

Race-Related Differences in Promotions and Support: Underlying Effects of Human and Social Capital

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Abstract

This study examined two alternative explanations for disparity in reported work-related experiences and outcomes between black and white managers: treatment discrimination because of race, and differences in human and social capital. Education and training, representing human capital, and racial similarity of network ties and proportion of strong ties, representing social capital, were used to predict whether human and social capital would mediate the relationship between race and the work-related experiences and outcomes under investigation.

Results of a survey of black and white managers in a Fortune 500 financial services firm indicate that black managers reported a slower rate of promotion and less psychosocial support than white managers. Race had both a direct and an indirect effect on these outcomes. Participation in company training significantly predicted reported promotion rates, but race remained a significant predictor. Additional analysis revealed that race moderates the relationship between human capital and promotion rate and suggests a type of treatment discrimination against blacks. Contrary to predictions, social capital did not predict promotion rate, although social capital mediated the relationship between race and psychosocial support. Black managers reported having less social capital than whites, and social capital, in turn, was positively related to the receipt of psychosocial support. No differences were found between blacks and whites in their receipt of career-related support.

(*Human Capital; Networks; Occupational Mobility; Race; Social Capital*)

Over the last several decades, blacks have made substantial advancements in American corporations (Collins 1997). Moreover, the proportion of blacks in the workplace is expected to continue to increase into the new millennium (Johnston and Packer 1987). Despite such advances, there is limited scholarly research on the relationship between race and work-related experiences and

outcomes (Brief and Hayes 1997, Cox and Nkomo 1990), and the research that does exist offers contradictory findings. For example, some scholars fail to find a direct effect of race on work-related variables such as promotions and access to mentoring support (e.g., Nkomo and Cox 1990, Powell and Butterfield 1997, Sheridan et al. 1997, Thomas 1990). Other researchers have found that blacks are in fact advantaged regarding promotional opportunities (e.g., Shenhav 1992). The majority of research, however, indicates that race is a contributing factor to black-white differences in the workplace with more favorable treatment directed toward whites (e.g., Alderfer and Thomas 1988, Cancio et al. 1996, Cianni and Romberger 1995, Greenhaus et al. 1990, Ibarra 1995, Jackson et al. 1993). Given this ambiguity, the purpose of this article is to examine the career experiences of black and white middle managers. Two research questions guided this study: Are there work-related experiences and outcomes that differ between black and white managers? And, more importantly, if so, why do these differences exist?

To date, two primary arguments have been offered to explain the disparity between blacks and whites in the workplace, especially in situations in which blacks are disadvantaged (Morrison and Von Glinow 1990, Sheridan et al. 1997). On the one hand, there is a belief that discrimination exists and that any disparity is strictly a function of race, independent of any other factors, and the negative stereotypes and racial attitudes directed toward blacks. On the other hand, there is the equally plausible argument that factors other than race account for differences in work-related experiences and outcomes between blacks and whites. Among other things, these factors include racial disparity in human capital attainment (e.g., education and training) and qualitative differences in one's social capital (social network characteristics such as demographic similarity and tie strength). I tested these competing, although not mutually exclusive, arguments.

In the sections that follow, I use these alternative explanations to develop hypotheses about the difference between black and white managers on two work-related experiences and outcomes: promotion rate and perceptions of social support. These outcomes are particularly important for a number of reasons. Promotions are an important source of wage growth (McCue 1996) and, if obtained early in one's career, help one stay competitive for higher-level, more executive-type jobs (Rosenbaum 1979). Career-related support, in which colleagues share organizationally relevant resources and information, and psychosocial support characterized by emotional support and trust, enable "individuals to address challenges encountered when moving through an organizational career" (Kram 1988, p. 1).¹

Treatment Discrimination

The first argument for differential experiences between blacks and whites is "treatment discrimination," defined by Levitin et al. (1971) as denial of rewards, resources, or opportunities on the job that one legitimately deserves as a result of his or her subgroup membership—in this case, race. Organizational members can be discriminated against on the basis of a number of factors at the individual, group, and organizational levels. At the individual level, discrimination can result from stereotypes and other negative racial attitudes such as prejudice (Brief 1998). At the group level, discrimination can be understood with respect to what Halaby (1979) and Tomaskovic-Devy (1993) called social closure practices. From an organizational perspective, discrimination can result from unconscious institutionalized practices and structural barriers (Kanter 1977, Lefkowitz 1994).

Individual-Level Discrimination

Our understanding of discrimination at the individual level is based in part on the social psychological literature addressing stereotypes and prejudices. Stereotypes represent a common set of beliefs held by individuals about the personal attributes shared by a group of people (Hilton and von Hippel 1996). These beliefs are generally inaccurate and oversimplified generalizations, and when individuals direct these beliefs toward out-group members the stereotypes tend to be negative in nature (Esses et al. 1993). Stereotypes are thought to form based on an individual's observation of the social roles that particular group members occupy in a given society (Eagly 1995), and without consistent evidence to the contrary, stereotypes become a relatively enduring cultural phenomenon (Brief 1998).

In the United States, blacks have historically been portrayed as occupying low status and inferior roles. They

are stereotyped as being lazy and of lower intelligence than whites. Consequently, it may be difficult for whites, who occupy a higher social status, to view blacks on an equal footing with them, particularly in the workplace. In one study, for example, teams of black and white job candidates were sent to apply for the same jobs (Essed 1991). The candidates were matched in terms of sex, age, appearance, articulateness, how they applied for the jobs, and fictional job qualifications. The findings revealed that the white candidates were chosen over the black candidates in 29% of the cases, whereas blacks were favored over whites only 5% of the time. Given that the two sets of candidates were matched on multiple criteria, it is reasonable to conclude that such behavior was at least partially influenced by stereotypes.

Prejudice is an outgrowth of the stereotypes held about a particular group of people. A person is prejudiced if the negative stereotypes held toward another group represent his or her own personal beliefs (Ashmore and Del Boca 1981). In other words, to be prejudiced means to endorse negative stereotypes, and prejudicial behavior is acting on those stereotypes. A number of studies have examined, either directly or indirectly, the relationship between prejudicial attitudes and treatment discrimination. Brief et al. (1997) found that white Americans who scored high on a modern prejudice scale were more likely than whites who scored low on the scale to discriminate against blacks with respect to the number of blacks selected for a job interview. Thus, when negative stereotypes lead to prejudicial behavior, treatment discrimination is more likely to occur.

Group-Level Discrimination

Social closure practices represent exclusionary activities at the group level. In this case, high-status group members (e.g., whites) make it difficult or impossible for low-status group members (e.g., blacks) to participate fully in the organization (Halaby 1979, Tomaskovic-Devey 1993). Such activities are similar to prejudicial behaviors in that both are likely to result in treatment discrimination against out-group members. Social closure activities differ from prejudicial behavior, however, because they require two or more people to collude against the out-group, whereas a single individual can act prejudicially. Exclusionary practices invoked by whites, for example, may include secretly reserving certain opportunities and the best positions for members of their own status group, thereby preserving their identity and the status that goes along with it. Scholars have argued that blacks experience the negative consequences of social closure practices in two important areas: 1) gaining access to people in the

organization who can facilitate their acceptance into organizational networks and 2) gaining access to developmental relationships providing career-enhancing and psychosocial support (Cianni and Romberger 1995, Dreher and Cox 1996, Ibarra 1995, Thomas 1990). Blacks have also been denied access to organizational opportunities such as promotions, salary increases, and challenging job assignments (Cancio et al. 1996, Dreher and Cox 1996, Greenhaus et al. 1990, Tomaskovic-Devey 1993). Such denial is representative of treatment discrimination from a social closure perspective.

Organizational-Level Discrimination

There are two examples in particular that portray treatment discrimination at the organizational level. Kanter's (1977) seminal theory of minority status and the empirical research it has spawned (e.g., Izraeli 1983, Sackett et al. 1991) have described how numerical representation and the distribution of social groups in an organizational context can adversely affect career outcomes for people whose group is underrepresented (e.g., blacks). Kanter stated that minority status is associated with personal and occupational pressures that negatively influence the achievements of tokens. Moreover, majority group members tend to have heightened expectations of and more intensely scrutinize the work-related behavior of the minority group. Such scrutiny, in turn, hampers the performance of minorities relative to majority group members. The behavior of the majority group, in this case, represents treatment discrimination in that minorities are treated differently than the majority, and such differential treatment adversely affects the underrepresented group in terms of performance and the distribution of organizational rewards. Although Kanter's work on minority status was initially postulated to describe the experience of women in managerial positions, it has since been found to be relevant for a variety of groups representing the numerical minority, including men, and people of different racial groups (Heikes 1991, Li 1994, Williams 1995).

A second example of organizational-level discrimination reflects unconscious and institutionalized practices that adversely affect blacks. In a study of clerical employees, Lefkowitz (1994) serendipitously found that black new hires were four times more likely than whites to be assigned to a black supervisor, and those who were reassigned within five months were even more likely to be assigned to someone of the same race. Moreover, the top managers of this organization indicated no knowledge of an explicit policy that could account for the ethnic congruence. In other words, there seem to have been tacit norms and other implicit organizational influences operating to direct blacks to certain jobs. With respect to treatment discrimination, these findings are important because

even blacks with supervisory status are less likely to be concentrated in the more powerful line positions, which is important for occupational mobility (Nkomo and Cox 1990). In addition, black mentors and supervisors are less likely than their white peers to command the respect deemed necessary to advocate for their subordinates and protégés (Dreher and Cox 1996).

The sampling of treatment discrimination research described above illustrates that discrimination can exist at multiple levels in an organization, and that discriminatory behaviors across all levels produce disparities between blacks and whites in work-related experiences and outcomes. People may individually engage in discriminatory behavior by acting on prejudices, or they may act with others (oftentimes unintentionally) to foster environments of exclusion (social closure practices) or structural barriers (organizational discrimination) that adversely affect minority groups. Thus, discrimination not only seems to favor whites, it also appears to be based in part on a non-work-related criterion—race. Therefore, the following hypotheses seem warranted:

HYPOTHESIS 1A. *There will be a direct effect of race on promotion rate, such that black managers will report a slower rate of promotion than will white managers.*

HYPOTHESIS 1B. *There will be a direct effect of race on career-related and psychosocial support, such that black managers will report receiving less psychosocial and career-related support than will white managers.*

Non-Race-Based Explanations

The intent of the above hypotheses was to address the first research question: Are there disparities in work-related experiences and outcomes between black and white managers? If these hypotheses are supported, then the next task is to understand why these disparities exist. The previous section suggests that the differences result from treatment discrimination, in which case race should exert a significant effect on the outcome variables. An alternative explanation is that factors other than race account for the disparity. The literature offers two important alternative factors: human capital and social capital. Human capital theory states that people having more job-relevant resources, such as education and training, should receive more organizational rewards (e.g., promotions) than people with fewer of these resources (Becker 1975). Similarly, social capital theory posits that certain qualities in workplace relationships (e.g., strong ties) are beneficial for receiving organizational rewards, and employees whose relationships are not characterized by these qualities are at a disadvantage (Burt 1992). If human and social capital variables truly account for any observed disparity between blacks and whites in work-related

experiences and outcomes, then the significance of race should wane, if not disappear altogether, when controlling for those factors.

Human Capital

Initially developed by Becker (1975, p. 9), human capital theory is "concerned with activities that influence future monetary . . . income by increasing the resources in people." The theory assumes that there is a relatively efficient labor market in which individuals are sorted into particular jobs and wage levels commensurate with their human capital investments. Activities such as schooling and on-the-job training are considered to be investments in human capital that give rise to improvements in one's skill and knowledge base. These improvements are said to provide a competitive advantage to those individuals who have made human capital investments relative to those who have not (Forbes and Piercy 1991). The logic behind the argument is that investments in human capital lead to increased employee performance and productivity, which then justifies a higher rate of monetary return to the employee (Becker 1975). Although the current study does not explicitly examine salary treatment, salary and promotions are interrelated. As one advances in the organizational hierarchy, there is generally a corresponding increase in salary (McCue 1996, Rosenbaum 1979). Therefore, promotions may be seen as a proxy for salary treatment.

Education and training are generally regarded as two of the most important human capital investments one can make in that an individual cannot be separated from his or her knowledge and skills (Becker 1993). Freeman (1976) found empirical evidence that the average earnings for college graduates rose substantially throughout the 1960s relative to the average earnings for high school graduates. Similarly, Murphy and Welch (1989) documented that monetary gains from a college education rose sharply during the 1980s to the highest level during the previous 50 years. More recently, Veum (1995) found that workers who participated in company training received higher wages than those who did not. Thus, the more resources individuals bring to the job, the more valuable they become to the organization because of anticipated increases in productivity and performance (Becker 1975, Maranto and Rodgers 1984). As a result, these individuals should receive more benefits than those of their counterparts who have fewer human capital resources.

Proponents of the human capital theory posit that differences in wages and promotion rates across groups of people result from individual differences in productivity or performance from such human capital investments as

education and training (Becker 1975). If women and blacks accrue less human capital over time than their white male counterparts, then their career progression, including their promotion rate, would be slower (Stroh et al. 1992). Alternatively, if they have invested as much as white men, then there should be no difference in their promotion rate. Thus, human capital theory suggests that if minority groups such as women and blacks are underrepresented in top management positions, we can infer that these groups have fewer human capital resources. Several studies provide support for this explanation. Rivkin (1995) found that, compared with whites, blacks were significantly less likely to attend school at three measured time periods: last six months of senior year in high school, first semester of college, and seventh semester of college. Similarly, Maxwell (1994) reported that the gap between the college attendance rates for whites and blacks widened during the 1980s, with proportionally more whites attending college than blacks.² However, these studies did not examine the human capital distributions for blacks and whites who work in the same organization.

In summary, human capital theory suggests that there is an indirect relationship between race and promotion rate through such intervening variables as education and training.

HYPOTHESIS 2. Human capital resources (education and training) will mediate the relationship between race and reported promotion rate.

Social Capital

Social capital, like human capital, constitutes certain kinds of resources available to individuals. Social capital resources represent the qualities that characterize the network of relationships one has with organizational peers, subordinates, and superiors. These relationships are important because they can be used to facilitate career advancement and the receipt of organizational support such as career-related and psychosocial support (Coleman 1986). Consistent with previous research (see Ibarra 1993 for a detailed review), social capital is examined here with respect to two network characteristics: racial similarity and tie strength.

Racial Similarity. Demographic similarity refers to social groupings characterized by similarity on a number of dimensions, including race, sex, status, organizational affiliation, and educational level, to name a few. Empirical evidence has consistently shown that individuals interact more often with members of their own social group (broadly defined) than with members belonging to other social groups (Berscheid 1985, Levine and Moreland 1990, Lott and Lott 1965), and such interactions are believed to result in relevant organizational consequences

(Glaman et al. 1996, Ibarra 1995, Jackson et al. 1991, Kram and Isabella 1985, O'Reilly et al. 1989, Smith et al. 1994, Tsui and Farh 1996, Tsui et al. 1992). Consistent with this work, organizational researchers have found that people belonging to the same racial group are more likely to form relationships with one another than are people who are racially dissimilar (Dreher and Cox 1996, Thomas 1990). According to the social capital argument, the advantage of same-race relationships is their proclivity to lead to desirable organizational consequences, including information exchange, social support, and career advancement. Alternatively, having limited or no social capital in the form of racial similarity has been shown to impede relationship formation and, consequently, to limit the organizational benefits resulting from those relationships (Ibarra 1995, O'Reilly et al. 1989, Tsui et al. 1992).

Tie Strength. Tie strength is a resource of social capital characterized by the amount of time, emotional investment, and reciprocity involved in a relationship between two or more people (Granovetter 1973). Strong ties are characterized by close bonds or ties between people and tend to link people of similar backgrounds, people who generally move in the same social circles. By definition, strong tie relationships require a great deal of time and effort to maintain, are emotionally intense, and are reciprocal. Weak ties, in contrast, include acquaintanceships and other relationships characterized by loose or weak connections. Compared with strong ties, weak ties require far less attention and emotional investment, and may or may not be reciprocal.

The notion of tie strength originated in Granovetter's (1973) seminal article describing the importance of weak tie relationships. Since then, much of the network literature has emphasized the instrumental value of weak ties as conduits by which socially distant ideas and information (e.g., notification of a job opening in another company) reach a particular person (Baker 1994, Montgomery 1992). More recently, however, strong tie relationships have gained attention in organizational research, in part because of their role in establishing centrality in organizational and communication networks (Brass 1984, Ibarra 1992) and their ability to provide a context for the exchange of career and psychosocial support (Kram 1988, Thomas 1990). In addition to establishing the support function provided by strong ties, researchers have found that strong ties to superiors may also aid in internal promotions and other career outcomes (Dreher and Ash 1990, Keele 1986, Ragins 1994, Tsui and O'Reilly 1989, Useem and Karabel 1986). For example, Schneider (1983) found that decision makers tend to promote based on who they know well and with whom they are comfortable, indicating that they are more likely to

promote a person with a strong tie to them rather than a weak one. While strong tie relationships to superiors may be important, strong ties to peers and subordinates can be equally valuable in that having them may demonstrate an ability to effectively interact with and/or manage others, a trait that may be desirable to top managers when making promotion decisions. In sum, tie strength, like racial similarity, is a social capital resource that should facilitate both the promotions and the support an individual receives.

Although social capital can be positively related to work-related experiences and outcomes, it is unclear how race affects this relationship. It is possible, for example, that blacks have fewer social capital resources upon which to draw than whites. With respect to racial similarity, Ibarra (1993, 1995) offered a structural explanation for this possibility, stating that macrostructures constrain microstrategies. In other words, one's opportunity for same-race interaction depends on the availability of same-race others. Blacks employed in a traditional U.S. organization, where the representation of blacks remains comparatively low, are limited in their ability to develop as much social capital as their white counterparts because they have fewer possible same-race ties.

Research in the mentoring literature provides insight into why blacks may have less social capital in the form of tie strength than whites. Mentor-protégé relationships can be classified as strong ties given their intense nature and emotional connection (Kram 1988), but there is evidence suggesting that such relationships are harder to initiate, manage, and maintain when the parties belong to different racial groups (Alderfer 1987, Kram 1985, Thomas 1990). Along these same lines, Heider's (1958) balance theory suggests that tie strength may be a function of identity-related similarity, arguing that strong ties connect people who are similar and weak ties connect people who are different. Thus, blacks may have fewer strong-tie relationships for at least two reasons. First, the limited availability of same-race others restricts their ability to establish strong ties to other blacks. Second, given the difficulty in establishing cross-race relationships, the likelihood of blacks forming strong cross-race relationships is low.

Based on the aforementioned arguments, there should be a direct and positive relationship between social capital variables and promotion rate and support. Organizational constraints that may make it difficult to acquire social capital resources in predominately white organizations, however, should lead to black managers reporting a slower rate of promotion and less career-related and psychosocial support than their white peers. In other words, as with the human capital explanation, there will

be an indirect effect of race on promotion rate, career-related support, and psychosocial support due to intervening social capital variables:

HYPOTHESIS 3A. *Social capital resources (racial similarity and tie strength) will mediate the relationship between race and reported promotion rate.*

HYPOTHESIS 3B. *Social capital resources (racial similarity and tie strength) will mediate the relationship between race and reported career-related and psychosocial support.*

Figure 1 summarizes the conceptual model examined in this study and the relationships tested in the hypotheses.

Methods

Sample and Procedures

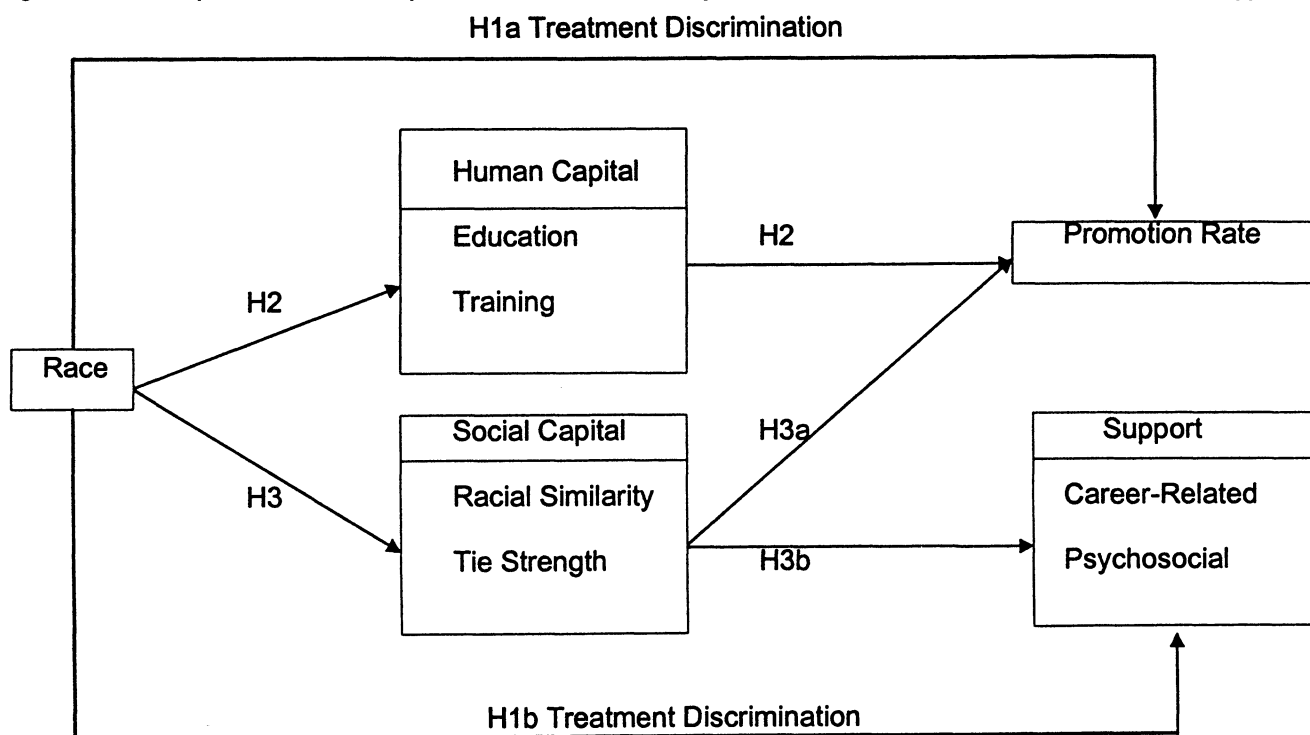
Data were collected from managers in the headquarters of a firm in the financial services industry. Among the four primary management levels (manager, director, vice president, and president) that make up company headquarters, there were 960 full-time employees. Forty-six percent of the employees were female, 9.5% were black, 5% were Hispanic, and 9.5% were Asian.

Surveys were distributed through company mail to employees, manager-level and above. A letter from the executive vice president of human resources accompanied the survey to encourage participation in the study. In addition, the letter stated that participation in the study was completely voluntary, and ensured the confidentiality of individual responses. Moreover, neither respondent participation information nor survey data were available to the company.

To obtain the maximum number of minority respondents, surveys were mailed to all 93 managers who were identified by the firm as African-American. From the entire population of white managers, a sample of 200 (representing 21% of all managers) was selected who held job titles at time of entry into the organization equivalent to those of the sample of black managers. The samples were matched on this criterion to provide a base-rate comparison of promotion history for the two groups. Completed surveys were received from 127 respondents, 55 of whom were women and 44 of whom were black, for response rates of 47% and 40% for black and white managers, respectively. The overall response rate for the study was 42%.

The average age of respondents was 33, and they had an average of 5.2 years with the company. *T* tests and

Figure 1 Conceptual Model of the Impact of Human and Social Capital on Racial Differences in Promotion Rate and Support



chi-square tests were conducted on key demographic and descriptive statistics to determine the comparability of the black and white respondents. Both groups were similar in age (34.5 vs. 32.9, $t = 1.4$, *ns*) and gender (1.6 vs. 1.6, $t = .13$, *ns*). A significant difference between the black and white samples was found for type of position (line vs. staff). Forty-seven percent of the blacks and 68% of whites held line jobs, whereas 53% of blacks and 32% of whites held staff jobs ($\chi^2 = 5.27$, $p < .05$). In addition to examining racial differences in the sample, I also conducted t tests to determine the comparability of male and female respondents. These analyses revealed no significant differences for any of these demographic variables, nor for the three dependent variables.

Social Capital Predictors

The name generator is a type of network measure used to elicit the names of people in one's network of relationships. Respondents were asked to identify people in their organization with whom they interact most frequently for job or task-related purposes (advice network) and social purposes (friendship network). To protect the anonymity of network members, respondents were asked to provide first names only. The sum of the names identified in response to these categories constituted each respondent's informal networks. The average number of network members identified by respondents was 8.17 ($SD = 2.28$).

Racial Similarity. Racial similarity refers to the degree of demographic similarity between the respondent and his or her network members. Respondents were asked to identify the race of each network member. This information was then coded as a 1 if it was the same as the respondent's, and 0 if different. The degree of racial similarity in a network was then calculated as the proportion of same-race network members, where a score of 1.00 indicates perfect similarity among all members of the network. Alternatively, the closer the similarity score was to zero, the more variation there was among network members in similarity to the respondent. The mean racial similarity score was .66 ($SD = .33$), indicating that networks were characterized more by racial homogeneity than racial diversity.

Tie Strength. Tie strength represents a measure of closeness to or intimacy with network members, and was measured for each person identified in the respondent's network using a 4-point social-distance scale ranging from 1 (*distant*) to 4 (*very close*). Consistent with Granovetter's (1973) distinction between strong and weak ties, *distant* (1) and *somewhat close* (2) responses were recoded as representing a weak tie relationship, whereas *close* (3) and *very close* (4) responses were recoded as representing a strong tie relationship. Following Ibarra

(1995), the proportion of strong ties within each respondent's network was calculated as a ratio of strong to total ties. The closer this proportion is to 1.00, the more strong ties there are in the network. The average proportion of strong ties for the sample was .65 ($SD = .36$).

Human Capital Predictors

Education. Respondents were asked to indicate on a 6-point scale their highest level of education attained. The six options were: 1 = *high school or equivalent*, 2 = *some college*, 3 = *bachelor's or associate's degree*, 4 = *some graduate courses*, 5 = *master's degree*, and 6 = *doctorate or professional degree*. For this sample, the modal response was "master's degree" (mean education level = 4.39, $SD = .97$), with 62.2% of the sample having achieved this level of education.

Training. Training was measured using a single item with the following stem: "To what extent have you participated in work-related training programs since joining this firm?" Respondents answered using a 5-point scale ranging from 1 (*not at all*) to 5 (*a great deal*). The sample reported having participated in a moderate amount of company training (average amount of training = 3.30, $SD = .99$).

Dependent Variables

Promotion Rate. The promotion rate is the number of promotions one has received in relation to the amount of time spent in the organization. Promotion rate was based on respondents' self-reported answer to a question asking them to indicate the number of promotions, as defined by an increase in both job responsibility and salary (Rosenbaum 1984), they had received since joining the company. This number was divided by respondents' company tenure to control for any effect that tenure may have on promotion (Tsui and Gutek 1984). Controlling for organizational tenure is especially important given that career progression is not linear. Specifically, promotions tend to occur more frequently early in one's career than later (Rosenbaum 1979). The range of values for promotion rate is between 0 and 1.00, where the higher the value is the faster the rate of promotion. The average promotion rate for the sample was .47 ($SD = .45$).

Career-Related Support. Following Kram's (1985) description of career-related support, I created a scale using three items adapted from a social support scale used by Ford and Wells (1985) and Thomas (1990). For each item, respondents indicated on a 5-point scale (1 = *not at all*, 5 = *a great deal*) their answer to questions with the following stem: "To what extent does each network member provide you with . . ." This stem was followed by the following three items: "career direction and guidance," "access to resources to do your job," and "help

in learning the ropes.” The responses to these items were summed and divided by the number of advice network members identified for each respondent.³ Overall, respondents reported receiving a moderate amount of career-related support from their network members, indicating an average score of 3.10 ($SD = .70$). The reliability coefficient for the career-related support measure was .86.

Psychosocial Support. Again following Kram’s (1985) depiction of psychosocial support, and using the same stem used for career-related support, I used the following items to identify psychosocial support: “trust and respect,” “emotional support,” and “affirmation of ideas.” The responses to these items were summed and divided by the number of friendship network members identified for each respondent. Respondents reported receiving significantly more psychosocial support than career-related support, with a mean score of 3.86 ($SD = .59$) on a scale of 1 (*no support*) to 5 (*a great deal of support*). The reliability coefficient for this measure was .87.

Other Measures

Respondents were asked to provide information on several demographic variables. *Race* was coded as a dummy variable with a value of 1 for white respondents and 0 for black respondents. For clarity, no other nonwhite racial group (e.g., Hispanic) was included in the sample. *Sex* was also a dummy variable, coded 0 for male respondents and 1 for female respondents. *Sex* was entered as a control variable, given that women are frequently promoted at lower rates than men (see Morrison and Von Glinow 1990). In addition, respondents were asked to indicate whether they worked in a line or staff *position*. This variable was coded 0 for line managers and 1 for staff positions and was entered as a control variable, given that people holding line positions have reported a faster promotion rate than those in staff positions (Nkomo and Cox 1990). Using a coding system to protect respondents anonymity, *performance* was measured using the overall supervisory performance ratings obtained from personnel records. The ratings were expressed by numerical values ranging from 1 (*not effective*) to 5 (*exceptionally effective*) and were based on the supervisor’s assessment of the employee’s performance in the following areas: meeting customer needs, maximizing quality, people skills, integrity, and teamwork. The performance measure was used as a control variable to ensure that differences in promotion rate were not due to differences in performance. This is especially important given the cyclical nature of the relationship between performance and promotions. For example, high performance typically leads to promotions, which leads to higher perceptions of performance, which leads to more promotions, and so on

(Stumpf and London 1981). A self-report variable of the respondent’s *age*, measured in years, was entered as a control variable, because age has repeatedly been found to affect a number of career outcomes, including promotion rate (see Lawrence 1996 for a detailed review of the literature on age in organizations).

Lastly, although official company information on affirmative action and diversity policies was not made available, participants in the study did respond to a survey question asking their opinion on the extent to which affirmative action was implemented in the organization. This item was measured on a scale from 1 (*not implemented at all*) to 5 (*implemented a great deal*). There was a significant difference in scores between blacks ($M = 2.87$) and whites ($M = 3.64$) in their opinion of affirmative action implementation. Blacks were less likely than whites to believe that affirmative action was implemented. For the entire sample, the average score for perceived affirmative action implementation was 3.35. Correlation analysis showed no significant relationships between the perception of affirmative action measure and other variables in the study. Therefore, this item was not included in the final analysis.

Results

Table 1 reports the means, standard deviations, and correlation values for the variables in the study. The three dependent variables were reasonably independent, with the highest correlation existing between career-related support and psychosocial support ($r = .39, p < .01$). The relationships reveal that, as expected, race was significantly and positively related to reported promotion rate and psychosocial support in such a way that being black was associated with a lower reported promotion rate and less psychosocial support than was being white. The correlation between race and perceived career-related support was not significant.

Table 2 reports the means and *t*-test results of race for both human capital and social capital variables. There were no significant differences between the black and white samples for either of the human capital variables. Black managers were equally educated and had participated in an equivalent amount of training as their white counterparts. However, white managers reported having more social capital than black managers. In particular, whites had a significantly higher proportion of same-race and strong-tie relationships than did blacks.

Treatment Discrimination

To address the predictions involving race, human capital, and social capital, three separate regression analyses were

Table 1 Descriptive Statistics and Correlations

Variables	<i>M</i>	<i>SD</i>	1	2	3	4	5	6	7	8	9	10	11	12
1. Race ¹	0.63	0.48												
2. Sex ²	0.57	0.50	−0.01											
3. Age	33.48	6.31	−0.13	0.02										
4. Tenure	5.20	5.20	0.19*	0.01	0.51**									
5. Job type ³	0.40	0.39	0.20*	−0.03	0.44**	0.37**								
6. Performance	2.31	0.82	−0.04	−0.20*	−0.10	−0.09	−0.21*							
7. Education	4.39	0.97	0.04	−0.15	−0.31**	−0.35**	−0.26**	0.05						
8. Training	3.30	0.98	0.12	0.02	0.06	0.15	−0.04	0.04	−0.17					
9. Racial similarity	0.66	0.33	0.82**	0.15	0.05	0.10	0.12	0.10	−0.11	−0.11				
10. Tie strength	0.65	0.36	0.26**	0.15	−0.04	0.03	−0.13	−0.06	−0.05	0.14	0.29*			
11. Promotion rate	0.47	0.45	0.27**	−0.13	0.28**	−0.39**	−0.28**	0.19*	0.19*	0.16	0.29**	0.01		
12. Psychosocial support	3.86	0.59	0.24**	0.07	−0.01	0.07	−0.07	−0.02	0.02	0.06	0.25**	0.37**	−0.02	
13. Career support	3.10	0.70	0.06	−0.20	−0.02	−0.05	−0.35**	0.14	0.08	0.07	0.05	0.00	0.14	0.39**

¹Race is coded as 0 = black, 1 = white.²Sex is coded as 0 = male, 1 = female.³Job type is coded as 0 = line, 1 = staff.* $p < 0.05$, ** $p < 0.01$.

computed in which promotion rate, career-related support, and psychosocial support were regressed on all control and analysis variables. Hypotheses 1a and 1b predicted a direct effect of race such that black managers would report a slower rate of promotion and less psychosocial and career-related support than their white counterparts. The results of the regression analysis shown in Table 3 reveal that blacks did report a significantly slower promotion rate than whites. In partial support of Hypothesis 1b, black managers also reported receiving significantly less psychosocial support than white managers. No significant difference between blacks and whites was found for perceived career-related support. In sum, the data indicate that, controlling for sex, age, position, and performance, race had a direct effect such that black managers reported slower promotion rates and less support than whites.

I conducted an additional analysis to clarify interpretation of the data. In demography research an important question arises as to whether the demographic criterion under investigation (in this case, race) truly accounts for observed differences or whether it simply represents a proxy for differences between majority and minority groups. In other words, it is possible that black-white differences simply portray what we might expect to find whenever a particular group membership is numerically over- or underrepresented. This possibility depicts Kanter's (1977) theory of tokenism. Alternatively, there may be something unique to being black that accounts for dif-

Table 2 Mean Differences Between Whites and Blacks in Human and Social Capital

Variables	Blacks	Whites	<i>t</i>
Human capital			
Education	4.34	4.41	−0.40
Training	3.15	3.39	−1.33
Social capital			
Racial similarity	0.33	0.88	−15.42**
Tie strength	0.53	0.72	−2.97*

* $p < 0.01$, ** $p < 0.001$.

ferences in such outcomes as reported promotion rate and support. One way to help establish the validity of either argument is to test whether another numerical minority group experiences similar differences in career outcomes. If it does, such a finding would corroborate the tokenism theory, suggesting that differences are attributable more to numerical representation, regardless of any particular group membership, than to being black. If not, the chance that being black accounts for any observed difference increases. Thus, using the underrepresented group of Hispanic respondents (representing 5.5% of the total sample), I conducted regression analyses on the three outcome variables to evaluate work-related experiences

Table 3 Regression Analysis of Reported Promotion Rate, Career-Related Support, and Psychosocial Support

Predictors	Promotion rate	Career-related support	Psychosocial support
Control variables			
Sex	-0.15	-0.21	0.10
Age	-0.17	-0.26	-0.10
Position	-0.11	-0.29*	0.08
Performance	0.08	0.09	-0.05
Race	0.26**	0.07	0.27**
Human Capital			
Education	0.02	0.11	0.14
Training	0.19*	0.04	0.09
Social Capital			
Racial similarity	0.04	0.12	0.11
Tie strength	0.04	0.06	0.36**
Adjusted R^2	0.14	0.10	0.26
F	2.71**	1.51	3.40**

Note: Values represent beta coefficients. Race was coded as 0 = black, 1 = white. Sex was coded as 0 = male, 1 = female. Job type was coded as 0 = line position, 1 = staff position.

* $p < 0.05$, ** $p < 0.01$.

and outcomes and to give support to either the tokenism or the race argument. Results show that being a member of the Hispanic minority group did not significantly predict reported promotion rate ($b = .16$, *ns*), career-related support ($b = -.15$, *ns*), or psychosocial support ($b = .03$, *ns*). These findings lend support to the notion that observed differences between black and white respondents may be less a function of majority group membership, as suggested by Kanter (1977), than a function of being black.

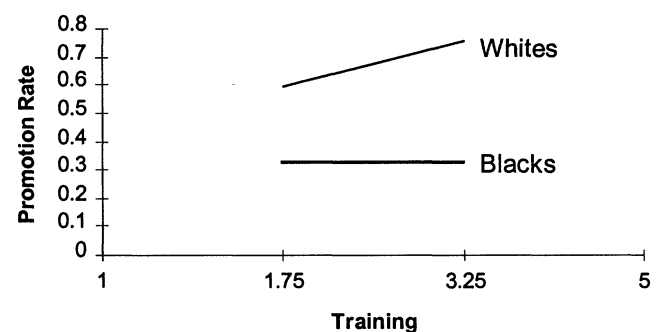
Non-Discrimination-Based Explanations

Human Capital. Hypothesis 2 predicted that race would indirectly influence reported promotion rates through the human capital variables of education and training, such that black managers would report having less human capital in the form of education and training than white managers, and that investments in such human capital would be positively related to reported promotion rates. Results for this hypothesis are shown in Tables 2 and 3. The data revealed that although company-sponsored training was significantly and positively related to promotion rate, blacks reported levels of training equivalent to their white counterparts. To confirm that human capital does not mediate the relationship between race and promotion rate, I followed the regression analysis steps for mediation as

outlined by Baron and Kenny (1986). Controlling for sex, age, position, and performance, I found that race (the independent variable) was significantly related to reported promotion rates ($b = .27$, $p < .01$) and in the expected direction, but race remained a significant predictor of reported promotion rates ($b = .27$, $p < .01$) once the human capital variables were included in the equation. Therefore, Hypothesis 2 was not supported as stated. Despite the positive influence of training on reported promotion rates, the human capital variables do not appear to mediate the relationship between race and reported promotion rates, primarily because there was no significant difference between blacks and whites in their human capital investments.

The results described above suggest that race may interact with human capital. Therefore, I examined race as a potential moderating variable between human capital and reported promotion rates, reasoning that there was a differential payoff between blacks and whites. The Race \times Training cross-product term was found to be a significant predictor of reported promotion rate ($b = -.21$, $p < .05$), indicating that there was a differential return, favoring whites, for equivalent levels of human capital (i.e., training). The addition of this term did not significantly change the other variables in the model. Figure 2 depicts this interaction geographically.

Social Capital. Hypotheses 3a and 3b predicted that social capital variables would mediate the relationship between race and reported promotion rates, psychosocial support, and career-related support. In other words, black managers would report having less social capital in the form of racially similar network ties and tie strength, and these variables would positively influence both reported promotion rates and support. As indicated by Table 3, these hypotheses were only partially supported. Although black managers reported less social capital in terms of both racial similarity and tie strength than white managers, neither of these social capital variables was a significant predictor of reported promotion rates, thereby violating a fundamental assumption of mediation.

Figure 2 Interaction Between Race and Training on Promotion Rate

For the perceived support outcomes, the variance in psychosocial support was partly accounted for by one of the social capital variables—tie strength. Having a large proportion of strong-tie relationships in one's network was positively related to the perception of having psychosocial support. Moreover, controlling for sex, age, position, and performance, regression analysis indicated that blacks have fewer strong-tie relationships than whites ($b = .29, p < .01$). Once the social capital variables, and tie strength in particular, were added into the equation, the effect of race decreased ($b = .21, p < .05$) but did not disappear. These findings suggest that social capital partially mediates the relationship between race and perceived psychosocial support. In addition, results indicate that, independent of race, social capital exerts a direct effect on perceived psychosocial support (see Table 3). Finally, and contrary to Hypothesis 3b, neither race nor social capital is significantly related to perceived career-related support.

Discussion

The overall purpose of this study was to examine whether there are differences between black and white managers in work-related experiences and outcomes, and, if so, to understand why such differences exist. Two possible explanations were offered. The first explanation suggested that blacks experience treatment discrimination at work, as would be evidenced by a direct effect of race on reported promotion rates and the receipt of career-related and psychosocial support. The second explanation suggested that factors other than race might account for racial differences in work-related experiences and outcomes. In this case, race would have an indirect effect on reported promotion rates and support through human capital variables (education and training) and social capital variables (same-race network ties and proportion of strong ties). The data show partial support for both explanations.

When race and the human and social capital variables were entered simultaneously into the regression equations, race was found to have an effect on reported promotion rates and psychosocial support but not on career-related support. Specifically, black managers reported being promoted at a slower rate and receiving less psychosocial support than their white counterparts. One interpretation of these findings is that blacks experience treatment discrimination on the job. This explanation is only valid, however, if race can predict work-related experiences and outcomes in light of alternative explanations.

Further examination of the data suggests that the role of race is more complicated than initial analysis might

indicate. Hypothesis 2 predicted that education and training (human capital variables) would mediate the relationship between race and reported work-related experiences and outcomes. The reasoning was that differential opportunities for human capital investment would lead blacks to have less human capital than whites, and that human capital positively affects promotion rates. This hypothesis was not supported. Although participation in company-sponsored training was positively associated with reported promotion rates, there were no differences reported between black and white managers in their participation in such training. What then can account for the fact that blacks reported being promoted at a slower rate than whites? Again, given the data, we are left to conclude that treatment discrimination is operating. In fact, further analysis revealed that there was a moderating effect for race such that training leads to a higher payoff in terms of career advancement for white managers than for blacks. In short, race has an indirect effect on reported promotion rates in that it moderates the relationship between human capital and reported promotion rates. The net result is that blacks do not report receiving the same benefit as whites for equivalent human capital investment, thereby suggesting that blacks experience a form of treatment discrimination.

Hypotheses 3a and 3b also predicted an indirect effect for race on work-related experiences and outcomes, such that social capital variables would mediate the relationship between race and reported promotion rates and the receipt of support. Hypothesis 3a was not supported. Despite blacks reporting that they had significantly less social capital than their white counterparts, neither racial similarity to network ties nor the proportion of strong ties was significantly related to reported promotion rates. Regarding the receipt of psychosocial support, however, Hypothesis 3b was supported. Social capital mediated the relationship between race and perceived psychosocial support. Specifically, black managers reported having less social capital in terms of the proportion of strong-tie network members than whites, and tie strength was positively related to the receipt of psychosocial support. Interestingly, although social capital did partially mediate the relationship between race and support, race remained a significant predictor of reported psychosocial support. These findings suggest that race has both a direct and an indirect effect on the perceived amount of psychosocial support. Thus, we can infer that blacks experience treatment discrimination that is reflected in the nature and utility of their workplace relationships. Blacks perceive themselves as having fewer strong ties and hence a less valuable network when it comes to receiving psychosocial support. Although the data do not speak directly to a specific type of discrimination (at the individual, group, or organization level), it is reasonable to conclude that

blacks are closed out (intentionally or not) of opportunities to develop useful network ties.

In short, the data suggest that blacks in this sample were treated differently than whites, and this differential treatment adversely affected important work-related experiences and outcomes. The data suggest that to some extent both race-based (e.g., treatment discrimination) and non-race-based (e.g., human and social capital) explanations contributed to the variance in reported work-related experiences and outcomes. **The findings also imply that rather than a single system of promotion that operates in the same way for blacks and whites, there may be a race-specific model of workplace attainment, wherein the determinants of promotion differ for blacks and whites (Baldi and McBrier 1997).** For example, the finding that there is a differential payoff for training suggests that human capital rewards are more likely to be applied to white managers than to blacks. Thus, human capital does not appear to be a meaningful consideration in determining black employees' promotability, yet it is in determining the promotability of whites. In addition, although Kanter's (1977) notion of majority-minority group effects may not apply to the current study, her idea of homosocial reproduction may. Homosocial reproduction is consistent with the attraction-similarity hypothesis and suggests that people tend to establish strong ties with others like themselves. In a predominately white organization such as the one examined here, we can assume that whites get ahead in part because of their strong ties to other whites, whereas blacks get ahead through other, perhaps less relationship-dependent, factors.

Unfortunately, the data do not identify the criteria by which blacks do succeed in organizations. Thus, a useful follow-up to this study would attempt to discern factors other than human and social capital that may influence blacks' promotability. Moreover, attempts to better understand the interdependencies of several of this study's variables are needed. For example, it is plausible that individuals' promotion rates are influenced by qualities of their social capital or, conversely, that as they move up the corporate hierarchy, the opportunity to develop close ties with significant others increases. Similarly, it is likely that individuals' perceptions of discrimination influence their perceptions of how much psychosocial support they receive. Another useful follow-up to this study might be to examine even more explicitly the dynamics of treatment discrimination from all levels of analysis. Such a study would help to clarify the significance of structural constraints (e.g., organizational demographic composition), individual prejudices, and other factors that may influence individual attainment within organizations (see Lawrence 1990 and Stumpf and London 1981) for more

discussion on career attainment). Moreover, future research in this area should give special attention to race and gender interaction effects in organizational research. Unfortunately, the small number of black women in this sample precluded such an analysis.

Further, another potential follow-up study would focus more explicitly on the role of human capital, specifically training. The current study, for example, did not examine whether respondents volunteered for or were chosen to participate in company-sponsored training. Such a distinction may indicate the value that an individual has to the organization, since organizations presumably solicit their most valued employees for career-enhancing opportunities. If there are opportunities to volunteer for training, there may also be differences between those who volunteer and those who do not. Moreover, this distinction may be an important one for better understanding how differences in work-related experiences and outcomes continue to exist. Training is an important factor, given its ability to boost one's human capital while simultaneously serving as an opportunity to increase one's social capital as well (e.g., networking with others attending the same training and development programs). In this regard, training may actually link one's human capital and social capital.

The findings from this study are consistent with those of a number of researchers (Cox and Nkomo 1990, Greenhaus et al. 1990, Thomas 1990) yet are inconsistent with some of the findings of others. For example, Powell and Butterfield (1997) failed to find a direct effect of race on promotion decisions, but race indirectly affected such decisions through several job-relevant variables, including education. At least two possible explanations may account for the different findings in the two studies. First, in Powell and Butterfield's sample, blacks reported having less education than whites, whereas in the current study, the two groups reported having equivalent levels of education. Excluding human capital as a differentiating factor between blacks and whites increases the likelihood that race will play a more prominent role, as was the case in this study. Second, the context in which the two studies were conducted may have affected the results. In Powell and Butterfield's study, data were collected in a U.S. government department. On average, the federal government should be more sensitive to issues of procedural fairness when making promotion decisions than are other types of firms. Consequently, the absence of a direct effect of race in that context may be due to this heightened sensitivity and the organization's use of standardized promotion practices (Powell and Butterfield 1997).

Limitations

Several limitations of this study should be noted. Notably, the cross-sectional design of the study precludes causal

inferences. For example, the direction of the relationships between social capital, promotion, and support is difficult to determine. Although I argued that receiving career-related and psychosocial support is an outcome of having a network that comprises racially similar and strong-tie relationships, it is conceivable that the relationship works in reverse, such that greater social capital is a result of receiving support. Longitudinal and qualitative designs may speak better to the predicted relationships. Further, a more specific measure of participation in company training may speak more directly to the human capital results (Veum 1995). It is possible, for example, that respondents may estimate their training participation by making comparisons with others. One likely source of comparison may be the people at higher levels in the organization, presumably because that group has achieved what the respondent is striving toward—advancement within the organizational hierarchy. There is little reason to believe, however, that blacks and whites would differ regarding potential comparison groups or training participation estimates. Lastly, the extent to which the findings of this study are generalizable to organizations in other industries and with different hierarchical structures is unknown. This is an especially important concern because the sample for this study constitutes only management-level employees working in the headquarters of a single firm. Consequently, I cannot be sure whether similar patterns of results would be found in organizations that differ in their demographic and structural composition.

Practical Implications and Conclusions

An important implication of the finding that disparities in reported work-related experiences and outcomes exist between black and white managers despite equivalent human capital investment is that organizations may be underutilizing a subsection of their workforce. Failure to promote black employees into positions for which they are as qualified as their white counterparts could potentially result in resentment, boredom, stress, and, ultimately, unnecessary turnover. Moreover, as more blacks enter the workforce, and management positions in particular, the possibility of unfair practices assumes greater relevance, and such practices may open the door for future legal action against firms engaging in them. Another important implication is that employers who underestimate the contributions of their black employees incur opportunity costs. For example, they forgo the contributions of a black talent pool that is perhaps more familiar than whites with the needs and desires of a growing black consumer base. In addition, blacks can help bring a different perspective to problem-solving activities, thereby improving overall organizational decision making (Thomas and Ely 1996).

Finally, given many blacks' boundary-spanning organizational networks (Thomas 1990), black employees may help give voice to other organizational subgroups.

There are several actions that organizations and employees may take to remedy race-related differences in career progression and perception of support received. For example, the company must be aware that such disparity exists. Awareness comes with systematic monitoring of all human resource decisions around selection, evaluation, and reward systems. If these systems consistently favor one group (e.g., white males) over another (e.g., blacks or women), especially when no differences in job-relevant criteria exist (as was the case in this study), then chances are that the systems leave too much room for subjectivity in decision making. This subjectivity may allow decision makers to provide advantages to some subordinates over others. Regarding disparity in psychosocial support, most blacks may be constrained in their ability to forge same-race contacts primarily because of the limited availability of other black workers in their immediate work group (Ibarra 1995). To circumvent this dilemma, blacks can seek same-race relationships by crossing departmental and even organizational boundaries and seek relationships with other blacks who may be located outside of their work group. An important component of psychosocial support is that both parties are able to empathize with the other's situation. Such empathy can exist even if the parties belong to different departments or organizations. Along these same lines, because very few blacks hold top management positions, organizations may consider structural changes that would increase the racial diversity at the most senior levels of the organization. Changing the demographics in this way increases the likelihood that blacks at lower levels will have more opportunities to forge advantageous developmental relationships with similar others. It is important to recognize, however, that implementing structural changes of this type may be a slow process, and one requiring top management commitment. Moreover, such changes may be met with resistance by some whites. Another approach to gaining psychosocial support is for blacks and whites to seek elements of commonality with each other that may be used to bridge the gap between them and create a foundation upon which to build strong-tie relationships. One obvious commonality is that both groups work for the same organization. Leveraging shared commitment to the organization's values and goals may help eliminate the differences associated with race and, in turn, lead to positive feelings, attributions, and behaviors (Glaman et al. 1996), stepping stones to developing strong ties that will benefit both individuals and the organization as a whole.

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Endnotes

¹Despite some research indicating a positive relationship between the receipt of social support and certain career advantages (e.g., Dreher and Cox 1996), other researchers (e.g., Kram 1985, 1988, Kram and Isabella 1985, Ragins 1989) have found social support to be a meaningful organizational outcome in its own right. Thus, the research reported here examines career-related and psychosocial support independent of promotion rate.

²Several explanations have been offered for racial differences in educational attainment, including 1) historical discrimination and class advantages and disadvantages that favor whites (Wilson 1977, Rivkin 1995); 2) decreasing access for blacks to quality schooling, resulting primarily from residential segregation and social isolation (Maxwell 1994); and 3) fewer job opportunities that may influence blacks' decisions or opportunities to continue their education (Rivkin 1995).

³This calculation was used to assess the average amount of support provided by respondents' networks. Although average amount of support differs conceptually from total amount of support (which would be represented simply by summing the amount of support provided by each network member), this study was concerned with the amount of support received on average, and therefore the measure is a function of network size. To determine whether there were significant differences in the effects of average and total support, however, I ran all analyses with both total and average measures of support. The results indicated that there were no differences in this sample. Thus, the average measure of support is reported in the results and corresponding tables.

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