Not All Differences Are the Same: Variation in the Status Value of Demographic Characteristics Within and Across Organizations

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Managing workplace diversity has long been a subject of interest to researchers and practitioners alike. While research to date has revealed some important patterns in diverse groups, many questions are left unanswered. In the current study, I suggest a fundamental and still unanswered question of workplace diversity – which characteristics should be included – may be the reason for much of the divergence in existing research results. Instead of simply choosing characteristics at random, or categorizing characteristics based on type, I suggest looking at the status value of a demographic characteristic in a specific environment as a way to discern which characteristics are salient bases of differentiation for diversity, as well as what meaning and value are associated with those characteristics. Results of a field study of three different organizations show that both standard and nonstandard demographic characteristics have status value in organizations. Further, the status value of characteristics differs both within and across organizations. Implications for theory and practice are discussed.

INTRODUCTION

The changing demographic composition of the U.S. workforce, which includes increasing proportions of women, people of color, and workers born outside the U.S. (e.g., PDA, 2011; Friedman & DiTomaso, 1996), suggests there will be more noticeable differences between coworkers and has heightened interest in the question of how differences between coworkers may impact work performance. Research on demographic diversity has shown there are positive and negative effects of demographic composition of one's work group on both attitudes and behaviors in organizations, with no clear or reliable patterns in the effects of diversity overall (e.g., Mannix & Neale, 2005; Jackson, Joshi, & Erhardt, 2003).

Despite some progress in understanding the effects of increasing diversity in the workplace, a number of questions remain unanswered, and a number of effects recur without theoretical explanation. Specifically, diversity on different characteristics may have different effects (Brickson, 2000; Nkomo, 1992; Randel, 2002). For example, Kizilos, Pelled, & Cummings (2000) showed that group heterogeneity based on tenure and functional background was positively related to committing prosocial behaviors, while heterogeneity of gender and race was negatively associated with such behaviors. Further, research has shown that reactions to increasing percentages of minorities *affects different demographic groups differently*. Tsui, Egan, & O'Reilly (1992) showed that Caucasians and men exhibited stronger negative reactions to increasing diversity than did their nonwhite or female counterparts.

Various explanations for the divergent array of findings in the group diversity and organizational demography research have been advanced and have shed some light on this broad and sometimes conflicting set of findings (e.g., Harrison & Klein, 2007; Mannix & Neale, 2005; Williams & O'Reilly,

1998; Carroll & Harrison, 1998). However, research on how differences among coworkers affects workplace experiences would benefit from additional attention toward which specific characteristics are selected for study when exploring "diversity," and conceptual rationalization of the variation existing research shows in both *which* characteristics yield effects (e.g., sometimes sex matters but race does not, and vice versa) and *whether* differences on a given characteristic are consequential across studies (e.g., in some studies sex differences matter and in others they do not). The most basic question in diversity research is "how does working with similar or different people affect an individual's experience at work?" Implicit in that question is the assumption that we know the salient bases of differentiation between people (Turner, 1987). That is, in order to consider people "similar" or "different," we need to know which characteristics matter in the environment and what values are associated with them.

Demographic diversity has great implications for emergent differences in power and status in organizations (Ragins, 1995; Nkomo, 1992). Those who possess more valued demographic characteristics have power and status advantages over those who do not (Berger, Fisek, Norman, Zelditch, 1977). Thus, we can look to the status literature to inform the question of which demographic characteristics should be included under "diversity" and how they should be weighted relative to one another. Because status is a vertically dimensioned, inherently valuable characteristic that, in part, reflects demographic profiles (Ridgeway, 1997), incorporation of informal status considerations into our research on demographic diversity allows us to augment our perspective on diversity from a narrow focus on simple presence or amount of difference to a richer conception that takes into account different value systems and the beneficial or detrimental effect, for an individual in a particular environment, of their own demographic profile (e.g., Aldefer, 1987; Berger, et al, 1977).

In this study, I investigate the informal status value of various demographic characteristics in different environments – that is, the extent to which a demographic characteristic is valued within the organization's informal social system – to show why differences on one characteristic (like sex) may be more or less meaningful than differences on another characteristic (like race).

Demographic Differences in Organizations

As women, racial and ethnic minorities, and non-native US workers are becoming an increasing proportion of the workforce (Triandis, Kurowski, & Gelfand, 1993), interest in these specific characteristics is heightening. Thus, for some, the research question of greatest interest is: "How will increasing diversity *on these dimensions* affect the performance of work tasks?" An argument therefore exists for narrowing the focus of diversity research to this small but very pertinent set of characteristics (e.g., Cross, Katz, Miller & Seashore, 1994). At the same time, the theoretical underpinnings for much of the existing research on demographic diversity – including similarity/attraction theories (Byrne, 1971), social identity theory (Tajfel & Turner, 1986), and social categorization theory (Turner, 1987) – all offer a broader perspective on appropriate "selection" criteria for which characteristics ought to fall under the rubric of "diversity." These theories address similarities and differences between individuals without regard for which specific characteristics are the basis for the similarity or difference, allowing that any characteristic that is meaningful or collectively noticed in the environment may be a basis of "diversity" (Jackson, May, & Whitney, 1995; Thomas & Ely, 1996).

While these two different perspectives are not necessarily in conflict with each other on this issue of which characteristics to select and include in diversity research, it is only from the latter, broader, perspective that we can observe and capture *all* the natural differentiation processes that emerge in various situations and discern the effects of such processes, with all potentially meaningful bases of differentiation among employees considered. By contrast, considering only a narrow set of characteristics may exclude meaningful bases of differentiation among coworkers and therefore underestimate or misinterpret effects of demographic diversity in organizations (Mannix & Neale, 2005).

Criteria for selecting characteristics for diversity research then become: "Which characteristics are noticed in which situations?" or "What are the operative bases of differentiation among individuals?" and "Do these bases of differentiation differ across situations?" As coworkers share many characteristics on which they could be considered similar and many in which they are apparently distinct, how they select

the characteristic by which they will consider themselves similar or different has been a subject of interest to both psychologists and organizational researchers (e.g., Fiske & Taylor, 1984; Oakes, 1987; Chatman, Polzer, Barsade, & Neale, 1998). Demographic diversity in organizations can be described in terms of sex and race composition, age or tenure distributions, or educational levels of the workforce (Pfeffer, 1983). All of these characteristics have been included in previous research on demographic diversity in organizations. However, an even wider variety of characteristics may serve as bases for differentiation and therefore inclusion in psychological groups (Turner, 1984; Tsui, et al, 1992).

One avenue for discerning how multiple salient characteristics are specifically valued and are simultaneously considered in a particular social environment follows from observing the informal status hierarchy that exists in that environment. As explained further below, status hierarchies reflect which characteristics are salient in the context and the extent to which each salient characteristic is valued (Knottnerus, 1997). Analyzing how a characteristic relates to one's position in a status hierarchy may then allow us to infer whether a characteristic is positively or negatively valued, as well as the magnitude of its value relative to other salient characteristics in the environment.

Demographic Characteristics and Informal Status Hierarchies

An informal status hierarchy is a ranking of individuals according to prestige or social standing (Anderson, John, Keltner, & Kring, 2001). Status hierarchies emerge around what Berger, et al, call a *status organizing process*, defined as "a process by which differences in cognitions and evaluations of individuals, or social types of them, become the basis of differences in the stable and observable features of social interaction" (1977: 3). These evaluations are manifest in a status hierarchy. Since demographic characteristics can be the basis by which individuals form "cognitions and evaluations" about others (e.g., Ridgeway, 1997; Kanter, 1977; Cox, Lobel, & McCleod, 1991), status processes in organizations may emerge around demographic characteristics. In organizations, informal status hierarchies are distinct from formal status hierarchies. Formal status differences in organizations result when levels are imposed by the outside structure, such as with job levels, ranks, or titles. Informal status, by contrast, is more organic, emerging naturally, from interaction within the group (e.g., Bales, 1951; Whyte, 1943).

Any characteristic that is known or believed to be related to a group's task may be salient (whether or not it differentiates members of the group), and therefore evaluated as a status characteristic. The exact process by which status value is established for a characteristics in a particular setting is a topic of interest to current researchers on status (e.g., Ridgeway, 1997). Some characteristics reflect societal beliefs that shape the characteristic's value in an organization. But regardless of whether or not stereotypes about a characteristic exist or the characteristic relates to task performance, each state of a status characteristic is believed to convey information about a person's background, culture, and experiences. Observers form expectations of others' belief systems and behavioral style based on this information. In addition, observers witness patterns of rewards and acquisition of organizational resources associated with specific characteristics. These belief systems and reward structures are the foundations of status hierarchies, as status likely results from a perceived correlation between a state of a characteristic and a believed performance advantage (Berger, et al, 1977; Ridgeway, 1997). The implication of this basic tenet of status characteristics theory is that the typical set of characteristics used in past organizational demography research, such as sex, race, and country of origin, are insufficient for fully characterizing the impact of diversity organizational members. Instead, a broader set of characteristics should be considered viable status differentiators.

It may be useful, in this regard, to differentiate between what can be called "standard" versus "nonstandard" demographic characteristics. I define standard demographic characteristics to be those that most frequently come to mind when thinking about "diversity," that are traditionally associated with organizational diversity efforts and research, and that are generally believed to be the most consequential in organizations (e.g., sex, race, functional background, tenure). "Non-standard characteristics," on the other hand, are those that are not traditionally associated with organizational diversity research but which could be consequential bases of differentiation among individuals in organizations. Non-standard characteristics can be more difficult to identify a priori. In general, nonstandard demographic

characteristics are aspects of individuals that are knowable to others and which may be meaningful in the situation, either because they relate to the task or because they represent what is valued within the organization. Since any characteristic can become imbued with meaning in a specific context and can therefore be related to expectations of ability and contribution, it is likely that both standard and non-standard characteristics may be meaningful in various environments. Therefore:

> *Hypothesis 1: Both standard demographic characteristics and non-standard demographic characteristics will have status value in organizations.*

One additional consideration about informal status in organizations that influences which characteristics should be considered in researching workplace diversity is that individual characteristics have status value *within a specific social context* (Ridgeway, 1997). Group members establish their own values about what are appropriate and desirable characteristics, behaviors, and goals within their specific context (Bettenhausen & Muringhan, 1985), and an individual's overall status reflects a combination of meaningful characteristics, aggregated according to their value in the organization (e.g., Ridgeway, 1997).

As overall status reflects an aggregation of particular characteristics, weighted according to their value, the specific value of a characteristic is therefore an integral aspect of one's overall status level. Many characteristics have meaning and are valued at the societal level. For example, there are stereotypes about sex and race that are the foundation for whether different states of a characteristic are viewed as positive or negative and to what extent (Allport, 1954). While the general status value a characteristic carries in society may affect its value within a specific organization, values and norms *within* the organization likely determine how the characteristic will be valued in that specific context. Therefore:

> *Hypothesis 2: The status values of demographic characteristics will vary <u>within</u> organizations.*

Values are prioritized differently across organizations (e.g., Chatman & Jehn, 1994). Such differences may be reflected in how individual characteristics are valued. For example, height and physical fitness on a basketball team likely carry status value, but in a law firm, these characteristics have little to do with performance and, as a result, are more likely to be meaningless. And, while past work experience or academic rank may be valued in a law firm, these characteristics are likely less important on a basketball team. Thus, the set of characteristics that are aggregated by observers to form overall status profiles may differ across organizations. Informal status is afforded to individuals who possess characteristics considered "ideal" for the organization (Knottnerus, 1997). But what is considered "ideal" is likely to vary across organizations, therefore:

> *Hypothesis 3: The status values of demographic characteristics will vary <u>across</u> organizations.*

METHOD

Research Design and Samples
This study observed naturally occurring informal status hierarchies in organizations. Three organizations, from different industries, were selected to participate in this study. The first was the family medicine department of a research hospital. The department was comprised of four separate health clinics, managed by medical doctors and populated by medical and administrative staff, as well as a centralized staff of administrators and faculty. The second organization was a consulting firm that specialized in brand and image development for their business clients. This firm consulted on both internet and print identity as well as business development, and the employee population included artistic designers, computer programmers, business professionals, as well as administrative and general management support. Two of the firm's three United States offices participated in the study. The third participating

organization was an engineering department within a telecommunications firm. This department provided technical support for the company's telecommunications installations at client sites and was comprised of primarily engineers and technicians along with some general managers and administrative support individuals. All levels of employees of the participating organizations (e.g., administrative staff, professionals, technical support, etc.) were included in the study.

Data Collection

I utilized three primary sources of data in all three firms. First, participants supplied information via survey responses about their own attitudes and behaviors at work; second, workgroup members described the status levels of their coworkers, also via survey responses; and third, management and human resource groups provided personnel data regarding performance as well as some demographic characteristics of participants (e.g., sex, tenure).

The survey included information about the respondent as well as the respondent's ratings of the status of some coworkers. Surveys to the hospital and consulting firm were administered remotely by mail. In total, one hundred out of one hundred sixty members of the hospital department returned surveys, for a response rate at the hospital of 62.50%. At the consulting firm, the total response rate was 47.50%, with 57 of 120 individuals responding. In the engineering department of the telecommunications firm, the survey administration was conducted on-site and incorporated into a larger business process reengineering project the department was undergoing. The response rate in this organization was 93%, as 184 of 197 individuals returned surveys. The combined sample for the three organizations was thus comprised of 341 individuals, with an aggregate response rate of 71%.

Variables

Informal Status Level

Based on previous research (e.g., Anderson, et al, 2001), I used coworker ratings to measure informal status. In preliminary interviews, I identified appropriate subgroups (e.g., departments) in which to collect peer-ratings. I then delivered surveys to all members of the subgroups involved. It was infeasible to ask everyone to rate all other subgroup members, so I had participants rate 10 randomly selected coworkers on the following four dimensions of status: "respected," "valued," "influential," and "overall status" at work on a scale of 1 (low) to 7 (high). Because there was sufficiently high inter-rater agreement among the raters for each dimension for each focal individual (average ICC = .72), I averaged ratings for each dimension, then calculated the mean of the four dimensions for each individual (alpha = .91) to indicate their informal status in the organization. The mean status level was 4.97, with a standard deviation of .91.

Demographic Variables

Participants provided information about their demographic characteristics through responses to the survey. The survey asked respondents to indicate their personal profile with respect to both standard demographic characteristics as well as nonstandard characteristics, which were distinguished as follows: I classified certain demographic characteristics as "standard" based on the frequency with which they are studied in the research on demographic diversity. A review by Williams and O'Reilly (1998) showed that the most commonly researched demographic variables included sex, race, tenure, age, and education. These six frequently studied demographic characteristics above were therefore considered "standard" characteristics. Data on participants' age was not collected in the current study, at the request of the participating organizations. And because I studied departments organized around a single functional area within the hospital and telecommunications firm, the sample included functional background diversity only in the consulting firm. As this would not allow comparisons across organizations, this characteristic was excluded from analyses. The four standard demographic characteristics included in this study were coded as follows: Tenure in the organization was measured in months from date of original hire. Sex was a dummy variable, where 1 equaled female. Race was coded into five dummy variables: Caucasian, African American, Asian American, Latin American/Hispanic, and other. And educational background was indicated by a dummy variable, where 1 equals having received a professional degree related to the

core technology of the organization (e.g., medical doctors or registered nurse in the hospital, a person holding a master's degree in fine arts or business in the consulting firm, or a person holding an engineering degree in the telecommunications company).

"Nonstandard" demographic characteristics, in contrast, were those that are not generally considered in the diversity literature, but which may be salient bases of differentiation in the organizations studied. I selected the nonstandard demographic characteristics analyzed here based on qualitative data collection I did in the participating organizations before survey administration.

Based on the themes that emerged from interviews with 3-5 employees from each organization about what makes people successful in their environment, I identified the following nonstandard demographic variables: marital status, international experience, and political orientation. All were collected in the survey. Respondents indicated their marital status by selecting from among the following three categories: Single, Divorced/Widowed, or Married/In a committed relationship. International experience was coded as a dummy variable of whether or not the individual had resided outside the United States, indicated by whether the respondent checked the category "resided" in response to the question "Answer all that apply: I have had the following experiences outside the United States." (Other possible categories were "traveled" and "received formal education.") To indicate political orientation, respondents rated their agreement on a scale of 1 (disagree strongly) to 7 (agree strongly) to the statement "I see myself as someone who is politically conservative." Table 1 shows the means and standard deviations of the standard and nonstandard demographic characteristics.

Control Variables

Peer and coworkers ratings may be subject to various biases, including those based on the extent to which the rater perceives him- or herself to be similar to the focal individual (Brewer, 1979) and/or the extent to which the rater is familiar or friendly with the focal individual (e.g., Cairnes, Xie, & Leung, 1998). To identify and attempt to control these biases in the coworker-ratings of status in the field study, each rater indicated the extent to which he or she was "similar to" the focal individual as well as how "close of friends" and how frequently the rater "interacts" with the focal individual. All of these dimensions were rated on the same scale of 1 (low) to 7 (high) used for the ratings of other dimensions of status. To rule out potential effects of in-group biases (Tajfel & Turner, 1986) as well as positive biases resulting from increased contact (e.g., Allport, 1954), I controlled for the average ratings of perceived similarity, friendship, and frequency of interaction among the raters for a focal individual in regressions predicting the focal individual's status.

Additionally, since formal role in the organization may affect perceptions of informal status, I controlled for job categories by creating dummy variables for the job categories within each organization and included them in the regressions predicting status. In each case, the job categories were determined by job titles provided by my contacts in the organizations. Finally, to rule out the likelihood that any observed relationship of having resided outside the United States (one of the nonstandard demographic characteristics) with status was due to language or citizenship, rather than just past residence experience, I controlled for native language in terms of a dummy variable where 1 equaled English and all other languages were 0 and for citizenship, with a dummy where 1 equaled U.S. citizenship. Both were reported by respondents in the survey.

To rule out any effects at the subgroup level, since status was rated by members of one's own subgroup in the organizations, I controlled for subgroup using dummy variables for the groups in each organization. Preliminary analyses indicated there was no systematic variation in status levels by subgroup, so I dropped these controls from the final analyses.

RESULTS

Table 1 reports the demographic profile of each of the participating organizations.

TABLE 1
MEANS AND STANDARD DEVIATIONS OF DEMOGRAPHIC
VARIABLES BY ORGANIZATION

Characteristic	Hospital Dept.		Consulting Firm		Telecomm Dept.		Combined Sample	
	mean	s.d.	mean	s.d.	mean	s.d.	mean	s.d.
Professional Degree	0.39	0.49	0.12	0.33	0.38	0.49	0.34	0.47
Tenure (months)	70.67	65.39	23.89	28.16	73.90	99.63	64.73	83.77
Sex (Female=1)	0.69	0.46	0.45	0.50	0.29	0.46	0.48	0.50
Race - Hispanic	0.03	0.17	0.02	0.13	0.14	0.35	0.09	0.28
Race - African American	0.01	0.10	0.03	0.18	0.13	0.34	0.08	0.27
Race - Asian American	0.04	0.19	0.09	0.28	0.25	0.43	0.16	0.36
Race - Other	0.00	0.00	0.10	0.31	0.04	0.19	0.04	0.19
Race - Caucasian	0.93	0.26	0.76	0.43	0.45	0.50	0.64	0.48
Marital Status (Married=1)	0.74	0.44	0.47	0.50	0.54	0.50	0.59	0.49
Political Conservatism	2.24	1.28	1.98	1.16	3.15	1.16	2.68	1.30
International Residence	0.25	0.44	0.43	0.50	0.32	0.47	0.32	0.47

Hypothesis Tests

To test my hypotheses about the relationships of demographic characteristics to status levels, I regressed status level on standard and nonstandard demographic characteristics to identify what characteristics are significant predictors of status and their relative weights.

I used hierarchical regression analyses (e.g., Cohen & Cohen, 1983) to test the predictions offered above, with control variables in the first block, followed by standard and nonstandard demographic variables in the second and final block. The samples for the regression analyses predicting status were respondents from each of the firms in the firm specific equations; then I pooled the entire sample for the equation examining the relationship between status and demographic variables across organizations.

Hypothesis 1 suggested both standard and non-standard demographic characteristics will have status value in organizations. Table 2 shows the results of regressions of status on this set of standard and nonstandard demographic characteristics.

Equations 1, 2, and 3 are regressions for the samples for each organization separately. The fourth equation is for the samples combined. A characteristic is determined to have status value within the organization if it is a significant predictor of status in these regressions. The beta coefficients in equations 1 – 4 on Table 3 provide support for Hypothesis 1. First, standard demographic variables have status value in organizations, as evidenced by the significant value placed on having a related degree in equations 1 and 3 (=.34; p<.01 and = -.08; p<.10, respectively), marginally significant beta coefficient for tenure in equation 2 (=.18; p<.10), and the marginally significant value associated with being African American in equation 1 (= .10; p<.10).

TABLE 2
HIERARCHICAL LINEAR REGRESSION RESULTS:
PREDICTING INFORMAL STATUS

	1		2		3		4	
	Hospital Department		Consulting Firm		Telecom. Department		Combined Organizations	
1. CONTROL VARIABLES								
US citizenship/residency	--		--		0.03		0.00	
English as native tongue	0.07		-0.06		0.05		0.03	
Friendship with Raters	-0.04		0.13		0.17	+	0.04	
Similarity to Raters	0.38	**	0.58	**	0.34	**	0.37	**
Interaction with Raters	0.43	**	-0.09		0.28	**	0.33	**
Job - Hospital Faculty	-0.10						0.07	
Job - Hospital Resident	-0.35	*					-0.09	+
Job - Hospital Nurse	-0.31	*					-0.07	
Job - Hospital Support Staff	-0.48	**					-0.15	**
Job - Consulting Technician			0.07				0.04	
Job - Consulting Designer			-0.08				-0.03	
Job - Consulting Manager			0.15				0.08	+
Job - Consulting Support Staff			-0.25	+			-0.12	*
Job - Telecom Manager					0.14	+	0.02	
Job - Telecom Engineer					-0.14		-0.34	**
Job - Telecom Sr. Engineer					0.12		-0.04	
Job - Telecom Support Staff					-0.11		-0.12	**
Change in R^2	0.54		0.41		0.64		0.54	
Adjusted R^2	0.51		0.31		0.62		0.51	
2. DEMOGRAPHIC CHARACTERISTICS								
Related Professional Degree	0.34	**	0.11		-0.08	+	0.06	
Tenure	0.06		0.18	+	0.05		0.08	*
Sex (Female=1)	-0.04		0.10		-0.01		0.03	
Race - Hispanic	-0.04		0.14		0.01		0.01	
Race - African American	0.10	+	0.11		0.01		0.01	
Race - Asian American	-0.02		-0.13		0.02		-0.03	
Race - Other			-0.04		-0.04		-0.05	
Marital Status (Married=1)	0.18	*	0.08		0.09	*	0.12	**
Political Conservatism	0.11	+	0.04		-0.03		0.02	
International Residence	0.03		-0.06		-0.11	*	0.00	
Change in R^2	0.12		0.11		0.03		0.03	
Adjusted R^2	0.60		0.29		0.62		0.53	
Full equation F-ratio	14.03	**	2.30	*	15.55	**	14.62	**
Full equation R^2	0.67		0.52		0.66		0.57	
Degrees of freedom	17, 85		18, 39		19, 150		27, 300	

+ p<.10; *p<.05; **p<.01; Hypothesized effects are one-tail tests and all other results represent two-tail tests

Entries represent standardized coefficients

Second, in support of Hypothesis 1, the equations on Table 2 indicate that nonstandard demographic variables also predict status. For example, marital status is significantly related to status in Equations 1, 3, and 4 (β =.18; p<.05, β = .09; p<.05, β =.12; p<.01, respectively). Being conservative politically is marginally significantly related to status in equation 1 (β =.11; p<.10). And having resided outside the United States negatively predicts status in Equation 3 (β = -.11; p<.05). The significant results for both standard and nonstandard demographic characteristics in Table 3 provide support for Hypothesis 1.

Hypothesis 2 predicted the status values of demographics would differ within organizations. Standardized coefficients allow for direct comparison of the relative weights of independent variables in predicting the dependent variable (Bring, 1994). Table 2 shows the standardized beta coefficients for demographic variables predicting informal status in each of the organizations separately. When we look within organizations, the differences in standardized beta weights are apparent. For example, within the hospital (Equation 1), looking only at demographic characteristics that have significant status value, standardized beta coefficients range from .10 (Race – African American) to .34 (for having a professional degree). Likewise, there is a range among status-significant demographic characteristics in the Telecommunications firm, from .08 (for Professional Degree) to .11 (for residing outside the US). The within-organization differences in standardized beta weights illustrate the different value attributed to various demographic characteristics and provide support for Hypothesis 2.

The results for Hypothesis 3, that characteristics will be valued differently in different organizations, are found in Tables 2 and 3. The different levels of significance (and different direction in the case of having a professional degree) associated with particular characteristics suggest the characteristics are in fact valued differently in different organizations. To test this idea more specifically, I calculated z-statistics comparing beta coefficients across equations in Table 3. The results of these calculations are presented in Table 3.

As the table indicates, multiple significant differences emerged in the extent to which both standard and nonstandard characteristics were valued across the organizations. Together, all of these significant differences in the status value of characteristics across organizations provide support for Hypothesis 3.

Discussion

This study examined workplace diversity in terms of how demographic characteristics affect one's informal status at work. The results showed that an array of demographic characteristics are related to informal status in organizations, and that the status value of characteristics varies both within and across organizations.

The importance of considering nonstandard demographic characteristics when analyzing similarities and differences between coworkers was highlighted by the results of this study. I found that specific characteristics whose relationships to work performance or ability were not intuitively apparent (marital status, political orientation, and international experience) were each valued in at least one of the organizations studied. Just as with traditional demographic characteristics, these aspects of an individual may be used as proxies for the values or attitudes of an individual, based on the belief system within the organization and around the characteristic. Regardless of the manner in which they become meaningful, or in the specific evaluations of them in different settings, this study showed that nonstandard demographic characteristics can be important, independent bases of differentiation among coworkers. That is, the results showed that the nonstandard demographic characteristics studied here had status value even when standard demographic characteristics such as sex and race did not. These results suggest support for the notion that the umbrella of "diversity," when it is used to mean consequential differences among coworkers, should be expanded to include more than just traditional demographic characteristics. Further, understanding *how* characteristics become meaningful and valued is essential to our complete investigation of workplace diversity.

TABLE 3
COMPARISON OF STATUS VALUES ACROSS ORGANIZATIONS: Z-STATISTICS OF DIFFERENCES IN BETA WEIGHTS OF STATUS CHARACTERISTICS

Characteristic	Org. 1	Org. 2	z-statistic
Having a relevant professional degree	Hospital	Consulting	0.64
	Hospital	Telecom.	7.53 **
	Consulting	Telecom.	2.83 **
Tenure	Hospital	Consulting	-0.02
	Hospital	Telecom.	0.00
	Consulting	Telecom.	0.02
Being Female	Hospital	Consulting	-2.09 *
	Hospital	Telecom.	-1.03
	Consulting	Telecom.	2.18
Being Hispanic/Latin American	Hospital	Consulting	-1.45 +
	Hospital	Telecom.	-1.85 *
	Consulting	Telecom.	4.15 **
Being African American	Hospital	Consulting	-0.05
	Hospital	Telecom.	3.63 **
	Consulting	Telecom.	3.77 **
Being Asian American	Hospital	Consulting	0.69
	Hospital	Telecom.	-1.74 *
	Consulting	Telecom.	-3.56 **
Being Another Race (other than above)	Hospital	Consulting	0.11
	Hospital	Telecom.	0.45
	Consulting	Telecom.	0.31
Being Married/in a Committed Relat'nship	Hospital	Consulting	0.34
	Hospital	Telecom.	1.82 *
	Consulting	Telecom.	1.19
Being Politically Conservative	Hospital	Consulting	0.14
	Hospital	Telecom.	2.37 **
	Consulting	Telecom.	2.10 *
Having Resided Outside the U.S.	Hospital	Consulting	-0.28
	Hospital	Telecom.	1.94 *
	Consulting	Telecom.	2.50 *

$+p\leq.10$; $*p\leq.05$; $**p\leq.01$; two-tailed tests

[1]Entries represent z-statistics comparing unstandardized betas as follows: $z=(b_1-b_2)/(var_1 + var_2)^{1/2}$

The results of this study also showed that the extent to which a demographic characteristic is valued within the social system is determined, at least in part, by the organizational context. Societal level values likely play a role in determining how characteristics gain meaning in organizations and come to be valued, as members of organizations also operate in the greater social society and are likely aware of all the stereotypes and value judgments associated with different characteristics. However, if societal level value systems prevailed within organizations, characteristics would be valued consistently across them. This study showed that organizational level systems can affect both the *extent* to which a characteristic is valued and the *direction* of that value.

Variation in the direction and magnitude of the value of demographic characteristics both within and across organizations highlights the importance of taking the organization level context into account when investigating and looking for meaning and consequences of similarities and differences between coworkers. Studies that pool samples across organizations, without taking such organization-specific meaning into account, likely overlook what may be very important aspects of demographic diversity.

The primary implication of this work for both theory and practices is that knowing the context, and specifically the values that comprise it, is essential to understanding and managing workplace diversity. Theoretical perspectives that focus on similarities and differences (e.g., Byrne, 1971) need to be supplemented with theory about which similarities or differences will be salient in different kinds of environments. It is incumbent on managers to understand the values that drive their workplace so they are aware of which differences among coworkers are meaningful. For example, in the telecommunications firm studied here, having a professional degree was a significant *negative* predictor of status. This is highly counterintuitive. But when I inquired with the department's management about it, they informed me of a recent change in their hiring profile away from technicians (who predominantly populated the department) toward degreed engineers. There was thus some resentment among the legacy technicians toward the incoming degreed professionals. This policy change within the department made one's schooling a highly salient basis of differentiation and one where the direction of the bias was different than most would expect. Understanding the dynamics at play in the organization helped the managers of this department recognize the importance of attending to differences on this specific characteristic. In the pooled sample, the organization-specific positive and negative values associated with having a professional degree were washed out. Factors that make differences salient can come from both the social context and the individuals involved (Spataro, 2003). Knowing both who comprises the workforce and what factors within the environment highlight differences are essential to understanding and managing diversity.

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