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**INTRODUCTION**

Can human resource (HR) practices be used to reduce discrimination and achieve diversity in organizations? In addressing this issue, we acknowledge that discrimination and diversity are distinct concepts. Thus, achieving diversity does not necessarily involve reductions in discriminatory behavior, and the elimination of discrimination does not necessarily ensure diversity. Still, in the context of this distinction, one could view
discrimination as one barrier to diversity such that its reduction and elimination can be considered as one means of increasing diversity. In this chapter, we explore the implications of research and theory on common HR practices as they relate to the topics of reducing discrimination and increasing diversity in organizations. In order to do this, we have identified two major approaches by which organizations can change their practices in order to reduce discrimination and increase diversity.

First, as discussed in previous chapters in this volume, HR practices can result in adverse impact for underrepresented groups (e.g., women and racial minorities). In some cases, this adverse impact can be fairly substantial. Consequently, the question arises as to whether HR practices can be altered or improved in ways that lead to reductions in adverse impact and, subsequently, to increases in the representation of members of affected groups in organizations. However within this context, we also recognize that adverse impact does not necessarily reflect the presence of unfair discrimination.

The second issue pertains to altering the behavior of majority group employees in the workforce to reduce discriminatory behavior and increase diversity and multiculturalism. Thus, for instance, one might consider the possibility of selecting employees who are less likely to show discrimination in the workplace. Relatedly, one could also consider interventions such as diversity training or changes in compensation systems in an effort to alter the behavior of majority group members. Regardless of the approach or perspective, the fundamental question is whether HR practices can be used to alter the potentially discriminatory behaviors of majority group members in ways that are practical, legal, and ethical. Although not a major focus of the present chapter, one could also consider interventions aimed at changing the behavior of the minority group members. For instance, one could provide interviewing training, career coaching, test preparation courses, realistic job previews, and training in how to cope with discrimination with these interventions targeted at specified groups such as women, racial minorities, and older workers.

HR practices can include a wide variety of initiatives or programs. We have chosen to focus on three traditional areas of HR practice—staffing, human resource development, and performance management. Although we present each of these practice areas as separate topics, in reality they are best conceptualized as interrelated parts of a system. Thus, changes in one part of the system will have implications for other parts of the system.

Discrimination can be directed toward a wide range of target groups. With regard to our choice of terminology in this chapter, we use the term "minority" to refer to any target or underrepresented group. Thus, the term is used in a very broad sense to refer to any group that might be victimized
by discrimination. However, most of the research discussed in this chapter deals with minority groups defined in terms of race, sex, or age.

**STAFFING**

Staffing refers to a set of activities that are used to accomplish the ultimate goal of filling positions in the organization and includes both recruitment and selection. Although there are broader definitions of recruitment (e.g., Doverspike, Taylor, Shultz, & McKay, 2000), we use a narrower definition of recruitment that refers to the initial stages of generating and attracting applicants and also the initial exchange of information between the applicant and the organization. Selection, on the other hand, refers to the set of practices and activities that are deployed after the recruitment process, resulting in the final decision to hire or reject the applicant.

**Recruitment**

*Reducing the Negative Effects of Recruitment*  An emphasis on diversity in recruitment is obviously critical to achieving adequate minority representation. If there are insufficient numbers of qualified minority applicants in the recruited pool, then it is highly unlikely that subsequent selection procedures will result in a balanced or representative workforce. Thus, targeted minority recruitment can be an effective strategy for diversity enhancement because it allows organizations to attract the most talented applicants.

In this section, we will discuss methods that can be used to increase the representation of racial minorities, women, and older workers in the applicant pool. We will first discuss general principles that apply across groups and will then discuss some group-specific issues. Researchers have outlined three major issues in the attraction and recruitment of potential minority employees (Doverspike, Taylor, Shultz et al., 2000). They are (a) using proper communication media and messages, (b) increasing job seekers' perceived fit between themselves and the job or organization, and (c) maintaining the job seekers' motivation to apply and remain during the selection process.

The first step in attracting sufficient numbers of minorities involves the placement, nature, and content of advertising materials and other organizational communications (AARP, 1993; Doverspike, Taylor, Shultz et al., 2000). However, the messages and media that work with White males may not be equally effective with members of minority groups and can only be successful if they reach the minority audience. When faced with
potentially small numbers of minority applicants, organizations should engage in cooperative efforts with educational institutions and training centers in order to develop their own pool of potential applicants. This includes sponsoring special classes, mentoring programs, or apprenticeship programs in order to develop a skilled pool of applicants.

The advertising message should create a sincere impression that minorities are valued by the organization. Using minority images as part of the recruitment package may help in building an organization’s reputation as having a minority-friendly workplace. Studies suggest that recruitment advertisements that include minority workers (e.g., African American, female) create positive organizational images among minorities (Avery, 2003; Perkins, Thomas, & Taylor, 2000). Also, using minority recruiters tends to increase the interest of minority applicants (Thomas & Wise, 1999). The presence of successful minority employees sends a signal to applicants that the organization is committed to diversifying its workforce, that potential role models exist within the organization, and that minorities have a strong likelihood of success.

Individuals are likely to apply to an organization if it is viewed as socially responsible (Turban & Greening, 1997). However, the effects of advertising an affirmative action policy on the recruitment of minorities are less clear and given that one of the main goals of any affirmative action program is to increase the recruitment of minorities, it is somewhat surprising that relatively little research attention has been directed toward the question of the effects of affirmative action policies on the attraction of applicants to an organization (Doverspike, Taylor, & Arthur, 2000). In order to successfully recruit applicants, affirmative action procedures must be perceived as both fair and emphasizing merit. Thus, communications regarding affirmative action should emphasize that affirmative action is a means for decreasing discriminatory barriers (Slaughter, Sinar, & Bachiochi, 2002; Stanush, Arthur, & Doverspike, 1998). Minorities are more likely to respond in a positive manner to an affirmative action program in which the emphasis is on creating a climate of achievement in which all individuals can compete fairly.

Once the organization has attracted the applicant and demonstrated the potential match between the applicant and the organization, it must then maintain the motivation and interest of the applicant during the initial exchanges of information and throughout a sometimes lengthy selection process. Because applicants use information about and from the selection process to make inferences about organizational attributes (Rynes, 1991), it is important to communicate to applicants that minorities are valued by the organization and that the selection procedures are fair and reflect merit. Furthermore, specific characteristics of the selection procedure such as time lags between selection procedures (Arvey, Gordon, Massengill, &
Mussio, 1975), perceived content validity (Rynes & Connerley, 1993), and perceived job-relatedness (Smither, Reilly, Millsap, Pearlman, & Stoffey, 1993) may influence minority applicants’ decisions to remain or withdraw from the selection process.

In spite of higher unemployment rates for racial minorities, attempts to target recruitment toward racial minorities have produced mixed results. The research literature suggests that the recruitment of racial minorities is affected by several perceptual factors including reactions to advertising, affirmative action policies, and the fairness of selection methods and processes (e.g., Ryan, Sacco, McFarland, & Kriska, 2000; Rynes & Connerley, 1993; Smither et al., 1993). Women applicants tend to be attracted to family-friendly organizations that emphasize the availability of benefits such as flexible work arrangements, eldercare (Poe, 1989), and childcare (Van den Bergh, 1991). Also, women job seekers tend to respond more favorably to equal employment opportunity policies than do men (Doverspike & Arthur, 1995; Doverspike, Taylor, & Arthur, 2000). Finally, the job search behavior of older workers is often shaped by their health, finances, and education. In addition to health care provisions and salary, the older worker is particularly likely to be influenced by flexibility in work options and the availability of retirement programs (Sterns & Miklos, 1995).

**Altering the Behavior of Majority Group Employees Through Recruitment** In theory, if one could identify the characteristics associated with prodiversity attitudes or orientations in majority group employees, organizations could then attempt to target individuals with such characteristics in their recruitment efforts. This approach does not change the behavior of specific individuals but instead, the process of recruitment attracts people who are already open, tolerant, and/or nonprejudiced with the end result that at the organizational level, there is a preponderance of individuals with prodiversity attitudes or orientations. So this approach requires that one accurately identify such individuals and then develop methods for targeting recruitment toward them. Although in theory such targeted recruitment might work, through for example, the identification of colleges or universities with uniquely cosmopolitan (Doverspike, Arthur, Struchul, & Taylor, 2000) populations of students, it would seem that such an effort would have to be based more on art than on any specific scientific basis because the scientific evidence to support this approach is lacking.

**Selection**

**Reducing the Negative Effects of Traditional Tests and Selection Devices** As previously noted, although the selection process can be separated from recruitment, in reality, the two are intertwined. However, from
an HR perspective, the process of selection begins once the applicant is successfully attracted to the organization, that is, they submit an application or otherwise formally indicate an interest or desire to seek employment with the organization. Next, some evaluative tool, usually a test (defined here to include any assessment tool used in selection-related decision making) is used to assist in selecting individuals from the pool of applicants. In the testing and personnel selection literature, cognitively loaded paper-and-pencil tests of knowledge, skill, and ability have been shown to be the most valid predictors of job performance (Schmidt & Hunter, 1998). However, it has also been extensively documented that paper-and-pencil tests of cognitive ability generally display large racial subgroup differences with a widely cited one standard deviation difference in African American/White performance. What remains unclear is whether the observed differences are due to the construct being assessed (cognitive ability) or the method of testing (multiple-choice paper-and-pencil tests; Arthur, Day, McNelly, & Edens, 2003; Arthur, Edwards, & Barrett, 2002; Hough, Oswald & Ployhart, 2001; Schmitt, Clause, & Pulakos, 1996).

In addition, some aptitude tests, such as those of mechanical aptitude, may result in substantial adverse impact as a function of sex. Paper-and-pencil tests may also result in adverse impact toward older test takers. The end result is that cognitively loaded paper-and-pencil tests of knowledge, skill, ability, and aptitude, supposedly neutral devices, may in fact represent a substantial barrier to the adequate representation of minorities in organizations. This has resulted in a search for ways of reducing the adverse impact associated with many traditional tests used in high-stakes testing.

Since the ban on subgroup norming and other adjustments to test scores on the basis of protected class status (Civil Rights Act, 1991), attempts to reduce adverse impact have focused on a number of approaches including (a) identifying and removing internal bias; (b) increasing test taking motivation; (c) altering the selection criteria (weighting of tests, random selection, race-based selection, banding); (d) changing the construct (the use of nonability-based constructs including personality variables, information processing skills and abilities, emotional intelligence, tacit knowledge); and (e) changing the method or using alternative test formats (in an attempt to alter test perceptions and attitudes and reduce nonjob-related reading demands).

**Identifying and Removing Internal Bias** Identifying and removing internal bias from selection tests is predicated on the frequent critique that ability tests are culturally biased. For about the past 40 years, psychologists have been trying to identify and eliminate biased items in an attempt to improve tests. The techniques employed were at one time referred to as
"internal item bias analysis methods." However, because of the tendency of the public to associate bias with discrimination, such techniques are now often referred to as methods for estimating measurement equivalence or "differential item functioning (DIF)." Common methods (Crocker & Algina, 1986; Raju, Laffitte, & Byrne, 2002) for investigating DIF include (a) differences in means after controlling for the total score (the ANOVA technique), (b) differences in item-total correlations, (c) differences in item characteristic curves as identified through item response theory, (d) differences in the proportion of correct responses after controlling for the total score (chi-square methods including the Mantel-Haenszel technique), and (e) differences in factor structures as identified through exploratory or confirmatory factor analysis. To date, there have been a number of problems with the application of internal bias analysis techniques. First, the use of different methods may not always lead to the identification of the same items as biased. Second, it is often difficult to determine why a particular item is identified as biased. Third, given the limited number of items identified as biased on current tests, the removal of biased items has only a small effect, if any, on subgroup differences.

Test Taking Motivation The focus on test taking motivation is based on the premise that minorities' less favorable test perceptions such as perceived unfairness, perceived low face validity, perceived low job relatedness, test anxiety, and stereotype threat (Arvey, Strickland, Drauden, & Martin, 1990; Chan & Schmitt, 1997; Chan, Schmitt, DeShon, Clause, & Delbridge, 1997; Edwards & Arthur, 2004; Hough et al., 2001; McKay & Doverspike, 2001; Ryan, 2001; Steele, 1997) translates into lower motivation, which subsequently partially accounts for the observed subgroup differences. Research such as that cited above tends to support the view that differences in test-taking motivation can lead to test score differences. Although the amount of variance explained is typically small, these differences can translate into important consequences, especially when the selection ratios are very low.

The possibility that differences in test-taking motivation explains minority-majority test score differences leads to the practical possibility that changes in test-taking motivation could reduce adverse impact. Attempts to address these perceptual and motivational issues have been made through the use of various types of training programs including test-taking skills training, which should (a) encourage an overall positive attitude toward the testing process; (b) include some type of training on handling test anxiety (Goldstein, Yusko, Braverman, Smith, & Chung, 1998); and (c) attempt to increase participant motivation.

Altering the Selection Criteria Altering the selection criteria in an attempt to reduce subgroup differences and adverse impact has had several foc
including altering test weights, random selection after a specified cut score, race-based selection, and banding. The literature on altering test weights suggests that this may reduce the degree of adverse impact in selection systems caused by cognitive ability tests. However, the differences in weights must be fairly substantial to result in a practical difference in adverse impact (Doverspike, Winter, Healy, & Barrett, 1996). Random selection after a specified cutoff and banding are relatively effective methods of reducing adverse impact, but the greatest reduction in adverse impact occurs when race-based selection is used after banding or after setting cutoffs (Sackett & Roth, 1991). Unfortunately, in addition to questions concerning the lost utility of the test, there are legal, political, and ethical ramifications involved in the use of race-based selection (Barrett, Doverspike, & Arthur, 1995; Campion et al., 2001).

Use of Nonability Constructs The use of nonability constructs has been considered as an approach to reducing subgroup differences. Common nonability constructs that have been investigated in attempts to reduce adverse impact include personality variables (Hogan, Hogan, & Roberts, 1996) such as conscientiousness (Schmitt et al., 1996) and integrity (Sackett & Wanek, 1996). Although subgroup differences have been shown to be lower on some of these constructs (e.g., personality variables; Hogan et al., 1996; Hough et al., 2001), the use of nonability predictor constructs in reducing adverse impact has not been very successful (Ryan, Ployhart, & Friedal, 1998), and the lower validity resulting from the use of these constructs may result in a considerable reduction in utility (Schmitt, Rogers, Chan, Sheppard, & Jennings, 1997).

Combine Cognitive Ability with Other Predictors A variation of the construct change approach has been to combine cognitive ability with other predictors—either constructs (e.g., personality variables, integrity) or methods (e.g., structured interviews, performance tests). Although the additional predictors add incremental validity beyond cognitive ability, the empirical evidence suggests that combining cognitive ability with these alternative predictors does not necessarily eliminate subgroup differences for a wide range of selection ratios (Sackett & Ellingson, 1997; Schmitt et al., 1997).

Changing the Test Method Another approach to reducing subgroup differences and adverse impact is to change the test method with the intention of altering test perceptions and attitudes, and also of reducing nonjob-related reading demands. This approach to reducing adverse impact recognizes that cognitively loaded paper-and-pencil tests of knowledge, skill, ability, and aptitude are the most valid predictors of job performance but posits that subgroup differences on cognitive ability may partially arise from the mode or method of testing—specifically, paper-and-pencil
multiple-choice tests—instead of the construct. The mechanism of these effects is via processes of test perception, namely differences in test anxiety and stereotype threat, perceived fairness, perceived low face validity or job relatedness, and lack of motivation (Chan & Schmitt, 1997; Chan et al., 1997; Hough et al., 2001; McKay & Doverspike, 2001; Ryan, 2001; Steele, 1997). To reduce adverse impact, alternative test formats have been used, including performance tests (e.g., Chan & Schmitt, 1997), assessment centers (e.g., Goldstein et al., 1998), video-based tests with an oral presentation of test items only (e.g., Chan & Schmitt, 1997; Weekley & Jones, 1999), oral presentation of both items and responses (e.g., Rand, 1987; Schmitt & Mills, 2001), and constructed response tests (e.g., Arthur et al., 2002). In addition to engendering more favorable attitudes and perceptions, the use of these nonmultiple-choice test formats also minimizes the nonjob-related reading demands (Arthur et al., 2002). At the present time, alternative formats do appear to be a practical method of reducing adverse impact. However, empirical research delineating the psychological mechanisms responsible for these reductions is needed. Furthermore, in many real-world situations, alternative formats may not be practical.

In spite of its potential advantages, a major limitation of the method-change approach has been the confounding of method (techniques or procedures) and content (constructs, Arthur et al., 2002; Schmitt et al., 1996). For instance, if the levels of adverse impact for performance tests and paper-and-pencil multiple-choice tests are to be compared, then to obtain interpretable results, both test formats should be measuring the same construct or content. Another limitation with the preceding body of research is that there is a glaring absence of criterion-related validity data. Thus, it is still unclear whether the reductions in subgroup differences associated with alternative methods are associated with lower or higher criterion-related validity (cf. Edwards & Arthur, 2004).

A variation of the method-change approach is to use design techniques to minimize the inherent subjectivity and potential for bias and discriminatory behaviors associated with some test methods such as interviews. Specifically, in the case of interviews, which are one of the most widely used selection tools (Dipboye, 1997), they could be so highly structured as to completely eliminate any discretionary input on the part of the interviewer and consequently also eliminate the potential for subjective bias on the part of the interviewer or rater. This level of structure is what Huffcutt and Arthur (1994) designate as Level 4 structure in which all candidates are asked the exact same questions in the exact same order with no choice or follow-up, and each individual response to each question is evaluated according to preestablished answers. At this level, the interview functionally operates like an orally administered and scored objective test. This
level of structure is not commonly used in practice (van der Zee, Bakker, & Bakker, 2002) but less restrictive levels of structure (e.g., Level 3, Huffcutt & Arthur, 1994) can be used with the same objective of minimizing internal bias. The use of high structure interviews can and should also be coupled with interviewer training interventions such as frame-of-reference training (Woehr & Huffcutt, 1994).

In summary, organizations should strive to maximize the perceived fairness and the validity of selection systems. Minority test-takers view cognitive ability tests with suspicion, yet respond positively to face valid tests (Chan & Schmitt, 1997; Chan et al., 1997). Hence, it is suggested that employers use valid, job-relevant tests and attempt to maximize the face validity of these tests. By doing so, not only is the process perceived as being more equitable and merit-based, but also the test-taking motivation of minority applicants is likely to be increased. In addition, beyond the legal stipulations, research suggests that the use of fair selection procedures aids minority recruitment efforts.

**Altering the Behavior of Majority Group Members Through Selection**

Can selection and employment testing be used to identify majority group members who will be less likely to engage in discrimination and also more likely to participate in diversity programs (i.e., pro-diversity majority group members)? In theory, yes—if there are characteristics associated with pro-diversity attitudes and behaviors, then tests can be used to select for these characteristics. The question then is what characteristics might be associated with pro-diversity orientations and attitudes in majority group members?

An individual difference variable explored in a number of studies is racism (Jacobson, 1985; Sidanius, Pratto, & Bobo, 1996). For example, Kravitz (1995) found that racism was associated with opposition to affirmative action in general, and toward specific affirmative action plans. Overall, racism appears to be related to pro-diversity attitudes with correlations ranging from .19 for classic racism and opposition to affirmative action (Sidanius, Pratto, & Bobo, 1996) to –.38 for modern racism and support for affirmative action (Jacobson, 1985). Similarly, modern sexism was found to be related to attitudes toward affirmative action (Tougas, Brown, Beaton, & Joly, 1995; Tougas, Crosby, Joly, & Pelchat, 1995).

Given that personality traits are thought to be an influential source of individual differences, coupled with the ubiquity of the five-factor model (FFM) of personality (Digman, 1990), it is surprising that individual differences in the FFM personality factors have not received greater attention as predictors of pro-diversity attitudes (cf. Douthitt, Eby, & Simon, 1999). Not only would one expect the FFM personality factors in general to be related to attitudes toward affirmative action, in particular, but also one would
expect that openness would be related to judgments of racism, sexism, and reactions to affirmative action.

We have previously proposed the existence of a cosmopolitan personality profile (Doverspike, Arthur, Struchul et al., 2000), which is a combined knowledge structure-personality profile that has the effect of making a person more open to the acceptance of diversity programs, including affirmative action. That is, a person is more likely to be accepting of programs such as affirmative action, which benefit cultural groups other than their own, if the individual has both a culturally open personality profile and sufficient experience with a variety of cultures so as to have had the opportunity to develop multicultural knowledge. In spite of its theoretical and conceptual merit, it is questionable whether it would be practical to use standard, straightforward self-report paper-and-pencil measures of prejudice, racism, or openness in selection contexts because of the fakability of such measures and their tendency to measure expressed instead of genuine prejudice. Although there are alternatives to paper-and-pencil measures such as reaction time (Fazio, 1990, 1995) that indirectly measure implicit cognitions and thus reveal suppressed prejudice and stereotypical beliefs, Crandall and Eshleman (2003) note that they “are less sanguine about the probability that implicit measures reflect unadulterated genuine prejudice” and “suggest that genuine prejudice and implicit attitudes are related, but they are not the same concept” (p. 435). It would also seem more difficult to argue for the face validity of such reaction time measures.

**HUMAN RESOURCE DEVELOPMENT**

In this section, we consider discrimination-related issues in the context of both training interventions and career development. We define training as individual instructional activities designed to assist employees in acquiring specific skills, behaviors, or attitudes. Career development is defined here as a set of activities aimed at general competencies designed to assist employees in progressing through a series of career stages. Despite their separate definitions, it is often very difficult to distinguish between what constitutes training and what constitutes career development and any attempt to differentiate the two is likely to seem highly artificial. Therefore, we have combined our discussion of these two methods under the single general heading of training. As with the other HR functions discussed in this chapter, conceptually, specific steps could be taken to reduce the negative effects associated with human resource development-related decisions. In addition, one could also use human resource development to alter the behavior of others in an attempt to reduce discriminatory behaviors.
Training

**Reducing the Negative Effects Associated with Training** The direct relationship between training and development and adverse impact is somewhat unclear (Delahoussaye, 2001; Morrison & Von Glinow, 1990). However, if access or selection into training is based on performance appraisals or tests, then the selection methods may result in adverse impact. Thus, organizations should perform regular audits of access to training in order to ensure that minorities do not face unfair barriers that limit their participation in training programs.

The question of the adequacy of access to training programs is especially complex when the protected group is older workers. In the United States, employees over the age of 40 are protected from discrimination by the Age Discrimination in Employment Act of 1967 (as amended in 1986). However, older workers often face situational, dispositional, and institutional obstacles to their full participation in training programs (Sterns, Junkins, & Bayer, 2001). Such obstacles can be overcome by educating managers and also providing appropriate rewards to older workers participating in training programs (Sterns & Doverspike, 1989; Sterns et al., 2001).

**Altering the Behavior of Majority Group Members Through Training** How can employers use training programs to alter the discriminatory behaviors of organizational members? The obvious answer is by directing training programs toward changing attitudes and stereotypes and also by designing training programs that replace discriminatory behaviors with more effective behaviors. The associated training programs can be designed to be either fairly narrow, as for example those programs aimed at eliminating the use of stereotypes and similar-to-me effects in the employment interview, or broad, as best exemplified by diversity training. In this section, we will look at one type of narrow training, sexual harassment training, and the broad approach offered by general diversity training.

**Sexual Harassment Training** Sexual harassment training is a very specific type of training aimed at altering behavior. Sexual harassment training is usually directed at either antecedents or outcomes (Fitzgerald, Hulin, & Drasgow, 1995). Thus, antecedent-oriented training attempts to reduce sexual harassment by changing the organizational climate, individual attitudes, or job-sex stereotypes. Outcome-based training attempts to reduce the negative effects of sexual harassment (Barak, 1994). For example, a training objective might be teaching women how to identify and respond to sexual harassment, or training may offer coping strategies for victims of sexual harassment.

Methods used in sexual harassment training include lectures, behavior modeling, role plays, board games, group discussions, video-based
training, internet-based training, and sensitivity training (Wexley & Latham, 2002). There have been relatively few studies evaluating the effectiveness of sexual harassment training or comparing the effectiveness of different training methods (Fitzgerald & Schullman, 1993; Wexley & Latham, 2002). However, regardless of the training delivery method, it appears that sexual harassment training is most effective when (a) all employees are trained, not just victims or perpetrators (Glomb et al., 1997); (b) harassing behavior is clearly defined, including legal definitions (Wexley & Latham, 2002; Zachary, 1996); (c) methods for preventing sexual harassment and altering behaviors are clearly presented (Wexley & Latham, 2002); (d) the training program is designed to fit the organizational climate (Zachary, 1996); and (e) the trainer is professional, establishes rapport with the group, and modifies the training to fit the organizational culture (Risser, 1999).

Diversity Management Diversity management incorporates a range of human resource practices including recruitment, retention, selection, performance appraisal, and compensation. However, diversity programs are often discussed as a type of training, so we have chosen to include a discussion of diversity programs in this section. Diversity training programs are offered by a variety of consultants and trainers using a wide range of training media aimed at accomplishing a variety of objectives. Some diversity training goals include changing individual attitudes, eliminating subconscious stereotypes, increasing sensitivity to minority issues and diversity concerns, and informing on legal and policy issues (Bendick, Egan & Lofhjelm, 2001; Noe, 2002; Rynes & Rosen, 1995).

Although training is often identified as one of the best ways to ensure diversity (Wentling & Palma-Rivas, 1998), there are too few rigorous evaluations of diversity training to draw conclusions as to their effectiveness (Noe, 2002; Rynes & Rosen, 1995). There is also the contrarian view that diversity training does more harm than good in many cases (Caudron, 1993). Although there is no clear consensus on the effectiveness of diversity training, based on our review and evaluation of its effectiveness, we identified a number of important elements for success. These are (a) avoid ironic reversal by training to dispel rather than avoid stereotypes (Kulik, Perry, & Bourhis, 2000); (b) incorporate action steps for translating changes in attitudes into changes in behavior (Caudron, 1993; Zhu & Kleiner, 2000); (c) provide sufficient time for training (Von Bergen, Soper, & Foster, 2002); (d) ensure that training is not simply an expression of the trainer’s own values or agenda (Von Bergen et al., 2002); (e) avoid training that comes across as simply political correctness (Von Bergen et al., 2002); (f) define the goal of diversity training clearly (Rynes & Rosen, 1995; Von Bergen et al., 2002); (g) ensure top management and supervisor support (Rynes & Rosen, 1995); and (h) integrate diversity training with affirmative action efforts, while
also differentiating the goals of diversity training from the goals of affirmative action (Doverspike, Taylor, & Arthur, 2002; Von Bergen et al., 2002).

**PERFORMANCE MANAGEMENT**

Performance management is used here to encompass the major areas of performance appraisal and compensation. The former refers to the measurement and evaluation of performance and the latter refers to the rewarding of performance using various means of compensation. The interrelatedness of these facets of performance management is highlighted by the fact that compensation, specifically pay, may be linked to performance appraisal.

**Performance Appraisal**

Performance appraisal can be conceptualized as a systematic description of an individual’s job-relevant strengths and weaknesses, that is their job performance. Although job performance data can be obtained either objectively (hard criteria) or judgmentally (soft criteria), the term “performance appraisal” is typically used in the context of, albeit not limited to, the latter. From the perspective of the present chapter, appraisals are problematic if they are influenced by employee characteristics such as race, sex, and age.

**Reducing the Negative Effects of Performance Appraisal** Performance evaluations can result in discriminatory outcomes via two mechanisms, (a) poor or ineffective appraisal or rating practices and (b) intentional distortion resulting from motivational and political factors. Concerning the former, two strategies have traditionally been advocated to address the problems with judgmentally based performance data: rating scale development and rater training. The results of rating scale comparisons indicate that format modification alone does not result in much improvement in performance evaluations (cf. Woehr & Miller, 1997). However, frame-of-reference training, which emerged from the social cognitive approach to performance appraisal, appears to be quite effective as a rater training approach to increasing the accuracy of ratings (Woehr & Huffcutt, 1994). In addition to rater training, job analysis should serve as the basis for constructing the appraisal instrument and the appraisal process so that employees are evaluated only on job-related factors.

Rater training is based on the premise of providing raters with the skills, tools, and information needed to accurately evaluate performance. However, it is also acknowledged that evaluations can reflect not the inability or limitations in raters’ capacity to evaluate accurately, but instead, specific
strategic decisions by raters about the sorts of evaluations they should record (Murphy & Cleveland, 1995). Although previous research has indicated the effects of employee race, sex, and age on performance evaluations, Latham and Wexley (1994) in a review of the extant literature concluded that "it would appear that when employees make their work visible to appraisers, when appraisers and appraisees together clarify objectives and task responsibilities, and when the appraiser uses behaviorally based appraisal scales, ratee characteristics, such as age, race, and sex, have a negligible effect on the resulting performance appraisal" (p. 152).

Nevertheless, under some conditions, it is easily conceivable that motivational, political, and interpersonal factors could result in performance evaluations that systematically discriminate against members of specified groups (Oppler, Campbell, Pulakos, & Borman, 1992; Sackett, DuBois, & Noe, 1991). Such intentional, politically driven evaluation distortions can be best addressed by organizational performance appraisal practices and policies that alter discriminatory behaviors. Some of these are briefly discussed below.

**Altering Discriminatory Behavior Through Performance Appraisal Practices** Using performance appraisals to alter discriminatory behaviors requires a fairly intensive set of activities. These include (a) using more than one rater, (b) having raters provide written justifications (Latham & Latham, 2000) or otherwise being demonstrable accountable for their evaluations (Villanova & Bernardin, 1991), and (c) making diversity a performance standard for raters; valued rewards could also be linked to performance appraisal accuracy (Murphy & Cleveland, 1995). We acknowledge that some of these recommendations may be controversial. Nevertheless, these approaches require a focus on contextual factors that have more to do with raters' willingness to accurately evaluate performance and less with their ability to make accurate judgments. Consequently, as postulated by rational bias theory (Larwood, Gutek, & Gattiker, 1984), if discrimination is a result of contextual and environmental factors, then we must change these factors to alter or eliminate discriminatory behaviors by the majority group members. For instance, Longenecker, Sims, and Gioia (1987) suggested that executive managers who viewed appraisal as a sincere and serious process were more likely to enact organizational cultures that inhibited deliberate rating distortions.

**Compensation**

Through the use of compensation practices, organizations attempt to both reward and motivate various types of behavior. Compensation practices
include pay and benefits, and modern total compensation approaches extend the definition of compensation to include a variety of favorable outcomes experienced by the employee (Milkovich & Newman, 2002). Because of the importance of pay to employees, compensation and benefit programs can serve as a major indicator of possible discrimination in the organization. However, pay policies can also be used to reduce discriminatory behavior and encourage diversity.

**Reducing the Negative Effects of Compensation Practices** Although potential race and age discrimination in compensation is an important concern, most of the applied and research attention has been directed at sex-related issues, especially comparable worth and pay equity (Blumrosen, 1979; Treiman & Hartman, 1981). Organizations can reduce the negative effects of their compensation practices by auditing their policies and then, based on the results of the audits, refine their procedures to eliminate bias, and where necessary, adjust the pay of minority group members. The type of audits that organizations can engage in will correspond to the three major theories, approaches, or techniques used in defining pay discrimination. The three major approaches or types of audit are (a) an equal pay audit, (b) a pay equity audit, and (c) an analysis of across-the-board problems.

**Equal Pay Analysis** In the first type of audit, an organization should consider performing an equal pay analysis. According to an equal pay approach to studying wage discrimination, jobs that involve the same or highly similar tasks and knowledge, skills, and abilities should be paid the same regardless of the sex (or race, age, or other protected class status) of the incumbent. In the United States, this definition of discrimination was operationalized through the Equal Pay Act of 1963. The provisions of this Act were also incorporated into the Civil Rights Act of 1964. Although, today, most organizations appear to be in compliance with equal pay provisions, employers should pay careful attention to policies that may lead to the appearance of violations of equal pay. Two major potential problem areas for organizations are (a) paying relatively large differentials for small differences in jobs, such as paying men substantially more than women because the job occupied by men involves a lifting component not found on the female sex-typed job (Milkovich & Newman, 2002; Shultz v. Wheaton Glass Co., 1970); and, (b) paying large differentials for training programs, such as paying a man more for performing the job of teller in a bank because he is considered to be in a managerial training program (Milkovich & Newman, 2002). An equal pay audit will point to areas of potential discrimination involving individuals. Where examples of unequal pay based upon sex, race, or other factors, are identified, appropriate adjustments should be made to the affected employees’ salaries.
Pay Equity Audit  The pay equity audit is very similar to the older term “comparable worth.” According to this approach, organizations should pay equal compensation to jobs of equal worth. “Worth” can be determined using a job evaluation system or through an analysis of unbiased market rates. Proponents of pay equity argue that discrimination in pay occurs because jobs are segregated based upon sex and also race (Blumrosten, 1979). Thus, the first step in a pay equity audit is determining if sex- or race-segregated jobs exist. If sex- or race-based segregation exists, then organizations should study the causes of this segregation and determine whether organizational interventions can be aimed at reducing any identified causes.

In addition, proponents of pay equity have argued that the job evaluation system must be shown to be unbiased (Doverspike & Barrett, 1984; Treiman & Hartmann, 1981) by (a) ensuring that job analyses are conducted in an objective, fair manner; (b) ensuring that raters are selected from a range of backgrounds, are adequately trained, and provide ratings in a bias-free manner, if a job evaluation committee is used; and (c) using a bias-free job evaluation instrument. Once an unbiased job evaluation system is in place, the employer can then conduct a study to determine if female-dominated or minority-dominated jobs are underpaid, compared to the proposed salary line. If jobs are underpaid, then the pay of those jobs can be raised to an appropriate level. The topic of how best to accomplish this adjustment has been the subject of much debate (Treiman & Hartmann, 1981).

Across-the-Board Audit  The basic philosophy underlying the across-the-board audit is that current pay can reflect a host of prior discriminatory behaviors in such areas as promotion, selection, and training. Thus, absent group-based discrimination, current pay should be a function of merit and should not reflect sex or race. An example of the across-the-board approach is the glass ceiling analysis in which statistical studies of pay are conducted within job grades.

A compensation factor that can negatively affect all workers, but in particular older workers, is salary compression. Salary compression occurs when the market causes entry-level pay to rise faster than merit pay (Griffeth & Horn, 2001). As a result, new employees may have to be hired at salary levels equal to or higher than that earned by experienced, older employees.

As discussed in the recruitment section, benefit programs can be tailored to enhance the attraction of minority group members. In addition to pay, benefit programs should be audited in order to identify any possible areas where discrimination may be present. Benefit practices should also be reviewed in order to ensure that the packages offered are attractive to minority groups and thereby serve as an incentive during recruitment. For older workers in particular, retirement programs, including retirement
planning and alternative work arrangements, are an important benefit that influences both recruitment and retention.

**Altering Discriminatory Behavior of Majority Group Members Through Compensation Practices** Because total compensation can be used as both a reward and a motivator, an organization can use its pay policies to reward nondiscriminatory behaviors and punish discriminatory behaviors (Noe, 2002). Given the global focus of many organizations, employers have revised their performance appraisal systems to include ratings of competencies related to diversity. If an organization ties compensation to performance, then the ultimate result is that those employees who engage in nondiscriminatory behaviors are rewarded (e.g., supervisors and managers who effectively meet specific diversity goals in hiring and retention). As with majority group members, organizations can also tailor performance appraisal and compensation systems to reward minority group members whose performance contributes to organizational diversity.

**SUMMARY**

The objective of this chapter has been to review and discuss HR practices that can be used to achieve diversity in organizations. Practices pertaining to staffing, human resource development, and performance management were discussed in terms of reducing negative effects resulting from these practices and altering the behaviors of organizational members via these practices to minimize discrimination and increase diversity. Where available, we have relied on the extant theory and research. However, some of our recommendations are speculative and primarily conceptual because of the limited or in some instances, complete absence of any empirical research that speaks to the specified issue. We hope that in these instances our speculative extrapolation serves as an impetus for future theory and research.

**REFERENCES**

13. HRM PRACTICES


