion of inclusion. They are not as effective as companies claim. Influenced by such observations, my work sought to explore and explain why and how corporations adopt diversity strategies focused on women and minority information technology professionals. In order to accomplish this, it was necessary to investigate the corporation itself—to assess its diversity structures and behaviors, those associated with both the external environment and internal organizational arrangements. It was important to begin with the critical issue at hand—hiring difficulties and conditions as experienced by the corporation.

In general, as suggested by a wealth of data provided in national reports, corporations are indeed experiencing *more* difficulty recruiting and hiring women and minorities compared to their white and male counterparts. However, a closer investigation of firms' characteristics shed light on the degree to which corporations differ in their recruitment and hiring difficulties of women and minority talent.

It is important to understand that a certain group of corporations are more likely to experience similar difficulties in recruiting and hiring women and minorities. Younger corporations that do not adopt diversity strategies, located in the South and classified as systems analyses and engineering companies, tend to experience more problems recruiting

and hiring women and minorities. These corporations also strongly favor certain conditions for employing these groups. They require formal education in a technology-related discipline leading to at least a bachelor's degree and, for the most part, they tend to employ a majority of women and minorities with formal education and professional training in highly specialized, technical fields.

In contrast, corporations with diversity strategies are *less* likely to experience difficulty in employing women and minorities. That is, the presence of diversity strategies is associated with more successful recruitment and hiring of women and minorities. Differing from corporations without diversity initiatives, these companies are older, wealthier, located in the Northeast or Midwest, and classified as software development and programming industries. These corporate profiles are neither random nor are they meaningless.

Older corporations have historically implemented strategies to increase the proportions of women and minorities due to racial riots, boycotts, and lawsuits during the 1960s and early 1970s. The passage of Affirmative Action programs and Equal Employment Opportunity legislation is also a great motivator of corporations' adoption of diversity strategies. Thus, older corporations have an established reputation for consistently employing women and minorities over the past four decades. It is not surprising that these corporations are located in the Northeast and Midwest regions of the country. During the period of American industrialization, several older technology-related corporations were established in the Northeast. Later, corporations sprang up in or relocated to the Midwest due to economic expansion. However, it was only during the past decade or so, with the information technology boom, that technology-related corporations began to emerge in the southern and western regions of the U.S. In fact, corporations classified primarily as software developers and programmers are among the earliest to emerge in the technology sector. Software development and programming have encompassed decades of programming languages, technologies, operating systems, and user interfaces. Simply put, older technology corporations have had the lion's share of dealing with the issue of workplace diversity. The enforcement and moral imperatives have shaped their structures and behaviors to adopt and implement diversity strategies over the years. As such, their trouble with attracting and hiring

women and minorities is not as great as that of younger corporations who claim that all is well in a color-blind society.

What is discovered here is relevant. Although there exists a wealth of reports indicating that corporations are struggling to find qualified women and minority talent, very little information is provided on how information technology corporations might differ in their recruitment and hiring experiences of women and minorities. Moreover, very little information exists on the types of corporations that experience the greatest recruiting and hiring challenges. These results provide a better understanding of corporations that fail to adopt diversity strategies. They also provide a glimpse of those features that characterize corporations that experience less difficulty employing women and minorities.

It is necessary to consider the history of a corporation's efforts to pursue diversity. Responding to a series of crises ranging from racial riots to class-action discrimination suits prepares corporations to pursue diversity. The absence or lack of experience in responding to such crises contributes to corporations' challenges and difficulties in employing women and minorities. Perhaps there are no other forces that have shaped the behaviors of corporations in employing women and minorities than the federal courts and the freedom to protest. Without the experiences of such social forces to guide corporations' employment policies and practices, companies may find themselves scrambling to create beneficial approaches to ensuring workplace diversity. However, the majority of corporations in the United States that have been publicly recognized for their outstanding efforts in the area of workplace diversity were guided by one approach—Affirmative Action programs.

It is necessary to determine the motivations of corporations' diversity structures and behaviors by assessing the extent to which the state influences the adoption of diversity strategies. In line with institutionalist thinking, Affirmative Action and Equal Opportunity policies are associated with the adoption and implementation of corporations' diversity initiatives. The *timing* with which diversity behaviors made their hallmark across the country is important. In the presence of the political backlash against Affirmative Action programs was the emergence of most corporations' formal diversity strategies. Clearly, there is an important link between Affirmative Action programs and diversity structures and

behaviors. Diversity behaviors support and encourage Affirmative Action sentiments. Rather than prohibiting workplace discrimination based on age, color, disability, veteran status, national origin, race, religion, and gender, the dimensions of diversity offer no specific guidelines for correcting historic patterns of discrimination once they are identified within the workplace. As opposed to *requiring* corporations not to discriminate, diversity softens the blow; it *encourages* the inclusion of *all* individuals and not just groups.

Operationally, however, diversity strategies seem to vary among corporations. Diversity activities range from an emphasis on traditional Affirmative Action and Equal Employment Opportunity programs to an extension to the community and the world. Diversity activities are justified by a range of explanations such as "It's the right thing to do," "It's the law," "The CEO wants it," and "It makes good business sense." In essence, corporations are reliant upon basic standard justifications which shaped, directed, and guided their diversity practices. Going after women and minorities is not done in a vacuum; it requires a justifiable reason, an explanation.

Affirmative Action, *not* diversity, is used to *create* a diverse workplace and to provide upward mobility for women and minorities. In turn, *diversity* structures and behaviors call for mutual respect among diverse groups and increased receptivity of Affirmative Action. In this view, many corporations assert that diversity goes *beyond* EEO/AA. It goes beyond the tenets of AA. It is the next step in the organization's evolution to becoming totally inclusive. Under the human resources model, diversity strategies are very broad. They benefit the corporation. Their immediate goals are to seek, attract, develop, advance, and retain the best talent. Corporations use diversity strategies in their drive to become an employer of choice among a diverse population, and as a means to create an environment that benefits individuals, not groups, throughout the corporation. However, diversity efforts within the corporation are generally misunderstood by those outside the organization. This is evidenced by popular criticisms of diversity initiatives over the past several years. When the principles, sentiments, and ideals of Affirmative Action *and* diversity are combined, backlash, resistance, and even polarization ensue.

Arguably, Affirmative Action and Equal Employment Opportunity build upon each other. However, once Affirmative Action and diversity

are *tied* together, diversity becomes tainted in two significant ways. First, it becomes smeared by negative perceptions of Affirmative Action and its accusations of reverse discrimination, and secondly, diversity is usually criticized and dismissed by Affirmative Action proponents as "window dressing." Hence, this relationship is somewhat problematic. It seems to draw on each other's weaknesses rather than strengths. No wonder academicians and practitioners are questioning the effectiveness of corporate diversity practices to increase the number of women and minorities. Nevertheless, conclusions can be made about diversity strategies that are alive and well. Undoubtedly, corporations have shifted the power of Affirmative Action to affirming diversity.

Most corporations assert that diversity strategies are characterized in two ways. First, diversity prescribes a change in the individual's *thinking;* it proposes a shift in mindset as well as systematic change. Philosophically, diversity is a *valued* aspect of the corporation. Its main objective includes awareness, education, and positive recognition for individual differences. As a valued aspect of a corporation's culture, diversity structures and behaviors seek to recognize the uniqueness of all employees, thereby creating an inclusive environment where individuals are respected and promoted *because* of their differences. It is important to note here that it is simply the *quality* of the work experience that is paramount, rather than the participation rates of women and minority employees. This is an incredibly different agenda from that posed by Affirmative Action practices. In essence, this pluralistic imperative of diversity encourages prime behaviors such as innovation and entrepreneurship.

Second, corporations believe that diversity is about business—capitalizing on that which contributes to the corporations' goals and objectives associated with profits and productivity. It is an approach to doing business that is aligned with other organizational goals. In this view, my research demonstrates a repeated theme for most corporations—"diversity makes good business sense." Against the backdrop of changing demographics, this principle means that most corporations implement diversity structures and behaviors in two important ways: internally and externally. First, within the corporation, diversity behaviors are sought to influence the creation of an inclusive work environment by attracting and retaining a diverse group of talented people. Of equal importance is

the fact that the corporations' diversity practices are used to reduce risk and uncertainty associated with grievances, complaints, and lawsuits that demonstrate vulnerability to legal sanctions.

Outside the corporation, diversity efforts are primarily focused on a growing and changing marketplace. Demographic changes in a corporation's customer base are interpreted as new opportunities for different products, services and, of course, increased profits. And, finally, a corporation's image is considered very important. Limiting and avoiding negative perceptions and experiences in the marketplace concerning "diversity" is crucial given the high cost of lost customers and markets. In turn, it is vital to be perceived as a "good corporate citizen" who values diversity. Corporate social responsibility remains an important aspect of organizational performance. As participants in the global marketplace, corporations can no longer afford to negate or be passive in their responses to social issues in a society that requires, at least to some degree, their involvement.

Diversity policies are important in formally framing the foundation of diversity structures and behaviors. They generally include not only a statement of how the corporation defines diversity, but these statements also stress nondiscrimination, equality, and fairness. It is at this juncture that the matter of diversity is usually associated or confused with Affirmative Action and Equal Employment Opportunity. They share a familiar sentiment and desired outcome. However, diversity, in scope and purpose, is *not* a form of, substitute for, or variation of Affirmative Action. Nonetheless, this proposition begets a serious question: Can corporations do diversity *without* the support of Affirmative Action or, more broadly, enacting structures and behaviors to ensure the proportional representation of women and minorities in the labor market? I conclude, from findings in this study, that the answer is "probably not."

Because corporations in general in the U.S. are continuing to struggle with the hiring, promotion, and retention of underrepresented groups and often fall short of their goals to do so, Affirmative Action remains crucial in aiding corporations to recognize and develop untapped and underrepresented talent. Put simply, most corporations and work organizations are not there yet. Without mandates to *ensure* the development of a plan focused on women and minorities, many organizations would probably

experience great difficulty in attracting and retaining talented women and minorities. It would not surprise me if a significant number of work organizations, in sheer frustration, would simply "give up the race." However, I do firmly believe that there are men and women committed to ensuring that America's corporations represent severely underrepresented groups such as women and minorities. In this view, diversity strategies have great potential and utility in the workplace. They can only help.

Serving as an important complement to Affirmative Action practices, diversity strategies have the potential for *preparing* corporations to receive individuals whom they value into the workplace. In this context, diversity functions quite differently from Affirmative Action. For it is entirely possible that a corporation may obtain proportionality of women and minorities but fail to demonstrate that group and individual differences are *valued.* And, the lack of valuation ultimately leads to retention issues. While diversity is conceptualized as a component of value of most corporations, it is also positioned as a means of serving innovation, marketing, and product needs. Put simply, diversity is leveraged for increasing corporations' productivity and competitive advantage.

The perceived link between Affirmative Action and diversity is important to understand given that many corporations provide each area with autonomy and resources to pursue their own separate, although at times integrated, goals and objectives. Internally as well as externally, corporations attempt to communicate that diversity is a *complement* to Affirmative Action and Equal Employment Opportunity; it is not a replacement or substitute for them. Because diversity strategies appear to be flexible, creative, and changing, corporations create and test activities focused on removing barriers of discrimination, thus encouraging equality and proportionality not prescribed by legal mandates of nondiscrimination in the purview of Affirmative Action and Equal Employment Opportunity.

Corporations claim that diversity strategies, *not* Affirmative Action, are important aspects of their business initiatives and organizational culture. Therefore, it is crucial to avoid misconceptions or misunderstandings of the relationship between Affirmative Action and diversity. Often, corporations make a demonstrated effort to make clear the distinction between Affirmative Action and other traditional approaches to workplace inclusion and diversity.

The way in which corporations can successfully maintain the separate identities of Affirmative Action programs and diversity strategies is to create separate organizational functions. Although sharing common goals, each program is physically located in separate offices with distinct programmatic efforts and purposes as well as methods of implementation. Separate managers or directors are an excellent means of establishing distinct reporting lines. These efforts are likely to prevent possible tension, conflict, and confusion associated with each program's similar goals and objectives.

Last, as required by law for Affirmative Action programs, diversity strategies are evaluated in an effort to determine outcomes. Are corporations meeting their diversity goals and objectives? Which diversity strategy is successful and which unsuccessful? Which strategy is most fundamental and basic to the corporation? And, when is it necessary to revitalize, reevaluate, and redesign a corporation's diversity structures and behaviors? Systematically, evaluative methods tend to be incorporated throughout the entire organization, not only in the area in which the programs and activities originate. In addition to numerical analyses, employees' perceptions and experiences are assessed to gather more detailed information on the challenges, limitations, and improvements of corporations' diversity efforts.

Perceptions of legal mandates and their impact on the adoption and implementation of diversity strategies provide a fuller understanding of the structures and behaviors that shape decisions and practices geared toward attracting and retaining women and minority talent. Recognizing the complications that are inherent in the relationship between federal employment policies and corporate practices provides an important lens for assessing why corporations develop strategies to bring in and keep women and minorities. Understanding the experiences of corporations then leads to understanding their actions. Corporate actions on women and minority issues are critically important for understanding the practices employed and resources used to actively recruit and hire highly qualified and trained women and minority talent.

There are two primary sources of women and minority science and engineering talent—colleges and universities and science and engineering professional associations. In particular, established and maintained formal relationships with women and minority colleges and universities and women and minority science and engineering professional associations

are important in the successful recruitment and hiring of women and minority talent. However, corporations claim that developing and maintaining relationships with both sources is *not* an effective means of recruiting and hiring women and minorities.

Resource dependence thinking assumes that corporations that are dependent upon the environment for an increased number of women and minorities will adopt diversity strategies. In other words, the presence of diversity strategies translates into organizational ties and partnerships with women and minority institutions and organizations. But most relevant to corporations with diversity initiatives are women and minority colleges and universities and women and minority science and engineering groups.

My work captures the *changing* and complicated relationships among certain historically black colleges and universities (HBCUs), women and minority science and engineering groups, and, of course, the mighty corporation. In essence, corporate relationships with HBCUs and women and minority science and engineering groups are primarily financial. From the perspective of the corporation, ties with certain HBCUs and women and minority science and engineering groups rarely result in the successful recruitment of women and minority IT talent. This was not the case two or three decades ago. Significantly influenced by legal mandates and government policies to ensure fair representation of women and minorities, the vast majority of corporations flocked to HBCUs hoping to employ many of the nation's best and brightest minority students. Today, corporations' attention has shifted to other viable sources of women and minority talent.

HBCUs' attitudes and behaviors toward corporations are quite common. Generally speaking, because certain HBCUs are frequently faced with serious financial burdens, corporations are seen as a legitimate means of reducing an institution's financial hardships through financial contributions and sponsorship. HBCUs' preoccupation with securing financial resources from corporations has resulted in minimal efforts to establish long-term and substantive relationships focused on students' career opportunities and faculty research. Consequently, ties with certain HBCUs have become one-sided—benefiting financially the HBCU. Conversely, corporations report with much frustration that there is "no return on

their investments." The same is found to be true in the case of women and minority science and engineering groups. Corporations point out that the nature of the relationship with women and minority science and engineering professional groups is, again, financial. For many of these groups, corporate sponsorships are life-savers. They allow these organizations to conduct their major activities, such as hosting conferences and workshops and disseminating relevant materials to its membership.

Over the past few years, corporations with diversity strategies tend to shy away from certain HBCUs. They are also reluctant to enter into relationships with women and minority science and engineering groups. Recently, with the nation's economic downturn, it has become increasingly difficult for many corporations to justify continued sponsorship of and participation in programs and activities held at certain HBCU institutions or by certain women and minority science and engineering organizations. Put simply, under the business principle of diversity, no longer are corporations capable of allocating resources to certain HBCUs and women and minority science and engineering groups *without* getting some return on their investments. One corporation indicated that it used to recruit at twenty-two HBCUs; that list has been reduced to eight. The decision to do so was a strategic one.

Corporations' perceptions of women's and minorities' preparation for the workforce is critical. The majority of corporations having the greatest problems hiring women and minorities perceive these groups as being lesser qualified for entry into the corporation. This conclusion is crucial for HBCUs given that they graduate a significant proportion of minority students with degrees in technical fields. In many instances, corporations question the rigor of certain HBCUs' technology-related academic programs. They have questions about academic standards, achievement, and the necessary exposure and training minority students ought to have prior to graduation. Are HBCU students adequately educated to pursue technology careers in corporate America? Are they truly the best and the brightest among other job candidates in their racial and ethnic groups? Many corporations are attempting to answer these questions.

Realizing the narrow focus and limitations of recruiting primarily for minority students at HBCUs, corporations have begun to seek additional ways to identify and recruit them. Corporations are beginning to

establish substantive relationships with predominantly white colleges and universities with diverse student bodies majoring in technology-related disciplines. These institutions are becoming favored options for many companies given that their technology programs are nationally ranked and their women and minority students participate in highly competitive internships and training programs. In most cases, corporations' relationships with predominantly white colleges and universities are not premised on financial support or sponsorships.

Because corporations are recruiting more and more at white colleges and universities, this raises the issue that it is likely that minority students enrolled in HBCUs may ultimately be *excluded* from career opportunities in some of America's leading technology firms. Therefore, it is incumbent upon HBCUs to enter into successful and positive relationships with corporations to ensure that their students are provided the same career and employment opportunities as non-minority students enrolled in predominantly white colleges and universities.

It is important to realize as well that corporations are turning inward to attract and hire women and minority talent. In other words, they understand that key information for attracting a broader array of employees may be found among existing employees. A host of corporations enlist support in recruiting qualified and talented women and minorities by offering employee referral bonuses. No longer are recruitment efforts limited to or focused outside the organization. In fact, it is becoming commonplace for corporations with diversity strategies to use employee referrals in the recruiting and hiring of women and minorities. This strategy is proving to be beneficial to the corporation in that employees tend to recruit individuals with similar values, work ethics, and motivation, all positive attributes for competitive and high-performing technology companies.

Alternative and strong sources of women and minority talent may be problematic for HBCUs, in particular. Interorganizational ties are especially crucial for HBCUs. Throughout the nation's higher education system, 16 percent of 1.4 million African Americans are enrolled in one of the nation's one hundred five HBCUs (National Center of Education Statistics 2008). Clearly, these colleges and universities compose a hefty proportion of African American students. Hence, it is vital for HBCUs

to continually re-examine themselves in relation to their current and future relationships with corporate partners and sponsors. This effort might call for a reassessment of their institution's mission and role in society in general.

Traditionally, the role and impact of HBCUs have been felt deeply in the African American community and in the nation as a whole. HBCUs have produced and continue to produce leaders in the African American community, they stimulate the interests of African American youth in higher education, they serve as custodians for the archives of African Americans, they develop learning methodologies for overcoming handicaps of the educationally disadvantaged, they develop and expand programs for educating African American adults, and they provide educational opportunities for students who fall short of admissions requirements of conventional institutions of higher learning (Carnegie Commission on Higher Education Report 1971). Although this unique history remains important today, perhaps for some HBCUs it may serve as an obstacle to or pose difficulties in establishing and maintaining substantive relationships with corporations. The historical foundation of HBCUs might be in conflict with the spirit and essence of the mighty corporation. HBCUs and corporate structures and behaviors simply do not mirror each other. So, perhaps cultivating such relationships is not in the general purview of certain HBCUs for several reasons. They struggle with limited personnel, inexperience, lack of faculty involvement, and limited academic and student resources. These factors are imperative to corporations as they, too, struggle, but do so in order to remain globally competitive and generate profits.

A careful review of over fifty women and minority science and engineering professional groups' membership brochures and related materials indicates that the purpose and function of such organizations are multiple. For example, they are purposed to stimulate women and minority interest in science, technology, and engineering; to increase the number of women and minority scientists and engineers; to promote public awareness of women and minorities' involvement in science, technology, and engineering; to offer tutorial services and technical seminars and workshops; to provide a national communications network, national magazines, newsletters, and other correspondence; to sponsor national

meetings and conferences; to provide online-based job advertisements and announcements; to offer scholarships and financial assistance to women and minorities in science, technology, and engineering; and to provide women and minorities coaching and professional training opportunities in information technology.

Certainly, the work of most women and minority science and engineering professional groups is critical to the emergence, development, and professional advancement of women and minority students and professionals. In fact, several groups, such as the National Society of Black Engineers, Catalysts, Women in Technology, and the National Society of Hispanic Professional Engineers, have been recognized nationally for their outstanding contributions in the fields of science and engineering. It is evident that such organizations have the potential to be exceptionally helpful in improving the entry, training, and retention of women and minorities in information technology.

Substantive and positive relationships between women and minority science and engineering professional organizations should involve an articulation of what the industry wants and needs. By listening to and understanding the needs of employers, women and minority science and engineering organizations can be useful to industry. For example, many associations can translate the needs of industry by focusing on and evaluating technology-related curricula in women and minority colleges and universities. Such efforts might improve the attractiveness of certain women and minority colleges and universities as well as the employment qualifications of prospective job candidates. Also, women and minority science and engineering groups can play a crucial role in enhancing the professional training of women and minority professionals. This may serve not only their members but corporations as well in their efforts to train and retain women and minorities. Because the nature of information technology work usually requires ongoing and continuous training, women and minority science and engineering professional groups should take an active role in developing and implementing their continuing education programs to ensure that their members have opportunities for continuous and relevant IT training. These activities may encourage corporations not only to continue their financial support and sponsorship of these groups but also to be important sources of career and work

opportunities for the long haul of an individual's work life. This will allow corporations to move beyond the simple action of demonstrating moral and corporate social responsibility to actively engaging in increasing the presence of women and minorities in the firm.

Today, the external environment is critical to the lifespan of the corporation. In fact, it is continuously dependent on it for its critical resources. Diversity strategies designed to bring in women and minorities are driven by the environment. Legal mandates, whether in the form of Affirmative Action programs or corporate diversity initiatives, remain a huge factor in corporations' decisions to adopt and implement practices to seek out and retain women and minority talent. Interorganizational ties are instrumental in how corporations attempt to bring them in. Although there is an important shift in the means of obtaining women and minorities, corporations continue to demonstrate new ways to improve their efforts at identifying and hiring the best talent.

If institutionalist and interorganizationalist approaches are useful concepts in understanding corporations' diversity strategies, then bureaucratic control theory is absolutely critical for exploring the impact of internal organizational factors on the presence of diversity structures. Similar to the findings on the role of the state and interorganizational relationships, here again, the contribution to theory provides background for practice.

As discussed so far, recruitment and hiring practices associated with diversity strategies are influenced by and implemented outside the corporation. However, there is overlap. There are some hiring activities that tend to emanate from inside the corporation. As for retention practices, practically all these activities originate and are implemented within the company. It is important to recognize that there is no cookie-cutter style of implementing diversity strategies. Given its nature and multiple dimensions, diversity strategies should be flexible, creative, and changing as they are inextricably linked to and shaped by the external and organizational environments.

Hiring and retention practices directed toward women and minorities are not usually confined by corporations' diversity structures. What I mean by this is that they are not owned by a particular department, for example, the likely entity, human resources management. Instead, most

hiring and retention activities are a function of specific business units, for instance, benefits, compensation, recruitment, and work/life. In contrast, most corporations describe their human resources management functions very broadly. They are responsible for planning and allocating resources, developing an environment in which employees choose motivation and contribution, leading organizational efforts to listen to and serve customers, and setting examples in work ethics, empowerment, and treatment of people worthy of being emulated by others.

Because hiring and retention activities are then owned by multiple business units, diversity *values*—its principles, sentiments and goals—are incorporated throughout the corporation by placing individuals with diversity responsibilities within each primary business area. The primary responsibility of these individuals is to act as advocates, ensuring that their respective units are in accordance with the corporation's overall diversity guidelines and goals. In most instances, when this is the case, each business unit is given a target diversity goal in line with the corporations' business objectives. For example, the research and development unit may be required to increase the number of women junior analysts by 5 percent within a two-year period.

Surprisingly, traditional hiring and retention-type practices are not the activities of choice for corporations. The implementation of professional training programs, support groups, on-the-job training, rotating job assignments, financial incentives and bonuses, or continuing education programs is not primary in hiring and retaining women and minority employees. Rather, it appears that a corporation's reputation and established record of promoting and advancing women and minorities are the best tools for increasing the number of women and minorities.

In terms of retaining employees specifically, in the spirit of bureaucratic control theory, financial incentives and job promotions are important. These rewards are likely to encourage employee loyalty and avoid early departure from the corporation. However, women and minority scientists and engineers remain with the corporation when they experience positive relationships with management. Supportive and favorable relationships with their supervisors tend to hide a multitude of sins. It is not unusual for women and minorities to excuse other organizational flaws if they are satisfied with their immediate relationships such as those with

their bosses. Equally important, women and minorities choose to stay with a corporation when they experience and participate in challenging and innovative work assignments. Rotating, especially, in the information technology world creates new and improved opportunities for growth and learning rather than merely a change in status or span of authority.

Although the nation's economic downturn and seesawing demand for information technology employees have impacted greatly the information technology sector, there is still a need for corporations to continuously pursue a well-trained and qualified workforce. Over the past several years, labor researchers and relevant national research organizations have produced a wealth of reports and scholarly work aimed at recruiting and retaining technology intense employees. These important works address salary, training, career promotion and progression, job descriptions and titles, formalized business policies, strategic plans, foreign labor, women and minorities, and data measurements. Although common in many ways, this wide range of issues has its own particularities to the information technology sector. As such, there is much fertile ground for exploring corporations' behaviors in capitalizing on the unique role of women and minority scientists and engineers.

Because the responsibility for implementing strategies to hire and retain women and minorities does not reside with only one office, it is essential that corporations monitor and evaluate diversity behaviors throughout the entire organization. Accountability is crucial here. Employers and employees should understand clearly that "everyone is responsible," but managers are accountable. Diversity performance should include performance objectives and measures, and appropriate skills should be acquired in order to establish and maintain relationships with diverse customers. Diverse management teams should be created and senior managers should recruit and mentor diverse groups of employees. It is crucial that an individual manager's performance objectives are linked to the corporation's diversity goals. And, as discussed earlier, offering financial incentives as a reward when meeting one's diversity-related performance objectives is an excellent means of ensuring that managers "do diversity."

Although traditional hiring and retention-type activities such as increased salaries and benefits may be the chosen method of retaining

employees, in this work, it does not take center stage as the reason or remedy for attracting and retaining highly qualified women and minorities. Creating a work environment where women and minorities are demonstrably valued and challenged and experience positive relationships with management is more beneficial over time.

The retention of women and minority employees is not only good for the individual but also for the employer. Retained women and minority employees contribute to a corporation's reputation and image of *valuing* diversity and acting affirmatively to ensure equity in employment opportunities. Certainly, work relationships are important and occur among all members of the corporation. Employees, by default, are bound together in an organization. They are a common denominator regardless of race, gender, age, or other dimensions of diversity. However, the quality and quantity of relationships vary and are much affected by an individual's diverse background.

As suggested by one human resources professional, there are a number of creative ways to increase the retention of women and minority employees. Simple but creative efforts that recognize the issues of geography and quality of living are important. For example, providing one or two airplane tickets per year to return "home"; pre-paid long-distance calling cards; and gift cards to barber shops or hair salons and restaurants specializing in ethnic foods are all good corporate behaviors that can contribute to the positive valuation of women and minority employees. As most employees would agree, "If you love me, show me!"

It is not uncommon to smile or feel good when minorities see each other in a predominantly white work environment—especially in the mighty, white male-dominated corporation. The presence of someone who looks like you tends to ease some anxiousness about being the "only one." After all, this is what results from being a top diversity employer. Individuals feel good about who they see in the corporation. They are inclined to want to work there and remain there. Similar faces based on racial and ethnic backgrounds are a welcome mat to potential employees. As they say, "If you build it, they will come."

A small number of research studies have devoted attention to neoinstitutionalists' arguments of *professionals as agents of diffusion.* This model provides an important approach for examining the relationship

between the presence of women and minority human resources professionals and women and minority scientists and engineers and the adoption of diversity strategies. Indeed, the presence of women and minority human resources managers is related to the existence of diversity strategies. Corporations benefit from these HR managers in that they are committed to the company's diversity goals and tend to go above and beyond to ensure that their female and minority counterparts are present and treated fairly in the corporation. Supporting the work of Kanter (1977), there is an association between the proportion of women and minority employees and the presence of diversity structures. Corporations that adopt and implement diversity strategies have higher proportions of women and minority scientists and engineers.

The link between the presence of diversity strategies and a greater proportion of women and minority employees is important for corporations who strive to increase their numbers of these groups. This concludes that diversity initiatives employed by the corporation contribute to or result in a greater proportion of women and minorities. Although formalized, personnel functions and responsibilities helmed by women and minority human resources managers are an ideal means of successfully hiring and retaining women and minorities, it is important to note that perhaps it only requires a critical mass of these groups to attract and retain diverse populations.

Although the major thrust of my work was to explore why and how corporations adopt diversity strategies, much more has been revealed. My research illuminates corporations' difficulties and experiences in hiring women and minorities; the changing nature and complicated relationship between corporations and women and minority organizations; the relevance of less formalized, nontraditional bureaucratic labor practices; and the significant impact of the presence of women and minorities on the adoption of corporations' diversity structures and behaviors.

Throughout American history, diversity, be it racial, ethnic, or gender based, has been a part of the human condition. Today, diversity, as a concept, has reached beyond what would have been imagined years ago. The workplace serves to reflect the dynamic, dramatic, global, and, at times, devastating effects of and responses to diverse populations. As such, diversity offers the opportunity for tremendous change in organizational

structures and personal ideologies. Besides advancing technologies, the single most important factor impacting the workplace is the nation's changing demographics.

As discussed throughout this book, diversity spans the corporation in many ways—human resources, customers and clients, employers, employees, community, and products. Accordingly, approaches to diversity have changed and will continue to evolve as determined by changes in organizational structures and the economy. Underlying corporations' diversity efforts, in essence, is a *process* rather than an intervention. Hence, its outcomes are not easily determined or measured.

However, by exploring corporations' diversity structures and behaviors, what is gained here is a better understanding of how employment is organized, how women and minority job candidates are pursued, and how they are placed in and retained by organizational structure and behavior. In turn, through structural explanations of how corporations attract, hire, and retain women and minorities, this work illuminates how social inequality can persist, be resisted, and be tolerated when organizational structures shape, produce, and reproduce the changing contexts and boundaries of business organizations.

My friend Donald and I talked often during the writing of this book. Having a fair amount of experience in corporate America, he expressed his concerns regarding the issue of the global economy. He is worried about foreign investment and the national deficit. Recognizing the unsettling nature of the global marketplace, Donald posed an important question: "Who is going to own us? Does it really matter and should we care?" Later that day, I thought about our conversation and asked myself, "What does this incredibly important issue have to do with corporate diversity strategies?"

In fact, it brought back a recent experience in a local furniture store. I was shopping with my friend Sharon and we came across a lovely store where all of the furniture is made in Latin America. It's purchased in the store in Virginia and is then manufactured and shipped, over the next two and half months, to the store from Latin America. What was incredibly interesting about my shopping experience that day was how the sales gentleman provided us with a lecture on foreign investment. He shared what he considered to be very valuable information. He told us to invest

only in foreign currency, to invest only in funding sources overseas. This would eventually be very profitable for us.

Again, I pose the question: What does this have to do with corporations' efforts to attract and retain women and minorities? I guess probably not a whole lot in the grand scheme of things. Economic issues such as foreign investment, global markets, profits, and international trade do not compare to minor issues of underlying diversity. But recent data from the U.S. Census Bureau claim that by 2043, the United States will be minority in the majority, with Latinos composing the largest segment of the nation's population.

The future of emerging populations, not emerging markets, concerns me most. The welfare and well-being of women, African Americans, Latinos, Native Americans, and Asians are critical at this juncture in American history. Soon, their overwhelming presence will shift focus in our American institutions. No doubt, corporations in particular will shape that focus. It is my hope that this work somehow anticipates how institutions will continue to manage diverse populations. By doing so, I trust that a brighter future of economic mobility and unique opportunities will exist for the new majority and that their experiences will be found in the American dream. A dream emphasized in 1953 by Thomas J. Watson, Jr., first president of International Business Machines Corporation.

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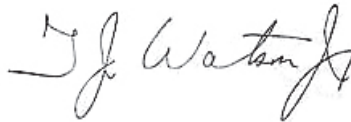
Policy Letter #4

The purpose of this letter is to restate for all of the
supeiVisOiy personnel of the IBM Company the policy of this
corporation regarding the hiring of personnel with specific
reference to race, colo1; or creed.

Under the American system, each of the citizens of this
country has an equal right to live and work in America. It is
the policy of this organization to hire people who have the
personality, talent and background necessary to fill a given job,
regardless of race, color OI' creed.

If everyone in IBM who hires new employees will obseJVe
this IUle, the corporation will obtain the type of people it
requires, and at the same time we will be affording an equal
opportunity to all in accordance with American tradition.

T J. Watson, Jr.

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Diversity in Corporations
Making it Work: Implementation

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