

CENTER FOR GENDER IN ORGANIZATIONS

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**CULTURAL DIVERSITY AT WORK:
THE MODERATING EFFECTS OF WORK GROUP
PERSPECTIVES ON DIVERSITY**

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This paper develops theory about the conditions under which cultural diversity enhances or detracts from organizational functioning. From qualitative research in three culturally diverse organizations, we identified three different perspectives on workforce diversity: the “integration-and-learning” perspective, the “access-and-legitimacy” perspective, and the “discrimination-and-fairness” perspective. The perspective on diversity a work group held influenced how people expressed and managed tensions related to diversity, whether those who had been traditionally underrepresented in the organization felt respected and valued by their colleagues, and how people interpreted the meaning of their racial identity at work. These in turn had implications for how well the work group and its members functioned. All three perspectives on diversity had been successful in motivating managers to diversify their staffs, but only the integration-and-learning perspective provided the kind of rationale and guidance people needed to achieve sustained benefits from diversity. By identifying the conditions that intervene between the demographic composition of a work group and its outcomes, our research helps to explain mixed results on the relationship between cultural diversity and organizational functioning.

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I. INTRODUCTION

American management literature, both popular (e.g., Morrison, 1992; Thomas, 1991) and scholarly (e.g., Jackson et al., 1992; Cox, 1993), is rife with advice that managers should increase workforce diversity to enhance organizational effectiveness. Empirical research on whether and how diversity is actually related to organizational functioning is limited, however, and the evidence is mixed, depending in part on what kinds of differences constitute the “diversity” in question (see Milliken and Martins, 1996; Pelled, 1996, for reviews). Researchers have examined the impact of diversity in identity group memberships, such as race and sex (e.g., Cox, 1993; Jackson and Ruderman, 1995); organizational group memberships, such as hierarchical position or organizational function (e.g., Bantel and Jackson, 1989; Ancona and Caldwell, 1992); and individual characteristics, such as idiosyncratic attitudes, values, and preferences (e.g., Meglino, Ravlin, and Adkins, 1989; Bochner and Hesketh, 1994). Although certain types of diversity appear to be beneficial, studies focused on race and gender have demonstrated both positive and negative outcomes (see Williams and O’Reilly, 1998, for review), suggesting that certain conditions may moderate these outcomes. To date, however, most scholars have only speculated as to what these conditions might be. As a result, consultants and managers interested in diversity have had to rely largely on some combination of common sense and good faith for the rationales they advance about why and how companies should address the issue.

We set out to develop theory, grounded in people’s experiences in culturally diverse organizations, about the conditions under which diversity enhances or detracts from organizational functioning. From our research, we identified three different perspectives on workforce diversity that people embrace, each with different implications for an organization’s ability to realize the benefits of a culturally diverse workforce. We use these observations here to examine critically some of the themes and basic assumptions of previous research and to propose new directions for both researchers and practitioners interested in diversity.

Diversity is a characteristic of groups of two or more people and typically refers to demographic differences of one sort or another among group members (McGrath, Berdahl, and Arrow, 1995). Researchers have generated numerous dimensions for classifying demographic differences, often positing different outcomes for people and work groups, depending on the degree and nature of those differences. Pelled (1996) made one set of predictions about the impact of racial diversity among group members and another about the impact of functional background diversity, based on the visibility of race and the job-relatedness of functional background. Others have distinguished among the effects of diversity depending on whether differences are cultural (Cox, 1993; Larkey, 1996), physical (Strangor et al., 1992), inherent and immutable (Maznevski, 1994), or role-related (Maznevski, 1994; Pelled, 1996).

Perhaps more importantly, researchers’ predictions about any one diversity variable differ depending on which of its dimensions they see as critical to determining its impact. Pelled (1996) predicted that racial diversity, as a source of *visible* differences, would incite intergroup bias and lead to negative outcomes for work groups, while Cox, Lobel, and McLeod (1991) predicted that racial diversity, as a source of *cultural* differences, would enhance creative problem-solving and lead to positive outcomes for work groups. Maznevski (1994) suggested that racial diversity, as a source of *inherent and immutable* differences, would be a double-edged sword in work groups; it would provide groups with

different kinds of information from which they could potentially benefit, but such differences would often be difficult for parties to understand and accept. As these examples illustrate, both the types and dimensions of demographic variables in which one is interested shape one's inquiry.

In this research, the demographic variables in which we are interested include race, ethnicity, sex, social class, religion, nationality, and sexual identity; the common dimension across these variables is cultural identity. According to Cox (1993), cultural identities stem from membership in groups that are socioculturally distinct. They are often associated with particular physical (e.g., skin color), biological (e.g., genitalia), or stylistic (e.g., dress) features, though these may be more or less identifiable, depending in part on people's choices about whether and how they wish to be identified by others. Members of a cultural identity group tend to share certain worldviews (Alderfer and Smith, 1982), norms, values, goal priorities, and sociocultural heritage (Cox, 1993). The cultural markers of such groups can be conveyed through communication style, rules, shared meaning, and even dialects or languages, which others may or may not recognize as culturally linked (Larkey, 1996). The degree to which one personally identifies with one's cultural identities, and the value one places on them, vary across cultural groups and across members within cultural groups (Cox, 1993; Thomas, 1993; Ely, 1995; Ragins, 1997). Moreover, a person may vary in the degree to which he or she identifies with, values, or expresses a particular cultural identity at any given time, depending on the salience and meaning of that identity in the context within which he or she is operating (Ely, 1995; Larkey, 1996). Hence, cultural identity, as we understand it, is socially constructed, complex, and dynamic.

In addition, cultural identities are associated in the larger society with certain power positions, such that some cultural identity groups have greater power, prestige, and status than others (e.g., Ridgeway and Berger, 1986; Nkomo, 1992; Ragins, 1997). In Western society, men as a group are more powerful—have higher status and hold more positions of formal organizational and political power—than women as a group; similarly, whites are more powerful than people of color; Christians are more powerful than Jews; heterosexuals are more powerful than gays, lesbians, and bisexuals; and the middle, upper-middle, and upper classes are more powerful than the working and lower classes.

There is much theoretical and empirical support for the notion that paying attention to differences in power and status is critical for understanding diversity in organizations. In Alderfer's (1987) theory of intergroup relations, for example, the distribution of power among cultural identity groups, both inside the organization and in the larger society, is key to how people think, feel, and behave at work. Similarly, proponents of status characteristics theory (Ridgeway, 1988; 1991) argue that much of what we think of as the effects of membership in particular identity groups such as race or sex are in fact produced by the status value our society ascribes to those groups. In organizations, status differentials are reinforced when higher-status identity groups are disproportionately represented in positions of organizational authority and are challenged when they are not (Alderfer, 1987; Lau and Murnighan, 1998). Perceptions of one's relative status in the organization, in turn, influence one's expectations and behaviors. Empirical evidence showing differential impacts of race and sex as a function of the social status accorded different race and sex groups supports the general position these theories advance that to understand the impact of cultural diversity in organizations, one must consider the relative power positions of cultural groups both in and outside of the organization (e.g., Ruhe and Eatman, 1977; Zimmer, 1988; Tsui, Egan, and O'Reilly, 1992).

By casting the demographic variables of interest in this study as aspects of cultural identity, the meaning and consequences of which are socially constructed, we were well positioned to consider the role that different conditions in organizations might play in shaping whether and how cultural diversity influences organizational functioning. This approach, together with attention to organizational and societal power differences between cultural identity groups, structured our conceptual framing of diversity.

A. RELATIONSHIP BETWEEN DIVERSITY AND ORGANIZATIONAL FUNCTIONING

Researchers interested in the impact of organizational demography on individual and group behavior in organizations have taken several different approaches, two of which are especially relevant to our work. The first involves research on how the proportional representation of certain demographic groups influences those traditionally in the minority. The second involves research on the effects of group composition on outcomes related to organizational effectiveness.

1. *Effects of Proportional Representation*

Much of the literature on proportional representation has focused on the question of whether increasing the number of traditionally underrepresented groups, such as white women and people of color, has a positive or negative impact on members of those groups. Some theorists have argued that increased numbers of women, for example, should lead to greater contact between men and women (Blau, 1977), less stereotyped perceptions of women (Kanter, 1977), and less spillover from sex roles to work roles (Guterk, 1985); hence, discrimination against women should subside as their numbers increase. This line of reasoning suggests that increasing the numbers of people in traditionally underrepresented groups in organizations will ultimately enhance an organization's effectiveness by removing the barriers associated with minority status and thereby enabling all people to be maximally productive (Cox, 1993; Larkey, 1996). Blalock (1957) has argued, alternatively, that numeric increases in the representation of groups traditionally in the minority threaten the majority. Hence, men, for example, should react to increasing numbers of women in the workplace with heightened levels of discriminatory behavior, to limit women's power gains. Yoder (1991) described this response as "backlash" from the majority. Proponents of this view have argued that balancing numbers as a strategy to end discrimination is by itself insufficient; it is also necessary to attend directly to the ongoing relationships between groups and, in particular, to intergroup status and power differentials that would otherwise remain intact (Zimmer, 1988; Alderfer, 1992).

Empirical evidence exists to support both claims (for reviews, see Martin, 1985; Konrad, Winter and Guterk, 1992). Some studies have shown that when they are in the numerical minority in a group, women and people of color experience *negative* outcomes (e.g., Taylor and Fiske, 1976; Spangler et al., 1978; Izraeli, 1983; Dworkin et al., 1983); others have shown that women and people of color experience more *positive* outcomes when in the numerical minority (e.g., Harlan and Weiss, 1981; South et al., 1982; Deaux and Ulman, 1983; Toren and Kraus, 1987). Proponents on both sides of the debate tend to agree that increasing the numbers of traditionally underrepresented groups without altering power relations between dominants and subdominants is unlikely to improve the position of those groups substantially (South et al., 1982; Konrad et al., 1992). Conclusions as to whether number balancing is sufficient to alter power relations remain equivocal at best, however, and the conditions, if any, under which such efforts might enhance organizational effectiveness have yet to be determined.

2. *Effects of group composition*

The second approach to understanding how demographic diversity might influence organizations is predicated on the notion that demographic diversity increases the available pool of resources—networks, perspectives, styles, knowledge, and insights—that people can bring to bear on complex organizational problems and needs. Some have speculated as to what those new resources might be, focusing on the potential contributions that traditionally underrepresented people, such as women and people of color, may have to offer organizations. Others have examined empirically the link between group diversity and group outcomes, focusing on the potential contributions that diverse groups have to offer relative to those that are more homogeneous.

Those interested in the contributions of traditionally underrepresented groups have argued that the cultural styles and perspectives of these people, although typically ignored or devalued, are in fact valuable assets to organizations. The most vocal proponents of this point of view are those who contend that women's difference from men, in particular, their relationship orientation, which has traditionally marked them as ill-suited for the hard-driving, task orientation of the workplace, in fact constitutes an effective and much-needed management style. Hence, they argue, gender diversity in managerial ranks would serve organizations' needs better than most current arrangements, in which men are numerically dominant at those levels (Helgesen, 1990; Rosener, 1990).

Debates about the merits of these arguments rage across the disciplines on both empirical and political grounds (see Harding, 1986; Di Stephano, 1990). Although some have provided compelling qualitative accounts of "women's difference" (Gilligan, 1982; Belenky et al., 1986), Eagly and Johnson (1990) concluded from their meta-analysis of quantitative research on sex differences in leadership style that such differences are minimal at best. Based on the lack of quantitative empirical support (e.g., Epstein, 1988; Mednick, 1989) and on arguments that the case for the feminization of management maintains the power imbalance between men and women (Calas and Smircich, 1993), many have urged social scientists to abandon notions about women's unique qualities and contributions as a rationale for hiring them.

The parallel case for racial diversity in organizations is less well developed and hence less vociferously debated in the literature. It is based on research that documents cultural differences between whites and blacks in communication styles. Some have used this research to suggest that black cultural values, such as assertiveness and forthrightness, and language patterns, such as verbal inventiveness, may be beneficial in organizational interactions and represent positive attributes rather than deficiencies in need of remediation (Foeman and Pressley, 1987), but we know of no empirical work that examines this hypothesis directly.

The skepticism as well as mixed results concerning intergroup differences in organizational behavior diminish the potential value of this line of research for elucidating the relationship between cultural diversity and organizational effectiveness. Women and people of color may well bring different perspectives and styles to the workplace, but research has yet to demonstrate whether, under what conditions, and with what consequences they actually express them.

Others interested in group compositional effects have taken a different tack, focusing on the impact of diversity in the work group, rather than on the merits of newcomers who make the work group diverse. Here again, the argument for diversity is based on the notion that members of heterogeneous groups have different points of view, but instead of identifying what those points of view are and who holds them, these scholars contend that what is important is the diversity itself: heterogeneous groups are more likely to generate a diverse set of recommended approaches to tasks or solutions to problems; this in turn stimulates effective group discussion, which leads ultimately to high quality decisions (Wanous and Youtz, 1986). For groups that are heterogeneous on the cultural identity variables in which we are interested, the evidence for this hypothesis is mixed. Mixed-sex groups have performed both better (Hoffman and Maier, 1961; Ruhe, 1978; Wood, 1987) and worse (Murningham and Conlon, 1991; Clement and Schiereck, 1973; Kent and McGrath, 1969; Ziller and Exline, 1958) than single-sex groups. Similarly, groups that are racially, ethnically, and/or nationally diverse have demonstrated both positive outcomes (Fiedler, 1966; Ruhe and Eatman, 1977; Watson, Kumar, and Michaelson, 1993; Cox et al., 1991) and negative outcomes (Fiedler, Meuwese, and Oonk, 1961; Shaw, 1983; Tsui et al., 1992) relative to groups that are homogenous on these dimensions. Recent studies of factors that moderate the relationship between cultural diversity and work group outcomes have begun to make some sense of these findings, suggesting that when group members share common goals and values, cultural diversity leads to more beneficial outcomes (Chatman et al., 1998; Jehn, Northcraft, and Neale, 1999).

B. OVERVIEW OF THE PRESENT STUDY

Despite rhetoric to the contrary, it appears that increasing the numbers of women, people of color, and members of other traditionally underrepresented groups in organizations is no guarantee that organizations will realize the promised benefits of cultural diversity. The research literature shows that cultural diversity has been associated with both performance gains and performance losses and that, alone, it is reliably associated with neither. These results suggest the need for new theory. Therefore, with theory-generation in mind, we set out to investigate under what conditions cultural diversity in an organization enhances or detracts from the organization's functioning. This question required that we develop an approach to conceptualizing and assessing the organization's functioning. As Cox (1993) pointed out, to assess the impact of diversity on a firm's bottom-line performance is problematic, since it is difficult to isolate the specific causes of outcomes like profitability, and cultural diversity is likely to be a relatively distal factor. Therefore, we identified several kinds of outcomes that ought to be more proximally related to the cultural composition of the organization, including both achievement and affective outcomes (Cox, 1993). Achievement outcomes refer to employees' assessments of their own self-efficacy and the quality of their contributions to the organization. This gave us some insight into whether organizations were fulfilling their potential. Affective outcomes refer to how people think and feel about themselves, their jobs, and their employers, including their perceptions of whether they are valued by others in the organization; these are thought to have a significant impact on employees' conscientiousness, job involvement, and innovativeness (Cox, 1993). Finally, we were also interested in the nature and quality of people's interactions at work, conflict, and conflict resolution. We focus on these outcomes as important in their own right. It is likely, however, that they influence traditional measures of organizational effectiveness, such as product or service quality, productivity or efficiency, and labor turnover, which in turn, have a direct effect on the profitability of profit-making firms and the instrumental goal attainment of nonprofit firms (Cox, 1993), links that we did not assess in this study.

To answer our research question, we studied three professional services firms, each of which had significant success in recruiting and retaining a culturally diverse workforce. Two had reputations for being high functioning, multicultural firms; the third was experiencing conflicts and had concerns about the quality of its performance. This variability gave us an opportunity to investigate in the field what conditions foster more positive work relationships and outcomes in some instances and less positive outcomes in others.

Although we were interested in examining diversity across a range of cultural differences, we focus our analysis in this paper primarily on race, because, even though the organizations in our study were all culturally diverse, different kinds of cultural differences were salient in each. In one, salient cultural differences included race, social class, and sexual identity; in another, they were race, gender, and social class; and in the third, they were race, gender, religion, and nationality. We focused on race because it was the one aspect of diversity that was salient in all three and would allow us to make cross-firm comparisons. Although different cultural identity groups are associated with different sociocultural patterns and intergroup relations, because they share many of the basic features we outlined above, we should be able to generalize much of what we learn from our analysis of race to diversity on other aspects of cultural identity.

Our emphasis on cultural identity helped to frame our research in two additional ways. First, because the distribution of power inside the organization can either reinforce or challenge the racial imbalance of power in the larger society, with significant consequences for the organization and its members (Alderfer and Smith, 1982; Alderfer, 1987; Ridgeway, 1988), we wanted to control for power differentials between whites and people of color in the organization. It was important, therefore, that in all three organizations in our sample, people of color held significant positions of both formal and informal authority. Although many have hypothesized that this should bode well for an organization's ability to manage its diversity effectively (e.g., Cox, 1993; Larkey, 1996), these organizations' experiences were mixed. This accords with inconsistent findings in the literature about the impact of increased minority representation. Our research design gave us the opportunity to explore the potentially different ways in which people managed the contradiction between the racial imbalance of power in the larger society and the more balanced situation inside these organizations. Such differences, we speculated, might help to explain why increasing minority representation sometimes leads to positive and sometimes to negative outcomes. Second, conceiving of cultural identity as socially constructed led us to investigate the meanings people attributed to their own and others' cultural identities, how they expressed their cultural identities at work, and with what consequences. We were especially attentive to how organizational context might shape people's thoughts, feelings, and behaviors in this regard and how these, in turn, might influence the role of cultural diversity in the organization's functioning.

We studied a consulting firm, a financial services firm, and a law firm. We based the research in all three sites on Alderfer and Smith's (1982; Alderfer, 1987) embedded intergroup theory, which delineates a method for researching intergroup relations in organizations. The method involves a three-phase process of entering the organization and negotiating the terms of the inquiry, collecting data, and providing feedback (see Alderfer, 1980, for details). Each phase is designed to maximize understanding of how cultural identity group memberships influence people, their relationships, and their work.

A. THE LAW FIRM

The law firm is a small, nonprofit public-interest law firm whose mission is to protect and advance the rights and well-being of economically disadvantaged women. Founded about 20 years earlier, the firm had undergone a transition over the previous ten years from a professional staff composed entirely of whites to one that included a program staff that was at least half people of color. Although the senior management positions of the firm were still held by whites, we included the firm in our study because people of color held positions of significant authority in the firm. This firm had a reputation for being a high functioning, multicultural organization. It had 12 employees at the time of our study; six were white, six were people of color, and all participated in this research. This included the executive and associate directors of the firm (both white); the managing attorney (white); five program/professional staff (two white, two Latinas, and one Asian American); and four support staff (one white, two Latinas, and one African Caribbean). We also interviewed three former members of the program staff. One, a Latina, had been the first woman of color to join the professional staff. Another, a white woman, had witnessed the demographic change from an all-white professional staff to a multicultural one. The third was an African-American woman who had recently left the professional staff after six years.

B. THE FINANCIAL SERVICES FIRM

The financial services firm is a for-profit company whose mission is to develop and revitalize the economy of the largely poor, African-American urban community in which it is situated. In the course of the firm's 20-year history it had changed from a predominantly white professional and managerial staff to one that included about 40 percent people of color, mostly African-Americans. Like the law firm, this firm had a reputation for being a high functioning, multicultural organization. We interviewed 29 employees or about 24 percent of the firm. We began by interviewing all seven members of the management committee (four whites and three African-Americans) and two senior human resources managers (one white and one African-American) and then focused the remainder of our data collection in the loan department and in the two departments of the Sales Division. Each of these departments had a different racial composition and, based on what we had learned from the management committee, together represented a range of the firm's diversity-related experiences. We interviewed all members of the two smaller departments (seven whites and five African-Americans) and eight members, or about two-thirds, of the larger department (all African-Americans).

C. THE CONSULTING FIRM

The consulting firm is a nonprofit, international planning and consulting company that focuses on foreign and domestic urban economic development. Having operated for many years as a predominantly white organization, over the 15-year period prior to our data collection, it had implemented an aggressive affirmative action plan designed to increase the number of white women and people of color in the organization, especially in professional positions. At the time of our study, 40 percent of the firm's professional and managerial staff were people of color. Unlike the other two firms, this one was struggling to sustain its diversity in the face of a series of conflicts and performance concerns. We interviewed 37 employees or about 30 percent of the firm. This included nine members of the management committee (six white and three African-American), 16 project leaders/middle managers (nine white, five African-American, and two Latina), and 12 support staff (five white and seven African-American).¹ This interviewee group was proportionately representative of the four work groups that constituted the firm's structure: Administrative Support, Research and Development, North American Operations, and International Development. The latter two groups were the largest and accounted for over 90 percent of the firm's fee-for-service work.

D. DATA COLLECTION

We collected data primarily through interviews with participants and by observing between two and six staff meetings in each organization. We tape-recorded and transcribed verbatim the interviews, which lasted between one and two hours each, took detailed notes during staff meetings, and made field notes after each site visit. The composition of the data collection teams varied across research sites, depending on the size and race and sex composition of the firm. A team of two people, one African-American and one white, collected the data in the law firm; a team of four, including two African-Americans and two whites, collected the data in the consulting firm; and a team of three, including two African-Americans and one white, collected the data in the financial services firm. One or both of the authors were on each data collection team. For most interviews, interviewer and interviewee were matched on race and sex, since there is some evidence to suggest that such matching increases the validity of the data, especially on emotionally charged topics such as race relations (Alderfer et al., 1980). There were some cross-race/cross-sex interviewer-interviewee pairs as well, however, and several interviews that cross-race/cross-sex interviewer teams conducted jointly.

Interviews centered on four types of questions. First, we asked participants directly about their observations, beliefs, and attitudes concerning cultural diversity, its value, and its impact, if any, on the organization's work and work processes. Second, we asked whether the organization's cultural diversity had posed any particular challenges or opportunities for the organization. Third, we asked people about the salience of their own cultural identity groups and the impact of these group memberships, if any, on the organization and on their own work and experiences in the organization; we were especially interested in people's perceptions of how their cultural identity group memberships influenced their ability to work effectively and exert influence in the organization. Finally, we asked what intergroup relations were like in the firm and whether the firm's intergroup relations had influenced their work positively, negatively, or not at all. We consistently probed for examples and incidents that would support and illustrate participants' views. Table 1 describes the participants from each firm who were involved in the interview phase of data collection; in both the consulting firm and the financial services firm, we also administered a firm-wide survey following the interviews. We focus

on the interview data in this paper because they were of greatest value in our efforts to generate theory.²

TABLE 1: RACIAL COMPOSITION OF FIRMS AND PARTICIPANTS						
	SUPPORT STAFF		MIDDLE MANAGERS/ PROFESSIONALS		SENIOR MANAGERS	
Firm^a	Percent in Firm	Number in Sample	Percent in Firm	Number in Sample	Percent in Firm	Number in Sample
Consulting Firm						
People of color	63%	7	42%	7	31%	3
WHITE	37%	5	58%	9	69%	6
Financial Services Firm						
People of color	91%	3	41%	10	40%	5
WHITE	9%	1	59%	4	60%	6
Law Firm^b						
People of color	75%	3	60%	3	--	--
WHITE	25%	1	40%	2	100%	3

^a The total number of employees in the consulting firm was 119; the total number in the financial services firm was 121; the total number in the law firm was 12.

^b This sample also included three former program staff members, two people of color and one white.

E. DATA ANALYSIS

The authors independently read all of the transcripts and field notes from each organization to identify themes that might explain similarities and differences across firms' experiences of their diversity, in particular, how and under what conditions diversity in these firms enhanced or detracted from their effectiveness. We then met to discuss our observations and discovered that we had seized on the same insight: there seemed to be three different perspectives that people embraced in their orientations toward diversity in their work groups, and the perspective they embraced seemed to have important implications for how well they functioned. This then became our working hypothesis, which framed and guided the remainder of our data analysis.

Before returning to the data, we defined some of our emerging concepts. We defined a “diversity perspective” as a set of normative beliefs and expectations about cultural diversity and its role in one’s work group. It includes the rationale that guides people’s efforts to create and respond to cultural diversity in a work group; expectations about the kind of impact, if any, cultural differences can and should have on the group; and normative beliefs about the meaning of cultural identity group membership at work. A diversity perspective can be both explicit, as in verbal or written statements or policies, and implicit, as in the unstated assumptions that underlie the way a person manages his or her subordinates or the way a group structures its work. After developing a sense of what constituted each of the three diversity perspectives we had identified (described below), we returned to our data with our working hypothesis, in search of further clarification and insight. We searched for evidence of these perspectives in 1) the rhetoric participants espoused when we asked them directly about the impact of cultural diversity at work; 2) the implicit and explicit assumptions in participants’ descriptions of organizational events and their own organizational behavior and experiences; and 3) the implicit and explicit assumptions underlying their work group’s policies and practices. We remained open to identifying additional perspectives that might further help to explain variability in outcomes. We were also interested in determining if there were organizational or work group conditions that seemed to foster or enable the work group to develop one perspective over another and, if so, developing hypotheses about what these might be.³

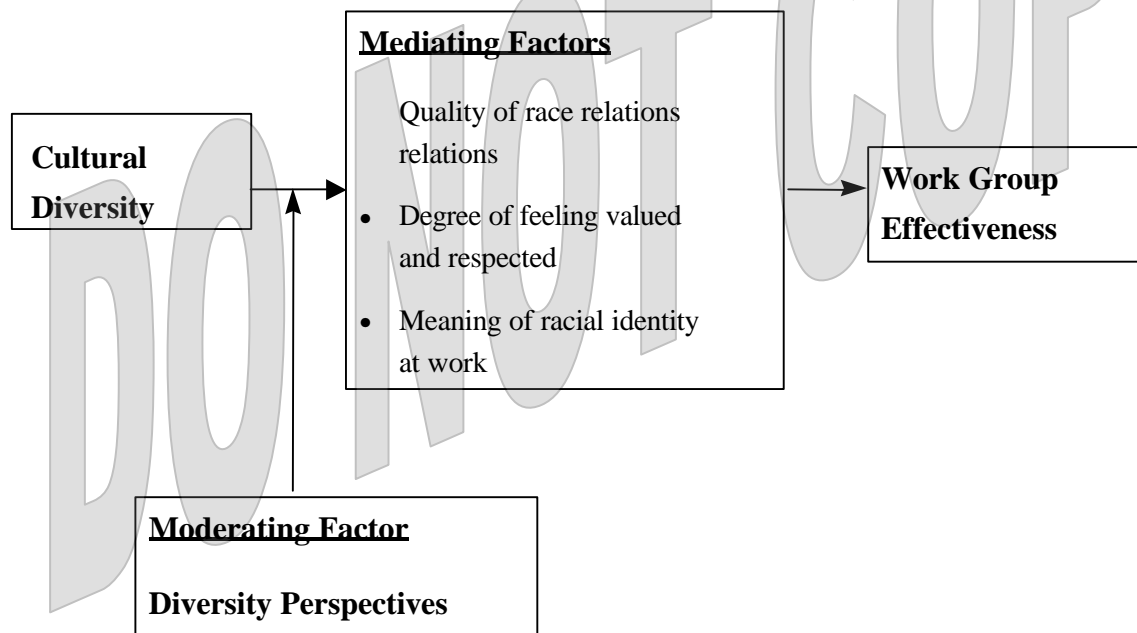
At the same time, we identified the group processes and individual experiences that seemed to follow from diversity perspectives, mediating their impact on work effectiveness: 1) the nature and quality of race relations in people’s immediate work environment, including the nature of conflict and conflict resolution; 2) participants’ statements about and examples of the extent to which they felt valued and respected by co-workers and supervisors; and 3) participants’ statements about the meaning and significance they attached to their own racial identity at work, including whether and how they personally valued and expressed themselves as members of their racial identity group. We documented aspects of individual and group effectiveness that we could reasonably attribute or relate to these processes and experiences. These varied across sites and included participants’ statements about their own self-efficacy and ability to work effectively and contribute productively to work group or organizational goals, the quality of services they produced, their ability to reach desired markets, and the efficacy of their work group’s practices. We sought concrete examples or incidents participants described that might illustrate how a diversity perspective shaped group processes and individual experiences and how these, in turn, influenced work effectiveness.

This analysis revealed more complexity and nuance than our first impressions would have suggested. Although we had initially focused on the variability between firms as the likely source of insight, it became clear that there was also important within-firm variability, over time and across departments and functions, in both perspective and outcomes. In particular, our observations suggested that the unit of analysis for linking diversity perspectives with outcomes of interest is a work group, which we defined broadly as a collection of people who have come together to perform a task, serve a function, or accomplish a mission. A work group therefore might be a department or function within an organization or the organization as a whole. The variability in perspectives we found across work groups within firms gave us further opportunity to investigate our developing hypotheses about how a diversity perspective moderates the relationship between cultural diversity and work effectiveness.

Our analysis supported our initial working hypothesis that the perspective people embraced in their orientations toward diversity was associated with different levels of individual and group effectiveness.

We identified three diversity perspectives that appeared to have different implications for how well people functioned in their work groups and, therefore, how likely their work groups were to realize the benefits of their diversity: the integration-and-learning perspective, the access-and-legitimacy perspective, and the discrimination-and-fairness perspective. Each provides a rationale for why the work group should increase its cultural diversity, and each successfully motivated the achievement of that goal, yet only the first was associated with what appeared to be sustainable performance gains attributable to diversity. Although there was within-firm variability in the diversity perspectives work groups held, each perspective seemed to be best illustrated in one of the three firms.⁴ Figure 1 depicts the structure of our emerging theory. Our description of each diversity perspective below follows the logic presented in this figure.

FIGURE 1
MODERATING AND MEDIATING FACTORS IN THE RELATIONSHIP BETWEEN CULTURAL DIVERSITY AND WORK GROUP EFFECTIVENESS



A. INTEGRATION-AND-LEARNING PERSPECTIVE

According to the integration-and-learning perspective on diversity, the insights, skills, and experiences employees have developed as members of various cultural identity groups are potentially valuable resources that the organization can use to rethink its primary tasks and redefine its markets, products, strategies, and business practices in ways that will advance its overall mission. This perspective links diversity to work processes—the way people do and experience the work—in a manner that makes

diversity a resource for organizational learning, change, and renewal. The integration-and-learning perspective and the outcomes associated with it were evident in the program function of the law firm and in the management committee of the financial services firm. We focus our description on the program function in the law firm, however, because people there were especially articulate about how and with what consequences this perspective evolved over the course of their efforts to diversify their workforce, in particular, their program staff. Where this perspective was evident in the financial services firm, it was associated with the same kinds of processes and outcomes we observed in the law firm.

The law firm had developed a successful practice in its first ten years, representing a largely white female clientele in employment-related disputes. Nevertheless, in light of their mandate to protect and advance the economic rights and interests of all low-income women, the firm's attorneys viewed their inability to attract women clients of color as a significant shortcoming. To address this problem, they decided to diversify their all-white program staff. They began by hiring a Latina attorney to head what they called the "women-of-color project." The project's purpose was to expand their work into the Latina community and demonstrate their commitment to advocacy on behalf of all low-income women. By virtually all accounts, however, this change in staff composition moved them far beyond that original goal. Over the next ten years, they underwent a transition from a staff composed entirely of whites to one that included a program staff that was at least half people of color. More importantly, however, this change in the demographic composition of the program staff entirely reshaped the character and priorities of the firm's work in unanticipated ways as members learned from their diversity and integrated what they had learned into the core work of the organization. Several staff members, both current and former, described the change as follows:

Our mission is still the same—the economic empowerment of women. But our strategies or how we define them have radically changed from a fairly straight feminist approach. We're still talking about sexual harassment, comparable worth [Title VII cases], those are the same. But our diversity made us look at the organization's program and how we had to change the work that we do—the substantive legal stuff that we do. So now we're looking at minimum wage, manufacturers' liability. . . . That's not traditional sex discrimination, but these are primarily women workers who are affected by these things.

At first, we were like, "[industry name] workers? That's men and women. Where's the gender discrimination?" And [the Latina attorney] was beating us over the heads with a stick and saying, "Hey, most of these folks in this industry are women; most of them are women of color; most of them are non-English-speaking women. What better place for us to be?" And eventually the staff said, "Right, you're right, that does make sense. That is a way for us to go."

Associated with this transformation in the firm's work was a shift in its perspective on its program staff's diversity. No longer was its diversity confined to a particular project: "Our women-of-color project became integrated in such a way that it was no longer this special little program off to the side," one program staff member explained. "It now just permeates the whole picture," added another. Their new perspective on diversity—an integration-and-learning perspective—was grounded in the notion that cultural identity shapes how people experience, see, and know the world. Hence, cultural differences can be a source of insight and skill that can be brought to bear on the organization's core tasks. This discovery enabled staff members to see their diversity not only as a resource through which

they could gain entree into previously inaccessible niche markets but, more importantly, as a resource from which they could learn new ways of reconceiving and reconfiguring their work as well. As one white woman attorney explained, “[Diversity] means differences in terms of how you see the issues, who you can work with, how effective you are, how much you understand what’s going on. . . . There’s not a sense of ‘you’re just like me.’” And although several people spoke to the discomfort that often comes with such differences, they also emphasized the need to look “beyond feeling comfortable . . . to the different types of skills people bring.”

This perspective on cultural differences required that the staff members place a high value on process—on time spent exploring their different points of view and deliberating about whether and how they should inform the work. Describing herself as “the process queen,” the executive director stressed the importance of “learning how to not be afraid of the differences, learning about conflict, and learning to be willing to go toward it and trying to talk about hard things.” Similarly, a former program staff

[There has to be] a kind of group process of making sure that there’s the time and a safe situation and that people are gonna be encouraged to say what they’re worried about, even if it’s not politically correct. Because if you just stuff that stuff, you got problems. It’s much better if it comes out. You need to provide, to whatever degree possible, permission for people to say what’s on their mind and struggle through the consequences and inner personal dynamics of saying those things. . . . People have to be willing to take risks. You have to be willing to be wrong. It’s not something lawyers do easily. I’m not sure anybody does. But lawyers especially just hate to be wrong. And a bunch of white liberal women lawyers hate to be politically incorrect.

Recognizing that people from different cultural backgrounds might bring different sets of experiences and skills to work did not dictate a cultural-identity-based division of labor among the program staff. Several people felt strongly, for example, that one need not be “gay to raise gay issues” nor “a person of color to raise issues of concern to women of color.” A white attorney explained that although she could not be the founder of a Latina organization begun in her office, she would work with the group eventually. She talked about diversity as a learning experience: “I’ve learned a lot about things that just weren’t in my background. I don’t mean about salsa or whatever, but about . . . what life experiences are like in other places.” As this woman suggests, the program staff’s diversity was to serve as a resource on which all members could draw to expand their knowledge base as well as their networks. This meant a deep commitment to educating and learning from each other and reflects a central premise of the integration-and-learning perspective on diversity: while there may be certain activities at certain times that are best performed by particular people because of their cultural identities, the competitive advantage of a multicultural workforce lies in the capacity of its members to learn from each other and develop within each other a range of cultural competencies that they can all then bring to bear on their work.

As a result, white members of the program staff had to learn to take up, on their own, the issues and concerns that might initially have been raised by their colleagues of color so that certain tasks did not always fall to one group or another. As one white employee put it, “It’s important that people of color coming into the organization don’t see themselves as coming in and just educating a bunch of white folks; you have to demonstrate in a real way that you’ve been educated when you come back.” Virtually everyone, both white and of color, commented on the personal and professional growth the

staff's diversity had afforded them. As one white attorney reflected, "I think about things differently. Things I've taken for granted I can no longer take for granted. My sensitivities are just different."

To facilitate this kind of learning the program staff had to organize their work differently. Whereas traditionally a case would have been staffed by a single attorney, it now would be staffed by at least two. This enabled people to engage more easily in the kind of cross-cultural learning and exposure that had become so central to the way they operated and, more importantly, demonstrated how, with this perspective on diversity, their work processes, as well as their work, were open to change. According to this perspective, one measures progress in efforts to diversify by the degree to which newly represented groups have the power to change the organization and traditionally represented groups are willing to change. The executive director of the law firm described her litmus test of how well an organization is managing its diversity as how much change there is in the power structure:

Is the organization trying to assimilate people into what already exists? Or do they want to create something that's different from what was there before—and maybe not know what that means? If you want people to be part of an organization and have ownership in the organization then they have to have power and some control. I think the way that we successfully did it here was in terms of the program. The power and who is in control of our program has really changed. . . . You can't assume that what's traditionally been done is the right way to go.

1. Impact on Race Relations

When people discussed race relations among the staff, they spoke regularly of the discomfort and tension they often experienced in their cross-race relationships as a result of their different points of view and of the value of airing those differences openly. As one white woman explained, "Cross-race discussions occur with some frequency and sometimes with some tension, because it's hard. There are real differences here. And that stuff is being discussed. It's not hidden under a rock." One former staff member of color described her particular experience of working through differences in point of view with the executive director:

I would take on the executive director, and she and I would go at it. But . . . we'd really hear each other, and I think we learned a lot from one another. And you can come at her. And she can come back at you with reason, using the history of the organization, why that won't work. . . . And I'd remind her that the point of the organization was to let go of that history and only hold on to it where it makes sense. . . . I would . . . just hang in there until I was sure that she was really rejecting an idea or my client on its merits. Not because it was new or unsettling. And sometimes she'd really convince me that the rejection was based on merit. And sometimes, there were some things I should have let go earlier I'm sure.

The integration-and-learning perspective is predicated on the notion that a diverse group of people comes together for the express purpose of learning from one another how best to achieve the organization's mission, but that often meant tension-filled discussions in which people struggled to hear each other's points of view before resolving how to proceed with the work. Certain kinds of problems were inevitable, and they seemed to result from the fact that the organization and its members were not immune to the way race relations were structured in the larger culture. Two kinds of tensions in

particular arose in the staff's race relations as a result, and, although we viewed each as stemming from the difficulty of living up to the vision of diversity set forth, the kinds of relationships and processes the vision encouraged were precisely the mechanisms that eased those tensions and helped people work toward resolution. Hence, the perspective seemed to contain a self-correcting mechanism that both reinforced the vision and maintained its usefulness to the organization.

The first tension concerned the twin problems of burn-out for the attorneys of color, who sometimes felt called upon to do more than their fair share of the work, and marginalization of white attorneys, who sometimes felt less central to the firm's work as a result. People attributed both of these problems to the "reality of the world out there," yet they seemed manageable largely because people were able to discuss them. As one white attorney explained, "we're pretty open about talking about those things here, so it's not like this unspoken thing." She elaborated:

Like sometimes people are putting together panels and for good reasons they want a diverse panel. So I'll be the last one they'd ask, even if I'm the person who's done the most work in the area, because they'd prefer to have [one of the women of color]. And then we would talk about how it would be strange that organizations that I work with would call up [a black attorney] and ask her to be on a panel. So that both put a burden on her and kind of made me feel strange about being excluded. But it was something we understood because we thought the role model and the diversity aspect of the panel was an important thing to do.

The second kind of tension was the disappointment everyone felt when people's failure to use their own or to seek others' cross-cultural knowledge threatened to compromise the firm's effectiveness. One such incident occurred during a staff meeting we observed, which the executive director afterward told us was "a very good view of what goes on here—people engaging in what is not always the easiest conversation and being really willing to take the time to challenge each other and to be educated by each other." A local Latino community group had invited the firm to join in a fund-raising event involving a Latino theater group. The executive and associate directors, unaware of the importance of the group in the community, decided to decline the invitation on the grounds that it would interfere with a larger fund-raising event already scheduled. When one of the Latina program staff was informed of the decision, she felt that the directors' lack of cultural knowledge had led them to a hasty and costly decision, and she placed it on the agenda for the next staff meeting. At that staff meeting, the Latinas, across hierarchical lines, expressed unified disagreement with the decision, describing the event as "an important vehicle for us to do our work with this community." The white decision-makers had evaluated it purely as a fund-raising opportunity that they could and should forego and hence had not seen the need to seek the staff's advice. The staff seemed to have difficulty resolving the conflict until everyone was able to see the decision as more properly program-related than administrative. The administrative function in the firm had yet to develop an integration-and-learning perspective on diversity. With no clear sense of how racial diversity might enhance that function, managers had not sought and were initially resistant to hearing different perspectives on the usefulness of the event. As soon as the event was successfully recast as outreach, however, a *program*-related activity, they were able to see the relevance of race and the importance of hearing a specifically nonwhite perspective.

2. *Impact on Respect*

To a person, both current and past program staff reported a feeling of being valued and respected by their colleagues in the firm, as well as a sense generally that the firm “placed a value on the whole person.” As one woman of color put it, “The assumption about you is that you are competent.” Other program staff of color corroborated this view. One said, “There is a lot of support for me to achieve. They really support and respect their staff of color in a way that I have not seen at other women’s public interest law firms.” Another told us, “I feel very included in terms of respect for my work, my intellectual capacity.” To the extent that white people reported feeling marginalized at times from the central work of the organization, they also reported that “it isn’t so bad.” As one woman explained, “it doesn’t consume me in the way that I think it would if I felt out of place here and questioned whether the organization really wanted me. I don’t feel like that. I feel like there’s enough support, and I have enough self-confidence about my role here that it doesn’t consume me.”

3. *Impact on Racial Identity*

Consistent with the emphasis on cultural identity as a potential source of insight and skill, both current and past program staff of color described their racial group membership as a significant factor in shaping how they approached and carried out their work. One Asian American attorney explained, “I have a different perspective on the work because I’m a woman of color, and I am interested in cases that, for example, would open doors to women of color that have traditionally been open only to white women. A white woman is naturally less likely to consider those cases.” Program staff of color also routinely related stories about how their cultural knowledge and skills enhanced their ability to do their work by, for example, helping them to establish rapport with clients. One Latina described how she had convinced a reluctant Mexican woman, who was a key witness in a case, to testify: “It was partly that I spoke the language, but I don’t think it could have happened with an Anglo who spoke Spanish, because it had so much to do with understanding what was going on in this woman’s mind. And being able to anticipate and just plug into what was happening with her. . . . It was a tense situation, but I was not afraid of her anger.”

White program staff also described their racial identity as having a significant impact on them at work, but in different ways from their colleagues of color. Whites did not see their race as a source of skill or insight into their work; nevertheless, they were both aware of and articulate about how being white influenced them. “I think that all of us who are white here do think about being white,” one attorney explained. Some spoke of the opportunities being white afforded them at work—“the usefulness of being a white woman.” Because of “people’s racism,” one white woman explained, “it’s probably easier being white in settings that are often predominantly white.” She had observed, for example, that in meetings outside the firm, lawyers would immediately assume that she was the lawyer and that her Asian American colleague was not, when the reverse was true; she attributed this to the greater authority and status they automatically attributed to her as a white person. A number of whites also commented on how diversity in the program staff, in particular, moving the women-of-color project from the periphery to the center of their work, had affected their own sense of what it means to be white. One white attorney felt that it had changed the way she thought about herself as a white middle-class woman:

. . . you're forced to really examine your own racism and your own stereotypes, and things that you aren't even aware of. . . . And in a work environment, because of the closeness of the relationships, I think people really do have to confront these things. And sometimes that's unpleasant. . . . But my personal belief is that if you're white you can't be in this society and not be racist to some extent.

Another commented on how diversifying the staff as they had made her “less defensive” about being white. She explained,

Once you start talking about it and it's out there, it's no longer kind of, “Oh my God, if I [say something racist] someone is going to say something terrible about me.” . . . I still worry about whether I'm racist, because I think in this society it's especially hard for white people not to be. . . . And I think before the change [in racial composition] if you'd asked me these [interview] questions I . . . [think] I would have felt more defensive. Like “Oh God, she's trying to find out if I really am a racist or something like that”

More generally, both white employees and employees of color reported feeling that they could show more of who they were at work than they had been able to do in other work settings. A Latina member of the program staff told us, “[one of the] benefits of working here is that I can bring more of myself here, where I don't even have to question it. It's my first work experience where the different perspectives I bring are not the only ones in the office, and they are appreciated and accepted. Talking about my life or bringing those perspectives is not something that I have to worry about.”

4. Impact on Work Effectiveness

All of the staff we interviewed described the law firm as successful, and virtually all attributed at least part of its success to its ability and willingness to bring the interests and perspectives of people of color “into the centerpiece of the organization.” As one woman explained, “[Diversity in the program staff] has affected the work in terms of expanding notions of what are women's issues and taking on issues and framing them as women's issues in creative ways that would have never been done [with an all-white staff] and doesn't get done by other women's organizations. It's really changed the substance and in that sense enhanced the quality of our work.” This result clearly hinged on the open and direct way in which the staff managed racial differences and conflicts, the fact that they respected people and sought their contributions as members of their respective racial groups, and the fact that both white employees and employees of color were able to consider and share with their colleagues how their experiences as members of those groups influenced them at work. This approach to diversity encouraged and enabled women of color to bring skills and capacities to the firm that gave them access to important information in their own communities and helped them build rapport with clients, thereby helping to expand the firm's client base. Equally important, however, was the emphasis on cross-cultural exposure and education so that staff members were continually expanding their own capacities. The integration-and-learning perspective made identity a source of insight that was transferable to a broad range of employees, not just to those who were members of “diverse” groups. Diversity, thus, was a resource on which all organization members could draw. One white former employee, who had gone on to become a judge, explained how exposure to the diversity among the program staff had made her both a better lawyer and a better judge: “You begin to incorporate different ways of looking at things, heightened awareness about things, so you don't just take something for granted. . . . And I

think it's had a tremendous impact on my understanding of the kinds of forces that have affected other people's lives, that have led to the situation they're in."

In addition, by incorporating diversity into the core work of the organization, this perspective afforded all employees some measure of access to and legitimacy with their clients, regardless of employees' respective cultural identities. One white member of the program staff, for example, described the impact of the firm's diversity on her relationship with clients of color and her ability to work effectively with them:

It does make a difference what color you are, and I can't do everything as effectively as someone else might be able to. But as we are viewed more and more as a [racially] integrated organization, that gives me the ability to go to minority communities with more credibility than I had when we were an all white . . . organization. . . . My ability to go into these communities and do this work really has changed and moved as our organization has changed.

Similarly, a former member of the program staff who is African-American felt that she personally gained credibility with the firm's Asian clients when a Japanese American attorney joined the staff. This credibility allowed staff members to network much more widely across communities, which provided them with a much richer, broader base of information; this, in turn, gave them a better perspective on the problems they were addressing, enhancing the quality of their analyses. Finally, this perspective created a model of working in coalition with a number of public interest, civil rights, and other "people-of-color" groups, which helped to facilitate a series of mutually beneficial, cross-organizational collaborations.

B. ACCESS-AND-LEGITIMACY PERSPECTIVE

An access-and-legitimacy perspective on diversity is based in a recognition that the organization's markets and constituencies are culturally diverse. It therefore behooves the organization to match that diversity in its own workforce as a way of gaining access to and legitimacy with those markets and constituent groups. Work groups with this perspective use their diversity only at the margins, to connect with a more diverse market; they do not incorporate the cultural competencies of their diverse workforces into their core functions. This perspective constitutes the rationale behind the now popularly touted business case for diversity (Cox and Blake, 1991). The access-and-legitimacy perspective guided the law firm's initial efforts to diversify its program staff and continued to provide the rationale for the cultural composition of its administrative and management staff. It was most vivid, however, in parts of the financial services firm, which we focus on here for our description. In each instance it was associated with similar kinds of outcomes.

In the financial services firm, the access-and-legitimacy perspective was especially evident in the diversification that occurred in two departments of the Sales Division—Retail Operations and External Deposits. Retail Operations was responsible for servicing the banking needs of a predominantly black, working-class, urban clientele to whom the firm marketed its services locally, in the surrounding neighborhood. External Deposits was responsible for servicing the banking needs of a predominantly white, affluent clientele to whom the firm marketed its services nationally. Mirroring the racial and class composition of these markets were the predominantly black, working-class employees who staffed Retail Operations and the predominantly white, middle- and upper-middle-class employees who

staffed External Deposits. This staffing pattern characterized these departments from the lowest- to the highest-ranking employees. Members of both Retail Operations and External Deposits readily acknowledged the importance of their racial make-up as a way of gaining access to and legitimacy with their respective clientele. Explaining the role of the black staff in Retail Operations, the white manager of External Deposits explained:

If [the firm] were all white, our relationships with the community would be extremely strained. And our retail deposit base would be very much threatened. [The community] would be saying, "What are these white people doing running a bank in the middle of our community?" And they'd be right. We've operated in black communities for 20 years. If we aren't fully integrated ourselves, it's pretty hypocritical.

This manager's black counterpart in Retail Operations commented similarly:

For management to come into a black neighborhood and undertake [this mission], they would be remiss not to think we have to get some different color people in here to help us do this. It would give the community a level of comfort that there are people in the organization who actually know how to relate to . . . the people that are in the neighborhood, and what they actually feel, and, you know, how they actually communicate with one another, and those kinds of things. . . . I mean, we are in the heart of the black community.

This perspective provided a similar though less elaborate rationale for the predominantly white staff in External Deposits. Several people commented that External Deposits' white clientele were probably "more comfortable" with the white staff who served them. One staff member summarized the importance of having both white and black staff:

I think if we were all black, we'd have a lot of obstacles. We wouldn't have access to a lot of the resources that we do. Minority-owned banks that are almost exclusively minority have really struggled because they're not as connected to those [white-controlled] resources. I think it could still be done, but it would be a harder task. If we were all white, I think we'd be in as bad or worse shape [as if we were all black], just because of the discomfort with the community, or not being able to relate to the borrowers or stand in their shoes so to speak.

Despite this apparent symmetry, however, the access-and-legitimacy perspective in fact defined a much more circumscribed role for blacks than for whites. The access-and-legitimacy perspective limited the contributions of blacks to just that—access and legitimacy—whereas the contributions of whites were more widely evident. For example, a white employee in External Deposits described the overall culture of the firm as much more consistent with the culture of her predominantly white department than with the culture of Retail Operations, which was predominantly black.

. . . if you perform and exceed expectations, regardless of color, you are acknowledged and recognized. . . . The problem is that what is expected of senior management here has a cultural bias towards whites. And . . . if you're in that cultural modus, you don't understand why it's exclusionary. . . . Everyone is expected to work a lot of hours. There is this emphasis on perfectionism, this emphasis on sort of intellectual discussion and debate. People are very, very mission-driven. And that's not to say that African-Americans aren't also able to do all that. But because of historical racial issues they have been limited. . . . So there aren't a lot of

people from the neighborhood that would be senior management level, and there are an awful lot who would be in those low-paying, pretty routine, white-collar jobs.

Hence, although cultural identity in these two departments was clearly a legitimate resource to be used in service of the organization's work, the access-and-legitimacy perspective provided a relatively narrow definition of the value black cultural identity had to offer, relative to white cultural identity. Blacks in Retail Operations were invited to use their cultural identity, but only at the boundaries between the organization and its black market. By contrast, there was a perception among employees in these departments that whites' cultural identity shaped how the organization functioned more broadly, with middle- and upper-middle-class white culture in particular dictating the work norms and standards most valued.

With the access-and-legitimacy perspective, one measures progress in diversification efforts by whether the organization has sufficient representation either in those boundary positions or in visible positions that would enhance the legitimacy of the organization from the perspective of its outside markets. Although this raised the question of how many whites would be too many, as well as the converse, how many blacks would be enough, this perspective provided no clear answers. Rather, as one participant surmised, "It may be a function of the inner workings of the manager's mind for me to hire a minority or something. And that's legitimate in this organization. While it seems unfair that maybe the most qualified person or the best person for the job might not get that position, maybe the best qualified person isn't the right person for the organization, and maybe it's time to hire a

1. Impact on Race Relations

Our direct queries about the nature and quality of race relations revealed few problems and a general sense that black and white employees experienced little tension in their cross-race interactions. As one white participant said, "It's not to say there's never any discomfort, but I've been very surprised never run across an uncomfortable situation here." Similarly, a black participant described interactions "between everyone" as "really good" and a general sense that people ask questions about those from other cultures in a way that does not offend. "People are different," another explained, "but when the need arises they can work together."

Nevertheless, the dynamics between Retail Operations and External Deposits revealed a somewhat more complicated story. The racial differentiation between these two departments, both in their staffing and in their clientele, resulted quite clearly in a two-tiered system in which the white department received better treatment and higher status relative to its black counterpart. About this, participants had much to say, and what they said did not reflect the sanguine sentiments we heard when we asked about race relations more directly. Yet there were unequivocal racial overtones, as well as explicit references to race, in their discussions of the relationship between these two departments. And despite the symmetry between blacks and whites in positions of authority, the relationship between these two departments seemed to reproduce the asymmetric division of power and status that characterizes societal race relations more generally.

Most people agreed that there were very few differences between the kinds of tasks the two departments performed. Nevertheless, more than one participant referred to the fact that there were

“two banks” within the firm: Retail Operations and External Deposits. One participant from External Deposits explained that, in her view, this had come about because the previous manager, who had an ambitious agenda and insisted on providing the highest quality services, duplicated functions that already existed in Retail whenever she encountered a level of quality that she judged as too low: “And so you had this sort of cracker-jack group of people who worked for her . . . that were in the absolute perfect job for the sort of white, smart, dedicated, loyal workaholic. And not the perfect job for the sort of black, hard-working, needs a salary, will do a good job, but not that kind of worker . . . and there was absolutely no time for people who wanted a 9 to 5 job.” This status differential between the two departments and the resentments it fostered were palpable. There was a perception among those in Retail Operations that management looked more favorably on External Deposits, that External Deposits got “special privileges” and was “more prestigious,” and that people there were paid more “because they’re white, even though the work is the same.” By contrast, participants in both departments referred to Retail Operations as “the other side” of the firm, “the dark side.” One black participant, now an officer in Retail Operations, described an experience he had when he was the lone black member of External Deposits several years earlier. This experience illustrates how racial stereotypes shaped interactions between blacks and whites in a manner that may have reinforced, at least for some, the appropriateness of the racial division of labor between the two departments:

We were at a staff meeting talking about the problems we were having as a department trying to be all things to all people. And I remembered this thing my boss had said about a year earlier that we have to select the battles that we want to fight, and I took that to mean that we have to decide strategically what we will pursue and what we won't pursue. And I just happened to think about that quote, and so I said, "I think that we ought to be real careful not to bite off more than we can chew." . . . I got a response where the person said, "Well, what do you propose? We do nothing?" So I saw right then and there that I was misunderstood. I said, "No, of course not. I'm saying that we need to select the battles we want to fight and fight those." . . . And being pretty new to the organization then, I felt that it wasn't the right time for me to be forthright about what I meant. . . . [W]hen a white man disagrees, he's being strong. He's being taken with respect. When a black man disagrees, he's being negative and whiny, militant and kind of like Malcom X. So you have to be really careful about how you walk that line so that you don't get labeled and you don't sabotage your career.

In this story, the white employee interpreted her black colleague's comments as consistent with the view that blacks were not a good cultural fit with the aggressive, workaholic norms of this department. Concerned that his objections to her interpretation might reinforce additional negative racial stereotypes about him, the black colleague remained silent. Thus, race-based stereotypes imported from the larger culture shaped these employees' interpersonal interactions in a way that reinforced a view of this department as appropriately culturally white and elite.

This particular manifestation of the access-and-legitimacy perspective, in which two racially segregated, parallel entities were formed to service different racial and economic segments of the market, fostered a good deal of resentment and competitiveness between the two departments, which was often expressed explicitly in racial terms. One participant described the senior officer in charge of Retail Operations as “a little bit resentful when his territory is encroached on by white people [i.e., External Deposits].” Another described the “cultural barriers” to integrating the two departments, or even to fostering a more cooperative spirit, which might replace the “distrust” that seemed to

characterize their relationships. Still another attributed “the tensions between the two sides” to “the logistics, the race, the professional mix, and just the nature of how the departments are compiled.” Hence, although these participants often spoke positively of race relations in the firm, the relationships between their two departments revealed a different story. Their access-and-legitimacy perspective on diversity, while creating a diverse workforce for the Sales Division, supported a racial segregation inside the division that mirrored the hierarchical nature of race relations—and racial tensions—in the wider culture.

2. *Impact on Respect*

There was a general feeling of well-being and a sense of having the respect of one’s colleagues among employees of both Retail Operations and External Deposits. “I get appreciation here,” explained one black participant. “People always check in, and it makes me feel warm inside. It’s nice to know someone is recognizing what you do; and what you do, no matter how small, makes a difference.” Another black participant said, “I talk to these individuals as people, regular people, and they talk to me as a regular person, not like I belong to a particular racial group.” In a similar vein, other black participants felt that “most dismissals have been legitimate” and that “if you do your job well, you’ll be recognized and promoted for it.” As with race relations, however, these accounts of how people felt and were treated as individuals in their interpersonal interactions with others did not square with many of the things they said about how they felt and were treated as members of their respective departments. Whites in External Deposits had a clear sense of their privilege and the value they brought to the firm. Blacks in Retail Operations, however, were less sure about where they stood. As one black officer in Retail Operations said, “the jury is still out.” He explained:

One of the things that I take a measure of pride in is the fact that we can all live and work together. And that’s OK. But I think where sometimes the problem comes in is in the division of the duties. You know, how do you perceive me? Do you perceive me as someone who brings something to the table, who is a decision maker? Someone who understands our customer base and whose thoughts should be taken seriously? Or do you see me as someone who is good at operationally making things work and making sure that the paperwork is together and making sure that the files are in order and making sure that the report is complete and typed and photocopied and all that stuff?

Although many described opportunities for promotion regardless of race, the division of labor again made it clear to members of these departments that there were two tracks—one for whites and one for blacks. In fact, when one senior black officer on the retail side of the firm realized that he had no black male officers, he “pulled [the lone black member of External Deposits] out of there and made him an officer over on the retail side,” with a sense that his career would otherwise have stagnated. When asked about the challenges and opportunities afforded by a diverse workforce, this new officer in Retail Operations reflected on the difficulties he had faced in External Deposits in getting recognized for his work:

I was the only African-American in the department and we more than doubled the portfolio in the two years I was there. So although I’m not saying I’m completely responsible, I mean I do certainly deserve some credit. However, the only folks who were

recognized were the two folks who were at the head, and both were promoted. Yours truly didn't get promoted until almost two years later. And that hurt because you come to your job to perform and you want to perform well, you want to perform beyond expectation. You just don't want to come to do a mediocre job. That's not the way I am. I like to go all out, and I just assume the rewards will be there. And when that didn't happen it kind of affected me negatively.

When this participant finally received his promotion, it was on the retail side, where his supervisor more easily recognized and more readily rewarded his talents and skills. He accepted it with gratitude and excitement at the opportunities that lay ahead for him but nevertheless voiced his concerns about the lower status his new departmental affiliation now conferred. Thus, the message about the degree to which people felt valued and respected in these two departments was a complicated one. Although uniformly positive for the whites in External Deposits, the experience was mixed among blacks.

3. Impact on Racial Identity

Racial identity among black employees in Retail Operations was full of contradiction and ambivalence.

In her advice to other firms wishing to become more racially diverse, one young black woman summarized the quandary of being black in this setting: "Try not to let the race thing be an issue," she urged. "I know that's just like asking an elephant not to be gray. I don't know how you could possibly change that. . . . I really don't know how that could work, but it just needs to happen, is all I can say." At the same time, she advised blacks in particular to "just remember who you are, and believe in yourself and where you stand." Her advice was thus paradoxical: erase the reality of race yet hold onto your black identity. We suspect that in this kind of setting in which racial diversity assumes a highly circumscribed role—it has positive value only insofar as it provides access to and legitimacy with a diverse clientele—there is a mixed message about what it means to be black. On the one hand, it bestows value on blacks; on the other hand, it upholds an essentially assimilationist vision in which white culture remains the dominant culture. This mixed message raised concerns about losing one's identity as a black person despite its avowed value in the firm.

In light of the mixed message the access-and-legitimacy perspective sends about the value and significance of being black, it is not surprising that the meanings that black employees in Retail attributed to their racial group membership were often contradictory. When we asked black employees about the salience or significance to them of their identity group memberships at work, they typically responded by saying that "race is not a problem"; the notion that their racial group membership might have had a positive impact on their work or their experiences at work was conspicuously absent in their responses to these questions, despite clear statements, in response to other questions, about the importance of having black employees in Retail to provide credibility with the firm's black clientele. For example, when asked about the impact of her own racial identity at work, one black employee was adamant that race was irrelevant. She also remarked later in her interview, however, that "if they put all of [External Deposits] down here [in Retail] for a week . . . they would be really whipped and surprised, and they would probably run back to their department and never look back . . . because that's an all white department." Her reaction to an incident in a staff meeting we had witnessed, in which a white male manager expressed strong disagreement with a position that senior management endorsed, also belied her declarations of racial equity: "I think that there are a lot of people who wish they could have been that outspoken," she said, "and the discussion [among black managers] was that

had that been a black person he probably would not be here today. It would have cost him his job.” Her statements taken together thus were contradictory: race is irrelevant, but blacks are better suited to the work in Retail, and whites enjoy greater freedom of expression in the organization. These kinds of contradictions suggested that racial identity may well have been a source of ambivalence for blacks.

White employees in External Deposits had little consciousness of their racial identity at work. With the exception of the white manager, who attributed her “fit” with the culture of the firm to her race, no whites in External Deposits reported their racial group membership as salient or significant in shaping their experiences or how they expressed themselves at work. One white employee who now worked for External Deposits, but who had for many years been either the only white or one of a few in Retail, said that she was “never conscious that no one was white on the first floor [where Retail is located]. [Until a black colleague suggested it,] it never occurred to me that I might have been transferred to [External Deposits] because I’m white.” Thus, despite the underlying tensions between the two departments, their racial compositions, and the bank’s location in a predominantly black community, white employees remained largely unaware of how their own racial identity may have shaped their workplace behaviors and experiences.

That racial identity figured prominently in black Sales Division employees’ reports of their experience and seemingly little in white employees’ reports is predictable given the precepts of the access-and-legitimacy perspective, which minimize people’s experience of diversity while seeking to gain its most immediate and instrumental benefits. Unlike their black counterparts in Retail, who, however ambivalently, had some sense of the role their racial group membership played at work, white employees in External Deposits had no motivation to examine the links between their racial group membership and their department’s work processes.

4. Impact on Work Effectiveness

The organization’s goals were to make a profit for the company and to develop and revitalize the economy of the local community within which it was situated. Our data suggested that these two departments’ access-and-legitimacy perspective on their diversity had indeed advanced these goals by giving them some measure of access to and legitimacy with both the local community to whom they appealed for personal investments and commercial ventures, as well as the national community to whom they appealed for socially responsible investments and the purchase of other kinds of competitive money-management products. And most informants agreed that External Deposits had grown the firm’s assets well beyond expectations. Nevertheless, many were concerned that Retail Operations had thus far been unable to reach its growth potential in the local community and that External Deposits’ capacity to sustain its growth would be severely limited by increasing competition in its national markets. Our data suggested that, despite the benefits the access-and-legitimacy perspective had garnered for the Sales Division, this perspective also contributed to the problems they faced in at least three ways, all of which were related to the racial division of labor it seemed inevitably to create.

First, some participants reported that Retail Operations’ lower status in the organization compromised the quality of service Retail clients received. One woman who had worked in both departments speculated that the reason for making the two departments separate in the first place was to draw “a very distinct line” between their respective customers. Whether the result of fewer resources in Retail,

such as time, or Retail employees' diminished sense of entitlement for their clients, most people acknowledged, often with clear racial overtones, that Retail clients received a lower quality of service than clients in External Deposits: "Customers in Retail don't get that special touch that External Deposits' rich white clients get," one customer service agent in Retail lamented. Reiterating these concerns, the manager of Retail Operations provided anecdotal evidence to suggest that her customers were "overshadowed by the hoity-toity treatment" others got and were taking their business elsewhere as a result.

Second, referring to the duplication of efforts in the two departments—a direct result of how the access-and-legitimacy perspective was manifest in this division—the manager of External Deposits explained, "It's really inefficient to have what are essentially two banks here." It could take one of her employees "seven hours to do something himself that he could have taken to Retail and gotten done much more quickly," she explained, but for "the competitiveness and animosity between the two departments." Moreover, she felt that this competitiveness threatened to compromise the quality of service some customers received. Referring to the recent addition of a corporate banking function in Retail designed to service corporate accounts citywide, together with her own department's recent efforts to develop socially responsible investments within the city, the manager of External Deposits was concerned that the line between their client bases would become increasingly blurred: "Historically, the Retail side has been defined as [the neighborhoods]. Anything else in the city by rights should be mine if we use that definition. Right? So what happens if I get a law firm downtown that needs corporate banking services, and I bring them in? Whose account is that? I really can't service it, but Retail that's their stock and trade." It was her feeling that with better relationships and less disparity between the two departments, these kinds of conflicts could be avoided and customers would receive the quality of services that were their due, rather than being caught up in a battle over whose account was rightfully whose.

Finally, there were inefficiencies in the perfectionist "white" culture that had come to characterize External Deposits because they were unable to learn from Retail Operations. Critical of the culture her predecessor had built in her efforts to service the needs of her more affluent, more demanding clientele, the current manager of External Deposits explained, "It's very hard to make money with all that perfectionism. A letter would be edited four times before it went out the door. . . . In my opinion, that just isn't necessary. . . . [T]he average bank customer, I think, wants somebody who's steady, loyal, knows their business inside and out and works hard. I don't necessarily want someone who, every time a customer calls they'll design a new product for them. . . . And we did an awful lot of that. Every account was handcrafted." This manager felt strongly that in this respect, among others, there might be something to learn from the way Retail Operations functioned, but the "cultural barriers," created by their long-standing differences made it difficult for them to collaborate. "They're very guarded," she explained. "They don't believe that I really want to know what they're saying."

C. DISCRIMINATION-AND-FAIRNESS PERSPECTIVE

The discrimination-and-fairness perspective is characterized by a belief in a culturally diverse workforce as a moral imperative to ensure the fair treatment of all members of society. It focuses diversification efforts on providing equal opportunities in hiring and promotion, suppressing prejudicial attitudes, and eliminating discrimination. A culturally diverse workforce, therefore, is evidence of the firm's fair and just treatment of its employees. In contrast to the previous two perspectives, in the discrimination-and-

fairness perspective there is no instrumental link between diversity and the organization's work. Work groups in the consulting firm provided the best illustration of this perspective and the processes and outcomes associated with it. In fact, there was very little evidence of any other perspective in the consulting firm, and this perspective was largely absent in the other two firms we studied.

Consulting firm employees expressed this perspective most clearly in their statements about why the firm's affirmative action program was important. One white manager explained, "The firm created a community that is diverse based on a very clear sense that there should be equality and justice." Similarly, an African-American manager described the firm's philosophy as "everyone being equal or justice for all, being fair in regards to hiring, treating staff the same." A white manager elaborated as follows:

I think [the firm], from my vantage point, has made tremendous progress in its commitment to build both a just society inside, as well as a just society outside the organization. . . . I think the organization has committed itself to restructuring its population, its personnel makeup, in order to right some of the wrongs caused by racism and sexism in our society. . . . And the cost has been to turn down a lot of good, qualified white people for jobs, which we've had to do in order to make this program work. There's simply no way around it. . . . The other side of it is that the people of color in this organization have added immensely to it, I believe. . . . They have enriched the organization; they have helped us live up to our ideals of equality and justice.

According to this perspective, cultural diversity, as an end in itself, was not to influence the organization's work in any fundamental way. Although the firm established two committees whose mandate was to "infuse the firm's activities" with a "feminist" and "racial" perspective, respectively, in practice, these committees had virtually no impact on the firm's work. Instead, consistent with their discrimination-and-fairness perspective, they served a policing and advocacy function, scrutinizing the firm's treatment of women and people of color for evidence of sexism and racism and advocating on behalf of those groups when they deemed necessary. To the extent that these committees did influence the firm's program-related work, many employees were critical: "These committees tend to sometimes have more leverage, more power than perhaps they ought to have in decision-making," one white manager lamented. "They are sometimes allowed to make interventions and judgments of certain programs based on their [political clout] rather than on their knowledge and information." Another repudiated any attempts the committees might make to influence programmatic decisions or directions "on racial grounds," arguing that they should have no role in the "normal decision-making process of the organization."

Many members of the organization, both white and of color, prided themselves on being blind to cultural differences and equated the organization's philosophy of justice with its commitment to the notion that "everyone is the same," "everyone is just a human being here; it doesn't matter what color her is." As one African-American claimed, "I don't see people in color, I treat them all the same." Consistent with people's insistence that everyone is the same, there were at least two norms in the organization that operated to suppress any differences that did exist. The first was to avoid conflict wherever possible. Many reported having received a clear and consistent message from management that to express conflict was "potentially dangerous," as it "might do more damage than good." The second was a norm requiring assimilation to a white cultural standard. As one white manager

explained, while the goal was to be “entirely race blind” in personnel decisions, the “expectation is still that people will speak in normal English and write the way white people write.”

According to the discrimination-and-fairness perspective, one measures progress in diversity by how well the firm achieves its recruitment and retention goals. As one African-American executive explained, “a systematic monitoring of numbers” was a key indicator of whether or not “things are going along smoothly.” A Latina manager expressed a similar sentiment about the importance of numbers: “A significant number of people of color is a sign of something good about the organization.”

1. Impact on Race Relations

Participants’ descriptions of race relations in the consulting firm were nearly unanimously negative. People of all races described relationships between white and African-American employees, who made up the majority of the nonwhite staff, as “tense,” “cynical,” “hostile,” and “distrustful,” and described their own feelings as “disappointed,” “hopeless,” “helpless,” and “powerless.” Despite these shared sentiments, there were systematic differences in people’s characterizations of the problem, which tended to fall along a combination of racial and hierarchical lines. In particular, black executives and whites across the hierarchy tended to agree that employees of color were too quick to bring charges of racism against white people. One African-American executive was frustrated by her observation that any time management met to discuss a problem concerning an employee of color “people [of color] are up in arms and saying it’s racism.” A white manager voiced the same sentiment: “Whenever a person of color loses his job, there is an immediate perception that the decision to terminate the employee was a racist one.”

At the same time, there was a widely shared fear among whites that any form of conflict or confrontation, especially if perceived as instigated by a white person in relation to a person of color, would automatically implicate the white person as racist. One white manager explained, “I would find it difficult to challenge a person of color because I like to think of myself as not being prejudiced and would hate to be said to be prejudiced.” Another described the mounting pressure he felt, as a white male, “to show the correct attitudes towards race relations,” which he believed meant he was expected to agree with everything people of color said: “There is a level of psychological intimidation; you don’t question decisions or performance.” As a result, white managers felt it had become “increasingly difficult for supervisors to provide firm, fair, constructive supervision to people of color, who are prone to charge racism if they are criticized.” Where he “once felt that the firm’s commitments to fight racism were honorable,” one white manager now felt they were “getting to the point where we’re not just fighting racism; we’re setting up other standards for letting people get away with whatever bullshit they want to get away with.”

On the flip side, middle and lower level staff of color resented their white colleagues’ conflict-avoidant stance and fears of confrontation, as the cynical tone of the following comment illustrates: “There is a real sense on the part of some white people that whatever they’re going to do they’re going to get in trouble. They’re going to get accused of being a racist which is almost the worst possible thing that could happen to a white person here, short of dismemberment.” Many people of color argued that by keeping them from receiving honest feedback and getting the kind of supervision they deserved, this stance was itself racist. They felt that, as a result, they never knew when the “hammer may fall,” when “the trap door will drop.” In a recent incident, a black woman, who had been an employee at the firm

for ten years, was summarily fired for poor work performance and required to vacate the premises that afternoon. Though many conceded that her performance was problematic, people of color nevertheless organized a formal protest of management's failure to "confront her [early on] with her poor performance and treat her as if she were a normal, equal person." In another incident, many employees of color signed a petition to protest the disciplinary action taken against a black employee who was held responsible for money stolen from his department, arguing that the theft had occurred only because inadequate supervision had prevented him from taking the necessary precautions. As one black executive explained, these kinds of events "confirmed people's worst fears about the insensitivity of management to the well-being of employees of color." Both the white staff and the black executives in the firm emphasized privately the complicity of people of color in these incidents. One African-American executive lamented that people of color, once fired or disciplined, become "purer than snow" and often fail to recognize that their own behavior "is not always so desirable." Another was more cynical, arguing that "blacks know they can milk these [white] people because they [white people] are so afraid of confrontation."

When the disciplining supervisor in such incidents was a person of color, other people of color often interpreted his or her actions as the result of manipulation and corruption by white management. Several black participants described times when they believed whites had purposely used black managers to handle problems with black staff to avoid having their own confrontations. Two invoked a plantation metaphor to capture this dynamic, in which the "owners" (executives) used the "house niggers" (black managers) to look after the "field niggers" (black support and technical staff). Interestingly, the ultimate oppressors in this metaphor—the "owners"—were black as well as white in this firm. This is consistent both with the similarity in views we found between black executives, on the one hand, and whites, on the other, and with the perception many black employees shared that black executives "must have sold out in some way." One black support staff member explained:

The blacks here who have made it through to the top seem to have the same sentiments as their white managers. They seem not to speak out. Once they become manager they start to take on this identity of the other. Lower level blacks then tend to have problems with them, and I don't know if it's because the higher management blacks tend to feel as though they have to be a carbon copy to be successful, or maybe they really have a problem with the people of color who are under them.

Finally, we were struck by the fact that most of the public debates about "racial incidents" at this firm centered on the treatment of people of color rather than on the work-related problems that instigated that treatment. For example, many people, both white and black, believed that the woman who was fired in the incident above had routinely and inappropriately biased affirmative action searches in favor of candidates of color in her role as an administrator in the Affirmative Action department. And the man who was disciplined for the theft ran a function within a department that had long been losing money for the firm through inefficiencies and poor management. Neither the quality of her performance, nor the efficiency of his department, however, was central to the public debates that ensued, leaving important questions about these aspects of the organization's work unanswered.

That the tensions in race relations in this firm would be played out around charges and countercharges of racism and intimidation seemed ironic in light of the firm's diversity perspective, which emphasized fair treatment as its primary goal. Yet because it provided only a fairness-unfairness lens for viewing differences in point of view that fell, for whatever reasons, along race lines, this perspective in fact

seemed to foster the very kinds of tensions it sought to quell. Differences in work-related points of view were viewed as a problem of primarily moral and ethical dimensions. This in turn limited the kind of discourse in which people could engage, especially across races. Finally, the perception that upper-level blacks identified more with whites in the firm than with blacks fueled tensions between upper- and lower-level people of color, mitigating against constructive intragroup relations as well.

2. *Impact on Respect*

To a person, the program and support staff members of color we interviewed at the consulting firm reported feeling undermined, devalued, or disrespected in one way or another. The sense of having been denied honest, trustworthy feedback, for example, which led to a perception of standards as ambiguous and management as capricious was the source of these feelings for many. One black support staff member felt that incidents such as the abrupt firing of her black colleague sent a clear message: “We are not going to make an attempt to orient ourselves to you or deal with you like you are a woman or intelligent being, but when we get tired of you we are going to get rid of you however we decide.”

It was the belief that their competence was underestimated or overlooked, however, that produced by far the greatest sense of injury for most of the people of color we interviewed. They described being passed over for jobs they felt more qualified to do than the white candidates who were ultimately hired, ignored when they felt they had knowledge or skills to offer, and presumed automatically to lack the skills required to do their jobs competently. One black support staff member observed, “There’s just no way that you can be black and just know what you’re talking about or be able to learn something well enough for them to say, ‘go ahead, try it, and we’ll see how it works.’” Another explained, “There’s a tendency to put more credence in what is said by white people, not to act on something, till it’s confirmed by a white voice.” A Latina who worked on the program staff described her experience with lack of respect:

Often when I speak at meetings I have been treated either with indifference, or I have been treated with, “You don’t understand what you’re saying.” And there’s no effort to try and understand what I’m saying. . . . I find to this day that I’m treated with condescension on issues that I may know more about than they do. . . . They have a greater ease in recognizing skills and insights and wisdom when it comes from a white person than when it comes from a person of color. . . . Until they discover [an idea], until they express it with their own words and their own style, it’s as if it

Many shared the sense of having either to be white or to act white to be taken seriously. For example, several attributed what they perceived to be the unfair discipline of the black man held responsible for the stolen money to the fact that he “is black—his attire, his mannerisms—he has a street style. I don’t think they can really see past that.” As one Latina explained, “A lot of the tensions have to do with a difficulty in recognizing that the habits, the ways of doing things have been set by white people. And there hasn’t been enough recognition that just to include people of color isn’t really enough.” Because of the firm’s color-blind ideology, however, racial differences were taboo subjects for discussion, and it was therefore illegitimate to recognize, solicit, or offer work-related perspectives that were informed by differences in people’s cultural backgrounds. A number of the participants of color also described feeling “depressed” and “dispirited” at what they felt was the “paternalistic” or “patronizing” attitude

toward people of color generally and themselves in particular. About the white program staff members who do economic development in Africa, for example, one black manager said, “they treat black people like they’re little pygmy children.” He described his own treatment as an “exceptional black person” and the paternalistic attitude he felt that conveyed:

The white liberals treat the black community as if it’s one big housing project. [But] you [black interviewer] or I are something other than the black community; we are the exceptional black people. And basically, my view of what is wrong around here is that white people can deal with us as long as we’re downtrodden, helpless, hopeless, can’t do for ourselves, “thank you, thank you.” But when we say not only are we your peers but in some cases we are your mentors, that’s when the rage begins to set in. And “rage” is an intentional word. . . . It’s one thing if they allow us to share it with them. It’s another thing when we take it.

The paternalism that staff of color perceived in their white colleagues’ attitudes toward them appeared to stem at least in part from whites’ belief that the firm should uphold its moral commitment to affirmative action, even if it meant lowering standards for employees of color. One white manager explained that he was “leaning over backward to be generous and fair and understanding.” In doing so, he felt it was incumbent upon him to excuse staff of color for problems like tardiness, recognizing “that it may be far easier for me given my particular circumstances, living in the suburbs, to be able to maintain a schedule than it is for one with multiple pressures of being black and inner city.” Contrary to this man’s intentions, it was precisely this kind of charitable view that many blacks in the firm resented. It is consistent with a discrimination-and-fairness perspective on diversity in which whites interpret and respond to their perceptions of cultural differences within a moral frame: blacks were to be forgiven for their deviations from (white cultural) norms of acceptable behavior, as these deviations were merely understandable reactions to the unjust circumstances of their lives.

We heard comparatively little from black executives or from whites in any position about the ways in which they might have felt devalued in the organization. Black executives tended to comment on how blacks lower down felt devalued but said little about their own feelings in this regard. This is consistent with the fact that they were generally aligned with their white counterparts in their perceptions of the firm and its problems. And although one white male described feeling “denigrated” for being perceived as “not living up to the affirmative action goals of the firm,” whites did not register complaints about the level of respect accorded them in the firm.

3. Impact on Racial Identity

Not surprisingly, people of color typically characterized membership in their racial group as a source of powerlessness and disenfranchisement. One black manager explained, “It’s like a struggle between good white people and bad white people, and basically we’re observers, and we just are rooting for good white people to win . . . [We are] not participants in the resolution. . . . To the extent that [blacks] struggle . . . in the organization, it is a sense of ‘I’m not going to allow you to treat me like this in your house.’ . . . It is not a sense of ‘This is mine too.’” Consistent with this observation, several described feelings of self-doubt they often experienced as people of color and even questioned whether their apparent failings might be due to their own shortcomings as members of their racial groups. As one Latina explained, “So many of us find that it’s a sink-or-swim situation. . . . And I think that those of us who are part of the minority here feel that because of our temperament we’re not strong enough,

so that in the sink-or-swim, we sink.” Similarly, another felt that her boss ignores her completely, and she questioned whether “that’s a reflection on me as a Puerto Rican, or something I myself have made easy, you know, sort of like my personality gives room for him to feel comfortable doing that.”

Although many employees of color, particularly members of the support staff, wished that they were not seen as “black, hispanic, or whatever,” but were instead seen simply “for who they are,” there were several members of the program staff who saw their racial group membership as a source of cultural values for which they wished to be recognized. As one Latina said, “I want to be recognized for my own values and my own differences.” Similarly, a black member of the staff felt that “there are some differences that are cultural that are fine. Black people are not necessarily trying to be exactly like the dominant culture; it’s fine to have your own culture. It’s fine to recognize the differences.” Nevertheless, because they felt that whites were “afraid to recognize that there are differences in culture” and would find such expressions “very problematic,” these employees typically did not express their cultural differences. Some employees of color tended to resent this, accusing their seniors of “just becoming carbon copies of [whites] and . . . not really giving [whites] . . . a true sense of the feelings of a person of color.” Despite these criticisms and the similarities in points of view we found between white executives and executives of color, it was not clear from our interviews whether there were any people of color in the organization who, in fact, felt assimilated.

Most white employees—to the extent that they discussed the significance of their racial group membership at all—discussed it only as a basis for feeling intimidated, apprehensive, or reluctant to speak out about race-related issues. These employees tended to describe themselves as “oblivious” to what people of color were experiencing, “perplexed” by their complaints. Others were somewhat more reflective. The white executive director, for example, recognized that in race relations “although there is a wish to say that everybody starts out in the same place, and you should just deal as one infinitely valuable human being to another . . . all kinds of power stuff gets in there.” Yet, she had little to say about how she, as a white person in charge, might intervene to make race relations in the firm better. “There are only so many things somebody who’s white and in a leadership position can do directly on that subject,” she said. “[You just have to] be the best person you can be in terms of trying to make the program go the best way you can make it go.” Although she recognized that this was “not sufficient,” it was “about all I know to do.” Consistent with the discrimination-and-fairness perspective, she was, as a white person, limited to the moral realm as a way of understanding the role her racial identity might play in her ability to address racial issues.

4. Impact on Work Effectiveness

Although different groups laid blame in different places for the fact that whites were reluctant to disagree with people of color, challenge them, or provide feedback to them, most agreed that it compromised both individual and organizational effectiveness on a number of dimensions. “Because a lot of the problems here have not been dealt with openly,” a white manager explained, “they have been allowed to fester, and people who are incompetent remain incompetent.” In a similar vein, a black support staff member lamented her inability to get “corrective criticism” from her white supervisor, “which would only further support my desire, not only to do my job well, but also to gain as much knowledge about my job and any other technical skills as might be necessary to enhance my work.”

The numerous “racial” incidents and subsequent organizing, memo-writing, and meeting cost the organization not only the time and energy of the people of color who engaged in these activities on company time, but the morale of everyone who suffered from the tense work environment as a result. As one white manager explained, “the tension [over the firing of the black employee] was palpable in the organization, which made it harder to come in to work bounding with enthusiasm. These incidents affect everyone’s morale; you bounce back, but only until the next one erupts.” In response to a different incident, another described the whole organization as “grinding to a halt because of the morale problem.” Similarly, a Latina noted how difficult it was to “have those tensions all the time. It takes a lot of time and energy and emotion. I feel I haven’t been as productive or enthusiastic as I used to be.”

People of color also found it draining and time-consuming always to have to wonder whether their treatment was race-related or not. As one woman explained, “it really hampered me in the beginning, and I started to question myself all the time.” Others described how management’s apparent lack of interest in their ideas not only made them feel devalued but was potentially costly to the organization as well. One mid-level manager said he “had a vision” for the function he supervised but found it difficult to get the ear of “the people who can make a difference.” He said that although he tried to look past “the possibility that this was because of race,” it was difficult. He found management’s inattention both perplexing and depressing and, as a result, had decided no longer to offer his point of view: “Man, this is a business it’s their business. It seems like they would want to talk to me. I have approached some of the heads, and I just have not really been heard. I don’t think anyone has ever asked me, ‘What do you see for the future of [your department]?’ It’s a struggle for me to maintain my vision, and it’s getting to the point now where it’s almost just trying to survive.”

To the extent that whites associated the firm’s diversity with positive outcomes, it tended to be because they felt they had “learned an immense amount about race” or that the presence of people of color had helped them attain their “ideals of equality and justice.” There were several white program staff, however, who also felt that diversity had had a positive impact on their programs because members of other cultural groups were able to assist them in their program work with culturally similar client groups. One person, for example, saw the value of involving Latino staff in the firm’s Central American work because they had useful insights into race relations there. Similarly, another felt that input from African-Americans in the firm began to “challenge our [peace program’s] glib formulation of nonviolence.” More typically, however, people of color described their colleagues’ resistance to their using insights they had as a result of their particular cultural perspectives. An African-American program manager who headed their economic development activities in Eastern Europe tried to get his colleagues to consider reorganizing the firm’s development work according to similarities in countries’ development experiences rather than geographical area. Poland, he argued, had more in common with certain African and Latin American countries than with other European countries and therefore could benefit more from expertise developed in Africa and Latin America than in Europe. As an African-American, he felt he was perhaps less committed to the firm’s “Eurocentric” orientation, which he believed led his colleagues to assume erroneously—and to the firm’s detriment—that white countries have more in common with each other than with nonwhite countries. He never succeeded in generating a constructive discussion of this idea, however, because the exchange quickly degenerated into a debate about which view—the firm’s or his—was more racially motivated and therefore racist.

This reaction foreclosed opportunities for learning about how the organization might do its work more effectively.

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IV. DISCUSSION

This research builds theory about the conditions under which workforce diversity enhances or detracts from the effective functioning of organizations. We discovered that within a set of three culturally diverse organizations there were three different sets of expectations and beliefs that people held about cultural diversity and its role at work; each shaped group processes and individual experiences in different ways, which in turn had implications for effectiveness. In particular, the perspective on diversity a group of people held influenced how they expressed and managed tensions related to diversity, whether those traditionally underrepresented in the organization felt respected and valued by their colleagues, and how people valued and expressed themselves as members of their cultural identity groups; these, in turn, influenced how willing and able people were to work effectively and contribute productively to the organization's goals. The integration-and-learning perspective, the access-and-legitimacy perspective, and the discrimination-and-fairness perspective were successful in motivating managers to diversify their staffs, but only the integration-and-learning perspective provided the kind of rationale and guidance people needed to achieve sustained benefits from diversity. Table 2 summarizes the results of our study.

TABLE 2. SUMMARY OF DIVERSITY PERSPECTIVES AND OUTCOMES ASSOCIATED WITH DIVERSITY PERSPECTIVES			
	Integration-and-Learning	Access-and-Legitimacy	Discrimination-and-Fairness
Characterization of Perspective			
Rationale for diversifying	To inform and enhance core work and work processes	To gain access to and legitimacy with diverse markets and clients	To ensure justice and equality and eliminate discrimination
Value of cultural identity	High; a resource for learning, change, and renewal; should integrate cultural differences into core work and work processes as appropriate	Moderate; a resource only at the interface between organization and markets/clients; should differentiate to gain access and legitimacy; otherwise, assimilate to dominant white culture	None; it is a basis for unjust discrimination; should assimilate to dominant white culture
Connection between cultural diversity and work	Direct; incorporated throughout the work	Indirect; race-based division of labor to enhance access and legitimacy	None; norms against a connection

	Integration-and-Learning	Access-and-Legitimacy	Discrimination-and-Fairness
Characterization of Perspective (continued)			
Indicators of progress	Increased representation of traditionally underrepresented groups who have power to change organization; process and product innovation; shared sense that cultural diversity is resource for learning	Increased representation of traditionally underrepresented groups, especially in boundary or visible positions	Increased representation of traditionally underrepresented groups
Mediators			
Quality of race relations	Conflict resulting from cultural differences in point of view; open discussion of differences and conflict	Conflict resulting from differential status accorded different races/functions; little open discussion of conflict	Intractable race-related conflict; no open discussion of conflict or differences
Degree of feeling valued and respected	Employees of color feel fully respected and valued for their competence and contributions to the organization	Employees of color question whether they are valued and respected equally; perceive devaluation of functions staffed predominantly by people of color	Employees of color feel disrespected and devalued as members of minority racial/ethnic groups
Meaning and significance of own racial identity at work	Source of value for people of color, a resource for learning and teaching; a source of privilege for whites to acknowledge	Source of ambivalence for employees of color; whites not conscious	Source of powerlessness for people of color; source of apprehension for whites
Outcomes			
Work effectiveness	Enhanced by cross-cultural exposure and learning and by work processes designed to facilitate constructive intergroup conflict and exploration of diverse views	Enhanced by increased access and legitimacy; inhibited by lack of learning and exchange between racially segregated functions	Inhibited by low morale of employees, lack of cross-cultural learning, and the inability of employees of color to bring all relevant skills and insights to bear on work

The crucial dimension along which the three perspectives varied was whether and how cultural diversity was linked to the group's work and work processes. In the integration-and-learning perspective, cultural diversity at work is a potentially valuable resource that the organization can use, not only at its margins to gain entry into previously inaccessible "niche" markets but at its core to rethink and reconfigure its primary tasks as well. In those parts of the organizations we studied that embraced this perspective, this view of the role of racial diversity supported more constructive, openly discussible race relations; communicated to employees of color that they were valued and respected; and encouraged them to value and express themselves as members of their racial identity groups. These aspects of the way they functioned then afforded opportunities for cross-cultural learning, which enhanced the group's work. In the access-and-legitimacy perspective, cultural diversity is a potentially valuable resource, but only at the organization's margins and only to gain access to and legitimacy with a diverse market. In those parts of the organizations we studied that embraced this perspective, this view of the role of racial diversity led to race-based staffing patterns that matched the racial make-up of the markets they served. This fostered perceptions of white-staffed functions as higher status than functions staffed by people of color; racially segregated career tracks and opportunities, which fostered concerns among staff of color about the degree to which they were valued and respected; and ambivalence on the part of people of color about the meaning and significance of their racial identity at work. The resulting interracial/interfunctional tensions appeared to inhibit people from being maximally effective in their work. Finally, in the discrimination-and-fairness perspective, cultural diversity is a mechanism for ensuring equal opportunity, fair treatment, and an end to discrimination; it articulates no link at all between cultural diversity and the organization's work and, in fact, espouses a color-blind strategy for managing employees and employee relations. In the organization that embraced this perspective, this view of the role of racial diversity restricted the discourse about race to one in which employees negotiated the meaning of all race-related differences on moral grounds. Questions and concerns about fairness led inevitably to strained race relations characterized by competing claims of innocence, with each group assuming a defensive posture in relation to the other (Steele, 1990). Racial identity thus became a source of apprehension for white people and feelings of powerlessness for many people of color. This made it difficult for people to bring all relevant skills and insights to bear on their work, thus compromising their ability to be maximally effective.

Central to the theory we are developing here is the notion that cultural diversity enhances a group's effectiveness to the extent that the group truly engages its cultural differences as a resource for learning, change, and renewal. Such groups enact a perspective on diversity, such as the one we labeled integration-and-learning, that necessitates a fundamental shift in power relations, whereby standard practice, traditionally derived from within the dominant culture, is no longer automatically and unquestionably assumed to be best practice. Instead, group members use their cultural identity differences, which give rise to different life experiences, knowledge, and insights, to inform alternative views about their work and how best to accomplish it. The group's mission grounds and guides members' assessments of these views, which keeps discussions of differences centered on goal accomplishment. With this approach to diversity, members are able to address constructively conflicts or resistance that arise in the course of these discussions. Ultimately, this process can lead to increased effectiveness, while at the same time fostering trust among employees (Alderfer, 1987) and a sense of being collectively engaged in a common goal. These findings suggest how a group's perspective on diversity can create the condition of shared goals, which, consistent with our findings, others have shown, through experimental manipulation, to foster more positive experiences of conflict and more creative output in culturally diverse work groups (Chatman et al., 1998). Previous theorizing (e.g.,

Cox, 1993) notwithstanding, our findings suggest that cultural diversity in the senior ranks of an organization, which existed in all three of the firms in our sample, is not sufficient to produce the kind of shift in power relations that allows this to happen. Likewise, perspectives on diversity, such as the access-and-legitimacy and discrimination-and-fairness perspectives, that do not authorize group members to use their cultural experiences as a resource for rethinking and revising primary tasks fail to provide the wherewithal to manage intergroup relations effectively and, in different ways, systematically limit the contributions that a diversity of cultural experiences can make to the organization.⁵ These findings are consistent with research that suggests that a work group's success often hinges on members' ability to embrace, experience, and manage, rather than avoid, disagreements that arise (Gruenfeld et al, 1996; Jehn, 1997).

A. IMPLICATIONS FOR EXISTING THEORY

Our research makes four theoretical contributions. First, we identified a new construct—the perspective on diversity a work group holds—as an important moderating influence on the relationship between the group's cultural diversity and its effectiveness. Although the research literature contains rhetoric about the motivations an organization may have for diversifying its workforce, some of which resonate with the different perspectives on diversity we identified, it neither develops them nor recognizes them as among the “untested subjective concepts” that may intervene between the demographic composition of groups, on the one hand, and their effectiveness, on the other (Lawrence, 1997: 20). According to our research, a diversity perspective is the rationale that guides people's efforts to create and respond to cultural diversity in a work group, defined as a department or function within an organization or the organization as a whole, and is based in group members' normative beliefs about the meaning of cultural identity and the impact it can and should have on their work. We provide rich, qualitative descriptions of the group processes and member experiences that mediate the relationship between a group's diversity perspective and its effectiveness and, thereby, begin to map the interior of what Lawrence (1997: 2) called the “black box” of organizational demography.” Our research not only suggests how cultural identity differences can be linked to differences in knowledge bases and perspectives, which have been associated in previous research with increases in group effectiveness (Jehn, Northcraft, and Neale, 1999), but also demonstrates how groups can engage conflicts about their work, which often arise from such differences (Gruenfeld et al., 1995), so as to promote, rather than undermine, their potential for learning, insight, and problem-solving effectiveness.

Second, by linking a group's diversity perspective to group processes and members' experiences, our research contributes to the theoretical account of how a work group's culture affects individual and group behavior in organizations. Whether one views a work group's culture as a system of shared values, beliefs, and expectations or more broadly to include the embodiment of these in the group's formal and informal practices and cultural forms as well (Martin, 1992), a group's perspective on diversity, as we have defined it, clearly constitutes an aspect of its culture. In particular, we have identified how three different sets of collectively held beliefs and expectations about the role of diversity and meaning of cultural identity at work manifest in the actions of groups and individuals in everyday life.⁶ These include the nature of conflict and conflict resolution that arise between members of different cultural identity groups; the amount and type of influence people exert; the kinds of conversations that take place; the formal and informal roles people play; the extent to which cultural stereotyping occurs; and how people express or suppress their cultural identities at work. These behaviors not only have implications

for individual and group effectiveness, they are among the tangible enactments of this aspect of the group's culture, which in turn lends these enactments legitimacy and coherence (Giddens, 1984; Meyerson, 1994).

Third, our research points to the ways in which organizations moderate the impact of larger social processes on organizational functioning (Zucker, 1987). In contrast to the distribution of power between racial groups in society, all three of the organizations in our study had significant numbers of people of color in positions of power, yet their different perspectives on diversity suggested different strategies for managing this situation, which in turn had different consequences both for the balance of power between racial groups inside the organization and for the work group's functioning. The assimilationist strategies adopted by work groups that embraced either the discrimination-and-fairness or the access-and-legitimacy perspective seemed simply to replicate asymmetric power relations between racial groups in the larger society, inhibiting effective functioning. By contrast, the integrationist strategies adopted by work groups that embraced the integration-and-learning perspective seemed to foster more symmetric relations of power as well as more effective functioning. In making these connections, we extend the growing literature on organizational demography, which has begun to recognize and highlight the distribution of power within organizations as an important demographic variable moderating the impact of societal conditions on organizational behavior (Ely, 1994, 1995; Ragins, 1997; Lau and Murnighan, 1998; Thomas, 1999) to include work groups' perspective on their demographic make-up as well.

Fourth, our research suggests that just as some organizations attempting to diversify have done so from a discrimination-and-fairness perspective on diversity, so too has much of the organizational literature assumed this perspective in its approach to understanding diversity. Both in organizations and in organizational research, this perspective has been limiting. For example, scholars implicitly take a discrimination-and-fairness perspective on diversity when they characterize cultural aspects of identity, such as race and gender, as high on the dimension of visibility and low on the dimension of job-relatedness in explaining the negative effects of diversity on group functioning (e.g., Pelled, 1996; Jehn, Chadwick, and Thatcher, 1997). These scholars typically posit that because these characteristics are easily observable, they are more accessible as a basis for categorization and hence are more likely than less visible differences to motivate intergroup bias and feelings of hostility, anxiety, and frustration (Tsui et al., 1992; Strangor et al., 1992; Pelled, 1996). Furthermore, they posit that because these characteristics are not job-related—"they do not reflect task perspectives and technical skills" (Pelled, 1996: 619)—they do not spark "disagreements about task issues including the nature and importance of task goals and key decision areas, procedures for task accomplishment, and the appropriate choice for action" (Pelled, 1996: 620). Consistent with the discrimination-and-fairness perspective, this approach assumes that aspects of identity such as race and gender are relevant only insofar as they trigger others' negative reactions; they are therefore a potential source of negative intergroup conflict to be avoided in service of the task. By contrast, the socially constructed view of cultural identity we take in this research recognizes the role social context plays in shaping what is both visible and job-related and gives at least as much weight to the meaning people attribute to their own demographic characteristics as to the meaning they attribute to others'. This approach enabled us to identify constructive possibilities for the role of cultural identity precluded by approaches with a more static conception of identity.

B. LIMITATIONS AND FUTURE RESEARCH

Several features of the design of our research and nature of our data place some limitations on our ability to generalize our results and draw definitive conclusions. First, although we intend our results to generalize to organizations interested in benefiting from a culturally diverse workforce, our sample is not representative of all such organizations on a number of potentially important dimensions. Perhaps the most relevant dimension that differentiates the organizations in our sample from many others is that they are all driven by social and economic goals related in one way or another to communities of color, which likely explains their interest in cultural diversity in the first place. We have no data from this study to assess directly whether or how firms whose mission is not so readily linked to diversity would reap the benefits we found to be associated with the integration-and-learning perspective. We suspect, however, that even in firms in which the work *content* is less obviously related to the cultural competencies afforded by a culturally diverse work group, the insights and perspectives of such a group can nevertheless inform its work *processes*, as they did in the work groups we observed that adopted an integration-and-learning perspective. Another factor that differentiates the organizations in our sample from others to which we would like to generalize our results is that they were all relatively successful in their affirmative action attempts; all had achieved significant levels of diversity in hierarchical and functional positions traditionally occupied by white men. Thus, it remains unclear whether or how diversity perspectives influence firms that have yet to achieve these levels or in which educational and occupational status distinctions fall along cultural identity lines, as they currently do in most organizations. Further research should explore whether and how the diversity perspectives we identified—and/or others—have helped other organizations to recruit and retain high levels of workforce diversity, and with what consequences. These efforts should include research in organizations that, unlike those in our sample, are more purely profit-driven or, at least, less driven by social and economic goals explicitly related to communities of color and in organizations that have achieved varying degrees of success in their efforts to diversify.

Second, our data collection design allowed us to generate rather than test theory. The connections we propose here among the constructs we identified are, therefore, necessarily speculative. We are unable to determine what role, if any, contextual factors that happened to covary with diversity perspectives may have played in producing either the group processes and individual experiences we observed or the different levels of effectiveness we associated with them. Two such factors, which may be confounded with diversity perspectives, are the size and status composition of the work groups. The groups in which we observed the integration-and-learning perspective, in both the law and financial services firms, were small—four and seven people, respectively—and relatively homogeneous with respect to members' professional status. It may be that in small work groups, especially those in which members are of similar status, the problems caused by diversity are more easily overcome (Lau and Murnighan, 1998). Yet we witnessed and heard reports of rather difficult diversity-related problems in these settings, which people nevertheless were able to resolve constructively, and we observed other small groups of peers who seemed unable to do this. For example, in the consulting firm, the similarly small, racially diverse group of professionals working on economic development activities in Eastern Europe neither adopted an integration-and-learning perspective nor experienced constructive conflict. While it may be that in small work groups or work groups in which cultural identity differences are uncorrelated with differences in educational and occupational status, the integration-and-learning perspective and the group processes and member experiences associated with it are more likely to develop, our data suggest that it is no guarantee. In addition, although the law firm was small, with

only 12 employees, the financial services firm, within which we found another work group operating with an integration-and-learning perspective, was much larger, with 121 employees, suggesting that small *firm* size, although perhaps facilitating the culture changes necessary to implement this perspective (Riley, 1983), is also not a prerequisite. Nevertheless, the hypothesis our research points to—that a work group’s perspective on the role of cultural diversity moderates the impact of that diversity on its effectiveness—remains to be tested and refined with other samples of organizations. The group processes and individual experiences we propose here as the mediating factors that link the group’s diversity perspective to its effectiveness also require further empirical investigation, and researchers need to learn more about how those mediating mechanisms work in different organizational settings.

Third, among the groups we observed, we found three perspectives, and these were both mutually exclusive and exhaustive. After initially defining the diversity perspective construct, we were open to finding additional perspectives when we returned to the data to conduct a more thorough content analysis, but we did not find any. Nevertheless, there may well be additional perspectives or groups in which no single perspective prevails but where, instead, there are hybrid or competing perspectives. At this point, we are unable to speculate further about these possibilities, but recommend being open to them in future research. To assess a group’s diversity perspective, it is necessary to collect data from at least a representative cross-section of the group’s members. Researchers should aim to assess not only the group’s externally espoused values and beliefs but those that are internally enacted as well—its basic assumptions, which often remain concealed or unconscious (Schein, 1984; Barley, 1991; Martin, 1992). We recommend our method of observing behavioral interactions among group members from which one can infer normative beliefs and content analyzing responses to open-ended interview questions.⁷

Finally, we need to learn more about how and under what conditions work groups develop and change their perspectives on diversity and, in particular, how they change to the more promising one of integration-and-learning. Our casual as well as systematic observations of many organizations suggest that both the discrimination-and-fairness and the access-and-legitimacy perspectives are more common than the integration-and-learning perspective. The integration-and-learning perspective requires much more theoretical and empirical development to understand fully organizations’ potential for connecting cultural diversity to their core work and work processes. With such theory, organizations will be better positioned to gain the promised benefits of cultural diversity.

C. IMPLICATIONS FOR PRACTICE

The discrimination-and-fairness perspective that appears to underlie much of the existing literature on cultural diversity in organizations also shapes the advice many scholars offer to managers grappling with these issues. Our research suggests that this perspective has led scholars to misdirect managers’ efforts in several ways. First, scholars commonly advise managers to reduce the level of intergroup conflict by developing more effective, culturally sensitive ways of communicating. Though miscommunication is no doubt a problem, our research suggests that managers should develop a broader view about the meaning and role of intergroup conflict at work if they wish to reap the potential benefits of a diverse workforce, including the possibility that intergroup conflict may be the result of culturally linked differences in point of view. Our research suggests that substantive intergroup conflict can masquerade as interpersonal problems with communication and demonstrates

how focusing on such conflicts as if they were no more than interpersonal struggles may well be counterproductive.

Second, scholars interested in developing strategies to reduce prejudice and discrimination often urge managers to treat others as “individuals” rather than as group members and to help “those who are ‘different’ in organizations” to fit in better (Wanguri, 1996). As our research on the discrimination-and-fairness perspective bears out, however, advice to ignore or otherwise eliminate identity group differences can fuel a sense of unfairness and lack of respect among employees, defeating the potential benefits of diversity altogether.

Finally, scholars’ proposed strategies for better managing diversity typically focus on the human resource management practices of a company and on human resource practitioners as the key to success. These include strategies for recruiting and retaining members of traditionally underrepresented groups (e.g., Morrison, 1992), identifying bias that creates barriers to performance or recognition of performance (Cox, 1993), and training newcomers in the traditional ways of the company (Schreiber, 1996; see also Jackson et al., 1992). Although these all address important problems, none makes the link between cultural diversity and the organization’s work. That link requires managers and employees, not only in staff positions like human resources but in line positions as well, to rethink the role of cultural identity in the organization and to change their practices accordingly. This is no easy task. The challenge we pose requires that organizational leaders maintain for themselves and encourage in others a high-level commitment to learning, giving improvement-generating change greater priority than the security of what is familiar. Only when this happens will organizations’ diversity initiatives fulfill their rich promise.

¹ We often categorize the nonwhite members of our sample as a single group, which we call “people of color.” Although the particular racial and ethnic identities of these members varied, they too referred to themselves, in the law and financial services firms, as members of the larger group, “people of color” and, in the case of the consulting firm, as members of the larger group “Third World People.” Therefore, despite the many differences among the racial and ethnic groups represented in this study, participants themselves seemed comfortable identifying with a larger category, such as the one we use here. Following our participants’ lead, we also use the labels, “African-American” and “black,” interchangeably, though we sometimes use “black” to refer more generally to people of African descent.

² We completed our work in each organization with feedback sessions in which members of the data collection team presented their findings to the organization. The purpose of these sessions was to provide organization members with a picture of their organization, as the team saw it, and to give them an opportunity to react to and discuss the team’s findings. Although our preparation for these sessions was a first step in our process of learning about the organizations in our sample, we did not analyze the data to address our research question directly until we had completed data collection and feedback in all three. For this reason, we were not able to design the surveys to test our emerging hypotheses directly. To the extent that they contained measures of relevant constructs, however, they confirmed findings from our interview data.

³ We are currently preparing a paper in which we present the results of this part of our inquiry.

⁴ In each of the work groups we observed, a majority of members shared a similar, identifiable perspective on diversity; there were no systematic differences in perspective as a function of members’ cultural identities, and when there were dissenting views, they were held by those with relatively little formal authority or power in the group.

⁵ This is not to say that concerns about discrimination are unimportant nor that using cultural diversity to gain access to and legitimacy with different market segments is illegitimate; rather, our research suggests that these alone as the primary basis for a group’s diversity strategy will likely undercut the group’s effectiveness.

⁶ It appears from our data that in order for a diversity perspective to produce the results we have observed, group members must share the perspective across hierarchical as well as racial lines. Where we observed differences in perspective within a group, it tended to be those in the lower echelons of the organization’s formal hierarchy who deviated from the majority point of view. To the extent that there is active resistance from below to using diversity in service of the work, whether from the access-and-legitimacy or integration-and-learning perspective, these perspectives might be difficult to implement. Our observations tentatively suggest, therefore, that for a single diversity perspective to prevail in any given work group 1) a majority of members, including but not limited to those in formal positions of authority and power, share and be able to articulate the perspective; 2) no systematic differences in perspective exist as a function of members’

cultural identities; and 3) to the extent that there are differences, the relatively few dissenting views be held by those with relatively little formal authority or power in the group.

⁷ Assessment might also involve, for example, presenting vignettes for group members to interpret in ways that reveal the assumptions and beliefs underlying their group's behavior. These approaches are less subject to rationalization and self-conscious manipulation and are therefore less likely to be influenced by self-presentation and social desirability concerns than some other, more direct methods (Martin, 1992). Because each of the perspectives we identified, stated on its own terms, appeals to laudable goals and makes a reasonable argument for diversity, surveys with Likert-type scales on which people indicate their level of agreement with the different rationales and normative beliefs associated with each perspective would be inappropriate.

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