



Do organizations' diversity signals threaten members of the majority group? The case of employee professional networks[☆]

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ABSTRACT

Employee Professional Networks (EPNs) are now commonplace in today's organizations, and they are frequently used to signal diversity and inclusion in line with public policy mandates. Despite EPNs' pervasiveness, scant research has explored their impact on attracting prospective employees. The authors address this gap by exploring the influence of EPNs on job pursuit intentions. Across two studies, the authors find that EPNs focused on minority employees (vs. all employees) reduce perceived threat and increase job pursuit intentions among majority group members (Caucasian Americans) as a function of their support for social hierarchy (Social Dominance Orientation). The integration of perceived threat and social hierarchy attitudes to explain the impact of EPNs is a novel theoretical contribution to literature on marketplace diversity with important implications for managers, policy makers, and researchers.

1. Introduction

Although seminal public policy regarding workforce diversity has been in place since the Civil Rights Act of 1964, these policies continue to be updated with respect to varying issues in social diversity, including race and ethnicity, gender and gender identity, sexual orientation, and physical abilities (Leslie, Mayer, & Kravitz, 2014; Oakenfull, 2013). As part of their diversity efforts, firms offer formalized networks of support and professional development where membership is often based on Equal Employment Opportunity-protected characteristics (e.g., gender, race, sexual orientation; Segal, 2013). Approximately 90% of Fortune 500 companies have such Employee Professional Networks (EPNs; Nance-Nash, 2015), also referred to as affinity groups and employee resource groups. Originally developed in part to comply with federal legislation that mandated diversity (Friedman, Kane, & Cornfield, 1998), Employee Professional Networks are now viewed as a “strategic priority aimed at positioning organizations more competitively in the marketplace” (Jayne & Dipboye, 2004, p. 204). Importantly, firms often highlight their EPNs to signal diversity and inclusion to stakeholders via various communication channels, including company websites and recruiting materials intended to attract potential employees (e.g., Olsen & Martins, 2016). It is firms' use of EPNs to attract potential employees that is of interest to the present investigation.

Although more research is needed on the impact of diversity policies

in general (Bell, Harrison, & McLaughlin, 2000; Hideg, Michela, & Ferris, 2011), EPNs are one particular area in need of research (Martins & Parsons, 2007; McNab & Johnston, 2002). There is a growing body of literature on the effects of diversity initiatives on employee recruitment (Martins & Parsons, 2007; Olsen & Martins, 2016; Pitts, 2009; Smith, Wokutch, Harrington, & Dennis, 2004), however, results of these studies have been mixed. While some studies suggest that prospective employees are attracted to organizations that have diversity programs, other studies find that applicants are repelled (Avery & McKay, 2006; Goldberg & Allen, 2008; Harrison, Kravitz, Mayer, Leslie, & Lev-Arey, 2006; Leslie et al., 2014; Smith et al., 2004).

In order to explore these mixed findings, researchers have called for studies that explore additional factors beyond group membership that may impact whether diversity signals attract or repel employees (Bell et al., 2000; Martins & Parsons, 2007; Olsen & Martins, 2016; Swider, Zimmerman, Charlier, & Pierotti, 2015; Truxillo & Bauer, 2000). Additionally, recent diversity literature has highlighted how consumer perception of inclusion is impacted not only by workforce diversity, but also by the attitudes, behaviors and beliefs of the workforce (e.g., how much they support inclusion; Catherine Demangeot et al., 2013; Evett, Hakstian, Williams, & Henderson, 2013; Mirabito et al., 2016).

Drawing on social dominance theory and signaling theory, we answer the call to examine factors that explain when diversity signals

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attract (versus repel) prospective employees. Specifically, we examine how the presence of a minority-focused (e.g., African American) EPN serves as a signal that influences individuals' perceptions of threat and thereby impacts their job pursuit intentions. We further show this effect is influenced by individuals' social dominance orientation (SDO) – i.e., the degree to which they support social hierarchy (Sidanius & Pratto, 1999; Pratto, Sidanius, Stallworth, & Malle, 1994). Whereas extant diversity literature suggests a potentially harmful effect of a minority EPN on majority group members' (e.g., Caucasian Americans) behavioral intentions, we uniquely integrate signaling and social dominance theories to argue for an enhancing effect on intentions. In other words, majority group members are more attracted by a minority-focused EPN than by a generic EPN. Further, we posit that this should hold when individuals' attitudes are less supportive of the existing social hierarchy – that is, when individuals have a low social dominance orientation (SDO). The use of concepts such as majority and minority can be malleable and contingent on the context (Azab & Clark, 2017; Brumbaugh, 2002). While our theoretical conceptualization may apply across minority-majority contexts, we examine our proposed theoretical relationships in the context of the United States' ethnic majority (Caucasian Americans) and minority groups (e.g., African-, Latino-, and Asian-Americans).

In sum, although EPNs are now commonplace in today's organizations and are frequently used to communicate diversity and inclusion in line with public policy mandates, scant research has explored their impact on attracting stakeholders. We address this gap by exploring the influence of EPNs on job pursuit intentions among majority group members (Caucasian Americans). We argue that minority EPNs may reduce perceived threat and increase job pursuit intentions as a function of individuals' attitude toward social hierarchy. The integration of perceived threat and social hierarchy attitudes to explain the impact of EPNs is a novel theoretical contribution to literature on marketplace diversity with important implications for managers, policy makers, and researchers. In the remainder of this paper, we develop our theoretical framework and report empirical evidence from two experiments that test and support the proposed relationships.

2. Theoretical background

Firms are increasingly aware that diversity and inclusion within the organization can increase their competitiveness in the marketplace (Bartikowski & Walsh, 2015; Baum, Sterzing, & Alaca, 2016). Having employees that support diversity and inclusion can improve service interactions with customers (Avery, McKay, Tonidandel, Volpone, & Morris, 2012; Catherine Demangeot et al., 2013; Hopkins, Hopkins, & Hoffman, 2005; Klinner & Walsh, 2013; Lee, Kim, & Vohs, 2011; Sharma, Tam, & Kim, 2009), improve consumer perceptions of firm superiority (Matta & Folkes, 2005), and play an important role during service failures (Azab & Clark, 2017; Baker, Meyer, & Johnson, 2008; Evett et al., 2013; Johnson, Meyers, & Williams, 2013; Maher & Sobh, 2014; Montoya & Briggs, 2013). This body of literature highlights the importance of diversity and inclusion in the marketplace on consumer response and firm competitiveness – but how do firms create a diverse and inclusive organization in the first place? The impact of diversity and inclusion initiatives on firms' other stakeholders (e.g., employees) is an area in need of additional research (Catherine Demangeot et al., 2013; El-Bassiouny, 2014; Johnson et al., 2013; Laczniak & Murphy, 2012; Mirabito et al., 2016; Sharma et al., 2009), especially EPNs in particular (Martins & Parsons, 2007; McNab & Johnston, 2002).

2.1. Employee professional networks as threat signals

Employee Professional Networks are associations of employees that meet regularly to share information, capture opportunities, and solve problems that may arise for its members or the organization (Van Aken, Monetta, & Sink, 1994). These networks, particularly those whose

members share a social identity (e.g., race/ethnicity), help facilitate contact with other similar individuals in the organization and decrease feelings of isolation. In addition to strengthening ties with in-group members, EPNs help strengthen ties with out-group members including senior leaders in the organization. These ties with leaders, in turn, can help facilitate members' career advancement (Ceniza-Levine, 2016). Membership in an EPN can be based on common interests or characteristics. Quite often, however, membership is based on Equal Employment Opportunity (EEO)-protected characteristics (e.g., gender, race, sexual orientation; Segal, 2013).

Signaling theory describes how firms communicate or “signal” information about their organization (see Connelly, Certo, Ireland, & Reutzel, 2011 for a review). Given the objectives of EPNs, such groups may serve as signals or cues about the organization's commitment to the advancement of EPN members. Indeed, organizations frequently highlight diversity initiatives such as EPNs in their recruiting materials to signal their commitment to diversity (e.g., Olsen & Martins, 2016). According to signaling theory, prospective applicants at the beginning of the job-search process know little information about an organization (Kim, Jeon, Jung, Lu, & Jones, 2012; Rynes, 1991). To address this lack of information, signaling theory contends that applicants look for cues (e.g., human resource practices) that signal whether the organization will advance their career prospects (Williamson, Slay, Shapiro, & Shivers-Blackwell, 2008). These signals create expectations of how employees will be treated.

Whereas some cues may signal safety, other cues may signal threat. For example, research finds that African and Latino Americans are attracted to organizations in which minority representatives are depicted on recruitment brochures (Avery, Hernandez, & Hebl, 2004). These representatives serve as cues that the organization is likely to affirm their identities (Avery et al., 2013), will not discriminate against them (Avery & McKay, 2006), and will value them as employees (Baum et al., 2016; McKay & Avery, 2005). Related studies find that African Americans distrust and perceive threat from organizations that espouse a colorblind philosophy as opposed to a philosophy of valuing diversity (Purdie-Vaughns, Steele, Davies, Dittmann, & Crosby, 2008).

Studies have also examined the impact of diversity initiatives on members of the majority group (e.g., Avery, 2003; Rau & Hyland, 2003). Although there are boundary conditions (Yogeewaran & Dasgupta, 2014), findings generally show that diversity approaches that support multiculturalism may generate backlash among Caucasian Americans because they perceive exclusion based on their identity (Jansen, Vos, Otten, Podsiadlowski, & van der Zee, 2016; Morrison, Plaut, & Ybarra, 2010; Olsen & Martins, 2016; Plaut, Garnett, Buffardi, & Sanchez-Burks, 2011; c.f., Wolsko, Park, Judd, & Wittenbrink, 2000). The extant findings suggest that majority group members (e.g., Caucasian Americans) may thereby feel threatened when organizations signal that they are pro-diversity (e.g., Dover, Major, & Kaiser, 2016; see also Eibach & Keegan, 2006). As such, the extant literature suggests that a minority EPN as a diversity signal will be perceived as threatening, and thus decrease the job pursuit intentions of majority group members.

Following this discussion, we argue that when it comes to examining the impact of diversity signals on recruiting, one common theme across both minority and majority groups is that exclusion begets threat. In the present paper, we conceptualize initiatives that benefit one specific group (i.e., initiative beneficiaries) as posing a potential threat to the power, status, or well-fare of other groups (e.g., non-beneficiaries; Bobo, 1983; Insko & Schopler, 1998; Maddux, Galinsky, Cuddy, & Polifroni, 2008; Morrison et al., 2010; Stephan et al., 2002). Applying this specifically to the domain of EPNs, it may therefore be argued that the mere presence of *any* EPN may signal exclusion and therefore threat, given that the nature of the EPN is to exclusively help its members with additional resources and support. However, the membership of the EPN may play a role. Specifically, we argue that to the extent that members of the EPN have historically had greater

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