Managing a culturally diverse workforce: Diversity perspectives in organizations

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A B S T R A C T

The authors conducted two studies to analyze why and how organizations approach and manage cultural diversity in the Austrian workplace and to identify organizations’ diversity perspectives. In Study 1, 29 interviews revealed insights into organizational approaches to diversity and how these perspectives are linked to employing and managing a culturally diverse workforce. In Study 2, the authors developed and tested the Diversity Perspective Questionnaire (DPQ). The DPQ consists of vignettes and items to measure an organization’s approach to diversity. Results reveal that five diversity perspectives—Reinforcing Homogeneity, Color-Blind, Fairness, Access, and Integration and Learning—gain a deeper understanding of diversity management in organizations. The DPQ is shown to be a reliable measurement instrument for further investigations of diversity perspectives in organizations. © 2012 Elsevier Ltd. All rights reserved.

1. Introduction

With increasing globalization and migration, managing diversity in organizations is becoming more and more important. There is wide agreement on the need to actively deal with diversity in organizations and to identify advantages and disadvantages for various agents involved (Dietz & Petersen, 2006; Kochan, Bezrukova, & Ely, 2003; McKay, Avery, & Morris, 2009). Diversity is a well-known and well-researched concept in the United States as well as in Europe. There are case studies on diversity paradigms (e.g., Thomas & Ely, 1996), but we are missing a comprehensive tool to measure strategic approaches to dealing with diversity. Further, little research has been done linking personal and organizational context factors to an organization’s approach to diversity with regard to workforce composition, diversity perspective, and management.

Our goal was to identify the different ways organizations approach diversity and how those approaches can be measured in a diversity-sensitive and reliable way. We developed a framework for understanding the management of diversity, extending and differentiating the concepts of Dass and Parker (1999) and Ely and Thomas (2001). We identified five diversity perspectives that explain the underlying motivations and consequences of organizations’ approaches to diversity. In two studies, we analyzed these different diversity perspectives. In Study 1 we looked at why organizations would be for or against diversity. In Study 2 we developed and implemented a standardized questionnaire to measure the diversity perspectives. We examined how an organization’s diversity perspectives are linked with perceived benefits and threats of diversity at group and organizational level and how diversity management is implemented.

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2. Diversity

There are many ways to define diversity. Most focus on various dimensions, such as gender, age, ethnicity, nationality, education, or work status. Kreitz (2008, p. 102) subsumed all these points under the definition of diversity as “any significant difference that distinguishes one individual from another,” covering a wide variety of factors that might be obvious to other individuals or hidden under the surface. Ely and Thomas (2001, p. 230) stated that diversity is “a characteristic of groups of two or more people and typically refers to demographic differences of one sort or another among group members.” The various definitions show that diversity is relevant to interpersonal as well as intergroup relations in the workplace context.

Theoretical rationales supporting the relevance of diversity dimensions have focused on the importance of social identity and social categorization in intergroup relations (Tajfel & Turner, 1986), stressing the relevance of surface-level traits (Harrison, Price, & Bell, 1998), such as ethnicity and nationality, which are the focus of our studies. Both social identity and perceived similarity have consequences for intergroup relations at culturally diverse workplaces. These can be negative, leading to discrimination, equal employment disparities, stereotyping, and conflicts, but also positive, fostering creativity, innovation, and better problem solving (Krell & Wächter, 2006). Especially on a group level of analysis, research has shown positive effects of diversity, as highly diverse teams have outperformed less diverse groups under certain conditions, particularly with regard to creativity and satisfaction (Fujimoto, Härtel, & Härtel, 2004; Podsiadlowski, 2002; Stahl, Maznevski, Voigt, & Jonsen, 2010). Individuals from diverse backgrounds bring to a group a different perspective on how to solve a task and have access to different resources enhancing creativity and performance (Williams & O'Reilly, 1998) and leading to a more interesting and satisfying workplace (Podsiadlowski, 2002). Employee diversity can give a business an advantage when dealing with a diverse customer base or international markets, making diversity an important business issue. Nonetheless, existing social inequalities for minority groups and potential conflicts due to perceived differences need to be acknowledged. Different viewpoints about the positive and negative sides of diversity in an organization should lead to different approaches to diversifying and managing diversity.

3. Diversity strategy

Different organizational approaches to diversity have been identified in the literature. The terms diversity strategy, diversity orientation, and diversity perspective are used synonymously. An organization’s strategic response can be episodic, freestanding, or systemic (Dass & Parker, 1999) and can be classified on a continuum ranging from “not doing anything” to “having a full blown diversity strategy” that integrates various interventions into an organization-wide general framework (Bhawuk, Podsiadlowski, Graf, & Triandis, 2002, p. 135).

Thomas and Ely (1996) distinguished three different perspectives regarding an organization’s approach to diversity: (1) the discrimination and fairness paradigm, (2) the access and legitimacy paradigm, and (3) the learning and effectiveness paradigm. These paradigms refer to organizational members’ normative beliefs and expectations about the reason to diversify, the value of diversity, and its connection to work. Dass and Parker (1999) added a fourth perspective, the resistance perspective, where an increase in outside demand for diversity is viewed as a threat to the company or not important enough to even discuss. They acknowledged possible reactions to diversity as identified by Roosevelt (1995): to include or exclude, to deny, to assimilate, to suppress, to isolate, to tolerate, to build relationships, and to mutually adapt. Criteria of organizational approaches to diversity are consequently whether to address or ignore diversity, whether to view diverse (cultural) backgrounds of their employees as a challenge to deal with or an asset to make use of, and whether to be reactive, defensive, or proactive. Most diversity research has referred to case studies and has drawn from conclusions in consultancy projects. A systematic, comprehensive, and quantifiable study of diversity strategies in organizations has been missing.

Consequently, Podsiadlowski, Otten, and van der Zee (2009) reexamined the examples given by Ely and Thomas (2001) and integrated the results of Dass and Parker (1999) to suggest a conceptual framework of five diversity perspectives: Reinforcing Homogeneity, Color-Blind, Fairness, Access, and Integration and Learning. We explore each of these perspectives in turn.

Reinforcing Homogeneity means to avoid or even reject a diverse workforce. Organizations not only ignore potential cultural differences but reject cultural diversity in favor of a homogeneous workforce. Its theoretical and empirical foundation lies in the importance of perceived similarity for intergroup relations, also in the workplace context (Riordan, Shaffer, & Stewart, 2005; Schneider, 1987; Tsui, Egan, & O’Reilly, 1992). Schneider’s (1987) attraction–selection–attrition hypothesis suggests that organizations tend to attract, hire, and retain similar types of people. The tendency to drive out diversity can be explicit or implicit, by using selection and promotion criteria that are ascribed only to people from the dominant majority in a country, such as local business knowledge, access to networks, and experience, thus raising barriers to employment for immigrants (Flam, 2008; Podsiadlowski & Ward, 2010). Organizations may not simply ignore cultural diversity in the labor market and their organization but actively resist it (Dass & Parker, 1999).

The discrimination-and-fairness perspective (Ely & Thomas, 2001) should be divided into a Color-Blind and cultural Fairness perspective, as most of Ely and Thomas’s (2001) examples could be referred to as a Color-Blind approach (Podsiadlowski et al., 2009): People should be treated equally no matter where they are from; cultural background does not count and does not need to be specifically dealt with in personnel management. Both Color-Blindness and Fairness stretch the importance of ensuring equal and fair treatment and avoiding discriminatory practices. But they
are different in their reasons for ensuring equal employment opportunities: Color-Blindness focuses on equal employment opportunities but without acknowledging potential differences due to different cultural backgrounds. Fairness ensures equal and fair treatment through addressing the need for specific support for minority groups, reducing social inequalities.

The Access perspective sees diversity as a business strategy that provides access to a diverse customer base and international markets by internally reflecting an organization’s external environment. The Integration and Learning perspective is broader, suggesting that everyone can benefit from a diverse work environment, the organization as a whole as well as its employees. From this perspective, diversity creates a learning environment where everybody—also within the organization—can benefit from a diverse work context. This last perspective is considered the most strategic; change happens through mutual adaptation of minority and majority groups alike. Both Access and Integration and Learning refer to advantages specifically gained from diversifying the workforce not only by being aware of and accepting diversity but also by creating a productive work environment and making use of diverse talents to meet organizational goals (Fish, 1999). Whereas the Access perspective considers diversity more as a business case by gaining access to diverse customers and international markets as well as reflecting the demographics of an organization’s external environment, the Integration and Learning perspective moves beyond business-related demographic reasons and appreciation. Equal and fair treatment of everyone is stressed without specific support for minority groups—not because potential inequalities are ignored but because the organization has moved beyond distinguishing between different groups of people to acknowledging the unique and specific expertise of each individual employee and his or her valuable contribution.

In sum, these five diversity perspectives can be seen on a continuum from defensive (not doing anything specifically, even resisting diversity) to reactive (e.g., meeting legal responsibilities or addressing intercultural conflict) to proactive (acknowledging the economic benefits of diversity and encouraging diversity as a learning opportunity for the whole organization). Empirical evidence of the existence of these dimensions in organizations is rare. To our knowledge, no study has shown how diversity is or is not approached in organizations in a quantifiable, systematic, and comparable way; nor have we found any study that showed how a specific diversity management strategy is supported by specific measures. There is also a missing link between organizational approaches to diversity and the theoretical foundations of diversity on the organizational level. What approaches to diversity exist in organizations, and how can they best be distinguished?

4. Diversity management

Research has highlighted the importance of organizational conditions that leverage the benefits of diversity (the so-called value-in-diversity hypothesis; Ely & Thomas, 2001; Richard, 2000; Shore, Chung-Herrera, & Dean, 2009). Thus, the organizational perspective on diversity determines the impact of diversity within the organization. Consequently, organizations should differ in their management of a diverse workforce depending on their dominant diversity perspective.

As for the concept of diversity, there are various definitions of diversity management. It has been defined as the sum of organizational practices for managing people to maximize potential advantages of diversity (Cox, 1993) and as policies for recruiting and retaining talent from different backgrounds (Cox & Blake, 1991). In an approach similar to our own, Seymen (2006, p. 301) focused on cultural diversity management and saw it as “an organizational answer or reaction to the need for competitiveness and to the increasing variety of the workforce.”

Many approaches have been proposed in the literature on how to deal with diversity in organizations (Bhawuk et al., 2002; Ensher, Grant-Vallone, & Donaldson, 2001; Seymen, 2006). Initiatives that have focused specifically on cultural diversity have included diversity committees, multicultural work groups, advocacy groups, language classes, intercultural training, and diversity workshops. Diversity measures may also be embedded within existing tools for training, personnel development, formalized recruitment, selection and assessment, mentoring, or coaching without being specifically identified.

Depending on the organizational approach to diversity, the number, quality, and type of diversity measures and initiatives will differ which in turn should have consequences for staff and the organization itself. Having a reliable, standardized measurement of such approaches should lead to more efficient identification of an organization’s strategy, improve monitoring of diversity management, and help clarify the inconsistent effects of diversity. So far, there has been no standardized measurement approach to analyzing diversity perspectives in organizations due to the lack of theoretical foundation on the organizational level. Diversity initiatives are complex, and their effects have been discussed mainly at the conceptual level (Richard & Johnson, 2001). How can the five diversity perspectives be measured, and what effects do they achieve in groups and organizations?

Our research is based in Europe, where issues of diversity were raised long after the United States and awareness of diversity have been promoted only for the last 15 years. We can assume, therefore, that we will detect the whole continuum of diversity perspectives within the European context. In Austria, for instance, diversity management as a business case is still in its infancy (Pircher & Schwarz-Wölzl, 2005). Austrian organizations are not yet aware of the importance of diversity management as an overall strategy when focusing mainly on gender and age issues (e.g., Bendl, Hanappi-Egger, & Hofmann, 2010). An important question is whether the reasons for engaging in diversity management and the organizational practices of organizations in Austria are comparable to those in the United States or whether they need to be understood within specifically European and national contexts. Consequently, we conducted two studies in Austria to analyze why and how
organizations approach and manage cultural diversity (Study 1) and to identify distinct patterns of organizations’ diversity perspectives (Study 2).

5. Study 1: diversity perspectives in Austria

5.1. Introduction to Study 1

In Study 1 we explorative focusing the question of how diversity is perceived in different types of private businesses and which patterns of managing cultural diversity can be identified with regard to an organization’s strategy, structure, and management. We sought this organizational-level information from primary decision makers, organizational experts, and managers with an interest in diversity and from different ethnic/national backgrounds. We asked them how they manage and experience diversity in their organization. To understand how diversity is managed, the specific roles of primary decision makers in an organization become particularly relevant. It has been argued that approval from top management support are particularly important for positive intergroup relations in a workplace context (Ensher et al., 2001; Triandis, Kurowski, & Gelfand, 1994), and they are a valuable source of information on how diversity can be managed and how people react to it (Cox, 1993; Dass & Parker, 1999; Ely & Thomas, 2001). Thus, with Study 1 we hoped to gain deeper, more systematic insight into organizational approaches and perceptions of diversity in Austria in respect to the conceptual framework of five potential diversity perspectives.

5.2. Method

Semi-structured, problem-centered interviews (Atteslander & Croom, 2003; Flick, 2009) were conducted by the third and fourth authors using an interview guide to topically organize the conversation (Stahl, 1998). The guidelines contained the following sections: personal background of the interviewee; information about the organization, its human resources (HR) management, and diversity management; and experiences working within a culturally diverse workforce. Information on organizational goals, strategies, demographics, and performance was complemented by secondary material (e.g., corporate webpages, annual reports), supplied by the public relations departments and interviewees themselves. The interviews were mostly conducted in the interviewees’ work environment.

5.2.1. Data analysis

The analysis of the collected data was based on qualitative content analysis (Mayring, 2008). We also followed Stahl’s (1998) recommendations from research on expatriate executives in Japan and the United States. We first transcribed the digitally recorded interviews and then defined the relevant units of analysis. Categories were developed in interdependency between theory and the concrete data (Mayring, 2008; Stahl, 1998). As categories have to be exhaustive, each text passage was assigned to only one category (Stahl, 1998). A team of three researchers consisting of the first, third, and fourth authors developed a coding system that entailed a continuous and iterative process of summarizing and paraphrasing the collected information and assigning text passages to the relevant categories. This coding system was reviewed and tested for comprehensibility, applicability, and intercoder reliability (Stahl, 1998) on eight interviews by another researcher. To guarantee accuracy, the research team randomly cross-checked the coding of the statements on a regular basis. Overall, content validity was established by taping and transcribing interviews as well as by carefully selecting the sample in terms of organizational position, qualification, and ethnic background.

5.2.2. Sample

After 29 in-depth interviews a significant amount of information was achieved. The interviews lasted between 25 and 125 min. Organizational experts were used as a source of organizational-level information, because their statements would reflect their professional expertise and experience but also the shared collective characteristics of the organization. Thus, we assumed that their statements would reflect some property of the organizational approach to diversity (Bliese, Chan, & Ployhart, 2007). Further, organizational experts recall how they have implemented diversity as a more or less strategic approach. We did not assume that our organizational experts would reflect average assumptions of their organization; instead, we were aware that they would report their individual experience, as this was the focus of our study.

To gain a broader knowledge of the Austrian business landscape, we included organizations that differed in terms of size, sector, industry, and location of headquarters. The sample consisted of small (n = 3) and medium-sized companies (n = 9) with a headcount of 50–249 and large-scale enterprises (n = 16) with more than 249 employees (definition by the European Commission, 2003b), as well as one expert in the field of diversity and diversity management. The analyzed organizations were operating in the secondary (n = 8) and tertiary (n = 17) private sector, as these two economic sectors employ 99.5% of Austria’s workforce (WKO, 2009, chap. 4), as well as in the public sector (n = 4). Of the 14 organizations that had headquarters, six were based in Austria, two in the United Kingdom, one in Germany, one in Switzerland, and four in the United States. Interviews were conducted with the organizations’ general managers/owners/directors (n = 8), middle managers (n = 5), HR managers (n = 9), diversity managers (n = 3), and diversity experts (n = 3). The interviewees came from various national backgrounds including Turkey, Iran, Serbia, Korea, and England. Twenty-one of them were Austrian.
5.3. Results of Study 1

5.3.1. Diversity perspectives

Based on the interviewees’ statements and the organizations’ websites, we determined whether the participating organizations could be assigned to one of the five diversity perspectives. Some organizations corresponded exactly to one perspective, but in most cases, several perspectives were expressed. However, there was always one dominant perspective so that all participating organizations could be assigned to one perspective. All five perspectives were represented in the sample. Interestingly, diversity perspectives of affiliates and headquarters within one organization could differ. Therefore, some organizations were assigned to two different perspectives (supported by the secondary material): one that represented the headquarters’ ideology and another that explained the Austrian affiliate’s way of handling diversity.

The most common diversity perspective was Access, with 13 organizations categorized as having this perspective. All those companies operated internationally, which seems to be a key factor of this perspective. The share of foreign employees varied from zero to 50%; the respective organizations’ headquarters were located in Austria, the United Kingdom, and the United States. The second most common perspective was Integration and Learning (5 organizations). In these organizations employees in Austria made use of tools, programs, and international meetings via the Internet offered by the parent company, although these training sessions usually were not mandatory. According to one of the representatives of a large international company, employees appreciated the offer of diversity programs and embodied the corporation’s global philosophy: “The international environment attracts our employees. They are excited that they encounter internationality and diversity in their daily work.”

Four organizations had a Color-Blind perspective. One organization’s representative stated that an organization should not force intercultural exchange but rather should let it happen: “I do not know how our employees would accept intercultural training. Maybe it would be perceived as overstated when we make diversity a topic.”

Three large-scale organizations exhibited the Fairness perspective. Diversity management in these organizations was closely related to social responsibility. One general manager stated that despite negative experiences with employees of a specific ethnic background, he would continue hiring them in the future: “We have hired people with different backgrounds because of our social responsibility. We are living what you call cultural diversity and in the same situation we would do it again”. Interestingly, one organization with a Fairness perspective differed from its parent, which showed an Integration and Learning perspective. We concluded that perspectives of parent companies and their subsidiaries may not be consistent.

Another three organizations showed a Reinforcing Homogeneity perspective. Two were regionally operating small and medium-sized enterprises based in Austria, and one was an internationally operating large-scale enterprise (LSE). The organizations’ share of foreign employees ranged from zero to 80%. The LSE was a typical example of a workplace that was fairly independent from the parent company, especially regarding its corporate culture and the handling of diversity, as the American parent had a Fairness perspective. Likewise, diversity management was implemented in the American parent, but not in the Austrian subsidiary: “I know that the focus is more on diversity in America. But actually not so with us.”

In sum, we identified five distinct diversity perspectives, helping explain why an organization aims at diversifying and how it manages its cultural diversity. The Access perspective was the most prevalent in our study. This implies that the majority of participating organizations that actively addressed diversity did so as a means to compete effectively in a global economy, not necessarily to promote fairness or to deal with societal pressure or legal requirements.

5.3.2. Diversity management

The lack of institutionalized, formal diversity management was striking; if it existed at all, it was more about expatriates working for them and less about diversity within the local workforce. “Diversity is actually not a topic here in Austria.” Diversity initiatives were more often episodic than systemic—with a focus on language courses and formalized recruitment and selection procedures—and covered only a small range of possible management practices. “We do not have diversity management as other companies have... We have not institutionalized diversity management.” Diversity strategies also differed along diversity dimensions, with gender being more systematically addressed than ethnic, national, or migration background.

Only three organizations had integrated diversity management into their strategy and had systemic diversity management programs; one more was heading toward such a program. Yet managing cultural diversity may still be part of daily management practices. We found evidence of support for specific groups, accommodating migrants’ needs, awareness of potential intercultural conflicts and the necessity of actively dealing with them, appreciating cultural differences, valuing diverse perspectives, and encouraging mutual learning. Such management practices are part of the Fairness, Access, and Integration and Learning perspective, whereas implicit bias, particularly regarding selection criteria, is part of the Color-Blind perspective and explicit bias is part of the Reinforcing Homogeneity perspective. “A Turkish name is an indication of a deficit. I call that a suspected deficit, because one simply assumes that he should have a deficit, so he is dropped out.”

The role of management and diversity leaders cannot be underestimated. If primary decision makers, such as owners of small and medium-sized companies and HR managers of large businesses, see the benefits of diversity and are open

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1 All interviews were conducted in German. The English translations are meant to convey as closely as possible the meaning of the German statements. See Appendix B for the original statements and their translations.
to potential challenges and cultural differences, they actively manage cultural diversity, making the success of diversity initiatives much more likely (see also Ensher et al., 2001; Wentling, 2004).

Contrary to expectations, having a high share of foreign employees did not necessarily mean that diversity programs were being implemented. According to our interviewees, the organization’s share of foreign employees only influenced its diversity management when combined with a corresponding corporate culture of being open to cultural differences and appreciating diversity. Our research shows that the corporate culture in subsidiaries is not necessarily similar to the prevailing culture at the headquarters; often the people in charge, such as HR managers or general managers, and their respective approaches to diversity had more influence on the subsidiary’s management and implementation of diversity programs than the headquarters did. The HR manager of U.S.-based international information technology consultancy stated that diversity was part of the organization’s global strategy but irrelevant for the Austrian subsidiary. The strategy of decentralization, or “think globally, act locally,” was mentioned by three interviewees as of particular importance for their strategy. For these decentralized global players, diversity was more of a side issue; there was no standardized diversity management.

5.4. Conclusions from Study 1

Practically speaking, our study confirms that Austrian diversity management is still in its infancy (Pircher & Schwarz-Wölzl, 2005). Nonetheless the research has shown that initiatives are currently being undertaken to tackle this issue and to raise the awareness of Austrian employers. Particular challenges lie in addressing prejudices against specific migrant groups, reducing implicit bias, and promoting the benefits of diversity, not only in the workplace but also in the public discourse, for example, via the media and politicians. Addressing language skills appears to be a more dominant theme than identified in American research. In countries such as Austria where the local language does not necessarily correspond with the business language, the acquisition of local language skills may pose a particular challenge but could be supported by companies. On the other hand, people from different regions of the world bring other languages to the organization that may prove helpful, and more use could be made of them. Particularly in a European context, multiple languages and cultural knowledge are very important for organizations to establish business relationships across national boundaries, including—in the case of Austria—Central and Eastern Europe. To use these languages and cultural knowledge effectively, implicit barriers need to be overcome and diversity need to be proactively and strategically managed.

We did not have a representative sample of businesses in Austria, but by covering a cross-section of relevant variables we were able to identify organizational patterns that help explain how these internal and external variables, such as size, workforce composition, industry, degree of internationalization, and location of headquarters influence an organization’s approach to diversity. With regard to how and why an organization addresses diversity, clear patterns could be identified linking perceived benefits and costs of diversity with an organization’s diversity perspective. These patterns need to be tested in a more quantitative research design. Furthermore, the viewpoints and perspectives were gathered from people who were willing to participate in quite long and intensive personal interviews, and the interaction between interviewer and interviewee will have had an influence on the data. Nevertheless, very diverse personal viewpoints were given and the current state of cultural diversity management in the Austrian workplace was reflected from quite different organizational contexts.

To confirm these findings and to examine the effects of diversity and diversity management in Austria, we ran a second study with a more quantitative approach. In Study 2, we examined the reasons why organizations strive (or not) for diversity, how diversity is perceived on the group level, and how diversity and its respective practices are monitored at the organizational level.

6. Study 2: measurement of diversity perspectives in Austria

6.1. Introduction to Study 2

Our aim with Study 2 was to develop a valid and reliable survey instrument to identify an organization’s diversity perspective. We used the results of Study 1 to develop the questionnaire and validated it on theoretically derived criteria. From a theoretical point of view, the tendency when studying diversity on the organizational level has been to focus either on (discriminatory) practices or on the effects and consequences of diversity on organizational outcomes. Criteria for our validation encompassed both the effects of diversity and the practices of diversity management in organizations. We extend our study to the effects in groups to link with the majority of diversity research that is conducted at the group level.

As seen in Study 1, diversity comes with different assumptions, perceptions, and attitudes and is associated with benefits, costs, and appreciation/awareness in organizations. Diversity is assumed to be beneficial because it fosters higher creativity and better adaptation and problem solving, and it provides access to external networks through social categorization. It is considered costly because it can promote organizational conflict and subgroup formation (Milliken & Martins, 1996; Schneider & Northcraft, 1999). Benefits include stronger organizational and human capital through higher reputation, the attraction of talented people, and innovation. Costs of diversity are linked to implementation costs for diversity policies or internal change programs (European Union Survey, 2003a). Mediators of the diversity—benefits/costs link are seen in organizational climate and the need for appreciation of diversity in organizations (European Union Survey, 2003a). Thus, diversity
can be perceived by organizations as beneficial or costly, or as a subject not specifically addressed. Little is empirically known about how these assumptions relate to the five diversity perspectives.

Schneider’s (1987) attraction–selection–attrition hypothesis suggests that organizations strive for homogeneity naturally, and diversity must be proactively developed through mechanisms that enhance heterogeneity (Milliken & Martins, 1996). Mechanisms that increase diversity should be perceived as costly when striving for homogeneity. Consequently, Reinforcing Homogeneity should be specifically connected with costs.

The Color-Blind perspective neither relates specifically to diversity nor strives for homogeneity. From this perspective, practices ensure the same decision-making process is applied to every individual (Konrad & Linnehan, 1995), for instance, when searching for the best candidate. Dealing with diversity is necessary to avoid legal and social consequences of discrimination, and therefore diversity is not often mentioned in these organizations (Richard & Johnson, 2001). Consequently, the Color-Blind perspective has no specific relationship with benefits, appreciation, or costs.

Organizations with an orientation to diversity see it as a fundamental part of the organization. Employees are embraced for their differences, which are expected to enhance organizational effectiveness (Richard & Johnson, 2001). From the Access perspective, organizational effectiveness is increased by a better match between organizational demographics and those of critical stakeholders (Thomas & Ely, 1996). Diversity is accepted and celebrated and should therefore be related to benefits and appreciation. The Fairness perspective idealizes assimilation, supports conformism, acknowledges the need to overcome potential disadvantages for specific groups, and strives for mechanisms that enable equal opportunities and fair treatment as well as reduces discrimination, need for affirmative actions, and conflicts (Thomas & Ely, 1996). Consequently, Fairness should be associated with costs but not with benefits or appreciation because it is more linked to legitimation and social responsibility.

The Integration and Learning perspective encourages employees to explore and experience the link between cultural diversity, work style, and work outcome (Thomas & Ely, 1996). When employees are valued as individuals and not only for specific diversity attributes, they will be able to connect diversity issues with collective and organizational learning processes. Thus, Integration and Learning should be related to benefits and appreciation.

We formulated our first hypothesis (H1):

**H1.** The diversity perspective determines the perception of costs and benefits and the level of appreciation of diversity for the whole organization:

(a) In organizations with a Reinforcing Homogeneity perspective, diversity is associated with perceived costs.
(b) In organizations with a Color-Blind perspective, diversity is not specifically acknowledged, neither in a positive nor a negative way; there should be no relationship with perceived costs or benefits or appreciation.
(c) In organizations with a Fairness perspective, equality is valued; gaining equality comes with costs but not necessarily with benefits.
(d) In organizations with an Access perspective, diversity is appreciated and seen as beneficial.
(e) In organizations with an Integration and Learning perspective, diversity is appreciated and perceived as beneficial.

The way organizations deal with diversity influences the individual’s perception of diversity in work groups. Studies have shown that the effects of work group diversity are inconsistent, being both positive and negative (as on the organizational level). Benefits are seen in a slightly increased group performance in terms of higher creativity, innovation, and quality of decisions (Jehn, Northcraft, & Neal, 1999; Pelled, Eisenhardt, & Xin, 1999), as well as in mirroring environmental complexity and responding to its demands (Milliken & Martins, 1996). Costs of diversity in groups include reduced cohesiveness (Harrison et al., 1998), more conflicts and misunderstandings (Jehn, Chadwick, & Thatcher, 1997), lower team member satisfaction, decreased cooperation (Chatman & Spataro, 2005), and increased turnover (Jackson et al., 1991). Critically, positive effects of diversity on group performance have been limited to laboratory studies or experiments with graduate students in business (see Benschop, 2001) and have not been replicated in organizational studies. More importantly, research on group diversity highlights the necessity to focus on group processes (Van Knippenberg & Schippers, 2007) and context (Joshi & Roh, 2009) because of their influences on group outcomes.

Therefore, the organizational diversity perspective should affect teamwork. On a group level, diversity can be perceived as either a threat or a benefit for the team. Hypothesis 2 (H2) can thus be derived:

**H2.** In groups, different diversity perspectives lead to a perception of diversity as a threat or a benefit for the teams themselves:

(a) In organizations with a Reinforcing Homogeneity perspective, groups perceive diversity as a threat and not a benefit.
(b) In organizations with a Color-Blind perspective, groups perceive diversity as a threat because the best candidate is not necessarily associated with diversity.
(c) In organizations with a Fairness perspective, groups perceive diversity as neither a threat nor a benefit because the focus is more on fair treatment.
(d) In organizations with an Access perspective, groups perceive diversity as a benefit.
(e) In organizations with an Integration and Learning perspective, groups perceive diversity as a benefit.
Seeing diversity as a strategic asset should foster specific diversity practices. Overall, research has shown that what really matters in diversity management is the implementation of conditions that leverage the positive effects and reduce the negative effects of diversity (e.g., Shore et al., 2009). HR departments should implement practices that support a specific strategy. Some studies have supported the link between HR objectives and diversity practices, finding that formalized practices in hiring, promoting, and developing employees led to better representation of women and minorities in organizations (Goodman, Fields, & Blum, 2003), whereas other studies have shown the opposite (Konrad & Linnehan, 1995). In the United States, only when organizations adopted affirmative action policies did the number of women in management positions increase (French, 2001). Restrictions on assessing and holding sensitive data limit the measurement of workforce demographics in European organizations (European Commission, 2003a). An empirical case study showed that an organization’s strategy for managing diversity influenced both the process of meaning formation regarding diversity and the perception of performance effects (Benshop, 2001). Overall, few studies have found support for a fit between diversity strategy and practices (Richard & Johnson, 1999).

Thus little is known about specific practices that best fit a particular diversity strategy. Of course, there is no need to invest in diversity initiatives where diversity is not valued (Reinforcing Homogeneity) or the existence of diversity is ignored (Color-Blind). Measures of diversity are necessary when organizations deal with diversity actively (Fairness, Integration and Learning). Intercultural training should be implemented in organizations where minority groups need special support (Fairness) and where learning and integration is desired (Integration and Learning). The Access perspective requires no intercultural training because the benefit of diversity is derived from gaining access to a specific market or meeting specific customer needs. Thus we can formulate Hypothesis 3 (H3):

**H3.** Each diversity perspective has distinct patterns of measures, practices, and implementation of intercultural training.

(a) In organizations with a Reinforcing Homogeneity perspective, neither diversity measures nor intercultural training are implemented.

(b) In organizations with a Color-Blind perspective, neither diversity measures nor intercultural training is implemented.

(c) In organizations with a Fairness perspective, specific measures are implemented to support potentially disadvantaged groups, and intercultural training is provided.

(d) In organizations with an Access perspective, specific measures are not necessarily implemented. Intercultural training is not implemented.

(e) In organizations with an Integration and Learning perspective, both specific diversity measures and intercultural training are implemented to facilitate integration and learning processes.

6.2. **Method**

6.2.1. Development of the Diversity Perspective Questionnaire

6.2.1.1. Item and vignette creation. We developed the Diversity Perspective Questionnaire (DPQ) to measure diversity perspectives in organizations due to a lack of existing instruments. First, we reviewed studies that developed and designed measurement instruments for diversity that covered aspects of different diversity perspectives (e.g., Attitudes and Perceptions of Workplace Diversity Scale; De Meuse & Hostager, 2001; Ward & Maggoret, 2006). Second, workshops with experts in the field of diversity research were conducted by the first author. In these workshops, we discussed and integrated the statements from the interviews of Study 1, other previous work by the team members of the European Research Commission’s project on workplace diversity (Podsiadlowski & van der Zee, 2010) and related scales provided by the literature. As a result, a structure of relevant themes and new items to measure an organization’s approach to diversity were developed.

This procedure led to 27 items that were integrated into a standardized questionnaire with statements to be assessed on a 5-point scale ranging from do not agree at all to fully agree. In addition, a “vignette” was developed for each perspective to measure the dominant (“as is”) and wished for (“as should be”) ideology for two reasons. First, vignettes are short descriptions of a specific situation or practice and consist of stimuli that have to be interpreted (Soydan, 1996). The advantage of a vignette are the cultural sensitivity of its format (Triandis, Chen, & Chan, 1998) as diversity, especially in Europe, is still a very political issue and is treated carefully in organizations, and its adequate degree of reliability due to standardization (Soydan, 1996). Second, we followed the approach of the Global Leadership and Organizational Behavior Effectiveness study (House, Hanges, Javidan, Dorfman, & Gupta, 2004) to identifying any mismatches between current and future strategies, because it is important to measure not only the current approach to diversity but also the diversity goals of the organization.

We conducted a two-step procedure to assess the structural properties and reliabilities of the five subscales representing one diversity perspective, respectively. First, the dimensionality of the DPQ was analyzed and the relationship and fit of the 27 items were examined. A factor analysis with varimax rotation showed the five dimensions accounting for 76% of the variance (see Appendix A). Ten items had to be excluded due to lack of fit on the five-factor loading and consistently low communality, resulting in 17 items. Second, the reliability was checked for each perspectives by analyzing the internal consistency of the subscales with the vignette (for a detailed overview see Table 1).

6.2.1.2. Validation criteria for the DPQ. Attitudes toward diversity on the organizational level: A scale measuring perceived benefits, appreciation, costs, and threats of diversity was developed taking into account the conceptual perspectives found
in the literature (Stephan, Ybarra, Martinez, Schwarzwald, & Tur-Kaspa, 1998; Stephan, Ybarra, & Bachman, 1999; Ward & Masgoret, 2006) and previous research by the first author (Podsiadlowski, Bauer, Collie, & Hall, 2006). The reliability and dimensionality were tested. Varimax rotation showed a three-factor solution accounting for 60% of variance. The first factor “costs” was measured with 6 items (e.g., “Cultural diversity is expensive”; Cronbach’s α = .87), the factor “appraisal” with 10 items (e.g., “In our organization, we feel that cultural diversity is enriching”; Cronbach’s α = .91), and the factor “benefits” with 5 items (e.g., “Cultural diversity fosters an international perspective and experience”; Cronbach’s α = .82).

**Effects of diversity in groups:** Perceived effects of diversity on the group level were measured in terms of benefits and threats (Hofhuis, 2010). Benefits associated with diversity on the group level were assessed with 10 items (e.g., “Cultural diversity in my team . . . is good for the team’s image in outside world; . . . allows us to utilize talent from all groups in our society; . . . increases our insight into the needs of different groups”; Cronbach’s α = .88). Threats associated with diversity on the group level were assessed with 6 items (e.g., “Cultural diversity in my team . . . threatens the overall quality of employees; . . . makes our team difficult to manage; . . . leads to friction among colleagues”; Cronbach’s α = .86).

**Diversity management practices:** The implemented human resource management (HRM) practices were used as a criterion variable. A list of 12 HRM practices was presented to participants, who were asked to state whether items were implemented in their organization and if there was a future interest in implementing them. This list was compiled from a literature review on relevant diversity management practices (Bhawuk et al., 2002; Cox, 1993; Cox & Blake, 1991; Ensher et al., 2001; Wentling & Palma-Rivas, 2000) that addressed specific relevance for cultural diversity issues and were pretested in a study on the importance of personal and organizational context factors in the implementation of diversity management (Podsiadlowski & Boer, submitted for publication). The practices included formalized recruitment procedures and selection tools, language classes, information about different ethnic groups, diversity workshops, intercultural training, organizational goals addressing cultural diversity, public statements addressing cultural diversity, multicultural work groups, diversity

<table>
<thead>
<tr>
<th>Diversity perspective/subscales</th>
<th>Item</th>
<th>Vignette</th>
</tr>
</thead>
</table>
| **Reinforcing Homogeneity**     | • We are striving for a homogeneous workforce.  
• It feels better to work with similar others.  
• People fit into our organization when they are similar to our already existing workforce. | My organization appreciates similarity. We hold a strong belief that organizational goals are best reached under conditions of shared values and a common goal. In that way, we can operate under conditions of strong unity. Therefore, we attract and retain staff who share the dominant culture and values of our organization. |
| **Color-Blind**                 | • Qualification matters in our organization, not background.  
• Promotion is dependent upon employee performance, not on someone’s background.  
• All are welcome as long as they meet the necessary requirements.  
• People fit into our organization when they match the required job qualifications. | My organization is not consciously active in becoming more diverse. We aim at hiring the best candidate for each position. If we happen to attract more people from a different cultural background, this is because they are the best candidates and fit our requirements best. |
| **Fairness**                    | • We regard it as important to give employees from disadvantaged groups specific support for their further development.  
• Our organization is culturally diverse, as we take equal employment opportunities seriously.  
• People fit into our organization when they reflect the demographics of the society we are situated in. | My organization wants to become more diverse because all humans are equal and deserve an equal chance. By hiring people of various cultural backgrounds, we strive to provide such equal chances. In order to promote their advancement in the organization, we consider it important to take extra measures to support them. |
| **Access**                      | • There are certain jobs/functions for which people of different cultural background are particularly well qualified.  
• Matching employees’ cultural background with that of our clients/customers fosters the quality of our organization.  
• People fit into our organization when the diversity of our employees matches the diversity of our clients/customers. | My organization wants to become more diverse because with different cultural groups represented on our staff, we will be better able to serve our clients/customers who come from various backgrounds. In our current composition we are less effective in addressing the needs of certain groups of clients and customers. Colleagues from different cultural backgrounds can fulfill this task and in that way contribute to our effectiveness. |
| **Integration and Learning**    | • Cultural diversity brings new ideas and different knowledge to the workplace for various business units.  
• Cultural diversity helps us to become more innovative.  
• Cultural diversity helps us to develop new skills and approaches to work.  
• We adjust organizational strategies to fit the resources that employees from various backgrounds bring to the organization. | My organization wants to become more diverse because we think that there is a lot to learn from different cultures. As a result, we can perform our work better and define new goals. Collaboration improves, we develop ourselves, and work outcomes are better, because of the different perspectives that are available to us. |
committees/task forces, mentoring system, and coaching system. The total number of implemented measures was used for further analyses.

6.2.2. Participants
The sample consisted of 150 participants from 113 multinational organizations in Austria. Characteristics of the sample are outlined in Table 2. There were no significant differences among study participants in terms of gender, age, education, or nationality. The questionnaire was developed in two language versions. Seventy percent of the participants completed the questionnaire in German and 30% completed the English version.

6.3. Results of Study 2

Descriptive statistics and internal consistencies for the diversity perspectives as well as for the effects on organizational and group levels are presented in Table 3.

To test H1, how diversity is perceived in organizations according to each diversity perspective, we conducted a Pearson correlation. Supporting H1a, Reinforcing Homogeneity was positively related to costs of diversity \((r = .30, p < .01)\) and negatively to benefits \((r = −.43, p < .001)\) and appreciation of diversity \((r = −.42, p < .01)\). In contrast, organizations with an Integration and Learning perspective appreciated diversity \((r = .80, p < .001)\) and saw more benefits \((r = .66, p < .01)\) than costs \((r = −.33, p < .01)\). Thus, diversity was appreciated and valued, but potential costs were neglected. H1e was partly confirmed.
Unexpectedly, there were significant results for the Color-Blind perspective on costs ($r = -.31$, $p < .001$), appreciation ($r = .29$, $p < .001$), and benefits ($r = .22$, $p < .05$). The correlations show the same direction as the Integration and Learning perspective, but to a lesser extent: Diversity was acknowledged and valued, costs neglected. H1b was not confirmed. With a Fairness perspective, costs were not necessarily associated with diversity ($r = .13$, n.s.). Here, correlations showed no relation between Fairness and costs, benefits, or appreciation; H1c was partly supported. The Access perspective was positively related to appreciation ($r = .33$, $p < .001$) but not significantly to benefits ($r = .20$, n.s.). Therefore, H1d was partly confirmed.

Testing H2a, correlation analysis provided insight into the diversity perspective patterns. With a Reinforcing Homogeneity perspective (supporting H2a), diversity was perceived as a threat on the group level ($r = .40$, $p < .001$) and not as benefit ($r = -.29$, $p = .05$). With an Integration and Learning perspective (supporting H2e), diversity was assessed as a benefit ($r = .77$, $p < .001$) and not perceived as a threat ($r = -.30$, $p < .001$) on the group level. Again, the Color-Blind perspective showed the same pattern as Integration and Learning. It correlated positively with perceived benefit ($r = .29$, $p = .00$) and negatively with perceived threat ($r = -.27$, $p < .001$) on the group level. H2b had to be rejected. With an Access perspective (supporting H2d), diversity was considered beneficial for a group in organizations ($r = .35$, $p < .001$). With a Fairness perspective (supporting H2c), groups perceived diversity neither as a threat ($r = .14$, n.s.) nor as a benefit ($r = .13$, n.s.), due to its focus on equality.

Hypothesis 3 stated that diversity perspectives should correspond to implemented diversity management practices and measures as well as to implemented intercultural trainings. When they focused on a Reinforcing Homogeneity perspective, companies did not implement intercultural training ($r = -.33$, $p < .001$), but unexpectedly they did increase their number of diversity measures ($r = .36$, $p < .001$). In line with H3e, intercultural training was implemented in organizations with an Integration and Learning perspective ($r = .36$, $p < .001$), and, surprisingly, in organizations with a Color-Blind perspective ($r = .26$, $p < .05$). Data were also confirmative for the Access perspective, where diversity management measures were not necessarily implemented ($r = -.14$, n.s.). Contrary to our expectation, neither in organizations with an Integration and Learning perspective ($r = -.39$, $p < .001$) nor in those with a Fairness perspective ($r = .08$, n.s.) were diversity management measures implemented. Table 4 provides an overview of these findings.

### 6.4. Discussion of Study 2

This study extended the findings from Study 1 by transforming the interview results into items and developing a questionnaire. The five diversity perspectives represent distinct ideologies with good to very good internal consistencies. The distinct pattern of each perspective reveals a deeper insight into diversity management processes. From this study we highly

---

**Table 3**

Descriptive statistics and internal consistency of measurement instruments.

<table>
<thead>
<tr>
<th>Scale</th>
<th>Subscale</th>
<th>M</th>
<th>SD</th>
<th>Cronbach’s $\alpha$</th>
</tr>
</thead>
<tbody>
<tr>
<td>Diversity perspectives</td>
<td>Reinforcing Homogeneity</td>
<td>3.38</td>
<td>.74</td>
<td>.80</td>
</tr>
<tr>
<td></td>
<td>Color-Blind</td>
<td>1.85</td>
<td>.64</td>
<td>.85</td>
</tr>
<tr>
<td></td>
<td>Access</td>
<td>2.65</td>
<td>.74</td>
<td>.85</td>
</tr>
<tr>
<td></td>
<td>Fairness</td>
<td>3.31</td>
<td>.78</td>
<td>.81</td>
</tr>
<tr>
<td></td>
<td>Integration and Learning</td>
<td>2.28</td>
<td>.79</td>
<td>.93</td>
</tr>
<tr>
<td>Perceived effects of diversity in organizations</td>
<td>Benefits</td>
<td>1.75</td>
<td>.58</td>
<td>.82</td>
</tr>
<tr>
<td></td>
<td>Appreciation</td>
<td>2.21</td>
<td>.63</td>
<td>.91</td>
</tr>
<tr>
<td></td>
<td>Cost</td>
<td>3.13</td>
<td>.80</td>
<td>.87</td>
</tr>
<tr>
<td>Perceived effects of diversity in groups</td>
<td>Benefits</td>
<td>2.15</td>
<td>.62</td>
<td>.88</td>
</tr>
<tr>
<td></td>
<td>Threats</td>
<td>3.46</td>
<td>.80</td>
<td>.86</td>
</tr>
</tbody>
</table>

*Note: Items were answered on a scale from 1 (do not agree at all) to 5 (fully agree).*

---

**Table 4**

Results of correlation analysis.

<table>
<thead>
<tr>
<th>Validation criteria</th>
<th>Diversity perspective</th>
<th>Reinforcing Homogeneity</th>
<th>Color-Blind</th>
<th>Access</th>
<th>Fairness</th>
<th>Integration and Learning</th>
</tr>
</thead>
<tbody>
<tr>
<td>1: Organizations</td>
<td>Costs</td>
<td>.30**</td>
<td>-.31**</td>
<td>.11</td>
<td>-.13</td>
<td>-.33**</td>
</tr>
<tr>
<td></td>
<td>Appreciation</td>
<td>-.42**</td>
<td>.29**</td>
<td>.33**</td>
<td>.01</td>
<td>.80**</td>
</tr>
<tr>
<td></td>
<td>Benefit</td>
<td>-.43**</td>
<td>.22**</td>
<td>-.19</td>
<td>.66**</td>
<td></td>
</tr>
<tr>
<td>2: Groups</td>
<td>Threat</td>
<td>.40**</td>
<td>-.27**</td>
<td>.12</td>
<td>.14</td>
<td>-.30**</td>
</tr>
<tr>
<td></td>
<td>Benefit</td>
<td>-.29</td>
<td>.29**</td>
<td>.35**</td>
<td>.13</td>
<td>.77</td>
</tr>
<tr>
<td>3: Management practices</td>
<td>Diversity Measures</td>
<td>.36**</td>
<td>-.27*</td>
<td>-.14</td>
<td>.08</td>
<td>-.39**</td>
</tr>
<tr>
<td></td>
<td>Intercultural training</td>
<td>-.33**</td>
<td>.26</td>
<td>.15</td>
<td>-.14</td>
<td>.36**</td>
</tr>
</tbody>
</table>

* $p < .05$. 
** $p < .01$. 

---
recommend using these five perspectives, which extend the traditional approach of Thomas and Ely (1996) by including Reinforcing Homogeneity (Dass & Parker, 1999) and differentiating between Color-Blindness and Fairness.

The perspectives’ poles—Reinforcing Homogeneity and Integration and Learning—revealed the clearest and most contradictory patterns. With a Reinforcing Homogeneity perspective, diversity is associated with costs, is not appreciated or valued in the organization, and is perceived as a threat and not a benefit in groups. However, with a Learning and Integration perspective, diversity is appreciated and associated with benefits rather than costs in the organization, as well as with benefits and not with threats in groups. Surprisingly, diversity measures were more frequently used in organizations with a Reinforcing Homogeneity perspective than in organizations with an Integration and Learning perspective, whereas cultural training was implemented only with Integration and Learning.

The contradictory findings on diversity measures cannot be explained easily. When striving for homogeneity, organizations might implement diversity initiatives (e.g., multicultural workgroups) to promote coherence and assimilate cultural differences. The purpose of these initiatives is perhaps different from that intended by diversity practitioners. We did not examine the content or application of these initiatives. A formalized recruitment procedure or selection tool may be used for people who best fit the organization and not necessarily to meet diversity quotas, for example. We analyzed the total number of implemented measures but did not address the content of these initiatives.

Our study revealed a deeper distinction between the Fairness and Color-Blind perspectives than that proposed in Thomas and Ely’s (1996) discrimination and fairness paradigm. In contrast to that theory, the Color-Blind perspective showed similar patterns to Integration and Learning. Both perspectives are individual centered but with different foci. Whereas Integration and Learning starts with a specific demographic variable and asks for the benefit of this specific characteristic for the company (relation oriented), with the Color-Blind perspective, diversity issues fade from the spotlight because the focus is on requirements and competencies (task oriented). Different cultural perspectives are not actively used and valued, because they are inherent to individuals and strengthen the competencies of individuals. Both perspectives value and appreciate diversity in groups and the organization as a whole, but the underlying understanding of diversity seems to differ. This finding supports diversity research claiming that diversity has to be perceived to have an effect (Podsiadlowski, 2002; Triandis, 1995). Diversity is perceived and addressed when negative group or organizational results occur (Gröschke, 2009). We can hypothesize that focusing on competencies, skills, and abilities ignores cultural differences as long as the results are acceptable and problems do not arise.

Conversely, Fairness has more of a legitimation function, strengthening equality within an organization. Diversity is a “must have” and as such is neither valued nor threatening, causing neither costs nor benefits. An organization or group has to deal with diversity as a societal concern/norm. Surprisingly, diversity measures for ensuring equal opportunities were not implemented in our study. It is possible that regularities concerning equal employment are maintained in organizations but no additional efforts are made to support equality.

In organizations with an Access perspective, diversity was appreciated and the benefits of diversity were valued in groups. Negative effects of diversity were not identified by the questionnaire. Nevertheless, the results of Study 1 should be kept in mind, where individuals with specific demographic characteristics or language abilities were recruited to gain access to different markets but were less integrated within the organization. They reported fewer support and development opportunities. Thus, specific diversity variables might be assumed to have a fast pay-off and beneficial on the organizational level but have negative consequences for the individual. Other studies support this observation, where diversity per se did not add value promptly (for an overview see Jayne & Dipboye, 2004).

7. General discussion

Our aim was to identify the different ways organizations approach diversity and how these approaches are related to perceived benefits and costs of diversity and implemented diversity management practices. To our knowledge, this is the first study that both operationalizes diversity perspectives and analyzes the effects of different diversity perspectives in organizations. Consequently, we followed an exploratory approach that extrapolated five diversity perspectives in organizations that ranged from striving for homogeneity to gaining and supporting heterogeneity.

The distinctiveness of the theoretically derived perspectives was supported in two studies. All five perspectives were found in the organizations we studied, but organizations differ in their priorities regarding diversity. Thus, organizations varied in how strongly they held to a specific perspective. Interestingly, there seems to have been a method bias when we analyzed the dominant diversity perspective. Whereas the most highly valued perspective was Access in Study 1, it was Reinforcing Homogeneity in Study 2. This result has two implications. First, qualitative research approaches should also include facets of homogeneity. Second, the identification of Reinforcing Homogeneity as the dominant perspective highlights the sensitivity of the measurement approach. This is important to keep in mind, as within the European Union, diversity is claimed to be valued and companies label themselves diversity oriented. Organizations realize the potential of highly educated migrants in the “war for talent” as well as their usefulness in extending their businesses regarding culture-sensitive services and products. The vignette technique allowed us to look beyond the diversity label.

The diversity perspectives were associated with specific assumptions about the costs, appreciation, and benefits of diversity on the organizational and group level. The DPQ is hereby deemed a reliable, sensitive measurement instrument for assessing diversity perspectives and linking them to desired outcomes on the organizational and the group level.
The context of Austria is highly reflected in both studies. Diversity management is neither holistically approached nor integrated and thus is not a systematic management strategy (Linehan & Hanappi-Egger, 2006; Pircher & Schwarz-Wölzl, 2005). Diversity initiatives still address mainly age and gender issues (as also seen by Bendel et al., 2010) while at the same time neglecting ethnic or cultural diversity. Study 1 found an indication that the situation is changing, with managers expressing an awareness of the “war for talent” by recognizing migrants as potential future qualified employees. This trend should be followed up in future research. Furthermore, we could not identify any specific management practices that particularly addressed the Austrian context beyond those reported in the literature. As Bendel et al. (2010) pointed out, Austrian organizations adopt “best practice” strategies from other, mainly U.S.-based, companies.

Overall, the proposed and theoretically based differentiation leads to a better understanding of the specific approach an organization takes toward diversity and reveals insights into the mechanisms and processes organizations choose for dealing with diversity. More importantly, when organizations understand diversity management as a business issue, and as a strategic approach, they need to clarify their intended goals and connect as well as focus their implemented initiatives. For example, a strategic fit for an Access perspective would require integration of cultural aspects in sales but not in other training. With a Fairness perspective, advocacy groups and participative management practices should be implemented, whereas a Color-Blind perspective indicates a need for skill-oriented target agreements. The implementation of Learning and Integration is a change approach with its respective measures. But to date, diversity initiatives (at least in the Austrian context) have been nonspecific. Linking initiatives to the specific strategic approach should enable more effective, goal-oriented diversity management.

The DPQ can be used as a tool to analyze the status quo of an organization’s approach to diversity and its management as well as to identify a potential fit or mismatch between dominant (“as is”) and wished for (“as it should be”) strategies of an organization, taking into account different groups of employees (e.g., majority or minority group members or departments). Thus, organizations may have a tool for detecting different assumptions of diversity within their organization, such as discrepancies between management and employees. Such systematic analyses should help organizations communicate their diversity strategy and vision more effectively across the whole organization. Apart from Reinforcing Homogeneity, each perspective has its strength and weaknesses and organizations need to identify which approach addresses their needs and objectives best. The DPQ could also enable organizations implement changes. There may not be one best way to manage diversity, but organizations need to understand their procedures and their effects and use this knowledge strategically.

### 7.1. Limitations

The results of both studies represent an important step in establishing and measuring diversity perspectives in organizations. However, before we can draw firm conclusions, additional conceptual and empirical research is needed to validate the instrument and to test the effects of diversity perspectives in different contexts (e.g., national, branch, region).

Both studies have several limitations. First, diversity management is a sensitive topic in organizations. Thus, the recruitment of participants is challenging and difficult. The sample was chosen carefully according to criteria presented in Section 5.2.2. Qualitative approaches contain a degree of subjectivity, which we reduced by cross-checks and intensive discussion among the research team as well as with outside experts. For Study 2, the sample size was quite small and not representative for Austria. Convergent validity was checked by theoretical assumptions. Discriminant validity was given by the distinctive patterns of diversity perspectives. Another challenge is to assess criterion validity for the DPQ in terms of organizational outcomes (e.g., return on investment). Further, both studies were cross-sectional, which prevented us from assessing predictive validity or establishing causal relationships. Also, we did not test a multilevel model in our study but rather examined individual-level perceptions and interpretations by organizational experts. We are aware that within an organization different diversity perspectives may be held by different individuals and different diversity perspectives might coexist. Future research assessing the predictive validity of the DPQ is also necessary to identify different perspectives and their effects within one organization.

We did not integrate questions about organizational cultures, which also shape the perception of diversity. Interviewing one or two experts from each organization we were not able to check for variety of diversity perspectives within organizations. This needs to be done in future research, as well as in other national contexts.

### 7.2. Conclusion

Together, the two studies support the need to extend the traditional diversity paradigm from three to five. So far, the literature has provided us with a simplistic picture of diversity issues in organizations. Diversity and its effects are highly complex; existing models have to be redefined, because the mechanisms of diversity are not as simple as they have been conceptualized in recent research (see also Olsen, 2010).

Theoretical inconsistencies in diversity management research have to be properly addressed. These inconsistencies might be the result of extending group-level results to the organizational level, but processes on the organizational level are much more complex and therefore need further consideration.

We hope with these studies to have contributed to a more detailed picture of diversity. The DPQ is the first instrument measuring diversity perspectives in organizations. The advantage of the DPQ is its use of vignettes, which help clarify the interrelatedness of diversity assumptions within organizations and to establish a sensitive measurement approach. The
DPQ offers the opportunity to conduct comparative and multi-level studies, currently underrepresented in the literature on diversity management, as well as to test the effects of different combinations of diversity perspectives. In addition, the DPQ enables researchers and practitioners to link strategies to desired outcomes.

Acknowledgements

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Appendix A. Explorative factor analyses for the Diversity Perspectives Questionnaire (DPQ)

<table>
<thead>
<tr>
<th>DPQ items</th>
<th>Factor loadings</th>
</tr>
</thead>
<tbody>
<tr>
<td>We are striving for a homogeneous workforce.</td>
<td>.798</td>
</tr>
<tr>
<td>It feels better to work with similar others.</td>
<td>.556</td>
</tr>
<tr>
<td>Vignette: Reinforcing Homogeneity (RH)</td>
<td>.586</td>
</tr>
<tr>
<td>People fit into our organization when they are similar to our already existing workforce.</td>
<td>.812</td>
</tr>
<tr>
<td>Qualification matters in our organization, not background.</td>
<td>.833</td>
</tr>
<tr>
<td>Promotion is dependent upon employee performance, not on someone’s background.</td>
<td>.842</td>
</tr>
<tr>
<td>Everybody is welcome as long as they meet the necessary requirements.</td>
<td>.813</td>
</tr>
<tr>
<td>Vignette: Color-Blind (CB)</td>
<td>.469</td>
</tr>
<tr>
<td>People fit into our organization when they match the required job qualifications.</td>
<td>.978</td>
</tr>
<tr>
<td>Our organization is culturally diverse as we take equal employment opportunities seriously.</td>
<td>.864</td>
</tr>
<tr>
<td>We regard it as important to give employees from disadvantaged groups specific support for their further development.</td>
<td>.842</td>
</tr>
<tr>
<td>Vignette: Fairness (FA)</td>
<td>.824</td>
</tr>
<tr>
<td>People fit into our organization when they reflect the demographics of the society we are situated in.</td>
<td>.784</td>
</tr>
<tr>
<td>There are certain jobs/functions for which people of different cultural backgrounds are particularly well qualified.</td>
<td>.580</td>
</tr>
<tr>
<td>Matching employees’ cultural background with that of our clients/customers fosters the quality of our organization.</td>
<td>.701</td>
</tr>
<tr>
<td>Vignette: Access (AC)</td>
<td>.772</td>
</tr>
<tr>
<td>People fit into our organization when the diversity of our employees matches the diversity of our clients/customers.</td>
<td>.907</td>
</tr>
<tr>
<td>Cultural diversity brings new ideas and different knowledge to the workplace for various business units.</td>
<td>.917</td>
</tr>
<tr>
<td>Cultural diversity helps us to become more innovative.</td>
<td>.852</td>
</tr>
<tr>
<td>Cultural diversity helps us to develop new skills and approaches to work.</td>
<td>.850</td>
</tr>
<tr>
<td>Vignette: Integration and Learning (IL)</td>
<td>.696</td>
</tr>
<tr>
<td>We adjust organization strategies to fit the resources that employees from various backgrounds bring into the organization.</td>
<td>.923</td>
</tr>
</tbody>
</table>

Eigenvalue (percentage of variance accounted for) n = 85

<table>
<thead>
<tr>
<th></th>
<th>IL</th>
<th>CB</th>
<th>FA</th>
<th>FA</th>
<th>RH</th>
</tr>
</thead>
<tbody>
<tr>
<td>5.58 (20.06)</td>
<td>5.16 (16.37)</td>
<td>2.67 (14.00)</td>
<td>1.89 (13.22)</td>
<td>1.13 (11.11)</td>
<td></td>
</tr>
</tbody>
</table>
Appendix B. Selection of quotes and their translation from the interviews in Study 1

<table>
<thead>
<tr>
<th>Original German quote</th>
<th>English translation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wir haben ein Verständnis von der Wichtigkeit der Diversität in unserer Organisation.</td>
<td>We have understood the importance of diversity in our organization.</td>
</tr>
<tr>
<td>... wir haben kein Diversitätsmanagement, wie manche andere Unternehmen [...] wir haben kein institutionales Diversitätsmanagement.</td>
<td>... we do not have diversity management as in other companies; we do not have diversity management institutionalized.</td>
</tr>
<tr>
<td>Ein türkischer Name ist ein Hinweis für ein Defizit, und das bezeichne ich als vermutetes Defizit, man geht einfach davon aus dass er ein Defizit haben sollte, daher scheiden sie aus. (2/E/M/MH)</td>
<td>A Turkish name is an indication of a deficit. I call that a suspected deficit, because one simply assumes that he should have a deficit, so he is dropped out.</td>
</tr>
</tbody>
</table>

References


