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COMMENTARY

Increasing minority employment: Are you ready to recruit?

Mary Lou Egan | Marc Bendick Jr.

Bendick and Egan Economic Consultants, Inc., Alexandria, Virginia

Correspondence
Mary Lou Egan, Bendick and Egan Economic Consultants, Inc., 319 Prince Street, Alexandria, VA 22314.
Email: marylou@bendickegan.com

To increase employment from desired race or gender groups, employers nearly always first turn to recruiting from outside their organization. But a few years after such initiatives are undertaken, diversity numbers typically remain low or even decrease, turnover among recruits from the sought-after groups is high, and the efforts are threatened by their recurrent cost. Employers need to break this fruitless cycle by thinking more strategically. Without an inclusive organizational climate that retains and fully utilizes minority employees after hire, simply recruiting more such employees will not lead to sustainable changes in workforce demographics. Drawing on empirical research, this paper describes six "red flags" that identify workplaces not ready to recruit. Only after organizational changes address the deficiencies identified by the red flags will the time for minority recruitment be at hand. But by then special focused recruitment may not be necessary; when employers change their workplace cultures to become truly inclusive, word gets around.

KEYWORDS

affirmative action, discrimination and recruiting, organizational culture, unconscious bias

1 | INTRODUCTION

When employers seek to increase their number of employees from specific demographic groups in the name of diversity, the first strategy they typically employ is to go outside the organization and recruit. At most, employers couple recruiting with a nod to retention by offering minority recruits mentoring or training to learn the organization's "rules of the game." However, a few years after such initiatives, diversity numbers typically remain low or even decrease, turnover among recruits from the sought-after group remains high, and diversity initiatives are threatened by their recurrent costs (Kochan et al., 2003). In spite of such failures to make diversity self-sustaining, the cycle begins again with the same complaints of how few "really talented" minorities are available "in the pipeline" and renewed searches for additional places to recruit recent graduates.

This paper is about the need for employers to break this fruitless cycle by thinking more strategically about how to increase diversity representation among its employees.

2 | BREAKING THE CYCLE

Although recruiting is an important part of any human resource (HR) diversity strategy, it is not the place to start. Before bringing more minorities or other outgroups into a workplace, the first question to ask is: What happens to them once they are hired?

Research is clear that the answer begins with the organization itself, specifically, with the organizational climate or "what people see and report happening to them and others in the organization" (Major, Davis, Sanchez-Hucles, Downey, & Germano, 2010) Climate is one of the most important aspects of a workplace because it strongly influences a variety of highly sought individual and organizational outcomes. At the individual level, it influences satisfaction, commitment, performance, absenteeism and retention. At the organizational level, it influences customer/client service and satisfaction, financial performance, and organizational effectiveness (Ostroff, Kinicki, & Tamkins, 2003).

Individuals' perceptions are formed through their own workplace experiences and those of their fellow employees. Often, the metaphor used to describe the differing perceptions among employees in the same workplace is that individuals experience workplace processes such as leadership practices, organizational justice, and workplace relationships through their own lenses.

These perceptions of organizational policies, practices and procedures are real, measurable, and influence how employees react and behave (Hayes, Bartle, & Major, 2002). For example, a study of a large, sophisticated multinational company (anonymized in this paper as MNC) completed by the authors confirmed that "out-group" characteristics—both visible and invisible—strongly predicted staff members' employment outcomes. That statistical analysis documented adverse employment outcomes for demographic groups targeted in the MNC's employment goals. For example, salaries averaged 5.1% lower for women, 3.2% lower for Blacks, and 2.5% lower for holders of developing country passports than they would have received if they had the same qualifications but "in-group" demographic characteristics. It is no wonder that different demographic groups see themselves working for different organizations.

If the organizational climate is perceived by minorities as not inclusive, then these employees tend to leave or, worse, stay but be less engaged and less productive. Thus, it is in an organization's best interests to create an organizational climate that is inclusive in the eyes of all its employees. This means creating an organizational climate which, through informal processes and formal rules, ensures that every employee has equal access to opportunities, resources, jobs throughout the organization, career paths, promotions, and equal pay for equal qualifications and performance.

Without an inclusive organizational climate that will retain and fully utilize minority employees, simply recruiting more minorities will not lead to the benefits sought by the organization.

3 | IS YOUR ORGANIZATION READY TO START RECRUITING?

How might an organization know that it has important work to do on its organizational climate before it is ready to begin minority recruitment? Six "red flags" often strongly hint that an organization is probably not yet ready to recruit.

> Red Flag #1: Has your organization conducted multiple analyses stretching over a period of years concerning the lack of minorities? Do the reports repeatedly describe the same basic issues and outcomes?

Organizations often respond to their lack of diversity by studying the reasons why they have not been able to make diversity sustainable. These studies may vary in format and quality but generally include focus groups, climate surveys, analyses of employee complaints, and/or statistical analyses. Once completed for the cycle at hand, these studies often simply go on the shelf. However, they offer important information that the organization could ill afford to ignore.

As a first step, it is insightful to notice simply the number of reports completed over multiple years. Next, it is important to consider whether similar themes occur year after year. Finally, it is useful to tabulate whether similar issues are raised by multiple outgroups within the organization. If the answer to these questions is yes, then that is a strong signal that the organizational climate is *not* inclusive.

We completed such a "counting" as part of our inclusion analysis of MNC. We discovered 16 diversity reports prepared over a 10-year period.

The reports addressed a range of diversity concerns; involved a variety of race, gender and nationality groups; examined different parts of the organization in different time periods; and employed a variety of research methodologies. However, when these studies were examined side by side, they demonstrated that multiple demographic groups had recurrently raised similar issues. Of the 21 diversity concerns raised in these studies, only three topics (14%) were of concern for only one of the three demographic groups examined, whereas the remaining 86% of issues were of concern to either two or three groups.

By itself, the fact that an issue was examined in a study does not prove that a group actually suffered inequities. However, it does signal that the issue was considered relevant to that group, either because members of the group complained or others were concerned on their behalf. It also signals something about how the organization is progressing in addressing organizational climate issues. If a compilation of reports surface similar problems year after year, then it is reasonable to presume that the systemic problems of lack of inclusion have not been effectively addressed.

> Red Flag #2: Does your organization, for example, hire African Americans for openings and career paths that begin and end in one part of the organization? Does the same "race matching" operate for other demographic groups?

In many organizations, the business case for diversity assumes that ethnic matching of minority employees and clients is beneficial to clients, minority employees and organizational productivity. To reach this conclusion, employers reason that minority employees "instinctively" or through life experiences are able to form better relationships with persons from their own group than with other demographic groups. As a result, clients and customers are supposed to feel more comfortable and understood, and organizational productivity will improve.

Instead, customers report that the actual key to sales effectiveness is a sales staff's ability to understand, communicate with and develop trust with them, regardless of how that is achieved (Martin, 2005).[1] The limited importance consumers attach to simple race matching has also been documented for single-dimension matching on other visible demographic characteristics such as gender, age, and ethnicity and across industries (Bendick, Egan, & Lanier, 2010).

Application of the faulty but common "business case" logic of matching staff to customers leads many employers to apply a single demographic as a proxy for a bundle of work-related skills when making employment decisions about individual employees. This reasoning represents stereotypical thinking that "all minorities are alike" (Bucher, 2008).[2]

The fallacy of using race rather than job skills as a predictor of job performance and customer/client satisfaction has been demonstrated in numerous studies across a number of industries. For example, a large drug store chain in the United States routinely assigned African American pharmacists and store managers to inner city stores with large numbers of African American customers. The chain assumed that simply being African American meant that minority customers would identify with the pharmacists and managers who would have local neighborhood knowledge, language skills and a similar appearance. In reality, this thinking was completely wrong about a variety of assumed matches. In terms of education, the pharmacists and managers were college graduates and neighborhood residents on average had no more than secondary school level educations. There was a broad income gap between the pharmacists and managers, who earned between $60,000 and $100,000 a year and neighborhood residents who averaged under $40,000. Ninety-five percent of store managers did not live in the local neighborhood of their stores and so did not share daily life experiences or personal networks. Finally, as many as 60% of the residents in the neighborhoods the company labeled "African American" were from other racial groups (Bendick et al., 2010).

The employment consequences for the managers were severe. Not only did matching limit the range of stores they were assigned, but these stores were "career killers." The inner city stores they managed were smaller and had lower store volumes, which resulted in smaller bonuses for their managers. The stores also had higher rates of crime which forced assistant managers into longer working hours and thereby reduced their opportunities to complete training needed for promotion to store manager. Consequently, African American managers on average earned less, took longer to be promoted, and voluntarily quit the company sooner than their white counterparts.

Multinational organizations are not immune to this same reasoning and its deleterious consequences. For example, our study of MNC documented that while non-Black staff moved around the organization relatively freely, Black staff did not have the same mobility. Compared to equally qualified persons of any other race, being Black was associated with a 6.5% reduction in the probability of changing corporate departments each year.

Concurrently with limiting career opportunities for minorities, the practice of race matching reduces the diversity benefits for the organization employing them. These benefits include expanding the choice of job candidates by considering individuals from all segments of the labor force and enhancing organizational creativity by mixing such employees with employees of other backgrounds (Kochan et al., 2003).

> Red Flag #3: Are few or no managers trained in the skills that reduce unconscious bias and stereotyping in everyday functions—skills such as behavioral interviewing, basing employment decisions on explicit criteria, and writing unbiased performance appraisals?

In many workplaces today—especially in sophisticated, professional organizations—blatant sexism and racism are infrequently expressed. However, that silence does not mean that discrimination has disappeared. Social psychologists have identified more subtle forms of prejudice and bias called "unconscious prejudice" or "implicit bias" (Banaji & Greenwald, 2013).[3] A particular danger of implicit biases is that they appear even in workplaces where the organization and its employees are free of conscious bias against identifiable groups and therefore believe themselves completely bias-free.

The powerful, unconscious psychological and social processes of implicit bias tend to result in important differences in treatment of groups or individuals. Often, these differences are not dramatic in magnitude and therefore are sometimes referred to as "microinequities." For example, average salary increases for members of one group might differ from that for members of other groups by only a few hundred dollars; wording in performance evaluations for members of the groups might differ only in degree of enthusiasm; or individuals in one group might sometimes be included in informal, network-building socializing but less frequently than coworkers from other demographic groups.

However, the relatively small size of individual microinequities is belied by their cumulative effect (Valian, 1999). As individuals' careers develop over years and decades, the ways these individuals are perceived and treated, and what opportunities are open to them at each moment tend to be shaped by the track record they have accumulated prior to that moment. Thus, each microinequity has both an immediate effect and a "ratcheting" effect as decision-makers react to an employee's past record and the cumulative effects of past judgments. The significance of microinequities is not just their immediate impact but rather that they place and keep minorities on different, lower growth career paths than their nonminority counterparts who began with equal qualifications.

Adverse behavior based on implicit bias can be controlled when individuals have the motivation to do so, such as when an individual experiences antibias social pressure from fellow employees or when promotions, raises or other professional success depends on unbiased behavior. But in addition to motivation, individuals need to be equipped with skills and tools. Some tasks managers perform routinely are particularly prone to implicit bias, including performance reviews, hiring decisions, interviewing, and coaching. Skill training, supported by HR management procedures that set up the best possible situations for bias to be controlled, can reduce microinequities substantially (Bielby, 2008). And these procedures are not difficult. However, managers, cannot realistically be assumed to follow these procedures of their own accord, or even be aware of them, if they have never been trained.

> Red Flag #4: Is there no recurrent monitoring at the organizational level to find systemic differences in pay, promotions, attitudes and job opportunities among employee groups?

Repeated monitoring and analysis help to identify problems correctly so that the organization can design appropriate solutions, be assured that solutions are being implemented, and determine if the efforts are achieving the desired objectives. For example, suppose that Jill learns that her male colleagues earn more than she does for similar work and goes to her manager with that information. The manager's first reaction might be to simply raise Jill's salary to that of her male colleagues at the time of her complaint. Assuming that Jill is equally qualified and as productive as her male colleagues, this might be an adequate response to an isolated incident, such as one manager's mistake in an otherwise inclusive organization. However, if biases are systemic, then after the one time raise, Jill would start to fall behind again. In addition, other women would remain underpaid in relation to their male colleagues. Therefore, Jill's manager should first know the answers to the following questions before implementing a solution. Is Jill less qualified or less productive compared to her male colleagues and deserves lower pay? Is Jill receiving a lower salary because she is being discriminated against? Is Jill's lower salary part of a wider pattern against women in the organization?

How can an organization answer such questions? Simple techniques, such as comparing responses to employee surveys from members of different demographic groups, can offer the organization a low cost but insight-rich initial clue into how various groups perceive the organization. Are different groups in effect working for different organizations? If this is the case, then systemic bias may be the cause.

To measure systemic bias rigorously requires multivariate statistical techniques such as multiple regression analysis.[4] These analytical tools allow organizations to answer essential questions that cannot be answered definitively from more subjective sources such as attitude surveys or focus groups. Multivariate analysis is particularly effective in detecting systemic bias in an age of subtle microinequities; it can define "outgroups" to reflect today's definition of diversity as a combination of visible and invisible differences; and it can accurately compare individuals whose qualifications are complex and multidimensional.

For example, our study of MNC examined over 4,500 mid-level and senior level professionals in managerial grades. We created 16 metrics as explanatory variables, along with "human capital" variables representing employees' education, experience and other job-related qualifications. Our statistical analysis using multiple regression found that both visible and invisible out-group characteristics significantly affected staff members' employment outcomes such as salaries, promotions, and lateral mobility. This analysis provided evidence of systemic bias against women, racial minorities, and other outgroups. For example, in comparison to equally qualified persons of any other race, being Black was associated with a 3.2% lower annual salary and a 36.3% reduction in the probability of being in a managerial grade.

> Red Flag #5: Is individual managerial accountability for inclusion outcomes lax or nonexistent? Are there no real consequences for managers who ignore their employer's inclusion goals? Real consequences refer to high stakes employment decisions such as promotions, bonuses, or even firing.

Organizational structures that embed accountability, authority, and expertise increase the likelihood of achieving real and sustainable results (Kalev, Dobbin, & Kelly, 2006). Lax managerial accountability signals that diversity and inclusion are not part of the core mission of the organization and are not a priority for senior management. In other words, lax accountability suggests that diversity and inclusion outcomes are only a residual or "nice but not essential" aspect of managers' performance. Indications of this latter approach to diversity and inclusion are seen when managers who are particularly good at valued core business functions are given a "free pass" on diversity and inclusion goals. The approach is also evident if, when diversity and inclusion conflict with core business goals, they are sidelined while managers "attend to the real business at hand."

If creation of a diverse workforce and an inclusive organizational climate are seriously valued as essential to an organization's success, then these inputs are tracked, measured and managed (Thomas, 2004). Some have suggested that accountability for inclusion be considered similar to accountability for workplace practices that ensure physical safety—they are essential, apply to everyone, and must be practiced all the time.

Accountability for inclusion results is not a new or particularly complex idea to implement. Instruments and procedures are readily available to hold employees accountable through performance evaluations, bonuses, incentives or promotions (Digh, 2001). What is rarer are organizations willing to enforce accountability as though it is truly an essential aspect of their core business.

> Red Flag #6: Does the recruitment strategy for increasing minorities focus on entry level hiring without minority hiring at mid and senior levels?

If none of the first five red flags appears, then one final flag must be considered before recruiting begins. Do the organization's plans for enhanced minority and outgroup recruiting also include hiring at the middle and senior levels?

When nonminorities are recruited at all levels of the organization and minorities are not, Red Flag #6 raises questions about implicit stereotypes about minorities. The common phrase associated with minority recruitment is "increasing the talent pipeline." That approach generally is interpreted as going outside the organization to fill entry level jobs. Recruitment efforts do not seek to fill the entire pipeline from entry levels to senior management. They also commonly overlook internal minority candidates who are bumping against glass ceilings (Elliott & Smith, 2004).

When organizations limit minority recruitment to entry level jobs, the process implies that the organization believes that there is not a professional, talented cohort of minority middle and upper level managers comparable in quality to nonminority applicants. Implicitly, this assumption reflects a more general view—a stereotype—that all minorities are inexperienced or ill-prepared. In this case, that assumption translates into a belief that the best way to "build talent" is to hire recent graduates and through special programs and "catch-up" training, eventually bring the minority employees "up to the organization's standards" and mold them to fit the corporate culture. It implies that only through careful selection, and by being trained while still malleable will minorities develop the skills necessary to equal nonminority candidates and eventually move up the corporate ladder.[5]

4 | CONCLUSIONS

While recruiting is an important part of any diversity strategy, without an inclusive organizational climate, employee diversity and its benefits will not be sustainable. *For most organizations, recruitment is not the place to start; making the organizational climate inclusive is the key to a sustainable strategy.*

Once appropriate organization development initiatives are in place and have had an opportunity to affect the organizational climate, then the time for enhancing minority recruitment may be at hand. However, at that point, special minority recruitment might not even be necessary. When major employers change their workplace cultures to become more inclusive, word gets around fast (Bendick & Egan, 2015).

NOTES

[1]For example, African-American and Caucasian salespeople do not exhibit significant differences in terms of their customer relationship effort and overall performance (see Martin, 2005).

[2]Diversity is not a single demographic characteristic but rather a complex mix of visible and invisible differences (see Bucher, 2008).

[3]To test your own implicit biases, go to Project Implicit at Harvard University, https:implicit.harvard.edu.

[4]Multivariate statistical analysis allows for the simultaneous observation and analysis of more than one statistical variable. Thereby, for example, the effect of race and gender on salaries can be accurately separated from the effect of employees' qualifications and productivity.

[5]Not recruiting minorities for upper level positions may also say something about the fear of minorities in more powerful positions within the organization, namely that increased diversity might actually spark organizational change. This is a sign that the organization is recruiting minorities for political or moral reasons but really does not believe that diversity will contribute positively to the organization (see Elliott & Smith, 2004).

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AUTHOR'S BIOGRAPHIES

Mary Lou Egan, M.B.A., Ph.D. is a coprincipal in Bendick and Egan Economic Consultants, Inc. (www.bendickegan.com; marylou@bendickegan.com). Her research and consulting focus on corporate strategy and the role of the private sector in solving public problems. She has taught international business and economic development at universities in the United States and Europe.

Marc Bendick Jr., Ph.D. is a coprincipal in Bendick and Egan Economic Consultants, Inc. (www.bendickegan.com; marc@bendickegan.com). An economist, his research and consulting center on employment, poverty, and initiatives to enhance mainstream opportunities for traditionally excluded individuals and communities. He appears frequently as an expert witness in antidiscrimination class action litigation.

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