Exploring Factors Influencing Employer Attitudes and Practices toward Equity,
Diversity, and Inclusion in the New River Valley

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Abstract

Although Congress enacted civil rights legislation in the 1960s to address racial inequities in income and employment, the executive branch and the courts have since retreated from efforts to pursue those policies aggressively. Meanwhile, anti-racism advocates, including the Montgomery County, Virginia based Dialogue on Race, have continued to promote strategies aimed at securing employment and income equity for all citizens. This study analyzed the social and economic costs of continued racial inequality in employment and income, and examined the ways in which local employers are addressing this challenge in the Blacksburg, Virginia region by exploring their self-reported rationales for action on the basis of economic efficiency or profit, moral obligation to fairness and justice, adherence to legal requirements, or leader influence. I addressed these concerns through population data analysis, key informant interviews, and a survey of major local employers. I found that New River Valley employers appear to be motivated by economic and moral reasons, as well as legal compliance. I conclude that activists should use this apparent openness to multiple rationales to work to help community leaders and local employers recognize racial equality as a moral imperative, rather than as an instrumental claim incidental to its perceived utility.

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General Audience Abstract

Although Congress enacted civil rights legislation in the 1960s to address racial inequities in income and employment, the executive branch and the courts have since taken actions that have reduced the force of those policies. Meanwhile, anti-racism advocates, including the Montgomery County, Virginia based Dialogue on Race, have continued to promote strategies aimed at securing employment and income equity for all citizens. In an attempt to assist those activists, this study analyzed the social and economic costs of continued racial inequality, and examined the ways in which local employers are addressing this challenge in the Blacksburg, Virginia region. Using population data analysis, key informant interviews, and a survey with local organizations, I found that racial inequality in employment and income is both real and economically costly to the region, and that New River Valley employers appear to be motivated by economic and moral reasons, as well as legal compliance. I conclude that activists should use this apparent openness to multiple rationales to work to help community leaders and local employers recognize racial equality as a moral imperative, rather than as an instrumental claim, for both ethical and pragmatic reasons.

Acknowledgements

Table of Contents

List of Tables and Figures

Chapter 1

Introduction

Racial inequality in employment and income constitutes a major challenge to cities and regions across the United States and around the world. Sweeping national policies to address employment and income disparities directly were adopted in the United States more than 50 years ago with passage of the 1964 Civil Rights Act; yet since that time, inequality in these terms has, by many measures, increased. Countless actors have engaged in anti-racist, pro-equity work across many social sectors, including housing, education, clean air and water, food access, healthcare, employment, and wages—often making progress toward ensuring the civil rights of all citizens as they have done so. One important actor in this work is the employer, who typically has more discretion in hiring, termination, workplace treatment, and compensation than any other group. Recognizing this vital role, the framers of the Civil Rights Act sought to regulate employer behavior to encourage fairness, nondiscrimination, and to reduce employment disparities. Two presidents of the same era, John Kennedy and Lyndon Johnson, embraced affirmative action (AA) for the same reasons.

Since the end of the civil rights movement in the late 1960s, however, this legislation has been systematically reinterpreted and a "business case" for "diversity management" has replaced the moral and legal bases for furthering equality among employers that underpinned these original landmark actions (Kelly & Dobbin, 1998). Within this historical context, this study is primarily an examination of motivations for firm-level policies and practices meant to increase employment of African Americans. I argue that employer interest in race-based employment policies is rooted in economic,

1

moral, or legal justifications. Some may contend that whatever motivations lead groups to work toward equal representation in employment, the important thing is that they do so. Exploring this question, however, has led me to doubt that conclusion. Monetary incentives are prevalent as policy tools to encourage greater equity; living in a capitalist democratic society leads many to accept these *per se* as most effective. Yet when economic incentive replaces moral conviction—whether in the minds of individuals (or firms) or within the law—there can be damaging effects, impacts that have been argued theoretically (Lucas, 1976) and tested experimentally (Bowles & Reyes, 2009).

In addition to contributing to this ongoing scholarly discussion, I have sought to provide useful data to the Dialogue on Race, a grassroots group working for racial equity in Montgomery County, Virginia. I hope that findings from my research will help the Dialogue's members better understand the avenues through which they will be most able to encourage social change. In addition, this study may provoke broader conversations about where precisely change is needed; that is, whether activists should be satisfied with revised employment practices, or instead press for different beliefs among employers.

This inquiry contributes to existing literature by presenting data about current diversity policies and practices, and about the business case, moral arguments, legal obligation, and leader buy-in as they influence organizational decisions about and actions toward or against diversity, inclusion, and equity. I do this through analysis of qualitative data, collected through key informant interviews and examination of quantitative data, collected through a survey that I designed, in part, on the basis of interview data. I collected and analyzed information in this way to maximize both depth and breadth of coverage, and to ensure that my survey instrument was valid. Although my final sample

was not large, consisting of four interviewees and 16 survey respondents, my analysis offers insights into practices in place and motivations that may be at play in the New River Valley (NRV) and other locales.

Specifically, my qualitative analysis provides support for arguments that the business and moral cases can be intertwined in nonprofit organizations (Tomlinson & Schwabenland, 2010); that representative bureaucracy (Krislov, 2012), employee engagement, and diversity of thought constitute key business case tenets in both public and private, for-profit organizations (Jayne & Dipboye, 2004); that the business case may be needed to convince today's organization leaders to implement diversity programs (Berrey, 2015); that institutions enacting the strongest diversity programs do not do so for legal reasons; that leader buy-in is essential to the development of race-based programs (Ng & Sears, 2011; Kellough & Naff, 2004; Rynes & Rosen, 1995); that barriers to diversity programs include funding and lack of organizational change in general; and, counter to Roberson's (2006) findings, that practitioners conceive of "inclusion" as separate from diversity.

Meanwhile, my quantitative analysis presents incidences of and correlations between different employer motivating factors and practices. This analysis suggests that the business case, moral argument, and legal obligation all act as strong motivators for adoption and implementation of race-based policies, though it also supports the notion that legal obligation is most important for organizations with comparatively few practices. In addition, it suggests patterns of correlation between and within the business case, moral case, and legal obligation, but not leader buy-in—a finding that may be due to limitations and flaws in the study's design.

I also present the most recent local population data available throughout this report's background section. I hope that this will aid equity efforts in the region I studied, particularly in the realm of employment and income. The nature of this data is sometimes economic, with the recognition that in fact, monetary justification can be the most powerful or persuasive tool for some individuals, particularly local policymakers. Ultimately, the tension between the business case and the moral argument for racial equity persists not only for organization-level decision-makers, but also for policymakers and in the courts. In some ways, the investigation I present of racial equity and its implications for broader prosperity in the New River Valley constitutes another iteration of economic rationalization for practices meant to realize racial equity. One observation from the National Equity Atlas, whose methodology I adopted for this analysis, illustrates this point: "Equity is not only a matter of social justice or morality: It is an economic necessity" (Treuhaft, Blackwell, & Pastor, 2011, p. 4).

Although this resource provides "data … to make the case for inclusive growth" (PolicyLink & USC Program for Environmental and Regional Equity, 2014a), it does so partly on the basis of an economic growth-based argument. One reason for this approach is that since downturns typically hit people of color the hardest (Kochhar & Fry, 2014), economic growth represents one way to help these individuals and their communities. It is also possible that, like some business case advocates of diversity employment practices, those embracing this view believe that presenting such data is the best way to convince policymakers to proceed, since political leaders often are especially attuned to economic claims for electoral and ideological reasons.

Indeed, advocates in the New River Valley may find this to be true: convincing decision-makers—both governmental and private employers—to adopt policies for moral reasons may be difficult. Yet it may be up to activists to push for moral rather than economic logic, if anyone is to do so. At the same time, recognition of divergent motivations may be a more realistic view; economically motivated decision-makers may not change their perspectives, and people affected by systemic inequality need change now. Might a joining of the equity and growth arguments for equitable hiring, as PolicyLink and the USC Program for Environmental and Regional Equity (2014a) have proposed, produce results?

Chapter 2 sketches this study's background, including an overview of how this effort came about, the region in question, and some theories and statistics that highlight the realities and causes of racial inequality in the United States and the New River Valley. Following that synopsis of the challenge under examination, I present some of the strategies that policymakers have used to reduce racial disparities during the past half-century. Finally, I provide more detail about the particular tensions between the moral and business justifications for change in employment practices concerning race; legal requirements and enforcement; and the role of organizational leadership in adoption and implementation of racially based employment practices.

Chapter 3 outlines my study's pragmatic epistemic stance and mixed qualitative and quantitative methodology. This part of the analysis describes the sampling frame, participant recruitment, and analysis techniques I employed. Chapter 4 presents my study's findings. I first offer analysis of my semi-structured interviews and then analysis of survey responses. I have provided descriptive statistics—frequencies and analyses of

variance—and cross-tabulations to analyze correlations. Chapter 5 discusses my results

as they contribute both to relevant scholarly literature and to possible future efforts of the

Dialogue on Race.

Chapter 2

Study Background

<u>Background of study area and Dialogue on Race efforts</u>

I have undertaken this study in cooperation with the Dialogue on Race "employment and income gap" issue committee. The Dialogue's mission is to eliminate racial disparities across five areas of concern—employment and income, education, limited presence, criminal justice, and Jim Crow/white privilege—in Montgomery County, Virginia, the largest governmental jurisdiction in the New River Valley. Members of the Dialogue on Race's five different committees have undertaken several projects to combat racism and racial inequality in the region; their employment-related effort is one such initiative. The employment and income gap group has thus far succeeded in advocating for local "Ban the Box" policies at the county and town levels. The group also conducted a survey of local employers in 2013, which examined some of the diversity and inclusion programs that those organizations currently use, the perceived success of those initiatives, and capabilities that they seek in potential employees. This research builds on that effort's findings and on relevant literature to investigate a sample of New River Valley employer motivations for implementing organization-level policies regarding diversity, inclusion, and racial equity. I hope the results presented here will contribute to future Dialogue on Race efforts, including those that address the racial employment and income gap in their area of interest.

The entire NRV, rather than simply Montgomery County, constituted the study area because workers tend to travel across political lines, but within metropolitan areas, to reach their places of employment (McGuckin & Srinivasan, 2003), and because many

researchers now consider "metropolitan regions … an increasingly important economic unit in a globalized world" (Benner & Pastor, 2013, p. 4). In addition, the New River Valley is a defined political region with its own social, policymaking, and economic institutions. That fact makes it an appropriate target of analysis for practical use of study findings. The Valley is composed of Floyd, Giles, Montgomery, and Pulaski counties and the city of Radford. Of these jurisdictions, all but Floyd County is contained within the Blacksburg-Christiansburg-Radford metropolitan statistical area (MSA). As a rural county, Floyd is not considered part of the MSA; nonetheless it is connected economically and culturally to the NRV. Because of differences in data availability, some measures presented in this analysis are based on the Blacksburg Statistical Area, the Town of Blacksburg, Montgomery County, and the New River Valley public use microdata area (PUMA), all as defined by the U.S. Census Bureau (2016a). I have sought to ensure that the sources of information I employ are clear as the argument proceeds.

One reason Dialogue on Race organizers have cited for the lack of racial diversity in many local institutions in the region is the lack of a sense of place for African Americans in the region. Indeed, the Blacksburg MSA's population is only 5.05% African American according to the most recent estimates (U.S. Census Bureau, 2016b). Because of this relatively low population percentage the Dialogue's members have indicated that African Americans often do not feel a part, emotionally or physically, of the area. Moreover, they argue that the lack of a larger black community keeps new African Americans from moving to the region to accept employment. For blacks already living in the NRV, meanwhile, their comparative lack of social ties to "high places" works to keep dominant institutions largely white.

<u>Review of racial employment and income inequality</u>

This section presents an overview of racial inequality, particularly in employment and income, in both the United States and the New River Valley. I present demographic estimates derived from U.S. Census data to demonstrate the level of inequality currently facing the country and my study region. These data show that racial inequities in employment and income are real, and particularly that they exist in the NRV. I also discuss causes of racial inequality in the United States that other scholars have theorized and empirically tested, including both employment and non-employment related factors. I demonstrate the compounding effects of inequality, and the ways in which employment and income gaps are related to other areas of discrimination and unequal outcomes, such as housing and transportation. Finally, I present my analysis of the impact of employment and income inequality on the New River Valley's overall economy, which I conducted using methods developed by researchers at PolicyLink and the University of Southern California Program on Environmental and Regional Equity (2014a). This section demonstrates one way that racial inequality affects everyone—data that may be instrumental to advocates.

The current state of racial inequality in employment and income

Inequities in employment and income persist across racial lines throughout the United States despite a 50-year history of federal and state government policies aimed at mitigating the problem. In March 2016, for example, 9.0% of African Americans in the labor force were unemployed, compared with 4.3% of whites, despite similar labor force participation rates (U.S. Bureau of Economic Analysis, 2016). In 2014, African

9

Americans' median household income was $35,398, compared with $53,657 for the overall labor force and $60,256 for non-Hispanic whites (DeNavas-Walt & Proctor, 2015, p. 6). Economic inequality for African Americans is salient given both persistent historical disparities (Katznelson, 2005) and current police and white supremacist violence against African Americans. In the Blacksburg MSA, as of the Census' most recent five-year estimates (2010-2014), the unemployment rate for African Americans was 13.76%, compared with 6.18% for whites and 6.57% overall (U.S. Census Bureau, 2016c; 2016d; 2016e). Labor force participation was 47.09% for African Americans, 58.49% for whites, and 57.68% overall (U.S. Census Bureau, 2016c; 2016d; 2016e). Meanwhile, median income was much lower for blacks, at $13,832, than for whites, at $22,485, and for the overall population, at $20,680 (U.S. Census Bureau, 2016f; 2016g; 2016h). These differences are not surprising in light of quite similar national disparities.

These estimates may be influenced by the presence of college students in the area. Some evidence suggests that university town poverty rates are skewed by the presence of students living off campus (Bishaw, 2013). In fact, 2011-2013 American Community Survey (ACS) data estimated Blacksburg's poverty rate at 43.5%, including college attendees, and 11.6% without them (p. 22), while Montgomery County's poverty rate was 23.7% with students and 10.7% without counting them (Bishaw, 2013, p. 18). Both differences are among the largest in university communities in the United States according to Bishaw's analysis, with Blacksburg seeing the second highest difference at the town level and Montgomery County the highest at the county level. Because of the potential confounding of employment rates and average income that could also occur in this region, it is useful to examine these statistics without considering students.

The Census Bureau's American Fact Finder tool provides estimates of median income for full-time workers only; these figures illuminate the difference that the presence of college students creates for income estimates. Table 1 suggests that median income is much higher when considering full-time workers only—an estimate that would exclude most students (U.S. Census Bureau, 2016f; 2016g).

Table 1

Median earnings of whites and blacks differentiated by gender and full-time status in the Blacksburg metropolitan statistical area (MSA); most recent available data, 2010-2014

Race	Overall median	Median for male full-time workers	Median for female full-time workers
White *(n = 7,554)*	$22,485	$45,905	$34,858
Black *(n = 310)*	$13,832	$36,685	$32,019

This comparison is useful in that it illustrates the effect of considering non-full-time workers (including individuals attending university) in the analysis of income data: Overall median income is markedly lower than those of full-time workers. However, this table combines the effects of students with part-time workers and unemployed persons who are not students. This fact effectively prevents researchers from examining disparities among other part-time workers and unemployed persons. The American Fact Finder tool lacks estimates of employment data that do not include students.

To examine employment and income data accurately without the influence of college attendees, I worked with raw Census information—available only through the Integrated Public Use Microdata Series (IPUMS) data extracts through the Minnesota Population Center (Ruggles, Genadek, Goeken, Grover, & Sobek, 2015). The most recent, most accurate data available in this format for the New River Valley is the 2008-

11

2012 ACS 5-Year Estimates. Using this dataset, I present estimates of the New River

Valley's labor force participation, employment, and income both with and without

students included in the analysis, for the population as a whole, the white population, and

for black residents. Because the most recent data available is for 2008-2012, Table 2

below shows the American Fact Finder's estimate of that time period for comparison

(U.S. Census Bureau, 2016i; 2016j).

Table 2

Median earnings of whites and blacks differentiated by gender and full-time status in the
Blacksburg metropolitan statistical area (MSA); data for comparison to estimates
excluding college students using IPUMS microdata, 2008-2012

Race	Overall median	Median for male full-time workers	Median for female full-time workers
White *(n = 7,876)*	$20,528	$43,073	$33,046
Black *(n = 297)*	$12,490	$46,689	$34,453

According to this estimate, in 2008 through 2012, African Americans who worked full

time actually had higher median incomes than whites. Rather than signaling racial

equality during this time period, however, these data indicate that the overall median for

blacks is indeed brought down by college students, other non-full-time workers, and

unemployed people. Differences in employment provide further support for this

conclusion: In this time period, employment estimates indicate that the Valley's overall

labor force participation rate was 58% while whites' labor force participation rate was

very similar, at 58.14%, and that of blacks' was lower, at 50.56%. Unemployment also

differed significantly by race: 7.36% overall, 6.90% for whites, and 14.53% for African

Americans (U.S. Census Bureau, 2016k; 2016l; 2015m). Given these disparities, even

when wages are similar, there can be an income gap due to differences in employment.

Even excluding college students, however, the New River Valley still evidences

strong racial disparities in average income and unemployment. There is still a large

difference in labor force participation, at 61.76% for whites and 51.38% for African

Americans, and a disparity in unemployment rates, at 4.84% for whites and 11.68% for

blacks. Finally, mean income estimates, that in Table 3 include incomes of persons not in

the labor force, unemployed persons, and part-time workers, but not college students,

exhibit a considerable disparity: $31,745.90 for whites and $20,549.96 for African

Americans.

Table 3

Employment and income disparities excluding college students in the New River Valley,
2008-2012[1]

	Overall *(n = 1,092)*	White only *(n = 1,024)*	Black only *(n = 22)*
LFPR	61.37%	61.76%	51.38%
Employment	58.33%	58.77%	45.38%
Unemployment[2]	4.97%	4.84%	11.68%
Mean income	$31,906.76	$31,745.90	$20,549.96

In sum, even after removing college students from the analysis, there seems to be a

disparity in employment and income between whites and blacks in the New River Valley.

In particular, labor force participation is lower, unemployment is higher, and mean

income is reduced for African Americans. Below, I assess why this may be by exploring

relevant trends and policies nationwide and by examining specific germane

circumstances in the NRV.

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[1] Estimates using IPUMS data with college students included can be found in Appendix A.
[2] Following established convention, I calculated unemployment as a percentage of the labor force.

The causes of current racial disparities in the United States are complex and are rooted in a long history of slavery, intentionally racist policies and accepted social norms, and continued failure to change the actions arising from this complex constellation of factors as a result of a lack of political will. Employment discrimination is only one factor that contributes to a continued lack of equal opportunity for African Americans. However, this does not make such behavior any less harmful or worthy of consideration; rather, inequality across many domains compounds its overall effects. Some deniers of employment discrimination, for instance, claim that employers do not hire African Americans because they are not qualified or lack necessary educational credentials. However, empirical evidence suggests both that access to education is unequal (Chetty & Friedman, 2011; Shapiro, Meschede, & Osoro, 2013) and that continued employment discrimination lowers the returns from education for African Americans (Bertrand & Mullainathan, 2003).

Pervasive unequal access keeps future generations of the same families at a disadvantage. Intergenerational poverty may be caused by many factors, including lack of access to education, social networks, and assets such as real estate and savings. These advantages are notably concentrated in white families while they are more often lacking for families of color. Shapiro et al. (2013) followed a group of families during a 25-year period from 1984 to 2009, and found that policy and institutional variables, rather than behavioral or ability-based ones, constituted the strongest drivers of this "racial wealth gap." These included years of homeownership, household income, unemployment,

college education, and transfers of preexisting wealth nearly all of which are directly related to family assets and income (Shapiro et al., 2013, p.1).

Chetty and his colleagues have also conducted several recent analyses of intergenerational income (im)mobility. Chetty and Friedman (2011) have observed,

> There are many channels through which parental income might correlate with children's income. Higher income parents may transfer earnings ability to children through genetics, or through environmental conditions. Richer parents may live in healthier, safer neighborhoods, or may place more emphasis on academic achievement in their children's upbringing. They may also have greater network connections or social capital that generates higher earnings for their children. Finally, their children may attend higher quality schools (Chetty & Friedman, 2011, p. 5).

Chetty and Friedman's research on the contribution of school quality to parent and child incomes found that, "school quality differences could explain as much as 40% of the correlation between parents' and children's incomes in the United States" (Chetty & Friedman, 2011, p. 3). Given widespread reliance on local property tax funding for schools, school quality depends largely on neighborhood—which in turn reflects household funds available for housing. In this vein, Chetty, Hendren, and Katz (2015) found that a neighborhood's poverty rate contributes significantly to the future incomes of young children living within it. Children who moved out of poverty through the Moving to Opportunity housing voucher program when they were less than 13 years old saw an increase of $3,477 or 31% in annual income in their mid-twenties compared to those who did not relocate (Chetty, et al., 2015, p. 2). Chetty, Hendren, Kline, and Saez (2014) also found lower inter-generational mobility for individuals in areas with larger African-American populations, particularly when populations are segregated by race and income.

Historically, housing discrimination has contributed to neighborhood segregation by race and class and to the racial wealth gap, as real estate capital was one of the main ways Americans built wealth throughout the 20ᵗʰ century (Katznelson, 2005; Shapiro et al., 2013). Shapiro et al. found that "the number of years of homeownership accounts for 27 percent of the difference in relative wealth growth between white and African-American families, the largest portion of the growing wealth gap" (Shapiro et al., 2013, p. 2). Katznelson (2005) has argued that while public programs helped white families accumulate wealth through homeownership, governments and real estate professionals actively worked to prevent blacks from doing the same. Today, wealthy and middle class individuals perpetuate neighborhood segregation by race and class partly by choosing to buy homes in neighborhoods whose property values are likely to increase and their children's schools will be high quality—decisions that are difficult to regulate without impinging unacceptably on individual freedom (Spinner-Halev, 2010).

De facto exclusion from specific neighborhoods and schools contributes to disparities in social capital, a concept that refers to an individual's or community's relational networks—their ties with other groups and individuals—as an asset (Putnam, 1993). Largely because of residential segregation, African Americans tend to lack connections to employer social networks, and this reality reduces their potential economic mobility (Wilson, 1987). Indeed, many studies have revealed that social networks have continued to grow in importance for job searches in recent decades (McDonald, Lin, & Ao, 2009; Boon & Farnsworth, 2011; Patacchini & Zenou, 2012). Housing inequality and neighborhood segregation also affect health inequities (Kwan,

2013; Larson & Story, 2015), which contribute to employment disparities as well (Benner & Pastor, 2013).

"Spatial mismatch" is another concern in urban areas. This has occurred because many jobs suburbanized in the 1950s and 1960s while urban cores generated less employment appropriate for those still residing there and those residents remaining became increasingly (in relative terms) impoverished (Kain, 1968; Ihlanfeldt & Sjoquist, 1998). According to this theory, the poor and unemployed are often spatially separated from job opportunities, thereby decreasing their chances of improving their economic circumstances. The recent trend toward the suburbanization of poverty has complicated this problem as low-income suburban residents, often immigrants and people of color, lack access to transportation to jobs located in other suburbs (typically more removed from the inner core) inaccessible by public transit (Chapple, 2006).

Inequities in criminal justice system treatment among population groups also have profound impacts on employment prospects. Criminal justice system officers disproportionately arrest and imprison men of color. Neighborhood and school disparities contribute to this result through phenomena such as the "school to prison pipeline," a noted trend of disproportionate discipline and police involvement for students of color (Smith, 2009), and unequal monitoring of poor and black neighborhoods vis-à-vis wealthier or more white neighborhoods (Sentencing Project, 2008; Blessett & Pryor, 2013). Moreover, when ex-offenders leave prison and try to re-establish themselves, numerous barriers make this process difficult, which in turn promotes recidivism. According to Blessett and Pryor, for example,

> Provisions have been enacted to prohibit ex-offenders from obtaining
> employment within school systems, healthcare professions, and correctional

facilities; living in federally subsidized housing; and accessing education assistance through certain federal loans or grants programs (Blessett & Pryor, 2013, p. 438).

Employment barriers have gained particular attention in recent years through the "Ban the Box" campaign, which advocates eliminating initial questions on job applications regarding criminal history (Henry & Jacobs, 2007). "Ban the Box" refers specifically to omitting questions about criminal history at the first stages of job applications, not necessarily foregoing them completely. The reasoning for this is twofold: that questions about criminal history will discourage previous offenders from applying for posts whose applications contain them, and that knowledge about criminal history might bias hiring committees, but that such a predisposition is less likely to govern actions after personal interactions, such as interviews (Henry & Jacobs, 2007). This barrier of potential unfairness is greatest for blacks. In an experimental study, for example, Pager (2003) found that African American applicants without criminal histories received fewer callbacks than white applicants with them. As inequality in all of these areas persists, blacks continue to fall behind their white counterparts in physical and social assets such as quality education, network connections, housing, and proximity to employers. The compounding legacy of these realities makes inequality particularly harmful.

Two conclusions emerge from this brief review of relevant literature. First, disparities in employment and income alone do not constitute the only issue confronting African Americans; inequities in education, housing, social networks, mobility, and criminal justice enforcement contribute significantly to continued inequality, and activists and policymakers should address those concerns as well. Second, if African Americans continue to lose out on employment opportunities due to discrimination, they are likely to

face snowballing difficulties as they seek to extricate themselves from the array of disparities they confront.

Meanwhile, employment discrimination continues despite numerous public policies to combat it and neoclassical economic claims (Becker, 1957) that the firm-level inefficiencies of discrimination should provide companies an incentive to work to eliminate it (Cain, 1986; Darity & Mason, 1998). Statistical analyses of labor force data (Darity, Guilkey, & Winfrey, 1996; Rodgers & Spriggs, 1996), audit studies in which actors of different races attend job interviews (Mincy, 1993; Bendick, Jackson, & Reinoso, 1994), and experiments using typically black or ethnic names on resumes in job applications (Riach & Rich, 1991; Bertrand & Mullainathan, 2003; Carlsson & Rooth, 2007) have consistently found evidence of employment-related discrimination. Bertrand and Mullainathan's (2003) experiment, among the most widely cited, found that applicants with white-sounding names were 50% more likely to receive a call back than applicants with black-sounding names with the same resume quality.

Discrimination and unfair treatment in the hiring process and in workplaces takes many forms. Nkomo and Al Ariss have argued that modern organizations were historically constructed to embody whiteness and that because of this orientation, "the domination of whites in the upper levels of organizations would come to be viewed as natural" (Nkomo & Al Ariss, 2014, p. 398). According to their analysis, "whiteness infuses the prototype of the ideal employee" (Nkomo & Al Ariss, 2014, p. 397) so non-white workers and applicants, even when qualified, are often not so judged by managers who themselves are likely to be white. This framing helps explain why in Bertrand and Mullainathan's (2003) study, while whites received a 27% increase in callback likelihood

with improved resume quality, the response improvement for blacks in the same circumstance was only 8%. In addition to numerous structural barriers to achieving education and employment, on average, African-American investments in education, skill building, and years of experience often do not pay off at nearly the same rate as that same level of investment does for whites.

Employment and income inequality and the economy

Racial equity in employment also has implications for macro level economic prosperity, such as in nations, states, and regions. Recently, economists have suggested that racial inequality leads to lower and less sustained growth than would otherwise occur (Berg & Ostry, 2011; Benner & Pastor, 2013; Treuhaft, Scoggins, & Tran, 2014). In turn, reduced economic activity affects disadvantaged groups most negatively. For instance, Treuhaft, Blackwell, and Pastor have asserted that in the Great Recession "the most vulnerable—low-income people and people of color—were hit first and worst" (Treuhaft, Blackwell, & Pastor, 2011, p. 4), a finding confirmed by a recent Pew Research Center report (Kochhar & Fry, 2014). These studies suggest that racial and income equality are good for society as a whole, and better for people of color by directly influencing equal opportunity and outcomes (Mithaug, 1996), and by helping the economy.

While Kuznets's (1955) model of economic growth's inverted u-shaped impact on inequality was once widely accepted, recent economic scholarship has theorized and presented evidence against it. Kuznets originally speculated that inequality tends to increase as economies begin to grow, and then decrease thereafter. While researchers found some evidence for this theory in developed countries up to the 1970s, rising

20

inequality since that time has led many scholars to question its validity due to lack of empirical support (Nielsen & Alderson, 1997; Piketty, 2006). International development analysts have recently suggested that income inequality serves as a growth impediment since it often results in social unrest that leads to less investment in affected communities (Alesina & Perotti, 1996; Ostry, Berg, & Tsangarides, 2014; Piketty & Saez, 2014). In addition, Elborgh-Woytek et al. (2013) have documented the negative effects of gender discrimination in employment on aggregate community economic activity.

Less common is research on inequality as an impediment to growth in the United States, but researchers associated with PolicyLink and the Program for Environmental and Regional Equity at the University of Southern California have studied the effects of racial inequality on regional growth. Benner and Pastor found that, "Growth spells seem to be made shorter when there are higher levels of political fragmentation, higher levels of racial segregation, and most significantly . . . higher levels of income inequality" (Benner & Pastor, 2013, p. 3). Benner and Pastor have suggested that, as with international development, inequality and social unrest make economic growth less stable. They pointed to several theorized causes of inequality, including unequal or insufficient education and lack of social capital, as simultaneous inhibitors of growth (Benner & Pastor, 2013, p. 6).

PolicyLink and the USC Program for Environmental and Regional Equity have begun tracking and making data available that estimate GDP losses due to discrimination and segregation, among other statistics, such as "equity indicators" and demographics, in what they term a National Equity Atlas (PolicyLink & USC Program for Environmental and Regional Equity, 2014a). Using these data, affiliated researchers found that when

racial equity in employment and income was simulated for 2008-2012, national GDP

grew by $2.1 trillion or 14%. To arrive at this figure, investigators used U.S. Census data

obtained from the Minnesota Population Center (IPUMS) line-by-line extracts. They

calculated mean annual income and hours worked by race, age group, and income

percentile. Then, they assigned the mean annual income and hours worked of whites to

five distinct groups of people of color, by age group and income percentile. According to

their methods description,

> For example, a 54-year-old non-Hispanic black person falling between the 85th
> and 86th percentiles of the non-Hispanic black income distribution was assigned
> the average annual income and hours of work values found for non-Hispanic
> white persons in the corresponding age bracket (51 to 55 years old) and "slice" of
> the non-Hispanic white income distribution (between the 85th and 86th
> percentiles), regardless of whether that individual was working or not (PolicyLink
> & USC Program for Environmental and Regional Equity, 2014b, p. 12).

This methodology produced projected income and hours worked values, which

researchers then averaged for each racial group. They then applied the resulting

percentage increase in income to actual GDP, assuming that gross domestic product

would rise at roughly the same rate. This calculation resulted in a projected $2.1 trillion

national GDP increase. National Equity Atlas analysts have repeated this process for all

50 states, the nation's 100 largest cities, and the 150 biggest metropolitan areas in the

United States. In each case, racial equity resulted in stronger economic outcomes for the

relevant political jurisdiction. These estimates represent opportunity costs of racial

inequality rather than actual increases; for GDP to rise this much, significant investment

would be needed, the magnitude of which the methodology does not take into account.

Using the National Equity Atlas's methods, I calculated regional income and GDP

loss resulting from racial inequality for the New River Valley. Because this region is both

smaller and whiter than the more urban areas that the National Equity Atlas has analyzed in depth, income and GDP gains with racial equity are smaller. However, they are not insubstantial. To complete my analysis, I used the same sample of IPUMS data—2008-2012 American Community Survey five-year estimates—as the National Equity Atlas researchers. I limited the geographic area I examined to the New River Valley, which includes Floyd, Giles, Montgomery, and Pulaski counties and the city of Radford. I also dropped observations of individuals younger than 16 years old, since these persons are normally not considered in employment estimates (U.S. Bureau of Economic Analysis, 2015). As with the descriptive data I presented above, I completed the analysis both with and without college students included.[3] I found—excluding college students—that with racial equity, African-American average income would increase from $20,549.96 to $36,836.38. Average income of all races in the aggregate would increase from $31,906.76 to $32,679.28—less significantly, since whites' incomes would not change. Following the National Equity Atlas researchers' methods, this 4.44% increase implies a $282 million increase in regional GDP for the Blacksburg MSA during the 2008-2012 period than occurred in the absence of racial equity. Though this increase would not have been possible without significant investment, it represents the opportunity cost to the regional economy of racial disparities in income and employment. In addition, achievement of racial equality may entail lower incomes for whites—a possibility this model does not include.

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[3] Results including college students can be found in Appendix A.

Figure 1

Projected increases in annual hours worked with racial equity, college students excluded, 2008-2012
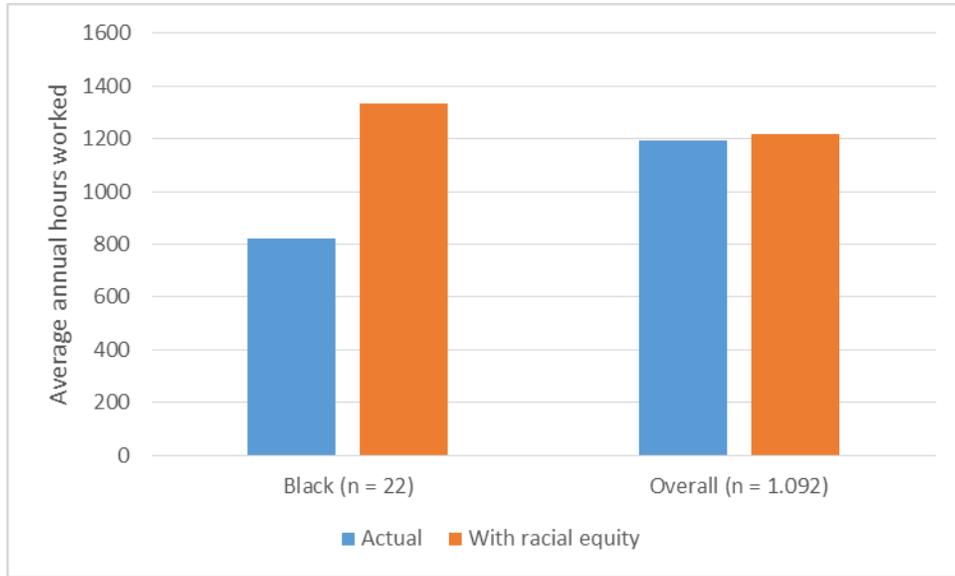

Figure 2

Projected increases in annual income with racial equity, college students excluded, 2008-2012
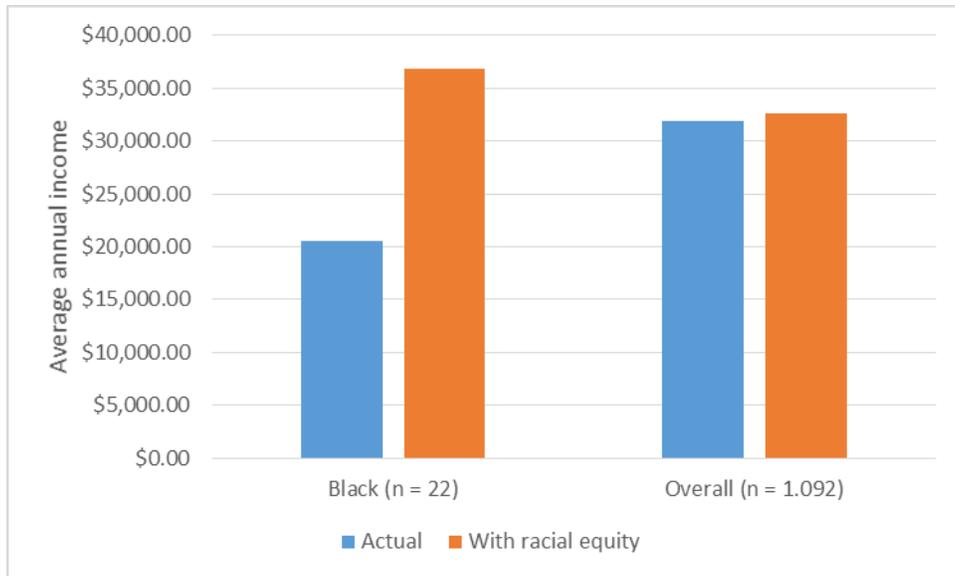
National Equity Atlas researchers have also divided the income increases they calculated into those due to increased hours of work (employment) and those resulting from rising income per hours of work (wage) using the following formula for each racial group.

$$\ln(Ypi) - \ln(Yai) = [\ln(Wpi) - \ln(Wai)] + [\ln(Hpi) - \ln(Hai)]$$

where

Y = average annual income
H = average annual hours of work
W = average annual income per hour (Y/H)
i represents each racial/ethnic group (or all groups combined)
a represents actual (current) values
p represents projected (hypothetical) values (PolicyLink & USC Program for Environmental and Regional Equity, 2014b, p. 20).

The first part of this equation represents projected percent increase in income, the second part projected percent increase in wage, and the third part projected percent increase in hours worked. In my analyses of the New River Valley, I found employment rather than wage increases to be the greatest contributor to income gains; in other words, most of the racial inequality in income in the New River Valley is due to employment disparities rather than wage differences. Using the National Equity Atlas's formula, my results for African Americans were a 58.63% increase in average annual income, a 9.63% increase in wage, and a 48.73% increase in hours.

This finding suggests that efforts to create equity in employment rates, rather than wages or income, would be most effective in fostering racial equality in the NRV. This analysis also helps make sense of the income advantage black full-time workers had over white full-time workers in the 2008-2012 estimates presented in Table 2. Because most inequality is due to differences in hours worked, it follows that income disparities might

be present even when African American full-time workers make more than white full-time workers.

Policies and practices to address racial inequality in employment and income

Various stakeholders have used and advocated for numerous policy tools to redress racial inequality in employment and income. Factors such as improvements in educational equality, equal treatment in the criminal justice system, and equity in access to healthcare, lifestyle amenities, and transportation are all relevant. Below, I briefly describe policy changes that many scholars and political leaders have suggested as strategies to address the overarching concern of employment and income inequality. However, this research focuses on employer-level decisions and policies that may regulate or incentivize those potential steps.

Structural solutions through housing, transportation, and tax structures

Kain's (1968) spatial mismatch hypothesis, noted above, influenced the findings of the 1968 Kerner Commission, whose work in turn inspired many policies designed to address barriers to equal employment and income among African Americans and other minority groups (Chapple, 2006). Kain posited that many blacks lacked ready access to employment because of the suburbanization of jobs, inadequate transportation, and a lack of affordable housing outside the inner city. Policies resulting from this view have included targeted economic development programs such as empowerment zones; transportation route development initiatives, public transportation vouchers and car ownership programs; and affordable housing programs, including Section 8 and the

26

Moving to Opportunity program (MTO) (Fan, 2012; O'Sullivan, 2012). Some of these initiatives have produced promising results. For example, studies have suggested that car ownership programs may be the most effective transportation strategy to provide low-income residents with physical access to employment (Chapple, 2006; Fan, 2012). In addition, affordable housing initiatives have provided shelter and increased opportunities for children (Chetty et al., 2015).

However, spatial economic development solutions such as empowerment zones are largely losing favor with public officials, as they have not resulted in expected economic benefits for low-income residents. Indeed, many such efforts have been or are now being discontinued (Fan, 2012). As a group these initiatives, although certainly beneficial to some, have not significantly reduced employment and income disparities for their targeted populations (Chapple, 2006; Zenou, 2013). Chapple (2006), Fan (2012), and others have posited that this outcome has occurred as a result of the innate inability of spatial solutions to prevent employment discrimination, whether overt in character or arising from the cultural differences and lack of social networks among many African Americans. Chapple's criticism is emblematic of the comments of critics of the mismatch view: "We now understand that a number of factors, including racial discrimination, lack of social networks, and poor human capital development, prevent jobseekers from finding work, even when jobs are located nearby" (Chapple, 2006, p. 323). Efforts to build social capital through mixed income neighborhoods also have not been consistently effective (DeFilippis & Fraser, 2010). According to these authors, "Space, it seems, more easily can be part of the problem than part of the solution" (DeFilippis & Fraser, 2010, p. 143).

In the wake of rejection of the "mismatch" logic, planning scholars have suggested other solutions that continue to be based on local planning and policymaking, but not on physical proximity to employment. Chapple (2006) has argued that physical design can help facilitate interaction and thus help to build the network of "weak ties" or social capital necessary to obtain jobs. Schrock (2014) has detailed ways in which planning practice can also support workforce development efforts, which help reduce the effects of education disparities. Orfield and Wallace (2007) have argued that local tax sharing in some urban jurisdictions can reduce public service differences between poor inner cities and their more affluent suburbs.

Equity planning

Local government officials can also address racial inequality by writing incentives or requirements for equity into their planning documents and guiding principles. "Equity planning" has a long history and some local governments have recently again embraced steps such as incorporating equity frameworks into their decision-making processes (Zapata & Bates, 2015; Heckert & Rosan, 2015; Griffin & Sener, 2015). Davidoff (1965) argued that planners should be advocates for the poor and underserved, and Krumholz and Washington famously enacted equity planning in Cleveland and Chicago (Metzger, 1996). Fainstein (2010) has offered a Rawlsian argument for the "just city." According to Fainstein, justice is rarely a criterion of public policy decisions, which instead tend to favor efficiency and growth. In fact, she argues, most local policy is geared toward economic growth, on the assumption that such will favor everyone. Under her framework of justice-based planning, policies and actions intended to promote economic

development also would be evaluated on equity grounds. This assessment could examine housing, transportation, education, and employment related factors. Some cities have begun using racial equity impact appraisals of this sort—similar to environmental impact assessments—to analyze development and transit projects (Race Forward, 2016).

However, physical-structural changes alone are unlikely to redress employment and income inequality since spatial and skills mismatch problems are compounded by racial discrimination (Fitzgerald & Patton, 1994). One direct method by which local leaders can ensure improved equity through economic development could occur at the organizational level of the firms they seek to attract and in which they choose to invest public subsidies of various sorts. For instance, economic development assistance packages could include stipulations or additional incentives aimed at securing more equitable hiring and other employment practices. These are often pieces of Community Benefits Agreements (CBAs) (Salkin & Lavine, 2007) or linked to other advocacy and planning tools. For example, "affirmative action" was an integral part of Mayor Harold Washington's *Chicago Development Plan* in 1984 (Metzger, 1996, p. 114). Yet for such local regulations and incentives to work to create employment equity, employing firms and organizations must cooperate by honoring their aims and actively seeking to realize them.

Affirmative action, equal opportunity, and organizational policies and practices

In addition to intentional, equity-based planning and policy changes on the part of local governments, employers must be instrumental actors in efforts to eliminate racial disparities in employment. Those who crafted employment equality legislation in the

1960s recognized this imperative and geared policies toward employers. As such, organization-level policies for diversity, inclusion, and equity have a long legacy based in arguments for justice and civil rights (Gotsis & Kortezi, 2015). Scholars such as Anand and Winters (2006) and Kelly and Dobbin (1998) have detailed the evolution of compliance-based to voluntary employer policies designed to promote equal opportunity in employment, a shift that arose largely because of political opposition and consequent weakening of compliance-based legislation.

The Civil Rights Act of 1964 prohibited discrimination on the basis of race, religion, sex, or national origin. It also proscribed retaliation against employees who file discrimination complaints. The Equal Employment Opportunity Commission (EEOC) is charged with carrying out Title VII of the Civil Rights Act, which stipulates:

> It shall be an unlawful employment practice for an employer –
> (1) To fail or refuse to hire or to discharge any individual, or otherwise to discriminate against any individual with respect to his compensation, terms, conditions, or privileges of employment, because of such individual's race, color, religion, sex, or national origin;
>
> or
>
> (2) To limit, segregate, or classify his employees or applicants for employment in any way that would deprive or tend to deprive any individual of employment opportunities or otherwise adversely affect his status as an employee, because of such individual's race, color, religion, sex, or national origin (U.S. Equal Employment Opportunity Commission, 2014).

The title also makes the above forms of discrimination unlawful in employment agencies, labor organizations, and training programs (U.S. Equal Employment Opportunity Commission, 2014). In addition, the federal and state governments have implemented affirmative action policies, beginning with President Kennedy's 1961 Executive Order 10925 that "required federal contractors to take 'affirmative action' to end

discrimination" (Kelly & Dobbin, 1998, p. 961). Generally, such policies have included

race-aware hiring processes that aim to reduce the historical disparities in education and

employment (Katznelson, 2005). Soon after its creation, the EEOC began collecting

racial data from employers and prosecuting discrimination cases based not only on

individual situations, but also on "overall patterns of exclusion" (Katznelson, 2005, p.

147).

Many equal opportunity and affirmative action requirements that arose from the

Civil Rights Act are still in effect, and employers must comply with requirements for

equal opportunity reporting and affirmative action planning, depending on whether they

contract with government(s) and the number of employees working for them.

Specifically, any government contracting organization with 50 or more employees is

required to report employment demographic, geographic, and industry data to the EEOC,

as is any organization with 100 or more employees (Robinson, Taylor, Tomaskovic-

Devey, Zimmer, & Irvin, 2005). Affirmative action requirements—most often applicable

to the public sector, as well as government contractors—involve efforts to "mirror the

relevant labor market" within an organization (Gotsis & Koretzi, 2015, p. 13)

Public response to affirmative action policies has largely been negative.

Katznelson has argued that although in 1965 President Johnson intended affirmative

action to be the next step in his civil rights agenda,

> His sanguine goals were dashed by a number of events – by a radical
> transformation in race relations, the escalation of the Vietnam War, new divisions
> within the Democratic Party, and a Republican resurgence. … White public
> opinion, accurately reflected in the preferences of many members of Congress,
> revealed that a majority of whites were not willing to authorize a comprehensive
> racially oriented attack upon poverty and disadvantage (Katznelson, 2005, p.
> 144).

This negative public opinion persisted as the Nixon administration and courts declared employment policies that resulted in "disparate impact," in addition to those with "disparate intent," discriminatory (Katznelson, 2005, p. 147).

Harper and Reskin (2005) have argued that elected leaders often used criticisms of affirmative action as a key issue to attract voters in the latter half of the 20th century. Ronald Reagan's 1980 Republican Party platform included a promise to end affirmative action (Kelly & Dobbin, 1998). Discrimination claims, although initially supported by the courts, also became much more difficult to undertake and to win by the 1980s. As a result, the EEOC de facto lost much of its enforcement power, since its clout previously had rested on its ability to sue companies on behalf of individuals alleging discrimination (Smith, 2014).

Employer reaction to these government policies and their enforcement shifted as the broader political and policy context evolved. Trainings for employees, one of the main mechanisms firms use to address race-related concerns, was based in compliance education in the 1970s in order to avoid legal issues (Anand & Winters, 2008). Indeed, Anand and Winters (2008) have argued that the EEOC often mandated training programs as punishment for noncompliance. In the 1980s, employer program foci shifted to assimilation, wherein women, blacks, and other "minorities" were placed in training programs aimed at integrating them into a homogenous corporate culture.

Thomas (1990) proposed a new paradigm of "managing diversity" for the purpose of firm or organization success or profit making in 1990 and many companies soon adopted it (Kelly & Dobbin, 1998; Anand & Winters, 2008). "Managing diversity," Thomas's term, emphasized performance benefits in lieu of previous moral or legal

32

justifications for equal opportunity policies; this orientation has become known as the "business case" (Groeneveld & Verbeek, 2012). In the public sector, this concept reflects the claims of advocates of representative bureaucracy (Krislov, 2012). In this view, a government agency is more likely to serve its citizens well when its staff "look like them" and can therefore relate culturally to them (Pitts, 2009). Similarly, a corporation's representatives may better relate to customers who share their race, culture, or age. For nonprofit organizations, a business case argument asserts that diversity can help those entities better fulfill their missions (Tomlinson & Schwabenland, 2010). Business case advocates also argue that a more diverse staff contributes a wider array of knowledge and that fact in turn results in more innovation (Jayne & Dipboye, 2004) and encourages employee job satisfaction, and therefore productivity (Sanchez & Brock, 1996; Özbilgin & Tatli, 2011). In this view, too, diversity programs are good for a firm's public image (Özbilgin & Tatli, 2011) and help attract the most talented people from marginalized groups (Cox & Blake, 1991).

Diversity management can refer to a number of programs and practices. In many cases, such programs are the same or nearly identical to their equal opportunity precursors (Kellough & Naff, 2004). For instance, some diversity management "best practices" include efforts to increase representation of workers of color and other groups via targeted outreach, networking and mentoring programs, and leadership development initiatives (Jayne & Dipboye, 2004; Kalev, Dobbin & Kelly, 2006). These policies share a key goal with equal opportunity and affirmative action legislation: increased representation and employment of disadvantaged groups. Many analysts consider equal opportunity and affirmative action compliance strategies part of broader workforce and

workplace diversity management initiatives (Jayne & Dipboye 2004; Kalev et al., 2006; Madera, 2013).

Other diversity management practices, however, are distinct. Diversity training, "by far the most common component" (Jayne & Dipboye, 2004, p. 411), involves classes or workshops for employees designed to "increase awareness of discrimination and prejudice and to improve [the] behavioral skills of employees in relating to persons from other cultures" (2004, p. 411). Diversity management can also include performance evaluation and reward structures (Jayne & Dipboye, 2004; Kalev et al., 2006), diversity committees (Kalev et al., 2006; Madera, 2013), initiatives for "supplier diversity" or purchasing inputs from women and minority-owned businesses (Madera, 2013, p. 3), and work-life balance policies, such as alternative hours and childcare provision (Gotsis & Kortezi, 2015). In addition to variations in practices, diversity management is often described as "voluntary" while its predecessors—equal employment opportunity (EEO) legislation and affirmative action—were compliance-based (Groeneveld & Verbeek, 2012; Gotsis & Kortezi, 2013).

Even before Thomas's seminal article in the *Harvard Business Review* proposing "managing diversity," Kelly and Dobbin (1998) have demonstrated that some companies were responding to the Reagan administration's dampening of affirmative action and equal employment opportunity policies by publicly declaring the benefits of such efforts to their firms. These advantages included formalization of hiring and promotion policies as well as the benefits lauded by business case advocates. Kelly and Dobbin (1998) theorized that affirmative action and equal employment opportunity specialists used the business case to preserve their professional niche, reasoning that it might represent the

only way to retain employment-related policies such as affirmative action at all. If this indeed was their goal, they have been successful. Hansen (2003) has estimated that U.S. private sector organizations spend $8 billion on diversity training alone each year.

In some situations the business case has become the only acceptable justification for race-conscious policies originally designed to combat inequality. Berrey has suggested that in the highly publicized case of *Regents of University of California v. Bakke* in 2003, diversity as a learning enhancement was "[established as] *the* legally acceptable reason for race-attentive admissions" in higher education (Berrey, 2015, p. 10, emphasis in original). Not only, then, has diversity for performance been lauded and acted on by human resources professionals in multinational corporations, its position as the most broadly acceptable justification for institutional decisions about racially aware policies has also been inscribed into law.

Business case critiques

The divide between the original, civil rights intent of equal employment opportunity and affirmative action and the later business justification for it, has characterized much of the scholarly criticism of diversity management since Thomas first proposed the concept in 1990. Civil rights and social justice advocates ask why anti-discrimination practices and policies must be justified by a bottom-line imperative rather than by justice-based values (Lipson, 2008). According to Wrench this sort of criticism rests on the idea that,

> The problem is that fighting racism and discrimination will now only be seen as important if there is a recognizable business reason for it. Under a diversity management approach, racism is indeed argued to be unacceptable, but only when the outcome of such racism is recognized as leading to inefficiency in the

35

utilization of human resources. If a change in market conditions means that racism and discrimination do not lead to inefficiency, then there will no longer be any imperative to combat them (Wrench, 2005, p. 78).

The business case is reminiscent of Becker's (1957) neo-classical economics argument that discrimination would disappear because it is not economically profitable—an argument that has proved to be false despite the inefficiencies arising from its practice that Becker and other neo-classicists described (Cain, 1986; Darity & Mason, 1998).

Similarly, Berrey has argued that "business case rhetoric" transferred the goals of equal employment legislation from social justice to profit, effectively circumventing the moral rationale underpinning civil rights law and replacing it with a business justification. Diversity management has coopted conformance with the law and its underpinning rationale to serve the interests of corporations, rather than the groups civil rights statutes were originally designed to protect and assist:

> This business case rhetoric … emphasized profitability and productivity. It posed human attributes that were the basis of disenfranchisement as equivalent with attributes that managers deemed necessary for workforce effectiveness. In doing so, it minimized problems of inequality and divorced them from civil rights law. Such rhetoric was indicative of a business culture, popularized by management trendsetters, that appropriated and transformed legal ideals to serve managerial objectives, not egalitarian ideals (Berrey, 2015, p. 213).

For some, this change in justification is, "a more worrying development which reflects a broader trend at a societal level; namely, the intrusion of the market into areas where previously democratically elected governments would take action" (Wrench, 2005, p. 79).

This cooptation is not simply a theoretical issue—different motivations and characterizations of race-based policies indeed have impacts. First, when practices that aim to bolster profit rather than equality are dominant, their success is more likely to be

36

so measured, and decision-makers are also more likely to conceive of their outcomes at an individual firm level. Since firm market-driven action has replaced civil rights regulation, it is now up to individual companies to do the hard work of moving toward equality—and they may elect not to do so, since profit and cost savings, not equality, are their primary goals. In fact, multiple experimental studies of monetary incentives for socially desirable action have suggested that they "crowd out" intrinsic values and socially oriented preferences (Bowles & Reyes, 2009; Hwang & Bowles, 2010; Gneezy, Meier & Rey-Biel, 2011). In the case of employer anti-discrimination or pro-equity practices, this may mean that the economic incentive to implement a diversity program displaces the moral motivation to undertake it. As a result, when diversity or equity is no longer profitable, there is no reason to pursue such initiatives.

Second, critics argue that diversity management based on business case logic avoids difficult discussions of inequality and discrimination among decision-makers and employees. Concerned with diversity for profit, the very people whose values and actions may need to change can avoid thinking critically about their beliefs and behaviors and their social implications. Employees who participate in the programs, too, can be encouraged to substitute business case logic for hard conversations about inequality. According to Wrench "the whole question of the *injustice* of the exclusion of anyone on any basis from access to the security afforded from employment is side-stepped" (Wrench, 2005, p. 81, emphasis in original).

In this vein, Prasad, Mills, Elmes, and Prasad (1997), Kersten (2000), Noon (2007), Janssens and Zanoni (2014), and others have criticized diversity management for being a simplistic cookie-cutter solution to racial tensions that ignores real problems

associated with these organizational strains. By substituting a profit-based affirmative action argument for one predicated on civil and human rights, diversity management ignores the historical and continuing structural social inequities that led to a need for government intervention in the first place. As Agocs and Burr have observed,

> To the extent that it lacks a clear focus on discrimination in employment and the disadvantage it creates, managing diversity blurs the issue of inequality and does not engage questions of how organizational policies, procedures and practices create discriminatory barriers that perpetuate inequality on the basis of gender, race, ethnicity and disability. … The result has been a silencing of discourse about discrimination and about the responsibility of organizational decision makers to provide remedies (Agocs & Burr,1996, p. 38).

In this process of silencing, according to Berrey (2015), the realities of racial inequality are erased and replaced by denial of any structure of privilege and inequity.

Amid such strong criticism of diversity management and the business case, many have called for changes, and some employers have pursued alternate strategies designed to promote equitable employment. Jones, King, Nelson, Geller, and Bowes-Sperry (2013) have proposed values-based rather than business case-focused diversity training, in which managers and other employees discuss the ethical foundations of affirmative action and diversity. Nkomo and Al Ariss (2014) have suggested that firms adopt discussions of white privilege and training on effectively dealing with it for their managers. Animated by a similar underlying concern, "Ban the Box" as a movement has caught on throughout the United States, and many levels of government now omit an initial question about criminal convictions on job applications in an effort to promote more hiring of ex-offenders (National Employment Law Project, 2016). In addition, Blessett and Pryor (2013) have advocated that ex-offenders be included as a "diverse" group so as to receive

benefits that other such populations—women, people of color, LGBTQ people, and disabled individuals—may already access.

Diversity, inclusion, and equity policy effectiveness

Several analysts have conducted studies of diversity management's impacts on organization performance, minority representation, inclusiveness, and other factors among public sector entities (Sabharwal, 2014; Hur, 2013; Pitts, 2007; Pitts, 2009), nonprofit entities (Tomlinson & Schwabenland, 2010), and for-profit firms (Jayne & Dipboye, 2004; Kalev, Dobbin, & Kelly, 2006; Singal, 2014; Singal & Gerde, 2015). Taken together, these analyses of business case efforts have found uneven results in terms of profit or performance augmentation. Jayne and Dipboye (2004) and Sabharwal (2014) have contended that leadership buy-in and employee contributions to diversity management programs make them more effective contributors to improved organizational performance.

Measuring effectiveness as increased representation of women and minorities in firms, Kalev et al. found that different types of initiatives have varying impacts on diversity in management. Specifically:

> Structures establishing responsibility (affirmative action plans, diversity committees, and diversity staff positions) are followed by significant increases in managerial diversity. Programs that target managerial stereotyping through education and feedback (diversity training and diversity evaluations) are not followed by increases in diversity. Programs that address social isolation among women and minorities (networking and mentoring programs) are followed by modest changes (Kalev et al., 2006, p. 590).

These findings suggest that training—the most common "diversity management" practice—is the least effective, while those most closely tied to equal employment and

affirmative action legislation—such as affirmative action plans and staff devoted to managing diversity programs—are most likely to secure desired results. Groeneveld and Verbeek (2012), meanwhile, found an opposite result in the Netherlands. They concluded that business case-influenced diversity management and other "soft" policies are more effective at securing their goal of retaining minority employees than are "hard" policies (such as AA and EEO) aimed at achieving the same result.

"Minority representation" or "diversity," however, does not capture the goals of equal employment opportunity, affirmative action, or racial equity. Instead, these include aspirations such as equal treatment and inclusiveness for all employees within workplaces. Indeed, "inclusion" in many cases has replaced "diversity" as the primary language organizations use to discuss race, although many practices remain the same irrespective of the nomenclature adopted (Roberson, 2006). "Diversity and inclusion" is also common, employed on many corporate, nonprofit, and government organization websites. Diversity management's impact on inclusion is also uncertain. Scholars have noted negative reactions or "backlash" against interventions such as diversity training, which can result in a less inclusive environment for women, workers of color, and other historically disadvantaged groups (Jones et al., 2013; Gotsis & Kortezi, 2015). Jones et al. have argued that one contributor to this negative result is the business case that it presents to trainees:

> It is argued that sole reliance on the business case for diversity can minimize or ignore the historical experience of disadvantaged people and the genuine intergroup understanding and perspective taking that could be critical elements of achieving the benefits of diverse groups (Jones et al., 2013, p. 56).

Jones et al. (2013) have proposed that incorporating a "moral case" into training would increase such efforts' effectiveness, although, ironically, the authors seem to view "effectiveness" as diversity that delivers benefits—in line with the business case.

Some scholars have framed the lack of a guarantee of effectiveness as a pragmatic reason not to rely on business case focused diversity management. Wrench has argued, with support of a literature review by Wise and Tschirhart (2000) and other studies, that diversity is not relevant to every industry nor economically beneficial to every firm. If the business case does not always deliver promised results, then those employing it have not only replaced or "crowded out" moral motivations with economic incentives, but have done so with programs that do not deliver: "Put simply, you cannot rely on diversity management policies alone to deliver fairness and inclusion at work when … many of the alleged intrinsic benefits of demographic diversity have been overstated" (Wrench, 2005, p. 79).

More broadly, it is useful to consider how workplace practices contribute to a more equitable society in general. Employing this perspective, analysts might consider achieving higher employment rates and incomes among people of color and other discriminated-against groups as among equitable employment practices' goals. Stainback and Tomaskovic-Devey's (2012) research into private sector employment records showed that progress toward employment equality has stalled since about 1980. The authors attribute this turn to reduced social pressure following the end of the civil rights and gender equality movements, as well as court rulings and less stringent federal regulation—a change that contributed to diversity management's emergence as well.

Some critics argue that part of the reason diversity management is ineffective is that it tends to focus on individuals rather than structural equity. According to Berrey, for example, "Diversity management can support racial minority and female employees in ways that translate into access to more powerful jobs and greater job satisfaction but largely do not disrupt fundamental workplace hierarchies" (Berrey, 2015, p. 201). In addition, it focuses on individual organizations rather than broad social change: "If [diversity management] is adopted widely it may *indirectly* produce a more equitable society as a side-effect of the actions of individual companies, but there is no guarantee of this" (Wrench, 2005, p. 79, emphasis in original). Differing conceptions of what an "effective" result would mean illuminates one reason motivations matter. Policies motivated by profit or performance are judged according to those goals while those adopted for social justice reasons may be evaluated by standards of fairness or equal outcomes. Interventions not intended to catalyze widespread equity may lead to individual success, but not to a fairer workplace or a more just society.

Employer motivations for equitable practices

Scholars have conducted several, albeit limited empirical analyses of employer motivations for adopting and implementing various kinds of diversity, inclusion, and equity practices. Nishishiba's (2012) study of local government initiatives for diversity in Oregon revealed that such programs are often conceived and executed to increase performance. Much other public sector research of diversity practices, by measuring "effectiveness" in terms of performance, assumes that such is the goal of these efforts (Pitts, 2007; Pitts, 2009; Hur, 2013). Tomlinson and Schwabenland found that some

42

nonprofit organizations in the United Kingdom are motivated to pursue diversity and inclusion by the business case, but that some staff conceptualize it differently, since, "not all organizational ends are expressible in financial and economic terms" (Tomlinson & Schwabenland, 2010, p. 106). The authors concluded that public and nonprofit sector employers may indeed be using diversity programs to improve their organizational processes, but that work itself may be social justice-oriented; so in some ways, their instrumental diversity practices can still be framed as motivated by the moral case.

Orlieb and Sieben have proposed resource dependence theory as an explanation for why firms strive to achieve diversity. They found that, in keeping with the business case's logic, companies seek "critical resources that ethnic minorities provide" (Orlieb & Sieben, 2013, p. 480). Berrey's (2015) analysis of a large United States corporation suggests that the business case may be necessary to convince organizational leaders of the importance of diversity, inclusion, and equity. According to her, this necessity arises because executives do not prize diversity, inclusion, or equity for its own sake; thus it is only valuable within the context of profit maximization. At the firm she studied, "at a moment when … diversity personnel were least in control, a truncated rhetoric on the business case seemed the only viable rationale for their existence" (Berrey, 2015, p. 250). Indeed, the business case is so prevalent both in private sector firms' public materials and management scholarship concerning diversity that motivations based on it should not be surprising.

Scholars have also studied legal compliance motivations for employer action on diversity. Deitch and Hegewisch (2013) found that employee discrimination claims can precipitate organizational adoption of diversity and inclusion initiatives. This finding

supported Berrey's contention that organizations may frequently adopt diversity management to demonstrate symbolic action or compliance with employment laws (Berrey, 2015, p. 202). Podsiadlowski and Reichel (2014) examined various organizational, social, and economic factors as explanatory variables for the presence of equitable practices and found that social concerns measured at the country level, including laws, were most predictive of such efforts.

Researchers have used institutional isomorphism and strategic choice theory most frequently to investigate the motivations for workplace equity or diversity policies. Theories of institutional isomorphism suggest that organizations tend to act like other, similar, but more prestigious, institutions. Strategic choice theory suggests that entities change when leaders perceive shifts to be in the organization's best interest, i.e., the business case in the context of equity policies. Mighty (1996) tested the possible effects of institutional isomorphism against those suggested by strategic choice theory in Canadian firms, and found that institutional isomorphism was more influential in her sample as a rationale for adoption of equity initiatives. Pitts, Hicklin, Hawes, and Melton (2010) found institutional isomorphism to be important as well; they used the presence of existing practices in surrounding schools as one explanatory variable in their study of motivations for diversity policy implementation in Texas school districts and found that institutional isomorphism, measured by interactions with other actors in an organization's environment, did positively and significantly correlate with inclusion-oriented practices. Meanwhile, other factors—environmental uncertainty and plentiful resources—were also associated with diversity practices, but with "programs and initiatives" (such as mentoring or networking) rather than "recruitment and retention" policies. In other

words, these efforts were more akin to diversity management than equal employment opportunity legislation and affirmative action.

Ng and Sears (2011) used strategic choice theory in a survey of industry leaders and found that CEO transformational leadership was the strongest determinant of diversity program implementation. Similarly, Kellough and Naff (2004) found agency head commitment to be the strongest of several predictors of diversity management adoption. Rynes and Rosen found evidence indicative of organizational dependence on top management buy-in for adoption of diversity practices, and suggested that, "top managers' values and beliefs are in fact much more important than their gender, race, or ethnicity" as predictors of the presence of these practices (Rynes & Rosen, 1995, p. 263).

Although empirical analyses of employer motivations for diversity practices are limited in number (Pitts & Wise, 2010), writers on the subject have continually framed the business case against the moral case (Thomas, 1990; Pitts et al., 2010; Tomlinson & Schwabenland, 2010). Meanwhile, legal obligation, economic motivations, moral values, and characteristics of management have most frequently been used to examine drivers of diversity, inclusion, and equity employment policy adoption and implementation.

Chapter 3

Methodology

<u>Study purpose and research questions</u>

Given the racial disparities presented above, continuing employment discrimination, and the heavily criticized impacts of diversity management and the business case, continuing to investigate the problem of employment inequality and possible ways to address it is essential. Since enforcement policies in particular have proven to be more complicated in their effects than originally anticipated, scholars have explored other strategies that may encourage racially equitable policies and practices at the organizational level. These have included institution-level affirmative action policies, elimination of application questions concerning criminal background ("Ban the Box"), specific outreach efforts, flexibility concerning educational requirements, and more. The purposes of this study were to learn which policies and practices employers in the New River Valley were currently using to mitigate racial disparities, and to analyze the effects of perceived organizational values and leader influence on adoption of those practices. Thus, my research questions were: "Which policies and practices related to racial equity, diversity, and inclusion are employers in the New River Valley currently using?" and "What has motivated or motivates them to adopt and implement (or not adopt and implement) these policies and practices?"

The theoretical model I developed for this analysis arose from the studies described in this paper's literature review. According to that scholarship, factors that appear to influence organizational adoption of equitable practices include:

- Employer beliefs about fairness and justice (Tomlinson & Schwabenland, 2010),

- Leaders' desire to improve organizational performance (profit-making and/or mission fulfillment) (Pitts et al., 2010; Nishishiba, 2012; Hur, 2013; Tomlinson & Schwabenland, 2010; Orlieb & Sieben, 2013; Berrey, 2015),

- Legal obligations (Deitch & Hegewisch, 2013; Podsiadlowski & Reichel, 2014), and

- Organization leaders' buy-in (Ng & Sears, 2011; Kellough & Naff, 2004; Rynes & Rosen, 1995).

In turn, these four factors are influenced by characteristics others have studied, including social, personal, and professional norms (Pitts et al., 2010) and public policy (Podsiadlowski & Reichel, 2014). Though they are important to understand, I did not examine these relationships. Rather than investigate, as Pitts et al. (2010) did, the institutional environment, or as Podsiadlowski and Reichel (2014) did, existing laws and economic circumstances, I analyzed the effects of employer beliefs on adoption of diversity, inclusion, and equitable practices.

Methodology overview

I used semi-structured interviews with key informants and survey responses of area human resource professionals in this study to examine the two primary research questions posed above. I used mixed methods in part for "instrumental" purposes as Creswell has argued (Creswell, 1994, p. 176). That is, I first conducted key informant interviews and then employed a combination of analysis of those interviews, relevant

literature, media sources, and previous pilot study results to develop a survey that I distributed to a sample of New River Valley, Virginia local employers. Following survey analysis, I conducted one additional key informant interview with an individual who provided contact information in their survey questionnaire. Due to issues identifying private sector contacts in particular, I distributed the survey via the NRV chapter of the Society for Human Resource Management, a third party which had many contacts in the business community.

My epistemic stance is pragmatic (Johnson & Onwuegbuzie, 2004) in that I recognize the subjectivity and historic situatedness of employers' views and acknowledge their implications for disparities in income, employment, and quality of life for African Americans. In addition, in keeping with pragmatist philosophy, my orientation is both "value-oriented" and meant to be helpful for specific groups of activists (Johnson & Onwuegbuzie, 2004, p. 18). Specifically, I hope that this study's results will be useful to the Dialogue on Race as that group seeks to ensure racial equity in employment locally. The mixed-methods design I used fits with pragmatism as well in that it used both qualitative and quantitative methods to allow me to develop a sample of current race-based employment practices and motivations for those practices in the New River Valley while acquiring a deeper understanding of those practices and the rationales underpinning them. As such, this study used both inductive and deductive approaches. It was deductive in that it tested existing propositions empirically, but also inductive in allowing room for additional theories to emerge through the inquiry process. In addition, it relied on subjects' perceptions to assess motivations broadly. This stance fits with my view of research as a whole: I believe that to the extent possible, research should contribute to

theory from subjects' own perspectives (Corbin, 1997), and I am interested in research that informs action (Patton, 1990).

Motives are important in this study for several reasons. First, understanding why some employers are taking specific actions can help determine what might encourage them to reflect on their practices and take additional or different steps, as well as what incentives or conditions might prompt other employers to adopt the same practices. This could be operationalized in two ways: activists could focus on the primary motivator, or educate employers on factors that are not currently influential in spurring specific steps. Second, some evidence suggests that motivations shape the effectiveness of practices adopted. If employers are primarily stirred by a factor that tends not to produce results, it may be advantageous to point that fact out. Employer motivations for change are also important because not all change can be regulated, particularly within a free market economy.

Understanding which policies and practices are currently in place, as well as which are not, is also instructive. Scholars have argued that some practices, such as diversity training, are not as effective as others (Kalev et al., 2006). As a result, becoming aware of the current practices of local organizations could allow activists to educate others about how to advocate for more effective ones.

The amount of difficulty I experienced recruiting both interviewees and survey respondents suggested that potential participants were uninterested or uncomfortable talking about race and employment—an experience consistent with those of other researchers. Berrey, for instance, described the upper management's reluctance to distribute and act on her research of diversity programs at the corporation she studied in-

depth (Berrey, 2015, p. 238). This unwillingness to engage is unfortunate. Following my

review of diversity, inclusion, and equity practices in employment, education, and civic

life, it seems clear that one important step in addressing racial inequality must be an

acknowledgment and discussion of it.

Key informant interviews

Key informants consisted of representatives of large employers (each with more

than 500 personnel) and one organization that works with employers in the New River

Valley. Dialogue on Race employment and issue gap members suggested both

individuals and organizations, and I contacted each. In addition, I recruited interviewees

via snowball sampling and through representatives of industry groups. Finally, I recruited

potential individuals through the survey I conducted. My goals in undertaking key

informant interviews were to supplement my understanding of the four primary

motivating factors I had identified in the salient academic literature, to collect ideas to

guide development of the survey I distributed to human resource representatives of a

broader group of organizations, and to understand the practices and underlying

motivations for race-based employment policies of some of the largest employers in the

region. My sample of key informants was small (n=4) due in large part to a lack of

interest in participation among the individuals I contacted. During interviews, I asked

those with whom I spoke to describe the current policies and practices related to

diversity, inclusion, and equity that were in place in their organizations. In addition, I

asked them about the motivating factors behind those policies and practices and the legal

obligations to which their firms were subject.

<u>Key informant interview data analysis and survey development</u>

I used Atlas.ti software to code my interview transcripts. First, I used Structural Coding to group data by broad topic; second, Descriptive Coding to organize initial data by distinct concepts; and third, Values and Process Coding, to capture and label values, attitudes, and beliefs, as well as actions (Saldaña, 2009). Coding also revealed a list of practices and policies.

In addition to key informant interviews and relevant literature, I used results from a survey conducted in 2013 by the Dialogue on Race, the Montgomery County Chamber of Commerce, and New River Valley chapter of the Society for Human Resource Management to produce a list of policies and practices so that survey respondents could indicate whether they were used by their organizations. I used only that survey's write-in responses as policy and practice options that respondents could check off in order to avoid recreating the original study.

I designed the questionnaire such that subjects identified the relevant policies and practices they had in place, reacted to statements that represented the four issues I identified, and then ranked those factors in terms of their impact(s) on program adoption. In order to form statements for the survey, I drew from quotations and ideas identified in the key informant interview coding process; scholarly literature I had reviewed; and media sources. I asked respondents whether their organization employed the practices listed in Table 4. Table 5 lists participant responses to a question that asked them to choose, on a scale from 1 to 5, how much they believed each statement reflected the reasons decisions were made at their organizations. In addition, that table lists statements with which subjects were asked to indicate their level of agreement or disagreement on a

51

scale from 1 to 5, in order to measure leader buy-in. Table 6 provides the factors that subjects were asked to rank; the purpose of that exercise was to gauge respondent perceptions of the strongest motivators.

Table 4

List of practices and sources

Practice	Source
Required diversity training for employees	Subject 2; previous survey
Optional diversity training for employees	Subject 1; previous survey
Targeting supervisors for diversity, inclusion, or equity training	Subject 2; Jayne & Dipboye (2004)
Diversity, inclusion, or equity evaluations for managers	Kalev et al. (2006)
Financial incentives for employees to become diversity, inclusion, or equity trainers	Subject 2
Encouraging employees to take personal ownership of diversity, inclusion, or equity practices	Subject 1, subject 2
Decentralized diversity, inclusion, and equity adoption and implementation processes	Subject 1, subject 2
A diversity, inclusion, or equity committee made up of workers	Subject 2, Jayne & Dipboye (2004)
Generating revenue through provision of diversity training for other organizations	Subject 2
Networking programs for people of color	Kalev et al. (2006)
Professional development program for people of color	Previous survey
Maintaining and following an affirmative action plan	Subject 1, subject 2
Maintaining and following an equal opportunity statement	Subject 1
Special outreach program with community group, colleges/universities, etc.	Previous survey
"Banning the box" (eliminating questions about applicants' criminal history until necessary)	Henry (2008)
Delayed hiring if diversity goals are not met	Previous survey
Internship program for protected classes	Previous survey
Collecting data on employee satisfaction with diversity, inclusion, and equity practices	Jayne & Dipboye (2004)
Collecting data on applicant pools	Subject 1, Jayne & Dipboye (2004)
Reporting workforce flow data to external oversight agency	Robinson et al. (2005)

Flexible work hours for single parents	Rodgers (1992)
Flexible work hours for employees to attend external diversity, inclusion, and equity trainings or events	Subject 2
Transportation subsidies or other forms of help for employees without reliable transportation	Blumenberg & Ong (2001)
Language assistance to clients/customers	Subject 2

Table 5

List of attitudinal statements, sources, and corresponding factors

Statement	Source	Corresponding factor
Diversity helps organizations avoid groupthink, which is good for productivity.	Subject 1	Business case
Diversity helps organizations better market and deliver products and services to diverse customers.	Subject 1, subject 2, Thomas (1990), Cox & Blake (1991)	Business case
Diversity, inclusion, and equity programs lead to more satisfied employees, which is good for productivity.	Özbilgin & Tatli (2011)	Business case
Diversity and inclusion programs create new problems that are bad for business.	Vasquez (2010)	Business case – negative
Working for diversity, inclusion, and equity in the workplace is the right thing to do.	Subject 1	Moral case
Businesses have an obligation to make society better.	Podsiadlowski & Reichel (2014)	Moral case
"Diversity" and "inclusion" are not enough; we need to be talking about equity.	Agocs & Burr (1996), Prasad et al. (1997), Kersten (2000), Janssens & Zanoni (2014)	Moral case
Diversity, inclusion, and equity programs can help the surrounding community.	Subject 2	Moral case
It's important for organizations to avoid lawsuits and discrimination claims.	Anand & Winters (2008)	Legal obligation
Organizations that receive federal funds are required to have certain policies and practices.	Subject 1	Legal obligation

It's important to go beyond the legal requirements for diversity. (The legal requirements aren't enough).	Subject 1, subject 2	Legal obligation – negative
Leaders of my organization have supported the adoption and implementation of diversity, inclusion, and equity practices.	Subject 1, subject 2	Leader buy-in
Leaders of my organization initiated the adoption and implementation of diversity, inclusion, and equity practices.	Subject 1, subject 2	Leader buy-in
Leaders of my organization have been resistant to conversations about diversity, inclusion, and equity.	N/A	Leader buy-in – negative

Table 6

List of statements to be ranked and corresponding factors

Statement	Factor
To enhance the performance of my organization	Business case
To enhance the well-being of employees and the community	Moral case
Legal requirements	Legal obligation
The influence of my organization's leaders	Leader buy-in

Survey sampling and distribution

I worked with the New River Valley chapter of the Society for Human Resource Management to recruit survey participants; the group distributed the questionnaire I developed to its members (about 180 human resource professionals) via a link in its monthly newsletter. A representative of the group subsequently contacted newsletter recipients via two follow-up emails to encourage them to complete the survey. A total of 16 professionals (a 9% response rate) completed and returned the survey. Human resource professionals comprise an interesting sample for researchers interested in

54

examining race-based policies and practices. Affirmative action, equal opportunity, and diversity management often are the work of human resource departments, although decisions about the composition of those programs may be made at higher management levels. As such, human resource professionals are often intimately familiar with the implementation of such initiatives.

Survey data analysis

I analyzed the survey results using descriptive statistics including frequencies; measures of variance—means and standard deviations; tests of those measures' statistical significance—one-way analyses of variance (ANOVAs) and t-tests. These methods of analysis are appropriate for datasets with fewer than 30 subjects, such as the one I collected (Agresti & Finlay, 1997). I also used a bivariate correlation matrix to analyze any correlations of responses. I analyzed responses to attitudinal statements, both as individual indicators and in the aggregate, according to their corresponding factors. When computing frequencies and measures of variance in the aggregate, responses to statements identified as "negative" in Table 5 above were subtracted from 6 such that a "2" response became "4," a "1" response became "5," and so on.

Chapter 4

Findings

<u>Findings from interviews</u>

Three qualitative interviews provided information used in survey development, and findings about equitable practices and motivations for those organizations whose representatives I interviewed. In addition, I conducted one in-person interview after survey distribution. Three of the four organizations with whose representatives I spoke were public entities; as such, they were subject to stricter regulations than private sector businesses. I asked the representative of one of those organizations (subject 3) to speak more about her organization's involvement with community-wide racial equality efforts than about its specific hiring practices; for this reason, there is less analysis of that interview in relation to policies and practices or the four motivations. Although I attempted to contact several private (for-profit) firms for interviews, I did not receive consent, or in many cases replies, from all but one private sector business representative.

These organizations' representatives reported that all four identified motivations were important to the adoption and implementation of diversity policies and practices. Legal obligation and the business case emerged as the primary motivators named. Although the interviewees indicated they held values such as respect for human dignity and were personally motivated by social justice claims, they nonetheless saw the business case as more important than either of these to success in obtaining broad support for racial remediation policies.

The initial interviews I conducted both confirmed and supplemented lists of policies and practices for diversity, inclusion, and equity that I had compiled on the basis of relevant literature. Specific practices that subjects discussed included:

- Required diversity training (subject 2)

- Optional diversity training (subjects 1 and 2)

- Legal compliance training for hiring procedures (subject 1)

- Encouraging employees to take personal ownership of diversity, inclusion, or equity practices (subjects 1 and 2)

- Targeted outreach to communities and individuals of color (subject 3)

- Language assistance to clients (subject 2)

- Maintaining and following an affirmative action plan (subjects 1 and 2)

- Maintaining and following an equal opportunity statement (subject 1)

- Targeting supervisors for diversity training (subject 2)

- Flexible work hours for employees to attend external diversity, inclusion, and equity trainings or events (subject 2)

- A diversity, inclusion, or equity committee made up of workers (subject 2)

- Reporting workforce flow data to external oversight agency (subject 1)

- Decentralized diversity, inclusion, and equity adoption and implementation processes (subjects 1 and 2)

- Financial incentives for employees to become diversity, inclusion, or equity trainers (subject 2)

- Generating revenue through provision of diversity training for other organizations (subject 2)

Subject 3 also discussed a networking and professional development program that, while not specific to people of color, she and her organization were nevertheless attempting to recruit more people of color to join (Interview with subject 3, 10-6-2015).

All of these policies and practices—as well as additional ones discussed in the literature, but not by study participants—were included in the survey that I sent to human resource professionals in the New River Valley. The only private sector representative I interviewed noted that her organization did not have any policies related directly to diversity, inclusion, or equity, citing the reason for this as the "paternalistic" and "old-fashioned" nature of the company (Interview with subject 4, 3-16-2016).

Effectiveness of policies and practices

As noted above in the literature review, the character of race-based policies and practices depends on their goals. Such goals may be bottom line-based, social justice-based, or predicated on compliance with laws and regulations. However, many scholars agree that stronger minority representation in organizations is a commonly shared goal regardless of the value framework at play. Subject 2 suggested that her program—particularly as it applied to supervisors—was having a significant impact on hiring practices and, as a result, diversity among employees.

> We've seen it in the data; we've monitored the percent of different races, gender, that kinda thing in our hiring and then in our … staff breakdown. And since we implemented the training program about 10 years ago, the numbers have increased significantly in terms of the number of minorities, people of color, that are hired … and that make up the overall fabric of our staff, so there's no question it's had that kind of an impact (Interview with subject 2, 9-22-2015).

Subject 1 also thought her organization's hiring practices were resulting in increased diversity in at least some departments.

> We hear a lot of, 'We don't have diversity here,' and that's not necessarily the case. But we do know that we can do more. And we can do more to retain. But there are some areas where we are recruiting at availability. At the rate the availability suggests that we should be (Interview with subject 1, 8-25-2015).

Subject 1's conception of effective diversity, inclusion, and equity policies was also rooted in inclusion. However, she also observed. "Does that person check who they are at the door to become like you? Because that's not real; that's not inclusion. It's just compositional diversity" (Interview with subject 1, 8-25-2015). According to this definition of effectiveness, it was less clear whether her organization was making progress—although the new initiatives addressing diversity and inclusion she described suggest that it is taking steps and seeking to secure change.

Motivations behind "real inclusion" seem to have a civil rights-based framework, referring to the rights an employee should have to be who they truly are, but in practice those values could be bottom line or social justice-based, or the result of the influence of legal obligations or organizational leaders. Scholars have noted that "inclusion" has in many cases replaced "diversity" as the typical phrase used to describe race-based policies, although in many cases those policies may have remained unchanged (Roberson, 2006). "Diversity and inclusion" are often used as one phrase in popular discourse.

This study's subjects most commonly cited the business case as the most influential motivating factor for adoption and implementation of race-based policies and practices in their organizations. Subjects 1 and 2 viewed diversity, inclusion, and equity practices as in line with their organization's missions and bottom line, which, because of funding structures, were intertwined. Subject 3 saw economic value in engaging with diverse entrepreneurs in her organization's service area. Although subject 4 said her organization did not have diversity policies or practices specifically, she thought that lack of what she called progressive policies such as these constituted a shortfall for her firm, and spoke of having diverse employees as a "good business practice" (Interview with subject 4, 3-16-2016). All of my interviewees spoke of several aspects of the business case identified in the literature: the relationship of the business case with mission fulfillment in nonprofit organizations (Tomlinson & Schwabenland, 2010; representative bureaucracy (Krislov, 2012); employee engagement (Sanchez & Brock, 1996; Özbilgin & Tatli, 2011); diversity of thought (Jayne & Dipboye, 2004); and the necessity of the business argument to obtain leader investment (Berrey, 2015). I treat these concerns and interviewee responses addressing them in successive sections below.

The business case, mission fulfilment, and government regulations in public agencies

Subjects 1 and 2—who work for public organizations—saw diversity, inclusion, and equity practices as essential for mission fulfilment. As Tomlinson and Schwabenland have suggested, in the context of service or social justice-oriented organizations this can be viewed as either the business case or the moral case. In these authors' thinking, "the

idea that these two approaches are essentially oppositional is particularly questionable

when the 'business' of the organization itself concerns achieving social justice"

(Tomlinson & Schwabenland, 2010, p. 102). However, they also recognized that

nonprofit organizations must provide cost-effective service; similarly, public

organizations are under continuous pressure to provide quality services at low cost to

taxpayers. In many cases service-oriented organizations realize economic benefits with

better service, whether through additional government appropriations in the case of

public agencies or increased government funding and/or philanthropy in the case of

nonprofits.

Indeed, subjects 1 and 2 viewed their organizations' missions and bottom lines as

intertwined. In response to my question about why her employer was pursuing diversity,

inclusion, and equity strategies, Subject 1 responded,

> The demographics of our country are changing so we want to be able to prepare
> our students to go out and into this global society … they are demanding that …
> they need to be able to learn and engage with a multicultural workforce (Interview
> with subject 1, 8-25-2015).

This association of "demand" with the reasoning for diversity policy adoption seems to

indicate economic motivations; yet as a public agency, it could also be indicative of

wanting to provide services that the public desires. Subject 2 drew an even clearer

connection between her organization's diversity practices and "quality services."

> It's something that we're really committed to, the agency management board is
> committed to that training because we feel that it's just so important to … have …
> a continuous reminder that this is an important part of how we go about providing
> services. For us, it's all about quality services. So we feel very strongly that as,
> particularly as a public [human services] agency, that we provide services that are
> culturally competent (Interview with subject 2, 9-22-2015).

One could fairly associate the business case or the moral case with these comments.

However, subject 2 seemed to conceptualize the primary motivations for their organization's practices *at a decision-making level* as in line with the business case. She perceived her institution's diversity, inclusion, and equity practices as important for funding and competitiveness—explicitly linking quality services with the entity's bottom line. Subject 2 suggested that diversity program-enhanced "quality services" result in higher revenues.

> It's also important to the Board and to senior management the sort of bottom line effect … so that wasn't something we ignored either. We were able to point out to them … better quality services are gonna generate more demand for our services, more folks in the community are gonna choose us, come to us for those services (Interview with subject 2, 9-22-2015).

Because of the funding structure of the organization as the interviewee described it, more demand does in fact lead to more funding.

> The bulk of our revenue comes from fee revenue … that's generated as a result of the services we provide … We're here for all of the public whether you can afford to pay for the service or not … so a lot of that fee reimbursement comes from Medicaid … That's the bulk of the fees that we bring in … but it is dependent on our performance. It's not, here's the million dollar-, go do whatever. It's you've gotta earn and generate that million dollars (Interview with subject 2, 9-22-2015).

The organization's role in its community and professional field could also be viewed dually.

> We also offer trainings to the community … we've provided training to other human service agencies, other community services boards … we've been asked to provide training on the state level … so we're gaining a reputation throughout the state as being, you know … leading or cutting edge in diversity training programs (Interview with subject 2, 9-22-2015).

Although the Board and senior management are proud of spreading their effective program because of the positive influence they believe their trainings can have on others (see below), a good reputation is also essential to public organizations that wish to

continue to receive funding. The trainings for other organizations also yield revenue (Interview with subject 2, 9-22-2015).

Subject 1 also spoke about a connection to funding, though for her it was highly related to government regulations. Regarding the impetus for diversity, inclusion, and equity practices she stated, "It's going to happen, it's gonna continue to happen as [the organization] continues to grow and depend on federal funding … when you take money, there are strings attached" (Interview with subject 1, 8-25-2015).

Facets of the business case: Representative bureaucracy and understanding clients and customers

In Tomlinson and Schwabenland's (2010) study, subjects who worked for nonprofit organizations expressed the idea that better services were only possible with employees who understood the lives of their clients, a situation that suggests the usefulness of employee diversity in the same way as proponents of representative bureaucracy have long argued (Krislov, 2012). In subject 2's organization, leaders thought this understanding could also be achieved through a robust diversity training program employees had developed as a part of their commitment to provide culturally competent services. An important piece of this initiative, according to subject 2 was,

> That we … make that effort to provide the best service regardless if you … speak English, or you know whatever the situation may be, and that you feel welcome here … we try to incorporate cultural competence and diversity throughout every aspect of the services we provide (Interview with subject 2, 9-22-2015).

Subject 4 also spoke about the importance, as a human resources professional, of having employees that are representative of the communities and potential customers a company serves.

I think you have to pay attention to the communities that you're in, and I've
always been an advocate of mirroring the community that you're in. And as an
example, if I have a retail store that's full of all white people, but you're in a
market, you're in a particular area where there's people of color, you're not
reflective of the market, and so, you're not, it's just, it's not good business
practice, I think, to not be reflective of the market that you're in (Interview with
subject 4, 3-16-2016).

When I asked why this was not good business practice, this subject also spoke about

understanding. "To have that sense of community and … that sense of identity that these

folks in this particular location look like me, therefore they probably think similar to me,

they have similar values to me … and they understand me" (Interview with subject 4, 3-

16-2016).

Facets of the business case: Employee engagement

Subject 2 noted that even though a large part of the organization's diversity

program addressed relationships between employees and clients, "We also feel that how

we relate to each other as coworkers also comes out in the quality of our services. So if

we work well together as staff then that's gonna get projected in the service that gets

delivered to the client" (Interview with subject 2, 9-22-2015). She indicated that part of

advocates' presentation to their organization's decision-makers involved this idea.

If you've got a better connected team of employees … which includes this
awareness of how diverse we are and how that's a good thing, if you've got a
better connected team of employees and providers, then that's gonna translate into
higher productivity, and therefore higher revenues. So we also presented the
business case for it too … which goes right along with quality services (Interview
with subject 2, 9-22-2015).

Subject 1 also discussed inclusion as contributing to the bottom line specifically by

making the organization:

High functioning … when [employees] embrace one another. There certainly is the business case that it absolutely will drive your economic bottom line, absolutely. And we have seen some of our more diverse areas that are high functioning. … When you embrace one another, when you truly embrace one another … the diversity of thought, you know, it enhances research, it enhances the classroom experience, it enhances overall, you know just down to the office experience (Interview with subject 1, 8-25-2015).

In both of these quotations, subjects 1 and 2 link diversity and inclusion practices specifically to higher employee satisfaction, better outcomes, and benefits to the bottom line. Thomas (1990) and his followers have also offered this argument.

Facets of the business case: Diversity of thought and diversity management

Subject 1 expressed the "diversity of thought" facet of the business case: the argument that differing perspectives lead to better outcomes for organizations (Jayne & Dipboye, 2004):

I think that the diversity of thought that goes into, when we have groupthink, groupthink may not always be the most productive way to run an organization. And so just because we've always done it that way, may or may not be the most ideal (Interview with subject 1, 8-25-2015).

Subject 4 also noted the benefits of diverse perspectives, but expressed the idea, implicit in Thomas's (1990) diversity management argument, that these different worldviews must be managed for organizations to receive the benefits of diversity:

When you have a diverse workforce, you have all the different experiences and perspectives … which is great, but you certainly have to train your leadership on how to manage through some of that. You really, you do see it today, or I see it today … in the generation mix, in a similar type of fashion, where you have to make sure that if you have an older manager working with a younger work group … they have to understand how to communicate and how to effectively get things done, and so, I don't think it [racial diversity] is a whole lot different from that (Interview with subject 4, 3-16-2016).

Facets of the business case: Needed for leader investment?

Berrey (2015) has argued that the business case is often the only viable argument

that can persuade organization leaders to adopt race-based policies and practices. Indeed,

this seemed to be the case for the participants I interviewed. In subject 2's view, the

business case, not the moral case, was the primary motivator that influenced decision-

makers in her organization to adopt diversity training. When I asked if social justice was

part of senior management's and the Board of Directors' decisions concerning her

organization's diversity program, subject 2 responded,

> Probably not. It was probably more about the … impact on services, and … the
> business, the bottom line. Because … there isn't any special funding really that's
> coming down from state or feds to fund these kinds of trainings or what have you,
> so you have to be able to make that business case in order convince the agency to
> allocate funding for it. Cause this is not free. It's not expensive, I think we've
> done a good job of keeping the cost down, but it's not free, and so it does …
> require justification to remain part of the budget. And so that's … really what the
> Board of Directors and senior management tends to look at (Interview with
> subject 2, 9-22-2015).

This quotation illustrates subject 2's argument that finances are the most influential factor

in organizational decision-making concerning diversity and inclusion—even at a public

agency whose primary mission is to serve the underprivileged.

The moral case

Interview subjects did not perceive the moral case as a strong influence on

decision-makers. Instead, the moral case seemed to persist mostly for individuals: "The

social justice piece of it, you know, it can be in there by individual, that one's more … a

part of the original [group of employees who proposed the program], the grassroots piece

of it" (Interview with subject 2, 9-22-2015). Similarly, although for subject 1, "at the end

66

of the day it just really is the right thing to do," she did not think everyone making

decisions about race-based policies and practices felt the same way, nor could they

necessarily be convinced. Subject 1's personal perspective—which echoes civil rights-

based arguments for equitable employment policies with language about "rights" and

"discrimination"—differed from her view of how far organizational policies should go in

demanding or fostering specific moral obligations:

> I'm obviously doing this kind of work so I obviously do think, hey it's a good
> idea, we need to have inclusive policies, that everyone should feel that they can
> come as they are, and there's no repercussion to, you know, you have the right to
> be present … and not be harassed or discriminated against, you know do your job,
> but you know those are tough things to mandate … to dictate social etiquette and
> behavior. I mean we're seeing it play out in the nation, you know the whole flag
> conversation in itself is very interesting to sit back and watch … the politics of
> listening to how folks think … so you know I'm very remiss about you know, this
> is what could potentially happen, so … I don't want to tell someone how to think
> (Interview with subject 1, 8-25-2015).

Facets of the moral case: Diversity practices as rooted in a social justice mission

For subject 2, a small group of advocates had social justice-based motivations;

however, the moral case, as such, for workplace diversity, inclusion, or equity at work for

its own sake, was not as important to them. Rather, the group thought that to be a more

effective server of people with disabilities, employees should undergo training in cultural

competence. When I asked this interviewee to choose social justice or the business case

as more important, she responded,

> I would say it was, you know, maybe a close second but I don't think it was
> necessarily the number one reason behind it. I think it just made common sense to
> us, and it wasn't about, "Oh my God, you know, we gotta right some wrongs and
> there aren't enough of this race or this whatever represented," it was just … more
> of a common sense kind of thing. … The fact that we are a human service agency
> … it's in there just because that's who we are. We are about serving the

underprivileged, the disabled, the folks that don't have a voice (Interview with subject 2, 9-22-2015).

This description fits with Tomlinson and Schwabenland's (2010) conception of the moral case as inherent in social justice-oriented organizations because of their missions.

Facets of the moral case: Impacts on fairness at work

Subject 1's observation above, about the difficulty of "[mandating] … social etiquette and behavior" is illustrative of her thoughts about her organization's abilities to foster fairness through diversity policies and practices. Subject 2 was also unsure, although hopeful, about the capacity of diversity practices to create equity.

> I think you have more potential for fairness and equity across the organization … but that's a tough one to say definitively. But I think you get closer to fairness and equity because, you know, it's something that people think about, they talk about, and hopefully it's something that they come to understand the importance of (Interview with subject 2, 9-22-2015).

Both subjects' uncertainty about the ability of their programs to create fairness reflects arguments made by some critics of diversity programs that these efforts in particular fail to prompt employees to examine their own role critically in perpetuating inequality, and therefore do not create fairness (Wrench, 2005; Nkomo & Al Ariss, 2014).

Facets of the moral case: Impacts on community well being

Study participants were more secure in their belief that diversity practices were good for the community populations in which they occurred and with which they connected. In subject 2's case, this seemed to be a motivator for the organization's decision makers as well:

We're having an impact on not only the personal lives of individual staff and clients, you know it's not just limited anymore to the services, it's impacting who we are as individuals … so you know, in that sense, we're having a, I think a great impact on the community … hopefully that kind of thing just sort of trickles down or spreads (Interview with subject 2, 9-22-2015).

In addition, part of the organization's reasoning, as she saw it, for offering trainings to the

community was to influence other organizations to engage in similar practices:

When it comes to the private sector, obviously we can only hope to be an example for them to see, and maybe follow, and develop those kind of standards themselves. And that's one of the reasons we try to promote our training in the community. We are trying to touch base with private organizations as well … and hopefully influence them (Interview with subject 2, 9-22-2015).

Subject 3 also saw social benefit to her community from engaging leaders and

entrepreneurs of color. Speaking of a professional development program, she said,

How do we teach emerging leaders about the issues in our community if we have a population that's not involved with the class? … I need African Americans, I need blacks in the class who can speak to their experience, so that we have open dialogue, better understanding … about our community and about the issues of our community (Interview with subject 3, 10-6-2015).

Subject 4 indicated that she believed achieving diversity in the employee base was

good for diverse communities specifically. She thought retail employees who looked like

and shared culture with potential customers were not only good for business, but also

good for those consumers as well by making them "feel more at ease." For instance, she

described a retail location with her previous employer, a similar company. "In [the town]

there's a very large African American community, and our [that town] location was very

well representative of the community" (Interview with subject 4, 3-16-2016). Although

she did not specifically address employment, it is worth pointing out that in addition to

making customers feel comfortable, a store that is representative provides income to

community members through a share of its positions.

Legal obligations were motivating factors behind the minimum policies and practices used by the organizations with whose representatives I spoke. However, both subjects 1 and 2 described their organizations' practices as going beyond minimum statutory requirements. Subject 2's organization's main program, diversity training, was not required by law:

> I know that we are the leading community services agency in the state when it comes to having a diversity and culturally competent program. I know that's a fact. So we're very proud of that, you know it wasn't the result of any kind of negative situation or lawsuit, there was nothing like that, it was just something that we recognized as being important and we set that up in this agency (Interview with subject 2, 9-22-2015).

Indeed, she indicated that she and other leaders thought it was important to go beyond what was required.

> I mean yeah we're certainly meeting all of the mandates, all of the legal requirements, but we don't … concentrate on that, we know we're doing that. That's the minimum, and part of our nature is, we're not satisfied with minimum or mediocre, so it's just natural for us to take it to a higher level. And I think we do that, we've done that successfully. Just like ADA, you know that law, as a [public agency], it's not good enough for us to have the doors exactly wide enough … we feel it's important for us to be above and beyond that, so we're not satisfied with meeting the minimums around federal and state standards. That's just not who we are (Interview with subject 2, 9-22-2015).

Subjects 1 and 2 both perceived legal obligation as an important "baseline" on which to build, although subject 2 did not think that current laws were robust enough to promote diversity, inclusion, and equity. Largely because she perceived her organization's program as effective, Subject 2 observed that she believed more should be required for organizations like hers. She noted that other, similar institutions did not go beyond legal requirements and that, "in our estimation it's too bad but, hey, minimum standards at least are better than no standards" (Interview with subject 2, 9-22-2015). Subject 4,

however, noted that because her company did not have any diversity-specific policies, the only race-based practices they had were minimum legal obligations (Interview with subject 4, 3-16-2016).

Facets of legal obligation: Compliance as a tool

Meanwhile, subject 1 also discussed the importance of compliance among other new initiatives at her organization, viewing legal obligations as a tool for good: "It's exciting to see some [employees] take real ownership of that [inclusion]. But we want them to be, to get some education too, you know … that [new practice] may or may not be okay to do" (Interview with subject 1, 8-25-2015). In this case, legal obligation was becoming, in many ways, *not* the primary motivator for many employees at her organization—such that those who were responsible for ensuring compliance, as she was, had to keep employees in check:

> I think folks really don't necessarily understand how compliance does … work with it, it enhances … so we certainly don't want to take over their policies or their initiatives, if you will, and those that have started working with us realize that, 'oh gosh, I wish we had this, I wish we had known' (Interview with subject 1, 8-25-2015).

Facets of legal obligation: Reporting to external agencies

Subjects 1 and 4 each spoke directly about reporting requirements as part of their legal obligation. Subject 1 reported that a federal agency required her organization to develop and maintain an affirmative action plan and report periodically concerning its efficacy (Interview with subject 1, 3-16-2016). Subject 4 told me that a different federal agency required her organization to report workforce flow data in particular to (Interview

71

with subject 4, 3-16-2016). In addition, another, larger firm, with which they have a

contract, dictated some of the hiring and workplace policies for the retail side of her

company via that agreement (Interview with subject 4, 3-16-2016).

Interview subjects perceived leader influence and buy-in as essential. Subject 1

stated, "Sometimes in an organization that is so large, it may have to come top-down

instead of just organically happen. I'm not sure that it can organically happen in an

established organization" (Interview with subject 1, 8-25-2015). Similarly, subject 2 said

that her position in senior management made the process of developing a diversity

program easier. While hiring a consultant to develop the program was a "team decision,"

subject 2 observed,

> As a director promoting something like this I was allowed to explore that … and
> develop it along. It would've obviously been harder for someone who was, say,
> you know a case worker or an administrative support person to get that off the
> ground. I recognize the fact that I could probably get it off the ground a lot
> quicker than … other staff (Interview with subject 2, 9-22-2015).

Meanwhile subject 4, whose organization did not have specific diversity, inclusion, or

equity practices, thought that this was because, "The company is very old and established

… and I think it's still fairly paternalistic. … It's just very old, very old-fashioned ... run

by a family" (Interview with subject 4, 3-16-2015). In other words, in her perception

leader influence in this case has led to less progressive policies, including lack of a work

from home policy, personal leave policy, and any policies specifically related to diversity

and inclusion.

Interview subjects identified the major barriers to diversity, inclusion, and equity policy adoption and implementation as resulting from a lack of external funding and sufficient drive to secure organizational change. Speaking of external funding, subject 2 remarked,

> It's amazing to me, I'm on the state committee for cultural competence in this area of [service] and … it's amazing to me the number of folks on that committee who are committed and excited about doing something in this area but are being held back … for a number of reasons … not enough money or that's not really an issue in this area, you know all those kind of typical excuses, and they're really struggling to be heard but they're really committed and they're not giving up. And so slowly but surely, I think organizations are coming around on this issue (Interview with subject 2, 9-22-2015).

Since there is not state or federal funding available, diversity programs must become an organizational priority to be enacted.

> I'm not aware of any special funding that's out there … that's usually the first thing that comes up is affordability and how to work it into the budget. It's an organizational decision. You determine if it's a priority. And the priorities are what get funded. And in this organization, it's a priority (Interview with subject 2, 9-22-2015).

In her view, lack of external funding left weighting decisions to organizations. According to other interviewees, whether that ranking would be positive was often subject to time and changing beliefs. In response to a question I asked subject 1 concerning what she thought it would take to change people's thoughts, behavior, and social etiquette around racial equity, she responded,

> Engagement, and I think that's what … we're seeing here, is engaging and exposing, and so I think in time will, will tell. And because we are such a McDonald's society, I don't know that … a year is realistic for us to see change. I don't know that three years is realistic for us to see change. You know this is an organization that has operated in a certain way for a very long time, so it takes a long time to … change course … but they're engaging, folks are engaging in conversation, and so that's a really positive thing, because those conversations

weren't always taking place. So it starts there (Interview with subject 1, 8-25-2015).

Subject 4's assertion that her company was "paternalistic" can be seen, here, as a sign of a lack of willingness to change.

Survey findings

Respondents

Sixteen individuals responded to the survey I distributed. Nine represented private sector, for-profit companies and seven represented public organizations. No respondents represented private, nonprofit organizations. In addition, 12 of 16 respondents worked specifically in human resources or "employee relations." Most organizations represented were fairly large, with an average size of almost 1,500 employees; however, size ranged from four to 7,000 according to respondents' estimates. All but three respondents represented organizations with more than 150 employees, and nine were from organizations with more than 1,000 personnel. Since the survey was distributed through the New River Valley chapter of the Society for Human Resource Management, it is highly likely that most or all of the respondents were members of that organization. The nine respondents who reported racial data about their employees indicated that the overwhelming majority of employees were white.

Policies and practices

By far the most common practices survey responders indicated they used were those that are typically required by law for federal contractors with more than 50 employees and all companies with more than 100 employees—maintaining and following

an equal opportunity statement (12 subjects; 75%) and collecting data on applicant pools (10 subjects; 63%) (Robinson et al., 2005). In addition, two respondents (13%) indicated they report workforce flow information to an external oversight agency, and five (31%) indicated they maintain an affirmative action plan—another requirement for contractors. Examination of the numbers of employees that these respondents reported suggest that indeed, those who engage in these actions are legally required to do so.

Diversity training was the third most common practice reported, with seven subjects (44%) indicating that their organization required employees to participate in such experiences. Two respondents (13%) reported that their organizations provide optional diversity training. This finding is in keeping with several scholars' assertions that diversity training is the most common form of diversity management (Jayne & Dipboye, 2004). Participants reported measures to promote effectiveness of diversity training and other programs as well, such as targeting supervisors (25%), flexible work hours so that employees could attend workshops (25%), diversity evaluations for managers (19%), diversity committees (19%), and collecting data on employee satisfaction with the inclusion programs offered (19%). Respondents also reported a range of additional initiatives, including "banning the box" (38%), targeted outreach (25%) and professional development programs (19%), and others. No respondents reported that their organizations provided financial incentives for employees to become diversity trainers or generated revenue by providing such programs for other organizations. Table 7 provides a full list of practices reported by respondents, grouped by categories which I identified through literature (Kalev et al., 2006; Groeneveld & Verbeek, 2012), and the frequencies of occurrence of those policies.

Table 7

Diversity, inclusion, and equity practices used by survey respondent organizations

Category	Practice or policy	Incidence	Frequency
AA/EEO based	Maintaining and following an equal opportunity statement	12	75%
	"Banning the box" (eliminating questions about applicants' criminal history until necessary)	6	38%
	Maintaining and following an affirmative action plan	5	31%
	Delayed hiring if diversity goals are not met	2	13%
Data collection and reporting	Collecting data on applicant pools	10	63%
	Reporting workforce flow data to external oversight agency	2	13%
Diversity training	Required diversity training for employees	7	44%
	Targeting supervisors for diversity, inclusion, or equity training	4	25%
	Optional diversity training for employees	2	13%
	Financial incentives for employees to become diversity, inclusion, or equity trainers	0	0%
	Generating revenue through provision of diversity training for other organizations	0	0%
Decentralization	Encouraging employees to take personal ownership of diversity, inclusion, or equity practices	6	38%
	Decentralized diversity, inclusion, and equity adoption and implementation processes	1	6%
Individual empowerment focused	Special outreach program with community group(s), colleges/universities, etc.	4	25%
	Networking programs for people of color	3	19%
	Professional development program for people of color	3	19%
	Internship program for protected classes	1	6%

Work/life balance policies	Flexible work hours for employees to attend external diversity, inclusion, and equity trainings or events	4	25%
	Transportation subsidies or other forms of help for employees without reliable transportation	2	13%
	Flexible work hours for single parents	1	6%
Accountability structures	Diversity, inclusion, or equity evaluations for managers	3	19%
	A diversity, inclusion, or equity committee made up of workers	3	19%
	Collecting data on employee satisfaction with diversity, inclusion, and equity practices	3	19%
Customer diversity focused	Language assistance to clients/customers	3	19%

In the optional open answer prompt for this section one participant observed, "We have an internship program for qualified candidates. Diversity candidates have been selected because of their qualifications and experience." This clarification appears to indicate that the organization's internship program is not for racial minority individuals specifically.

Motivations

Frequencies and means

Frequency data of individual responses, categorized into their corresponding four factors, suggest that the business case, moral case, and legal obligation were each similarly influential in respondents' calculus. Figure 3 shows responses—for the business case, moral case, and legal obligation—to the question, "To what extent do you feel that decisions about diversity, inclusion, and equity in your organization are based on the ideas expressed in each of the following sentiments?" as well as—for leader influence and buy-in—the prompt, "Please indicate how much you agree with the following statements." The y-axis represents all survey responses to these questions for each

statement on the x-axis. Each question is labeled according to its association with one of

this study's four factors; the designation "neg." indicates that the statement is meant to

capture a negative association with its respective motivator.[4] According to these

responses, while subjects rated leader support low, they rated each factor as fairly highly

influential—with no large differences among the responses between motivators.

Figure 3

Likert-scale ratings of statements' influence on diversity policy decision-making
(business case, moral argument, legal obligation) and agreement or disagreement (leader
support), grouped by category
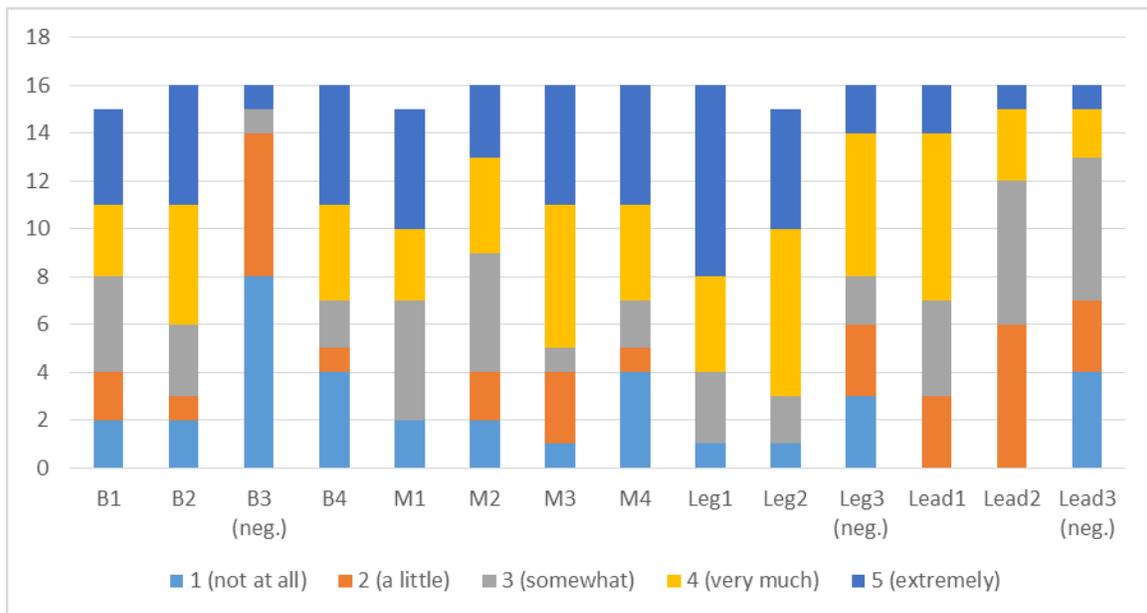
In support of this finding, average responses to questions representing the four

factors of this study, when grouped by those indices, did not differ significantly. Means

of responses in each category were 3.63 for the business case, 3.46 for the moral case,

3.69 for legal obligation, and 3.29 for leader buy-in. A one-way ANOVA revealed that

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[4] Note: Full questions associated with each of these labels can be found in Table 5, page 53 of this thesis.

mean responses grouped by these four categories were not statistically significantly different at either the .05 or .10 levels, F = (.94, 2.65), $p > .10$. Differences among average responses to individual statements also were not statistically significantly different. A one-way ANOVA revealed that there was at least one significant difference between responses to all questions, F = (1.562, 1.559), $p = .099$, but a Tukey HSD post hoc test revealed no statistically significant differences in means at the .10 level.

Meanwhile, according to subjects' explicit rankings of the four categories, legal requirements and enhancement of well-being (the moral case) appear to be most influential, while leader influence is least important. Figure 4 displays subject rankings in answer to the prompt, "Please rank the following factors according to how much you feel they have influenced decisions at your organization about diversity, inclusion, and equity." As these data show, no respondents ranked leader influence as most influential and half of respondents ranked it lowest. Legal requirements were the factor most often ranked first, followed by the moral case, while the business case was most consistently second or third ranked. These responses suggest that leader influence is fairly unimportant from subjects' perspectives, and confirm the finding from rating data that each of the other three factors is perceived as relatively equally important.

Figure 4

Subject rankings in response to prompt, "Please rank the following factors according to how much you feel they have influenced decisions at your organization about diversity, inclusion, and equity."
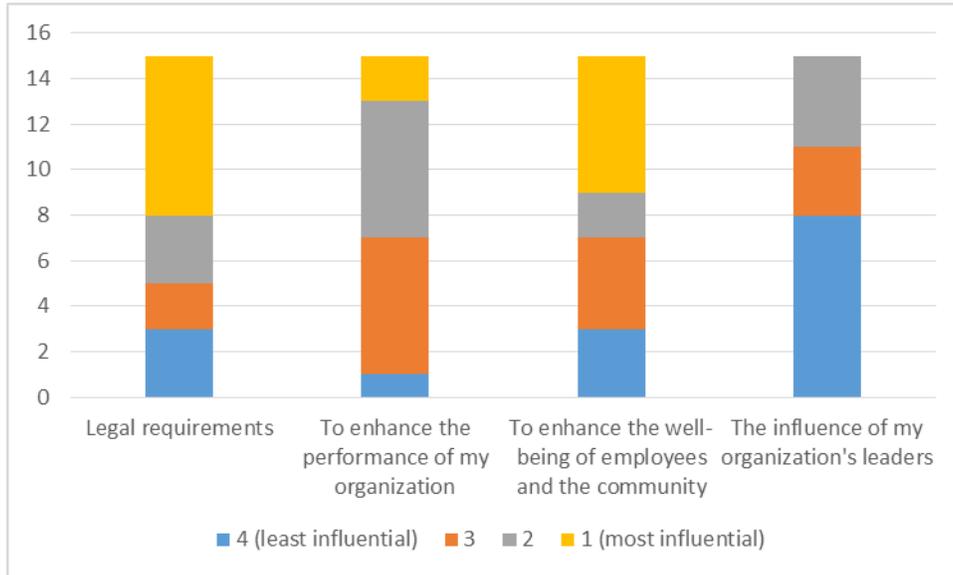
Correlations

Table 8 displays correlation coefficients for Likert-scale responses to individual statements, grouped by motivating factor. As Table 8 shows, evidence of strong relationships emerged between different statements representing the business case, between different moral case statements, between different legal obligation statements, and between business case, moral case, and legal obligation statements. However, there were comparatively few correlations involving leader buy-in statements.

The many correlations among statements of the same group—for example, between two statements that both represent the moral case—suggest that organizations whose decision-makers are motivated by a particular factor accept many facets of it. For instance, it seems as though organizations whose leaders make decisions because

diversity helps them avoid groupthink also do so because it helps them better market and deliver their products to customers—both important pieces of the business case (Jayne & Dipboye, 2004; Özbilgin & Tatli, 2011). Similarly, if an organization's leaders makes decisions about diversity programs because "working for diversity, inclusion, and equity in the workplace is the right thing to do," they are also likely to do so because "businesses have an obligation to make society better."

Meanwhile, correlations between business case, moral case, and legal statements—all with correlation coefficients above .50—are more interesting, suggesting that the three motivators are not necessarily at odds for respondents. Rather, those who are influenced by one may be more likely to be motivated by another. In addition, the correlations above .60 between all positive business and moral case statements with the negative legal obligation statement—that it is important to go beyond legal requirements—suggests that organizational leaders may want to do more than simply meet legal obligations for both economic and moral reasons. This finding confirms what interviewees said as well.

Table 8

Correlation matrix of Likert-scale responses

	B1	B2	B3 (Neg.)	B4	M1	M2	M3	M4	Leg1	Leg2	Leg3 (Neg.)	Lead1	Lead2	Lead3 (Neg.)
B1	1.00													
B2	0.92	1.00												
B3 (Neg.)	0.28	0.30	1.00											
B4	0.86	0.81	0.20	1.00										
M1	0.83	0.86	0.23	0.76	1.00									
M2	0.70	0.82	0.29	0.79	0.69	1.00								
M3	0.83	0.83	0.28	0.84	0.68	0.80	1.00							
M4	0.57	0.60	0.43	0.77	0.53	0.57	0.68	1.00						
Leg1	0.73	0.80	0.30	0.73	0.70	0.74	0.70	0.66	1.00					
Leg2	0.62	0.64	0.37	0.62	0.59	0.61	0.67	0.66	0.92	1.00				
Leg3 (Neg.)	0.89	0.82	0.24	0.88	0.74	0.77	0.86	0.64	0.66	0.50	1.00			
Lead1	0.17	0.15	-0.39	0.11	0.22	0.27	0.19	-0.11	0.12	0.07	0.12	1.00		
Lead2	0.23	0.19	-0.22	0.37	0.20	0.29	0.31	0.19	0.07	-0.07	0.37	0.78	1.00	
Lead3 (Neg.)	-0.07	-0.07	0.43	-0.23	-0.12	-0.31	-0.18	-0.23	-0.25	-0.21	-0.10	-0.77	-0.68	1.00

Six of 16 respondents reported much higher counts of practices than the mean of 5.44. Of these, three reported 10 or more of the items listed in the questionnaire. Those who reported these high numbers of practices rated all factors fairly highly (above 3 for "somewhat"), but indicated that the business case and leader buy-in were most influential. All three of these respondents averaged 4.25 (ranged between 3.75 and 4.25) for business case statements, 3.67 (ranged between 3.5 and 3.75) for moral case assertions, 3.33 (ranged between 3 and 3.67) for legal obligation, and 4.22 (ranged between 3.33 and 5) for leader buy-in.

Overall, respondents with more practices reported higher motivations associated with the business case and moral case, as well as increased leader support. Legal obligation was the only factor that did not rise overall as number of practices increased. This result makes sense in light of qualitative findings; interviewees with more robust policies and programs did not report legal obligation as a primary motivator, since they surpassed legal obligations. Figure 5 shows averages of the four factors as they relate to number of practices.

Figure 5

Average rating of statements representing four primary motivators by number of
diversity, inclusion, and equity practices reported
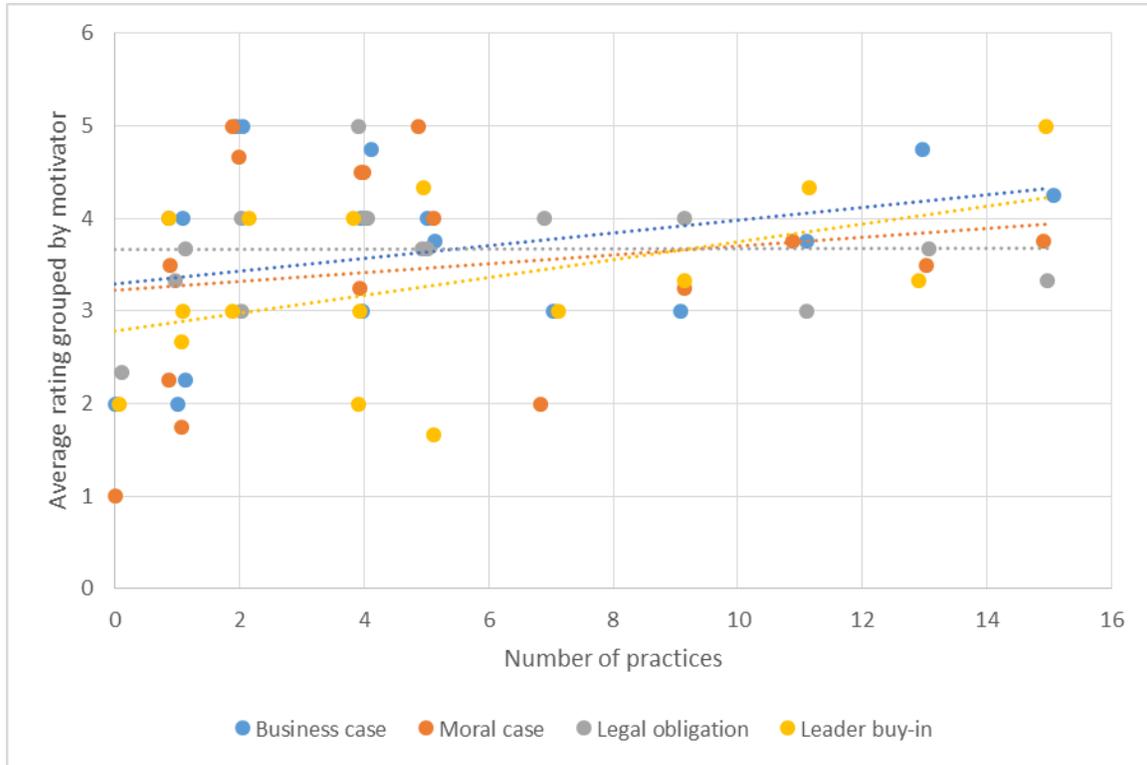
Note: Points are staggered along the x-axis to increase data visibility; all measures of number of practice
are whole numbers. Trend lines represent actual data.

To examine relationships between motivations and different practice types, I
coded each practice according to categories identified by literature including training,
accountability structures, decentralization of efforts, individual employee empowerment,
AA and EEO policies, data collection and reporting, work/life policies, and diverse
customer or client services (Kalev et al., 2006; Groeneveld & Verbeek, 2012). However,
as Figure 6 shows, no clear patterns emerged that indicated correlations between practice
type and motivator. This finding was somewhat surprising, given that previous
scholarship has linked the business case with "softer" policies such as training and the

moral case with "harder" policies such as AA and EEO (Groeneveld & Verbeek, 2012),

and that there were patterns between number of practices and type of motivations. It is

possible that a larger sample size would have provided more insight into this connection.

Figure 6

Average rating of statements representing four primary motivators by categories of
diversity, inclusion, and equity practices reported
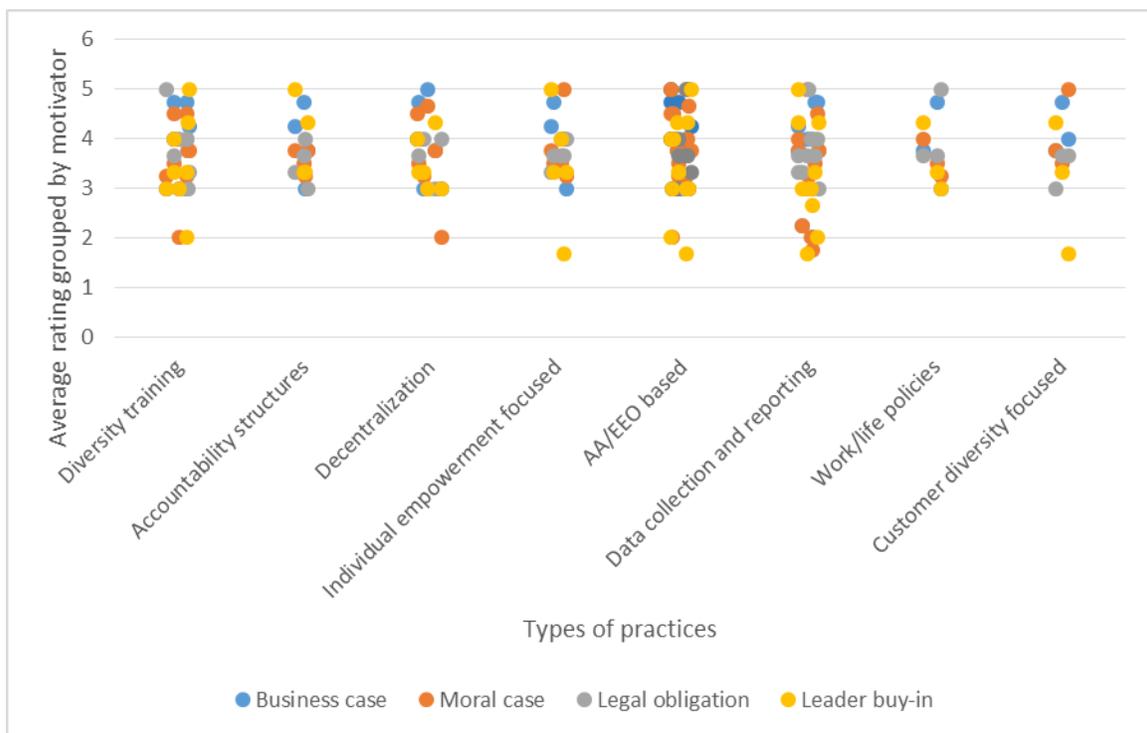
Note: Points are staggered along the x-axis to increase data visibility.

Relationships between practices, organization type, and organization size

Organizations with the highest number of practices (over 10) were public, though

those with practice counts between 10 and the mean were private, for-profit. Those

between zero and the mean were both public and private. Meanwhile, there was no clear

relationship between number of practices and number of employees. Figure 7 shows

organization size and type by number of practices reported. Examining practice type also revealed differences among private and public organizations. As Figure 8, which presents practice type by organization type and number of employees, shows, private organizations were more likely than public ones to have diversity training, accountability structures, decentralization of diversity and inclusion strategies, programs that focus on individual empowerment, and work/life balance policies. Meanwhile, public employers were more likely to have policies focused on customer or client diversity. Both public and private organizations were about equally likely to have policies based on affirmative action or equal opportunity and data collection and reporting.

Figure 7

Employer sector and size by number of diversity, inclusion, and equity practices reported
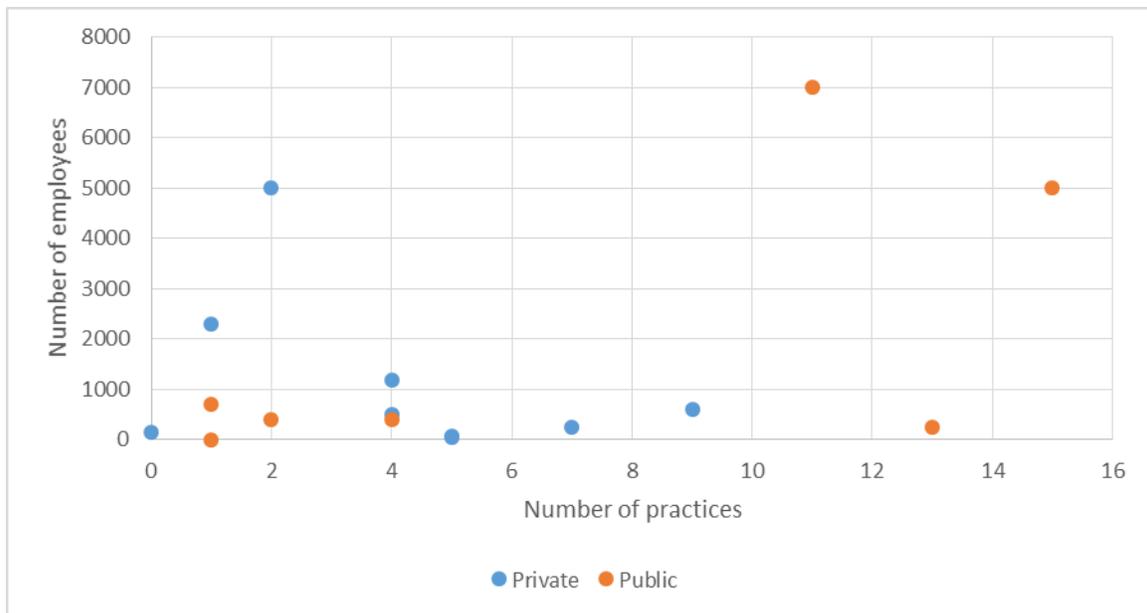
Figure 8

Employer sector and size by type of diversity, inclusion, and equity practices reported
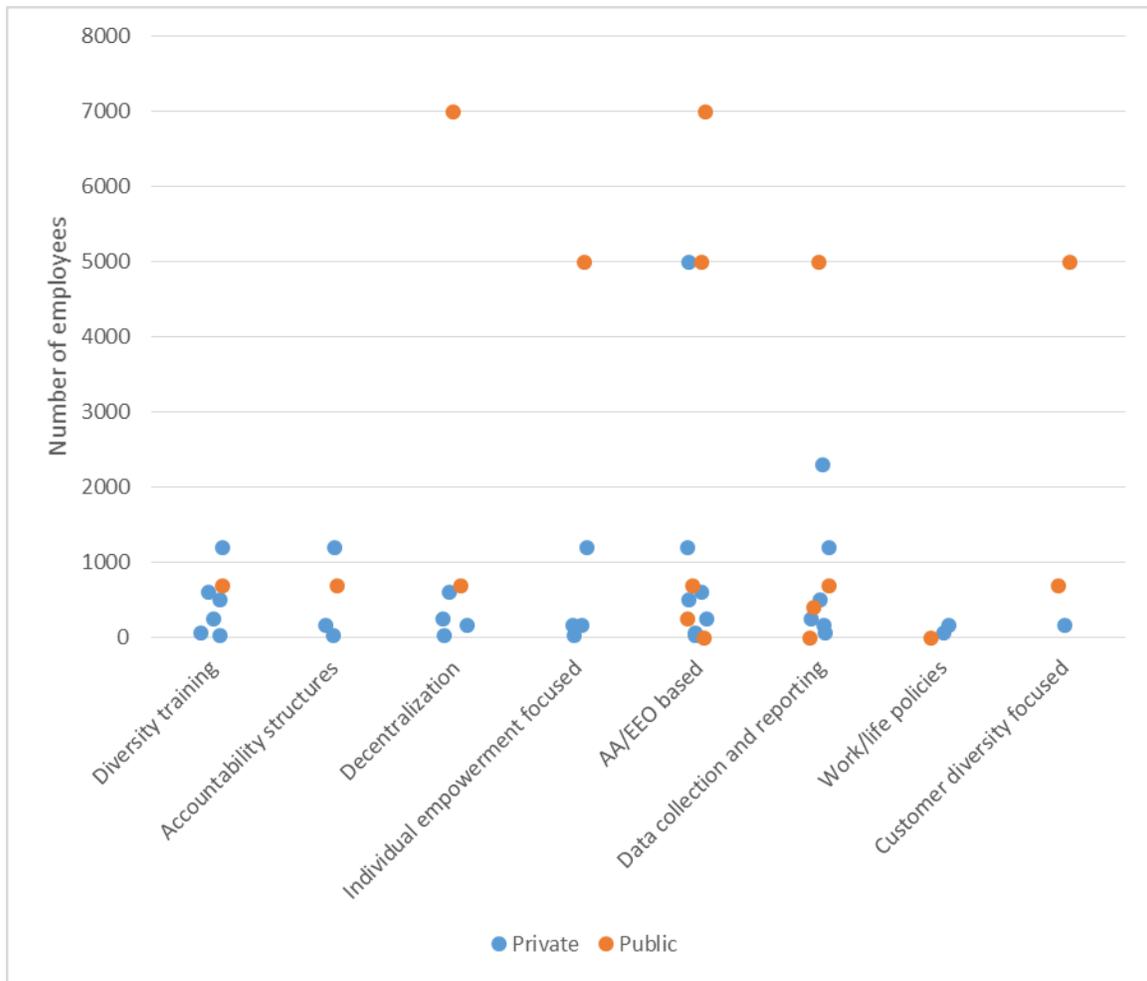
Note: Points are staggered along the x-axis to increase data visibility.

Overall findings and limitations

Overall, both the qualitative and quantitative analyses suggest that the business case, moral case, and legal obligation are all present, according to this study's subjects, as motivating factors for adoption and implementation of race-based employment policies and practices. Participants did not rank leader influence highly in terms of its influence on decisions about these policies and practices. They also rated leader buy-in low

compared with the strength with which they ranked the influence of the other three factors. Although this difference could be due in part to survey design—participants were not asked explicitly to rate the influence of leaders as they were with the other three factors—the fact that subjects also ranked leader buy-in as least influential suggests that this characteristic of question design does not account for all of the difference in ratings.

However, other limitations of the study could be contributing to false findings. First, the people who participated in this inquiry may not have been aware of the true reasons decision-makers adopted or did not adopt race-based policies. Because of difficulties recruiting participants, I sent the survey to human resource professionals. In addition, only one participant I interviewed (subject 2) was a member of her organization's senior leadership. While these employees may know or be able to correctly surmise leaders' reasons behind these decisions, there was no guarantee that such would occur. Interviews or surveys exclusively with leaders would have facilitated more reliable findings. In addition, even respondents with knowledge of the decision-making processes around these policies and practices may have rationalized motivations that in fact were not part of their calculus at the time (Haidt, 2001).

In addition to survey subjects' ratings and rankings of all four factors, examination of the relationships between number of practices and motivations shows that the strength of each factor appears to rise when an organization has more practices in place, with the exception of legal obligation. Because of the small sample size of this analysis, findings are not generalizable either to the New River Valley or to other regions. However, these results can be instructive to advocates for racial equity in employment and income as they contemplate strategies for moving forward.

Chapter 5

Conclusions

This final chapter provides further consideration of my results. I briefly discuss the business case's connection to neoliberalism and capitalist tenets, both in terms of its valuing of economic gain as the highest goal of race-based employment policies and insofar as it forgoes active steps to reduce inequality in favor of supposedly neutral policies that purport to benefit everyone (Katznelson, 2005; Alemán, 2007). In spite of these troubling concerns, however, I also describe the apparent usefulness of the business case in persuading both employers and policy-makers to consider and address unequal representation of people of color in the labor force and in management positions. Particularly in the New River Valley, I believe my study shows that there is potential for this argument to be an effective one in the sense that it could lead to improved employment representation. However, activists should consider carefully the ramifications of presenting equity solely in terms of economic benefits. In particular, failure not to challenge this neoliberal frame may make it far more difficult to do so in the future. This reality may have both short-term and long-term impacts, depending on when employers determine racial equality not to be in their economic interests and whether they adopt that calculus for a limited period or a protracted one. Since moral arguments emerged as influential for action as well, there is potential for equity advocates to build upon these sentiments in their appeals to employers and government officials.

Implications of employment "diversity and inclusion" practice for racial equality

Employers play a vital role in combating discrimination. Inequalities in employment and income are complex; historical and continuing disparities in education, housing and neighborhood choice, and family wealth are enormous contributors to the barriers African Americans in the United States face. Employment policy change and employer action alone will not address these concerns adequately. However, given the importance of work and income in the battle against centuries of mistreatment, it would be foolish not to intervene in this realm if effective ways can be found to do so.

As many scholars have noted, the business case for diversity—while it may have once been a useful tool for continuing affirmative action policies (Kelly & Dobbin, 1998)—has effectively enabled those opposed to such steps to prevail in the debate, at least in ideological terms. Rather than asserting the truth of inequities requiring systemic change, "diversity" advocates have, in many cases, brushed these facts aside in favor of all-applicable, feel-good programs that gain widespread support. Thomas (1990) and those who accept his argument, for example, have argued that inequality is nearly over. In his words, "American businesses are now filled with progressive people—many of them minorities and women themselves—whose prejudices, where they still exist, are much too deeply suppressed to interfere with recruitment" (Thomas, 1990, p. 108).

Nevertheless, many studies have demonstrated that this claim is far from true: Implicit bias remains a major barrier to fair recruitment and hiring practices (Bendick & Nunes, 2012; Stainback & Tomaskovic-Devey, 2012). Diversity programs may indeed deliver some benefits, but a continuing failure to engage in conversation about inequality, the practical result of Thomas's claim, is both morally troubling and harmful in practice.

Attitudes about discrimination and racial equity in the workplace evidence the same attitudinal barriers activists face in other domains. There is much discussion of diversity not only in employment, but also in community-based decision-making bodies such as boards of supervisors, in neighborhood residential patterns (Berrey, 2015), and among students and teachers in schools (Emdin, 2016). Discussion of how diversity benefits everyone is not inherently bad; in fact these benefits are important to point out. Not doing so risks alienating potential supporters and implicitly suggesting, at least, that people of color or other "diverse" groups have less to offer than majority group members and therefore need "saving" (Emdin, 2016). Nonetheless, the danger in this line of argument lies in its refusal to acknowledge racism—both personal, which can be in the form of implicit bias (Bendick & Nunes, 2012), and institutional, which works at many levels to obstruct equal opportunity.

Inequality due to racism is the problem that the affirmative action and equal employment opportunity policies of the 1960s and 1970s sought to address. The fact that the business case arose in a context when many were seeking to deny the reality of that inequality—arguing, for example, that affirmative action constituted "reverse racism"—says much about its claims. The continued language of the business case and diversity management—particularly its supporters' framing of inequality (or the supposed lack of it)—shows that the approach's replacement of AA and EEO indeed represents a subordination of moral values to economic ones. As Wrench (2005), Berrey (2015), and others have noted, this shift is emblematic of the continually growing prevalence of neoliberalism as a framing public philosophy in our culture and the consequent valuing by its proponents of efficiency (and profits) more than any other aim.

Unfortunately, lack of attention to employment disparities results in continued inequity. Specific to race-based employment policies, reliance on the business case brings with it the possibility (in some cases, probability) that employers will not implement programs aimed at equity if they do not realize economic benefits by doing so (Wrench, 2005). More broadly, refusal to acknowledge inequality perpetuated by such strict adherence to "market values" or properly to value human life and dignity is very troubling morally. Such a shift is emblematic of a deeper current of neoliberalism in all aspects of society, wherein efficient processes and a market-centered conception of freedom rather than equal social outcomes have been adopted by many as the ultimate aspiration of social policy (Harvey, 2005; Hasenfeld & Garrow, 2012). As with the business case for diversity in employment, the danger of this view is that human rights will only be protected and equality sought as long as those principles are perceived to be consistent with economic goals.

Discussion of results

Participants in this study reported that affirmative action and equal opportunity-based policies, as well as data collection and reporting, are the most prevalent race-based policies at their organizations. In general, representatives of public institutions reported more practices than private ones. In addition, government employers were more likely than private ones to have policies focused on beneficiary or client diversity. Meanwhile private organizations were more likely to report practices that could be classified as diversity training, accountability structures, decentralization of diversity and inclusion strategies, programs that focused on individual empowerment, and work/life balance

92

policies. There was no clear relationship between number or type of practices and employer size. Because of the small sample size of this study, these results may be different for the community as a whole. However, a larger number of practices at public organizations makes sense given the greater number of regulations to which such employers are subject (Robinson et al., 2005).

Findings also suggest that the business case, moral argument, and legal obligation are all influential factors in decisions about diversity, inclusion, and equity policies. Although interviewees reported that their diversity and inclusion initiatives were based mainly on what they offered economically, survey respondents reported statements of these three factors all to be strong motivators for their organizations' diversity and inclusion programs. Likert-scale responses to these statements were higher than those for leader buy-in and influence; they also correlated highly with one another, while leader buy-in or support did not.

The importance of the bottom line as a critical value and goal for American firms and in U.S. society more generally, makes these results regarding the business case predictable. A free market economic system provides incentives for for-profit businesses to maximize efficiency to increase economic returns (Harvey, 2005). Moreover, evincing the nation's popular culture, political pressures also encourage non-profit organizations and government agencies to operate as efficiently as possible and to set this value as their cardinal claim (Kamat, 2004; Hasenfeld & Garrow, 2012). In this context, maximizing efficiency and returns (especially monetary ones) becomes an important value for nearly all employers.

Interviewees reported a somewhat more tepid influence for the moral case; although subjects I spoke with believed that enacting diversity, inclusion, and equity policies and practices was the right thing to do, they did not believe that it was the most consequential motivating factor in their organizations' decisions about those choices. Nevertheless, survey participants indicated that such moral case statements as "Businesses have an obligation to make society better" and "Diversity, inclusion, and equity programs can help the surrounding community" had a relatively high influence on practice adoption and implementation. Viewed most positively, this suggests that the moral argument for inclusion is important to employers in the region—a fact that should be encouraging to activists since it implies that there may be opportunities to build on such perceptions to deepen the commonly acceptable rationales for taking action to improve employment equity.

Legal obligation appeared to be the strongest motivator for organizations in this study that did not have substantial diversity policies. The sole representative of a private, for-profit organization I interviewed adopted this position, and survey results suggested that organizations with fewer diversity related employment practices were motivated more by legal obligations than those with a larger number of practices. This finding makes sense: public policy determines minimum requirements. Organizations whose leaders wish to go beyond those are more likely to develop more vigorous programs than their counterparts who seek only to address statutory demands. However, legal obligation as a motivator was also high in general, suggesting that compliance is an essential factor in organization level decision-making.

Leader influence did not emerge as a primary rationale when compared with the

three other factors, but this finding may have arisen due to study design. Unlike with the

other motivators, the survey did not ask participants directly to assess the influence of

their leaders on their diversity, inclusion and equity programs, but only to report those

individuals' perceived buy-in to and actions concerning diversity initiatives.

Nevertheless, respondents who reported high numbers of practices also indicated that

their organizations had strong leader support—a relationship that suggests leader

influence does matter. Moreover, interviewees suggested that leader buy-in was essential.

Correlations between statements representing these four factors are also

instructive. All business case, moral case, and legal obligation statements are highly

correlated with one another—all correlation coefficients are above .50—with the

exception of the negative business case statement that "diversity creates new problems

that are bad for business." Meanwhile, leader buy-in statements did not correlate with the

rest, with correlation coefficients almost all below .30, including many negative

coefficients. These relationships suggest a few possibilities. First, they may mean that all

three of these factors influence respondent organizations' decisions about race-based

employment policies, and that leader buy-in and influence do not correlate with these

motivators. However, the necessity of leader support both indicated by interviewees and

assumable considering the nature of organizational decision-making, make this unlikely.

Second, they may indicate that survey participants were aware of all three of these

justifications, that they rationalized their organizations' policies according to these

explanations in the context of responding to a questionnaire (Haidt, 2001), and that leader

influence did not occur to them as a rational explanation. If so, this would mean that these

survey responses cannot reveal each motivation's true influence on organizational

decisions about race-based policies. Future researchers of this topic may wish to

contemplate alternative methods or design surveys with the possibility of post-hoc

rationalization in mind.

These findings also may be reflective of the perspectives of employees who do

not know the true influence of each motivation on organizational decisions—a general

limitation of the survey's sampling of human resource professionals rather than decision-

makers. To avoid this concern, future researchers should consider sampling only

organizational leaders in order to gauge their attitudes and beliefs directly. In addition,

my sample was too small to be representative of all employers in the New River Valley—

possibly due in part to an aversion among those I contacted to discuss race and inequality.

Finally, this inquiry did not attempt to examine the relative effectiveness of the business

case, moral case, legal obligation, or leader influence by analyzing variation in the

demographics of employees as these relate to motivations; this would be an appropriate

task for future research with larger, generalizable samples.

Implications of findings for steps forward for local activists

Findings from this study are, in some ways, inconclusive. No primary motivator

emerged as the reason local employers are adopting and implementing equity, diversity,

and inclusion policies. Results did indicate, however, that three facets of the conversation

around race and employment—economic benefits of diversity, racial justice, and

adherence to established laws—are at least known to representatives of local

organizations and perhaps perceived as rational justifications for addressing race at the

organizational level. For activists, this could be a promising sign of opportunities for dialogue. Employers may well be open to presentations of multiple arguments for the adoption and implementation of promising race-based policies and practices.

As I have described above, sole reliance on economic motivations is dangerous in that these can crowd out motives for action based on fairness and acknowledgment of human dignity. Such a transition has occurred not only for some firm-level decision-makers, but also in public policy (Berrey, 2015). This change is detrimental for employment equity because legal obligation acts, as interviewees put it, as a "baseline" for action. Fortunately, findings from this study do not suggest that economic motivations are necessarily primary; but national trends as well as continued economic justification for racial equity in lawmaking make dismissal of moral motivations for action more likely. With these considerations, I recommend that activists present the moral case to both employers and policymakers, although appeals to economic prosperity—both region-wide and at the firm level—may be the most effective way to convince some decision-makers to enter this conversation in the first place.

Racial equity advocates should keep in mind, however, that as Stainback and Tomaskovic-Devey have stated and demonstrated in a recent thorough examination of such policies and their effects, "The passage of a law … does not automatically produce societal change" (Stainback & Tomaskovic-Devey, 2012, p. xxi). Indeed, companies and public and non-profit organizations can—in addition to advocating for policy change themselves—influence other like institutions' actions and motivations through their networks. A study of network connections and institutional isomorphism in relation to this issue might also prove a fruitful next step.

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Appendix A

Additional Calculations of Employment and Income

Table 9

Employment and income differences in the New River Valley, 2008-2012, college students included

	Including college students (total) *n = 1,415*	Including college students (white only) *n = 1,294*	Including college students (black only) *n = 40*
LFPR	56.99%	57.70%	48.73%
Employment	53.19%	54.17%	41.43%
Unemployment	6.65%	6.12%	14.98%
Mean income	$26,450.42	$26,809.09	$15,466.61

Figure 9

Projected increases in annual hours worked with racial equity, college students included, 2008-2012
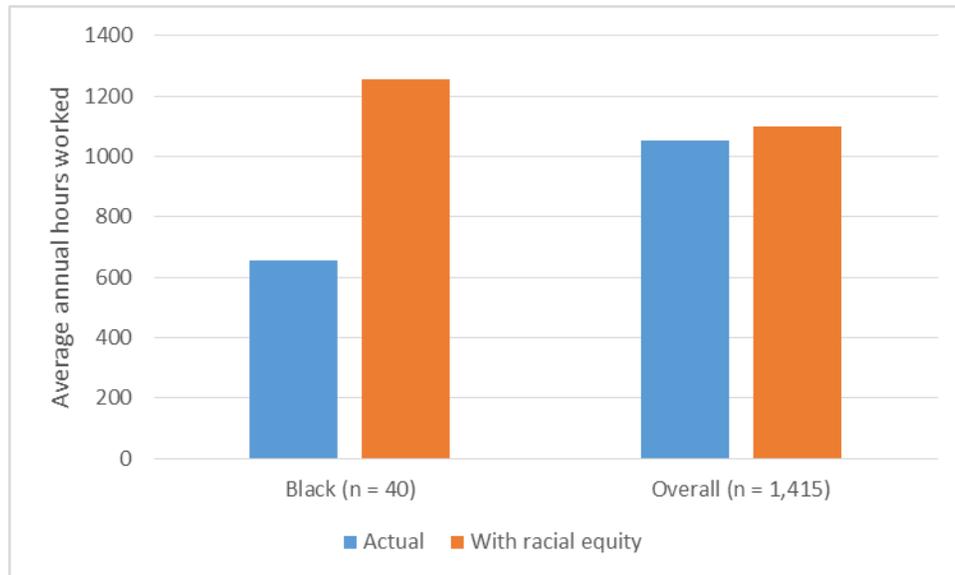
Figure 10

Projected increases in annual income with racial equity, college students excluded, 2008-2012
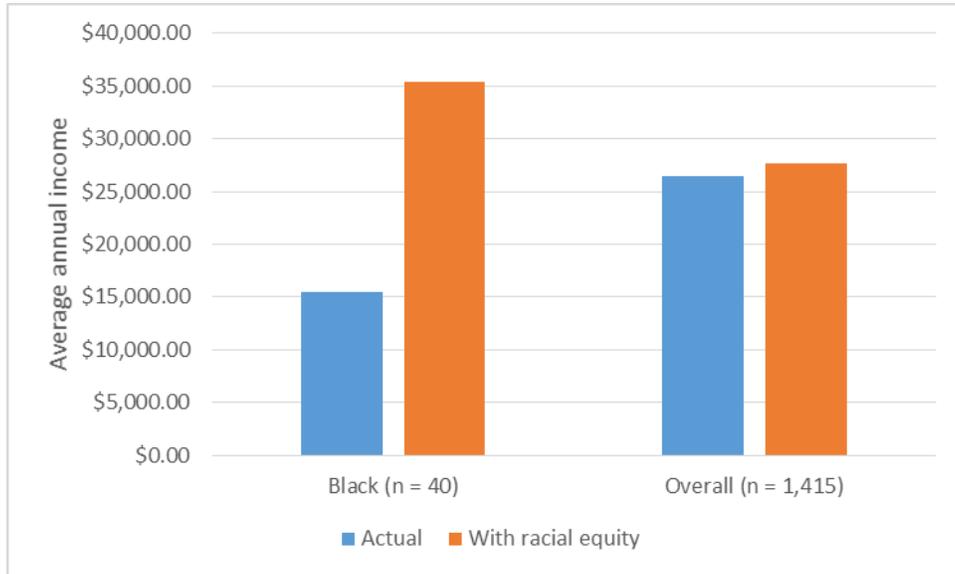
Appendix B

Data Collection Instruments

Interview questions

Questions for employer key informants

1) What policies and practices do you have in place related to diversity, inclusion and equity?

2) Why did the organization decide to implement the specific policies/practices you have shared? Is there a story behind why these were adopted? (As far as you know).
   a. e.g. Were you legally obligated to accept the policies you named?

   b. Did your organization's leaders determine that it would be good for business (or effectiveness) to have these policies? If so, can you share why they believed that would be so?

   c. Did your organization's leaders determine that your specific policy or policies was (were) necessary for social justice or community well-being? How important would you say this factor was in developing your organization's employment equity policy/program?

   d. Were any leaders within the organization particularly adamant about including a specific policy/practice? If so, why?

3) Is your organization presently changing current or implementing new diversity or equity policies?

4) What (else) are you legally required to do related to diversity, inclusion, and equity?

5) Do you think a diverse workplace is good for your institution? That is, does it enhance performance or yield other benefits in your view? If so, can you share why that is and what those benefits may be?

6) Do you think a diverse workplace is good for your institution? That is, does it make your organization a more just workplace? If so, how?

7) Do you think your organization's current hiring policies and practices are good for society? For the local community? Why or why not?

1) In what ways do you work with local employers? In what ways do you work with them concerning equity, diversity, and inclusion issues?

2) What other organizations do you know about that work with local employers on these issues?

3) What involvement, if any, have you had with the local community group, Dialogue on Race's employment and income gap efforts? (e.g. its previous survey of employer practices)?
   a. What was your motivation for being involved in those efforts?

   b. What happened as a result of your engagement with the group?

4) Have you been involved in other initiatives designed to address the employment and income gap between whites and African Americans in our region? If so, what were they and what motivated your engagement with them? Can you share your understanding of they sought to achieve and how they were organized?

<u>Survey questionnaire</u>

Please check the boxes next to the policies and practices your organization currently has in place in relation to diversity, inclusion, and equity.

- ❑ Required diversity training for employees
- ❑ Optional diversity training for employees
- ❑ Targeting supervisors for diversity, inclusion, or equity training
- ❑ Diversity, inclusion, or equity evaluations for managers
- ❑ Financial incentives for employees to become diversity, inclusion, or equity trainers
- ❑ Encouraging employees to take personal ownership of diversity, inclusion, or equity practices
- ❑ Decentralized diversity, inclusion, and equity adoption and implementation processes
- ❑ A diversity, inclusion, or equity committee made up of workers
- ❑ Generating revenue through provision of diversity training for other organizations
- ❑ Networking programs for people of color
- ❑ Professional development program for people of color
- ❑ Maintaining and following an affirmative action plan
- ❑ Maintaining and following an equal opportunity statement
- ❑ Special outreach program with community group(s), colleges/universities, etc.
- ❑ "Banning the box" (eliminating questions about applicants' criminal history until necessary)
- ❑ Delayed hiring if diversity goals are not met
- ❑ Internship program for protected classes
- ❑ Collecting data on employee satisfaction with diversity, inclusion, and equity practices
- ❑ Collecting data on applicant pools
- ❑ Reporting workforce flow data to external oversight agency
- ❑ Flexible work hours for single parents
- ❑ Flexible work hours for employees to attend external diversity, inclusion, and equity trainings or events
- ❑ Transportation subsidies or other forms of help for employees without reliable transportation
- ❑ Language assistance to clients/customers
- ❑ Other: _____

Please use the space below to provide any clarifying comments on your answers, if desired.

To what extent do you feel that decisions about diversity, inclusion, and equity in your organization are based on the ideas expressed in each of the following sentiments?

	Not at all (1)	Not very much (2)	Somewhat (3)	Very much (4)	Extremely (5)
Diversity helps organizations avoid groupthink, which is good for productivity.	○	○	○	○	○
Working for diversity, inclusion, and equity in the workplace is the right thing to do.	○	○	○	○	○
Diversity helps organizations better market and deliver products and services to diverse customers.	○	○	○	○	○
It's important for organizations to avoid lawsuits and discrimination claims.	○	○	○	○	○
Organizations that receive federal funds are required to have certain	○	○	○	○	○

policies and practices.					
Diversity and inclusion programs create new problems that are bad for business.	○	○	○	○	○
Businesses have an obligation to make society better.	○	○	○	○	○
"Diversity" and "inclusion" are not enough; we need to be talking about equity.	○	○	○	○	○
It's important to go beyond the legal requirements for diversity. (The legal requirements aren't enough).	○	○	○	○	○
Diversity, inclusion, and equity programs can help the surrounding community.	○	○	○	○	○

Diversity, inclusion, and equity programs lead to more satisfied employees, which is good for productivity.	○	○	○	○	○

Please indicate how much you agree with the following statements.

	Strongly disagree (1)	Disagree (2)	Neither agree nor disagree (3)	Agree (4)	Strongly agree (5)
Leaders of my organization have supported the adoption and implementation of diversity, inclusion, and equity practices.	○	○	○	○	○
Leaders of my organization initiated the adoption and implementation of diversity, inclusion, and equity practices.	○	○	○	○	○
Leaders of my organization have been resistant to conversations about diversity, inclusion, and equity.	○	○	○	○	○

Please use the space below to provide any clarifying comments on your answers, if desired.

Please rank the following factors according to how much you feel they have influenced decisions at your organization about diversity, inclusion, and equity. (You must drag and drop the items to rank them.)

_____ Legal requirements

_____ To enhance the performance of my organization

_____ To enhance the well-being of employees and the community

_____ The influence of my organization's leaders

What type of organization do you work for?
- ○ Public
- ○ Private for-profit
- ○ Private non-profit

How many employees does your organization have?

What industry is your organization in?

What is your position?

Please choose the extent to which you are involved in hiring and other personnel decisions.
- ○ I make hiring and other personnel decisions on my own.
- ○ I make hiring and other personnel decisions as part of a team.
- ○ I am involved in the hiring process, but do not make final decisions about hiring and other personnel processes.
- ○ I do not make hiring decisions and I am not involved in the hiring process.
- ○ Other _____

Can you provide an approximate demographic breakdown of your employees by percentage?

_____ White

_____ African American

_____ Hispanic or Latino

_____ Asian/Pacific Islander

_____ American Indian or Native American

_____ Other

Would you be willing to participate in a 30-minute follow-up interview by phone? The purpose of this interview will be to help ensure accuracy of the survey's findings. Your identity and the identity of your employer will be kept confidential.
- ○ Yes
- ○ No

If "Yes" is selected in response to "Would you be willing to participate in a 30-minute follow-up interview by phone? The purpose of this interview will be to help ensure validity of the survey's findings. Your identity and the identity of your employer will be kept confidential.":

Please provide your name, email and phone number below. You will be contacted to set up a convenient time to speak by phone.

Name

Email address

Phone number