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Avoiding unintended consequences of diversity initiatives: the importance of dimensionality

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Despite the documented benefits of workforce diversity, progress towards achieving it has been slow (Dobbin and Kalev 2016, Sealy et al 2016). The onus on employers to promote diversity continues to grow, at least in part due to the growing business case for diversity (Ali et al 2015, Catalyst 2005, 2007, Credit Suisse 2015, Diaz-Garcia et al 2013, Lorenzo et al 2017, McKinsey 2018, MSCI 2015), but also as a result of changes in reporting requirements and social norms, particularly in the case of gender diversity. This raises the question: does it matter what prompts employers to take action? Drawing on case study research on the implementation of diversity initiatives, this paper gets 'under the bonnet' to understand how to improve their effectiveness.

While most organisations are taking steps to improve diversity, evidence regarding the effectiveness of diversity initiatives is mixed (for example Wiener 2016, McKay et al 2009). This is unsurprising as there are likely to be large differences in the underlying motives and objectives of organisations using similar interventions, as well as differences in the context in which they are implemented.

An organisation's underlying motives regarding diversity are important, since the motivation for 'doing diversity' will influence the outcomes. If, for instance, an organisation's primary objective is to hit a diversity target, such as a specific percentage of women in senior leadership roles, they can expect to achieve the target (in the short term at least), but are unlikely to realise the performance benefits of diversity. This is because targets do nothing to address underlying attitudes and beliefs.

Consequently, women promoted to senior leadership positions in such an environment may experience friction and backlash, or find that they are unable to perform at their best. They may eventually deselect, recognising that they do not want to put themselves in such a position. Or, they may see this situation playing out for others and simply not put themselves forward for senior leadership roles in the first place.

Equally, others (both men and women) may resist efforts to achieve diversity targets, due to perceived unfairness, concerns about positive discrimination, or a desire to protect meritocracy. Either way, the target is unlikely to be met.

This begins to explain why some studies have found practices typically included in diversity initiatives successfully increase minority representation (for example Richard et al 2013), while in other studies, the same practices have had no significant impact or have even decreased target representation (for example Kalev et al 2006). Although evidence suggests that gender targets and quotas can be effective in increasing the numbers of women in various underrepresented contexts (for example on company boards and in politics; see CIPD 2015), others have argued that this could be counterproductive if not accompanied by more systematic changes to underlying attitudes and culture (CIPD 2019, Whysall 2017). In other words, context is key.

Effective diversity management

To improve the effectiveness of diversity management initiatives, it is important to take a closer look at which interventions are effective, under what circumstances, and why. Leslie's (2019) typological theory of unintended consequences is a valuable theoretical development in this respect. It proposes that diversity initiatives can lead to a number of potential unintended consequences, grouped into four main categories:

- backfire (negative diversity goal progress)
- **negative spillover** (undesirable effects on outcomes other than diversity goal progress)
- **positive spillover** (desirable effects on outcomes other than diversity goal progress)
- false progress (improved diversity metrics without true change).

Leslie argues that certain diversity management practices are more likely to lead to specific unintended consequences, because of the intentions those activities signal to other employees.

For example, a focus on 'accountability' practices, such as diversity targets, reporting on diversity statistics, and/or including diversity as a criterion in managers' performance evaluations, signals that what is valued is diversity goal progress, as opposed to true improvements in targets' experiences and outcomes. This is likely to drive behaviours that promote the appearance of progress towards achieving targets, but will not necessarily facilitate true progress. The unintended consequence, therefore, is false progress (that is, improved diversity metrics without true change).

In contrast, 'resource practices' such as providing additional training for female employees, establishing diversity networking groups, providing mentoring programmes, or recruitment and promotion activity that increases access to and attractiveness of jobs and promotion opportunities among minority target groups may signal two things. First, such practices may signal that the minority group targets are now more likely to succeed, which in turn may cause perceived unfairness and result in disengagement of the majority group. The unintended consequence of this is negative spillover – undesirable effects on other outcomes. Second, such practices may be interpreted as signalling that the minority targets need help. This could result both in increased discrimination against the minority targets and a decline in target performance. The unintended consequence of this is backfire, as it has a detrimental impact on diversity progress.

Different unintended consequences may also interact. False progress, for instance, may lead to backfire if employees observe that while diversity has improved they are not seeing the performance benefits, or worse they are seeing minority targets underperform. It will not be apparent to others that the environment within which individuals from minority groups are operating is not supportive of their performance, because of resistance, backlash, or the effect of stereotype threat, for example (for further information on stereotype threat, see: Steele et al (2002), von Hippel et al (2015), Casad and Bryant (2016)). Indeed, the CIPD (2019) cautioned against focusing on diversity alone, warning that it could be counterproductive unless systemic challenges to workplace equality and inclusion are addressed. Instead, it 'puts underrepresented, or less "powerful", groups in harm's way, potentially doing more harm than good' (CIPD 2019, p4).

Motivations for diversity

The potential unintended consequences of diversity initiatives highlight the need to be inclusive when considering both majority and minority groups' attitudes towards and reactions to diversity when implementing such initiatives. There is also a growing realisation that the barriers to diversity and inclusion in today's organisations are largely implicit and deep-rooted. This suggests that organisations need to address the motivational underpinnings of diversity (or lack of it), and the cultural factors that may trigger or maintain beliefs and attitudes.

Organisational culture plays a particularly important role in sustaining implicit, cognitive biases, given the normative influence that culture has on attitudes, beliefs and behaviours (Pless and Maak 2004, Wallace and Pillans 2016). It is argued that the success of diversity programmes depends on organisational situational factors such as culture, strategy and operating environments (Jayne and Dipboye 2004). Therefore, initiatives will have limited success unless concepts and actions around diversity are addressed systemically.

The effects of diversity initiatives: a contextual view

This paper explores the implementation of diversity initiatives within two case study organisations. It examines how majority and minority employee attitudes affect the implementation of diversity initiatives and how diversity initiatives in turn affect employee attitudes. It also explores the role of organisational culture in enhancing or impeding the impact of diversity initiatives. In doing so, it aims to identify how interventions to promote diversity may need to be adapted to account for the contextual effects of organisational culture, and workforce attitudes and beliefs regarding diversity.

Case study methods

Investigations were undertaken in two large organisations in which diversity programmes were being implemented. One organisation was in the engineering and construction sector, the other in professional services. A mixed-methods approach was taken to explore the nature of organisational culture, and approaches towards, beliefs about, and attitudes towards diversity within that context. Semi-structured interviews were conducted with 49 employees (27 professional services organisation employees and 22 engineering and construction organisation employees across a range of levels and roles), and focus groups with an additional 14 professional services employees.

Interviews and focus groups were structured around the areas of the <u>Organizational Culture Assessment Instrument</u> (<u>Cameron and Quinn 2006</u>). Additional questions were included to explore relationships between espoused organisational values or initiatives and employees' own beliefs, assumptions and behaviours regarding diversity and inclusion. Analysis was undertaken of company documentation such as diversity policies, and a survey was also conducted within the engineering and construction organisation.

Dimensions in diversity research and practice

Collectively, the findings demonstrate a need for greater dimensionality in diversity research and practice. To increase the effectiveness of diversity interventions and reduce the risk of negative unintended consequences, initiatives to enhance diversity and inclusion must address attitudes towards diversity and inclusion among both minority and majority groups. They must also take account of the impact of organisational culture on the likely success of those initiatives. This entails addressing dimensionality on two axes:

1 Horizontal dimensionality: addressing biases and concerns about positive discrimination

The findings highlight that a focus on minority groups can result in backlash, triggering counterproductive outcomes such as perceptions of positive discrimination and tokenism. In the construction and engineering organisation, for example, male and female engineers expressed reservations about the targets for gender representation that the organisation had introduced, as illustrated by this comment:

'By putting more focus on increasing [the] percentage of women in the company, you're limiting the opportunity for men. The polar opposite form of sexism is achieved.'

Other comments provided further evidence of a backlash developing within the organisation. For instance:

'Many males have been told they won't be promoted this year as most promotions have been set aside for women.'

"...causes angst among those who actually deserve the position."

'I would see it as unfair as actually women have more rights than men ... there are more conferences for women than there are for men at the moment, there is more training for women.'

Both male and female employees said that positive discrimination was a potential negative side effect of the organisation's efforts to promote gender diversity and could be fostering counterproductive attitudes among both sexes. A number of participants (male and female) referred to the detrimental impact of promoting women when they did not necessarily possess the requisite capabilities or experience for the position, to 'tick a diversity box'. Another (male) manager noted that gender targets 'may not be achievable for the business because there aren't the skillsets that we need to run our business effectively'.

A separate survey (paper forthcoming) revealed that almost half of male respondents reported that there was no gender inequality issue in the industry. In reality, lack of awareness that a problem exists may be one of the most significant barriers to tackling the lack of diversity in certain industries. As highlighted by Whysall (2017), implicit biases present a thorny challenge for equality and diversity, because not only are these biases invisible, but the owners of the biases are also unaware of their existence. Consequently, to be successful in achieving diversity, employers and practitioners must address hidden biases in both attitudes and processes and systems. These underpinning motivations must be addressed if employees and leaders are to be successfully encouraged to internalise non-biased attitudes and values.

2 Vertical dimensionality: addressing organisational culture

The findings also suggest that superficial efforts to promote diversity which fail to translate into deeper organisational changes are unlikely to be effective and may even be detrimental. For example, the professional services organisation's diversity and inclusion policy stated the aim is 'to attract, retain, support and develop a diverse workforce', yet the reality articulated by employees was that 'we do recruit a type ... they don't want to recruit anybody that's going to be a pain in the a*** to work with.'

Conversely, for senior appointments, alignment with corporate values would be overlooked: '[senior staff] who are stroppy, argumentative, talking down to people often come in because they bring lots of clients.'

Numerous female respondents made reference to aspects of the organisational culture which impeded their performance, progression or success. For instance, the 'masculine culture [favouring] promotion to those working long hours'. Another respondent described this as 'gendered work practices that promote and reward practices of presenteeism, long hours and total availability'. In addition, reference was made to the difficulty experienced by 'working mothers [in] finding challenging roles in part-time or with flexible hours', and another included reference to the 'informal male networks that form strategic alliances and exclude women'. Lack of support was articulated as experienced in various ways, which included subtle and implicit manifestations, such as: 'The leadership (who are the same gender, background, education, ethnicity, age, etc) unconsciously setting style requirements – outgoing, strong opinions, etc, that are generally seen in men more than women.'

If there is little awareness among employees that a problem exists, there is a risk that the introduction of initiatives to promote diversity, such as gender quotas, is perceived as positive discrimination. Steps such as the introduction of quotas can perhaps be understood as appropriate in the context of an organisational culture and system that is underpinned by implicit bias, which serves to discriminate against minority groups.

Without this understanding, introduction of quotas and other measures to promote diversity are likely only to exacerbate existing attitudes, stereotypes and divisions. As one female engineer noted: 'As I get further and further ahead people start to say to me ... it's a good job you're a woman.' She described having 'had a glimpse of what it feels like to be told your achievements are due to gender'.

Given the normative nature of organisational culture, which is typically resistant to change, minority groups may only generate sufficient representation to challenge existing norms, biases, and stereotypical beliefs when a tipping point is reached. Evidence from the current study suggested that individuals from minority groups may instead succumb to pressure to fit in with prevailing norms. Female engineers, for example, might begin to 'act like a man', thereby diminishing the potential benefits of enhanced diversity in the first place, and most likely also impeding women's ability to perform at their best.

Organisational culture can have a normative influence on attitudes and behaviours, so it is important that implicit bias is addressed at the collective and cultural level. This is why the success of diversity programmes is dependent on organisational situational factors such as culture and strategy. These programmes are likely to have limited success unless they are embedded into core people processes such as recruitment, promotion, performance management and leadership development.

Practical implications for diversity initiatives

Much diversity research and practice focuses on minority group populations in isolation, at the exclusion of majority group(s) and the broader organisational context. Considering and accounting for both underrepresented and dominant groups is critical to developing an inclusive culture.

These findings support the argument that by approaching diversity and inclusion from a perspective of horizontal inclusion and vertical depth, organisations increase the likelihood of success and reduce

the risk of a gap between diversity discourse and reality. In addition, these findings suggest that organisations that claim to have a diverse identity but fall short in practice will not only fail to achieve diversity and inclusion, but also risk losing perceived legitimacy with employees.

Diversity initiatives must not only encompass and address the needs of minority groups, but majority groups too. Specifically, initiatives that reflect 'resource practices', such as providing additional training for female employees or targeting promotion efforts to increase opportunities among minority target groups, must be accompanied by efforts to address concerns about perceived fairness among the entire workforce. Beliefs that men are being overlooked and women are being promoted too early, for instance, must be tackled and corrected.

In some cases, particularly in male-dominated industries, this may involve challenging perceptions that there is an insufficient volume of female talent to recruit or promote. Evidence has shown that pipeline issues do not exist to the extent it is assumed. Instead, a shortage of female talent is often due to capable women not putting themselves forward. Targets or quotas can mitigate this by encouraging more women to come forward for consideration (Niederle et al 2012).

Equally important is ensuring that the entire workforce understands that targets or quotas do not equate to a lowering of standards. Instead, organisations should use a two-step selection process in which the first phase is based on merit, and demographic criteria are only considered once candidates have met those essential criteria.

Similarly, to avoid tokenism and increase the likelihood of leveraging the performance benefits of diversity, it is important to recognise the role of critical mass (Kanter 1977, Williams and O'Reilly 1998, Duguid 2011). Without critical mass, members of a minority group are likely to be treated as tokens. Their minority status makes them visible and easily reduced to their demographic characteristics (Bohnet 2016). In other words, a sole female board member is considered the spokesperson for women rather than as the expert in her field.

Finally, while gender targets can increase minority representation, they do not remove any implicit discrimination that may exist within a work environment. These findings reinforce the notion that the value of diversity will emerge only under the right conditions, and simply bringing heterogeneous individuals together is insufficient. Appointing women to perform in environments where stereotypes and other biases still prevail is not only likely to impede their performance (as a result of stereotype threat), but may also serve to reinforce biases and stereotypes of women as inferior in that context.

There is no single best way to leverage the benefits of diversity initiatives – in particular, it will depend on how individuals and groups within an organisation respond to difference. Employers and HR professionals must take a systemic approach to increasing diversity and developing a more inclusive culture. A lesson from this research is that this should address fundamental motivational and relational factors.

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