

# *Beyond the Numbers:* *When Diversity is Not Enough*

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*Picture a one-factory company. Its three managers are white males, but its workforce is diverse. In-fact, most are female, belong to a minority group, or both.*

*The image of a harmonious, multicultural workplace comes to mind – one might even assume the company in question is rather progressive.*

*Surely, the employees are grateful to work at such an equitable company, and the firm is well equipped to thrive in a marketplace that values social responsibility. Right?*

*Maybe.*

In a new study on workplace diversity, four Rutgers University scholars paint a more complex picture of companies like these. They point out that when examining the effect diversity has on company performance and employee attitudes, it's not enough to consider the sheer number of minority and female workers a firm employs.

Rather, we must take into account what these employees are actually doing in their company. What are their roles? What are their responsibilities?

Think again about the company we considered before. Although its employees are diverse, segregation pervades the workplace. The Black, Hispanic, Asian and female employees work exclusively in the factory assembly lines and loading docks, occasionally becoming secretaries. The company's managers and executives are almost all white males.

This scenario – in which an employee's race or gender play a role in determining her or his position in the company – is called "occupational segregation." It's the focal point of the Rutgers study, and it's something all firms ought to think about.

Working from surveys of 21,000 workers at 207 worksites in 14 companies, the study's authors set out to ascertain whether reducing occupational segregation improves employee attitudes.

They found that it does.

**According to the data, workers who feel they can advance within their company regardless of their race or gender are more likely to:**

- want to work hard
- feel loyal to the company
- intend to stay with the company for a long time
- perceive their company as fair

When occupational segregation reigns, however, minority employees feel as though they are judged as a member of a group rather than as a worker with individual merits. This perceived stereotyping dims their view of their company.

## **What to do about it**

The authors note that occupational segregation results from hiring and promotion practices. Previous research has shown that managers in charge of hiring and placing workers often tend to regard certain jobs as "appropriate" for new hires of a given race or gender.

They tend to assign white workers to prestigious, lucrative positions and minority workers to lower-paying, menial positions.

The solution may lie in formalizing hiring and promotion protocols. By making personnel decisions less subjective, formal protocols can ensure individuals are judged by performance, not race or gender.

In addition, companies must know that occupational segregation can arise if managers fail to be conscious of their own biases when they assign jobs. "Organizations should think critically about who gets into what jobs in the organization, regardless of race, ethnicity, or gender," the authors write.

They also note that a firm's everyday practices may unintentionally segregate different groups into different positions, and that leadership should ensure that their firm structure does not lend itself to this type of discrimination.

## Notable findings

### The effects of occupational segregation are severe, but they affect women less than men.

- The authors write that when minority men sense they have been placed into a certain job because of their race, they resent it. It makes them less likely to perceive their company as fair, less loyal to the company, less likely to work hard, and more likely to seek employment elsewhere.
- The same is not true for women. The data show that even when minority women feel their race has relegated them to mundane labor, they are no less likely to want to work hard, perceive their company as fair, feel loyal to the company and intend to stay there.
- The authors suggest an interesting reason for this: minority males tend to judge their status against that of white males. They see their white counterparts working in lucrative jobs and feel they have been unjustly denied the chance to do the same.
- Women, the authors write, tend not to feel entitled to the jobs they associate with white males.

### A greater percentage of black men in a worksite is associated with lower company loyalty among black men.

- The authors explain a phenomenon in which workers feel pressure to be “model employees” when they are alone or one of a few workers in their demographic group. As the percentage of black men increases, the authors write, this pressure subsides, bringing worker attitudes down with it.
- Another explanation: exposure to more workers in your demographic group may increase the likelihood of seeing negative or unfair treatment of workers in your group, prompting you to feel less loyal to the company.



**Niki Dickerson** - Professor, School of Management and Labor Relations, Rutgers University. Niki studies the structural features of the U.S. labor market that enable or hinder access to employment opportunities for marginalized workers. Her current work investigates the role of residential segregation in the job allocation process and patterns of race/gender occupational segregation in the U.S. labor market. The National Academy of Science recently awarded her a HUD post-doctoral fellowship to study the impact of residential segregation on the race gap in unemployment and other employment outcomes for blacks and Latinos in marginalized communities in U.S. metropolitan areas.



**Lisa A. Schur** - Professor, School of Management and Labor Relations, Rutgers University. Lisa's research focuses on disability issues in employment and labor law, particularly the Americans with Disabilities Act and its relationship to other laws and social policies. She also studies alternative work arrangements such as contingent work, and the connections between workplace experiences and political participation. Her work has appeared in the *Industrial and Labor Relations Review*, *Social Science Quarterly*, *Political Research Quarterly*, *Industrial Relations* and other journals.



**Joseph R. Blasi** - Professor, School of Management and Labor Relations, Rutgers University. Joseph studies employee stock ownership, broad-based stock options, management stock ownership, employee involvement, and corporate governance. His articles have appeared in the *Industrial and Labor Relations Review* and the *British Journal of Industrial Relations*, and he has written several books, including: *A Working Nation*; *In the Company of Owners*; and *Stock Options, Corporate Performance, and Organizational Change* (with SMLR colleague Douglas Kruse, among others).



**Douglas L. Kruse** - Professor, School of Management and Labor Relations, Rutgers University. Doug conducts econometric studies on disability, profit sharing, employee ownership, pensions, and wage differentials. His books include *The New Owners and Profit Sharing: Does It Make A Difference?* – winner of Princeton's Richard A. Lester prize for Outstanding Book in Industrial Relations and Labor Economics. His articles have appeared in journals such as *Industrial and Labor Relations Review*, *Economic Journal*, *Monthly Labor Review*, *Brookings Review*, and *Industrial Relations*.

# About the School

- School of Management and Labor Relations (SMLR) is the leading source of expertise on managing and representing workers, designing effective organizations, and building strong employment relationships
- Founded by state decree in 1947 as the Institute of Management and Labor Relations, SMLR became a School in 1994. The School is housed in 2 buildings on the Rutgers New Brunswick campus: the Levin Building on Livingston, and the Labor Education Center on Cook/Douglass
- The School contains two excellent Departments – Human Resource Management and Labor Studies and Employment Relations – which together have one of the greatest concentrations of talent in the world on workforce issues
- Our mission is to deliver cutting-edge education, research, and outreach activities to benefit the employers and workers of New Jersey, the U.S., and the world

## Education

The School offers a full range of degree and non-credit learning opportunities, with scholarship assistance available to highly qualified applicants.

### UNDERGRADUATE

**In partnership with the School of Arts and Sciences and select community colleges across NJ, SMLR offers:**

- A Bachelor of Arts in Labor Studies and Employment Relations
- An Undergraduate Minor in Human Resource Management
- A Bachelor of Science Degree in Labor and Employment Relations

### PROFESSIONAL MASTERS

**The School offers three master degree programs, and has taken a lead in creating a fourth program, that covers all of Rutgers.**

- **Master of Human Resource Management** – to develop strategic HR leaders
- **Master of Labor and Employment Relations** – to develop leaders in employee relations, employee diversity, worker representation, and workplace change
- **Global Executive Master in Human Resource Leadership** – targeted at leaders with the potential to run the HR function for a global company
- **Master of Business and Science** – combining courses from 15 Schools across all 3 Rutgers campuses

### DOCTORATE

**We offer an interdisciplinary PhD in Industrial Relations and Human Resources.**

### CONTINUING STUDIES

**We offer a wide range of short courses, customized training, and topical conferences to labor activists and management professionals, through Labor Education and Research Now (LEARN) and the Center for Management Development.**

## Research

SMLR's greatest strength is its world-leading faculty and staff. Among their accomplishments are:

- Producing the highest impact research in the world's leading academic workforce-related journals as benchmarked against the top business schools and peer institutions
- Writing many of the main books that have shaped the field