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The Morality of Indiscretion: Hiring and Salary Decisions

Involving Ethnically Diverse Job Applicants

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Abstract

Social and organizational psychologists have long been interested in the attributional and inferential biases that result from intergroup contact, but they have rarely studied the behavioral consequences of these judgmental biases. In the present research, subjects participated in a simulated organizational decision making task in which they made hiring and salary decisions about a prospective male employee with whom they shared the same ethnicity (ingroup condition) or from whom they differed in ethnicity (outgroup condition). Some subjects were informed that the job candidate committed a moral breach of judgment during his prior employment, whereas other subjects were informed that the candidate committed no moral breach. The results revealed that outgroup breachers were perceived as more immoral than ingroup breachers; however, outgroup non-breachers were perceived as equally moral to ingroup non-breachers. In addition, whereas subjects were likely to hire both ingroup and outgroup non-breachers, they were significantly more likely to hire ingroup breachers than outgroup breachers. Subjects also recommended starting ingroup non-breachers at a higher salary than outgroup non-breachers. These and other data illustrate the potential behavioral impact of intergroup bias in demographically diverse organizational settings.

The Morality of Indiscretion: Hiring and Salary Decisions Involving Ethnically Diverse
Job Applicants

"What is new in our time is the increased power of authorities
to enforce their prejudices."

-- Bertrand Russell

"Sentence first, verdict afterwards."

-- Lewis Carroll

Although Bertrand Russell and Lewis Carroll are an unlikely pair, and are even more unlikely authorities on the topic of prejudice in modern society, their statements nevertheless reveal insights about intergroup perception that social scientists today are only beginning to understand and appreciate. Consider first Russell's observation. Organizations are currently facing massive changes in the demographic composition of their work forces, changes that entail the mixing of demographic groups that have traditionally been professionally isolated from one another (Songer, 1991; Williams, 1990). Recent estimates suggest that women, minorities, and immigrants will make up 85% of all new entrants in the U.S. workforce by the year 2000 (Rosenfeld, Giacalone, & Riordan, 1994). Despite this unprecedented influx of "non-traditional" workers into U.S. organizations, the fact remains that managerial positions remain predominantly occupied by White males (Rosenfeld, Booth-Kewley, Edwards, & Alderton, 1994). Therein lie the hazards of which Russell warned us; at no time in U.S. history is there greater opportunity for managers to use their prejudices to wield an unjust power over others.

Let us next consider Lewis Carroll's observation, addressing the human tendency to condemn others on impulse, either prior to or in lieu of thoughtful deliberation. Were he alive today, Carroll might be flattered--or appalled--to learn of his uncanny accuracy in anticipating scientific work on psychological biases in human decision making. That individuals would enter a decision situation in a biased fashion is by no means new. In fact, a long string of research in the forensic sciences and organizational behavior shows that individuals are quick to base decisions on factors irrelevant to the case itself. In the literature on forensic decision making (see, for example, Kalven & Zeisel, 1966), many factors unrelated to the issues or incidents in question influence the decisions made; similar factors have been implicated in the process of arbitration (Giacalone, Pollard, & Brannen, 1989). Forensic specialists call these biasing influences extralegal factors, defined as "information not directly bearing on the individual's guilt or innocence, nor on the nature of a convicted offender's crime or the situational context within which the offense was committed...Extralegal factors can be either positive or negative, mitigating or incriminating, consequently they can either help or hurt a defendant." (Austin & Utne, 1977, p. 170). Although these factors are numerous, they can involve such things as the impressions made by individuals (Parkinson, 1979; Pryor & Buchanan, 1984), the previous history of infractions (Giacalone & Pollard, 1989; Green, 1961), and the consequences resulting from the infraction that one has caused (Kalven & Zeisel, 1966; Rosen & Jerdee, 1974; Walster, 1966).

We propose that one of the most pervasive extralegal factors influencing personnel decisions in organizations today is demographic information. Recent social psychological research has shown that people are quick to mentally assign the individuals they encounter to one or more social, racial, or gender categories (Messick & Mackie, 1989). They do so because such categorizations provide perceivers with a fast and seemingly informative portrait of those whom they perceive. Once a given social category is activated, it

automatically brings with it a set of inferential baggage consisting of loose generalizations, oversimplifications, and damaging stereotypes that too often have little basis in fact. These demographic-based extralegal inferences may become increasingly rampant in organizations that continue to grow in cultural diversity (Allison & Herlocker, 1994).

The central mission of the present research was to explore the potential psychological and behavioral consequences of today's unprecedented intergroup contact in the American workforce. Specifically, we wished to illustrate how managerial decisions whether to hire an individual, and how much to pay that individual, can be affected by the psychology of intergroup perception. Prior to describing our research, we first provide a brief review of the literature on intergroup bias and its implications for multi-cultural organizational life.

Intergroup Bias in Demographically Diverse Organizations

Social psychologists have long been concerned with the pernicious consequences of partitioning the human landscape into fixed social categories, a phenomenon known as group categorization (Allport, 1954; Brewer, 1979; Tajfel, 1970; Wilder, 1986). A prominent type of categorizing is called ingroup-outgroup categorization, whereby perceivers label the people they perceive as belonging either to their own group (the ingroup) or to an outside group (the outgroup). Research has shown that people are alarmingly quick to designate people as either ingroup or outgroup members, and although such differentiation is usually based on prominent differences in physical features (e.g., skin color or gender), it can also arise from something as trivial as differences in preferences for paintings (Fiske & Neuberg, 1990; Tajfel, Billig, Bundy, & Flament, 1971). Allison and Herlocker (1994) have highlighted three negative consequences associated with categorizing people as ingroup or outgroup members: outgroup homogeneity, ingroup favoritism, and attributional asymmetry. Each of these unfortunate byproducts of categorization has important implications for organizational behavior, which we describe below.

Outgroup homogeneity. The first of these categorization effects, outgroup homogeneity, refers to people's belief that their fellow ingroup members are rich in diversity and complexity, whereas outgroup members are simple and undifferentiated. This belief in outgroup homogeneity contributes to people's quick use of limited information in making oversimplified judgments about outgroup members (Allison, Worth, & King, 1990; Park & Rothbart, 1982). The presumption that outgroups are monolithic often easily leads to the conclusion that members of the outgroup "are all alike" in terms of the prevailing stereotype. In organizations, such a belief system can have important ramifications for employees designated by their supervisors as outgroup members. Believing that their outgroup employees "are all alike", supervisors may rarely give these employees opportunities to extend their basic skills or to excel in challenging new tasks. Stereotypic beliefs about outgroups are therefore difficult to disconfirm and often take on a self-perpetuating quality (Eden, 1991).

Ingroup favoritism. The second unfortunate effect of ingroup-outgroup categorization is that members of ingroups are typically viewed in a more favorable light than are members of outgroups (Wilder, 1986). In organizations, ingroup favoritism could manifest itself in many ways, such as when White supervisors evaluate White employees more favorably than Black employees independent of the work that the employees produce. Favoritism of this type can often operate quite subtly, without the awareness of anyone, including members of the categorized outgroup. For example, supervisors may publicly bestow small rewards to outgroup members as "token" gestures to appear nondiscriminatory, while privately they may withhold significant rewards (such as pay raises) from those same outgroup members (Dutton & Lennox, 1974; Pettigrew & Martin, 1987).

Attributional asymmetry. The third pernicious outgrowth of ingroup-outgroup categorization is its effect on people's causal attributions, which refer to how people explain the causes of others' behaviors. When members of an ingroup successfully perform a task,

perceivers tend to conclude that the success was due to their internal qualities, such as their strong work ethic or ability level. However, when outgroup members succeed in a task, their success is often attributed to external factors, such as good luck or fortuitous circumstances. For failed performances, the perceived locus of causality is reversed. When ingroup members fail at a task, their failure is seen as stemming from external factors, such as bad luck or unfortunate circumstances. In contrast, when outgroup members fail, the failure is judged as reflecting their inferior traits and abilities (Pettigrew, 1979). A causal attribution pattern of this type within an organization can have debilitating effects on evaluations of an outgroup employee's work performance (Allison & Herlocker, 1994).

In summary, there are at least three deleterious consequences of ingroup-outgroup categorization that would appear to have sobering implications for intergroup relations in demographically diverse organizations. Workers who do not share the same demographic characteristics as their supervisors would seem to be operating at an alarming disadvantage relative to workers who do happen to share the same characteristics. First, workers who appear "different" may be perceived as an undifferentiated part of a monolithic whole, with little potential to break out of "the mold". Second, their work accomplishments may be judged less favorably than the same accomplishments performed by other ingroup members, and their mistakes may be judged more unfavorably than the same mistakes committed by ingroup members. Finally, even if an outgroup member's accomplishments are judged favorably, they may be "explained away" as a fluke or as having been the result of fortuitous circumstances. Moreover, outgroup members' mistakes may not only be judged as more injurious to the organization than the equivalent mistakes of ingroup members, they may also be judged as reliable indicators of their personal abilities and traits.

Implications for Entry Into Organizations

As the above analysis suggests, intergroup bias may play a significant role in determining the effectiveness with which culturally diverse members of organizations are able to adjust to their work environment (see Giacalone & Beard, 1994). But what role does intergroup bias play in establishing potential roadblocks for those who seek to enter organizations? Although numerous investigators have studied various factors associated with successful (and unsuccessful) resume construction and interviewing tactics (Baron, 1986; Gallois, Callan, & Palmer, 1992; Hutchinson, 1984; Knouse, Giacalone, & Pollard, 1988), there has been little research exploring the possible ravaging effects of intergroup perception on the hiring process.

It seems likely that the process of evaluating job applicants from resumes is quite vulnerable to intergroup bias, inasmuch as resumes contain an abundance of grist for the ingroup-outgroup categorization mill. Surnames may trigger ethnic stereotypes, gender information may evoke sex-role stereotypes, and home addresses may activate geographic or regional stereotypes. As noted above, these group categorizations occur quickly, almost automatically (Macrae, Milne, & Bodenhausen, 1994). From what is known about the consequences of such categorizations--outgroup homogeneity, ingroup favoritism, and attributional asymmetry--we can derive hypotheses about the role of intergroup bias in the hiring process. First, an ingroup resume may be evaluated more favorably than an outgroup resume before a single piece of substantive information on the resumes is considered. Second, background checks on an applicant may yield glowing testimonials, but this information may simply reinforce an already favorable view of an ingroup applicant and may be discounted in the case of an outgroup applicant. Moreover, the converse may hold true; less than favorable information about an applicant may reinforce an initially unfavorable view of an outgroup member and may be discounted in the case of an ingroup member.

In the present research, subjects participated in a simulated organizational decision making task in which they made hiring and salary decisions about a prospective male employee with whom they shared the same ethnicity (ingroup condition) or from whom they differed in ethnicity (outgroup condition). Some subjects were informed that the job candidate committed an ethical infraction during his prior employment, whereas other subjects were informed that the candidate committed no such infraction. Consistent with theory and research on intergroup bias, we first predicted that our subjects would evaluate the outgroup applicant as more immoral than the ingroup applicant, particularly when an infraction was committed. Second, we anticipated that this negative moral evaluation of the outgroup applicant would undermine his perceived employability. Finally, we predicted that subjects would recommend a lower starting salary for the outgroup applicant than for the ingroup applicant, and that this finding would particularly hold true when an ethical infraction had been performed.

Method

Subjects

The subjects were 65 undergraduates (26 males and 39 females) enrolled at the University of Richmond who participated to fulfill their introductory psychology course requirement. All 65 subjects were American-born Caucasians between the ages of 18 and 22. Subjects were run in groups of 5 to 10 persons each.

Design

The experiment employed a 2 (Prior Indiscretion: Yes, No) x 3 (Group Status: Ingroup, Outgroup, Anonymous Group) between-subjects factorial design. Subjects were randomly assigned to one of the six experimental conditions.

Materials and Procedure

Subjects arrived for an experiment entitled, "Organizational Decision Making." The experiment employed a modified version of an organizational management in-basket

exercise developed by Trevino and Youngblood (1990); however, in-basket items associated with our experimental manipulations were developed specifically for the purposes of the present experiment. Subjects were seated in private booths and were each given an experimental booklet and pencil. Subjects were told to read the experimental instructions on the front page of their booklets and to proceed through their booklets individually without communicating with other subjects.

The booklet's cover page informed subjects that they were to play the role of Pat Sneed, Senior Vice President of Human Resources for Micrometer Electronics Corporation. As Pat Sneed, subjects were informed that they had been out of town on business for a week and were now back in their office, ready to peruse the pile of materials that had gathered in their in-baskets during their absence. Subjects were told that because the purpose of the experiment was to explore how people prioritize issues and make decisions under pressure, they had only 45 minutes to dispose of all the materials in their in-baskets before leaving the office that day.

Subjects were then asked to look at the second page of their booklets, which contained Micrometer Electronics' organizational chart depicting Pat Sneed's position within the company. Subjects were then instructed to take no longer than 45 minutes to read all of the memos contained within their booklets, and to prioritize the memos by responding to them in order of importance. Each booklet contained twelve memos covering a variety of issues, some important (e.g., what to do about an employee charged with sexual harassment) and others trivial (e.g., whether to attend the company dinner). Accompanying each memo was a one-page questionnaire that asked subjects for their impressions of the issues raised in the memo and for their recommended course of action.

Imbedded among the twelve memos was a memo from the company's personnel director informing Pat Sneed that the search for a new Vice-President of Operations was nearing completion, with the list of job applicants narrowed down to five. The memo stated that

one candidate possessed credentials that were clearly superior to those of the other four; this candidate's resume was enclosed with the memo. The subjects (as Pat Sneed) were informed that it was their job to examine the resume and to advise the President whether the candidate should be hired. In addition, subjects were asked to indicate the candidate's starting salary if he were to be hired. The memo informed subjects that the beginning salary range for the position was \$55,000 to \$70,000.

Ingroup-Outgroup Manipulation. Attached to the memo was the job applicant's resume, which contained a number of stellar credentials (e.g., Harvard M.B.A., winner of two awards from the American Management Association, etc.). Roughly one third of the subjects were given a resume with the name "Roger Brooks" prominently displayed at the top (ingroup condition). Another third were given the same resume with either the name "Mohammed Mustafa" or "Eduardo Gonzales" printed at the top (outgroup condition)¹. The final third were given the identical resume with no name at the top (anonymous condition); the memo explained that the candidate's name was blocked out "to maintain his anonymity and protect his position with his current employer."

Moral Indiscretion Manipulation. Subjects in the no indiscretion condition were simply provided with the job applicant's resume and were asked in the memo to make hiring and salary recommendations. Subjects in the indiscretion condition, however, were told in their memos that it was recently discovered "that the candidate led a cover-up of high levels of asbestos in his current company's plants during inspections by the Occupational Safety and Health Administration. His actions, while costly to his company in terms of punitive fines, did not affect his performance during or after the investigation of his behavior. While we do not believe that this action would affect his managerial potential here, it is nonetheless character information which you ought to know and potentially take into consideration."

After subjects completed their in-basket booklets, they were debriefed and excused from the experiment.

Results

Manipulation Checks

As a manipulation check for our ingroup-outgroup manipulation, subjects were asked how much they believed that they shared the same ethnic group status as the job applicant. Subjects responded on a 1 (not at all the same ethnic status) to 7 (exactly the same ethnic status) scale. The results showed that subjects viewed themselves as more ethnically similar to the ingroup applicant ($M = 6.02$) than to the outgroup applicant ($M = 1.95$), $t(63) = 16.71$, $p < .01$. Next, subjects indicated how similar in general to the job applicant they perceived themselves to be. Subjects responded on a 1 (not at all similar) to 7 (extremely similar) scale. The results showed that subjects viewed themselves as significantly more similar to the ingroup applicant ($M = 4.84$) than to the outgroup applicant ($M = 2.67$), $t(63) = 4.77$, $p < .01$. These data suggest that our ingroup-outgroup manipulation was successful.

As a check on our moral indiscretion manipulation, we asked subjects after the experiment to recall whether the job applicant ever performed a morally questionable act during his career. None of the subjects in the no indiscretion condition recalled an ethical infraction, and all but one of the subjects in the indiscretion condition were able to recall the stated infraction. The data from this one subject was dropped from the statistical analyses reported below.

Morality Judgments

Subjects were asked how much they believed that the job applicant was a moral individual by indicating a number on a 1 (not at all moral) to 5 (extremely moral) scale. A 2 (Prior Indiscretion: Yes, No) x 3 (Group Status: Ingroup, Outgroup, Control) analysis of variance (ANOVA) revealed two statistically significant effects. First, not surprisingly, there was a main effect of prior indiscretion, $F(1, 58) = 180.07$, $p < .001$, indicating that job candidates who were known to have committed a moral breach of judgment were perceived

as less moral ($M = 1.64$) than were candidates who were believed to have an unblemished record ($M = 3.65$).

Insert Table 1 about here

Of greater interest was the two-way interaction that emerged, $F(2, 58) = 3.83, p < .03$. The means associated with this effect are displayed in Table 1. Planned contrasts revealed that the outgroup candidate who committed the moral breach was perceived as significantly more immoral ($M = 1.10$) than both the ingroup breacher ($M = 1.92; p < .01$) and the anonymous breacher ($M = 1.80; p < .02$). Interestingly, non-breaching job applicants were judged as moderately moral regardless of whether they were members of subjects' ingroup ($M = 3.62$), outgroup ($M = 3.75$), or of an unknown group ($M = 3.60$; all planned contrast p 's $> .65$).

Hiring Decisions

The analysis of subjects' recommendations whether to hire the job applicant revealed three significant effects. First, there was a main effect of prior indiscretion, indicating that fewer than half of the moral breachers were recommended to be hired ($M = 42.4\%$) whereas all of the non-breachers were recommended ($M = 100\%$), $F(1, 58) = 53.95, p < .001$. Second, there was a main effect of group status, $F(2, 58) = 4.47, p < .02$. A Newman-Keuls test revealed that a greater percentage of subjects recommended hiring the ingroup job candidate ($M = 84.6\%$) than hiring the outgroup candidate ($M = 50.0\%$; $p < .05$). Moreover, there was a similar tendency for the anonymous job applicant ($M = 70.0\%$) to receive more positive hiring recommendations than the outgroup candidate ($p < .10$).

The analysis also revealed a significant interaction, $F(2, 58) = 4.47, p < .02$. As Table 2 indicates, all of the job candidates with an unblemished moral track record were recommended for the job, regardless of their ingroup or outgroup status. But our subjects

were quite sensitive to the ethnicity of job applications who committed an ethical breach. Specifically, the majority of ingroup breachers were recommended for the job ($M = 69.2\%$), whereas only a small minority of outgroup breachers received a positive hiring recommendation ($M = 10.0\%$; planned contrast $p < .01$). The anonymous breacher ($M = .40$) was also more likely to be hired than the outgroup breacher ($p < .05$).

Insert Table 2 about here

To determine whether subjects' morality judgments mediated the effects of ingroup-outgroup status on their hiring recommendations, we conducted an analysis of covariance on subjects' hiring decisions with their morality judgments coded as the covariate. The results of the analysis revealed a significant effect of morality judgments, $F(1, 58) = 97.17$, $p < .001$, satisfying the requirement that the potential mediator (perceived morality) be significantly related to the dependent variable (hiring decisions). More importantly, the analysis showed that when controlling for the effect of morality judgments, the previously significant ingroup-outgroup main effect and the two-way interaction both become non-significant ($p = .08$ and $.14$, respectively). Thus, we have evidence that subjects' morality judgments mediated the effects of ethnicity and indiscretion on hiring recommendations.

Salary Decisions

The analysis of subjects' salary recommendations revealed two significant effects. First, there was a main effect of prior indiscretion, $F(1, 58) = 6.10$, $p < .02$. Job candidates with an unethical past were recommended to begin the job at a lower starting salary ($M = \$56,203$) than were candidates with a clean past record ($M = \$59,469$). This main effect is qualified, however, by the interaction that emerged between past indiscretion and group status, $F(2, 58) = 5.08$, $p < .01$. As Table 3 shows, the salaries of ingroup job candidates were affected by the presence or absence of a moral breach, whereas the salaries of

outgroup and anonymous job applicants were unaffected by this factor. Planned contrasts revealed that with a known moral breach, the ingroup candidate was recommended to start at a lower salary ($M = \$53,462$) than was the outgroup candidate ($M = \$57,770$; $p < .03$) and the anonymous candidate ($M = \$58,200$; $p < .04$). Moreover, in the absence of any ethical wrongdoing, the ingroup candidate tended to be recommended for a higher salary ($M = \$60,831$) than the outgroup applicant ($M = \$57,375$; $p < .08$) but not for a higher salary than the anonymous applicant ($M = \$59,374$; $p > .25$).

Insert Table 3 about here

To determine whether subjects' morality judgments mediated the interaction effect on salary recommendations, we conducted an analysis of covariance on subjects' salary decisions with their morality judgments coded as the covariate. The analysis failed to reveal a significant effect of morality judgments, $F(1, 58) = 1.84$, $p = .18$. Moreover, the analysis showed that when controlling for the effect of morality judgments, the two-way interaction continued to be statistically significant, $F(2, 58) = 3.53$, $p < .04$. Thus, unlike our earlier mediation analysis of subjects' hiring decisions, we have insufficient evidence that subjects' morality judgments mediated subjects' salary recommendations. In other words, subjects' beliefs about the morality of the job applicant influenced their hiring decisions but failed to influence their salary judgments.

Relationship Between Hiring and Assigning Salary

Why did subjects in the moral indiscretion condition recommend a higher starting salary for the outgroup applicant than for the ingroup applicant? Clearly, theory and research on intergroup bias would predict the opposite pattern. One possibility is that subjects in the moral indiscretion condition could afford to be generous with their outgroup salary recommendations because they had earlier indicated an unwillingness to hire the outgroup

applicant. In other words, salary decisions may be vulnerable to intergroup bias only when applicants are judged to be employable. To test this idea, we explored whether subjects in the indiscretion condition were more likely to propose a higher salary when they had previously recommended against hiring the applicant than when they had previously made a recommendation in favor of hiring the application. The results supported this proposition. Subjects who opposed hiring the candidate recommended a higher starting salary ($M = \$57,879$) than did subjects who were supportive of hiring the candidate ($M = \$53,929$), $F(1, 31) = 6.90$, $p < .02$.

Discussion

The results of our research were to a large degree supportive of our predictions about the role of intergroup bias in organizational hiring decisions and salary recommendations. Consistent with theory and research, outgroup applicants with a past moral breach of judgment were perceived as more immoral than ingroup breachers. Interestingly, we also found that outgroup non-breachers were perceived as equally moral to ingroup non-breachers. These findings explain why subjects were likely to hire both ingroup and outgroup non-breachers but were significantly less likely to hire outgroup breachers than ingroup breachers. Apparently, both ingroup and outgroup members will reap the rewards of an unblemished moral track record to an equal degree. A blemish on that record, however, leads to dramatically different perceptions about ingroup and outgroup members. For an ingroup member, a past indiscretion appears to be easily ignored and does not undermine his or her perceived employability. However, the same indiscretion on an outgroup member's record is not only judged as more diagnostic of his or her moral character, it is also used as a basis for preventing that individual's entry into an organization.

Subjects also recommended starting ingroup non-breachers at a higher salary than outgroup non-breachers. Thus, even though a spotless record produced a positive hiring

recommendation for both ingroup and outgroup job candidates, it did not lead to equal starting income recommendations (see Table 3). It is interesting to note that the outgroup applicant was recommended to begin work at a higher salary level only when he was deemed not to be employable. This finding is consistent with previous theoretical analyses of "tokenism" toward outgroups (Dutton & Lennox, 1974; Pettigrew & Martin, 1987). According to these theoretical formulations, people tend to display generosity to outgroups only to a minimal, trivial degree or only when such generosity is unlikely to threaten the ingroup-biased status quo.

Although the results of our study underscore the challenge that organizations face in increasing and facilitating diversity, much is left to be considered. First, it is unknown whether the pattern of results seen in our data would generalize to other organizational phenomena. For example, would the impact of similar variables engender bias in an employment interview, in the awards of arbitrators, or in promotion decisions? Second, one might consider urging individuals with diverse backgrounds to engage in behavioral strategies, such as impression management (see Giacalone & Rosenfeld, 1989; 1991), to offset or undermine the deleterious effects of stereotypes. For example, individuals who are the target of negative categorization effects may be advised to deliberately behave in ways that either contradict the categorization or in ways that make such categorizations unprofitable for the organization (Giacalone & Rosenfeld, 1987). Clearly, there are many behavioral tactics that an individual may employ in response to an unwanted categorization; however, the ideal situation would be one in which the categorization never occurs in the first place. We next discuss some possible ways to create this ideal situation.

Preventative Measures

We noted earlier that ingroup-outgroup categorization is an automatic and inevitable part of the process of perceiving people--whether in person or on a resume. Moreover, we have emphasized that initial categorizations are often based on factors over which people

generally have no control, such as gender, race, age, and physical attractiveness. From this perspective, the prospects of eliminating organizational entrance barriers derived from intergroup bias would appear to be rather bleak, to say the least.

There is, however, one encouraging aspect of the categorization process that augurs well for a world that is becoming increasingly multi-cultural both within and beyond the realm of organizational life. According to Allison and Herlocker (1994), the basis for optimism lies in the fact that each one of us is associated with a multitude of different social categories that extend well beyond our demographics. People can and do initially categorize others from their most salient physical features, such as race or gender, but social psychologists have shown that the potential exists for people to shift the basis of their categorizations toward more psychological features, such as our political ideology or our taste in music (e.g., Brewer, 1979).

Our central point is that categorizations are malleable, and that culturally diverse organizations need to implement strategies that take advantage of this malleability if they wish to avert the pernicious effects of ingroup-outgroup categorizations on hiring and retaining employees. To ensure that all job applicants are evaluated objectively on their merits, independent of applicants' racial, ethnic, or gender group membership, organizations need to take steps to redefine what is considered "ingroup" and "outgroup." Most importantly, organizations must redefine the "ingroup" in ways that transcend demographic group membership. We are not advocating that organizations create environments where human diversity is neither welcomed nor appreciated because it risks triggering unwanted outgroup categorizations. Rather, we offer suggestions for how organizations can employ innovative strategies for promoting a sense of ingroup identity while at the same time recognizing and appreciating cultural diversity.

As an example of one such strategy, Allison and Herlocker (1994) recommend that organizations engineer the formation of superordinate categorizations that supersede lower

level ingroup-outgroup categorizations. An individual has constructed a superordinate categorization of a group when he or she no longer perceives a meaningful distinction between previously categorized ingroup and outgroup members. In short, an employee has made a superordinate categorization when his or her original basis for differentiating between an ingroup and outgroup is undermined to the point where he or she considers all previously categorized people as falling under the same superordinate ingroup category. This strategy for rearranging one's beliefs about ingroups and outgroups implies that such beliefs will likely shift from a physical basis (e.g., race, gender, age) to a psychological basis (e.g., values, goals, interests).

There are at least two strategies that demographically diverse organizations can use to evoke superordinate categorizations. The first strategy requires the setting and implementation of superordinate organizational goals. A number of social psychological studies have shown that bitter intergroup rivalries can turn quickly into peaceful intergroup alliances once superordinate goals are set in place that require close and equal cooperation among members of differing groups (e.g., Aronson & Osherow, 1980; Sherif, Harvey, White, Hood, & Sherif, 1954). Apparently, using superordinate goals to create superordinate categorizations is effective in directing attention toward the similarities that exist among people rather than toward their differences (Gaertner, Mann, Dovidio, Murrell, & Pomare, 1990). Organizations can establish superordinate goals focusing on work team efficiency, productivity, or profit margin. Once these goals are in place, the tendency to draw ingroup-outgroup boundaries based on psychological variables (e.g., the goal of surpassing the company record for work team productivity) should replace the habit of drawing such boundaries from demographic variables. Ideally, this new basis for categorization should spill over into hiring activities and judgments about quality job applicants.

The second strategy that demographically diverse organizations can use to evoke superordinate categorizations involves emphasizing the existence of potentially threatening meta-outgroups. A meta-outgroup is a group whose presence potentially threatens the prosperity or even the very existence of the organization. In the corporate world, meta-outgroups are readily available in the form of competing companies, organizations, or countries. For example, workers at Chrysler Corporation can either look to Ford Motor Company or the Japanese auto industry as possible meta-outgroups. How does meta-outgroup categorization undermine previous demographically-based outgroup categorizations? Meta-outgroup categorization transforms previously categorized outgroup members into ingroup members, and these new ingroup members end up enjoying all the perks and benefits of their new categorization.

If one or more meta-outgroups are made salient enough in the workplace, the tendency for employees to draw ingroup-outgroup boundaries based on psychological variables (e.g., the shared goal of "defeating" the meta-outgroup) should replace the habit of drawing such boundaries from demographic variables. Once again, under ideal circumstances, this new basis for categorization should spill over into hiring activities and judgments about quality job applicants.

Summary and Conclusion

We began this article with insights from Bertrand Russell and Lewis Carroll about intergroup bias and its role in blocking entrances into organizations for some segments of the population. As Carroll noted, people do indeed label others far too hastily, and as Russell observed, they often do use these labels to make unjust decisions about others' suitability for employment. The results of our investigation provided evidence for these phenomena and revealed the process by which ingroup-outgroup categorizations open the doors of opportunity for some, yet close those same doors for others.

We conclude with a note of caution about the existing efforts of organizational management to deal with the problems that arise in a workforce that is rapidly growing more culturally diverse. In a recent essay, Solomon (1989) argued that "embracing differences is a business imperative" (p. 44) if corporate American management is to respond effectively to the challenge of demographically diversity in the workplace. The assumption underlying this advice, as well as underlying the diversity training that many American workers are now compelled to undergo, is that differences among members of demographically diverse groups need to be highlighted rather than ignored if organizations are to avoid intergroup misunderstandings and conflict.

We believe that in encouraging workers to "embrace" their differences, organizations run the risk of producing, rather than avoiding, intergroup misunderstandings and conflict (see Magner, 1990, for a vivid example). We argue that while drawing attention to group differences sounds like a noble solution to intergroup problems, such action may only serve to accentuate the differences between groups, thus facilitating undesirable demographically-based ingroup-outgroup categorizations within the organization. Embracing differences between people must be followed by measures that counteract the deleterious effects of outgroup categorization, measures that must be directed toward creating more psychologically-based superordinate categorizations.

There is little doubt that managing diversity in the workplace is both a dangerous yet opportunity-filled enterprise. It is a dangerous enterprise because the steps that organizations should take to instill an appreciation for diversity (e.g., "embracing differences") are also ones that, if mishandled, can trigger long lasting intergroup bitterness and hostility that spills over into every aspect of organizational life, including hiring decisions. At the same time, managing diversity is opportunity-filled because the organization that successfully implements superordinate categorization strategies will

discover that the rewards of well-managed diversity far exceed the rewards of well-managed homogeneity.

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