This chapter describes five themes that summarize the evolution of diversity research during the past two decades. Research on diversity within a domestic context and research on international diversity are both considered. The chapter reveals the changing emphases in scholarly work over time, as well as differences in the approaches taken by scholars who study domestic and international diversity. The following contrasts are highlighted: concern about complying with laws versus improving organizational effectiveness; examining how members of groups differ versus understanding the interpersonal dynamics that unfold between members of different groups; studies of that focus on a single group attribute versus consideration of the attribute profiles that describe individuals; viewing the dynamics of diversity as generic versus examining how the social and organizational context shapes diversity dynamics; and, focusing on how to manage diversity through individual change versus managing diversity through organizational change. Opportunities for cross-fertilization in research on domestic and international diversity are highlighted.

INTRODUCTION

When studying organizational phenomena, many researchers implicitly assume that employees within an organization are homogeneous. They also assume that the phenomena being studied are unaffected by whether employees are different from each other. Diversity researchers reject both of these assumptions. Their work focuses on questions that arise when the workforce is acknowledged as a heterogeneous mix of people with different backgrounds, experiences, values, and identities. This chapter describes five themes that summarize the evolution of diversity research during the past two decades, as follows:

(I) from complying with laws to improving organizational effectiveness;
(II) from documenting group differences to understanding interpersonal dynamics;
(III) from focusing on single attributes to studying attribute profiles;
(IV) from viewing diversity as generic to understanding diversity in context;
(V) from changing individuals to changing organizations.

Included is research focused on domestic diversity and research focused on international diversity. Domestic diversity refers to diversity within a domestic workforce, excluding national differences. International diversity refers to diversity among the cultures of different countries. Historically, research studies on domestic and international diversity evolved independently of each other, but in organizations, both types of diversity are increasingly important. Collaboration
among researchers interested in domestic and international diversity is certainly desirable, and perhaps inevitable. An overarching goal of this chapter is to encourage such collaboration.

THEME I: FROM COMPLYING WITH LAWS TO IMPROVING ORGANIZATIONAL EFFECTIVENESS

In the United States, much of the early domestic diversity research grew out of concerns about employment discrimination and workplace fairness. During the past decade, however, a shift has occurred. Now, economic expansion and tight labor markets mean that finding a sufficient number of qualified employees is a major challenge for employers in both the United States and Europe (Chambers, Foulon, Handfield-Jones, Hankin & Michaels, 1998). Consequently, employers who once viewed diversity management activities as a legally driven bureaucratic cost are now seeking to create workplaces where employees from all backgrounds fully utilize their skills and feel personally comfortable.

Laws Stimulated Early Research on Domestic Diversity in the United States

Passage of the US Civil Rights Act of 1964 made it illegal for US employers to make employment decisions based on information about a person’s sex, race, color, religion, or national origin. Several other antidiscrimination laws prohibit the use of other personal characteristics (e.g., age, disability, pregnancy) when making employment decisions. In the United States, organizational research evolved when people believed that unfair discrimination in employment was common. Members of the demographic majority (e.g., men and whites) were assumed to be guilty of discriminating against members of demographic minorities, who in turn were cast into the role of victims. From this world view emerged diversity management practices aimed primarily at eliminating the discriminatory actions taken by members of the majority and, secondarily, developing the coping behaviors of members of the minority. Fear of legal penalties motivated employers to adopt such management practices.

The primary research objective during this period was helping employers develop nondiscriminatory personnel practices. This line of work defined nondiscrimination as basing personnel decisions on valid measures of a person’s job qualifications. During the 1960s and well into the 1990s, organizational researchers helped employers develop legally defensible approaches to making personnel decisions; at the same time, their work informed the development of governmental guidelines for how employers and the judicial system would evaluate evidence when judging whether illegal discrimination had occurred. Indeed, US-based research on diversity became so intertwined with legal concerns that reviews of recent court decisions appeared as research articles in leading psychology research publications (e.g., see Cascio & Bernardin, 1981; Malos, 1998; Varca & Pattison, 1993; Werner & Bolino, 1997). During this early era, little attention was paid to the question of whether these practices had positive consequences for members of the majority or for overall organizational effectiveness.

Improving Organizational Effectiveness is the Focus of Current Domestic Diversity Research

By the dawn of the 21st century, the US workforce had become substantially more diverse than it had been in the early 1960s, especially in terms of sex and ethnicity. Legislation aimed at creating equal employment opportunities was undoubtedly responsible for some of the changing workforce demographics, but so were changing immigration patterns, changing lifestyles, changing economic conditions, and changing business strategies. Furthermore, steady economic growth combined with slower growth in the size of the US labor force has created such a tight labor market that most employers cannot afford to reject job applicants based on irrelevant personal characteristics. Nor can they afford the high turnover costs that result when poorly managed diversity causes disgruntled employees from all backgrounds to leave the organization (e.g., see Morrison & Herlihy, 1992; Tsui, Egan & O’Reilly, 1992). Thus, irrespective of legal regulations, many US employers now view managing diversity as a business necessity (Jackson & Alvarez, 1992).

In fact, little empirical evidence is currently available to show that diversity or diversity management practices directly impact financial success (e.g., see Richard & Johnson, 1999). One exception is a study which found that firms with exemplary diversity programs (specifically, affirmative action programs) performed better as measured by stock prices, compared to firms that had paid legal damages to settle discrimination lawsuits (Wright, Ferris, Hiller & Kroll, 1995). More plentiful are studies that relate diversity to nonfinancial consequences that are believed to affect the bottom line. Two frequently studied intermediate consequences are cohesiveness and creative problem solving.

Cohesiveness

Cohesiveness refers to the degree of interpersonal attraction and liking among members of a group or
organization. Under most circumstances, similarity leads to attraction. This is true for a variety of characteristics, including age, gender, race, education, prestige, social class, attitudes, and beliefs (e.g., Berscheid, 1985; Brass, 1984; Byrne, 1971; Cohen, 1977; Ibarra, 1992; Levine & Moreland, 1990; McPherson & Smith-Lovin, 1987; O'Reilly, Caldwell & Barnett, 1989; Riordan & Shore, 1997; Zander & Havelin, 1960).

Positive feelings such as attraction promote helping behavior and generosity, cooperation and a problem-solving orientation during negotiations (for a review, see Isen & Baron, 1991). Attraction may also translate into greater motivation to contribute fully and perform well as a means of gaining approval and recognition (Chattopadhyay, 1999; Festinger, Schachter & Back, 1950). Conversely, employees who believe their employer discriminates against people based on their ethnicity experience lower commitment (Sanchez & Brock, 1996).

**Turnover**

Dissimilarity often promotes conflict (Jehn, 1994; Knight et al., 1999; Pelted, Eisenhardt & Xin, 1999). Longer-term, the conflict associated with diversity may influence one's decision to maintain membership in a group or organization. This was illustrated in a study of 199 top management teams in US banks. During a four-year period, managers in more diverse teams were more likely to leave the team compared to managers in homogeneous teams. This was true regardless of the characteristics of the individual managers, and regardless of how similar a manager was to other members of the team. Simply being a member of a diverse management team increased the likelihood that a manager would leave (Jackson, Brett, Sessa, Cooper, Julin & Peyronnin, 1991). Presumably, more diverse teams experienced greater conflict and were less cohesive (cf. Wagner, Pfeffer & O'Reilly, 1984), creating feelings of dissatisfaction and perhaps increasing the perceived desirability of other job offers.

Several other studies have examined the relationship between team diversity and team turnover rates, and most results support the assertion that diversity is associated with higher turnover rates. In particular, several studies have shown that age and/or tenure diversity correlate with turnover (McCain, O'Reilly & Pfeffer, 1983; O'Reilly et al., 1989; Wagner et al., 1984). Some evidence indicates that the relationship between diversity and turnover holds in cultures as different from each other as the United States, Japan (Wiersema & Bird, 1993), and Mexico (Pelted & Xin, 1997). Not all types of diversity are associated with turnover; however, and even age and tenure diversity are not always correlated with turnover (Webber & Donohue, 1999).

The elevated turnover rates associated with diversity have usually been treated as negative. Under many circumstances, turnover can be disruptive. But turnover can also be beneficial. Over time, repeated exposure to the same people gradually results in the homogenization of attitudes, perspectives, and cognitive schemas; in the process, creative capacity diminishes. Thus, despite the disruption it can cause, turnover creates opportunities for renewal and the continual addition of fresh ideas.

**Creative Problem Solving**

Creative problem solving refers to activities that require formulating new solutions to a problem and/or resolving an issue for which there is no ‘correct’ answer. When teams are assigned tasks that require creative problem solving, diversity leads to better performance (Fillet', House & Kerr, 1976; Hoffman, 1979; McGrath, 1984; Shaw, 1981). This effect has been found for diversity of many types, including personality (Hoffman & Maier, 1961), training background (Pelt, 1956), leadership abilities (Ghiselli & Lodahl, 1958), attitudes (Hoffman, Harburg & Maier, 1962; Triandis, Hall & Ewen, 1965; Willems & Clark, 1971) gender (Wood, 1987), occupational background (Bantel & Jackson, 1989), and education (Smith, Smith, Olian, Sims, O’Brannon & Scully, 1994).

Diverse perspectives seem to be beneficial on several counts. During the environmental scanning that occurs in the earliest phase of problem solving, people with diverse perspectives can provide a more comprehensive view of the possible issues that might be placed on the group’s agenda. Subsequently, discussion among members with diverse perspectives can improve the group’s ability to consider alternative interpretations and generate creative solutions that integrate their diverse perspectives. As alternative courses of action and solutions are considered, diverse perspectives can increase the group’s ability to foresee all possible costs, benefits, and side-effects. Finally, diversity can enhance the group’s credibility with external constituencies, which should improve their ability to implement their creative solutions (e.g., see Cowan, 1986; Hambrick, Cho & Chen, 1996; Jackson, 1992; McLeod & Lobel, 1992; McLeod, Lobel & Cox, 1996; Pearce & Ravlin, 1987; Porac & Howard, 1990; Simon, 1987; Triandis, Hall & Ewen, 1965; Watson, Kumar & Michaelson, 1993).

**Legal Considerations and Organizational Effectiveness in International Diversity Research**

The prominent role of legal considerations in early US research on domestic diversity contrasts sharply
with the minor role of legal considerations in research on cross-cultural differences and international multiculturalism. Instead, due to the high cost of expatriate failure, the overriding focus has been on understanding the reasons for failure in international assignments (Black & Gregersen, 1990; Mendenhall & Oddou, 1986; Shaffer, Harrison & Gilley, 1999), with the hopes of reducing such failures. In the short run, conscientious employers can reduce the stress associated with expatriate assignments if they understand the personal characteristics and organizational conditions associated with such stress. In the long run, finding ways to increase cross-cultural adjustment among expatriates and their families should reduce premature termination of the assignment and thereby improve the organization's ability to achieve its goals (Black & Gregersen, 1990; Deshpande & Viswesvaran, 1992).

Because the costs associated with managing expatriates are both very high and easy to estimate, researchers have invested little effort in empirically documenting the relationship between the practices used to manage expatriates and organizational effectiveness. Nevertheless, some relevant evidence that focuses on the relationship between human resource management practices such as expatriate selection and training and premature expatriate return is beginning to accumulate (Tung, 1981; Teagarden & Gordon, 1995).

Opportunities for New Learning

With respect to the issue of legal compliance, we found few common threads running through the research literature on managing domestic and international diversity. On the other hand, the goal of improving individual and organizational performance is a unifying theme. Historically, this has been a dominant concern in the organizational research on intercultural adjustment and adaptation. More recently, research on domestic diversity has shifted to include this goal. Researchers in these two fields will have many opportunities to learn from each other. Here we suggest just a few areas for mutual exploration.

Managing Fairness in the Global Context

In an international setting, companies face the challenge of navigating through diverse legal systems and cultural milieus. Cultural values, embodied in customs and laws, dictate what is 'fair' and 'right' in the workplace (Schwartz, 1999). The magnitude of variation in what is considered fair is reflected in the differences in antidiscrimination laws worldwide. Corresponding to such differences in laws may be large differences in perceptions of fairness.

Recognizing cultural differences in perceptions of fairness is important because these are related directly to outcomes such as employee satisfaction and turnover in the domestic context (Korsgaard, Schweiger & Sapinanza, 1995). Cultural differences in perceptions of fairness among expatriates and host nationals may be manifested in expatriate managers' treatment of host national subordinates or vice versa, and have consequences for the success of the assignment.

Future organizational research could examine cultural antecedents of fairness perceptions. For instance, studies could address differences in perceptions of fairness among host country nationals and expatriates in relation to outcomes such as turnover among host nationals or premature expatriate return. Based on this research, organizational policies that account for cultural differences in perceptions of fairness and result in the fair treatment of employees in international settings can be formulated.

Managing Perceptions of Competence

Perceptions of competence also may affect success in international assignments. Research on bias and discrimination indicates that the negative outcomes experienced by minority group members often can be traced to majority members' negative beliefs about the competence of minority group members. In the case of expatriates, the minority group members of interest are the expatriates, and the majority group members are the local host-country employees. By extension, is reasonable to expect that outcomes for expatriates could be improved by adopting management practices aimed at reducing bias and prejudice among the host-country nationals. Research on cross-cultural adjustment has identified host nationals' attitudes toward expatriates as a relevant predictor of expatriates' cross-cultural adjustment (Cox & Tung, 1997; Florkowski & Fogel, 1995; Caligiuri & Tung, 1999).

Majority group members show less bias against members of minority groups when they have information that validates the minority members' task-related competence. Conversely, minority group members show greater confidence in their ability to perform and succeed when they believe that task-related competencies were the primary consideration for selecting them to do the task (e.g., see Heilman, Lucas & Kaplow, 1990; Heilman, Rivero & Brett, 1991; Heilman, McCullough & Gilbert, 1996). Translating this to managing expatriates suggests that expatriates may be more likely to remain in and succeed at their international assignments to the extent that they believe they have the competencies required, and to the extent that host-country locals also believe the expatriate has the competencies required.

One way to establish confidence in an expatriate's competence may be by making the process of expatriate selection more transparent. Although employers usually give considerable attention to task-related
competencies during the early phases of expatriate selection, expatriates and host-country employees may be completely unaware of the initial screening criteria. Consequently, host-country employees may assume that the expatriates' experience with the task in other locations is only marginally relevant to performing the task in their specific location.

Other organizational practices, such as career development programs for ‘fast track’ employees, may further erode the confidence that host-country employees have in the expatriates' abilities. Although career development and learning transfer are worthy objectives, in the minds of host nationals they take the focus away from the expatriate's competence. The unintended consequence may be that both expatriates and their host-country colleagues assume that the expatriate is less qualified than he or she is and should be.

Future research could help organizations develop practices to address the host nationals' attitudes towards expatriates. Such practices should include communications that ensure a clear understanding of the goals of the expatriate assignment among host national counterparts prior to the expatriate's arrival in order to reduce misconceptions about the purpose of the assignment and demonstrate alignment between the objectives of headquarters and the subsidiary.

**THEME II: FROM DOCUMENTING GROUP DIFFERENCES TO UNDERSTANDING THE INTERPERSONAL DYNAMICS THAT CREATE GROUP DIFFERENCES**

The topic of diversity is of interest in part because people believe that group memberships shape our everyday experiences in meaningful and important ways. Two types of differences that have been studied frequently are employment-related outcomes and psychological characteristics. Among the employment outcomes studied have been pay levels, educational attainment, performance, and rates of promotion. Psychological characteristics of interest include skills, abilities, values, personality, and behavioral styles (cf. McGrath, Berdahl & Arrow, 1995).

**Documenting Domestic Group Differences in Employment-Related Outcomes**

In the United States, documentation of differences in employment-related outcomes followed naturally from the focus on legal compliance, described above. For the US courts, group differences in employment-related outcomes are considered sufficient evidence to suggest that illegal discrimination may be operating. Conversely, if outcomes are similar for members of different demographic groups, fair and equal treatment is presumed. In this context, documenting between-group differences in employment outcomes is a necessary first step that establishes whether there is a phenomenon worthy of further investigation.

Research examining group-based differences in employment outcomes for US workers is vast and impossible to review thoroughly here, so we offer only a few examples to illustrate the general pattern of findings.

**Performance**

Measures of employee performance serve as the backbone of personnel systems. If group differences in measured performance exist, these effects can be expected to reverberate throughout the span of employees’ careers.

Overall, group differences in subjective measures of performance appear to be small yet pervasive. Substantial evidence shows that the job performance of black employees is evaluated as slightly lower compared to white employees for both objective and subjective measures (Ford, Kraiger & Schechtman, 1986; Sackett & DuBois, 1991). Similar patterns have been found for other minority group members, including women and older employees.

Group differences in subjective ratings of performance are not fully explained by actual differences in performance (Arvey & Murphy, 1998). In a large study of military personnel, when peer ratings were used, women were rated lower than men, even when supervisors' ratings revealed no performance differences (Pulakos, Schmitt & Chan, 1996). Regarding age, older workers sometimes receive lower ratings from supervisors, but paradoxically, objective measures of performance indicate that older workers are more productive than their younger colleagues (Waldman & Avolio, 1986).

**Career Outcomes**

Whereas performance measures show relatively small group-based effects, indicators of career advancement and occupational success reveal larger differences in the outcomes experienced by various demographic of US employees. In general, women and members of most racial and ethnic minority groups advance more slowly in the organizational hierarchy and receive lower pay (Baron & Pfeffer, 1994; Morrison & Von Glinow, 1990; Powell & Butterfield, 1997; Ragins, Townsend & Maths, 1998). An exception to the general pattern of lower attainment occurs for Asian Americans. For them, the picture is more complex. On the one hand, they generally attain higher levels of education and have higher incomes compared to European Americans.
and other racial-ethnic groups. On the other hand, compared to European Americans, Asian Americans receive lower returns on their educational attainments (Barringer, Takeuchi & Xenos, 1990; Duleep & Sanders, 1992; Friedman & Krackhardt, 1997; Tang, 1993), as do African American men (Kluegel, 1978; McGuire & Reskin, 1993; Smith, 1997).

For the few who make it to the top of the hierarchy, their experiences depend on who they are. For example, a study comparing men and women executives in comparable jobs within the same industry found that women had less authority, received fewer stock options, and had less international mobility (Lyness & Thompson, 1997). The routes that women take to get to the top may also differ from those of men, with successful women facing and overcoming more developmental barriers than successful men (Ibarra, 1997; Ohlott, Ruderman & McCauley, 1994).

**Documenting Domestic Group Differences in Psychological Characteristics**

Psychological differences refer to personal characteristics such as personalities, interests, values, and abilities. Certainly, there is evidence of group-based differences in these characteristics. Differences in achievement scores for members of various cultural groups (Ackerman & Humphreys, 1991), which are reflected in the stereotypes held by the American work force (Femandez, 1988), have been a topic of much concern and debate. Gender and ethnic differences in verbal and nonverbal communication and interpersonal styles are also well documented (Cox, Lobel & McLeod, 1991; Glass, 1992; Tannen, 1990, 1995), as are gender differences in leadership style (Eagly & Johnson, 1990) and influenceability (Eagly, 1983; Eagly & Carli, 1981; Carli, 1989), and age and cohort differences in work attitudes and values (Elder, 1974; Rhodes, 1983; Thernstrom, 1973; Work Attitudes, 1986).

Such group differences may help explain some differences in work-related outcomes. To illustrate, a recent review of research on sex differences in self-esteem showed that men have somewhat higher self-esteem than women, and that this effect is particularly strong in late adolescence (Kling, Hyde, Showers & Buswell, 1999). Similarly, males tend to evaluate themselves more positively than females (Deaux, 1976). Perhaps for this reason they also have higher expectations for the levels of pay they deserve (Jackson, Gardner & Sullivan, 1992). Gender-based differences in pay expectations, in turn, may translate into actual differences in income attainment.

Group-based differences do in fact exist, but the mere existence of such differences is not sufficient reason to conclude that actual differences in psychological characteristics are the sole explanation for differences in work outcomes. For example, Eagly, Makhijani and Klonsky (1992) found that women leaders are evaluated more negatively than their male counterparts even when they have equivalent qualifications. And, whereas data from several million US students indicates that cognitive ability differences between males and females are negligible (Hyde, Fennema & Lamon, 1990; Hyde & Linn, 1988), males are generally perceived as more intelligent than females (Wallston & O'Leary, 1981). Similarly, the evidence indicates that the deteriorating effects of age have little impact on intellectual capacity until the seventh decade of one's life (Labouvie-Vief, 1989), yet managers appear to denigrate employees who are older than the norm for a particular job or position (Lawrence, 1988; see also Tsui, Xin & Egan, 1996) even if they are considerably younger than 70 years of age.

**Toward Understanding the Causes of Differential Outcomes**

Managers and researchers alike recognize that differences in the outcomes experienced by members of different groups can be created in different ways. Differences in outcomes may be due partly to differences in job qualifications and personal choices about work. But a full understanding of observed group-based differences in work outcomes requires understanding the interpersonal processes through which differential outcomes are created.

Jackson, May and Whitney (1995) developed a model that suggests more specifically how interpersonal processes may help explain the long-term consequences of diversity. As shown in Figure 11.1, Jackson et al.'s framework organizes constructs into four general categories that are linked as follows: aspects of diversity - a mediating states and processes - short-term behavioral manifestations - longer-term consequences. They applied their model at three levels of analysis: individual, interpersonal, and team.

In Figure 11.1, short-term behavioral manifestations of diversity refer to observable phenomena, such as communications and the exercising of influence. Such behaviors are the most immediate determinants of longer-term consequences. Communications among team members are viewed as particularly important. Through their communications, employees manage information, tangible resources (e.g., equipment, tools, money), and human resources (e.g., skills, effort). To do so, they must exercise influence over each other. Influence communications, engaged in for the purpose of changing the attitudes, values, beliefs, and behaviors of others, are particularly potent, which is why they are highlighted in Jackson et al.'s model.
Figure 11.1 A general framework for understanding the dynamics of diversity. (© Susan E. Jackson. Used with permission.)
Observable behaviors are shaped by mediating states and processes, which describe the way people feel and think about themselves and each other. Included are feelings (e.g., attraction, discomfort, and admiration) as well as cognitive structures (e.g., mental models and stereotypes). Also included are social structures that reflect relationships between and among employees (e.g., status and power hierarchies).

The value of models such as the one shown in Figure 11.1 is that they suggest how the wide array of research findings related to diversity might be understood by focusing on a few fundamental phenomena. Here we attempt to illustrate this point by focusing on just three such phenomena: attraction, communication, and status.

**Attraction**
Regardless of the basis for identifying people as similar (members of an in-group) or dissimilar (members of an out-group), similarity and the attraction it creates shape how people behave toward each other. Loyalty and favoritism characterize interactions with similar, in-group members, while distrust and rivalry characterize interactions with dissimilar out-group members. The tendency to be attracted to and biased in favor of similar others is so pervasive that it operates even when people judge their similarity based on meaningless information (such as randomly determined group membership). Minimal and arbitrary categorizations lead people to rate members of their own group as more honest and cooperative. Not surprisingly, categorization as an in-group member also results in gaining more resources from other members of the group and in greater cooperation (Brewer; 1979; Kramer & Brewer, 1984; Tajfel, 1978).

A bias that favors similar others also appears to affect evaluations within organizations. Managers tend to rate subordinates who are the same gender more favorably and also report liking them more (Larwood & Blackmore, 1978; Tsui & O’Reilly, 1989). Similarity in age and job tenure also correlate with greater liking (Judge & Ferris, 1993).

**Communication**
Through communication behaviors, feelings can be translated into group-related differences in work outcomes. In general, communication networks are characterized by demographic homogeneity (Brass, 1984; Hoffman, 1985; Lincoln & Miller, 1979). For example, work-related communications between men and women are less frequent in units that are more diverse with respect to sex (South, Bonjean, Markham & Corder, 1982). Formal and informal meetings among peers and with immediate subordinates are lower in racially diverse groups (Hoffman, 1985). And age and tenure similarities between coworkers predicted levels of communication among project teams of engineers (Zenger & Lawrence, 1989).

Two categories of communication prevalent in organizations are task-related communication and relations-oriented communication. Through task-related communication, members of an organization seek, offer, and negotiate for work-related information and resources (Jackson et al., 1995). Each person’s access to information and resources, in turn, has important consequences for their performance as well as their ability to take advantage of personal and career-enhancing opportunities within the organization. Through relations-oriented communications, employees seek, offer, and receive social information and support. These in turn can facilitate (or hinder) a person’s ability to form meaningful friendships and cope effectively with the challenges of organizational life coping.

Communication networks can be valuable resources for advancing a career. Employees who have contact with people in positions of power can gain power themselves and are more likely to be promoted (Brass, 1984). Communication networks that bridge a person to other firms and professional associations contribute to income attainment above and beyond the effects of other indicators of human capital (Boxman, De Graaf & Flap, 1991). People at the center of communication networks control more information and resources than do others, and also enjoy more career-related opportunities and benefits than others who are less centrally located (e.g., see Ibarra & Andrews, 1993; Rice, 1993).

Although research on networks is still in its infancy, it seems probable that differences in communication patterns and networks account for some of the differences in work-related outcomes experienced by members of different groups (see Ibarra & Smith-Lovin, 1997). Communication networks make it possible for employees to translate their human capital into positive work outcomes. When seeking new jobs or promotions, a wide range of network contacts can facilitate the process of locating desirable job openings. Communication networks also shape the amount and type of feedback and advice employees receive regarding their daily performance and career opportunities (cf. Friedman, 1996; Friedman & Krackhardt, 1997). The importance of communication networks partly explains why many employers have organized and supported employee networking or caucus groups targeted to specific employee populations, such as females, Hispanic Americans, and gays and lesbians (e.g., see Friedman, 1996; Friedman, Kane & Cornfield, 1998; Sessa, 1992).

**Status**
Even in the flattest organizations, some employees enjoy more status than others. Status, in turn, gives people power to wield influence and thereby
determine resource allocation decisions. In the United States, decades of national opinion polls and psychological research on prejudice and discrimination show that the status attributed to individuals corresponds to their sex, age, and ethnicity (Jaffe, 1987; Johnston & Packer, 1987; Katz & Taylor, 1988; Kraly & Hirschman, 1990; Chronicle of Higher Education, 1992). Unfortunately, the workplace is not immune to these status attributions.

Status characteristics theory (SCT) specifies the processes through which evaluations of, and beliefs about the characteristics of team members become the basis of observable inequalities in face-to-face social interactions (Berger, Rosenholtz & Zelditch, 1980). Status characteristics can be specifically relevant to the task at hand (e.g., mathematical ability in a mathematical problem-solving group), or people may judge each other based on characteristics that have little to do with actual competence. According to SCT, differences in status characteristics create status hierarchies within groups. Sessa and Jackson (1995) referred to this as vertical differentiation. They argued that vertical differentiation helps explain why observed decision-making processes seldom fit an idealized, rational model. Due to status differences, available resources may not be identified and used during group decision making (Bottger & Yetton, 1988; Stasser & Titus, 1985).

The dysfunctional effects of status characteristics are likely to be greatest when low-status individuals have resources or expertise that the workgroup needs to perform their task, and high-status people do not. Compared to those with lower status, higher-status persons display more assertive non-verbal behaviors during communication: speak more often, criticize more, state more commands, and interrupt others more often; have more opportunity to exert influence, attempt to exert influence more, and actually are more influential (Levine & Moreland, 1990). Consequently, lower-status members participate less. Because the expertise of lower-status members is not fully used (Silver, Cohen & Crutchfield, 1994), status differences inhibit creativity and contribute to process losses (Steiner, 1972).

Status characteristics also create dissatisfaction and discomfort. Initially, group members behave more positively toward higher-status members (Ridgway, 1982). Low-status team members often elicit negative responses from others and because of their low status they must absorb the negative reactions rather than respond and defend their positions (Ridgway & Johnson, 1990).

In this section, we have provided a sampling of the research on three phenomena - attraction, communication, and status - that help explain some group-based differences in work outcomes for domestic US workers. Next we consider international differences and their consequences for interpersonal dynamics in organizations.

**Documenting international Differences in Values**

‘Culture’ has been defined as the ‘human made part of the environment (that) includes both objective elements - tools, roads, appliances and subjective elements - categories, associations, beliefs, attitudes, norms, roles and values’ (Triandis, 1993: 111). Differences in values have received the most attention. Hofstede (1980, 1982, 1991) developed the most extensively cited typology for describing value differences. Based on a survey of employees of a single organization across 60 countries in different time periods, Hofstede ranked countries according to their placement on the cultural dimensions of power distance, uncertainty avoidance, individualism, and masculinity. Subsequently, Hofstede's typology was extended to include a fifth dimension. Labeled Confucian dynamism, this dimension captures differences in the value attached to thrift, persistence, and a long-term time perspective (Hofstede & Bond, 1988). Research on international diversity has relied heavily on these rankings, which have since been validated in other organizational settings (Triandis, 1993).

More recently, using data from more than 40 countries, Schwartz (1999) identified seven cultural types by considering three value dimensions: conservatism versus autonomy, hierarchy versus egalitarianism, and harmony versus mastery over the environment. These dimensions relate to individuals' relationships to the group/community as well as individuals' relationships to the social context (Schwartz, 1999). A third conceptualization of cultural differences was proposed by Fiske (1992), who proposed four ‘modes’ of social relationships: communal sharing, authority ranking, equality matching, and market pricing. These four modes of social relationships influence individuals' values and are manifested in individuals' behaviors.

Research on international differences has shown that values predict behavioral outcomes such as communication, decision making, and leadership (Triandis, 1993). As in the domestic setting, however, the documentation of such international differences is of limited benefit to organizations. A deeper understanding of the interpersonal dynamics and behavioral outcomes affected by these differences is needed in order to develop organizational interventions that improve the outcomes of individual employees and those of the organization as a whole.

**Toward Understanding the Consequences of International Differences in Values**

In organizations that aim at expanding business globally, multinational teams are a necessity and...
their effective functioning is a primary concern (Snow, Davison, Snell & Hambrick, 1996). Thus, an understanding of how international diversity affects communication, decision making, and leadership dynamics in such teams should prove useful to global organizations.

**Communication**

In multicultural workgroups, knowledge transfer and information exchange are often key objectives, but cultural differences in communication behaviors can impede knowledge transfer. Cultural differences can arise in any of the five phases of communication: encoding, sending, receiving, decoding, and feedback (Gibson, 1999a; Triandis, 1989). For example, during encoding, cultural values (e.g., individualism or masculinity) may influence choices about the best source for a message, the message content, and the style of presentation. In cultures that emphasize collectivism rather than individualism, messages are more likely to refer to external sources of information, display empathy and emotions towards others in the group, and emphasize the collective entity rather than the individual (Hofstede, 1980; Gibson, 1999a). When received by colleagues whose values emphasize individualism, such messages may be less persuasive or have unintended consequences that create misunderstanding or inefficient knowledge transfer.

**Team Decision-Making Processes**

For teams involved in problem solving and decision making, international diversity creates challenges that are both similar to and distinct from those created by domestic diversity. Ilgen and his colleagues proposed that a team’s cultural composition influences three aspects of decision making: the definition of the problem, the sharing of information, and conflict or consensus (Ilgen, LePine & Hollenbeck, 1999). Others have suggested that in-group-outgroup identification based on nationality or culture may be related to conflict and formation of cliques, and ineffective information sharing (Armstrong & Cole, 1996). Early and Mossakowski (2000) found that international diversity can be detrimental to team functioning early in the life of a team. However, given enough time, very diverse multinational teams in which there is no opportunity for nationality-based cliques to form can overcome these problems and outperform more homogeneous teams in the long run.

**Leadership**

Ultimately, the challenge of dealing with cultural differences in communication and decision making rests with leaders who manage and provide direction to groups characterized by international diversity. The GLOBE Project, a recent large-scale study of leadership, suggests that some attributes of effective leaders are culturally unique, while others are universal (Hartog, House, Hanges, Dorfman & Ruiz-Quintanilla, 2000). Research also indicates that the cultural orientations of followers can influence what effect a leadership style has on performance and motivation (Jung & Avolio, 1999). Thus, in culturally diverse groups, effective leadership is particularly challenging.

Studies such as those described above point to the salience of cultural differences as determinants of interpersonal dynamics within workgroups. Clearly, additional research could prove beneficial for improving our understanding of these processes and for suggesting organizational practices to enhance the effectiveness of culturally diverse workgroups.
Readily detected attributes can be determined quickly and consensually with only brief exposure to or a little knowledge about the person. Attributes that can be readily detected include organizational and team tenure, department or unit membership, formal credentials and education level, sex, race, ethnicity, and age. Underlying attributes are less obvious, more difficult to verify, and subject to more interpretation and construal. Furthermore, some attributes may be particularly relevant to work tasks, while others are important primarily because they affect the social relationships within an organization. Some attributes are more often task relevant than others. However, all attributes are potentially relevant to a specific task situation. Whether or not a particular attribute is actually relevant to the task at hand depends completely on the task.

Researchers have often assumed that readily detected attributes are associated with task-related underlying attributes (Hambrick & Mason, 1984; Lawrence, 1997). For example, an automotive design team that is occupationally diverse (e.g., it includes a purchasing manager, a market researcher, an R&D engineer and a foreman from the manufacturing plant) would be expected to make better design decisions than a more homogeneous team because of the diversity of task-relevant knowledge, skills, and abilities they presumably would bring to the task. Regarding relationship-oriented attributes, a common assumption is that readily-detected indicators of race (e.g., skin, hair, and facial features) are highly correlated with racial identities. Similarly, physical indicators of a person’s sex are assumed to be highly correlated with gender identity. A more nuanced understanding recognizes that identities are socially constructed and malleable (e.g., Frable, 1997; Nkomo, 1992, 1995; Helms, 1990; Hogg & Terry, 2000). Although some readily detected attributes are empirically correlated with some underlying attributes, the correlations are far less than one.

Managers often assume that task-related attributes are powerful determinants of behavior and outcomes in organizations and that relationship-oriented attributes play only a minor role. As described above, however, relationship-oriented attributes shape behavior even when they are not associated with task-related attributes. Relationship-oriented attributes trigger stereotypes that influence the way people think and feel about themselves and others, what information is attended to, who talks to whom, and who has the most influence in decision-making processes.

Whereas managers may tend to overestimate the importance of task-related attributes, organizational researchers may tend to overestimate the importance of underlying attributes. Many researchers have used readily detected attributes to assess diversity, but they do so with apologies, noting that convenience and economic considerations are the primary reasons for assessing these attributes rather than the underlying attributes with which they are presumably correlated (Hambrick & Mason, 1984). Consistent with the reasoning that underlying attributes are the more important determinants of behavior, Lawrence (1997) chastized organizational researchers for studying readily detected attributes and failing to assess underlying attributes. While this criticism is valid, it would be a mistake to assume that readily detected attributes are useful

<table>
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<tr>
<th>Attributes that are more likely to be task-related</th>
<th>Attributes that are more likely to be relationship-oriented</th>
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<tr>
<td>Department/unit membership</td>
<td>Sex</td>
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<tr>
<td>Organizational tenure</td>
<td>Socioeconomic status</td>
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<tr>
<td>Formal credentials and titles</td>
<td>Age</td>
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<td>Education level</td>
<td>Race</td>
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<td>Memberships in professional associations</td>
<td>Ethnicity</td>
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<td>Knowledge and expertise</td>
<td>Religion</td>
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<td>Cognitive skills and abilities</td>
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<td>Physical skills and abilities</td>
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<td>Racial identity</td>
<td>Ethnic identity</td>
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<td>Other social identities</td>
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The examples shown are illustrative, not exhaustive. Adapted from Jackson et al. (1995), with permission.
merely as convenient, imperfect indicators of underlying attributes. Rather, to fully understand diversity and its consequences, it may be necessary to assess and study all categories of attributes shown in Table 11.1.

**Attribute Profiles**

The need to assess more than one or two attributes in any particular study is widely recognized, and many studies of domestic diversity measure at least several readily detected attributes. However, when analyzing their data, researchers usually consider each attribute independently. For example, in a study of mentoring relationships, Ragins and Scandura (1997) measured several attributes, but they focused on the effects of gender alone; the other measured attributes were used as control variables.

Researchers seldom consider the consequences of different combinations of attributes. The one major exception to this generalization is research that considers the combined effects of race or ethnicity and sex. When race and sex are studied in combination, one of two approaches is typically used. One approach involves grouping the study participants into discrete categories (e.g., black men, white men, black women, and white women) and then studying each category separately. A second approach uses statistical procedures to test for significant race x sex interactions. A study that examined affirmative action attitudes illustrates the potential value of assessing several attribute dimensions and examining interactions among them (Thomas, Williams, Perkins & Barosso, 1997). In addition to self-reported race and gender, Thomas et al., measured ethnic identity. Their results revealed that ethnic identity moderated the relationship between race and affirmative action attitudes. Their results seemed to indicate that gender played no role in predicting affirmative action attitudes. A profile approach was also used by Friedman and Krackhardt (1999) in a study of career mobility among Asian Americans. Their results showed that profiles of ethnicity and education attributes (measured as interaction terms) predicted employees’ locations within communication networks and their supervisors’ ratings of career mobility. In another recent study, Jehn, Northcraft and Neale (1999) found that task-related diversity interacted with relations-oriented diversity to affect team performance and efficiency.

Surprisingly, however, in all of the studies just cited, the authors limited their analyses to two-way interactions rather than considering all possible profiles of attributes. There are two plausible explanations for the dearth of research using attribute profiles. An abundance of technical problems associated with data analysis and interpretation is one reason. A lack of adequate theory to guide the research is another reason. Many of the technical problems that would arise if researchers used attribute profiles are due to problems of measurement and statistical power. These practical considerations are not trivial. However, given sufficiently interesting questions, resourceful researchers would undoubtedly find satisfactory ways to address such problems. We believe that lack of adequate theorizing has been the more significant barrier to more sophisticated profile analysis.

This state of affairs may change soon, due in part to a recent theoretical paper describing the potential importance of demographic “faultlines.” Lau and Mumighan (1998) argue that the array of attributes across members of a group determine the strength of faultlines within the group. Strong faultlines occur when attributes are aligned in a way that creates natural coalitions. As an extreme example, a group would have a strong faultline if it were composed of two 50-year-old European-American salesmen and two 30-year-old Asian-American female marketeers. Faultlines would be much weaker if the attributes in the group were cross-cutting (see Brewer, 1995) so that task-related and relationship-oriented attributes were not aligned. Lau and Mumighan (1998) argue that faultlines affect groups in a variety of ways. For example, they may increase the probability that stable cliques or subgroups will form and become polarized. The presence of polarized subgroups, in turn, may shorten the sensemaking processes that groups engage in.

Attribute profiles have also been suggested as important determinants of employee stress. Sociologists have argued that stress is created by status inconsistencies across one’s array of personal attributes (Bacharach & Bamberger, 1992). For example, Jackson (1962) found that stress symptoms were higher among people who were members of high-status (majority) racial groups but had low educational and occupational status. Due to the stress they create, status inconsistencies within one’s attribute profile may also predict dissatisfaction, organizational withdrawal, and performance (Bacharach & Bamberger, 1992; Holmes & Butler, 1987).

Finally, recent research on the emergence of leadership points to the value of considering attribute profiles. Numerous studies of leadership behavior suggest that in mixed gender groups, men tend to emerge as leaders more often than women. Critics of this line of research note that the tasks used in leadership research often are relatively masculine. Thus, the typical research design inadvertently favored the males because, in effect, males were more likely to have the task-related knowledge and expertise needed to assume a leadership role. In an experiment designed to test this reasoning, Karakowsky and Siegel (1999) found support for the conclusion that leadership behaviors are best predicted by taking into account a person’s profile...
of relationship-oriented (sex and gender) and task-related (knowledge) attributes.

From Single Attributes to Attribute Profiles in the International Context

Earlier in the chapter we summarized research on cross-national differences in employee values and behavior. Here we attempt to extend the theme of understanding attribute profiles to international diversity research. Because the existing research on international diversity seldom fits with this theme, we focus on outlining directions for future research.

The Content of International Diversity

As in the case of domestic diversity, international diversity may be viewed as encompassing both readily detected and underlying attributes. Nationality is readily detected, while cultural values represent underlying attributes. Researchers have often assumed that nationality is strongly correlated with cultural values (Gibson, 1999b; Jung & Avolio, 1999; Kirkman & Shapiro, 1997). This assumption is easily justified, given the results of past research by scholars such as Hofstede, Schwartz, and Fiske, which was summarized above. However, when nationality is treated as the attribute of interest, the complexity of national differences is often ignored. For example, consider a study designed to examine the role of individualism within groups. Because individualism is known to be lower in Asian countries and higher in the United States, the researchers compared Caucasian and Asian students. They interpreted their findings as supporting the important role of individualism. But the Caucasian and Asian students almost certainly differed on other values, other behavioral styles, and so on. Because nationality was the only attribute measured, however, the role of specific underlying attributes that tend to be related to nationality could not be assessed.

Attribute Profiles

Research using attribute profiles is rare in the domestic context, but it is virtually nonexistent in the international context. Yet, research on cultural differences makes it clear that nationality is only a weak indicator of underlying values. Furthermore, it is likely that other readily detected attributes, such as age and religion, combine with nationality in important ways to influence individual and group behavior. For example, in a multinational team, the experiences of lower-status Japanese females are likely to differ substantially from those of higher-status Japanese males. To assume that all Japanese team members have similar attitudes and engage in similar behaviors is too simplistic to enable a full appreciation of how intercultural diversity will affect the workgroup. Indirect evidence for attribute profiles may be found in research on female expatriates that indicates that high-ranking married female expatriates may face fewer challenges in overseas locations (Caligiuri, Joshi & Lazarova, 1999).

Researchers who wish to consider attribute profiles in their studies of international diversity face challenges similar to those faced in domestic diversity research. Apart from methodological constraints (such as small sample sizes), the lack of adequate theory building is a theme that parallels research in a domestic context. Considerable effort and ingenuity will be needed to close these theoretical and methodological gaps.

THEME IV: FROM VIEWING DIVERSITY AS GENERIC TO STUDYING DIVERSITY IN CONTEXT

The proliferation of research on diversity in recent years has made one fact increasingly clear: the dynamics of diversity are difficult to specify. The observed effects sometimes vary markedly from one study to the next. Even where a general pattern of findings is established, studies that don't support that pattern usually can be found in the published literature. As a consequence of the great variation in effects found across studies, researchers cannot be certain that they understand phenomena well enough to justify making prescriptive statements about how to effectively manage diversity.

As research on diversity moved out of laboratory settings and into organizations, it became painfully obvious that diversity's consequences are shaped in part by subtle features of the task, the group or team context, by the larger organizational context, and even by the changing societal context. For example, after reviewing evidence regarding the relationship between group composition and performance, Jackson (1992b) concluded that diversity appears to be beneficial to performance on tasks that require creativity and judgment, but it was less clear that diversity is beneficial for routine tasks that required maximum speed. Several studies also suggest that team longevity plays an important role. For example, Harrison, Price, and Bell (1998) found that the effects of readily detected attributes (i.e., race, gender etc.) are 'neutralized' over a period of time. Pelled et al. (1999) also found that the effects of demographic attributes diminished over time as people worked together in a team. Many more years of research will be needed to achieve a good understanding of how context shapes diversity's consequences. The fastest progress is likely to occur regarding the group- or team-level effects, as this is already an active topic of research.
Groups and Teams as Context in Domestic Diversity Research

To this point, our discussion has focused on issues related to how people from different backgrounds respond to each other, and the consequences that such intergroup dynamics have for individuals and organizations. In much of this research, the social unit studied has been the dyad, such as a supervisor and subordinate or two peers. For dyads, similarities and differences appear to drive the dynamics of interaction (see Theme II). Somewhat surprisingly, however, perceptions of similarity and difference are not easy to predict. Similarity and difference are relative, not absolute, and their meaning is construed within a larger social context (Chatman, Polzer, Barsade & Neale, 1998; Ely, 1995).

Many different configurations of attributes can be present in a team, and demographic configurations can be powerful determinants of self and other perceptions, feelings about the group as well as communication and influence processes. The dynamics within a team that is completely homogeneous can be quite different from those within a team that is nearly homogeneous but includes a 'token' or 'solo' member (see Kanter, 1977). The experiences of a solo member can be quite different from the experiences of members of a small minority faction (i.e., two members who are similar to each other but distinctly different from the other members of a team). Finally, the members of a small faction will have different experiences than members of a faction within a completely bipolarized team made up of two equal-size coalitions.

The amount and nature of team diversity appear to be especially important to understanding conflict. Blalock (1967) argued that an increase in the proportionate size of a minority faction threatens the majority faction’s power and access to scarce resources. The result is increased competition between the factions, and increased discrimination by the majority against the minority, at least up to a point. When the minority faction reaches a sufficient size, however, they are able to effectively combat such behavior, which lessens its effects (e.g., see Tolbert, Andrews & Simons, 1995).

Two widely recognized types of conflicts that arise in teams are relationship conflicts and task conflicts. Relationship conflicts can arise because team members have differing values (Jehn, 1994; Pelled, 1996) or simply because team members rely on readily detected attributes to define others as members of an in-group or out-group (cf. Pelled, 1996). Regardless of the source of relationship conflicts, they often result in negative outcomes such as absenteeism, turnover, low satisfaction and commitment, and poor performance (Baron, 1991; Jehn, 1995; Jehn, Chadwick & Thatcher, 1997; Thatcher, 1999).

Task conflict involves disagreements that are directly related to performing the task. Presumably, teams characterized by task-related diversity experience more task-related conflict (Pelled, 1996). Such conflict appears to improve performance when team members understand how to manage it effectively (Bottger & Yetton, 1988; Jehn, 1997). In a study of 57 top management teams, for example, task-related diversity was beneficial to company performance for teams that also engaged in vigorous debate, but diversity without debate was of little value (Simons, Pelled & Smith, 1999).

The evolving consensus among researchers who study conflict is that the types and amounts of diversity present in a team create a context within which conflict about relationships and the task unfold. Similar conclusions about diversity-as-context have been voiced by researchers studying other group phenomena. For example, a study of leadership behaviors in mixed gender groups found that being in the minority in terms of gender does not have the expected negative consequences for people who are in the majority in terms of task-related attributes (Karakowsky & Siegel, 1999). In other words, task-related diversity provides a context that shapes the effects of relations-oriented diversity. As another example, a study of social influence within top management teams suggests that the diversity context moderates the extent to which executives are likely to change each other’s beliefs about the determinants of success in their business (Chattopadhayay, Glick, Miller & Huber, 1999).

The studies discussed so far in this section have focused on the relationship between diversity and teams’ functioning from an internal perspective. An internal perspective implies that team characteristics (e.g., team composition, team task) are the major determinants of team experiences and outcomes. In contrast, an external perspective suggests that a team’s relationships with other units within the organization are also significant predictors of team outcomes (Ancona & Caldwell, 1992). Teams that engage in effective boundary spanning behavior perform better and are viewed as more successful in the organization (Ancona & Caldwell, 1992; Giadstein, 1984). Ancona and Caldwell (1998) have argued that task-related diversity (i.e., tenure and function) influences team members’ relationships outside the team. A similar argument may be made to incorporate relations-oriented diversity (i.e., race, age, gender). For example, Jackson (1992a) suggested that top management teams may be better able to persuade their constituents of the wisdom of their decisions if the team’s demographic profile is similar to that of their constituents.

The Societal Context in Domestic Diversity Research

It is within the context of society that individuals are socialized to exhibit behaviors ‘appropriate’ to
their membership in demographic groups, and it is within this context that individuals first learn to respond differentially to members of different demographic groups (see Maccoby & Jacklin, 1974; Jacklin, 1989). In addition, events in society - including new legislation, local politics, and nationally organized demonstrations - can stimulate changes in intergroup relations in the workplace (see Alderfer, 1992; Sessa, 1992).

The consequences of gradual societal changes can be profound. For example, the identity preferences of African-American children have changed substantially during the past several decades (Cross, 1991). During the 1940s and 1950s, African-American children generally showed a preference for a white identity. During the 1960s, social activists invested heavily in efforts to change the negative connotations of black identity, and these efforts proved to be effective. By the 1970s, African-American children showed a preference for a black identity. The children of the 1960s are the employees of the present, and the ethnic identities they developed as children are now shaping organizations in ways that contrast sharply with earlier generations. The historical shifts that occur within societies mean it can be risky to assume that results from the past generalize to the future.

Intergroup conflict and power struggles that occur at the societal level also shape the consequences of diversity within organizations. For example, in Northern Ireland and Quebec, opposing groups have been struggling for years over fundamental governance issues. These societal-level political struggles constrain the conversations and formation of relationships among neighbors and business partners alike (Pettigrew, 1998). To date, however, domestic diversity research has paid very little attention to the role that societal context plays in shaping the dynamics of diversity. The role of societal context has traditionally received greater attention in studies of international diversity. On the other hand, team contexts remain relatively ignored in this literature.

Groups and Teams as Context in International Diversity Research

With technological advances and organizational compulsions to deliver high-quality products within limited time frames, multinational, geographically dispersed team emerged (DeMeyer, 1991; Snow et al., 1996). How do multinational teams overcome linguistic, cultural, and often geographic barriers to form a team-level identity and function effectively? Armstrong and Cole (1996) found that multinational dispersed teams, members tended to identify primarily with people who they met face to face and with whom they regularly communicated. Team members would not consider others located in remote sites, who they did not interact with regularly, as part of the same team. This led to strong subgroup identities and weak team-level identities. With regard to leadership, DeMeyer (1991) notes that, in an international context, team leaders must be able to integrate external information and translate it to the teams’ needs. DeMeyer's (1991) research on international R&D labs indicates that the team leader may need to play the role of 'information gatekeeper' and monitor external information while facilitating information exchange within the team. These studies provide some indication of the challenges associated with a multinational team context.

Organizational Context

Approaches to globalization are dictated by the nature of the market, products and technology, and industry (Schuler, Dowling & DeCieri, 1993). In their efforts to exercise control over subsidiaries, ethnocentric companies rely on expatriates for staffing their operations overseas. In these companies international diversity in the subsidiary consists of two predominant national/cultural groups - the home-country nationals and the host-country nationals. As already explained, this bimodal distribution may set the stage for significant conflict to arise. By comparison, polycentric companies with decentralized worldwide operations may face relatively fewer challenges arising out of international diversity, because the workforces in its subsidiaries will be mostly host-country nationals. In geocentric companies, which employ the best talent available regardless of where it may be located, workgroups include home-country, host-country, and/or third-country nationals. Consistent with the findings of Earley and Mosakowski, the diversity found within these groups may be less likely to result in conflict and more likely to enhance performance. Thus, organizational approaches to globalization, reflected in staffing policies, are illustrative of the role that organizational context can play in shaping the consequences of international diversity.

Societal Context in International Diversity Research

Because societal context is so important for understanding international diversity, the question of whether research findings from one domestic setting (mostly US) generalize to other societal contexts must be raised (e.g., see Triandis, 1992). Undoubtedly, some findings generalize across cultures (the etic perspective) and other findings hold only within particular cultures (the emic perspective) (Pike, 1966; Brett, Tinsley, Janssens, Barsness & Lytle, 1999).
While researchers have argued over the relevance of each of these perspectives (etic versus emic) to international or cross-cultural research, recent advances in the field demonstrate a reconciliation between these two views (Triandis, 1993; Brett et al., 1999; Earley & Randel, 1996). For example, from the etic perspective, it may be possible to conclude that both task- and relationship-oriented diversity create conflict within teams. However, an emic perspective may be needed to predict which types of relationship-oriented diversity (e.g., ethnicity or religion or age) are more likely to provoke in-group-out-group dynamics.

Another approach to diversity training focuses more specifically on developing the behavioral competencies needed to work effectively in organizations characterized by diversity. Cox, for example, identified seven competencies that he felt were essential for anyone responsible for leading diverse groups (see Cox & Tung, 1997, for a description). Changing intergroup behaviors and developing interpersonal skills in general undoubtedly help to improve the climate within diverse workplaces (e.g., see Alderfer, 1992; Sessa, 1992). But, like awareness training, used alone such interventions can only begin to create fundamental changes in organizational systems and processes.

**Towards an Organizational Change Perspective**

For established organizations that evolved during an era when the workforce was relatively homogeneous, truly fundamental changes may be necessary to create an organization that effectively leverages the talents of a more diverse workforce. In his classic post World War II treatise, Allport (1954) hypothesized that the following conditions were necessary in order for intergroup contact to lead to reduced prejudice: equal group status within the situation (i.e., the work setting), active striving toward a common goal that requires interdependent cooperation, and explicit social sanctions supporting the development of intergroup relationships. When members of different social groups interact in settings that meet these conditions, attitudes toward outgroup members improve significantly (for a comprehensive review, see Pettigrew, 1998).

Allport’s condition of a common goal that requires interdependent cooperation should be met in any organizational setting where people of different backgrounds work together toward shared objectives. This condition is met at least minimally by most organizations. Allport’s other conditions for positive intergroup relations are less likely to be satisfied without intentional intervention. In organizational settings, efforts to create equal group status may include using group membership as a criterion when assigning people to powerful committees and taskforces. Following a merger, this tactic might be used to ensure that the two companies have equal representation in the new top management team (Schweiger, Ridley & Marini, 1992). When demographic differences are the concern, this tactic can be used to ensure that members of minority groups are included on advisory boards, as interviewers during the hiring process, and as members of committees involved in promotion and compensation decisions (e.g., see Alderfer, 1992).

The most problematic of Allport’s conditions is the presence of social sanctions that support positive intergroup relations. Often, perhaps because
diversity initiatives can be so threatening to members of a powerful majority, organizations create diversity programs but do not mandate full participation. According to a study involving several hundred organizations, the success of diversity interventions is greater when supporting sanctions are in place. Requiring managers to attend training programs and tying compensation and other rewards to success in meeting goals for recruiting, hiring, and developing, and promoting people from diverse backgrounds is associated with greater success for diversity interventions (Rynes & Rosen, 1995).

Based on his review of research designed to test Allport's intergroup contact theory, Pettigrew concluded that intergroup contact improves attitudes to the extent that it engages four processes. One key process is learning about the other group. A variety of cognitive processes make inaccurate stereotypes resistant to change. Nevertheless, when people have sufficient disconfirming evidence, inaccurate stereotypes can be modified (Stephan & Stephan, 1984; Triandis, 1994). Learning about the other group is usually the objective of diversity awareness training. Thus, Pettigrew's analysis supports the use of awareness training. But it also makes clear that such training alone is not sufficient.

A second key process is behavioral change. Engaging repeatedly in a positive behavior with members of an out-group can lead to attitude change (Aronson & Patnoe, 1997). Structural interventions may be needed to encourage repeated positive interactions with members of another group. For example, if supervisors seem reluctant to hire people from particular backgrounds, the company might sponsor student internship programs that offer low-risk opportunities for employees and potential new hires from different backgrounds to interact. Pacific Bell used this approach to increase the proportion of Hispanic Americans in its workforce. Summer interns were considered a valuable resource for managers, so highly qualified Hispanic students were recruited for internship assignments. Managers were responsible for coaching and mentoring the interns, in addition to providing them with challenging work. Students evaluated their experiences at the end of the summer, and these evaluations were used in future years to determine which managers were assigned interns (Roberson & Gutierrez, 1992).

A third key process is creating positive emotions associated with the out-group. For example, the positive feelings associated with a close friendship with an individual member of an out-group are likely to generalize to the entire group (Pettigrew, 1997). The value of personal friendships may help explain why informal mentoring relationships appear to be more effective than formal programs (Ragins & Cotton, 1991). Formal mentoring relationships may survive even if the parties involved never develop a close personal tie, but informal mentoring relationships depend on the development of a positive personal relationship to sustain them.

Finally, Pettigrew (1998) argues that change is facilitated when people gain new insight about their own in-group and come to understand that the in-group's norms and customs represent one of many possible approaches. At Digital, Core Groups provided opportunities for people to develop such insight. In Core Groups, people from different backgrounds discussed a wide range of issues related to intergroup relations. According to Walker and Hanson (1992), the true dialog that occurred in Core Group conversations helped people learn more about themselves as a natural part of learning about others.

Allport's early theorizing about conditions that support positive intergroup relations, and the subsequent research summarized by Pettigrew, provide several guiding principles to consider when designing diversity initiatives. Unfortunately, these principles have not, to date, been used as guidelines for designing organizational approaches to improving diversity management. To the extent an organization's management practices create all of the conditions required for positive intergroup relations to develop within a diverse organization, employee commitment to the organization and productivity should both be enhanced.

From Training to Organizational Change in the International Context

Training interventions for employees being sent abroad generally attempt to prepare the individual to adapt to a specific cultural context (Dowling, Welch & Schuler, 1999). However, as organizations have become increasingly diverse, some organizations have realized that internationalization exposes employees to the more complex challenge of working with a variety of cultures simultaneously. This challenge is faced by domestic managers and expatriates alike. Recognition of this challenge is manifested in organization-wide training initiatives that address the specific needs of everyone in the organization (Schneider & Barsoux, 1997).

Based on an extensive review, Dinges (1983) proposed a set of behavioral competencies needed for effective intercultural performance: information processes in cross-cultural situations, ability to learn in intercultural contexts, interpersonal communication styles, ability to tolerate stress, ability to maintain mutually rewarding relationships, motivation, positive reinforcements, and an emphasis of personal growth and development. More recently, Schneider and Barsoux (1997) compiled a similar
Regardless of whether training addresses domestic or international diversity, organizations generally seem to favor individual training. But this approach may give too little weight to the powerful social dynamics that arise within natural work units, which increasingly emphasize teamwork. Future interventions might shift the focus of training to the team level. Training teams to manage and leverage their own diversity may prove more effective than training individuals. Similarly, training for the entire work unit that is affected by the arrival of an expatriate may prove more effective than individual training for the expatriate.

Four alternative approaches to training employees for work in international contexts are shown in Figure 11.2. Training interventions such as these may help the people involved meet short-term goals for successful intercultural contact. However, for an organization to develop a sustainable capability, large-scale organizational change and development efforts will be necessary.

For example, Fiat, an Italian automobile company, undertook organization-wide programs that included the reevaluation of international positions as well as organizational culture change. Their approach moved beyond the use of a single HR intervention - such as new staffing techniques or a training program - to include a systematic, large-scale change and development effort (Schneider & Barsoux, 1997). This more holistic approach is very similar to those now being used by US companies as they struggle to more effectively manage domestic diversity.

**CONCLUSION**

Within the United States, the topic of diversity is rooted in a long history of interest in workplace discrimination. From those roots has grown a large body of literature that informs our current understanding of how domestic diversity affects individual employees and how it affects their relationships with others in the organization. More recently, managers and researchers alike have begun asking whether there is any empirical link between domestic workforce diversity and organizational performance. At the same time that research on domestic diversity has been evolving, there has been a growing interest in understanding and managing international diversity. Historically, research in this field often focused on issues related to cross-cultural adaptation and adjustment among employees sent to foreign locations. As business globalization takes hold, however, both managers and researchers are beginning to see that the challenges of cross-cultural sojourning are no longer limited to addressing the needs of expatriates. Instead, globalization means that employees throughout the entire organization are working among a set of colleagues and customers who are internationally diverse. Thus, for organizations all around the world, it has become increasingly important to manage international diversity effectively.

Given the nature of modern organizations, the reality is that many employers will find it difficult and perhaps meaningless to separate the challenges of managing domestic diversity and managing international diversity. Both occur simultaneously,
and both must be understood and effectively managed. In this chapter, we have attempted to illustrate how research studies in these two distinct literatures - one dealing with issues of domestic diversity, mostly within US organizations, and the other dealing with international diversity, mostly within the context of managing expatriates - can benefit from each other. There are some parallels in the types of research questions being asked within each literature, but there are also many differences. Just as differences between individual employees create opportunities for the development of new ideas and learning, we believe that the differences between these two streams of research create opportunities for innovation and the mutual advancement of work in both fields. We hope this chapter helps stimulate the cross-fertilization of ideas and the development of new collaborative projects.

NOTES

1 Elsewhere, a similar distinction has been referred to as instrumental and social exchanges (Elsass & Graves, 1997).

2 Other authors have suggested similar taxonomies. For comparisons, see Milliken and Martins (1996), Pelted (1996), Tsui and Gutek (1999).

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