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WHO PROMOTES A VALUE-IN-DIVERSITY PERSPECTIVE? A FUZZY SET ANALYSIS OF EXECUTIVES' INDIVIDUAL AND ORGANIZATIONAL CHARACTERISTICS

ABSTRACT

Diversity perspectives are philosophies of or approaches to diversity held by organizations, groups, or executives. They are important for organizations because they can determine the success or failure of diversity in the workforce. However, little is known about the predictors of diversity perspectives among executives. Using fuzzy set Qualitative Comparative Analysis, we analyzed 50 interviews with top executives in Germany to identify individual and organizational characteristics that predict executives' adoption of a diversity perspective, in particular of a value-in-diversity perspective. Specifically, we analyzed gender, age, education level, vocational background, and tenure (individual characteristics), as well as size, sector of organization, and competitive environment (organizational characteristics), as potential predictors. We found that single characteristics did not predict adoption, but configurations of characteristics did. Drawing on the person-situation-interactionist perspective, we developed specific profiles of executives likely to foster a value-in-diversity perspective and identified characteristics of their work environments that support such an approach. Theoretical and practical implications are discussed.

Keywords: workforce diversity, diversity perspectives, top executives, Germany, fuzzy set Qualitative Comparative Analysis

INTRODUCTION

Due to recent challenges, such as globalization, migration, and demographic shifts, diversity in organizations has become increasingly important for both research and practice (e.g., Boehm, Kunze, & Bruch, 2014; Glass & Cook, 2018; Scott, Heathcote, & Gruman, 2011). Yet, prior research indicates that workforce diversity is a “double-edged sword” (Milliken & Martins, 1996, p. 403). On one hand, it may foster creativity and innovativeness (Cox, 1991; Holvino, Ferdman, & Merrill-Sands, 2004); however, on the other, it can lead to discrimination, conflicts, and, eventually, reduced performance (Jackson & Joshi, 2004; Leonard, Levine, & Joshi, 2004). One important factor that determines whether diversity translates into positive outcomes is upper management, as executives’ characteristics, attitudes, and leadership have been frequently associated with diversity-related outcomes (e.g., Boekhorst, 2015; Mitchell et al., 2015; Ng, 2008; Ng & Sears, 2012).

In this line of research, Thomas and Ely (1996) introduced diversity perspectives, i.e., the “philosophy” or “approach” to diversity, as a factor influencing an organization’s ability to leverage the potential of a diverse workforce and diminish potential negative effects. Diversity perspectives, which can be held by organizations, groups, or executives, shape organizational processes and policies and influence whether employees feel respected and valued at their workplace and how people perceive the meaning of diversity at work (Ely & Thomas, 2001; Jansen et al., 2016; Sessler, Bernstein, & Bilimoria, 2013). Thomas and Ely’s work was among the main drivers shifting the focus of diversity literature from equal employment and minority rights to finding value in diversity and ensuring the inclusion of

diverse employees. This shift is reflected in more recent constructs, such as the inclusion climate (Dwertmann & Boehm, 2016; Nishii, 2013; Stoermer, Bader, & Froese, 2016). Yet, diversity perspectives are not climates, i.e., shared perceptions of policies, practices, and procedures (Schneider, Ehrhart, & Macey, 2013); rather, they represent the attitudes or philosophies that shape them.

The goal of the present study is to identify predictors associated with executives' adoption of a diversity perspective. To achieve this goal, we interviewed 50 top executives in Germany and investigated the individual and organizational characteristics and combinations thereof associated with the executives' diversity perspectives. In so doing, we contribute to diversity research in several important ways.

First, research on the antecedents of diversity attitudes and related constructs has yielded inconsistent findings concerning which characteristics might predict a perspective. For instance, gender can be, but is not necessarily related to positive attitudes toward diversity or the implementation of diversity initiatives (e.g., Kossek & Zonia, 1993; Rindfleish, 2000). Given these inconsistencies, prior findings suggests that combinations of characteristics are more accurate predictors than single characteristics (e.g., Mor Barak, Cherin, & Berkman, 1998). Drawing from the person-situation-interaction paradigm, which proposes that individuals and situations are not mutually exclusive, but interact in complex ways (Fleeson & Nofle, 2009; Funder, 2006, 2009; Hogan, 2009; Schmitt et al., 2013), we further argue that executives' perspectives are not influenced solely by individual characteristics, but are functions of the individual and the organizational environment (Lewin, 1951). By

investigating the interplay of individual and organizational characteristics, we extend diversity theory by capturing the important interface between individuals and their environment to predict executives' diversity perspectives. This further allows us to derive important implications for practice.

Second, unlike studies capturing human resource (HR) managers' views on diversity initiatives (e.g., Kirton, Greene, & Dean, 2007; Konrad & Linnehan, 1995a), our study focuses on top executives (e.g., Hood, 2003; Ng, 2008; Ng & Sears, 2012). This focus is important because extensive research has shown that leaders are important to the success of diversity in organizations (e.g., Boekhorst, 2015; Ely & Thomas, 2001; Mitchell et al., 2015). Furthermore, top executives have a major influence on the overall organization (Hambrick & Mason, 1984) and, thus, are crucial for leveraging the benefits of a diverse workforce.

Third, we investigate diversity perspectives in the German context. The significance of the demographic shift in Germany is indisputable: With an average age of 47.1 years, Germany has become one of the oldest countries in the world (Central Intelligence Agency, 2017). However, despite the growing importance of diversity in Germany (Kemper, Bader, & Froese, 2016), relatively little is known about workforce diversity and how diversity is perceived in the organizational environment.

LITERATURE REVIEW AND THEORETICAL BACKGROUND

Predictors of perspectives toward diversity

In their seminal article, Thomas and Ely (1996) identified three perspectives toward diversity. First, the integration-and-learning perspective considers diversity valuable because it is a source of learning and innovation (Ely & Thomas, 2001; Otten, van der Zee, & Brewer, 2015). This perspective places diversity at the core of the organization, viewing it as a primary source of organizational success. Second, the access-and-legitimacy perspective views diversity as economically valuable because it increases access to and legitimacy among diverse stakeholders. Finally, the discrimination-and-fairness perspective argues that all employees deserve equal treatment regardless of their background. However, this perspective does not include diversity in the actual work process and, thus, does not see diversity as creating value for the organization. Later, Dass and Parker (1999) added the resistance perspective, which views diversity as a disadvantage and a threat (Lorbiecki, 2001). Individuals applying this perspective seek to keep their organization as homogenous as possible, even if this involves the use of discriminatory practices (Dass & Parker, 1999).

As our study focuses on leveraging the positive effects of diversity, we are particularly interested in the predictors of executive perspectives that highlight the value of diversity. Specifically, we investigate the predictors of a “value-in-diversity perspective”, which we define as a perspective that associates diversity with value either related to learning and innovation (integration-and-learning perspective) or increased access and legitimacy (access-and-legitimacy perspective).

First, as prior diversity research has highlighted the importance of individual characteristics for handling diversity in organizations (e.g. Hood, 2003; Ng, 2008; Ng

& Sears, 2012), we examine individual characteristics as predictors. This focus is in line with upper echelon theory, which states that an organization is a reflection of its top executives, who strongly influence organizational actions (Finkelstein & Hambrick, 1996; Hambrick & Mason, 1984). Research on upper echelons has frequently relied on demographic variables for several reasons (Ng, 2008: 62–63). First, demographic variables are easily observable and measurable; thus, they are less prone to measurement errors or subjective biases. Second, previous studies have underscored their predictive value and supported their influence on intervening variables and, eventually, organizational outcomes. Third, some demographic variables, such as tenure, cannot be replaced by psychological variables.

Second, in addition to individual characteristics, organizational characteristics are also important when investigating diversity perspectives. Hambrick and Mason (1984) argued that the effects of executive characteristics may vary depending on the organizational environment. Research on the person-situation-interaction perspective postulates that the environment plays a vital role for human behavior as it provides important information on which attitudes and actions are accepted or desired (Mischel & Shoda, 1995; Tett & Burnett, 2003; Zayas & Shoda, 2009). Further, research on diversity-related outcomes has found that organizational and individual characteristics interact (Johansen & Zhu, 2014). Building on prior research on human resource management and diversity management (Boyne, Poole, & Jenkins, 1999; Johansen & Zhu, 2014; Way, Wright, Tracey, & Isnard, in press), we focus specifically on organizational size, sector, and competitive pressures. We discuss these individual and organizational characteristics in more depth in the following paragraphs.

Individual characteristics

Gender: As many females have experienced discrimination in terms of career or pay (e.g., Blau & Kahn, 2007; Greer & Virick, 2008; Woodhams, Lupton, Perkins, & Cowling, 2015), it is reasonable to conclude that females have more positive attitudes toward diversity (Strauss & Connerley, 2003) and support diversity management. According to the self-interest perspective (Bell, Harrison, & McLaughlin, 1997; Tougas, Beaton, & Veilleux, 1991), the individuals most likely to support diversity initiatives are those benefitting from them. Accordingly, prior studies have found that female executives place higher priority on diversity and equity practices (Glass & Cook, 2018; Johansen & Zhu, 2017) and that females have more positive attitudes toward diversity practices (Konrad & Linnehan, 1995b). By contrast, individuals who are not impacted by diversity practices might develop negative attitudes toward them (Kidder, Lankau, Chrobot-Mason, Mollica, & Friedman, 2004). Yet, prior research on this topic has been inconclusive. For instance, some females refuse to support other females due to what has been called the “queen bee syndrome” (Rindfleisch, 2000). Further, using gender as a control variable, some research has shown that females have neither more positive universally diverse orientations (Sawyer, Strauss, & Yan, 2005) nor foster greater implementations of diversity practices (Buttner, Lowe, & Billings-Harris, 2009).

Age: Ng (2008) argued that younger executives have been raised and educated in an environment in which diversity is more common and appreciated. Furthermore, younger people tend to be more open to new experiences (Specht, Egloff, & Schmukle, 2011), making

them more likely to embrace differences and corresponding changes. Consequently, younger executives might support more diversity-friendly perspectives. However, research on this topic is inconclusive. Using age as a control variable, some prior research has found a positive association between age and intentions to be inclusive, understand others, and confront others if bias is observed (Linnehan, Chrobot-Mason, & Konrad, 2006). Further, like research on gender, research on age has found that older people tend to experience organizational discrimination (Boehm et al., 2014), which might increase their desire to prevent discrimination and support diversity initiatives. In turn, equal employment diversity policies that benefit older employees may spark backlash among younger people and others outside of the target group (Kidder et al., 2004). Finally, some research has found no relation between age and a universal diverse orientation (Sawyer et al., 2005).

Ethnic background: As people of minority race are still likely to experience discrimination in modern organizations (Seifert & Wang, 2018), they, like women and older employees, are subject to all arguments presented above. Therefore, these individuals might have more positive attitudes toward diversity and diversity management. Research has shown that racially and ethnically diverse boards are more likely to support diversity and implement equity- and diversity-oriented policies (Cook & Glass, 2014). By comparison, Konrad and Linnehan (1995b) argued that white men are less likely to even acknowledge the existence of discrimination against other groups and tend to have less positive attitudes toward specific diversity practices. Interestingly, research has shown that, while being an employee of color does not necessarily predict attitudes (Linnehan et al., 2006), intersections with other

characteristics (e.g., gender) do. For example, white men perceive organizations as more fair and inclusive than white women or men of racial minorities (Mor Barak et al., 1998).

Education: Education has been related to cognitive preference (Hambrick & Mason, 1984). For instance, higher education levels have been associated with more diverse experiences and, thus, more openness toward people who are different (Ng, 2008). Type of education (e.g., vocational background) can also be a strong predictor of managerial behavior. For instance, managers with backgrounds in finance might be more likely to value firms in terms of their assets and return-generating potential, which may influence their diversification and acquisition strategies (Jensen & Zajac, 2004). Similarly, managers with technical backgrounds might be more focused on technical and procedural issues than social ones, because their education has strongly shaped the way how they think and act (Hambrick & Mason, 1984). Accordingly, these cognitive frames influence the value managers place on the social side of their organizations and how they think about diversity in the workforce.

Tenure: Finkelstein and Hambrick (1996) found that executive tenure has a salient influence on organizational responses. Wiersema and Bantel (1992) argued that shorter organizational tenure is related to receptivity to change and a willingness to take risks. This phenomenon can be explained by the theory of organizational socialization, which emphasizes the development of shared norms within organizations (Yang & Konrad, 2011). While employees might enter an organization with their own personal values, socialization processes create value change and adjustment to the normative context over time.

Accordingly, the longer individuals are exposed to an organization's existing values, the less

likely they are to be willing to change the status quo. Related research supports this theory by showing that racial diversity in an organization is negatively related to organizational performance when average employee tenure is high (Choi & Rainey, 2010). By contrast, employees who work for organizations with diversity-friendly policies and inclusive climates (Kunze, Boehm, & Bruch, 2013; Nishii, 2013) might internalize these values over time, leading to more positive attitudes.

Organizational characteristics

Size: Organizational size has been shown to be positively related to the implementation of diversity practices (Ng & Sears, 2012; Rynes & Rosen, 1995). Furthermore, diversity in top management teams is associated with organizational size (Hillman, Shropshire, & Cannella, 2007). As larger organizations adopt formal diversity policies, others feel pressure to follow (Meyer & Rowan, 1977). Similar isomorphic pressure has been shown to influence the appointment of chief diversity officers (Shi, Pathak, Song, & Hoskisson, 2018). Yet, other research has suggested that diversity initiatives might be more welcomed and effective in small organizations (Richard, Roh, & Pieper, 2013).

Organizational sector: Research on sectors differentiates among the profit, non-profit, and public sectors (Bullock, Stritch, & Rainey, 2015; Johansen & Zhu, 2014). Pressures to ensure equality and fairness and implement equal opportunity cultures are particularly prevalent in public organizations, as these are supposed to serve as examples and signal political will (Boyne et al., 1999). Consequentially, the public sector tends to enact more diversity policies

than the private sector (Groeneveld & Verbeek, 2012). On the other hand, the introduction of new public management and the increased focus on efficiency and accountability (Hood, 1995) may lead to an erosion of the public ethos (Pratchett & Wingfield, 1996) and the values of equality. This might explain why other research has found that managerial priority on diversity is significantly lower in public and non-profit organizations than private organizations (Johansen & Zhu, 2017).

Competitive intensity: Industry dynamics are critically important for organizations and employee management (Way et al., in press). In highly competitive environments, organizations must continuously adjust to changing customer needs and frequently introduce or adjust products and services to remain competitive (Chadwick, Way, Kerr, & Thacker, 2013; Lecuona & Reitzig, 2014). For executives in such environments, diversity may offer significant value, as diverse groups tend to be more creative and innovative (Bantel & Jackson, 1989; Cox, Lobel, & McLeod, 1991; Jehn, Northcraft, & Neale, 1999). However, diversity can also be a burden, as salient differences may lead to conflicts, particularly at the beginning of interactions (Harrison, Price, & Bell, 1998). Thus, pressure and time constraints in highly competitive environments can hinder the effective functioning of diverse groups.

Taken together, prior research has identified various individual and organizational characteristics that may predict diversity perspectives. However, given the inconsistency of prior findings and initial evidence of interaction effects associated with diversity-related outcomes (Johansen & Zhu, 2017; Mor Barak et al., 1998) we argue that considering

combinations of characteristics may yield a more accurate picture than investigating single characteristics. More specifically, we are interested in the complex interplay of configurations of individual and organizational characteristics that lead to a value-in-diversity perspective. Accordingly, we apply a configurational approach utilizing fuzzy set Qualitative Comparative Analysis (fsQCA). In fsQCA, determinants are investigated not in isolation, but simultaneously, leading to the identification of complex solutions associated with an outcome. This focus on complexity, however, is associated specific assumptions and outcomes (Ragin, 2009). First, we focus on combinations of characteristics, rather than single characteristics. Second, we expect that several different configurations lead to the same outcome. Third, we acknowledge that the presence of characteristics might have an effect on the outcome in specific configurations, in others, however, their absence could be influential. Due to these specificities and following prior research using fuzzy-set analysis (Meuer, 2017; Schneider, Schulze-Bentrop, & Paunescu, 2010; Vos & Cambré, 2017), we apply an exploratory approach and refrain from proposing hypotheses regarding our antecedents. Instead, we formulate research questions. Specifically, our analysis is guided by the following questions:

- 1) Which configurations of the proposed individual characteristics predict the adoption of a value-in-diversity perspective?
- 2) How do configurations of individual and organizational characteristics interact in predicting this perspective?

METHODOLOGY

Research context

Germany is a particularly interesting research setting for two reasons. First, compared to the United States, where equal opportunity initiatives date back to the 1960s (Ivancevich & Gilbert, 2000), Germany has only recently begun addressing diversity in organizations. Second, Germany's workforce is projected to decline by 30 percent by 2060 (Federal Statistical Office, 2015). Thus, increasing diversity in the workforce is an important strategy for filling vacancies in the long run. The increasing importance of diversity in organizations has led to many recent legal changes (Suess & Kleiner, 2008), such as the 2006 introduction of the General Act on Equal Treatment, a law that prevents discrimination on the basis of race, ethnic background, gender, religion, age, disability, or sexual identity (Federal Anti-Discrimination Agency, 2010). We focus particularly on gender, age, and nationality, as recent research shows that these are the main diversity dimensions of concern for German organizations (Kemper et al., 2016).

In terms of gender, in 2015, Germany passed the Law on Equal Participation of Women and Men in Leadership Positions in the Private and Public Sector. This law states that, beginning in 2016, 30 percent of seats on the supervisory boards of Germany's largest stock-listed enterprises must be held by women. If the representation of women falls below this quota and a board seat becomes vacant, it must be kept vacant until the board again reaches the 30 percent threshold (Bundesanzeiger, 2015). Despite this reform, however, the number of women in top management positions remains low (Holst & Kirsch, 2016).

Due to demographic changes, there is an increasing number of older employees in the German labor market. Currently, 31.8 percent of the labor force is 50 years of age or older (Federal Ministry of the Interior, 2016). With a share of 40.2 percent, employees aged 50 to 65 years old will represent the largest subgroup of the German labor force by 2020 (Federal Statistical Office, 2015).

Furthermore, due to increased migration into Germany, nationality and ethnicity have become relevant issues for German organizations. Currently, 10.6 percent of Germany's population have foreign citizenships, and another 20.8 percent are German citizens with migration backgrounds (Federal Statistical Office, 2016). Public agencies report that this percentage will grow in coming years (Federal Ministry of the Interior, 2014).

Data collection and analysis

The data collected for this study were part of a large-scale research project on diversity management in Germany. We collected data in collaboration with a local Chamber of Industry and Commerce in Central Germany, which provided us access to executives from a broad population of firms. In addition, we contacted organizations participating in a German initiative titled "Charta der Vielfalt", which can be translated as the "Charter of diversity". The "Charter of Diversity" was initiated in 2006 and aims to promote the recognition, appreciation, and integration of diversity in Germany's business culture. This gave us access to executives in organizations that actively address diversity in the workforce.

Top executives are a particularly hard-to-reach target group because their time is limited and they are often concerned with other important projects (Kelan & Wratil, 2017). Nevertheless, we were able to interview 50 executives, including CEOs, members of executive boards, and heads of HR. Interviews lasted 20 to 90 minutes, with an average length of 31 minutes. We conducted the interviews in German either face-to-face or over the phone, according to the interviewees' preferences. We adopted a qualitative data collection approach, as this enabled us to understand the executives' views (Denzin & Lincoln, 2013) and investigate their diversity perspectives. We conducted semi-structured interviews to achieve a certain degree of consistency, while also allowing the emergence of new topics to reflect the interviewees' experience (Myers, 2013). The interview guidelines (see Appendix 1) were divided into three parts: individual characteristics of the executive, organizational characteristics, and diversity/diversity management in the organization. At the end of the interviews, we asked the interviewees for any comments, questions, or experiences they felt were relevant but had not been covered. To create an open atmosphere and ensure reliable information, all interviewees were guaranteed anonymity. The interviews were recorded and transcribed verbatim (Brinkmann & Kvale, 2015).

Data Calibration

For the data analysis, we carried out fsQCA using the fsQCA software.¹ Generally, qualitative comparative analysis (QCA) is a set-theoretic approach that assumes cases belong to certain groups, or sets (Ragin, 2009). While crisp-set analysis is used for dichotomous groups, fsQCA analyzes group membership that varies by degree (Ragin, 2010), where the degree is reflected by values between 0 and 1. Turning qualitative or quantitative data into fuzzy set values is referred to as calibration. For instance, to turn data into a four-value fuzzy set, the researcher may assign the values of 1 = fully in, 0.67 = more in than out, 0.33 = more out than in, and 0 = fully out, with 0.5 = the cutoff value of neither in nor out.

To assess membership scores for the diversity perspectives, we developed a coding scheme. Therefore, based on Thomas and Ely (1996), Ely and Thomas (2001), and Dass and Parker (1999), we developed a coding frame to assign each case to one of the four diversity perspectives (see Table 1). This coding frame was reviewed and tested for comprehensibility, applicability, and intercoder reliability (Weston et al., 2001) on 18 interviews by a second researcher. We achieved good intercoder reliability (Cohen's Kappa: 0.75). According to Thomas and Ely (1996), diversity perspectives are not mutually exclusive; rather, they are inclusive and can also contain aspects of other perspectives. In particular, the integration-and-learning perspective also includes aspects of the access-and-legitimacy and the discrimination-and-fairness perspectives. Accordingly, some executives provided terminology and stories that could fit more than one category. After the initial analysis, most of the

¹ The software can be downloaded at www.fsqca.com

executives were assigned one diversity perspective, while others could fit multiple perspectives. Thus, in a second coding step, we conducted an argumentative validation to define one dominant perspective for each of the ambiguous executives (Sarantakos, 2013). During the argumentative validation, we discussed reasons for codings, quotes, and alternatives until consensus was established. After consensus was achieved, all executives were associated with one of the four perspectives.

Insert Table 1 about here.

We calibrated the perspectives into fuzzy set scores. As our main interest laid in the predictors of executives with value-in-diversity perspectives, we assigned the integration-and-learning perspective a value of full membership (1) and the homogeneity-and-resistance perspective a value of non-membership (0). Ely and Thomas (2001) stated that, while the access-and-legitimacy perspective does not incorporate diversity at the heart of the organization, it uses diversity to serve business needs, meaning that executives applying this perspective value diversity as a source of competitive advantage and actively address it in their company. Due to this, we coded this perspective as having a value of 0.67, making this group more in than out (Ragin, 2010). By contrast, the discrimination-and-fairness perspective is based on expectations of justice and a lack of association of diversity with work outcomes (Ely & Thomas, 2001). Accordingly, we calibrated this perspective as more out than in and assigned a value of 0.33.

We also calibrated the conditions we identified in the review section. However, as all interviewees except one were Caucasian, we did not include ethnic background/race in our analysis. Groups, definitions with explanations of calibrations, and descriptives are displayed in Table 2.

Insert Table 2 about here.

Analysis of sufficient and necessary conditions

In fsQCA, each case is represented by a combination of conditions. Through bottom-up comparisons based on Boolean algebra, these can be logically simplified and reduced to identify conditions and combinations of conditions predicting the outcome. The great advantage of this method lies its ability to not only investigate complex paths, but also reveal configurations based on the presence and absence of conditions.

In fsQCA, conditions can be necessary or sufficient. A condition is necessary, if an outcome cannot be produced without it, but is not alone enough to produce it, thus, the outcome is a subset of the condition. A sufficient condition is one that predicts the outcome by itself: in other words, whenever the condition is present, the outcome is present as well (Ragin, 2010; Schneider & Wagemann, 2007). These two types of conditions must be analyzed separately (Ragin, 2010).

Both analyses were conducted using the fsQCA software, applying the procedures suggested by Schneider and Wagemann (2007) and Ragin (2010). We analyzed necessary conditions and then sufficient conditions. According to our two research questions, the analysis of sufficiency was conducted in two steps. First, we entered only individual characteristics. Next, we entered both individual and organizational characteristics simultaneously.

The specification of sufficient conditions involves three steps (Ragin, 2010). First, the researcher must specify the outcome and define which conditions to include. The second step involves rules of minimization, which involve classifying relevance by number of cases and consistence of the subsets. For small datasets, a threshold of 1 or 2 is recommended (Ragin, 2010). We applied a frequency threshold of two. Further, we defined a threshold for consistency of 0.9 (Schneider & Wagemann, 2007). Whereas a value of 1 indicates perfect consistency across all cases, a value below .8 indicates substantial inconsistency (Ragin, 2010). We then applied standard analysis. As recommended by Ragin (2010), we display the intermediate solution. No prime implicants appeared in our analysis.

FINDINGS

Our sample showed all four perspectives. The majority, 26 out of 50 executives, applied the access-and-legitimacy perspective. We identified two sub-categories: 1) executives aiming to gain access to new customer segments and 2) executives interested in attracting new groups of job applicants. In the first group, the focus was on encouraging employees with diverse

backgrounds to bond closer with their increasingly heterogeneous customers. In the second group, executives focused on becoming attractive employers to recruit and retain diverse talent due to the severe shortage of skills in Germany. For instance, a female executive managing an IT services company highlighted:

We [name of company] can only grow if we recruit the right employees. If we target a sales increase of 10% per year, we have to hire 10% more employees to reflect this growth rate. Until now, we were successful in recruiting these employees, but it becomes increasingly difficult. Therefore, we analyze various diversity-related indicators: How many men, how many women do we employ? How many nationalities do we employ? It is a sort of risk management to analyze if we face problems that seriously threaten our business. (#15)

The second-most common perspective was the integration-and-learning perspective (14 executives). In this group, executives understood “being different” as an advantage because they valued diverse knowledge in their workforces. For instance, one executive highlighted:

Due to demographic changes, backgrounds get more colorful and mixed. So, we ask ourselves what kind of employees we have in each department and how we can use this. (#17)

Seven executives belonged to the discrimination-and-fairness perspective. These executives perceived diversity at work primarily as a component of corporate social responsibility based on existing rules and norms set by the German government. They did not see particular value in diversity, but, rather, highlighted the need to be fair to all employees, saying, for example: *“We say equal pay for equal work: no differences between women and men”* (#30).

The smallest category was resistance, comprising three executives. These executives either felt that diversity was not important for their companies or tried to actively defend homogeneity to maintain their corporate cultures. They saw diversity as an obstacle, as an executive of an electronic services and retailing company stated:

We live from earning money and increasing our sales. By fostering diversity, you make no profit. That is always our priority. Profit and revenue have to be in the spotlight. Always.
(#18)

Predictors: necessary and sufficient conditions

After the initial categorization of each interview, we conducted fsQCA, as described above. In the first step, we tested whether any condition (present or absent) was necessary for a value-in-diversity perspective. The analysis of necessary conditions showed that no characteristic was necessary to produce the outcome, as all consistency values were below 0.9 (Schneider & Wagemann, 2007) (see Table 3).

Insert Table 3 about here.

The analysis of sufficient conditions supported the result of the analysis of necessary conditions because, in each analysis step, no single factor predicted the outcome alone. However, as expected, several configurational paths appeared. In the following, we describe our findings. We first report our findings concerning individual characteristics and then present our results for the simultaneous analysis of individual and organizational characteristics. To provide in-depth insights into our findings, we first present and describe the configurations and then give an example and quotes for each. We summarize our findings and provide the key messages at the end of this section. An overview of our findings is presented in Table 4.

Insert Table 4 about here.

a) Paths of individual characteristics

There was one path that perfectly fit the data (consistency = 1): Solution IC1: Older females with high education levels and vocational backgrounds in socially oriented subjects consistently apply a value-in-diversity perspective. Four cases fit this profile. One example was a 57-year-old woman who graduated from a university majoring in pedagogics (#9). She

managed a non-profit organization that ran a variety of services, such as ambulant and stationary care, a shelter for women and homeless people, social work at school, adult education, and volunteer work. She spoke several languages and had been interested in diversity since childhood because she was born in Germany but raised in Brussels. She highlighted that diversity was not a problem for her because it was natural to her. She stressed:

I provide an open climate: a respectful one. It is an attitude (...). Of course, there are conflicts, but we can handle it. It is easier here than in really big companies or a group.

(#9)

An alternative path with slightly lower consistency, solution IC2, comprised younger men with short tenures and backgrounds in socially oriented subjects (consistency = .96). One example was a 41-year-old executive (#10) deputy director who graduated in business from a university of applied sciences and worked for a delivery service. He highlighted that *“it is and will be of high importance. We operate in an industry in which it is becoming increasingly difficult to find employees.”* Later in the interview, he added: *“In the future, it will be even more important to retain and develop employees.”* Therefore, his organization devoted considerable effort to identifying potential target groups, such as mothers and foreigners.

Furthermore, as shown in solution IC3, individuals with high education levels, backgrounds in socially oriented subjects, and short tenures, regardless of gender,

(consistency = .95), applied a value-in-diversity perspective. This was the most frequent combination in our data.

b) Paths of individual and organizational characteristics combined

We found several paths that shared some commonalities with the individual-level results.

First, we found a pattern similar to that in solution IC1: older females with high levels of education and vocational backgrounds in socially oriented subjects (IOC1). This analysis step also showed that they had longer tenure. Our combined analysis further revealed that they were all working for larger, non-profit organizations with low competitive intensity. The consistency of this solution was 1. One example (#3) was a 58-year-old female with a university degree who had worked for her organization for more than 20 years. The organization dealt with adult education and served very diverse customers. In consequence, *“becoming diverse was a very natural process. (...) There is no control. It is our attitude and a common good.”*

Second, in a path that shared some commonalities with solution IC2, we found that younger males with backgrounds in socially oriented subjects and short tenures (IOC2) applied a value-in-diversity perspective. Moreover, in this step, these individuals also showed low education levels. They were most likely to appear in smaller, for-profit organizations with low competitive intensity. They worked for organizations in the medical sector, serving as a founder (#31) or a successor of a family-owned company (#2). They became interested diversity in the workforce due to suffering a skills shortage. The following quotation

exemplifies the open attitude towards diversity:

We had a job interview with a man who openly communicated that he was homosexual and who opted out of the Catholic Church. He told us he wants to be open about that from the beginning on, and we replied that this is no problem at all. We are happy to employ people who are different. (#2)

Third, as in solution IC3, we found that individuals with high levels of education, backgrounds in socially oriented subjects, and short tenures applied a value-in-diversity perspective. These individuals also tended to be younger females working for large, for-profit organizations with low competitive intensity (IOC3). This solution had perfect consistency (1) and fit two cases. One of them was a 39-year-old female CEO (#14) who graduated in business from a university of applied sciences. She managed a company with more than 2,000 employees and referred to it as monopolistic. Diversity was a big concern for her because most of her employees were of foreign origin. She stressed that:

Here in the office, we recognize differences. We do not apply the scattergun approach; I differentiate and try to get closer to my employees. (...) At the moment, it is employees from Romania. We have to identify and retain them. (#14)

We also found new and interesting patterns in solutions IOC4a and IOC4b, which had not

appeared on the individual level but shared many commonalities. Specifically, we found that older males with high education levels and backgrounds in socially oriented subjects with either short or long tenures who were working for either big or small public or non-profit organizations with low competitive intensity were likely to apply a value-in-diversity perspective. These paths were both highly consistent (1). One 53-year-old male executive working for a care organization stated:

Diversity means two things: first, addressing and fulfilling diversity of needs of our diverse customers, but also adjusting and using the competencies of our employees, which means using interdisciplinary knowledge. (#19)

When interpreting these paths more closely from a person-situation-interactionist angle, it appears that the executives with a value-in-diversity perspective tended to work in very specific types of environments. First, within the public/NGO environment with low competitive pressure, we found two profiles:

IOC1: Older women with high education levels, vocational backgrounds in socially oriented subjects, and longer tenures.

IOC 4 a + b: Older men with high education levels, vocational backgrounds in socially oriented subjects, and longer or shorter tenures.

To understand this finding better, we went back to our data and found that the majority of executives with these profiles (four of the six cases) actually applied a learning-and-integration perspective; thus, they attributed very high value to diversity and incorporated it into the work processes.

In corporate environments with low competition, we identified two profiles working in small (IOC2) and large (IOC3) companies:

IOC2: Younger males with low education levels, vocational backgrounds in socially oriented subject, and shorter tenures

IOC3: Younger females with high education levels, vocational backgrounds in socially oriented subjects, and shorter tenures.

Our data showed that three of the four executives with these profiles applied an access-and-legitimacy perspective. Accordingly, they attached high value to diversity, but seemed to focus more on its economic advantages in terms of increased access to customers and a broadened pool of applicants.

Interestingly, we did not identify any paths that included organizations operating in highly competitive environments. We speculate that, in these environments, executives with a value-in-diversity perspectives are either rare or do not share a specific profile.

DISCUSSION

Building on interviews with 50 executives in German organizations and applying fsQCA, we were able to identify five complex profiles of individual and organizational characteristics associated with a value-in-diversity perspective. Our findings highlight the tenets of person-situation-interaction theory by showing that specific types of executives are likely to apply a value-in-diversity perspective and to work in environments that seem to support their diversity-related endeavors. In the following, we elaborate the theoretical and practical implications of our findings in more detail. Furthermore, we discuss limitations and future avenues of our research.

Theoretical contribution

Our study contributes to the diversity literature in three major ways. First, while prior research has highlighted important consequences of diversity perspectives (Dass & Parker, 1999; Ely & Thomas, 2001; Jansen et al., 2016), research has not yet addressed its predictors. Our study shows that different combinations of individual characteristics predict executives' diversity perspectives. From the perspective of upper echelon theory (Finkelstein & Hambrick, 1996; Hambrick & Mason, 1984), this is very important because executives' diversity perspectives

significantly influence how diversity is handled in their organizations.

Second, in line with prior research on the antecedents of diversity attitudes and diversity initiatives in organizations (Adams & Funk, 2012; Dezsö & Ross, 2012; Johansen & Zhu, 2014; Konrad & Linnehan, 1995b; Linnehan et al., 2006; Richard et al., 2013; Sawyerr et al., 2005), our findings confirm that executives' individual characteristics are valid predictors of diversity perspectives. Prior research usually assumes that these characteristics act independently; however, the inconsistency of the findings highlights the need to consider the complexity of antecedents. Indeed, our fsQCA results reveal that it is not independent variables, but configurations of conditions that predict diversity perspectives. This finding enhances our understanding of the inconsistencies in prior studies. We take gender as an example because females have frequently (Strauss & Connerley, 2003), but not always (Rindfleish, 2000) been found to be more likely to support diversity. From our first analysis step, we conclude that not all females, but, in particular, older females with high education levels and vocational backgrounds in socially oriented subjects are likely associated with the value-in-diversity perspective. It is possible that their personal experience as women, together with their high education levels and interest in social issues (as captured in their educational background), fostered a special interest in this topic.

Third, drawing from the person-situation-interaction framework we applied a simultaneous analysis of individual and organizational characteristics. The configurations obtained from the simultaneous analysis extend the solutions on the individual combinations alone by providing information about the kinds of environments in which such executives

display a value-in-diversity perspective. First, we found that, in smaller and larger public/non-profit organizations with low competitive intensity, older executives with higher education levels and backgrounds in socially oriented subjects (including both males and females with both shorter and longer tenures) tended to apply a value-in-diversity perspective. The majority in this environment even placed diversity at the core of their organizations and considered it to have specific value for them (learning-and-integration perspective). The person-situation-interaction lens suggests that the environment provides individuals important cues what kind of personality traits, attitudes, or behaviors are expected and fit in (Tett & Burnett, 2003) and that this combination enables or suppresses behavior (Mischel & Shoda, 1995; Zayas & Shoda, 2009). As many organizations of executives with this perspective had a social purpose (e.g., were concerned with education or health), we conclude that this organizational environment fosters greater openness towards and integration of all people. Due to this orientation and the reduced pressure on business outcomes, executives with such profiles and such perspectives felt included and could turn their visions of diversity into reality. By contrast, in smaller and larger private organizations with low competitive pressure, younger executives with short tenures and backgrounds in socially oriented subjects (including both males and females with both higher and lower education levels) tended to assign high value to diversity. However, they tended to do so from an access-and-legitimacy-perspective. From a person-situation-interaction angle, this indicates that, in such an environment, a more instrumental and economic approach to diversity is valued. Furthermore, since we did not find any solution including highly competitive organizations, our findings suggest that executives

are less likely to be willing and/or able to promote a value-in-diversity perspective in such an environment or at least there is no specific profile of executives. The pressure to react and innovate quickly might reduce these organizations' willingness and ability to focus on diversity (Harrison et al., 1998; Pelled et al., 1999). Building on the person-situation-interaction perspective, we propose that this is mirrored by the types of executives that are attracted to such an environment and experience a higher fit (Caplan, 1987; Kristof, 1996).

Managerial implications

Our findings are important for individuals, organizations, and broader society because the diversity perspective of an executive determines how strongly minorities and majorities experience inclusion in their workplace, as they can influence the likelihood of faultlines and conflict and increase cooperation and innovation (Ely & Thomas, 2001; Jansen et al., 2016; Sessler, Bernstein & Bilimoria, 2013). Accordingly, hiring executives with a value-in-diversity perspective can change the daily experiences of employees and contribute to a better working climate.

For organizations, focusing on individual characteristics, our findings show that certain executive profiles are more likely to apply value-in-diversity perspectives than others.

Extending prior research, our findings suggest that focusing on isolated individual characteristics, such as gender or background, has little value. Instead, if organizations want to promote diversity, they should identify and recruit candidates matching these profiles for executive positions. Most of the profiles in our study included high education levels and

backgrounds in socially oriented subjects. Accordingly, degree and type of education seem to be very important for developing diversity-friendly organizations.

Our simultaneous analysis of both individual and organizational characteristics revealed further important findings. We found that the identified profiles appeared in certain environments, such as non-profit/public or private organizations operating with low competitive pressure. Interestingly, we found no combination that included organizations in highly competitive environments. This leads to the tentative conclusion that, when organizations operate in markets with intense competition, it is particularly difficult to find candidates likely to follow a value-in-diversity perspective. If such organizations wish to change their approach to diversity, our findings suggest that they need to adjust their hiring strategies. As the type of executive commonly hired in such environments is less likely to have a value-in-diversity perspective, rethinking hiring criteria and exploring new executive segments might be valuable. These criteria should also be applied to internal promotions to identify promotion candidates willing to support change. Yet, these organizations should consider that these new types of executives might diverge from organizational values and/or other members of the top management team. Because of this potential misfit (Kristof, 1996), companies should devote extra effort to onboarding to help candidates effective in an environment that does not match their values or attitudes.

Limitations and avenues for future research

First, the study findings suggest that executives' diversity perspectives are influenced by both individual and organizational characteristics. However, from our data and analysis, we can draw no conclusions on causality. It is possible that executives who possess certain attributes are more attracted to organizations with certain diversity-friendly cultures and, thus, internalize this culture. In such a situation, the executives do not influence the organization; rather, the organization influences them. Yet, Hambrick and Mason (1984) surmised that executives are often selected because they have the right background to implement an executive board's objectives. Future research should address this problem of causality and investigate the direction of the relationship identified in our findings.

Second, we found that the competitive environment is important for diversity perspectives. Executives applying a value-in-diversity perspective typically worked in environments with low competitive intensity. One might conclude that executives place less value on diversity in highly competitive environments; however, our findings neither support this claim nor answer the question of whether applying a value-in-diversity perspective would be beneficial for such executives. As our study did not relate diversity perspectives to performance measures, future research should investigate in more detail whether and in which competitive environments diversity perspectives lead to higher performance outcomes.

Third, the specifics of our sample created three limitations. First, the sample comprised qualitative data from 50 executives in German organizations; thus, the findings are bound to

the study context. Second, during the data collection, some potential participants were identified by contacting companies taking part in the "Charter of Diversity". Thus, the included companies had shown an interest in diversity long before our study. Perhaps for this reason, females were far more represented in our sample than would typically be expected for an executive sample. Furthermore, the number of executives applying a value-in-diversity approach in our sample is likely to be higher than that among all German organizations. Future studies could contribute to the generalizability of our findings by conducting similar studies with other, more balanced samples and engaging in cross-cultural comparisons. Third, in our sample, only seven executives applied a discrimination-and-fairness perspective, and only three applied a resistance perspective. Due to these small numbers, we were unable to identify patterns relating to these perspectives. Future studies could narrow the focus and increase the number of cases in these categories to provide in-depth insights into their characteristics.

Conclusion

The purpose of this study was to understand individual and organizational predictors of executives' value-in-diversity perspective. Using fsQCA, we analyzed not only single predictors on the individual or organizational level, but also their interplay. This yielded two main findings. First, we found that the adoption of a diversity perspective is not explained by any single factor alone; rather, it is explained by configurations. Thus, our research highlights that we can only understand the meanings of characteristics if we investigate them in a

configurational manner. This also explains why prior research has produced conflicting findings. Second, our analysis showed that certain types of executives were more likely to apply a value-in-diversity perspective than others. Taking into account the organizational environment, we found that executives with these profiles tended to work in specific environments in which they seemed to feel included and could turn their visions of diversity into reality. In consequence, our study provides not only recommendations for recruiting specific profiles of executives likely to hold a value-in-diversity perspective, but also specific advice for organizations that do not provide environments that help such executives foster positive perspectives on diversity.

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TABLE 1: Coding of diversity perspectives

Perspective	Description	Example Quotation
Resistance	Diversity is not desirable and/or not important for the organization.	"We prefer to have a homogeneous workforce. Diversity management is not important for our business." (#13)
Discrimination & Fairness	Diversity needs to be addressed by securing equal opportunities for all the company's (potential) employees.	"Everyone deserves the same opportunities, regardless of age, gender, or nationality. We endeavor to secure equal opportunities for all of our employees." (#5)
Access & Legitimacy	Diversity is a business benefit in terms of customer access and satisfaction or employee recruiting.	"Competition for employees is steadily increasing, which intensifies the war for talents. We need to react to that." (#15)
Integration & Learning	Diversity is at the core of the organization and implies learning effects resulting from collaboration in diverse teams.	"We have identified mutual benefits stemming from workforce diversity. Synergies developing within heterogeneous teams are especially remarkable." (#21)

TABLE 2: Fuzzy groups, descriptions, example coding, coding, frequencies

Fuzzy Groups	Description and Example Coding (If Applicable)	Coding	Frequencies (Absolute/Percentage)
Gender	Membership in group of women: We differentiated between women and men.	Female = 1	16/32
		Male = 0	34/68
Age	Membership in group of younger executives: Because the average age of managers in Germany is 51.2 years (CRIFBuergel, 2015), we set the threshold for younger executives to 50 years.	≤40 = 1	8/10
		41–50 = 0.67	19/38
		51–60 = 0.33	19/38
		≥61 = 0	4/8
Education Level	Membership in group of executives with higher education level: We set the threshold for high education level to the tertiary sector in Germany (Eurostat, 2015), including education at universities and universities of applied sciences.	Ph.D. = 1	7/14
		Master/diploma/state examination (university) = 0.80	28/56
		Bachelor (university)/master (university of applied sciences) = 0.60	4/8
		Management academy = 0.40	2/4
		Vocational training = 0.20	6/12
		High school (general & focus) = 0	3/6
Vocational Background	Membership in group of executives with vocational background in socially oriented subjects: We developed groups of vocational backgrounds and assigned values according to the focus of studies/education on social issues (versus financial, procedural, or technical issues).	Pedagogics/sociology/teachers/social sciences/philosophy = 1	13/26
		Doctors/nurses = 0.80	2/4
		Business administration/communication/languages = 0.60	19/38

		No focus (general high school) = 0.50	2/4
		Business administration with a focus on finance/banking/administration/business engineers = 0.40	6/12
		Attorneys/tax consultants = 0.20	4/8
		Engineers = 0	4/8
Tenure	Membership in group of executives with shorter tenure: Because studies on CEOs indicate an average tenure of 9.6 years in Germany (Rosenberger, 2015), we set the threshold for shorter tenure to 9 years.	≤5 years = 1	10/20
		6–9 years = 0.67	14/28
		10–19 years = 0.33	12/24
		≥20 years = 0	14/28
Size	Membership in group of smaller organizations: In Germany, organizations with 500 and more employees are referred to as big (IfM Bonn, 2018); therefore, we set the threshold for small companies to 499.	≤250 employees = 1	15/30
		251–499 employees = 0.67	9/18
		500–4,999 employees = 0.33	22/44
		≥5,000 employees = 0	4/8
Sector of Organization	Membership in group of public and non-profit companies: Following prior literature on sectors, we differentiate between public/non-profit and for-profit organizations (Johansen & Zhu, 2014) and grouped companies along their profit orientation.	Non-profit and public = 1	15/30
		For-profit = 0	35/70
Competitive Intensity	Membership in group of organizations with lower competitive pressure: We used number of competitors and perceived intensity as indicators. We set the threshold for low intensity based on interviewees' evaluations, such as “not many competitors” or “not much competition.”		
	“We are the only institution of our kind in this area.” (#37)	Low = 1	8/16
	“There are not many competitors. There are about 10 all over Germany.” (#16)	Rather low = 0.67	21/42
	“Yes, we have to fight the competition, but we have a good position.” (#35)	Rather high = 0.33	10/20

	“We are competing against 180 insurance companies.” (#8)	High = 0	11/22
Diversity Perspective	Membership in group with integration-and-learning perspective: For coding, please refer to the methods section and the sample quotes in Table 2.	Integration-and-learning = 1	14/28
		Access-and-legitimacy = 0.67	26/52
		Discrimination-and-fairness = 0.33	7/14
		Homogeneity-and-resistance = 0	3/6

TABLE 3: Results of analysis of necessary conditions

Condition		Consistency	Coverage
Gender	Female	0.40	0.83
	Male	0.60	0.60
Age	Younger	0.67	0.84
	Older	0.57	0.84
Level of education	Higher	0.76	0.76
	Lower	0.40	0.84
Vocational background	Socially oriented	0.74	0.83
	Engineering	0.47	0.80
Tenure	Shorter	0.58	0.84
	Longer	0.59	0.75
Size of organization	Smaller	0.66	0.79
	Larger	0.54	0.85
Sector of organization	Non-profit/ public	0.36	0.80
	For-profit	0.64	0.62
Competitive intensity	Lower	0.61	0.82
	Higher	0.55	0.76

TABLE 4: Results of analysis of sufficient conditions

Profile	Individual characteristics (IC)			Individual and organizational characteristics (IOC)				
	IC1	IC2	IC3	IOC1	IOC2	IOC3	IOC4a	IOC4b
Gender (female)	●	∅		●	∅	●	∅	∅
Age (younger)	∅	●		∅	●	●	∅	∅
Level of education (higher)	●		●	●	∅	●	●	●
Vocational background (socially oriented)	●	●	●	●	●	●	●	●
Tenure (shorter)		●	●	∅	●	●	∅	●
Size of organization (smaller)				∅	●	∅	●	∅
Sector of organization (public/ non-profit)				●	∅	∅	●	●
Competitive intensity (lower)				●	●	●	●	●
Raw coverage	0.15	0.23	0.38	0.04	0.08	0.05	0.08	0.06
Unique coverage	0.05	0.06	0.12	0.04	0.08	0.05	0.06	0.04
Consistency	1.00	0.96	0.95	1.00	0.93	1.00	1.00	1.00
Cases	3; 6; 9; 22	2; 10; 20; 28; 29; 31	6; 10; 14; 17; 19; 20; 21; 22; 26; 29; 35; 43; 47; 48; 49	3; 9	2; 31	14; 17	24; 40	19; 49
Solution coverage	0.50			0.28				
Solution consistency	0.96			0.98				

Notes: ● = presence of a condition ∅ = absence of a condition

APPENDIX 1: Interview guideline

Part 1: Individual characteristics: Please introduce yourself, including your:

- gender
- age
- country of birth
- tenure
- current position and job responsibilities
- education

Part 2: Organizational characteristics: Please tell us about your organization, including your organization's:

- size
- year of foundation
- products/services
- competitive environment and position
- strategy

Part 3: Diversity and diversity management

Introductory question: Is your organization concerned with diversity management?

If so:

- Since when and why? Please elaborate.
- How do you define diversity?
- What kinds of changes and challenges does diversity mean for your organization? Please elaborate.
- Have there been any particular situations (positive or negative) related to diversity that you still think about? Please elaborate. What was the outcome/how did you solve these situations? Any other situations that you remember? Please elaborate.
- Which target groups are particularly important for you? Please elaborate.
- What kinds of programs do you offer for these target groups? Please elaborate.
- Who initiated diversity management and why? Top-down or bottom-up?
- Who is responsible for diversity management?
- What meaning does diversity and diversity management have for top management and for the future of your company? Please elaborate.
- Is diversity important to other companies comparable to yours? Please elaborate.

Closing question: Are there any other topics related to diversity and diversity management that we have not yet covered that you would like to discuss?

If not:

- Have you ever heard of diversity and diversity management?
- What does diversity and diversity management mean to you?
- Do you think diversity and diversity management will become important to your company in the future? If not, why? Please elaborate. If yes, refer to the interview guide above in a "hypothetical way."
- Is diversity important to other companies comparable to yours? Please elaborate.

Closing question: Are there any other topics related to diversity or diversity management that we have not yet covered that you would like to discuss.