

## **The Role of Work Group Status as a Contextual Variable in Relational Demography Research**

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*In relational demography research, hypotheses predicting unfavorable effects for demographic dissimilarity have not always been supported. A need exists for the identification of contextual variables that further specify the conditions under which such effects would occur. Work group status is introduced here as an important moderator variable. Three theoretical premises support its use: Social identity and self-categorization theories; Common Ingroup Identity Model; and, downward comparison theory. The general proposition is that as work group status increases, the effects of dissimilarity will be mitigated because status itself (as opposed to demographics) is likely to become the primary delimiter of ingroup-outgroup classifications.*

### **INTRODUCTION**

The demographic composition of the workforce is changing. Today's organizations comprise a mix of individuals who are likely to be quite diverse across numerous individual characteristics. Recent organizational trends observed with age, race, and gender provide evidence of this dynamic shift (see Bell et al., 2011; Jehn, Northcraft, & Neale, 1999; Ng & Feldman, 2010).

Because of such trends, organizational diversity has recently captured the attention of both practitioner and academic audiences in the field of management. Management scholars have taken a particular interest in diversity, examining it from a variety of perspectives in an attempt to understand its influence on employee and organizational outcomes. Past research has provided a large pool of evidence to suggest that individual demographic characteristics can have a profound effect on employees in the workplace. For example, Ottaway and Bhatnagar (1988) examined how gender differences among managers affect earning potential. Sandfort, Bos and Vet (2006) investigated discriminatory experiences associated with individuals' openness about homosexuality and the resulting consequences for job satisfaction, health and sick leave. McFarland et al. (2006) examined the relationship between race and interview ratings in structured selection panel interviews. Finally, Avolio, Waldman and McDaniel (1990) considered the role of age in supervisory ratings of work performance.

While these studies illustrate the direct effects of diversity, researchers have also recognized that situational or contextual factors play a large role in determining the impact of demographic differences on such outcomes (Riordan & Shore, 1997). Because most employees work in social environments, largely characterized by work groups, it has been suggested that the study of workplace diversity should take into

account this environment, and consider the relational or comparative aspects of diversity. *Relational demography* specifically refers to the comparisons individuals make between their own personal characteristics and the characteristics of others in their social unit (work group), and how such comparisons lead to assessments of similarity or dissimilarity (Riordan & Shore, 1997). Because personal characteristics such as age, race, and gender, are highly visible among employees working together, demographic dissimilarity has often been examined as antecedent to a number of work-related attitudes and behaviors. Examples include group norms related to cooperation (Chatman & Flynn, 2001); peer relations and organizational citizenship behavior (Chattopadhyay, 1999); individual turnover (Wiersema and Bird 1993); perceptions of performance appraisals, advancement opportunities, and recognition (Riordan & Holliday-Wayne, 1998); conflict (Pelled, 1996); and, job satisfaction and organizational commitment (Mueller, Finley, Iverson & Price, 1999).

While this research has been exciting and plentiful, the field of relational demography as a whole has often produced inconsistent results (Riordan, Schaffer & Stewart, 2005; Riordan, 2000). Dissimilarity has not always yielded the expected negative results, while similarity has not always yielded favorable results. As a result, it has been difficult to identify common threads across studies, and replication in the field remains a major challenge for researchers as they try to advance and develop theory.

In this paper, we address this inconsistency by introducing a contextual variable that is theoretically tied to the foundations of relational demography theory. This variable is the perceived status one gains from being affiliated with a particular work group (PSGA). Our conceptual framework suggests that as PSGA increases, the effects of dissimilarity on work-related outcomes should become weaker. The use of PSGA as a moderator is consistent with the notion that an individual's relative position within a social context, not just the individual's demographic characteristics, affects attitudes and behaviors (Jackson et al., 1991).

## **THEORETICAL FOUNDATIONS**

Both social identity theory and self-categorization theory provide support for the idea that demographic dissimilarity has the potential to lead to unfavorable outcomes for individual employees in work groups (Tajfel, 1981; Turner, 1987). People often classify or define themselves along social criteria in order to make individual comparisons in their environments. In turn, this leads to individuals defining themselves, and others, as members of certain groups (Tajfel & Turner, 1979). Through this process, people create a means for social differentiation by often keying in on the most prominent or salient characteristics in their immediate contexts, namely demographic characteristics. This differentiation serves to classify and structure one's social environment, and can lead to perceptions of social groups that allow individuals to construct their own social identities (Riordan et al., 2005). A new employee may define or identify himself via the personal factors he uses for social categorization. For example, *I am a young employee in my early twenties, I am Hispanic, and I have an MBA* (see also Ashforth & Mael, 1989). "These identifications are to a very large extent (inherently) relational and comparative: they define the individual as similar to or different from, as 'better' or 'worse' than, members of other groups" (Tajfel & Turner, 1979, p. 40). Research employing relational demography as a conceptual framework typically hinges on these types of social comparisons, using social identity principles as a theoretical foundation (Riordan et al., 2005).

An important principle of social identity and self-categorization theory is that individuals will strive to maintain or enhance their self-esteem. Therefore, they are attentive to whether or not their social identity is associated with positive or negative connotations. In many cases, people will assign themselves and similar others to the ingroup, and relegate dissimilar others to an *outgroup*. An underlying motivation related to self-enhancement and self-esteem is the tendency for people to make ingroup-outgroup comparisons that favor their own ingroups, by differentiating themselves from the qualities or characteristics of other outgroups (Tajfel, 1974; Turner, 1975). Through these processes, dissimilarity is seen as a shortcoming or inadequacy, and this can be the root of stereotypes, social inequity, and polarization; all of which disadvantage outgroup members (Williams & O'Reilly, 1998).

In the work environment, demographic characteristics such as age, gender, race, and education, may be particularly salient, and will therefore likely be used for making ingroup/outgroup differentiations. This is because they are highly visible, and offer employees simple cues for making distinctions among other coworkers (Flynn, Chatman & Spataro, 2001). In fact, social categorizations and ingroup/outgroup distinctions, based on demographics, are likely to take place even when formal work groups or other divisions within the organization have already been established (Flynn et al., 2001). Thus, relational demography theories assert that within workgroups, social comparison processes based on demographics are likely to take place. As such, workgroup members who are demographically dissimilar to the rest of the group are expected to experience the unfavorable outcomes associated with being categorized in the outgroup.

## **THE ROLE OF WORK GROUP STATUS**

Prior research has largely ignored the role of perceived work group status as a contextual variable in relational demography. As mentioned above, incorporating such variables in relational demography frameworks should help to clarify mixed findings by specifying the conditions under which demographic dissimilarity would be expected to lead to unfavorable outcomes.

Previous studies have considered the role of various moderators in the examination of dissimilarity on employees' attitudes and behaviors. For example, Jackson et al. (1991) hypothesized that relationships between individual dissimilarity and turnover would be weaker for TMT members in elite subgroups, relative to members in nonelite subgroups. This test for moderation was not supported. Kirchmeyer (1995) used gender and minority status as moderator variables to test whether or not the anticipated favorable effects of demographic similarity would be stronger for men and nonminorities. Again, results did not support this particular hypothesis. Pelled, Xin and Weiss (2001) observed a significant interaction between tenure dissimilarity and supervisor facilitation (moderation). Specifically, they found that when supervisor facilitation was low, there was a strong negative relationship between tenure dissimilarity and conflict. However, when supervisor facilitation was high, this negative relationship was significantly weaker (Pelled et al., 2001). Finally, Flynn et al. (2001) found that dissimilarity in citizenship, race, and gender was related to individuals forming more negative impressions of others. However, this relationship was mitigated, or buffered, when dissimilar individuals were more extraverted, or when they were higher self-monitors. In this case, extraversion and self-monitoring were contextual variables (moderators) in the design.

These studies suggest that there is a useful role for the consideration of contextual variables in examinations of demographic dissimilarity and employee outcomes. In this paper, the identification of PSGA as a moderator is a particularly important contribution to the literature, because it is directly tied to the theoretical underpinnings of relational demography.

Perceived status associated with one's work group affiliation (PSGA) refers to the personal enhancement that employees gain from their group membership. High PSGA is associated with favorable perceptions about specific work group characteristics. These include increased feelings of personal status and image within the organization, greater senses of respect from others in the organization, and increased levels of personal self-esteem.

Work group membership has the potential for providing individuals with increased feelings about their status and/or image within the organization. These feelings can often come from a group's position within the company, rather than from the specific activities exercised by the group. For instance, if a group's position gives it inherent social or formal organizational power, it can have an influential impact on other organizational members and events (French & Raven, 1959). The most obvious example of this would be the power inherent in top management teams, in which members would likely perceive higher status or enhanced image due to being part of such influential groups. Less formal work groups within the organization also have the potential to exert similar types of influence, bringing about higher perceptions of personal status for individual members. For example, a production team that has been together for

years, and that has consistently led the organization in quality numbers during its tenure, may have a relatively high level of status because of its longevity and reputation.

Employees might also enjoy higher levels of personal respect from others because of their work group affiliation. For example, consider a group that is known throughout the organization as being highly cooperative and that is often recognized as being a leader in overall organizational citizenship. Among other things, this group might comply with rules and policies, show common courtesy to other departments and work groups, and participate in activities that are not required, but nonetheless help the organization's image or reputation. These behaviors have been shown to help engender favorable reactions from others in the workplace, including admiration and respect (Organ, 1988).

Finally, group membership can enhance employees' self-esteem. A basic fundamental motive for most individuals involves a desire for personal attachment, and the need to belong (Baumeister & Leary, 1995). To the extent that work group membership can fulfill such needs, individual self-esteem and self-worth can be heightened. Task-related competencies gained from working with qualified group members can also have an effect on self-esteem. Group members' instructions, feedback, and other forms of communication can serve as an important source of performance aide and provide employees with confidence (Hackman, 1992).

In summary, PSGA represents the composite set of personal status, image, respect, and self-esteem, all of which are gained from work group membership. From an empirical standpoint, PSGA is considered to be present when all of these components exist together. The examination of this construct along with relational demography outcomes seems appropriate from a theoretical standpoint. As Steele (1988) notes, an area of interest in social psychology is how individuals cope with various threats to their self-regard. When employees at work face potential adverse feelings due to demographic dissimilarity, high perceptions of PSGA may provide the coping mechanism to alleviate negative perceptions, such as discrimination or exclusion. In this way, PSGA should serve as a self-enhancing function, increasing employees' self-esteem (Riordan, 2000; Brockner, 1988).

In at least a couple of studies, relational demography researchers have considered the role of perceived status as a contextual factor. Jackson et al. (1991) examined the effects of personal dissimilarity and group heterogeneity in top management teams, on the outcomes of recruitment, promotions, and turnover. They hypothesized that the relationship between personal dissimilarity (based on age, tenure, education, curriculum, alma mater, military service, and career experience) and turnover would be weaker for executives in elite subgroups (higher status groups), than for executives in nonelite subgroups. The authors' logic for this included the fact that executives in higher status groups might have a position of relative power that would insulate or buffer them from the pressures to leave the organization when they were dissimilar. Results failed to support this moderation hypothesis. However, Jackson et al. (1991) recognized that the two status levels examined in their study were "only modestly unequal" (p.686), and therefore they urged future research to continue to examine the role of status as a theoretically meaning construct in relational demography. Goldberg, Riordan and Schaffer (2010) examined status enhancement as a moderator of the relationships between work group similarity and group-related outcomes (such as cohesiveness, member liking, and group identification). Their results showed partial support for the moderator hypothesis. For example, race similarity was positively related to cohesiveness and liking when perceived status was low, but not when perceived status was high. However, the authors also suggested that the role of status in relational demography research continue to be examined from a theoretical basis. This paper adheres to the recommendations above by more clearly specifying the role of work group status.

Theoretically, there are important reasons why PSGA fits the overall conceptual framework as a moderator. Drawing from primarily the social psychology literature, the following discussion includes the theoretical integration of three research streams: 1) social identity and self-enhancement; 2) the Common In-group Identity Model; and, 3) downward comparison processes.

## Social Identity and Self-enhancement

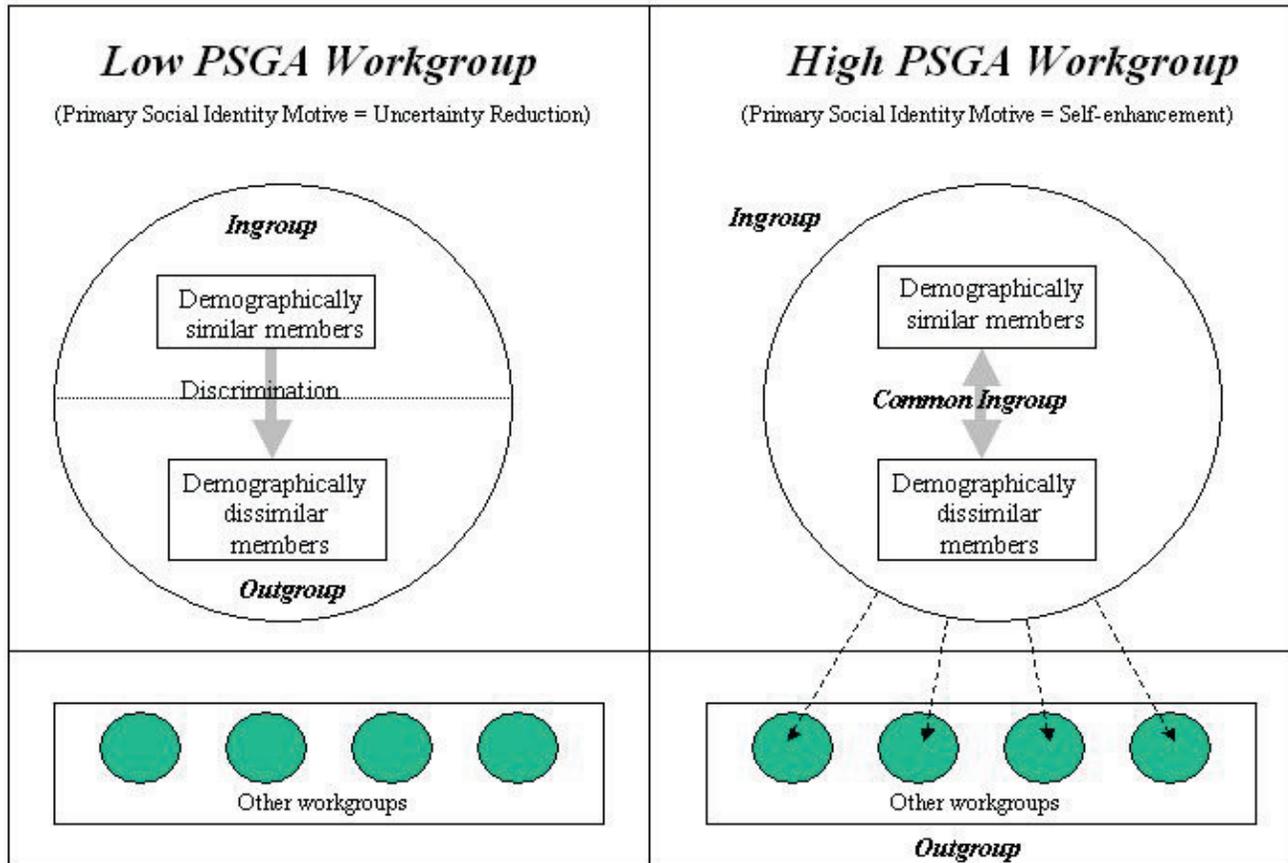
First, the basic principles of social identity and self-enhancement theories suggest that PSGA is an important contingency variable. As mentioned earlier, in-group and out-group categorizations are often formed based on visible personal characteristics, such as race, age, and gender. The idea is that these characteristics are particularly visible and salient to observers, and thus can easily serve as the basis for ingroup/outgroup biases (Turner, Brown, & Tajfel, 1979). Other variables or factors become important when they too are relatively salient, especially when they become more salient than demographic characteristics. It is suggested here that because of the benefits described above, PSGA will serve as a highly salient factor that can supercede the importance or salience of demographic characteristics.

First, when PSGA is used to make the workgroup a salient ingroup-outgroup delimiter, individuals should likely extend less discriminatory gestures to individuals on the basis of sex, race, age, and/or education. Instead, they should recognize the favorable features associated with group membership as being the factor that draws inclusionary or exclusionary considerations. Second, individuals who are demographically different from others in their workgroup, but who are in high PSGA workgroups, should *perceive* less discrimination from workgroup members since members will likely use the workgroup as the primary defining factor of their social identity (and not demographic characteristics). Thus, all workgroup members should become part of the ingroup.

Additionally, increased workgroup PSGA should serve as a self-enhancing function, increasing employees' self-esteem (Riordan, 2000; Brockner, 1988). Individuals are often able to adapt to threats (i.e., discrimination) with cognitive changes not related specifically to the threat, but rather to the affirmation of one's overall self-integrity (Steele, 1988). Therefore, perceived discrimination may be significantly lessened when an employee has the opportunity to cognitively change his or her perceptual world via the characteristics of his or her group membership. An African American female may think much less about her demographic differences to her white male workgroup members when the group has been praised or recognized for its performance. However, such demographic differences may be very salient when the group, for whatever reason, has lower PSGA. Thus, high group PSGA seems to carry with it an avenue for individuals to redefine ingroup-outgroup boundaries based on group membership versus demographic characteristics. Figure 1 illustrates the importance of social identity and self-enhancement processes in situations where PSGA is either low or high.

When PSGA is low (the left hand side of the figure), the formation of ingroups and outgroups are more likely to form within the workgroup itself, based on demographic similarity and dissimilarity. When PSGA is high, the formation of ingroups and outgroups are based on external comparisons to other workgroups, since specific workgroup characteristics are relatively more salient aspects of identity. As the figure suggests, when the outgroups reside outside of the workgroup, members' perceptions of discrimination should be reduced. It is worth noting that in both conditions (high PSGA, low PSGA) there are self-enhancing processes occurring. In the absence of PSGA, the enhancement functions are more likely to stem from social differences among proximal employees (i.e., within the workgroup), rooted in stereotype and bias. When PSGA is high, enhancement is gained from the workgroup membership, and comparisons are made based on this, rather than on surface-level individual differences *within* the workgroup.

**FIGURE 1**  
**THE ROLE OF DEMOGRAPHIC DISSIMILARITY, PSGA, AND PERCEIVED**  
**DISCRIMINATION IN RELATIONAL DEMOGRAPHY RESEARCH:**  
**A CONCEPTUAL MODEL**



<b>Theories Relevant to the Model</b>
<p><b>Social Identity / Self-Enhancement:</b> When PSGA is low, the formation of ingroups and outgroups are more likely to form within the workgroup itself. Enhancement functions are more likely to stem from visible individual differences among workgroup employees. When PSGA is high, the formation of ingroups and outgroups are based on external comparisons to other workgroups. Enhancement is gained from external comparisons to other workgroups.</p>
<p><b>Common Ingroup Identity Model:</b> A high PSGA workgroup is more likely perceived as a common ingroup, since the basis of its comparison to others is not demographic dissimilarity, but rather workgroup status. Lower status groups (low PSGA) will rely more on the basic social ingroup-outgroup categorizations dictated by Social Identity Theory (demographics).</p>
<p><b>Downward Comparison Theory:</b> When PSGA is low, downward comparisons are made within the workgroup, on the basis of demographic characteristics. In this sense, perceptions of discrimination are more likely to be felt by minority members within the workgroup. When PSGA is high, workgroup characteristics become more salient than demographic characteristics. Members within the workgroup will be more likely to make downward comparisons using other workgroups in the organization as primary referents. Social identity comparisons thus become externally focused.</p>

### **The Common Ingroup Identity Model**

The Common Ingroup Identity Model (CIGIM) “suggests that if group members’ mental representations of separate groups could be recategorized into a ‘one group’ representation, then the fundamental biases and conflicts between groups should diminish” (Gaertner & Dovidio, 2000, p.88; see also Dovidio, Gaertner, Niemann, & Snider, 2001). Williams & O’Reilly (1998) noted that one way the effects of diversity can be moderated by the situation is to create a common identity or goal. A common identity can reduce ingroup/outgroup biases and promote solidarity.

The CIGIM is important in the context of relational demography, because it suggests that processes related to recategorization and decategorization can help to reduce certain types of prejudice or exclusionary practices. For example, recategorization from separate ingroups and outgroups to a one-group identity reduces biases and stereotypes by shifting the scope of ingroup favoritism to include former outgroup members (Dovidio et al., 2001). As a result, the treatment of former outgroup members becomes more inclusionary and equitable to the extent that they are treated in the same fashion as ingroup members. At the same time, decategorization should also occur, whereby favoritism toward prior ingroup members is reduced, as they become perceived as being part of the whole group, which includes all members (Wilder, 1986).

This implies that the unfavorable effects of demographic dissimilarity can be reduced if other factors can help employees find alternative avenues to cognitively recategorize their group memberships. Research has shown that *status* is an important variable that can help with this recategorization. One of the basic premises of the ‘contact hypothesis’ (Gaertner & Dovidio, 2000; Allport, 1954) is that intergroup contact can, under certain circumstances, promote more amicable and congenial intergroup relations. One such circumstance is when socially proximal ingroups and outgroups share equal levels of high status. The reason for this is that higher status shared among different groups may facilitate members’ ability to view the conditions of contact between the groups more favorably (Gaertner & Dovidio, 2000). For example, in sports, an individual who is on a team that enjoys success and fame is more likely to base her identity on the team affiliation (because of the status associated with this affiliation), as opposed to an association with other team members who are demographically similar.

In the current framework, it is expected that high PSGA will work in this way to reduce perceptions of discrimination based on demographic dissimilarity. If demographic ingroup-outgroup boundaries exist within a larger workgroup setting, then high status for all workgroup members (or, equal status among the ingroups and outgroups within the larger group) can serve to achieve a common ingroup. This is the basis of the CIGIM, and is particularly applicable to demographic dissimilarity and associated negative perceptions employees may hold. Higher perceptions of PSGA should influence members to put more emphasis on characteristics related to the group’s superiority on power and competence dimensions, while lower perceptions of PSGA should influence them to rely more on the basic social ingroup-outgroup categorizations dictated by social identity theory (Gaertner & Dovidio, 2000). Therefore, a high PSGA workgroup will more likely represent one common ingroup, since the basis of its comparison to others is not demographic dissimilarity, but rather the workgroup (i.e., they will compare themselves to lower status, less competent workgroups). On the other hand, a lower PSGA workgroup will more likely have ingroup-outgroup divisions, based on demographic characteristics, within the workgroup itself. Comparisons with other workgroups will be less likely, since such comparisons would probably have an unfavorable effect on members’ self-esteem (since other groups might be higher status groups).

In Figure 1, when PSGA is low (the left-hand side of the figure), there may be less of an opportunity for workgroup members to categorize themselves on the basis of other factors besides visible salient characteristics, such as demographics. Hence, within the workgroup, ingroup-outgroup boundaries are formed, and biases across these boundaries create the potential for perceptions of discrimination. In the right-hand portion of Figure 1, the double-sided arrow indicates that in high PSGA workgroups, demographically similar and demographically dissimilar individuals can be combined to form one common group. This common group becomes the new ingroup, and other, lower status workgroups, become outgroups. As a result, being demographically dissimilar from other workgroup members is not

likely to engender unfavorable or negative perceptions (i.e., bias or discrimination), since all workgroup members share a new social identity that is collectively self-enhancing.

### **Downward Comparison Theory**

The principles of downward comparison theory also provide support for the idea that PSGA can moderate the effects of dissimilarity. Wills' (1981) theory proposes that individuals can enhance their subjective well-being by comparing themselves to referent others who are perceived to be less fortunate. This idea is very much related to self-enhancement explanations for social identity processes. As described earlier, individuals have a natural tendency to strengthen or maintain their social identities by comparing themselves to others in ways that will favor their own self-concept (Riordan, 2000). This process involves selectively comparing one's self to other groups or categories in ways that will bolster personal status or distinctiveness (Riordan, 2000; Tajfel & Turner, 1985).

Research on downward comparisons has supported this contention. Most of the studies have, in fact, shown that such comparisons increase individuals' moods and enhance their self-esteem (Wood & Taylor, 1991). Both Affleck and Tennen (1991), and Wood, Taylor, and Lichtman (1985), have shown that downward social comparisons are often used by victims of medical conditions or illnesses. Victims often use such comparisons as a way of reducing threats to their self-esteem and their psychological well-being, and also as a way to find meaning in their unfortunate situations (Affleck & Tennen, 1991). For example, it has been shown that breast cancer patients will sometimes compare themselves with other patients whose conditions are worse or more progressed.

As the preceding example might indicate, the theory of downward comparison has not been applied often in organizational research. Primarily, its domain has been the social psychology literature, where studies have examined the comparison processes of cancer patients, mentally retarded individuals, fire victims, arthritic patients, mothers of premature infants, physically handicapped adults, undergraduate students, and college professors (Wills, 1991).

The theory, however, seems particularly applicable to workgroup relational demography research, especially when PSGA is introduced as a contextual variable. One of the key arguments of downward comparison theory is that downward social comparisons will typically be directed at groups of people who are lower in status, and whom majority members consider acceptable targets to derogate (Luhtanen & Crocker, 1991). Thus, the separation of ingroups and outgroups from a social identity standpoint is inherently a process of downward comparison, and carries with it the likelihood of either subtle or direct discrimination or exclusionary treatment. The downward arrows in Figure 1 depict this process.

On the left-hand side of the figure, when PSGA is relatively low, the downward comparisons are made within the workgroup, on the basis of demographic characteristics. Majority workgroup members (i.e., Caucasian males) use minority workgroup members (i.e., African American females) to make downward social comparisons. In this sense, perceptions of discrimination are more likely to be felt by minority members within the workgroup. On the right hand side of the figure, when PSGA is high, workgroup characteristics become more salient than demographic characteristics. Members within the workgroup, despite sharing a common identity, will still possess a need for self-enhancement, and as a result will be more likely to make downward comparisons using other workgroups in the organization as primary referents. Social identity comparisons thus become externally focused. As a result, individual employees who are demographically dissimilar to the rest of their workgroup members are less likely to experience the unfavorable effects typically hypothesized in relational demography research.

In summary, there is theoretical support from three different research streams for the conceptual model in Figure 1. Together, these different perspectives offer compelling reasons to examine PSGA as a contextual variable in relational demography research. When the goal is to study the effects of workgroup demographic dissimilarity on employees' perceptions of their work environments, it becomes especially important to include factors such as PSGA as contextual variables. This is due to their potential salience as critical determinants of social categorization, which is the basic principle behind most relational demography research.

The interaction of demographic dissimilarity and PSGA can be represented by four cells or quadrants (Figure 2).

**FIGURE 2**  
**THE INTERACTION OF DEMOGRAPHIC DISSIMILARITY AND PSGA**

	Low Dissimilarity	High Dissimilarity
Low PSGA	1	2
High PSGA	3	4

For individuals in low PSGA work groups (Cells 1 and 2), demographic dissimilarity should be positively related to unfavorable perceptions (for example, perceptions of discriminatory and exclusionary treatment that are associated with ingroup favoritism and outgroup bias). Consistent with social identity and social categorization arguments, ingroup members who are demographically similar to other work group members should perceive lower levels of discrimination, relative to outgroup members who are demographically dissimilar (i.e., Cell 2 > Cell 1).

On the other hand, for individuals in high PSGA work groups (Cells 3 and 4), demographic dissimilarity should not significantly affect such perceptions. For these individuals, work group status is likely to be the salient factor used for the formation of ingroups and outgroups, and dissimilarity or similarity should play less of a role. Therefore, within a high PSGA work group, there should be less intragroup discriminatory treatment between members.

These ideas suggest that in Figure 2, individuals in Cell 2 will ‘suffer’ most from being demographically dissimilar. Other members, either because they are in a social ingroup (Cell 1), or because they are in a high status work group (Cells 3 and 4), will perceive comparatively more favorable work group experiences.

Proposition: Perceived status of affiliation (PSGA) will moderate the effects of age, gender, race, tenure, and education dissimilarity on hypothesized unfavorable employee attitudes or behaviors. When PSGA is low, dissimilarity will be positively related to the negative factors normally predicted by relational demography research, When PSGA is high, dissimilarity will not be related to such negative factors.

## DISCUSSION

Researchers have emphasized the need for identifying variables that closely align with the theoretical foundations of relational demography (see Riordan, et al., 2005). This paper has presented PSGA as an important variable that can decrease the size of the ‘black box’ that has characterized much of the research to date. In other words, many studies have found relationships between dissimilarity and employee attitudes and/or behaviors, but there have been comparatively fewer cases where such relationships have been adequately explicated. The use of PSGA as a moderator in relational demography research has the potential to strengthen what is currently an unstable theoretical bridge linking dissimilarity to employee outcomes. Its use as a contextual variable would represent an actual test of relational demography theory. This is because the drive for self-enhancement or status has been identified as one of the main reasons people form ingroup-outgroup identities. In this sense, PSGA can serve as an ‘enhancement satisfier’ for individuals, and can therefore reduce the need for divisions to be formed

based on demographics. Future research can benefit by the use of such variables that have this type of close tie to underlying theory.

Researchers will need to work on operationalizations of status. Measurements of PSGA will need to account for each of the components of personal status, image, respect, and self-esteem (discussed earlier). The position in this paper is that all of these elements need to exist together for PSGA to be present. However, there may be implications for assessing the relative strength of each component. In addition, there may be some use in looking at differential perceptions of PSGA among members in the same group. Should all group members have similar perceptions of PSGA? Would these perceptions differ according to minority/majority status, or according to whether or not someone was dissimilar to the rest of the group? These questions all deserve attention in future studies.

Finally, in Figure 1, the implication is that in high PSGA workgroups, there are favorable results associated with the formation of a common ingroup and a sharing of social identity among all members. An unexplored area in this paper has to do with the impact this might have on other groups or teams in the organization. As the figure suggests, the natural tendency would be for a high PSGA work group to position other groups in the organization as being outgroups for the purposes of social comparison. In essence, the processes associated with social categorization would be brought up to the group level by the presence of PSGA. The group itself, as a common ingroup, is likely to make comparisons with lower PSGA work groups, or outgroups. Certainly, there are implications here in terms of methodology (multilevel issues) and theory (blending relational demography research with other team or group-based research).

## CONCLUSION

The role of PSGA in teams and groups certainly has practical implications for management. Social identity and self categorization theories largely support the general proposition that demographic dissimilarity in work groups is associated with unfavorable work-related attitudes and behaviors. However, this paper suggests that there are ways to capture the benefits of heterogeneity while at the same time mitigating some of the problematic outcomes associated with perceptions of dissimilarity. The message is that diversity and dissimilarity should be embraced and that there are ways to create an environment where individual group members identify with each other equally.

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