Diversity initiatives, status, and system-justifying beliefs: When and how diversity efforts de-legitimize discrimination claims

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Abstract

Diversity initiatives aim to improve outcomes for low-status groups in organizations. Yet they also may ironically act as legitimizing cues, leading to an assumption of fairness and reducing the detection of discrimination. We explored how group status (high-status majority vs. low-status minority) and beliefs about the fairness of the system influence when the mere presence of a diversity initiative will de-legitimize claims of discrimination against a company. Non-Hispanic Whites and Latino participants (N = 135) read a profile of a company that had or had not received diversity awards, and then read a discrimination claim brought against the company by a Latino employee. Whites in general, and Latinos high in system-justifying beliefs, saw the company with diversity-awards as more respectful and fair to minorities than the company with neutral awards and also derogated the discrimination claimant more. Perceived fairness mediated the effect on claimant derogation. Implications are discussed.

Keywords
derogation, discrimination, diversity, group status, legitimization, system-justifying beliefs

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As workforces become increasingly ethnically and culturally diverse, “diversity management” has become a billion dollar industry (Dobbin, 2009). Diversity management initiatives vary widely, ranging from diversity-supportive mission statements to diversity training programs (Shen, Chanda, D’Netto, & Monga, 2009). While these initiatives are commonly assumed to have positive effects for both companies and employees (Cox & Blake, 1991), surprisingly little research has examined their effects on perceptions of organizations and their employees. Based on prior research (Kaiser et al., 2013), and system-justification theory (see Jost & Banaji, 1994; Jost & Major, 2001) we hypothesize that diversity initiatives (defined as messages that communicate

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a company’s support for diversity) may legitimize a company’s treatment of low-status minorities and increase derogation of minorities who claim they are victims of discrimination, particularly among people who are motivated to justify the system as fair.

**Legitimizing Function of Diversity Initiatives**

Diversity initiatives aim to reduce discrimination, increase diversity, and provide support for low-status groups (Edelman, Fuller, & Mara-Drita, 2001; Richard, 2000). When diversity initiatives incorporate accountability and the company’s culture supports egalitarian goals, they can improve outcomes for minorities (Kalev, Dobbin, & Kelly, 2006; Plaut, Thomas, & Goren, 2009). There is growing evidence, however, that some diversity initiatives promise more than they deliver. Longitudinal studies indicate that diversity structures (particularly diversity training) often do not objectively increase racial diversity or reduce workplace bias (Kalev et al., 2006; Rynes & Rosen, 1995). Furthermore, diversity initiatives can cause backlash among high-status groups (Legault, Gutsell, & Inzlicht, 2011). Nonetheless, discrimination lawsuits succeed less often in court against companies that do (vs. do not) have diversity initiatives (Edelman, Krieger, Eliason, Albiston, & Mellema, 2011). Consequently, diversity initiatives—even if ineffective in achieving diversity-related goals—can be an effective way of avoiding legal penalties.

Kaiser et al. (2013) propose that this occurs because diversity initiatives act as legitimizing cues, signaling to others that a company treats minorities fairly. When people see an organization as procedurally fair (i.e., applying rules and decisions consistently, without bias; see Lind & Tyler, 1988), they are more likely to view unfavorable decisions as legitimate (Colquitt, Conlon, Wesson, Porter, & Ng, 2001) and are less likely to see discrimination claims by low-status groups as justified (Eccleston, Kaiser, & Kraynak, 2010).

In a series of experiments, Kaiser et al. (2013) found that high-status group members (Whites, men) judged companies with a diversity initiative as more procedurally fair for minorities/women than those without such an initiative. Importantly, this occurred even in the presence of clear disparities in the promotions and salaries given to equally qualified minorities or women. Furthermore, this perception of fairness led to increased derogation of minorities/women who brought a discrimination claim against a company with (vs. without) a diversity initiative.

The current study examines whether group status and system-justification motives moderate the impact of diversity initiatives on perceived fairness and the de-legitimization of discrimination claims. Among high-status groups, perceiving the system as fair serves both system-justification and group-justification motives, in that it legitimizes their in-group’s higher social status (see Jost, Burgess, & Mosso, 2001). When people already consider the status arrangement just, diversity initiatives make organizations seem even fairer (and potentially advantageous) for minorities—leading discrimination claims against the company to seem unfounded.

It is unclear whether the presence of diversity initiatives will have similar effects among low-status groups. For such groups, the perception that lower status groups (e.g., minority employees) are treated fairly justifies the system at the cost of justifying their own group’s lower status. One of the few studies on minority reactions to diversity initiatives suggests that minorities may not automatically accept diversity initiatives as evidence that a company actually values minorities (Purdie-Vaughns, Steele, Davies, Diltmann, & Crosby, 2008).

Individual differences in beliefs about system fairness may influence how members of low-status groups resolve this conflict between system justification and group justification. People differ in the extent to which they perceive the system as just (Jost & Major, 2001; O’Brien & Major, 2005). Ethnic minorities who endorse system-justifying beliefs (SJ Bs; e.g., the belief that hard work leads to success, and that individual
members of any group can succeed), compared to those who do not, are less likely to report having been personally discriminated against or to see their ethnic group as a target of discrimination (Major et al., 2002). Minorities who endorse SJBs may react to diversity initiatives much like high-status groups. That is, because they already consider the system to be fair, they may see diversity initiatives as making organizations unfairly advantageous for minorities, thus increasing their likelihood of derogating minority discrimination claimants.

Members of low-status groups who do not believe the system is fair, in contrast, may be more suspicious of prodiversity initiatives. Because they perceive more discrimination against themselves and their ethnic group in general (Major et al., 2002), they may be more skeptical that diversity initiatives actually improve outcomes for their group. Consequently, the mere presence of a diversity initiative may be insufficient to convince them that a company treats minorities fairly.

Current Study

We examined whether group status and endorsement of SJBs moderate the effect of diversity initiatives on perceptions of a company’s treatment of minorities and derogation of a minority discrimination claimant. Latino Americans (lower status) and non-Hispanic White Americans (higher status) who varied in their endorsement of SJBs read about a company that had won diversity-relevant or nondiversity-relevant awards. Diversity awards lack clear validity criteria for winning (Dobbin, 2009). They are often given without examining actual organizational outcomes, and often hinge upon human resource departments’ representations of a company’s policies and data, all of which can be presented in a highly favorable light, with little to no accountability of asserted claims (Dobbin, 2009). Nonetheless, companies often tout “diversity award” credentials in lawsuits as a justification for why they could not be guilty of discrimination (see Velez et al. v. Novartis, 2010).

After reading about the company, participants read about a discrimination claim brought against it by a Latino employee. They then indicated how fairly the company treated minorities in general and the claimant in particular, after which they provided their impressions of the claimant.

We predicted a three-way interaction among diversity initiative presence, group status, and SJBs on judgments. Specifically, we predicted that: (a) White Americans would perceive the diversity-award winning company as fairer to minorities than the neutral-award winning company, and would derogate the claimant more in the diversity-award than the neutral-award company, replicating Kaiser et al. (2013); (b) SJBs and condition would interact among Latino Americans, such that Latino Americans who strongly endorsed SJBs would regard the company with (vs. without) a diversity award as fairer toward minorities and would derogate discrimination claimants more, whereas those who rejected SJBs would not; and (c) perceptions of fairness toward minorities would mediate the interactive effect of diversity initiatives, group status, and SJBs on claimant derogation.

Method

Participants

151 students from University of California, Santa Barbara (69% female) participated for course credit or a lottery ticket. Sixteen were excluded for incorrectly remembering the claimant’s ethnicity (N = 3), incorrectly recalling which awards they saw (N = 7)1 or failing to complete all of the dependent variables (N = 6). Of the remaining 135 participants, 66 were non-Hispanic White American, and 69 were Latino/Hispanic American.

Procedure

Participants reported their ethnicity and completed measures of SJBs online several weeks prior to participation. Participants indicating they were White/European American or Latino/Hispanic American were contacted to complete the experiment online and were randomly assigned to either
the diversity-award (N = 72) or the neutral-award condition (N = 63). All participants first read a profile of a fictitious company and then saw three awards that the company had received. In the diversity condition these awards were related to diversity (e.g., “Top-50 Company for Latino Diversity”); in the control condition they were unrelated to diversity (e.g., “Leader in Service”). Participants then read a newspaper article describing a discrimination claim brought against the company by a Latino claimant averring that he received fewer opportunities and clients and less support and training than his coworkers because of his ethnicity. From the details of the case, it was ambiguous whether discrimination had occurred.

Finally, participants indicated how respectful and fair the company was in its treatment of minorities and indicated their attitudes toward the claimant. They also answered manipulation checks and provided demographic information.

**Measures**

**System-justifying beliefs.** SJBs were assessed prior to the experiment with 12 items used extensively in prior research (e.g., O’Brien & Major, 2005). Items from the Protestant work ethic (e.g., “If people work hard, they almost always get what they want”), belief in individual mobility (e.g., “America is an open society where all individuals can achieve higher status”), and legitimacy of inequality (e.g., “Differences in status between groups in society are fair”) subscales were used; items were rated on a 1 (strongly disagree) to 7 (strongly agree) scale and combined (α = .74, M = 4.19, SD = 0.73) such that higher scores indicate high SJB endorsement. SJBs did not differ by ethnicity (p = .30).

**Dependent measures.** Participants responded to all dependent variables by placing a marker on a “slider scale” anywhere from 0 (strongly disagree) to 100 (strongly agree).

**Fair treatment of minorities.** Judgments regarding how fairly and respectfully the company treated minorities (in general and in the specific case) were measured with six items (e.g., “The branch managers at Company X were fair when assigning clients,” “Company X treats ethnic minorities with respect,” “The branch managers at Company X value diversity”). Items were combined such that higher values indicated better treatment of minorities (α = .87, M = 43.73, SD = 20.71).

**Claimant derogation.** Participants indicated the extent to which they thought the individual suing the company was argumentative, hypersensitive, a troublemaker, and a complainer (from Kaiser & Miller, 2003; α = .91, M = 42.93, SD = 23.86).

**Results**

Dependent variables were analyzed with hierarchical multiple linear regression. On Step 1, we entered diversity condition (dummy-coded: 0 neutral, 1 diversity), participant ethnicity (dummy-coded: 0 White, 1 Latino), and SJBs (mean-centered). We entered the three two-way interactions on Step 2 and the three-way interaction on Step 3. Significant interactions were followed up with simple slope analyses (Aiken & West, 1991).

**Fair Treatment of Minorities**

Whites perceived the company as fairer in its treatment of minorities than did Latinos, β = −.28, t(134) = −3.50, p = .001. Participants in the diversity condition also viewed the company as treating minorities more fairly than did participants in the neutral condition, β = .27, t(134) = 3.34, p = .001. Both main effects were qualified by the predicted three-way interaction, ΔF = 5.19, B = 22.76, t(127) = 2.28, p = .024 (Table 1; Figure 1).

To decompose this interaction we examined the results separately for Whites and Latinos. White participants in the diversity condition viewed the company as treating minorities more fairly than did Whites in the neutral condition, β = .28, t(127) = 2.38, p = .019. This effect among Whites was not moderated by SJBs (p = .23).
Latinos also viewed the company with diversity awards as treating minorities more fairly than the company with neutral awards, $\beta = .24$, $t(127) = 2.18$, $p = .031$, and this effect was moderated by SJBs, $\beta = .23$, $t(127) = 2.14$, $p = .034$. Simple slope analysis revealed that high-SJB (+1 SD) Latinos, like Whites, perceived the diversity-award company as fairer than the neutral-award company, $\beta = .48$, $t(127) = 3.20$, $p = .002$. In contrast, low-SJB (−1 SD) Latinos did not differ in their perceptions of the diversity-versus neutral-award company ($p = .96$). Among Latinos, higher SJBs predicted marginally higher levels of perceived fairness in the diversity-award condition, $\beta = .25$, $t(127) = 1.72$, $p = .087$, but not in the neutral-award condition, $\beta = -.22$, $t(127) = -1.34$, $p = .184$.

**Claimant Derogation**

Analysis of claimant derogation revealed a similar pattern (Table 1; Figure 2). Overall, Whites were more likely than Latinos to derogate the discrimination claimant, $\beta = -.26$, $t = -3.00$, $p = .003$.
However, this effect was qualified by the hypothesized three-way interaction, $\Delta F = 5.10, B = 27.03, t(127) = 2.26, p = .026$ (Table 1).

Among Whites, neither the main effect of diversity condition or SJBs, nor the interaction between diversity condition and SJBs was significant (all $p$s > .40). Among Latinos, the two-way interaction between diversity condition and SJBs was significant, $\beta = .29, t(127) = 2.59, p = .011$. High-SJB (+1SD) Latinos derogated the claimant more in the diversity-award condition than in the neutral-award condition, $\beta = .37, t(127) = 2.34, p = .021$, whereas low-SJB (−1SD) Latinos did not ($p = .181$). Among Latinos, SJBs were positively related to claimant derogation in the diversity-award condition ($\beta = .43, t(127) = 2.85, p = .005$), but unrelated in the neutral-award condition ($p > .30$).

**Mediation Analysis**

We next tested whether perceptions of fair treatment of minorities mediated the relationship between the three-way interaction and claimant derogation. As reported previously, the three-way interaction significantly predicted both perceptions of fair treatment of minorities (Path A) and claimant derogation (Path C). The relationship between the three-way interaction and claimant derogation became nonsignificant when fair treatment of minorities was entered into the regression model (Path C’: $\beta = .07, t(126) = .99, p = .32$). In the full model, the relationship between perceptions of fair treatment and claimant derogation was also positive and significant (Path B: $\beta = .68, t(126) = 9.73, p < .001$), suggesting that perceptions of fairness mediate the relationship between the three-way interaction and claimant derogation (Figure 3). To test whether there was indeed a significant indirect effect of the three-way interaction on claimant derogation through perceptions of fairness, we estimated the direct and indirect effects using the PROCESS macro for SPSS (Hayes, 2013). Using 5,000 bootstrapped samples, we found an unstandardized indirect effect of the three-way interaction on claimant derogation through perceptions of fairness with a 95% confidence interval that does not include zero, indicating a significant indirect effect, $b = 17.85$, 95% CI [3.91, 33.95]. Because the direct effect (Path C’) was not significant, this suggests full mediation through perceived fairness. Table 2 displays path coefficients and bootstrapped significance for conditional total, direct, and indirect effects.

**Discussion**

Even though diversity initiatives are often ineffective at actually increasing diversity (Kalev et al., 2006), they are often effective in protecting companies against discrimination claims brought
against them (Edelman et al., 2011). We argue that this occurs because the presence of diversity initiatives acts as a legitimizing cue, signaling that a company treats minorities fairly (see Kaiser et al., 2013). The current study is the first to show that group status and beliefs about system fairness moderate the effect of diversity initiatives on perceptions of company fairness and derogation of minority employees.

Replicating prior research, we found that Whites perceived a company with (vs. without) diversity awards as more procedurally fair in its treatment of minorities. Whites also tended to derogate the discrimination claimant more when diversity awards were (vs. were not) present, although contrary to predictions and Kaiser et al. (2013), this latter effect was not significant. This null result may be due to the fact that the claimant belonged to an ethnic group (Latino) that is less often stereotyped as hyper-sensitive to discrimination, and less associated with efforts to promote diversity than the ethnic group (African American) studied by Kaiser et al. (2013). Alternatively, because Whites associate “diversity” more with African Americans than with other low-status groups (Unzueta & Binning, 2010), White participants may have derogated a Latino claimant less than they might have an African American claimant. More research is needed to examine how diversity initiatives affect perceptions of discrimination claims from other low-status groups, as well as from high-status groups. More attention also should be dedicated toward assessing and understanding why Whites’

Figure 3. Mediated moderation model with standardized regression coefficients. Path C represents the total effect, and C’ represents the direct effect with perceived fairness to minorities entered in the model. All predictors are mean-centered.

* p < .05, *** p < .001.

Table 2. Conditional total, direct, and indirect effects of condition on claimant derogation via perceived fairness for minorities.

<table>
<thead>
<tr>
<th></th>
<th>Total Effect</th>
<th>SE</th>
<th>Direct Effect</th>
<th>SE</th>
<th>Indirect Effect</th>
<th>SE</th>
<th>95% CI</th>
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<tbody>
<tr>
<td><strong>Whites</strong></td>
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<tr>
<td>Low SJBs</td>
<td>8.77</td>
<td>8.80</td>
<td>-5.54</td>
<td>6.84</td>
<td>14.31</td>
<td>5.09</td>
<td>[4.62, 24.71]</td>
</tr>
<tr>
<td>Mean SJBs</td>
<td>3.23</td>
<td>5.75</td>
<td>-5.73</td>
<td>4.46</td>
<td>8.96</td>
<td>3.89</td>
<td>[1.49, 16.92]</td>
</tr>
<tr>
<td>High SJBs</td>
<td>-2.32</td>
<td>9.02</td>
<td>-5.92</td>
<td>6.86</td>
<td>3.60</td>
<td>6.24</td>
<td>[-8.60, 16.09]</td>
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<tr>
<td><strong>Latinos</strong></td>
<td></td>
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<tr>
<td>Low SJBs</td>
<td>-10.92</td>
<td>8.13</td>
<td>-11.19</td>
<td>6.17</td>
<td>0.27</td>
<td>4.88</td>
<td>[-8.17, 10.52]</td>
</tr>
<tr>
<td>Mean SJBs</td>
<td>3.24</td>
<td>5.56</td>
<td>-4.69</td>
<td>4.29</td>
<td>7.94</td>
<td>3.65</td>
<td>[1.59, 15.80]</td>
</tr>
<tr>
<td>High SJBs</td>
<td>17.41*</td>
<td>7.44</td>
<td>1.81</td>
<td>5.87</td>
<td>15.60</td>
<td>5.54</td>
<td>[5.60, 27.10]</td>
</tr>
</tbody>
</table>

Note. In all analyses, SJBs are mean-centered; condition is dummy-coded (0 = neutral, 1 = diversity) as well as ethnicity (0 = White, 1 = Latino). Confidence intervals were estimated using 5000 bootstrapped samples.

*p < .05.
responses were not moderated by SJBs. We suggest that the lack of moderation for Whites may reflect the widespread belief among Whites that the system (in which they are advantaged) is fair.

Among Latino participants, those high in SJBs, like Whites, were more likely to perceive the company with (vs. without) diversity awards as treating minorities fairly. Furthermore, Latinos who strongly endorsed SJBs also derogated a Latino discrimination claimant more when the company had (vs. had not) won diversity awards. These findings replicate the findings for Whites observed by Kaiser et al. (2013) and are consistent with the idea that among those who already perceive the status quo as fair, diversity initiatives signal that minority employees are treated fairly (and perhaps advantageously) within an organization, and hence are unlikely to be discriminated against. As a result, their claims are seen as unfounded. This legitimization may lead Whites and minorities who believe the system is fair to underestimate or overlook real workplace disadvantages minorities may face.

Perceptions of Latino participants who less strongly endorsed SJBs, in contrast, were unaffected by the presence or absence of diversity awards. This is consistent with our speculation that members of low-status groups who do not believe the system is just may have doubts about the efficacy of diversity initiatives. Low-SJB minorities typically perceive more discrimination against their group than their high-SJB counterparts, and may thus be more aware or suspicious that diversity management initiatives are often implemented to boost a company’s reputation in the wake of discrimination lawsuits (Marques, 2010). Thus, without concrete evidence that they treat minorities fairly, organizations that claim to support diversity may do little to satisfy the concerns of those minority employees who are most aware of discrimination.

Implications and Conclusion

While our analysis focuses on the ironic outcomes of diversity initiatives, it is important to recognize the important role they can play in reducing bias and making both high- and low-status group members feel supported (Kalev et al., 2006; Plaut et al., 2009; Verkuyten, 2005). We believe the problematic implications of diversity initiatives arise not from a company’s attempt to be egalitarian, but rather from the disconnect that often exists between a company’s explicit goals and their actual practices (Marques, 2010). The negative consequences of legitimization may be alleviated if companies institute greater oversight regarding the impact of diversity initiatives.

This research furthers understanding of how, when, and for whom diversity initiatives act as legitimizing cues. However, further understanding of the conditions under which diversity initiatives legitimize unfair treatment is needed to inform human resource managers and those making decisions about discrimination cases. By recognizing how these socially progressive initiatives influence perceptions of organizations and employees, we can begin to better recognize, alleviate, and avoid legitimizing unfair treatment that persists in workplaces today.

Notes

1. All participants who missed this manipulation check were in the neutral awards condition. The results did not change when including these participants.

2. Pilot data from our labs (available upon request) indeed suggest that for White participants, the presence (vs. absence) of a diversity initiative has a larger effect on the derogation of African American claimants than on the derogation of Latino claimants.

References


