

People management and diversity: chicken or egg?
Results of a longitudinal study of line managers' activities and diversity

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Abstract

The research reported in this paper shows that people management activities have a significant effect on team diversity, as theoretically expected. Team diversity – understood in terms of functional or informational differences between team members – is dependent on the career support that supervisors provide to their team members. This study also reveals a hitherto unexamined phenomenon, namely a reversed causal relationship: team diversity positively affects line managers' people management activities (more specifically: the implementation of tailor-made arrangements and the support of employees' commitment). We did not find a significant effect of people management activities on diversity beliefs of team members. These findings come from a two-wave longitudinal study of 3,368 employees of a large financial service provider. They add new insights about the relationship between people management activities on the one hand and team diversity and diversity beliefs on the other hand.

Keywords people management, line managers, team diversity, diversity beliefs, longitudinal study

1. Introduction

Many scholars have studied the effects of workforce and team diversity, but there is as yet no conclusive proof of evidence that diversity has an unambiguous effect on performance – either positive or negative (Jayne & Dipboye, 2004; Kochan et al., 2003; Van Knippenberg & Schippers, 2007). Van Knippenberg (2007) has stated that the nature of the observed effects is dependent on the scope of diversity. Studies which focus on ‘visible’ differences between employees (differences in gender, age and race) more often find negative effects of diversity – caused by the existence of subgroups – than studies with a focus on ‘non-visible’ differences (differences in knowledge and expertise). Van Knippenberg (2007) argues that organizations are able to capitalize on the (potential) benefits of diversity if task-relevant information – related to ‘visible’ and/or ‘non-visible’ differences – is exchanged and integrated (p. 16). In addition, research by Van Knippenberg and others (Homan, Van Knippenberg, Van Kleef & De Dreu, 2007; Van Knippenberg, 2007; Van Knippenberg, Haslam & Platow, 2007) has shown that ‘to manage diversity, we may need to influence group members’ beliefs about diversity’ (Van Knippenberg, 2007, p. 24); the more group members have a positive perception of the benefits of diversity, the more likely it is that they will cooperate with others who are different, resulting in high performance.

This raises the question how workforce diversity, understood in a broad sense, can be increased and how organizations can facilitate the capitalizing of diversity through their Human Resource Management (HRM). Although the relationship between HRM and diversity has not received the same amount of attention as the diversity-performance link, it is generally assumed that well-designed HR policies have a positive effect on diversity (Kossek & Pichler, 2007). Recent research shows that line managers are vital in bringing HR policies to life (Boxall & Purcell, 2008; Hutchinson, 2008; Purcell & Hutchinson, 2007; Purcell & Kinnie, 2007), both by their leadership behaviour and by the application of HR practices (two elements of the concept people management). Following this view, the management of diversity is – at least partially – dependent on line managers’ people management activities. More specifically, the more individual employees are supported by their supervisor, the more they feel valued, and this will have a positive effect on the retention of employees from ‘non-standard’ groups (those who are not fulltime available, highly qualified, mobile and flexible), resulting in a more diverse workforce (Bogaert & Vloeberghs, 2005). However, it can also be argued that there is an effect in the opposite direction. In other words, line managers who supervise heterogeneous teams are ‘triggered’ to deal with diversity by supporting their employees, regardless of their characteristics. Up until now, this chicken-and-egg problem has not been solved, because empirically investigating this issue requires longitudinal data, and most previous studies are cross-sectional.

This paper examines the relationship between the people management activities by supervisors on the one hand and team diversity and diversity beliefs on the other hand, from a longitudinal perspective. Diversity is understood in terms of functional or informational differences between team members. We concentrate especially on the role of line managers, since they have a crucial position in the application of HR practices. We investigate the validity of two opposite assumptions: (1) line managers’ people management activities have a positive effect on team diversity and on diversity beliefs, and (2) team diversity has a positive effect on people management activities by line managers. Thus, the question that this paper will answer is: do line

managers' people management activities help to enhance team diversity and diversity beliefs or is it the other way around?

This paper will first introduce the theoretical framework. Then the research design will be accounted for. The results section will report on line managers' people management activities, team diversity and diversity beliefs on two points in time, and on the relationship between these concepts. The final section will discuss the theoretical and practical implications of this research.

2. Theoretical framework

This section will first elaborate on the notion of diversity; why is it a relevant issue and how can it be conceptualized? Then we will outline the concept of 'people management'. Finally, we will relate the two concepts and formulate two competing sets of hypotheses.

Diversity

Organizations are confronted with increasing challenges concerning the management of their workforce. Although problems related to a tight labour market are pushed into the background by recent economic developments, these are not in the least a matter of the past. The population of western European countries is ageing (Verworn, Schwarz & Herstatt, 2009). Moreover, the workforce is becoming more and more diverse (Benschop, 1999) as a result of, among other things, the labour market entry of women and immigrants (Bogaert & Vloeberghs, 2005). There are not only shifts in the composition of the workforce regarding 'visible' characteristics, such as age, gender and race. There is also an increasing diversity in 'non-visible' differences, such as work values and knowledge and expertise (Mavin & Girling, 2000). Facing a tight labour market and an increased diversity of the workforce, organizations are challenged to recruit and retain employees from 'non-standard' groups to maintain a high level of service delivery.

Many organizations have anticipated on these developments in the labour market by taking measures to ensure that all groups have the opportunity to participate (Liff, 1997). For example by the implementation of HR practices such as reduced working hours for older workers or part-time work arrangements for parents. Critics of this 'positive action' approach point out that differences *between* groups are considered more important than differences *within* groups (Van der Velde, 2008). Moreover, Kandola & Fullerton (1994) substantiate that in this approach gender, age and race are believed to be important determinants of behaviour and that characteristics such as work experience, personality, work style and work ethics are overlooked. Another critical remark is that in this approach some groups are considered to be disadvantaged and in need of special attention. Consequently, there is a chance that employees in 'standard' groups (younger workers, men, natives) are excluded from HR practices (Hicks-Clarke & Iles, 2000).

In contrast to the positive action approach, the individualization approach of diversity emphasizes a 'broad' definition of diversity. Not only 'visible' characteristics are believed to be important, 'non-visible' differences are included as well. Kandola & Fullerton (1994) have proposed the following definition of diversity: 'consisting of visible and non-visible differences, which include factors such as sex, age, background, race, disability, personality, and work style' (p. 8). They have stated that 'harnessing these differences will create a productive environment in which everybody feels valued, where their talents are being fully utilised and in which organisational goals are met' (p. 8). Organizations that take this individualization approach (also called a business case

approach) presume that management of diversity can be beneficial to them. By helping people to work effectively and by responding to their needs through the HR strategy, competitive advantage is believed to be effectuated (Van Esbroek & Van Engen, 2008). In this approach, HR practices address all employees – and not only ‘minorities’ – and acknowledge that differences *within* groups can occur. Moreover, this is a multidimensional approach to diversity; instead of looking at dichotomies (e.g. males vs. females), *all* individual characteristics are taken into account simultaneously. The business case approach to diversity is summarized by Cox (1993) as: ‘planning and implementing organizational systems and practices to manage people so that the potential advantages are maximized ... Further, I view the goal of managing diversity as maximizing the ability of all employees to contribute to organizational goals and to achieve their full potential’ (p. 12).

Van Knippenberg (2007) suggests that to maximize the benefits of diversity it is important to take into account differences in task-relevant information and perspectives. Teams that engage in the elaboration of task-relevant information will achieve high performance. Van Knippenberg argues that these differences ‘can derive from a host of differences in experiences and preferences that may be associated with all kinds of differences between people – with differences in demographic characteristics and in personality just as well as with differences in educational and functional background’ (p. 15). Thus, it is assumed that by creating heterogeneous teams according to the definition of Kandola & Fullerton (1994), performance is improved through the increase of task-relevant diversity.

Research by Homan et al. (2007) has shown that the relationship between informational diversity and performance is moderated by diversity beliefs. The more people believe in the (added) value of diversity, the more teams benefit from informational diversity. Thus, to capitalize on the potential benefits of heterogeneity the attitudes towards diversity need attention. These results are in line with findings by Ely & Thomas (2001), who have concluded that teams can have different views on diversity and that these orientations have an impact on the effects of diversity on team performance. Therefore, in this paper will we not only focus on informational diversity in teams, but also on diversity beliefs of employees.

The role of line managers

Line managers are a central actor in the implementation of HR policies in general and the implementation of diversity management in particular (Shen, Chanda, D’Netto & Monga, 2009). Research by Larsen & Brewster (2003) has shown that in most European countries significantly more organizations are increasing, as opposed to decreasing, the responsibility of line managers in various HRM areas. Recent research shows that line managers are vital in bringing HR policies to life (Hutchinson, 2008; Purcell & Hutchinson, 2007). This is especially the case when recognizing and accommodating differences between employees is a central feature of the HR strategy (the individualization approach of diversity).

Purcell & Hutchinson (2007) have suggested that the role of line managers is twofold. On the one hand, line managers have an interpersonal relationship with their employees, which involves providing them with expressions of affection and evaluation. They elaborate on leader-member exchange (LMX) theories (cf. Graen & Uhl-Bien, 1995; Settoon, Bennett & Liden, 1996), in which trust, respect and mutual obligation between a leader and a follower are the main elements. On

the other hand, line managers have a responsibility for the application of HR practices. This involves all kinds of structural and instrumental assistance to employees, supporting their performance and career (cf. Huffman, Waltrous-Rodriguez & King, 2008). Purcell & Hutchinson suggest the term 'people management activities' to cover both aspects, that are – according to them, as well as to Bowen & Ostroff (2004) – closely related. Line managers need well-designed HR practices to support their employees' well-being, performance and career. At the same time, employees' perception of HR practices is dependent on the application by line managers. These two elements of people management activities, leadership behaviour and application of HR practices, resonate with earlier studies by House (1981) and Vaux (1988) of social support activities.

The first component of people management activities, leadership behavior, is understood as supportive behavior by a manager and defined as specific acts that have the intention of helping the employees supervised (compare Procidano & Heller, 1983). Based on earlier research by Leisink & Knies (forthcoming; see also Huffman, Watrous-Rodriguez, & King, 2008) a distinction can be made between two different focal points: employees' personal commitment and their career development. These two forms of leadership behavior are closely related. With regard to the second component of people management activities, the application of HR-practices, two different levels of application can be distinguished. On the one hand, line managers implement 'general' practices, which apply to all employees in their team. On the other hand, line managers are to an increasing extent expected to make tailor-made arrangements with individual employees. HR practices set at the organizational level outline the framework for these deals (Guest, 2007). Tailor-made arrangements can take various forms, but have two common characteristics. Firstly, tailor-made employment conditions are voluntary 'deals' that employees make with their supervisor. Secondly, these must, in some way, contribute to the functioning of employees. One type of tailor-made work arrangement is completely individualized and has been labeled by Rousseau and others as 'i-deals' (idiosyncratic deals). This is an individually tailored deal, which differs in some fashion from those received by colleagues hired to do the same work (Rousseau, 2005: 8). Another type of tailor-made arrangement is in the form of a deal made in a 'cafeteria' system, in which money and free time are exchanged (Benders, Delsen, & Smits, 2006).

The majority of LMX researchers assumes that line managers (can) differentiate in the support they provide to subordinates in their team (Schriesheim, Castro & Cogliser, 1999). Thus, it is assumed that not all employees are in the same need of emotional support by their supervisor. In line with the business case approach to diversity, it is argued that to maximize the benefits of leadership behaviour, line managers need to adapt their support to the needs of individual employees (cf. Paglis & Green, 2002; Stewart & Johnson, 2009). This does not mean, however, that supervisor and employee always agree on the level of support that is provided; there are often discrepancies in the perception of support. A study by Stewart & Johnson (2009) has shown that high LMX scores contribute to positive (performance) outcomes. They state that high levels of LMX form a solid base for an effective employment relation in heterogeneous teams. Moreover, they have concluded that differentiated people management activities are more often perceived as fair than 'standardized' activities – which have a positive effect on performance. Stewart & Johnson perceive differentiation between team members in heterogeneous teams to be a natural combination, since no one expects different people to be treated the same.

Homan (2006) has suggested that line managers have another important responsibility in the management of diversity, in addition to providing emotional, structural and instrumental support to their employees. They have an important role in the promotion of positive attitudes towards diversity. In her view, line managers can influence their team members' diversity beliefs by emphasizing the values of diversity. This resonates with the suggestion by Shen et al. (2009) that management has an important role in creating an organizational culture in which diversity is recognized and valued.

Hypotheses

Summarizing these studies we can conclude that people management activities by line managers refer to supportive behaviour, including acts of showing interest in how employees are doing in their job and interest in their personal functioning, as well as acts facilitating employees' performance and personal development. This can include the making of tailor-made employment arrangements, but these can also concern the implementation of general HR practices.

On the one hand, it can be assumed that employees with different backgrounds will feel valued by the organization and their supervisor, when they are supported and employment conditions are tailored to their preferences. This may result in more heterogeneous teams, because a wider range of employees is retained for the organization. In this view, team diversity is thus believed to be the result of preceding actions of the supervisor. To investigate this argument, the following hypotheses will be tested:

H1a: The application of HR practices has a significant effect on team diversity.

H1b: Leadership behaviour has a significant effect on team diversity.

Moreover, in this line of reasoning, it can be argued that because support for all individual employees – instead of only for 'standard' workers – sends a message that diversity is valued by the organization and the supervisor, diversity beliefs of workers are stimulated by line managers' people management activities. This can be explored by studying 'diversity beliefs' as a dependent variable – as opposed to Homan et al. (2007), who have examined diversity beliefs as a moderating variable. We will test the following hypotheses:

H1c: The application of HR practices has a significant effect on diversity beliefs of team members.

H1d: Leadership behaviour has a significant effect on diversity beliefs of team members.

On the other hand, it can be assumed that line managers who supervise heterogeneous teams feel compelled to support their employees. In this view, team diversity is the independent variable and people management activities is the dependent variable. To examine the validity of this assumption, we will test the following hypotheses:

H2a: Team diversity has a significant effect on the application of HR practices.

H2b: Team diversity has a significant effect on leadership behaviour.

The model in Figure 1 represents the different hypotheses.

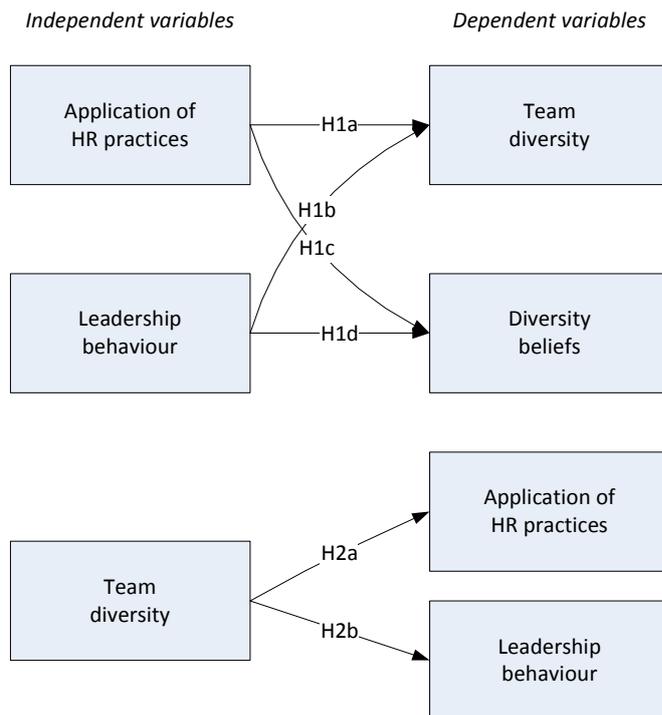


Figure 1: Graphical representation of hypotheses.

3. Research design

The data assessed in this paper come from a two-wave longitudinal study of people management activities and diversity management in a financial service provider in The Netherlands. The first survey was conducted in June 2008, the second survey in December 2009. The data for this paper come from 3,368 employees who have completed the questionnaire both times. 1,812 men (53.8 per cent) and 1,556 women (46.2 per cent) participated in the research. The mean age of the respondents is 42.5 years (sd=8.9 years).

Only employees who do not have any supervisory responsibilities are included in the research. This selection was made, because employees' perceptions of HR practices are found to be an important element in the HRM-performance chain (Boxall & Purcell, 2008). Moreover, when asking supervisors about their people management activities there is a chance that they will express a flattering view on their own behaviour and provide socially desirable answers (cf. Tekleab & Taylor, 2003).

The variables were measured using five-point Likert scales, with a score of 1 indicating very weak support for the statement in the item, and a 5 very strong support.

Following the suggestion by Purcell & Hutchinson (2007), the concept of people management activities is divided in two main components: the application of HR practices and leadership behaviour. The questionnaires included items about these components. The application of HR practices was measured using two sub-variables. We distinguish two different levels of application: the application of general measures on the one hand and the implementation of tailor-made arrangements on the other.

(a) Specific supportive HR practices. This variable is based on seven items asking employees to indicate to what extent they feel that they are supported by the application of several HR

practices (aimed at, for example, training and development and obtaining a good work-life balance).

(b) Implementation of tailor-made arrangements. This variable is based on two items asking employees to indicate to what extent tailor-made employment arrangements are negotiated between them and their supervisors.

Leadership behaviour is understood as supportive behaviour by the manager and defined as specific acts that have the intention of helping the employees supervised. This variable consists of two sub-variables of which the reliability was tested in previous research (Leisink & Knies, forthcoming), namely:

(c) Support of employees' commitment. This variable is based on four items asking employees to indicate their support for statements about their supervisor's interest in how they are doing their job, and interest in their personal functioning.

(d) Support of employees' career development. This variable is based on four items asking employees to indicate their support for statements about the extent to which their supervisor facilitates their participation in training and the use of career opportunities provided by the organization.

The other variables in this study are team diversity and diversity beliefs. Following the definition of Van Knippenberg (2007) diversity is understood in terms of informational differences between employees.

(e) Team diversity. This variable is based on two items asking employees to indicate their support for statements about the extent to which colleagues in their team have different task-relevant information.

(f) Diversity beliefs. This variable is based on three items asking employees about their beliefs about the value of diversity to work group functioning (cf. Van Knippenberg et al., 2007).

To determine the relationship between the observed variables (questionnaire items) and the latent variables (constructs), we conducted confirmatory factor analyses (CFAs). The results of these analyses confirm the existence of the factor structure as described above. The values of all standardized coefficients are between .59 and .90.

We performed several analyses to examine the degree to which the instrument measures the same constructs across time. In case of 'specific supportive HR practices' (CFI=.90, TFI=.90, RMSEA=.09), 'tailor-made arrangements' (CFI=.99, TLI=.99, RMSEA=.04), 'team diversity' (CFI=.93, TLI=.93, RMSEA=.08) and 'diversity beliefs' (CFI=.97, TLI=.97, RMSEA=.06) full measurement invariance was established, meaning that individuals who have the same observed score on these items have the same standing on the construct underlying the measurement device (Schmitt & Kuljanin, 2008). In case of 'support of career development' metric invariance was established (CFI=.95, TLI=.94, RMSEA=.10). This is considered adequate when there is an interest in construct validity (Schmitt & Kuljanin, 2008). Only in case of 'support of employees' commitment' no measurement invariance could be established. Therefore, these results should be interpreted with

caution. For the purposes of this study we constrained intercepts, factor loadings and residual variances to be equal across groups in all analyses.

To test the reliability of the scales, we performed reliability analyses (see Table 1). Cronbach's alpha for reliability were (very) good for all scales (>.75). The only exception is 'team diversity'; Cronbach's alpha is acceptable at .60.

Table 1: Results of reliability analyses.

	No. of items	Cronbach's alpha 2008	Cronbach's alpha 2009
Specific supportive HR practices	7	.90	.91
Tailor-made arrangements	2	.85	.85
Support of employees' commitment	4	.91	.93
Support of career development	4	.86	.90
Team diversity	2	.59	.60
Diversity beliefs	3	.76	.77

The data analysis involved several steps. First, we present the descriptive statistics for the variables used. Second, we present the results of the model tests. After conducting the confirmatory factor analyses described above (Model 0) we added autocorrelations (in 2008 and 2009) and stability paths to the model (Model 1). Model 1 is significantly better than Model 0 (see Table 2). The correlation matrix and stability path coefficients will be displayed and discussed in the next section. To test our hypotheses, we added several causal paths to the model (Model 3), using structural equation modelling (SEM). Model 3 fits the data significantly better than Model 2 (see Table 2). The results of these analyses will be presented in the result section.

Table 2: Fit statistics.

	Model Fit			Model comparison
	CFI	TLI	RMSEA	AIC
Model 0	.89	.89	.05	333,726
Model 1	.93	.93	.04	281,367
Model 2	.93	.93	.04	281,350

Model 0: CFA; Model 1: CFA, autocorrelations and stability paths; Model 2: CFA, autocorrelations, stability paths and causal paths.¹

4. Results

Table 3 presents the (weighted) means and standard deviations for the variables in 2008 and 2009.

Table 3: Descriptive statistics (weighted means are displayed, standard deviations between parentheses).

	2008	2009
Specific supportive HR practices	3.19 (0.73)	3.19 (0.75)
Tailor-made arrangements	3.58 (0.80)	3.58 (0.81)

¹ When we added background variables (gender, age, educational level) to the model, the model fit did not significantly improve (AIC=292,511). Therefore, we decided not to include these variables in the final model.

Support of employees' commitment	3.53 (0.82)	3.61 (0.84)
Support of career development	3.45 (0.75)	3.45 (0.83)
Team diversity	3.96 (0.63)	3.94 (0.63)
Diversity beliefs	4.01 (0.59)	4.02 (0.58)

The results in Table 3 show that employees are fairly positive about the people management activities their supervisors undertake. All scores are above the theoretical middle of the scale. In 2008, employees are most positive about the extent to which their supervisors implement tailor-made arrangements (3.58) and least positive about the support of specific HR practices (3.19). In 2009, the scores on both variables remained unchanged. The same goes for the scores on 'support of career development' (3.45 in 2008 and 2009). The score on 'support of employees' commitment' was more positive in 2009 (3.61) than in 2008 (3.53).

The scores on 'team diversity' indicate that employees are relatively positive about the extent to which there are informational differences between team members. However, employees were slightly more positive in 2008 (3.96), than in 2009 (3.94). Finally, respondents indicate that they value diversity for work group functioning (4.01 in 2008 and 4.02 in 2009).

Table 4 shows the correlation matrix of all latent variables in our study. The first value is the correlation coefficient in 2008, the second value is the same value in 2009.

Table 4: Correlation matrix (first value is coefficient in 2008, second value is coefficient in 2009).

	a.	b.	c.	d.	e.	f.
a. Specific supportive HR practices	1.00					
b. Tailor-made arrangements	.54** .45**	1.00				
c. Support of employees' commitment	.50** .37**	.69** .70**	1.00			
d. Support of career development	.58** .47**	.74** .67**	.76** .72**	1.00		
e. Team diversity	.20** .19**	.25** .24**	.25** .19**	.27** .22**	1.00	
f. Diversity beliefs	.20** .14**	.22** .17**	.22** .19**	.20** .18**	.40** .48**	1.00

Table 4 shows that the scores on the application of HR-practices (a and b) are correlated with the scores on leadership behaviour (c and d). The higher the scores on commitment and career support, the higher the scores on the application of HR practices. It can also be concluded that team diversity and diversity beliefs (e and f) are significantly correlated with all sub-scales of people management activities. Team diversity is more highly correlated with the people management activities of line managers (r between .19 and .27), than the diversity beliefs of employees (r between .14 and .22). Moreover team diversity is significantly correlated with diversity beliefs, meaning that employees in heterogeneous teams report higher scores on diversity beliefs. Overall, correlation coefficients in 2008 are higher than in 2009, although the same patterns occur.

Table 5 shows the coefficients of the stability paths for all the variables (in other words, the causal paths from the score in 2008 to the score on the same variable in 2009).

Table 5: Causal path from score in 2008 to score in 2009.

	r	R ²
Specific supportive HR practices	.59**	.35
Tailor-made arrangements	.44**	.19
Support of employees' commitment	.41**	.17
Support of career development	.45**	.20
Team diversity	.72**	.51
Diversity beliefs	.61**	.37

The results in Table 5 show that all constructs are relatively stable over time. For example, in the case of 'support of employees' commitment' 17 per cent of the variance in 2009 is explained by the level of support in 2008. In case of team diversity 51 per cent of the variance in 2009 is explained by team diversity in 2008.

In Figure 2 all significant paths – with the exception of the stability paths – between the variables in 2008 and 2009 are displayed. Results show that team diversity significantly influences the extent to which supervisors support their employees' commitment ($r=.11$, $p<.01$) and the extent to which they make tailor-made arrangements ($r=.05$, $p<.05$). This means that employees whose manager supervises a more heterogeneous team report more people management activities. On the other hand, the level of team diversity is dependent on the extent to which supervisors support employees' career development. Employees who report more career support, indicate that this results in lower levels of team diversity ($r=-.11$, $p<.05$).

In the final model, 21 per cent of the variance in 'tailor-made arrangements' is explained. This means that 2 per cent of the explained variance can be attributed to team diversity. This also the case for 'support of employees' commitment' (R^2 final model is .19). In the case of team diversity, 54 per cent of the variance is explained, meaning that 3 per cent can be attributed to 'support of employees' career development'.

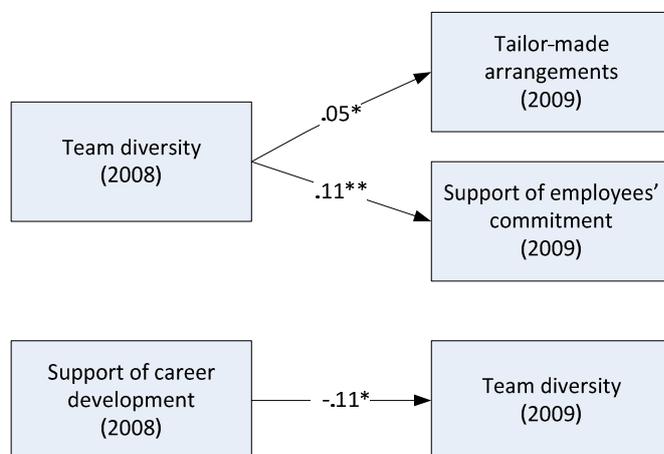


Figure 2: All significant paths.

Based on the results of these analyses, H1a, H1b and H1d must be rejected. H1c is partially confirmed, because there is a significant effect of 'support of career development' (but not of 'support of employees' commitment') on team diversity. H2a is also partially confirmed, since there is a significant effect of team diversity on the implementation of tailor-made arrangements (but not on specific supportive HR practices). Finally, H2b is partially confirmed, because there is a significant effect of team diversity on 'support of employees' commitment' (but not on 'support of employees' career development').

5. Conclusion and discussion

This paper set out to investigate the relationship between line managers' people management activities on the one hand and team diversity and diversity beliefs on the other hand. Do people management activities result in more heterogeneous teams and positive attitudes towards diversity, or is there a reversed causal relationship? We conclude that team diversity is dependent on the career support that supervisors provide to their employees. This effect is negative, meaning that more support of career development results in less team diversity. We also conclude that team diversity positively affects the application of tailor-made arrangements and the extent to which employees' commitment is supported by line managers. This is an interesting conclusion in various respects.

First, our results show that all concepts in our study (people management activities, team diversity and diversity beliefs) are relatively stable over time. Half of all the mean scores remained unchanged, while the other scores only changed slightly. Moreover, the coefficients of all stability paths were strong and significant, meaning that the scores in 2008 are powerful predictors of the scores in 2009. This indicates that in this organisation there was little change in employees' perceptions of their line managers' people management activities, team diversity and diversity beliefs – at least in the short term.

Second, it is generally assumed that people management activities have an impact on diversity. Our study confirms this assumption, but also demonstrates reversed causality; diversity also has an effect on people management. More specifically, diversity stimulates the implementation of tailor-made arrangements and the support that line managers offer to stimulate their employees' commitment. This may indicate that circumstances 'compel' line managers to support their employees. Contrary to our expectations, we did not find a significant effect of diversity on 'specific supportive HR practices'. This may be explained by the fact that these HR practices are perceived as generic 'rules' that are implemented regardless of team diversity. Furthermore, we did not find a significant effect of team diversity on the extent to which line managers support their employees' career development. This result is not easily accounted for; apparently there is no perception of diversity that triggers talent management in the form of support for employees' career development (Van Esbroek & Van Engen, 2008).

Third, our study showed a negative effect of line managers' support of employees' career development on diversity. An explanation for this result could be that line managers who support employees with special knowledge or skills to participate in training and to use career opportunities, increase the opportunities of these employees to get promoted. The result of more homogeneous teams can be interpreted in different ways. The negative interpretation could be that line managers supported these employees' mobility because they were too different, and subsequently filled the vacancies with employees who were more like the rest of the team. We think that another interpretation is more likely: the managers who supported their employees'

mobility did not succeed in attracting new employees who added to the diversity of the team. This could be related to the current economic situation. This situation made the company put a ban on filling vacancies – reflected by the fact that forty per cent of all employees indicated that their team had to do the same job with less staff – or compelled managers to recruit from internal candidates. So it may be that managers were unable to maintain or increase their team's diversity. Contrary to our expectations, we did not find significant effects of 'specific supportive HR practices', the application of tailor-made arrangements and line managers' support of employees' commitment on team diversity. A possible explanation is that the time between the two surveys was too short to reveal any significant effects. We assume that it may take years for a sorting effect – individual employees who are supported by their supervisor feel more valued, this will have a positive effect on the retention of employees from 'non-standard' groups, resulting in a more diverse workforce – to occur.

Finally, an important result of our study is that employees' diversity beliefs are not dependent on their line managers' people management activities. This could indicate that employees' perceptions of the value of diversity are a result of prior socialization and therefore to a large extent beyond the reach of the organisation.

We acknowledge that our study has some limitations. The time between the first and the second survey was 18 months. It would be interesting to collect data at a third point in time to examine whether this results in more significant and/or stronger effects. In our study, the independent variables only added 2-3 per cent explained variance to the model with only stability paths. Moreover, the results are based on research in one organization. It would be interesting to conduct this research in other (types of) organizations to investigate whether the results can be generalized. However, we are pleased with the support for our conclusion that team diversity is dependent on people management activities by line managers, while at the same time team diversity affects people management activities. This conclusion has some clear implications for organizations. First, it seems that organizations should not expect any effects of people management activities on diversity beliefs. Diversity beliefs of employees are not dependent on the behaviour of their supervisor. To create a workforce that values diversity, organizations should recruit employees that have a positive attitude towards diversity, because the manipulability of diversity beliefs is very limited. Second, organisations should not be hesitant to assign heterogeneous teams to supervisors who have no prior experience in managing heterogeneous teams, because team diversity stimulates supervisors to undertake people management activities. Apparently, supervisors improve their people management performance on-the-job. However, organizations do well to support their supervisors by developing their coaching abilities, as line managers' coaching abilities influence the actual support they offer to their employees (Leisink & Knies, forthcoming). Third, it is advisable to encourage line managers to reflect on their motives and the consequences of stimulating employees' mobility in relation to team diversity. It is also advisable to pay attention to the internal fit of HR policies because the consequences of restraining the inflow of new employees from the external labour market may erode supervisors' support for increasing diversity with a view to making use of the different talents of employees.

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