



RUTGERS SPAA RESEARCH BRIEF

FEBRUARY 2021

Yahong Zhang, PhD
Associate Professor,
School of Public Affairs and
Administration (SPAA),
Rutgers University–Newark

Danbee Lee, PhD
University of Nebraska at Omaha

RUTGERS
UNIVERSITY | NEWARK
School of Public Affairs
and Administration

Do Public Organizations Have Reputations for Diversity? The Study of Women and Minorities' Decision to Work in Public Organizations

Research Questions

The workforce diversity has been one of human resource management scholars and practitioners' major concerns. Previous studies have focused on demographic composition across sectors. They found that the public sector workforce, especially in redistributive agencies of governments, has greater diversity. However, few empirical studies have investigated whether diversity efforts send signals that actually influence women and racial minority job seekers' decisions. The primary goal of this study was to explore whether perceived signals of diversity can provide relevant answers to the following three questions:

1. Are female and racial minority employees, as key stakeholders of workforce diversity, concerned more about an organization's reputation for diversity?
2. Do female's and racial minorities' consideration of an organization's reputation for diversity lead them to work in the public over the nonprofit sector?
3. Do female's and racial minorities' consideration of an organization's reputation for diversity lead them to work in redistributive agencies rather than other governmental units?

Theories and Hypotheses

This article focuses on perceived organizational diversity as a job choice motivator to explain why people choose jobs in the public sector, particularly in redistributive agencies. Organizations' reputation for diversity, which is our theoretical lens, refers to peoples' shared beliefs that an organization treats and protects underprivileged groups of employees equally.

According to signaling theory, in the context of job market transactions, job seekers in general largely experience constraints obtaining accurate information about organizations' attributes, including their work environment, benefits, job tasks, and culture. Thus, people rely on signals to reduce their uncertainty, and they are likely to use reputations as signals of organizations' working conditions. This framework can be applied to address people's job choice decisions among sectors, as well as different types of organizations within the public sector.

Both theoretical and empirical research has supported the proposition that, in general, women and racial minorities seeking jobs tend to place greater emphasis than do white men on factors related to an organizations' diversity. While the fundamental reasons that women and minorities are concerned with diversity in their job choice decisions are not our goal, the paper focuses on the possibility that they are more likely than are nonminority men to investigate organizations' reputations to obtain additional information about their workforce diversity.

H1: Women and racial minorities are more likely to be concerned about organizations' reputation of diversity when selecting jobs than are nonminority males.

Compared to the nonprofit sector, public organizations are established by law, funded publicly, monitored by elected officials, and expected to share resources over the affected population. They are expected to be more accountable to citizens, accomplish equitable and efficient resource distribution, and enforce rules related to equal opportunity and affirmative action programs strictly. It is reasonable to propose that the public sector sends diversity signals that appeal to women and racial minorities. Therefore, we expect that females and racial minorities, as key stakeholders in the issue of workforce diversity, might be more likely to work in the public sector than in the nonprofit sector if they attach great importance to organizations' reputation for diversity.

H2: Female and racial minority employees who value an organizational reputation for diversity are more likely to work in the public than in the nonprofit sector.

Within the public sector, demographic distribution of workforce also varies across departments. Different from the distributive and regulatory agencies in functions and responsibilities, redistributive agencies primarily address the redistribution of wealth and power among social classes and have made historical efforts to promote social equity and reduce hurdles to women's and racial minorities' entry. With the ideas of social equity and justice that underlie redistributive policies, redistributive agencies may give the impression that they favor women and racial minorities.

H3: Female and racial minority employees who value an organizational reputation for workforce diversity are more likely to work in redistributive agencies than in other government units.

Data and Methods

The data were collected from Phase 3 of the National Administrative Studies Project (NASP-III) through a survey mailed to public and nonprofit managers in Georgia and Illinois. The final sample size for this research is 1,095, including 727 public managers (66%) and 368 nonprofit managers (34%). Within the subsample of 727 public managers, 393 (54%) work in redistributive agencies and 334 (46%) in non-redistributive agencies.

This study selects two dependent variables: (1) job selection in the public vs. nonprofit sector, and (2) job selection in redistributive vs. non-redistributive agencies within the public sector. In addition to race and gender as independent variables,

another independent variable is managers' consideration of an organization's reputation. It was measured by a survey question with a four-point Likert scale asking respondents the extent to which "the organization's reputation for opportunities for women and minorities" was important in making their decision to take a job at their current organization. Control variables such as managers' other considerations in job selection, education, age, and tenure are also included in the data analysis.

Mean comparison with t-test was applied to test H1, and Logit models were applied to test H2 and H3 respectively. In order to test whether female's and racial minorities' consideration of an organization's reputation for diversity lead them to work in the public sector and redistributive agencies, two, two-way interactions of females and diversity reputation (Female*Diversity reputation), of racial minorities and diversity reputation (Racial minority*Diversity reputation), as well as a three-way interaction (Female*Racial minority*Diversity reputation) are added into each of the Logit models. Meanwhile, models using subsamples based on gender and racial minority were also performed for robust check.

Findings

Empirical results show that female managers attached significantly greater importance to a reputation for organizational diversity when they selected their current jobs than did male managers, and that minority managers perceived significantly greater importance to organizational reputation for diversity than did nonminority managers. Therefore, female and racial minorities were more concerned about organizational reputation for diversity when they made job decisions. Hence H1 is supported.

In the Logit models of job choice between the public and nonprofit sectors, the interactions between females and diversity reputation and racial minorities and diversity reputation are significant. Female and racial minority managers who were concerned more with organizations' diversity reputation were more likely to choose jobs in the public sector than were male or nonminority managers, respectively. Therefore, H2 is supported.

In the Logit model of job choice between the redistributive and non-redistributive agencies within the public sector, the interaction between racial minority and organizational diversity reputation is significant, while other two interactions are not. The results demonstrated that racial minority managers, especially male minorities, who valued organizational reputation for diversity were more likely to work in redistributive agencies than in other government units. Thus, H3 is partially supported.

Academic Contributions

This article expands the literature on workforce diversity by providing organizational reputation as a new lens through which to explain the way people make job-related decisions. Studying organizations' signals of diversity and reputation can contribute to the literature in three ways. Firstly, it helps expand the literature on diversity perspectives, which indicates employees' perceptions of their organizations' identification of diversity. Secondly, the signal approach can extend the sector choice literature, which has largely focused on person-organization fit or person-job fit. While previous studies have emphasized the congruence between individuals' values and organizations' attributes, signaling theory emphasizes the way individuals perceive organizations' signals. Thirdly, it extends the discussion of bureaucratic reputation that mostly focuses on the effect of reputations on public organization at the organizational level to the individual level, particularly focusing on employees' attitude toward organizational reputation.

This brief is based on the full article:

Danbee Lee and Yahong Zhang. 2020. "Do public organizations have reputations for diversity? The study of women and minorities' decision to work in public organizations." *Public Management Review*.

<https://doi.org/10.1080/14719037.2020.1751253>

About Rutgers SPAA

The School of Public Affairs and Administration (SPAA) at Rutgers University–Newark, highly ranked by *U.S. News & World Report* and nationally and internationally accredited, motivates students to choose careers in public service and administration through its innovative degree and certificate programs. Rutgers SPAA generates knowledge and best practices in public affairs and administration while promoting accountability, transparency, and performance in the public and nonprofit sectors.



111 Washington Street
Newark, NJ 07102
973-353-5093

spaa.newark.rutgers.edu