Leveling the Playing Field for Women of Color in Corporate Management: Is the Business Case Enough?

Katherine Giscombe
Mary C. Mattis

ABSTRACT. A study was conducted in order to examine the unique experiences of African-American, Hispanic, and Asian-American women in business careers. A multi-phase research design included: a survey of professional and managerial women of color in 30 companies with 1735 survey responses; an analysis of national census data; qualitative analyses from 59 focus groups and 83 individual interviews; and diversity policy analyses at 15 companies. The study found that retention of women of color was positively correlated with supportive behaviors of supervisors. The authors argue that the financial business case for diversity, e.g., the cost of turnover, is necessary but not sufficient for developing and sustaining supportive relationships between supervisors and their women of color direct reports.

Introduction

A major challenge for business organizations today is the management of an increasingly diverse workforce. As is now common knowledge, the U.S. workforce has been and is continuing to grow increasingly diverse. Over time, there are proportionately fewer new entrants to the labor pool representing U.S. born white males, while more new entrants are coming from a pool of white women, people of color, and immigrants (U.S. Department of Labor, 1991).

With women and people of color gaining entry to occupations and industries from which they had been excluded, the major barriers to upward career mobility are no longer at the recruitment and job entry stages of the employment process, but at the advancement stages (e.g., Pettigrew and Martin, 1987).

In this article the authors focus on the career advancement status and experiences of a previously disenfranchised group, women of color in corporate management.

The study which this article reports on arose from a desire to fill gaps in knowledge regarding the unique experiences of African-American, Hispanic, and Asian-American women in business careers. The data in this article are from a multi-phase study examining career advancement issues for women of color professionals and managers working in Fortune 1000 corporations which includes: 1) descriptive data on the current career status of each race/gender group as per large-scale survey findings; 2) qualitative findings from in-depth interviews and focus groups with corporate executives and women of color; and
an examination of the efforts that corporations have taken to improve the career status of women of color, focusing on formally stated diversity programs and practices drawn from a large-scale diversity policy content analysis, comparing the results with effectiveness ratings by women of color.

The companies examined in this article emphasize the “business case” for justifying a company’s diversity efforts, training managers, and communicating to employees, consistent with the predominant trends in corporate diversity initiatives. Ethics or social justice tend to be absent from these corporate arguments for diversifying the workforce.

To facilitate career advancement of historically non-dominant groups, significant change in organizations is needed. The authors examine the viability of a “business case” focused approach for creating and sustaining such lasting change.

Background

Organizational and attitudinal barriers facing women of color

Prior research on career mobility of women and people of color has identified various organizational, inter-group, and individual factors that affect career movement. An organization’s level of structural integration provides the context of many barriers. Large corporations typically exhibit low levels of structural integration, such that the representation of women and those from minority-cultural backgrounds is highly skewed by function, level, and workgroup. For example, many African-Americans in organizations work in staff positions such as human resources.

In terms of level, managerial ranks tend to be segregated by race and gender such that there are few women or people of color in influential positions (Ibarra, 1993). Lack of similar “others” in high positions may lead to a lack of mentorship or sponsorship. Studies of African-American managers’ experiences with mentoring and sponsorship indicate that it is more difficult for them to obtain mentors and to build the type of developmental relationships necessary to long-term career development (Thomas, 1989; Cox and Nkomo, 1991). Similarly, researchers have found (Friedman and Carter, 1993; Catalyst, 2000) that Black MBA’s experience significantly less access to role models and mentors than whites.

Lack of similar “others” in high positions may also lead to lack of inclusion in networks. Research on minority participation in networks has shown that the out-group status of Blacks results in exclusion from both formal and informal organizational groups. Feagin and Sikes (1994) found that membership in informal groups was based on racial lines, with whites who had been in the organization for a long period of time setting the informal norms. Bell and Nkomo (1994) showed that for Black women, having Black and white men in their professional networks predicted higher management levels for Black women. Interestingly, the same research indicated that promotion rates for African-American women are negatively related to feeling accepted by white males. The researchers’ conclusion was that African-American women who advanced did so without being accepted as insiders.

Advice to people of color about composition of their networks has often been assimilationist – that people of color should attempt to compose their informal networks with majority group members (Nkomo, 1992). However, the structural segregation typical in large organizations makes this difficult. In addition, homophily, or the extent of similarity between a pair of individuals, has been shown to be directly related to network composition. People wish to associate with others who are similar, and tend to receive more affective support from similar others (Ibarra, 1993). Therefore those in power, who tend to be members of a dominant group, perpetuate their group’s dominance by conferring senior positions on those with the same group membership.

Research has demonstrated that those entering the organization must adopt existing organizational norms, framed by the white male majority, as a matter of organizational survival (Cox, 1994). This can be difficult for people of color. Davidson (1993) found that corporate cultures of
large companies promote a “lukewarm, reserved, and impersonal” interpersonal bearing among its members, which in many cases is not shared by non-white “others.” Another study showed that groups of non-whites held more collectivist-cooperative orientation to a work task than whites, while whites displayed more competitive behavior (Cox et al., 1991). Furthermore, the display of a more cooperative and conciliatory style in corporate managerial ranks may be attributed to low ability, incompetence, or a lack of managerial skill (Cox, 1994).

Researchers have pointed out the double-marginalization which professional women of color face, because of gender and minority group status. Bell (1990) has cited the bicultural experiences and stresses of professional women of color, which include considering culture, gender, race-ethnicity, and profession in negotiating their identities.

As for research specific to each ethnic group of women, most has been done on African-American women. Much of the research cites the lack of acceptance of African-American women as authority figures, their placement in positions of less authority vs. white women (in spite of holding similar credentials), negative stereotyping, and exclusion from networks in the organization (Bell and Nkomo, 1994). Research on Hispanic and Asian managers indicates that they are less likely than African-Americans to report exclusion from informal networks (Fernandez, 1981), but are also subject to negative stereotyping (Ferdman and Cortes, 1992; Fernandez, 1981). Hispanics have been stereotyped as, among other things, unintelligent and too emotional (Fernandez, 1991), characteristics which are obviously viewed as disadvantageous to managerial performance and advancement. Asians have been stereotyped as, among other things, diligent, intelligent, passive, and reserved (Fernandez, 1991); some of these are positive qualities but not “managerial” qualities. Concomitantly, in Catalyst’s research, Asian-American respondents were significantly less likely than other women of color surveyed to report that their positions involved managing others. Analyses of census data indicate that Asian American women are the most occupationally segregated of all groups (male and female) and that they have the least chance of improving their situation through mobility up the job ladder (Woo, 1985; Yamanaka and McClelland, 1994).

Current trends in diversity literature and training

Recently, there has been an increasing focus on corporate efforts to manage a diverse workforce. Research shows that about 75% of the Fortune 500 companies have some formally stated type of diversity program (Society for Human Resource Management, 1998). Chesler and Moldenhauer-Salazar (1998) recently examined a series of announcements of conferences focused on “managing diversity,” and a series of recent popular books on the same topic designed for corporate audiences. In their review of books, they found the following ways of framing key diversity issues:

- Raising awareness/valuing diversity
- Profit and performance
- Changing demographic trends
- Promoting teamwork
- Building competency

What Chesler and Moldenhauer-Salazar judged was missing from conceptual frameworks dealing with diversity issues was history, discrimination, social justice and the powerful institutional barriers people of color and women currently face in the workplace. They also found absent concepts related to “distributive justice” that they define as equitable outcomes and rewards (in distinction from non-oppressive practices).

The authors further argue that in profit-making organizations, “diversity” is typically framed as either a commodity that managers should manipulate for profit and competitive advantage, or a dimension of an organization’s culture and interpersonal relationships that managers should strive for and appreciate. They argue that materials that seek to use diversity for competitive advantage and for building consensus does little to challenge the institutional oppression within the larger society, communities, and organizations since they “do not indicate the ways structural conflict occurs and is used, nor
how power must be shared with (or taken by) minority groups – processes that threaten established privilege and harmony in any organizational setting.”

In examining training materials, they found 77 objectives that were stated as part of 12 separate conference announcements. In these brochures and ads, covering over 120 different presentations and work sessions (lectures, practice sessions, case studies, roundtable discussions) the most commonly stated objectives were:

- Increase profit and bottom line
- Enhance global competitiveness
- Achieve organizational development/improvement goals
- Develop cultural competency

Out of the 77 objectives, they identified only four that are relevant to issues of social justice or systemic transformation, conflict and resistance; and only 11 sessions out of 120 focused on social justice; resistance; and systemic change.

Chesler and Moldenhauer-Salazar contend that when social justice is left out of arguments for diversity, a limited view of diversity is advanced, one which in their words, “does not often go beyond awareness, does not identify or confront entrenched (white and male) power and privilege, does not challenge or seek to alter organizational structures and cultures, and which does not value justice alongside profit.”

Consistent with the trends in the literature identified by Chesler and Moldenhauer-Salazar, in Catalyst’s diversity policy analysis, discussed below, only one quarter of CEO’s in qualitative interviews mentioned moral justification in connection with their company’s diversity efforts. There is also a great disparity between the apparent breadth of stated policies and ratings of their effectiveness by women of color. This indicates a continuing need for companies to work on the effectiveness of their diversity initiatives.

Chesler and Moldenhauer-Salazar also point out that guidance on handling conflict and resistance are absent from training materials. Yet, conflict and resistance should be expected when the prevailing organizational culture and privileged turf of white men (or any organizational elite) is challenged by new programs. In their view, organizational change involves change both at the normative macro level, and also at the individual behavioral level.

In this article we raise the question of whether corporate diversity strategies that are effective at bringing about organizational/structural change are equally effective for bringing about the attitudinal change that is necessary for managers to change their behavior toward marginalized groups. The analysis of diversity policies, discussed below, along with survey responses of women of color about their companies’ policies suggest that they are not. Though more research is needed on this topic, we argue that the prevailing “business case” approach to managing/valuing diversity is effective in tying diversity strategies to business goals but does not address individual resistance. Yet research shows that surfaces and addressing such resistance precedes real attitude change. We argue that companies should not take an “either/or” approach, such as that expressed in the following quote from an HR professional in prominent company:

In the past five years, I’ve realized that customers are the most powerful arbiters of workplace diversity. My effort to diversity the workforce has moved from being a moral imperative to being a strategic imperative – shifting the conversation away from affirmative action and toward the marketplace. Morality yields goodwill, not good outcomes. Ultimately, promoting diversity is good for business.

I recently made this statement to government workers: “You’re not the most powerful influence on equal-opportunity enforcement – the marketplace is.” I want managers to be driven primarily by the fear of losing customers who won’t spend their money on a company with a reputation for unfair treatment. When driven by the almighty dollar, executives will do what’s right. Don’t underestimate the sound of “cha-ching.” More than ever, your customers need to be able to look into your company and see people like themselves. Not just in the mailroom or at the reception desk but at all levels of the organization. If your company’s people don’t look like your customers, then your customers might conclude that you’re excluding people like them. Don’t let them entertain that idea (Canabou and Overholt, 2001).
Rather, we contend that the most successful outcomes will come about when both sides are attended to – there needs to be consistency between attitudinal framework and behavior. Behavior change is most likely when people’s belief systems connect with their behaviors.

Catalyst’s research on women of color

Methodology

The data in this article came from the a multiple phase, large-scale study on women of color in corporate management which included

1. An analysis of U.S. Census. The statistics for this analysis were prepared from 1994 to 1995 U.S. Census Bureau data by the Institute for Women’s Policy Research. The data were drawn from the Merged Earnings Files from the Current Population Survey in 1994 and 1995, collected by the U.S. Census Bureau and then merged by the U.S. Bureau of Labor Statistics. Two years of data were used to have a large enough sample to allow analysis of women managers by their race and ethnicity. The Hispanic group was categorized as Hispanic regardless of racial group. In the Asian/Other group, Other includes Pacific Islanders, Native Americans, Aleuts, and Eskimos.

2. Qualitative research with women of color and corporate representatives. A qualitative study was conducted at 15 Fortune 500 companies, including 57 focus groups of entry- and mid-level women of color. Additionally, in-depth interviews were conducted with 42 senior-level women of color, 9 CEO’s, 12 human resources executives, 8 diversity managers, and 11 senior line executives. Content analyses of CEO and HR interviews were conducted by Master’s degree students in the International and Public Affairs Program of Columbia University using the following categories: perspectives on diversity; corporate culture; unspoken rules; promotion; diversity initiatives; and dilemmas or contradictions. Classification results were compared across three raters to increase inter-rater reliability.

3. Survey: A survey was conducted of women of color professionals and managers who work in a geographically and industrially diverse sample of thirty Fortune 1000 companies. The sample was stratified by the proportion of women of color each company contributed to the total 30-company population of women of color. During November 1997, through January 1998, surveys were mailed to over 6000 full-time women-of-color managers and professionals. Completed surveys were received from a total of 1735 women for a response rate of 26 percent. Fifty-four percent of the completed surveys came from African-American women, 24 percent from Asian-American women, and 21 percent from Hispanic women, a distribution directly proportionate to the racial composition of the total mailing.

4. Diversity policy analysis: Catalyst reviewed the diversity programs of the 15 Fortune 500 companies which were part of the interview and focus group phase of the research. A number of these companies had been recognized by their industries as having “best practice” initiatives in the area of career development for women or people of color. Four areas typically covered by diversity programs were examined: workforce representation goals; senior leadership commitment; career development and planning processes; and education and training. CEOs and other senior personnel from the 15 companies were also interviewed to understand their perceptions of the strategic goals, perceived effectiveness, and major challenges of their diversity initiatives. In addition, the perceptions of women-of-color survey participants from those 15 companies about the effectiveness of diversity strategies were examined.
Findings: analyses of U.S. census data

In Catalyst’s analysis of 1994–1995 U.S. Census data, we found that women of color are underrepresented in senior management positions relative to white women. Of the 57.8 million women in the workforce in 1996, 77.4 percent were white, 12.1 percent were African-American, 7 percent were Latinas, and 3.6 percent were Asian/Other. Yet, white women held 86 percent of private-sector managerial and administrative positions occupied by women, compared to 7 percent of African-American women, 5 percent of Latinas, and 3 percent of Asian-American women. There also were more women of color in the pipeline than in management, vs. white women.

Women of color were also found to be underrewarded financially relative to white men and to men of color. In the same year, the earnings of women-of-color managers compared to each dollar earned by white male managers were: 67 cents for Asian/Other women, 58 cents for African-American women, and 48 cents for Latinas. (White women earned 59 cents for each dollar earned by white males.) Women of color also earn less than men of corresponding race/ethnicity.

Findings: survey of women of color in corporate management

The survey data collected from 1735 women of color in 30 Fortune 1000 companies, show that, compared to white women, women of color are more likely to perceive the corporate work environment as one where it is difficult for them to succeed. We asked whether opportunities for women of their ethnic group had improved, stayed the same, or declined in the prior five years. Close to half (47%) of respondents reported that their opportunities have improved rather than stayed the same or gotten worse; but a considerable number of women perceived no change – 38 percent. African-American women were the most likely to report a decline in opportunities (16%), in comparison with Latinas (10%) and Asian-American women (6%).

In examining their perceptions of the work environment, the survey identified characteristics of the work place which were disadvantageous, particularly to African-American women. Of the racial/ethnic groups surveyed, African-American women were most likely of the three groups to believe that:

- They need to adjust their styles to fit into the corporate environment – 36 percent strongly agree with this statement vs. 25 percent of Asian-American women and 20 percent of Latinas;
- Many stereotypes exist about women of their racial group – 56 percent vs. 46 percent of Asian-American women and 37 percent of Latinas;
- Other employees feel uncomfortable around members of their racial group – 36 percent vs. 13 percent of Asian-Americans and 12 percent of Latinas.

Women of color survey respondents cited most frequently the following factors that are important to career advancement in their companies:

- Access to high-visibility assignments (51% strongly/somewhat agree)
- Performing over and above expectations (49%)
- Communicating well (47%)
- Having an influential mentor or sponsor (44%)

There was also general agreement across the three racial/ethnic groups concerning major barriers that have prevented them from advancing in their companies:

- Not having an influential mentor or sponsor (47% to a very great extent/to a great extent)
- Lack of informal networking with influential colleagues (40%)
- Lack of company role models who are members of the same racial/ethnic group (29%)
- Lack of high visibility assignments (28%)

In another Catalyst study (1996) white women were also found to perceive a lack of mentoring as a significant barrier to their success. However,
in that study they more frequently cited other barriers ahead of lack of mentors, including male stereotyping and preconceptions of women; exclusion from informal networks of communication; lack of general management/line experience; and an inhospitable corporate culture. The incidence of women of color reporting lack of access to mentors as a barrier is considerably higher than that for white women – 47% vs. 29% – indicating that this is more of an issue for women of color than for white women and supporting the literature on the importance of homophily (similarity in demographic group membership as a factor in determining access to influential others).

Findings: diversity policy analysis

In this section we examine what actions companies are taking around diversity, and the perception of these actions’ effectiveness by women of color.

Catalyst assessed four typical components of diversity initiatives, as they relate specifically to women of color: workforce representation; senior leadership commitment; career development and planning; and education and training. Programs related to workforce representation are most common, followed by efforts linked to leadership commitment. In each of the 15 companies studied these four major diversity areas contain several sub-components.

Within the third most common category of diversity programs – career development and planning – some sub-components are widespread, such as high-potential identification, while others are not as prevalent, such as individual developmental, or organizational career path planning. As for the least common category of diversity programs, few companies have corporate-wide training programs that are mandatory for all employees and consistent across divisions.

In the following sections we describe the types of initiatives that exist within the companies studied, the breadth of these initiatives, and an assessment of their perceived effectiveness.

1. Workforce representation strategies

Activities in this area center on goal-setting and monitoring of progress toward goals related to hiring, promotion, and retention, including:

- Quarterly or annual hiring goals which extend beyond AA/EEO guidelines;
- Quarterly or annual promotion goals;
- The systematic monitoring of retention numbers; and
- The implementation of exit interviews.

The companies studied focused more heavily on the workforce representation aspect of diversity than on any other component of this diversity strategy, perhaps because hiring goals could be achieved without deep change to the organizational culture.

About two-thirds of the companies studied set annual target goals for the hiring or promotion of women of color, and nearly all systematically monitored retention. Again, these practices do not require the achievement of deep culture change.

Although several companies tied their hiring goals to AA/EEO guidelines, most went beyond AA/EEO targets. For instance, some companies developed their demographic goals based on workforce availability figures or the demographics of the communities in which they were located. For example:

- One company requires that its entire new-hire pool be composed of between 40 percent and 50 percent women and people of color.
- Another company bases its promotion goal on the internal representation of qualified women and people of color in feeder-job levels. The goal stipulates that women and people of color be offered promotional opportunities at a rate no less than their availability in the feeder pool.
- A third company’s retention goals specify that the percentage of women of color in corporate-wide attrition should not exceed their “year begin” representation in the workplace and the turnover rates of women of color in each functional area should not exceed comparable rates for the rest of the company’s workforce.
Perceived effectiveness of workforce representation initiatives. According to company workforce statistics and interviews with heads of HR/diversity, many corporations are successful in meeting recruitment goals, and nearly half the women-of-color survey respondents (47.8%) acknowledge senior management's commitment to hiring a diverse workforce.

Most of the companies set up systems to monitor retention, but many corporate representatives cited the loss of senior-level women of color as a major problem. While turnover rates were not made available for use in this study, a number of corporate representatives report high turnover among their women-of-color population.

Regarding promotion goals, relatively few of the women of color surveyed, particularly Asian-Americans, reported that senior management placed women of their racial/ethnic group in senior leadership positions.

2. Senior leadership commitment
Catalyst's research along with that of other organizations, shows that for diversity strategies to be effective, commitment must exist on the part of senior leaders. Further, this commitment must be visibly and effectively communicated to all organizational levels. Extensive communication of a company's diversity vision and strategy is an integral part of most initiatives examined for this study. Finally, the leadership must be held accountable for achieving diversity goals.

High-visibility senior leadership support. High-visibility senior leadership support is defined for this assessment as CEO or senior management speeches, CEO presence at meetings with diversity councils or the CEO's hosting of diversity meetings, and active CEO participation in corporate diversity councils or task forces. The numbers of activities in which CEOs or senior management demonstrate their support for diversity programs range from one to four in the companies studied.

Leadership and management accountability. Leadership and management accountability is defined as directly or indirectly tying achievement of diversity goals to management compensation or bonuses as a corporate-wide practice.

Nearly all companies analyzed appear to be making progress in creating measurable accountability for managers. Measurement tools used by these companies range from 360-degree feedback to peer reviews, employee attitude surveys, performance reviews that incorporate diversity objectives, and periodic reviews of workforce demographics. About three-quarters of the companies represented report that they directly or indirectly link diversity to management bonuses and incentives.

Diversity communication. For the purposes of this study, diversity communication includes speeches or letters by CEOs and senior management at diversity forums, diversity brochures, articles in newsletters, and community involvement (e.g., minority supplier programs).

The senior executives from the 15 companies in the policy study frequently and publicly stated the importance of corporate diversity at executive forums, diversity retreats, or executive off-sites. Slightly fewer than half of the companies participating in this study made use of other formal communication vehicles, such as diversity newsletters or brochures.

Diversity mission statement. Each company studied had a formal diversity statement or had incorporated diversity into their corporate mission statement. These diversity statements and initiatives were communicated through a variety of media, including newsletters, recruitment materials, employee handbooks, internal leadership forums, and event sponsorships.

All diversity mission statements in this study, consistent with Chesler and Moldenhauer-Salazar's findings, emphasized the business case as justification for a company's diversity initiatives. The dimensions along which the diversity mission statements varied in this study were broad vs. narrow. One example of a mission statement using a broad definition of diversity:

Diversity is the collective mixture of our similarities and differences. We recognize that managing diversity includes race and gender as well as broader
dimensions like age, family status, religion, sexual orientation, level of education, physical abilities, military status, union represented, non-represented, years of service, language and many others. At ____, we know we must manage and accommodate all of these dimensions so everyone will reach their full potential and contribute to the company’s success.

In contrast, the following diversity statement focused more narrowly on gender and race in describing the company’s goals for its management group:

Management composition: Developing a highly competent and motivated management group characterized by diversity of gender, race, and culture and qualified to advance within the worldwide ____ corporation

Many women-of-color interviewees took issue with their companies’ broad definitions of diversity (as encompassing any difference), claiming that it diluted efforts on primary characteristics such as gender and race. Several corporate representatives stated that even when diversity strategies are stated very generally, there was still an emphasis in the workforce representation goals, promotion goals, etc. on the most salient characteristics of gender and race.

Perceived effectiveness of leadership commitment to diversity. Regarding the effectiveness of communication strategies generally, only 27 percent of women of color surveyed reported that communication about results of diversity efforts take place frequently (defined as at least once per quarter).

While many women-of-color interviewees reported that there was commitment to diversity at the very top of their organizations, many also stated that their managers are not held financially accountable for diversity goals. While lack of effective communication regarding management accountability may contribute to this, as illustrated in the survey finding above, another possibility is that many companies have performance review systems in which diversity has only a minimal impact on management’s financial incentives. In such performance review systems, diversity is weighted as a “soft” performance objective, meaning that as long as a manager meets or exceeds “hard” business objectives such as profitability and productivity, she/he may still receive a substantial bonus. A performance review system designed in such a way communicates that diversity is a discretionary piece of the system rather than a core business objective.

Finally, in the survey sample, relatively few women of color (17%) reported that their managers are held accountable for the advancement of women of their racial/ethnic groups. Asian-American women in particular were unlikely to feel that managers are held accountable for advancing women of their racial/ethnic group.

**Percentage of women of color who strongly/somewhat agree that “my manager is held accountable for the advancement of women of my racial/ethnic group”**

![Bar chart showing percentages of Asian-American, Hispanic, and African-American women who agree with the statement.]

- Asian-American: 12.3%
- Hispanic: 22.5%
- African-American: 17.6%
3. Career development and planning
Career development programs typically include succession planning, high potential identification, mentoring programs, network groups, and individual development planning or career pathing. Career development programs that incorporate diversity objectives provide a means for achieving representation of women of color at senior levels in organizations.

Succession planning. About three-quarters of the companies studied reported that they have developed or expanded their original succession planning processes to focus specifically on women and people of color. The succession planning efforts of these companies range from informal discussions about women of color assuming senior positions to more formal and systematic processes.

Many succession plans focus on the top levels of an organization. The following case is unique for addressing entry- and mid-level as well as upper levels. This company also has detailed follow-up to attain objectives:

[Company's] succession planning efforts identify women and people of color from entry and mid-level management who have the potential to reach senior levels. Included in the succession plan are career development plans and timelines for promotions and lateral moves, for which supervisors are held accountable. Similar planning takes place for vice-presidential positions. For senior levels, an annual succession planning form identifies three people who could fill each key position. One of the people identified must be a woman or person of color, even if it means hiring from the outside.

Identification of high potentials. About three-quarters of the companies studied have some type of “high potential” identification mechanism in place. Often the processes of identifying high potentials and succession planning are tightly linked since companies derive minimal benefit from developing women of color unless they are also considered or slated for advancement opportunities.

Network groups. The goals of “network” groups, also known as employee caucus or affinity groups, are the provision of social support, professional development, and access to role models of the same race/ethnicity. In addition, networks serve as an information source on the needs, problems, and goals of group members. Networks can also offer a forum through which women of color can discuss concerns and gain a sense of community within the company.

Networks pursue their objectives through a variety of channels, including speakers’ series, task forces, workshops, and publications. Some groups are more broadly focused and examine corporate policy issues, diversity objectives, and career paths, while others focus more on individual career and skill development, and work/life balance issues. Network groups often operate with a great deal of senior-level support. Many senior executives advise women-of-color employee network groups or, increasingly, aid in their development.

About two-thirds of the companies analyzed have employee network groups in operation.

Mentoring. One company in the qualitative sample had a corporate wide mentoring program and three had mentoring initiatives at the divisional or functional level. In addition, two companies encouraged their women of color to participate in external mentoring programs.

Individual development planning or career pathing. Almost three-quarters of the companies examined report providing some form of career development planning or career pathing for women of color or women and people of color. A majority of these (nine of 11 companies with such career development or pathing programs) are part of the organization’s succession planning process. These companies produce and review development plans for their high-potential women of color as they prepare and target them for future openings in senior positions.

In contrast, only three companies closely monitor-through formal career planning processes-the development of all women of color or women and people of color, rather than exclusively high potentials.
Perceived effectiveness of career development initiatives. Comprehensive programs existed within the companies studied, and over half of the survey respondents were aware of particular career development programs at their companies, such as identification of high potentials. In spite of this, only about one-fourth of the women of color surveyed agreed that career development was an important part of their company’s diversity strategies.

4. Diversity education and training
According to literature from the companies, diversity awareness and education were meant to provide an ongoing foundation for keeping an organization focused on its diversity objectives.

Only about one-quarter of the companies in this study have mandatory corporate-wide diversity training for employees at all levels in the organization. For the majority of companies, diversity training is optional, not consistently conducted or monitored throughout the organization, or solely focused on one segment of the organization. In fact, several diversity directors reported having no corporate-wide training efforts at the time they were interviewed because their diversity training efforts had “fizzled out” or they were unaware of training efforts conducted at the local level.

Many training efforts are implemented as stand-alone activities rather than being integrated into other forms of education and training in the organization, such as new employee orientation programs, supervisory training, and management development curricula.

Most diversity training programs focus primarily on awareness building; a smaller number also include other components on managing diversity such as increasing participants’ awareness of cultural differences and unconscious behavioral patterns that could impede advancement of minority or women employees in an organization.

Perceived effectiveness of diversity education and training initiatives. While the majority of women of color surveyed are aware of training programs in their corporations to raise awareness about race issues (75.1%) and gender issues (61.4%), it is noteworthy that only about one in five feel that their managers had received adequate training in managing a diverse workforce.

Overall effectiveness of diversity policies: survey results
Women of color surveyed noted which of the aspects of their company’s diversity programs are working, and some that are not.

From these findings, it appears that there is a split between the diversity ideals espoused by the senior leadership and the perception of women of color about the effectiveness of their companies’ diversity initiatives.

In rating the impact of diversity practices on their work environment, relatively few women of color survey respondents expressed the belief that diversity strategies and programs in their companies brought about the desired or intended cultural change in their organizations. Only a third agreed that the diversity efforts had created a climate supportive of women of their racial/ethnic group, or had fostered respect for their cultural background. Asian-American women were especially unlikely to believe that diversity efforts had fostered respect for their cultural background. Many women of color surveyed experienced their company’s diversity efforts as failing to address subtle racism against members of their racial/ethnic group, in particular African-American women. As well, more than half of the women of color surveyed agreed that diversity efforts had failed to address gender bias (52%).

The following verbatim from a focus group of mid-level African-American women at one company exemplifies their perceptions of the lack of accommodation the work environment makes to them, and the perceived lack of support available for African-American women:

As a Black woman you cannot challenge and question the inequality for fear of being perceived as too emotional . . . African-Americans have to prove their competencies over and over again, whereas white men and white women do not have to go through proving themselves, for they ride on their past performances . . . African-American women have to be validated over and over again . . . Blacks have professional degrees whereas
whites at the same level don’t have the same credentials and are paid more . . . it’s hard to address these issues because of the fear of the complaint being taken out of context.

Findings from the survey data indicate that while 75 percent of survey respondents report that they are aware of diversity training in their company, only 53 percent believe that their company’s diversity efforts fail to address subtle racism in the work environment; and only 22 percent feel managers at their company receive adequate training in managing a diverse workforce. Even fewer respondents reported that managers at their company are held accountable (17%) or are rewarded (18%) for achieving diversity goals. Furthermore, only about one-fourth of respondents (26%) agreed that career development is an important part of their companies’ diversity programs.

Only 34 percent agree that diversity programs have created a positive working environment for
women of their racial/ethnic group. For example, nearly half (49%) of women of color cited pervasive stereotypes and low expectations of women of color in the work environment. Findings from focus groups and individual interviews show that women of color generally feel their company’s definitions of diversity are too broad to address effectively the specific concerns of gender and race/ethnicity.

Rationale for diversity initiatives: findings from corporate executive interviews

CEO’s from nine of the 15 corporations in the diversity policy analysis were interviewed, as were thirteen human resources executives.

The predominant rationale given for diversity was that there is a business imperative, as the following quote illustrates:

Our customer base is extremely diverse; understanding the customers needs is a challenge. If we don’t understand the culture that the individual lives in and comes from we can not sell to them. As the customer audience is extremely diverse, we need to understand the particular needs of various communities in order to sell to them more effectively.

One quarter of the executives cited both the business imperative and embracing diversity because it is ethically and morally the right thing to do, as illustrated by the following quotes:

Well, we’ve treated diversity both as a value and as a business imperative, a business objective. We make that very clear in all that we do on diversity and we really push it and say, ‘Look we’re doing this, not just because it’s the right thing to do, but it’s really important for business.’ We need the best people and they come in all races and sexes.

The reason for [diversity] is twofold. Obviously there is the business case, which is, if you don’t have diversity of thought in your organization . . . You are simply not going to represent what’s going on in this country, in our markets, in our customer base . . . So the business case is the reason for it. And obviously it is the right thing to do from an equal opportunity standpoint. We built our diversity program around both . . .

There were several contradictions or inconsistencies across statements made by CEO’s within the interviews, which shed some light on the difficulties of implementing organizational change around diversity.

Culture. There were four executives who described their culture as both conservative, and
at the time open to diversity, e.g., one executive
described his company’s culture as conservative
and not accepting of extremes in appearance or
styles. He then described his company’s per-
spective on diversity in a way that suggested the
opposite:

We put quality and diversity under the same senior
officer with a message . . . that these two things
are fundamentally connected. When you think of
quality in its broadest essence, you think of
empowerment and you think of teams and
processes. Quality in that sense is a human resource
issue, the processes are human processes and there-
fore, we do not have a separate effort. We see our
diversity effort being successful when all of our
human resources processes are working equally well
for everybody.

These statements suggest that while the company
wanted to support diversity and had a senior
manager handling the diversity efforts, the
culture was nevertheless intolerant of difference
itself.

Promotion/Access. Although the executives in this
sample stated that they valued diversity, many
reported never having actually worked with
women of color. One HR director noted the
importance of such “buy-in” from senior man-
agement. He also noted later on in his interview
that junior managers who actually worked with
a more diverse set of colleagues often did not
believe in the strength of a diversified workforce.
This suggests that senior management may value
diversity in an abstract sense, without having to
encounter it on a day-to-day basis.

Another HR exec attributed his company’s
difficulty promoting women of color to the small
pool of female employees of color from which
to promote. Later in the interview, however, he
stated that his company would not offer any
special support to senior level women of color
because the firm did not believe in handholding

Mixed signals. Many women of color apparently
craved mixed signals about what it would take to
be successful. For example, one CEO stated that
women of color have not fit into the classic role
because they are not aggressive. At the same time,
however, he said that women of color should not
have to emulate typically male characteristics to
achieve success. He explained:

I don’t think we have to go out and fix women of
color. I mean we all have strengths and weaknesses.
But women of color do not fit into the sort of
classic role. Women of color have a much quieter,
more consensus-seeking, less aggressive style. I
don’t think that the response [should be] that
women of color then need to go out and behave
in an aggressive way they are not comfortable with.
I think if women of color were aggressive, it would
fit in well with the culture, but if someone is not
naturally disposed to that style, they should not
change their style at this point.

The model for success at this company included
an aggressive style, and women of color were
perceived to lack this attribute. Although this
executive said that he does not expect them to
adapt to the environment, it appeared there was
nothing they could do to reach success, other
than become more aggressive. Another CEO
mentioned that women of color are too aggres-
sive. He said:

I think that [women of color] try too hard, they
are too aggressive, and they try to act like one of
the guys.

These two quotations capture the dilemma faced
by women of color: neither CEO was suggesting
that women of color change to adapt to the work
style of the company, yet neither was offering
an alternative.

Similarly, another executive stated that his
company did not do enough to support women
of color, but then said that women of color were
not successful because they were too passive and
did not ask for the help they needed. Thus, on
one hand he was saying that it was the company’s
responsibility to support women of color, but
also saying that the onus fell on the women of
color.

General lack of awareness. It appeared that some
executives were unaware of causes for discomfort
that women of color often experienced in pre-
dominantly white male corporate cultures. For
example, one CEO described a company survey
administered several years prior to the interview, which revealed that women of color felt “out of place” in the organization. He asked:

Why would the African-American women . . . feel, as apparently they felt in that survey, uniquely out of place, if you will? I don’t know the answer. That is, distinguished from just women generally or African Americans generally.

The CEO was still perplexed as to why women of color expressed discomfort with his company’s culture, and he did not demonstrate understanding of the double marginalization of being both a racial/ethnic minority and a woman.

Conclusions

The findings presented support the double marginalization that women of color experience in corporate management. They are at a disadvantage vs. white women in having to negotiate work environments in which negative stereotypes exist of members of their ethnic group as well as their gender. They are at a disadvantage vs. white women in gaining access to influential others, having mentors, and are less optimistic than white women about advancement opportunities.

Further, the findings indicate that there is a considerable disparity between the stated intentions of diversity policies and their effectiveness as perceived by targets of the policies, women of color. Tellingly, the components of diversity policies that were judged by women of color as most successful were those that required fairly straightforward organizational change, e.g., hiring goals that led to more diverse representation in the workforce. The components that were judged least successful were those related to eradicating sexism and racism in the environment which required fundamental changes in the behavior of individual managers.

In the corporate executive interviews, relatively few executives cited a moral justification for diversity, while all cited the business case. Contradictions revealed in some of the executive interviews shed some light on the difficulties involved in making lasting change. Some executives appeared to have a very limited understanding of the unique experiences of women of color, and many had no direct experience working with or supervising women of color. Recent research by Catalyst (Catalyst, 2000) suggests that CEOs appear to place greater faith in organizational initiatives to address women’s advancement than do the women for whom these initiatives are designed. Perhaps this is because CEOs, who operate at a strategic level in organizations, fail to recognize the negative impact individual managers’ attitudes and behaviors can have on efforts to implement strategic goals.

Most women of color judged their companies’ training efforts inadequate in helping managers to effectively manage a diverse workforce. There are several improvements that can be made in training efforts, but such improvements require acknowledgment of institutionalized racism and sexism, and the unearned privilege that members of dominant groups possess. Consistent with trends in corporate diversity programs, the companies in this sample did not address conflict and resistance in their diversity training. In fact, a survey of the literature, summarized above, shows that today most corporate communications about diversity are almost entirely devoid of references to social responsibility, moral obligations or distributive justice.

We can only speculate as to why this is. One reason may be arguments for diversity that reference inequality and justice have historically been associated with arguments for affirmative action, an increasingly controversial issue in the U.S. Another reason may be that exploring values and attitudes takes more time than corporations are willing to commit to the subject – time for the trainer to process what people are saying and time to build trust. It is time-consuming and difficult to get people to realize that they do not treat all people the same or that they themselves are privileged in relationship to other groups. As one diversity trainer who was interviewed for this research noted, “At the bottom of all of this is the question for members of the dominant group in an organization of, If diversity training really works, what will happen to me?”

In this study of women of color and in an
earlier study of a largely white population of senior women (Catalyst, 1996), respondents identified both organizational and attitudinal barriers to their advancement. Examples of organizational barriers cited included inadequate processes for performance management or succession planning and lack of mechanisms for monitoring change and holding managers accountable for results. These structural barriers can be addressed by programmatic responses; increased communication by senior management; increased commitment of financial resources; and systematic development of target goals and measurement/monitoring of outcomes.

Examples of attitudinal barriers cited included stereotypes and preconceptions about women and people of color held by white male managers and related behaviors such as excluding them from networks and information about career opportunities which, in turn, negatively impact their advancement. Diversity programs that attempt to change behavior entirely through reference to the business case will probably fail to address this category of individual managers’ behaviors which derive from underlying negative attitudes towards white women and women of color.

Acknowledgements

The authors gratefully acknowledge Sheila Wellington, President, Catalyst, June Zeitlin and Helen Newborne, Program Officers, Ford Foundation, and the generous sponsors of this research: The Ford Foundation; Avon Products, Inc.; BP Amoco p.l.c.; Deloitte & Touche; Dow Chemical Co.; E.I. Dupont de Nemours & Company; Eastman Kodak Company; General Motors Corporation; Home Box Office; Hoechst Corporation; IBM Corporation; Levi Strauss; Mobil Corporation; Motorola Inc.; Pitney Bowes, Inc.; The Procter & Gamble Company; Sara Lee Corporation; Sears, Roebuck and Co.; and Xerox Corporation. The authors also wish to recognize the contributions of the many Catalyst staff who worked on this project, in particular, the other members of the Women of Color Project Team: Dawn Fisher, Adrienne Sims, Meesha Rosa, Gina Amaro, Naoko Matsunaga, Carol Guerrero, and Cynthia Duarte. Finally, our thanks go to Robin J. Ely, whose students in the International and Public Affairs Program of Columbia University content-analyzed the CEO and HR interviews discussed in this article.

References


Catalyst,
120 Wall Street,
Fifth Floor,
New York, NY 10005,
U.S.A.
E-mail: Giscombe@catalystwomen.org