Workforce Diversity and Inequality: Power, Status, and Numbers

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Abstract

Workforce diversity refers to the composition of work units in terms of the cultural or demographic characteristics that are salient and symbolically meaningful in the relationships among group members. Although generally thought of as the purview of management research, the topic of workforce diversity draws from and is relevant to research from sociology and psychology. In this review, we highlight two issues: (*a*) the importance of the substantial research on inequality to an adequate understanding of workforce diversity and (*b*) the need to link discussions of workforce diversity to the structural relationships among groups within the society. We organize the review in terms of three dimensions of the relationships among groups: power, status, and numbers (or composition). We highlight research from sociology, psychology, and management and show similarities and gaps across these fields. We also briefly discuss the outcomes of workforce diversity in the workplace.

INTRODUCTION

The term workforce diversity was not widely used to describe the characteristics of the labor force until the mid-1980s, after a widely circulated report gained substantial attention in the corporate world because it argued that "demography is destiny" and claimed that dramatic changes were happening in the labor force (Friedman & DiTomaso 1996, Johnston & Packer 1987). Despite the relevance of sociology and psychology to the study of workforce diversity, it has primarily been the purview of management literature.[1] Management research on workforce diversity, however, has not drawn broadly from the core disciplines of sociology and psychology in the development of workforce diversity research, but has focused on only a few topics and issues: most prominently, organizational demography (Pfeffer 1983) from sociology and social identity theory from social psychology (Tajfel 1981). In this review, we highlight the broader relevance of sociology and psychology research to the study of workforce diversity with regard to two key issues: (*a*) the importance of the substantial research on inequality to an adequate understanding of workforce diversity and (*b*) the need to link discussions of workforce diversity to the structural relationships among groups within the society.

The extensive research on race, ethnicity, gender, and other forms of inequality in sociology and psychology (Browne & Misra 2003; Dovidio & Gaertner 1986; Fiske 1998, 2002; Lee & Bean 2004; Reskin 2003; Reskin et al. 1999; Smith 2002; Waters & Eschbach 1995) should frame the discussion of workforce diversity and guide the research. Far too little attention has been paid to the relationship between diversity and inequality and to the contextual importance of intergroup relations in the larger society in the study of workforce diversity within organizations, however, despite a number of comprehensive reviews of the workforce diversity literature (Milliken & Martins 1996, Pelled et al. 1999, Roberson & Block 2001, Williams & O'Reilly 1998).

Workforce diversity refers to the composition of work units (work group, organization, occupation, establishment or firm) in terms of the cultural or demographic characteristics that are salient and symbolically meaningful in the relationships among group members. Most research on workforce diversity has focused on work groups, but the concept applies to any social unit. The research addresses a range of categorical differences, but especially the following: race (Dovidio et al. 2002, Reskin et al. 1999), ethnicity (Portes & Rumbaut 1996), gender (Chatman & O'Reilly 2004, Heilman et al. 1995, Reskin 1993), age (Zenger & Lawrence 1989), education (Halaby 2003, Rosenbaum et al. 1990), the functional background of group members (e.g., those with training or experience in marketing versus finance) (Cunningham & Chelladurai 2005), and tenure or length of service (Reagans & Zuckerman 2001, JB Sorensen 2000). Other categorical differences among workers, such as sexual orientation (Ragins et al. 2003), physical ability (Colella & Varma 2001), or religion (Islam & Hewstone 1993), have also been studied, and indeed, the concept of workforce diversity is relevant to any categorical difference that has a significant impact on group interaction and outcomes. The relevance of a given categorical distinction, however, may vary from one context to another.

Our primary focus in this review is the relationship of workforce diversity to inequality and to the structural relationships among groups. When we refer to the workforce diversity literature or to the study of workforce diversity, we mean research that addresses demographic or cultural characteristics of the labor force, especially within organizations, and research that references these characteristics

[1]By management literature, we mean research published primarily by scholars from business schools in such journals as *Academy of Management Journal*, *Academy of Management Review*, *Journal of Applied Psychology*, *Organization Science*, *Strategic Management Journal*, and *Administrative Science Quarterly* (although scholars from sociology departments frequently publish in this journal as well).

as workforce diversity. Because of the notoriety of projected change in the labor force, interest in workforce diversity and its implications has spread beyond management to other fields. Research on workforce diversity has drawn selectively from both sociology and psychology. Sociological research on organizational demography, for example, and social psychological research on social identity theory, for example, also constitute part of the workforce diversity literature. There is, however, a broader literature within both sociology and psychology on the demographic and cultural characteristics of the labor force that has not been incorporated into the study of workforce diversity. For example, the workforce diversity literature has given little attention to issues of power and status differences among groups in society. Part of our purpose in this article is to show the relevance of this broader research to the understanding of workforce diversity.

WORKFORCE DIVERSITY, INEQUALITY, AND SOCIAL STRUCTURE

Diversity is a characteristic only of groups, not of individuals, so in that sense diversity is a relational concept (Tilly 1998). To say that a group is diverse implies some recognition of qualitative or categorical distinctions among group members and hence of internal divisions within the group. The group may not consciously address these distinctions, but they are usually consequential in terms of group processes (e.g., with regard to communication, turnover, satisfaction, resource allocation, and performance evaluation). Diversity matters because individuals give social significance to the categories or groups they associate with various people. And they do so because diversity has a context: Meaningful group differences exist because they have structural or institutional bases (Andersen 2001, Lin 2001) in which they are embedded, and they are shaped by ongoing processes of interaction and decision making that reinforce and reproduce group differences over time (Berger et al. 1998). Group differences are rarely sustained if they are just different (e.g., blue eyes and brown eyes) (van Knippenberg 2004). Distinctions among group members become meaningful when the dynamics that lead cognitively to categorical distinctions also lead to the ranking and differentiation of us versus them (Brewer 1979, Tajfel 1981, Turner 1987). Because it is based in social structure and embedded in social institutions, diversity implies group-based inequality that is relatively stable but nevertheless subject to potential challenge.

In this review, we draw on the conceptualization of social structure from Sachdev & Bourhis (1991, Fiske et al. 2002, Skaggs & DiTomaso 2004) to examine the structural and relational characteristics of power, status, and numbers in our analysis of workforce diversity. Classic work within sociology identifies these characteristics as important components of social inequality (Bendix & Lipset 1954, Blalock 1967). Like Sachdev & Bourhis (1991), we define power as the access to and control over scarce and valuable resources. As such, we include the concept of class within our concept of power, but because our focus is on the workforce, we do not include political power in our analysis. We define status as the relationships of deference or honor between and among groups (Weber 1968, pp. 932–38). We define numbers as the compositional characteristics of a group or work unit. The effects of numbers on group relations have a long history in the social sciences, starting with Simmel (1955 [1908]) and continuing to the present. The structural characteristics of groups or social units are assumed to influence group dynamics such as who talks to whom, who notices whom, and who favors whom.

Although for convenience we organize our discussion of the structural bases of workforce diversity in terms of power, status, and numbers as if they were separate and distinct, of course, they are interrelated. Power makes it possible to develop status distinctions, and

status confers honor that provides greater access to opportunity and resources. Similarly, majorities often can create institutions that work in their favor, which contributes to their accumulation of resources and ultimately to status honor. In organizations, power and status are often aligned, but those with high status, for example, in terms of reputation or expertise, are not always those with the greatest access to resources (Weber 1968, p. 938). Given the excellent review articles on diversity-related topics, such as race, ethnic, and gender inequality (Browne & Misra 2003, Lee & Bean 2004, Morris & Western 1999, Reskin 1993, Reskin et al. 1999, Smith 2002, Waters & Eschbach 1995, Williams 1999, Winant 2000), our intent here is not to cover the same ground, but to analytically discuss relevant literatures and to show where there are overlaps or gaps. For each structural dimension, we discuss both macro and micro levels of analysis, even though overlap often exists across levels.

POWER

Research on inequality within organizations has addressed issues that should be central to workforce diversity research: who is hired or given positions of responsibility in organizations, who gets access to organizational resources or decision making, and who gets rewarded for their contributions and on what basis. Whereas the sociology literature addresses who gets into authority positions in organizations and how they are rewarded for it (Kluegel 1978, McGuire & Reskin 1993), the management literature has looked more at how different groups enact their management roles and what responses they invoke in doing so (Eagly et al. 2003, Powell & Graves 2003, Thomas & Gabarro 1999). These issues have not been combined in the workforce diversity literature, even though one cannot understand how groups respond to one another, get along, and create synergistic outcomes without also considering how the power relations among groups relate to the reproduction of inequality among groups over time.

The study of inequality, of course, has been a hallmark of research within sociology, and within that research sociologists have placed special emphasis on the differences among demographic or cultural groups in access to economic resources, especially with regard to race/ethnicity and gender. Yet the sociological work on inequality is rarely cited in the study of workforce diversity, and its findings do not form a framework for a discussion of why, for example, race/ethnicity or gender may evoke more emotional conflict in the workplace than do differences in the tenure, age, or functional backgrounds of group members (Jehn et al. 1999, Pelled et al. 1999). To understand the dynamics of workforce diversity, one must understand the relationships of power among groups at both macro and micro levels.

Workforce Diversity and Power at the Macro Level

Within sociology, there are competing theories about the origins and dynamics of inequality. Class theories, based on Marxian theory, assume that class relations are exploitative and that a dynamic imperative generates conflict between classes because of contradictory class interests (Wright 1997). Status attainment research, which dominated sociology for many decades, developed as an alternative to class theory, but critics of status attainment theory argued that it unrealistically assumed individualistic competition and merit-based selection processes (Bielby 1992, England 1992). In response, many researchers undertook new efforts to revive class theory by using more textured definitions of class location (Wright & Perrone 1977). In most cases, however, the efforts to quantify differences between those in different class positions used income as the key dependent variable (Halaby & Weakliem 1993, Spaeth 1985, Wright 1978, Wright & Perrone 1977) and in doing so, of course, tied the research specifically to differences in jobs, occupations,

and organizations. This debate contributed to the growing interest in the power of different jobs and, hence, to research on authority in the workplace. More specifically, research began to focus on the strategies undertaken by different groups, such as processes of social closure, for gaining access to good jobs (Abbott 1988, Dahrendorf 1959, Parkin 1979, Tilly 1998, Weber 1968, Weeden 2000).

The controversies regarding theories of inequality inevitably turned on the explanations for group-based inequality, especially with regard to race/ethnicity or gender (Reskin 1988, Reskin & Ross 1992). Perhaps for this reason, studies of authority and mobility within organizations (i.e., who gets access to good jobs with higher pay) have also examined authority differences by gender and race/ethnicity (Jacobs 1992, Kluegel 1978, McGuire & Reskin 1993, Reskin & Ross 1992, Smith 2002, Wright et al. 1995). Findings from these studies suggest that racial/ethnic and gender differences in workplace authority (Smith 2002) follow consistent patterns across studies, time, and even country: Women and racial/ethnic minorities have less authority on the job than white men, and when women and minorities hold positions of authority, they do so at lower levels of organizations. Furthermore, they receive lower returns for their positions than white men (Kluegel 1978, Reskin & Ross 1992).

Alternative theories of inequality come together in a recent effort by AB Sorensen (2000) to develop a new theory of class exploitation based on the economic theory of rents (Roemer 1982), defined as "payments to assets that exceed the competitive price" or that exceed the cost of employing the asset (AB Sorensen 2000, p. 1536). In Sorensen's formulation, property and property owners are broadly defined to include anyone within the economic system who can derive economic benefits from the ownership of rent-producing assets that are over and above costs. In Sorensen's theory, capitalists exploit workers, but his theory also allows for the possibility that some workers can exploit other workers when they gain property rights to jobs and limit the ability of other workers to gain access.

Sorensen argues that those who can maintain control over rent-producing property while destroying the rents of others are in the strongest position. They may undertake these efforts through collective action (such as the organization of cartels or unions), through the use of the state (e.g., through private property laws, regulation, or licensing), and through ideology (e.g., through emphasis on the importance of property rights and freedom from regulation) (Weeden 2000). Sorensen claims that his theoretical formulation is consistent with economic theory, maintains the dynamic of conflict within a theory of exploitation, and provides a general theory that accounts for all forms of property ownership and all types of political and collective action undertaken to protect one's own rent or to destroy the rent accumulation of others.

Wright (2000) and Goldthorpe (2000) object to Sorensen's extension of exploitation to workers and employment rents. Their disagreement with Sorensen over this point reflects a tension in the research on inequality, especially as it applies to race/ethnicity and gender. On the one hand, there are those who believe that only capitalists (or elites or dominant classes, depending on the theory) are in a position to exploit others and, importantly, that they frequently use tactics of divide and conquer, for example, between white and black workers or between men and women. On the other hand, there are those who believe that some workers exploit other workers, specifically, that white workers undertake strategies that exploit or at least are at the expense of nonwhite workers, and that male workers similarly exploit or undermine the opportunities for women. Others have similarly argued that white and male workers engage in opportunity hoarding (Tilly 1998) that benefits them at the expense of nonwhite and female workers. The theme of privileged workers exploiting less privileged workers has been a frequent one in the

research on racial/ethnic and gender inequality (Bergmann 1971, Tilly 1998, Tomaskovic-Devey & Skaggs 2002).

Sorensen's analysis is broadly consistent with the growing interest in the concept of social closure, a term drawn from Weber's discussion of "the economic relationships of organized groups." As Weber (1968, pp. 341–42) describes it,

> One frequent economic determinant is the competition for a livelihood—offices, clients, and other remunerative opportunities . . . . Usually one group of competitors takes some externally identifiable characteristic of another group of (actual or potential) competitors—race, language, religion, local or social origin, descent, residence, etc.—as a pretext for attempting their exclusion.

Social closure has since been conceptualized as the collective action of various social groups used as a mechanism to hoard opportunities or economic advantages with the consequence of generating and reproducing inequality, especially by race/ethnicity and sex (Abbott 1988, Grusky & Sorensen 1998, Tilly 1998, Tomaskovic-Devey & Skaggs 1999, Waldinger 1997, Weeden 2000).

Such processes may occur at the level of the organization as a whole but more often take place within specific jobs or occupations (Weeden 2000). Reskin (1988, also Reskin & Ross 1992), for example, has argued that men shape rules at work that help them maintain their advantages over women and that men change the rules if necessary to keep women in more subordinate positions, often by devaluing the work that women do (England & Dunn 1988, Reskin 1988). Grusky & Sorensen (1998) challenge class theories that posit a generalized motivation for exploitation and argue, instead, that we need to examine the specific set of strategies undertaken by groups organized for collective action (Reskin 2003). Waldinger (1997) found evidence that even low-skilled workers can engage in social closure by putting pressure on employers to hire their friends or family members, for example by refusing to train new workers when the employers do not hire their friends. The exclusion from training has been a common theme for women and minorities who have tried to gain access to jobs from which they have previously been excluded (Jacobs et al. 1996, Knoke & Ishio 1998, Tam 1997, Tomaskovic-Devey & Skaggs 2002).

Whereas the workforce diversity literature has addressed issues of discrimination and even oppression (Konrad et al. 2006), it pays little attention to issues such as exploitation or social closure, although Kanter's (1977) work, among others (Pfeffer 1992), has given some attention to power differences in organizations. Furthermore, the management literature draws from sociological research on social capital (Burt 2001, Coleman 1988, Lin 2001, Portes 1998), which has often been conceptualized as a form of social closure. The workforce diversity literature has also incorporated sociological research on the development of policy and practices that address labor force inequality, e.g., equal opportunity or affirmative action (Dobbin et al. 1993, Kalev et al. 2006).

Parallel to the controversies within sociology about whether class is a meaningful concept, there have been controversies within the workforce diversity literature regarding whether race/ethnicity and gender reflect important workforce differences. In sociology, the issue is whether macro categories such as class are real or anachronistic (Halaby & Weakliem 1993, Wright 1997), i.e., whether they have bases in identification, collective action, and workplace strategies that produce and reproduce inequality (Grusky & Sorensen 1998, Weeden 2000) or, alternatively, whether the reality of inequality exists only at the job or occupational level, especially with regard to the differences evident for women and racial/ethnic minorities (Bielby 1992, England 1992). In management, the controversies address whether racial/ethnic and gender groups are really diverse with regard to things that matter in organizations such as knowledge or experience

or whether meaningful differences exist only with regard to things such as tenure, functional background, or education. In other words, do categorical distinctions really matter in the workplace, or do those aspects of people's backgrounds that reflect differences in training and knowledge and that are independent of categorical differences constitute the only meaningful differences in organizations? What differences make a difference and is it possible in organizations to move beyond difference (Chatman et al. 1998, Jackson et al. 1991, Milliken & Martins 1996)?

Workforce Diversity and Power at the Micro Level

Power, of course, is not exclusively a macro level concept. There is a great deal of work on power dynamics at the micro level, and there has also been increasing interest in linking micro and macro theories within social psychology (Cook 2000). The bridging of micro and macro research is one means to address the call for exploring mechanisms in day-to-day interaction that reproduce inequality over the long term (Reskin 2003). In Reskin's conception, macro level processes such as exploitation, opportunity hoarding, and social closure are "why" questions that outline the motivations for dominant groups to undertake strategies to preserve their privileges, but these do not answer the "how" questions about the specifics, for example, of establishing job requirements, instituting policies, and applying or changing rules. "How" questions can be uncovered more directly with micro level research that better controls for cause and effect or with ethnographic or observational studies that can look for patterns of meaning.

One of the most important formulations of how power affects group differences in organizations is expectation states theory. In this theory, the construction of status creates a power and influence hierarchy that contributes to the legitimacy of status differences (Berger et al. 1998, Ridgeway 1994). Status construction theory posits that there is an association between resources and assumptions about competence or worth and that the emerging expectations from this association contribute to those with higher status acting more confidently, while invoking deference in lower status group members (Ridgeway 1991, Ridgeway et al. 1998). Higher status group members, therefore, also have more influence on the group and are more likely to emerge as leaders (Thye 2000).

Research on social dominance orientation constructs a theory of social relations based on dominance and subordination (Sidanius & Pratto 1999). The theory posits that those with higher levels of social dominance orientation prefer more hierarchical social relationships. Furthermore, those in high status positions or those in positions that are hierarchy enhancing (such as police officers) are likely to exhibit greater social dominance orientation in contrast to those in subordinate positions or those in positions that are more hierarchy attenuating (such as social workers) (Sidanius et al. 1994, 1996). Another research stream from social psychology that is relevant to the reproduction of inequality is system justification theory (Jost & Banaji 1994), which argues that there is a strong incentive for lower status (i.e., less powerful) groups to view higher status groups favorably and to support them rather than challenge the status quo. Jost & Banaji argue that because it is costly for low status groups to challenge the system, they infrequently do so. In other words, at a micro level, low status groups justify the system of inequality and come to believe that people get what they deserve. On this point, system justification theory is consistent with status construction theory regarding the acceptance by low status groups of the existing status hierarchy (Ridgeway 1991).

Exchange theory, which draws from behaviorism in social psychology and microeconomics, also describes how power emerges out of micro level interaction (Cook 2000). Experimental data examine variations in network structure that reflect different types of dependencies, exchange opportunities,

information availability, and resource distributions to determine how power affects exchange processes (Cook & Yamagishi 1992, Skvoretz & Willer 1993).

Researchers have conceptualized psychological theories of power as aggression (Aquino et al. 2004) or as an interpersonal orientation of approach versus inhibition (Keltner et al. 2003). This research typically does not measure power directly but rather infers it from the status categories of various groups (e.g., assuming that men have higher status than women or that whites have higher status than blacks). Research that defines power in this way has generally found that those in more powerful (i.e., high status) positions tend to enact presentations of self that are other approaching (i.e., that impose the self on others), whereas those in less powerful (i.e., low status) positions tend to inhibit their engagement with others (Keltner et al. 2003). Such differences have been found with regard to affect, cognition, and behavior.

One of the key implications of this research is that in social systems in which power differences exist in the long term, those in subordinate positions generally become more constrained and inhibited in their behavior, especially with regard to those in high power positions, whereas those in high power positions feel more entitled, are more assertive, and often gain more or take more resources. In organizations in which women and racial/ethnic minorities are most often found disproportionately in subordinate positions, their behavior, attitudes, and emotions are more likely to be inhibited, whereas white men are more likely to assert themselves and gain rewards. This line of research implies as well that even when women and racial/ethnic minorities gain positions of power or authority, they may be more constrained in their behavior, be more frugal with available resources, and have a harder time being influential in their leadership roles (Eagly et al. 2003, Gutek & Cohen 1987, Hogg 2001).

Of course, the existence of inequality has also generated substantial interest in understanding conceptions of fairness and the way such conceptions might come into play in public policy perspectives (Benabou & Tirole 2006, Kluegel & Smith 1986, Ritzman & Tomaskovic-Devey 1992). Recent work finds that the views of inequality within the United States have become more polarized in terms of what is considered acceptable for the rich and the poor (Osberg & Smeeding 2006). Researchers have also examined what is considered fair compensation for men versus for women (Jasso & Webster 1999). The research on perceptions of fairness within sociology and psychology overlaps with research on justice within management (Tyler et al. 1997). Although not incorporated into the research on workforce diversity, research on justice and fairness is highly salient and relevant.

STATUS

In *Economy and Society*, Weber (1968, pp. 926–39) differentiates groups based on economic class from those based on status honor. With reference primarily to the economic strata that may determine status honor (and ignoring the status characteristics of gender), he describes status honor by noting that "only the families coming under approximately the same tax class dance with one another" (Weber 1968, p. 932). He argued that over time the two might converge but emphasized that money itself did not confer status. Rather, status constitutes a way of life or mode of being that symbolically communicates whether a person deserves to be treated with deference or honor (Bourdieu 1985). Although class and status may coincide during some historical periods, Weber (1968, p. 938) also called attention to the fact that technological or economic change could undermine the status position of established groups and create new challengers. Thus, although status may be institutionalized, it is not unassailable. As with power, status can be analyzed at the macro or micro level, although inevitably the two are interactive over time.

Workforce Diversity and Status at the Macro Level

To the extent that status attainment research represented a departure from imprecise and ambiguous class categories that mixed issues of both production and consumption (Warner et al. 1949), it provided a step forward for research on inequality (Bielby 1992, Blau & Duncan 1967, England 1992). But the limitations of trying to collapse distinct social characteristics into a single measure and across groups with different social positions in the economy contributed to critiques that endeavored to redirect sociological research back to studies of class and power in the labor force (Hodson & Kaufman 1982, Kalleberg et al. 1981, Wright & Perrone 1977). The limitations of status attainment research were especially evident with regard to gender differences (Rosenfeld 2002, Wolf & Fligstein 1979, Wolf & Rosenfeld 1978) because accepted status measures did not differ much between men and women, even though labor force outcomes were substantially different by sex (England 1992). Furthermore, status as measured in most studies seemed to work better for explaining the career changes intra- and intergenerationally for white men, but less so for blacks (Featherman & Hauser 1976, Hauser 1998, Hogan & Featherman 1977, Wright 1978).

Because of the prevalence of research on status attainment within sociology, many articles review the research findings, conceptualizations, measurement, and critical issues regarding inequality in the labor force and compare research on status to other measures of inequality (Bielby 1992, England 1992, Grusky & Sorensen 1998, Reskin 2003). In recent years, research has turned more to examining the job matching process (Granovetter 1995), the distribution and use of social capital resources (Burt 2000), the transformation in the configuration and composition of occupations (Grusky & Sorensen 1998, Weeden 2000), the role of firms in creating and maintaining inequality (Tomaskovic-Devey & Skaggs 1999), and the mechanisms within workplaces that have the effect of creating inequality (Reskin 2003), with substantial attention continuing with regard to the differences by race/ethnicity and gender. There has also been growing interest within the research on inequality in the effects of cognitive processes in organizations that link micro and macro dynamics within the workplace (Baron & Pfeffer 1994, DiMaggio 1997, Reskin 2000).

Workforce Diversity and Status at the Micro Level

Although sociological research actively developed work on group relations in the development of expectation states and status construction theory (Berger et al. 2002, Ridgeway 2001, Ridgeway et al. 1998), management research on workforce diversity has borrowed almost exclusively from psychological social psychology, with emphasis on social identity theory and social categorization (Tajfel 1981, Turner 1987). Management researchers also frequently cite similarity-attraction theory from psychology (Byrne 1971), and in this context they refer to the principle of homophily (Ibarra 1995), but rarely do they cite the extensive sociological work on either concept (Berscheid & Walster 1978, McPherson et al. 2001).

Social identity theory is attributed to Tajfel (1981), a French psychologist who undertook experimental research in the form of what has been called minimal group studies, so termed because the experiments analyze the cognitive reactions that emerge when groups are categorized as different, despite not having any history or actual interaction (Brewer 1979). In other words, the groups exist only in the categorization itself, often based on trivial distinctions experimentally created by the researcher (Kalkhoff & Barnum 2000). Tajfel found that once groups were categorized as different, there are predictable cognitive responses. Categorization contributes to

stereotyping and to ranking into an ingroup (defined as one's own group) and an outgroup (defined as the other group). When either allocation or evaluation decisions are made, the ingroup is favored over the outgroup. Research on social identity theory has found that as long as group distinctions are salient, social identity processes emerge when the distinctions are stable and legitimate (Mullen et al. 1992). Tajfel argued that ingroup bias emerges in intergroup interaction because it contributes to self-esteem or self-enhancement.

Turner built on Tajfel's work in the development of social categorization theory, adding that ingroup bias also reduces uncertainty about oneself (Hogg & Abrams 1988, Turner 1987), a critique that reinforces social identity theory from criticisms that not all groups seek self-esteem and undertake ingroup bias. Specifically, some note that low status groups may be outgroup favoring (Fiske et al. 2002, Jost & Banaji 1994). Social categorization theory adds another dimension to social identity theory that is consistent with status construction theory from sociology, namely, the assumption that repeated interactions contribute to the development of prototypes that become depersonalized, or diffuse, and that these prototypes guide the responses to group differences and to self-assessment (Hogg & Abrams 1988, Ridgeway et al. 1998).

The research on workforce diversity within management has relied on the formulations of social identity theory by Tajfel and collaborators and on social categorization theory as an extension of Tajfel's theory, but there has been little emphasis within the workforce diversity literature on the durability of group status distinctions or on the implications of the need for legitimation of those distinctions over time, despite the emphasis on prototypical depersonalization within social categorization theory (Berger et al. 1998, Chattopadhyay et al. 2004, Jackman 1994, Ridgeway 1994). Other social psychological work includes these emphases, but these have not been prime sources for the research on workforce diversity. For example, system justification theory (Jost et al. 2004) includes an assumption that inequality is justified through ideological processes. Social dominance theory also assumes that dominance hierarchies are always associated with legitimating myths (Sidanius & Pratto 1999). Both are consistent with Jackman's (1994) argument that conflict is rare in systems of long-term inequality both because of the costs associated with challenging the system and because of the legitimacy processes that overlay inequality with a presumption of merit.

It seems especially shortsighted for the workforce diversity literature to be inattentive to issues of power and long-term inequality (Andersen 2001), given that Tajfel attributed his interest in the development of social identity theory to his response to Holocaust victims following World War II. As he explained,

> In May 1945, after I had been disgorged with hundreds of others from a special train arriving at the Gare d'Orsay in Paris with its crammed load of prisoners-of-war returning from camps in Germany, I soon discovered that hardly anyone I knew in 1939—including my family—was left alive .... [I then worked for six years to rehabilitate victims of the war.] ... This was the beginning of my interest in social psychology (Tajfel 1981, pp. 1–2).

Tajfel & Turner (1986) also addressed issues of power and legitimacy in their analysis of the responses of low status groups. They argued that if boundaries between high and low status groups are permeable, with the possibility of movement into high status groups, then low status group members would use a social mobility strategy to address issues of inequality. If, however, there are no opportunities for upward mobility, then low status groups would become politicized and undertake strategies for social change. Subsequent research within the social identity tradition has confirmed their conceptual model about the likely responses of low status

outgroup members (Branscombe & Ellemers 1998, Ellemers 2001).

One of the key insights regarding social identity theory's predictions about the emergent biases between groups is that these perceptions tend to emerge automatically, without the need for conscious decisions (Bargh & Chartrand 1999), although there is some evidence that the effort to interrupt such automatic processes may be one vehicle for changing the patterns of prejudice and stereotyping (Devine 1989, Langer 1989). The automatic responses that emerge in minimal group studies, however, do not obviate the processes by which these responses become embedded within culture and institutions. Sociological work on status construction, for example, argues that when status expectations emerge in group interactions and are repeated over time, status differences become legitimated (Berger et al. 1998, Cohen & Xueguang 1991, Ridgeway & Balkwell 1997).

Recent work within psychology also reinforces the need to consider the effects of group distinctions over the long term. Fiske et al. (2002) found evidence of consensual stereotypes of group status differences. They found, for example, that whereas a normative ingroup (e.g., white men) is evaluated positively on the two key dimensions that often constitute intergroup stereotypes (competence and warmth), multiple outgroups are stereotyped in more ambivalent ways (e.g., as either competent but not warm, or warm but not competent, or neither) and that the ambivalence of outgroup stereotypes contributes to the overall legitimacy of inequality. The sociological work on status construction also argues that status differences become consensual and widely shared within society through the mechanism of local interactions in small groups (Ridgeway & Balkwell 1997).

Despite the relevance of status construction theory to workforce diversity, the research on status construction has rarely been cited within the workforce diversity literature (for an exception, see Ely 1994). In Ridgeway's (1991, also Ridgeway et al. 1998) formulation of status construction theory, when groups differ both in resources and on a nominal characteristic, the resource differences become associated with the nominal differences, leading to those with more resources being thought of as higher status and also as more competent and worthy. Importantly, what makes the status distinctions powerful is that lower status groups come to accept these distinctions because they believe these views are widely shared (Ridgeway 1991, Ridgeway & Balkwell 1997, Ridgeway et al. 1998). On this issue, therefore, status construction theory is consistent with system justification theory (Jost & Banaji 1994), as well as with Fiske et al.'s (2002) findings regarding normative stereotypes.

Ridgeway et al. (1998) describe the process of status construction as a macro-micro-macro process in the sense that the macro structures of the larger society create a context in which enduring status differences among groups affect expectations regarding performance that arise in small group interaction. To the extent that societal status differences reflect resource differences, then the societal status differences generalize to nominal differences that might exist within a group, even though these nominal differences were not initially relevant to the task at hand and did not carry status value distinctions. These status expectations, then, shape the microstructure of macrostructure. Once status differences emerge, they diffuse quickly if they are repeated in interactions over time.

Ridgeway begins with Blau's (1977) analysis of the likelihood of group interaction and then demonstrates that even a "mere difference" (Ridgeway et al. 1998, p. 332) between groups can take on status value and can be reinforced through what she calls "doubly dissimilar" (p. 334) interactions, in which the groups that differ on some nominal characteristic also differ in resource distribution. The association of resources with worth and competence, the linking of competence to the nominal characteristic, and the repeated interactions in which these doubly dissimilar

associations are reinforced create sustainable status distinctions that are legitimated by the acquiescence of group members in both high and low status positions. Ridgeway et al. (1998) argue that these status distinctions are taught to others when other group members reinforce or fail to challenge the association, so the status value of the nominal distinction becomes normative and widely shared.

The research on expectation states and status construction theory has been supported by extensive empirical work within social psychology (Berger et al. 1998, 2002; Jasso 2001; Ridgeway & Balkwell 1997), and researchers have formalized both the content and the implications of the theory (Jasso 2001, Ridgeway & Balkwell 1997). The research shows, as is true with social identity theory, that the status distinctions that arise out of small group interactions occur automatically and without conscious decision making, but they are sustained over time because they are widely diffused and reinforced. Although there has been some limited recognition in the workforce diversity literature of the "spillover" effects from the wider society (Eagly et al. 2003, Gutek & Cohen 1987), the less favorable organizational positions often held by women or racial/ethnic minorities are often attributed within this literature to uniformly self-interested behavior on the part of all groups or to willful discrimination, but not to the structural advantages afforded to some by privileged access to resources.

Despite the enduring effects of status differences within groups, the research on status construction has considered potential interventions that might interrupt status processes and contribute to more leveling in status positions. For example, Jasso (2001) argues that the status advantages of some groups can be altered only if resources become more evenly distributed, if the resources are disassociated from status value, or if there is a way to break the association between resource advantages and the categorical group, which is consistent with the analysis by Tajfel & Turner (1986) about the strategies used by lower status group members to try to mitigate their disadvantages. Similarly, extensive work within social identity theory has explored ways to change the association of categorical differences with ingroup favor and outgroup bias. Processes such as decategorization (individuating the identities of group members), recategorization (creating a superordinate goal that will unite group members), subcategorization (creating a pluralistic system in which all groups are equally valued), and cross-cutting differences (defining groups so status advantages are mixed within groups) have all been reviewed in this context (Brickson & Brewer 2001, Hewstone et al. 2001). In addition, recent work by Brewer and colleagues (Brickson & Brewer 2001) has fostered the notion of increasing relational ties between group members that would create more of a personal sense of commitment and obligation as a way to create interdependencies that are not based only on self-interest. Recent research from a social identity perspective argues that conflict is more likely when "faultlines" emerge between groups because they differ across several dimensions of diversity simultaneously (such as gender and authority differences) (Brewer 2000, Lau & Murnighan 1998). Of course, Coser (1956) developed this point long ago within sociology.

The transformation of work and organizational forms into less hierarchical, networked, and global firms suggests that group differences may become more relevant and salient within the work environment just at the time that the workforce is becoming more diverse and organizations more boundaryless. Some have suggested that such work environments will increasingly rely on "swift trust," which is likely to be developed primarily through the automatic assessment of others based on demographic and cultural categories (Meyerson et al. 1996). As such, current management literature on workforce diversity has extended social identity theory to the exploration of identification with occupations or organizations (Ashforth & Mael 1989, Hogg & Terry

2001). Accountability that affords protections for women and racial/ethnic minorities is, however, apparently more likely in bureaucratic firms (Kalev et al. 2006).

In summary, although there has been a great deal of reliance within the workforce diversity literature on social identity theory, there has been much less attention to the extensive literature on status construction and expectation states theory, although recent work has begun to link these (Hogg & Ridgeway 2003, Oldmeadow et al. 2003).

NUMBERS

For some people, diversity is primarily about numbers. For example, Kanter's (1977) classic work, *Men and Women of the Corporation*, has been widely cited in the research on workforce diversity, but it is almost always referenced in the context of her discussion about numbers (e.g., McDonald et al. 2004, Randel 2002), i.e., the effects of being a token and the changes in effect with different proportions in a group. Yet Kanter's discussion of the differences in the structural positions held by men versus women included more than the differences in numbers. In addition, Kanter (1977) defined structure in terms of differences in power, which she defined as the capacity to get things done or to mobilize resources (p. 166), and opportunity, which she defined as "the relationship of a present position to a larger structure and to anticipated future positions" (p. 161). In this regard, Kanter's work on differences between men and women in corporations falls into the tradition of sociological work on inequality.

Workforce Diversity and Numbers at the Macro Level

Sociologists have specialized in studying the impact of group composition on social processes and outcomes over decades of research (Blalock 1967, Blau 1977, Glenn 1977, Simmel 1955 [1908]). Kanter (1977) drew from this work in her discussion of the effects of gender composition, and as noted, her insight formed the foundation for the substantial work on compositional effects in the study of workforce diversity.

Researchers have analyzed work on group composition in multiple forms: (*a*) summary indicators such as mean differences in important characteristics (e.g., education or age), proportional representation, for example, of majorities versus minorities, and relative indicators such as the index of dissimilarity or the coefficient of variation that provide information on the distribution of people across categories (Jacobs 1993, Jasso 2001, Williams & O'Reilly 1998); (*b*) thresholds, such as whether quantitative differences make a qualitative difference (e.g., whether categories matter or only the underlying distribution on some important characteristic) (Jackson et al. 1991); and (*c*) measures of connection within or between group members and others, such as the density or range of contacts some members have compared with others (Burt 1997a, Reagans & Zuckerman 2001). In addition, there has been interest as well in whether compositional characteristics are stable or changing (e.g., a growing minority population or a declining one) (Blalock 1967, Taylor 1998); whether the differences are salient and noticeable (Mullen et al. 1992); and whether they are past or present (JB Sorensen 2000, Westphal & Milton 2000). Further attention has been given to cohort effects, to the length of experience in the group, and to whether group or categorical differences are activated or dormant (Carroll & Harrison 1998, Pfeffer 1983). Equally of interest is how multiple identities affect and are affected by group processes and whether people highlight a given identity or minimize it (Browne & Misra 2003, Shelton 2003).

Sociological work has examined nearly all aspects of group composition, but perhaps the work most relevant to workforce diversity is the extensive research on the segregation of jobs, occupations, and industries. Because of the prominence of this topic in studies of labor market inequality, a number

of review articles have outlined the extent, the determinants, and the consequences of job segregation, especially by sex and by race/ethnicity (England 1992, Reskin 1993, Reskin et al. 1999, Tomaskovic-Devey et al. 2006). As for much of the sociological literature on the labor force, the thrust of this research has been on whether, for example, men and women end up in different types of jobs because of their preparation and skills or because of processes of discrimination that might include social closure or opportunity hoarding, or even perhaps a statistical form of discrimination in which group differences are attributed to individuals (Bielby & Baron 1986, England et al. 1988, Tomaskovic-Devey & Skaggs 2002). The research has found evidence of both supply-side (what workers bring to the labor market, such as human capital investments) and demand-side (what kinds of jobs are offered and to whom) factors at work in the outcomes in the labor market (Reskin 1988, 1993). In addition, this research has found that job segregation declined after the 1970s but stalled or slowed in the 1980s; job desegregation has been more dramatic by sex than by race/ethnicity; job segregation is likely to be greater when finer distinctions are made (e.g., examining jobs instead of occupations and occupations instead of industries); and the structure of jobs and employment has been a modest factor in these changes (Tomaskovic-Devey & Skaggs 2002, Tomaskovic-Devey et al. 2006). Such changes have led to a situation in which job segregation by race/ethnicity and job segregation by sex are now similar in magnitude because the desegregation of jobs by race/ethnicity was rapid at the outset and then stalled, whereas desegregation of jobs by sex was slow at the outset but continued at a steady but slow pace since. Overall, the changes in job segregation patterns appear to reflect political organization as much as other factors (Tomaskovic-Devey et al. 2006).

In exploring the impact of numbers on various outcomes, the management literature has been dominated by a voluminous stream of research under what has been called organizational demography, which looks at the aggregate demographic characteristics of various organizational units (most often at the work-group level) on organizational outcomes (Pfeffer 1983), usually hypothesizing social processes as intervening factors that link demography to the outcome. Scholars have attempted to use demographic measures to summarize the characteristics of an organization, e.g., in terms of the structure of the labor force or the structure of jobs (Stewman 1988), although this work has been done more actively within sociology than within management. Management research, instead, has undertaken studies primarily of the composition of work groups, with the characteristics of the top management teams across organizations as the typical unit of analysis (Hambrick et al. 1996, Pfeffer 1983, Williams & O'Reilly 1998). One of the obvious reasons for this methodological choice is that information is readily available on members of top management teams, whereas information on other organizational members is more difficult to obtain. Indeed, the ease of measurement and the availability of data are reasons Pfeffer (1983) gave for the desirability of demographic research on organizations.

In the research on organizational demography, the intervening processes that link demographic characteristics to outcomes, such as rates of turnover or organizational performance, have sometimes been directly measured, but often have been inferred. The typical pattern suggested in organizational demography research is that the distribution of demographic characteristics of a work group (often defined, as Pfeffer had suggested, by distribution of the length of service or tenure in the group) is assumed to lead to interactional processes, such as frequency of communication or intensity of conflict, and these, then, affect organizational outcomes such as performance, adaptability, or innovation, although the most frequently used dependent

variable is turnover rates within the work group or organization (Carroll & Harrison 1998, Lawrence 1997, JB Sorensen 2000). Lawrence (1997, p. 2) criticized the "black box" of this type of research, arguing that the interpretation of the results of such analyses is often ambiguous and can be misleading and that inattention to what the intervening process might be undermines the usefulness of the empirical results. In this regard, Lawrence echoes Reskin's (2003) call for more attention to the mechanisms that link demographic characteristics, such as sex segregation, to outcomes, such as income or authority disparities. Carroll & Harrison (1998) make a similar point about the need to determine the content of intervening processes, but their recommendation is for the development of more formal models that can be explored through simulation exercises.

Recent research on social capital and networks has endeavored to sort out some of these processes by statistically testing the relationships of density and range of networks independently of each other (Reagans & McEvily 2003, Reagans & Zuckerman 2001, Reagans et al. 2004). This research has found that both the density and range of contacts can have positive effects on performance, but these work through different mechanisms. In a series of studies, Reagans and collaborators (2004, Reagans & McEvily 2003, Reagans & Zuckerman 2001) also argue that it is the network characteristics themselves that lead to various outcomes and not the demographic characteristics per se (van Knippenberg 2004).

There is some research as well on what has been called relational demography, which creates a measure of the distance in terms of demographic or cultural characteristics between members of a work group (Tsui & Gutek 1999, Tsui et al. 1992). This research has tended to find that those who are different are more likely to leave the work group, to display evidence of less commitment, and to be less satisfied with their work group experience, whereas those who are more prototypical have more positive responses (O'Reilly et al. 1989, Tsui et al. 1992).

Workforce Diversity and Numbers at the Micro Level

Despite the micro focus, psychological research is also relevant to the compositional effects within work groups and other social entities. For example, extensive literature on intergroup relations has explored the relationships between majority and minority group members (Hewstone et al. 2001, Islam & Hewstone 1993, Konrad et al. 1992, Sachdev & Bourhis 1991). This work has found that minority group members can introduce new ideas into groups, but their ideas may not be heard or valued unless the group differences are somehow bridged; the proportions represented by minority group members affect how others respond to them and the kinds of experiences they are likely to have; and strategies for enhancing the role of minority group members represent trade-offs because increased information or creativity may be at the cost of implementation (Hewstone et al. 2001).

The current work on intergroup relations within psychology still alludes to the contact hypothesis, which suggests that getting people together who perceive each other as different will not improve social relations unless the groups have a cooperative purpose for their interaction, are of about equal status, have an opportunity to get to know each other at a personal level, and have the support of those in positions of authority (Brewer & Miller 1988). Yoder suggests that it is not just the numbers that produce these outcomes, but the status that is associated with categorical differences (echoing status construction theory), the salience of the group differences in the context, and the appropriateness of the roles that contribute to inequality between groups (van Knippenberg 2004, Yoder 1994).

WORKFORCE DIVERSITY EFFECTS ON ORGANIZATIONAL OUTCOMES

The interest in workforce diversity as a concept emerged as a way to capture what were presumed to be dramatic social changes that would have substantial effects on organizations. Although the changes were neither as dramatic as anticipated nor as precipitous as claimed (Friedman & DiTomaso 1996), cultural and demographic diversity in the workforce have had significant effects in the workplace. The structural relationships among groups in the workforce have affected outcomes both at the level of daily interaction and in the long term. Both need to be considered when diversity is taken into account.

Although diversity in the distribution of tenure in work groups or organizations has been most frequently considered, there is also substantial research within management on diversity in terms of educational or functional background (Bantel & Jackson 1989), race/ethnicity (Cox et al. 1991), gender (Eagly et al. 2003, Konrad et al. 1992), and age (Zenger & Lawrence 1989). After a number of studies found mixed results, more recent work has endeavored to sort out the seemingly contradictory effects of diversity on performance (Jehn et al. 1999, Milliken & Martins 1996, Pelled et al. 1999), especially with regard to the alternative claims that diversity contributes to positive outcomes (the value-in-diversity perspective) versus negative outcomes (the diversity as process loss perspective) (Kochan et al. 2003, van Knippenberg 2004, Williams & O'Reilly 1998). Some have termed this the business case for diversity, or depending on the interpretation of the evidence, the business case against diversity.

Overall, the research generally finds that heterogeneity on most any salient social category contributes to increased conflict, reduced communication, and lower performance, at the same time that it can contribute to a broader range of contacts, information sources, creativity, and innovation (van Knippenberg 2004, Williams & O'Reilly 1998). The exception to this general pattern of findings is with regard to functional or educational diversity with complex tasks that require different perspectives (Williams & O'Reilly 1998). In contrast, the research has tended to find that homogeneity on most any salient social category contributes to greater liking and trust, better coordination, increased communication, and higher performance, but to limitations in adaptability and innovation (Reagans & McEvily 2003, Reagans & Zuckerman 2001). The positive benefits of homogeneity in work groups are more likely to emerge when tasks are routine and do not require the integration of different sources of information (Pelled et al. 1999, van Knippenberg 2004). Hence, the research findings have posed a dilemma that a number of scholars have attempted to address: On the one hand, innovation, adaptability, and creativity are more likely in heterogeneous groups, but the ability to implement and integrate divergent ideas is more difficult in heterogeneous groups. On the other hand, cooperation and trust are more evident in homogeneous groups, but adaptability and innovation are less likely.

Scholars have most often used two processes to explain the effects of group diversity on performance outcomes. Some argue that because individuals are attracted to similar others owing to homophily (Ibarra 1995, McPherson et al. 2001) or similarity-attraction (Byrne 1971), the communication between and emotional involvement of homogeneous group members increase. More intensive communication and fewer instances of dysfunctional conflict help homogeneous groups achieve higher performance. A corollary of the similarity-attraction argument is that diverse teams may experience more communication problems (Hoffman 1985), lower satisfaction (Milliken & Martins 1996, Tsui et al. 1992), increased turnover (Boone et al. 2004, Elvira & Town 2001), and lower group performance (Ancona & Caldwell 1992, Harrison et al. 1998).

The second process used to explain the link between diversity and performance is that of structural holes (Burt 1997b). According to this argument, diverse groups draw on members' individual and distinct social networks for information and knowledge. The diversity in sources of information and in the range of knowledge, skills, abilities, or experiences within the group enhances group members' capabilities at solving problems, and they can, thereby, make better decisions and perform better (Jehn et al. 1999). Reagans & Zuckerman (2001), for example, find that in corporate research and development teams, the diversity in the tenure of team members leads to higher productivity, presumably because team members draw on their network ties outside the team. However, when the number of similar people in a group is large, there is increased competition among them (Garza & Santos 1991, Reagans et al. 2004), which may in turn reduce positive identification and communication, thus leading to lower performance. In contrast, cooperation can enhance performance because more alternatives are considered and more perspectives are taken into account in a group that exhibits cooperative behaviors (Cox et al. 1991, Watson et al. 1993). It is noteworthy that most of the research that finds heterogeneous groups to be more productive and more creative has been done in laboratory studies rather than in field research (Williams & O'Reilly 1998).

In considering the alternative views of the effects of workforce diversity, the management literature has tended to frame this debate or controversy about the impact of diversity with regard to what is good for the organization, whereas the sociological and psychological literatures have tended to frame the issue with regard to the potential conflict among groups in the competition over valuable resources such as good jobs or self-esteem. Highlighting this distinction, it would seem, would help address the emerging concern in the management literature that social category differences, for example, by race/ethnicity and gender, are more likely to contribute to emotional conflict, lower morale, and higher turnover (Jehn et al. 1999, Milliken & Martins 1996, Pelled et al. 1999), whereas diversity in task-relevant information, especially when there is high commitment to the task outcomes and a climate of trust among group members, is likely to contribute to better performance in tasks that require complexity and the integration of knowledge (Reagans & McEvily 2003, van Knippenberg 2004). Perhaps because of the results of this research, current research has been less interested in exploring the effects of racial/ethnic and gender diversity within the management literature and has paid more attention to the effects of tenure diversity, functional background (or educational diversity), and more generally to the "diversity of thought." Of course, these distinctions are not necessarily independent of each other. As Reagans et al. (2004) notes, diversity is often consolidated, meaning there is an embeddedness to how people in different social categories are distributed within organizations and across jobs, so older, white, men with longer tenure in an organization are more likely to be represented in higher levels of authority than younger workers, nonwhites, or women, who are more likely to be found at lower organizational levels and often with more tenuous connections to a particular job or organization.

Social identity theory predicts that when people categorize themselves and others as belonging to different groups, they inevitably assign preferences to the group they perceive to be like them. Through these processes, one's position in status hierarchies influences expectations of rewards and, thereby, affects perceptions of fairness (Clayton & Opotow 2003). Already advantaged groups, who might be called a normative ingroup, may gain more opportunities to perform and to demonstrate their competence, frequently receiving the benefit of the doubt in the evaluation of their performance (Pettigrew 1979, Rowe 1981). Members of a normative ingroup may reap

the benefits of deference that others show toward them: They are believed to be more competent, are preferred for job assignments, may garner more rewards, and often are better liked than those in normative outgroups (Berger et al. 1998, Ridgeway et al. 1998). They also have better access to developmental opportunities at work (Berger et al. 1998).

In contrast, lower status groups (normative outgroups) are likely to be more negatively evaluated by others (Fiske et al. 2002) and by themselves (Ridgeway 2001). Furthermore, categorization may have more consequential outcomes for outgroup members, such as exclusion and avoidance (Fiske 2002), less effective mentoring outcomes (Ragins 1997, Thomas & Gabarro 1999), less access to company job training (Knoke & Ishio 1998), and more uncertain mobility (Friedman & Krackhardt 1997, Smith 2005). Responses to status hierarchies may even be severe, including aggression or violence under some circumstances (Fiske 2002, Keltner et al. 2003).

Several factors, however, have been found to dull or heighten the effects of categorical differences: Whereas long-term attitudes (e.g., prejudice) may activate stereotypes, mental overload may block stereotypes (Fiske 2002). Those with higher levels of education may know not to express prejudiced attitudes (Jackman & Muha 1984), but a higher level of perceived threat may exacerbate a prejudiced response (Blalock 1956). Under favorable conditions (e.g., shared goals), intergroup contact may help reduce the activation of bias, through mutual appreciation and friendship (Brickson & Brewer 2001, Pettigrew 1998), but meeting the conditions of more positive outcomes is often difficult through group interaction alone.

The unevenness of different categories of people across jobs and occupations most likely reflects social closure processes that enable those with power to hoard positions of authority or favorable work assignments for people like them. But external factors can moderate the extent to which those in positions of power can systematically reproduce inequality. Effective enforcement of equal opportunity laws and affirmative action policies, for example, can have a mitigating effect (Bergmann 1996, Kalev et al. 2006). The hoarding of opportunities appears to occur more frequently at higher organizational levels (Smith 2002). Categorical differences in power also help explain race and sex income disparities, especially at higher organizational levels (Kluegel 1978, McGuire & Reskin 1993). Overall, the power structure of an organization may affect the extent to which minority managers at any organizational level have power and autonomy when it comes to control over budgets, final hiring authority, or profit and loss responsibilities (Collins 1997, Smith 2005).

Under some circumstances, the effects of diversity on organizational outcomes are attenuated or intensified. For example, sharing a superordinate identity or goal can reduce ingroup/outgroup biases (Hewstone et al. 2001). In collectivist organizational cultures, social categorization within groups may be less strong (Chatman et al. 1998). The design of a group's work tasks (e.g., the extent to which they require interdependence among group members) may also affect the extent to which diversity is problematic (van Knippenberg 2004). Finally, the effect of being on a diverse team may vary depending on the extent of organizational diversity (Joshi 2006).

In summary, the social relationships among group members and the relationships of power, status, and composition across groups have effects at both the micro and the macro levels. Group differences affect cognition, emotion, and behavior in intergroup interactions. They also affect access to social resources, to decision making, to opportunities to perform, and ultimately to power and authority in the workplace and to significant differences in rewards that then feed back into ongoing group processes.

CONCLUSION

In this review, we underline two key points: (*a*) that workforce diversity is about the study

of inequality and, as such, needs to be linked to the broad literatures on inequality in the disciplines of sociology and psychology and (*b*) that the structural relationships that define what differences make a difference (namely, power, status, and numbers or compositional patterns) are key to understanding how groups interact at different levels of analysis. By showing the range of issues that should be incorporated into the study of workforce diversity across these disciplines and showing both similarities and differences in the discussion of workforce diversity, we hope to broaden the discussion of diversity in the workplace and point to directions for future research.

Among other things, future research on workforce diversity needs to consider the discrepancies that apparently exist between the findings of minimal group studies, which purposely strip the investigation of all substantive and historical content, and studies of intergroup relations that exist within an institutional context that has emerged out of the structure of group relations over time. Whereas minimal group studies may find consistent responses to difference when history does not matter, real group relations are overlaid with the need for legitimacy of long-term inequality, with institutional structures that reproduce inequality and constrain group competition and with day-to-day mechanisms at the workplace that reinforce privilege or disadvantage. As such, the more complex real world suggests that we should not expect symmetry in the relationships of groups to each other. Because of the limits to resources, information, and opportunity and because of greater vulnerability, lower status groups may not respond to difference in the same way that higher status groups do under normal circumstances. Future research should give more attention to these distinctions and complexities, and it should especially consider the circumstances or conditions under which one kind of response is more likely than another. For the same reasons, future research should recognize the limits of explicit conflict on the part of privileged groups. Conflict invokes resistance, so privileged groups, too, have an incentive to appear both moderated and reasonable.

Given the complexities of group interaction in historical context, research on workforce diversity should also consider the implications of multiple groups rather than assuming only two (an ingroup and an outgroup) and also should consider the strong tendency for internal divisions within groups when inequality pervades group relations. A number of researchers have made the point that there are usually multiple outgroups in different social positions and that the very existence of multiple outgroups that are treated differentially helps contribute to the legitimacy of intergroup inequality (Fiske et al. 2002, Jasso 2001, Jost & Major 2001). Of course, the controversies about how much difference makes a difference and whether categorical differences matter much to most people are why so much effort has gone into constructing alternative frameworks for explaining inequality. The controversies about class versus authority and power, class versus occupation, or class versus status have been well traversed within sociology and the other social sciences, but these controversies have not been sufficiently addressed within the study of workforce diversity.

Taking note of the historical circumstances in which intergroup relations exist suggests another important consideration in the study of workforce diversity, namely, how intergroup relations change over time. Because diversity implies inequality, it is quite likely, as Tajfel & Turner (1986) noted, that low status groups will undertake strategies either of social mobility or of social change to improve their circumstances, although neither may be possible for some groups and at some times. Understanding diversity in the workplace, therefore, requires an understanding of what influences are coming to bear on group relations at a given time. For example, the political environment may make changes in the

structure of group relations more or less likely, and the political organization or successful organizing of some groups may enhance their ability to gain greater opportunity or rewards in the workplace. Success in this regard, however, depends also on how day-to-day work practices affect outcomes for some groups versus others. In other words, we need to know, as Reskin (2003) suggests, more about the mechanisms in day-to-day interactions at the workplace that contribute to the reproduction of inequality or to its mitigation. In the workforce diversity literature, these types of actions have been called microinequities, but clearly we need to consider actions that contribute to microadvantages as well.

Concern with intergroup inequality and with the implications of diversity, of course, is affected by value judgments, as well as by research findings. Not every member of a given group considers that group membership salient. Some may disavow membership, may try to pass as a member of a different group by highlighting a different aspect of their identities, or may simply give group membership no consideration at all, despite whatever consequences may exist in their lives because of who they are and how they are treated. In fact, in this regard, there is somewhat of a dilemma. The more differences are highlighted, the more likely they become salient in interaction and invoke predictable reactions that favor some groups over others, but failing to address categorical differences can also contribute to unfavorable circumstances for some and at the same time make it more difficult to foster positive changes in policy or practice. Such dilemmas have been addressed in research that has tried to examine how various types of interventions might change the structure of group relations, reduce prejudice, or improve opportunities for those who are disadvantaged.

Each of the suggested remedies to the downside of diversity and inequality seems to have a trade-off, especially for lower status groups that are at a disadvantage. Changing the pattern and consequences of intergroup relations (i.e., of diversity) has the consequence of reducing the salience or importance of group identity, which for some is an important positive value, or alternatively of reducing the likelihood that group members can gain access to opportunity and rewards, which of course, are perceived as positive as well.

The critical question is whether it is possible to retain a sense of difference without difference taking on a negative connotation. Or, in other words, is pluralism possible without an unhealthy competition for resources? Increasingly, this has become an important question for organizations and for society as a whole. As companies increasingly depend on innovation to foster long-term growth and success, diversity in the labor force, as well as in the business and social environment, is both necessary and inevitable. If we cannot address the downsides of diversity in the labor force, then it will be difficult to reap the benefits. These issues exist at multiple levels: interpersonal, intergroup, relational, organizational, societal, and global. The stakes are increasingly high, and the solutions are essential. It appears, however, that we need to find solutions that will make both cooperation and conflict possible, so we can understand and learn from each other without becoming alike. This is a challenge both for academics and for the ages.

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