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

Katherine Giscombe
Mary C. Mattis

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

Introduction

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

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

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

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

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

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

Background

Organizational and attitudinal barriers facing women of color

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

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

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

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

Research has demonstrated that those entering the organization must adopt existing organizational norms, framed by the white male majority, as a matter of organizational survival (Cox, 1994). This can be difficult for people of color. Davidson (1993) found that corporate cultures of