The Uneasy Alliance of Organisational Culture and Equal Opportunities for Ethnic Minority Groups: A British Example

Abstract

Recent statistics suggest that there is a continuing disparity in labour market outcomes between Ethnic Minority (EM) groups and their white counterparts. However, while there is now an abundance of statistical and anecdotal evidence that speaks to the disadvantage of EM groups, there is less understanding of the intra-organisational dynamics that give rise to the outcomes that are reported. Drawing on postcolonial, cultural capital and social capital theories, this article argues that the dominant approach through which organisational culture is conceptualised and the ways in which it is commonly managed may encourage labour market inequality and disadvantage for EM groups (defined as access to employment and having opportunities for promotion while in employment). The article explores three intra-organisational interventions that are common in culture management initiatives (leadership, selective recruitment and internal promotion) to illustrate the arguments. The article concludes by discussing a series of implications and highlighting the pivotal role of the HR academy and practitioners in generating deeper insights and attention into the potential sources of EM disadvantage that are linked to culture and culture management.

Keywords
Organisational Culture
Equal opportunities
Managing culture
Ethnic minorities
Discrimination

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Introduction

The poor labour market attainment of ethnic minority (EM) groups is a common concern that has been reported across many Western societies. Research contributions have varied and have emerged from different countries, for example, Belgium (e.g. Derous et al., 2017); the USA (e.g. Pager et al., 2009); Canada (e.g. R. Banerjee, 2008) and Australia (e.g. Mapedzahama et al., 2012). Studies from Britain point to the prevalence of overt and covert discrimination that continue to blight the labour market access and in-work careers of EM groups in general (e.g. Harris and Ogbonna, 2016), with the experiences of disadvantage by specific groups such as EM youths (see House of Commons, 2015) and EM women (see Kamenou and Fearfull, 2006) being highlighted as especially profound. The eclectic nature of these contributions suggests that the dynamics of discrimination differ and reflect the idiosyncrasies of particular contexts (see also Shen et al., 2009). Thus, while many of the issues discussed in this article apply to varying degrees in different contexts, the experiences of ethnic minorities in Britain are drawn upon for the substantive illustrations.

Worryingly, data also suggest that the labour market outcomes for EM groups have not improved despite their willingness to take up the long-standing advice of governments and several commentators to improve their human capital. Specifically, evidence demonstrates that although EM groups are routinely outperforming their white counterparts in higher education and qualifications, such successes are not translated into positive labour market outcomes (see Rafferty, 2012). This phenomenon, which researchers refer to as the ‘ethnic penalty’ (see also Heath and Cheung, 2006), suggests that, accounting for other factors, the labour market disadvantage of EM groups cannot be explained by human capital alone and has prompted scholars to argue that social capital factors must also be taken into consideration. However, while considerable advances have been made in providing social capital explanations (see for example, Mouw, 2006; Park and Westphal, 2013), the persistence of the EM labour market disadvantage signals the need for additional theoretical and empirical understanding. Specifically, some researchers have called for
an extension of analyses to the organisational context to develop greater understanding of how organisational processes and interventions may give rise to discrimination and disadvantage (see Robertson and Block, 2001; Zanoni et al., 2010). In this regard, some studies have highlighted the potential importance of organisational culture in understanding discrimination and disadvantage in general (see Wilson, 2000), gender discrimination (see Stainback et al., 2011) or even the disadvantage of EM groups in particular (e.g. Race for Opportunity, 2015; The Parker Review, 2016; The McGregor-Smith Review, 2017). Indeed, despite the findings of a number of major investigations into race relations that entrenched cultural values play a major role in perpetuating discrimination (e.g. The Macpherson Inquiry, 1999), few studies have scrutinised the role of organisational culture, and especially culture management, in explaining the exclusion and lack of progression of EM groups in work organisations.

The rationale for a cultural understanding of EM discrimination and disadvantage in employment is premised on the dominant approach through which culture is theorised in HR/management studies and the ways it is applied through culture management. For example, culture is commonly theorised as shared values and assumptions (e.g. Schein, 1985) that define a known group and that distinguish this group from other groups. These values and assumptions are typically derived from the wider society (see Smircich, 1983), where EM groups are already disadvantaged through prejudice and discrimination (e.g. Pitcher, 2009), and where the historical experiences of colonisation and imperialism are such that EM groups play little or no role in articulating these values (see Frenkel and Shenhav, 2006). Similarly, the implementation of the culture construct in organisations provides the setting for the specific idiosyncrasies of the organisational context to generate disadvantages, especially where managers seek to harness culture for competitive purposes. Indeed, even where espoused organisational values are presented as neutral, the ways in which they are understood and interpreted in everyday behaviours and practices are commonly influenced by societally derived beliefs and assumptions.

Through a review of the evidence of labour market disadvantage and relevant theories of organisational culture, equality, diversity and inclusion, this article argues that the dominant approach through which organisational culture is conceptualised and the ways in which it is commonly managed
may encourage labour market inequality and disadvantage for EM groups (defined in terms of access to employment and having opportunities for promotion while in employment). The article draws on postcolonial, cultural capital and social capital theories to explore the ways in which three common intra-organisational culture interventions (leadership, selective recruitment and internal promotion) may contribute to the labour market disadvantage of ethnic minorities. The article concludes by proposing a number of avenues for research.

Although it can be argued that any discrimination that arises from interventions such as culture management is likely to impact on all disadvantaged groups in organisations, the labour market disadvantage of EM groups was chosen as the focus of this article for two reasons. The first is that the persistence of labour market racial inequality has encouraged researchers to call for new insights and approaches in understanding the sources of disadvantage and identifying appropriate measures to counter them (e.g. Harris and Ogbonna, 2016; Noon, 2010). The second and related reason is the need to elevate issues of race to generate similar interest and attention as other bases of discrimination such as gender. Specifically, while discussions of gender discrimination have remained strong, with a range of recent positive policy initiatives to promote gender equality (for example, mandatory gender pay reporting and targets for gender representation on company boards, see Gender Pay Gap Information Regulations, 2017), there has been comparatively little or sustained attention on race. While an increase in prominence in any area of inequality is welcome, the relative ‘silence on race’ and the absence of accelerated efforts in developing policy initiatives to tackle racial discrimination have been identified as problematic (see Delivering Diversity Report, 2017). Arguably, the declining profile of race in recent political and public policy discourses belies the intractable nature of race as a significant marker of discrimination that is not only as important as other markers, but is also especially significant in a number of ways. For example, in relation to multiple discrimination, a white lesbian, disabled, Muslim woman may experience discrimination on the grounds of her gender, sexual orientation, disability and religion, but this can be worse for an EM person with the same characteristics who may experience additional discrimination on the basis of her race. Further, it has been argued that race is more likely to form a
basis of perception of dissimilarity (and thus potential discrimination) in comparison with other markers of identity such as age and gender (see Ashford and Mael, 1989).

**Labour Market Disadvantage of Ethnic Minority Groups**

Labour market reports across many Western societies suggest that there is a continuing pattern of disadvantage against EM groups (see Crul et al., 2012; Heath and Cheung, 2007). A typical example is the British case where, allowing for variations that are linked to the vagaries of the economic climate, EM groups have, on average, been twice as likely to be unemployed as their white counterparts since the early 2000s (see the recent compilation by Powell, 2018). The most recent data suggests that overall unemployment rates fell between July-September 2017 and the same period in 2018 from 4.5% to 4.3%. However, the unemployment rate for the white ethnic majority (in the period between July-September 2018) was 3.9% while the rates for EM groups were generally higher, with an average of 7.0% (ONS, 2018). While the variation in the rates of unemployment across different EM groups highlights the heterogeneity of EM groups, it also points to their common experiences of disadvantage.

Researchers have also explored the position of EM groups that have successfully secured employment and, again, the general conclusion is that their disadvantage is commonly extended to in-work careers. For example, it has been suggested that EM employees are more likely to be employed in low-paying occupations such as catering, sales, textiles and clothing (see Joseph Rowntree, 2015). It has also been argued that EM employees are less likely to be promoted in their current organisations, with a Race for Opportunity study in 2011 providing evidence to suggest that EM workers are more likely to leave their jobs in order to achieve promotion to the next levels in their careers. Indeed, research evidence suggests that those EM candidates that are promoted are more likely to be offered risky appointments with little opportunities to enhance their careers (Collins, 1997).

While the above and other examples discussed in this article highlight the negative labour market experiences of EM groups, there is less understanding of the intra-organisational processes and dynamics that may contribute to the disparities in the outcomes that are reported. In this regard, existing research has overlooked the potential role of organisational culture and culture management in explaining the
disparities in outcomes.

Organisational Culture Research

Organisational culture has had an interesting history as one of the most widely studied concepts in management and organisational theory (see Ogbonna and Harris, 2015). Giorgi et al. (2015) provide an excellent review which discusses the five main ways in which culture is conceptualised, including culture as values, stories, frames, toolkits and categories. However, while multiple perspectives have emerged, and have helped to advance theoretical interests on culture, the widespread appeal of the construct is undoubtedly driven by theorised linkages with competitive advantage (e.g. Barney, 1986). This is largely linked to the shared values and assumptions approach to understanding culture, and no other scholar has had the influence of Edgar Schein in promoting this approach. Indeed, following the popularity of the study of culture in organisational settings in the late 1970s, the dominant approach to understanding culture became characterised by the work of theorists who largely followed the intellectual leadership of Schein’s (1985: 19) widely cited contributions which defined culture as “a pattern of shared basic assumptions that the group learned as it solved its problems of external adaptation and internal integration, that has worked well enough to be considered valid and, therefore, to be taught to new members as the correct way to perceive, think, and feel in relation to these problems”. Although Schein considers values as a component of culture, he views basic underlying assumptions as the essence of culture. However, other scholars that are in general agreement with his approach have incorporated values as equally important in conceptualising culture (e.g. Denison, 1996; Cameron and Quinn, 2011), hence this approach is characterised as the ‘values and assumptions approach’ in this article.

Some scholars have argued that the emphasis on shared values and assumptions encourages a view of ‘cultural omnipotence’, in that values and underlying assumptions are viewed as all-powerful constraining forces on individual actions. Of the remaining four approaches highlighted by Giorgi et al. (2015), the culture as ‘toolkits’ approach appears to be gaining the most attention from scholars. Indeed, drawing on the work of Swidler (1986), a number of researchers have suggested that it is more appropriate to view culture as a ‘repertoire’ or a ‘toolkit’ in a manner that positions cultural resources as open to all
organisational members to draw upon to achieve their strategic ends (see Howard-Grenville et al., 2011; Weber and Dacin, 2011). While this approach is equally silent on the inequalities in access to cultural resources, it signals the importance of debates on both the nature of cultural resources and how they are generated and deployed in organisational settings.

In response to ongoing criticisms of the study of culture in organisations, scholars have suggested that more critical appraisals that embrace wider theoretical approaches are required (see Ogbor, 2001). In this regard, it is possible to integrate insights offered by three contrasting but insightful theoretical approaches ‘postcolonial, cultural capital and social capital theories’. Postcolonial theories help to understand how many of the values and assumptions that underpin constructs such as culture and culture management can be traced to the ‘omissions’, ‘exclusions’, ‘silencing’ and ‘othering’ that typify Western epistemology and have their origins in the slave trade and colonial history (see Calas and Smircich, 1999; Cooke, 2003; Frenkel and Shenhav, 2006; Prasad, 2003). Indeed, many postcolonial scholars argue that the elements of this history remain in the ways in which management theories fail to account for the treatment of those outside the mainstream, and the ways in which the hybridity and binary thinking that characterise some of these constructs are unacknowledged (see S. Banerjee; 2003; Frenkel and Shenhav, 2006). Thus, by providing insights into the origins of culture and culture management, postcolonial theories facilitate understanding of the ways in which the dominant approach through which culture is conceptualised and implemented via culture management may impact on the experiences of EM groups.

In contrast, cultural capital theories explore how the generation of informal knowledge, linguistic aptitude (such as grammar, accent and tone) and personal styles combine to reproduce cultural resources that are accessible only to those that have benefitted through their backgrounds and access to cultural outlets (see Bourdieu, 1984). Lamont and Lareau (1988) provide four important ways in which cultural capital can contribute to exclusion, including self-elimination (where individuals exclude themselves because they are not at ease with the required cultural norms), overselection (where individuals with fewer cultural resources are subjected to the same selection criteria as those that are culturally privileged), relegation (where people with less-valued cultural resources end up in less attractive positions and struggle
to better themselves) and *direct exclusion* (where individuals are excluded on the basis of their lack of cultural resources). These are important in understanding organisational culture and culture management in relation to EM groups.

However, the full impact of cultural capital explanations on the position of EM groups in employment can only be unravelled when social capital theories are introduced. This is because theorists agree that social connections are important in influencing success in work organisations (see Erickson (1996) for a useful discussion of the origins and application of culture and social capital theories). Social capital theories explore the role of social ties which arise from the deliberate investment of time and other social resources by individuals in the hope of deriving future (typically economic) benefits (see Portes, 1998). However, unlike other forms of exchange (for example economic exchange) the obligations created in social capital relationships are informal and unspecified and often exist clandestinely in a manner that is only known to and understood by those involved (see Bourdieu, 1985). As social identity theorists have argued, membership of such informal social groupings is more likely to be based on similarity in salient demographic characteristics such as race (see also Avery et al., 2008), resulting in disadvantage to those that are dissimilar.

### Equality of Opportunities and Managing Organisational Culture

The idea that organisational culture can be managed has become one of the most controversial aspects of the organisational cultural paradigm (Ogbonna and Harris, 2014). While Robbins (1987) argues that managing culture may imply a multitude of organisational interventions, including changing culture, maintaining culture and abandoning culture, the crucial element is that managing culture requires the conscious intention and action of managers to move the organisation in a particular direction (see Alvesson and Sveningsson, 2008, McCalman and Potter, 2015).

The position of researchers and practitioners in the debates on managing culture can be summarised in relation to the useful and widely cited paradigmatic schema of Smircich (1983): whether culture is viewed as a root metaphor and thus not susceptible to control or whether it is viewed as a variable which, along with other organisational variables, is amenable to manipulation. It is arguable that
the enduring appeal of culture stems from the large number of advocates and practitioners who adopt the latter position (see Warrick, 2017). While the theoretical arguments favour those who challenge the notion that the deepest level of human cognition (which many see as being where culture is embedded) can be controlled (see Alvesson and Sveningsson, 2008; Ogbonna, 1992), some scholars support a more pragmatic middle position in the debate. That is, these researchers view some aspects of culture (such as beliefs and basic underlying assumptions) as ‘deep-rooted’ and difficult (if not impossible) to change, while other aspects such as values and artefacts are perceived as cultural overlay and as such susceptible to management action under specific contingencies (see Martin, 1985). However, there is a common argument that radical culture change is more difficult to achieve, and that the vast majority of culture management programmes focus on minor adjustments in certain aspects while maintaining the dominant values, assumptions and beliefs that underlie the culture (see Ogbonna and Harris, 2014).

Although the idea of culture management has been criticised extensively (e.g. Willmott, 1993), with some scholars proclaiming the ‘end of corporate culturism’ and culture management (see Fleming, 2013), recent evidence suggests that the persistent practitioner interest in managing culture has continued to drive the popularity of the concept (see Small and Newton, 2014; Warrick, 2017). Sustaining this popularity is the large number of contributions on approaches to managing organisational culture (for example, Alvesson and Sveningsson, 2008; Cameron and Quinn, 2011; Silverzweig and Allen, 1976; Warrick, 2017), and a plethora of examples of diverse organisational settings where culture management efforts have been reported, including a British football club (Ogbonna and Harris, 2015); a USA-based multinational (see Small and Newton, 2014), and even the British National Health Service (Employee Outlook, 2013).

Alvesson and Sveningsson (2008) suggest that common culture management interventions include a combination of strategies in relation to leadership modelling, selective recruitment, the management of the internal labour market, intensive socialisation, systematic performance appraisal and the management of organisational symbols. Each of these culture management interventions has implications for equality, diversity and inclusion. However, this review focuses on the first three interventions, not only because
they are highlighted as especially significant by culture researchers (see Ogbonna, 1992; Silverzweig and Allen, 1976), but also because they are directly relevant to the concerns of this article. For example, leadership is commonly presented as a critical aspect of culture formation, in that leaders are positioned as playing a pivotal role in articulating and disseminating espoused organisational values (see Cameron and Quinn, 2011; Schein, 1985; Small and Newton, 2014; Warrick, 2017). The inclusion of recruitment and selection and the management of internal labour market is for two reasons. Firstly, research contributions have highlighted the criticality of recruiting the appropriate people and the importance of using the promotion system as a reward to encourage the desired behaviour and culture (e.g. Kerr and Slocum, 2005). Secondly, both practices represent important variables in relation to the definition of discrimination adopted in this article, which emphasises access to employment (recruitment) and the opportunities to progress while in employment (internal promotion). What follows is an assessment of the implications of these culture management interventions for equality, diversity and inclusion.

**Leadership and Leadership Modelling**

A review of the literature finds that an important part of the culture management process is leadership, or what Silverzweig and Allen (1976) refer to as leadership modelling behaviour. There is substantial evidence in organisational culture research that leaders play an important and primary role in the formation of cultural values (see Cameron and Quinn, 2011; Schein, 1985). The emphasis attributed to the role of leadership in culture management is pivoted on the assumption that leadership is linked to organisational performance (see Warrick, 2017). Thus, it is not surprising that a common intervention for underperforming organisations is a change of leadership. This is frequently referred to as ‘the new leadership hypothesis’, and is based on the assumption that new leaders often have new ways of doing things which help to unfreeze undesired aspects of the culture and make it easier to introduce change (see Ogbonna, 1992). Indeed, the perceived importance of leadership in culture management is such that a recent contribution in *Harvard Business Review* urged leaders to take direct control of the culture management process rather than “let it go unmanaged or relegate it to the HR function, where it becomes a secondary concern for the business” (see Groysberg et al., 2018, p.4). Notwithstanding the implication
that the HR function is impotent in the culture management process, this statement highlights the perceived significance of leadership action in cultural transformations.

However, as an important intra-organisational variable, assumptions around leadership play an important role in understanding the labour market disadvantage of EM groups. For example, the notion of what constitutes a good leader in terms of the traits, values and styles in many Western industrialised societies tend to be narrowly defined and are generally based on (capitalist and often North American) conceptions wherein scholars have argued that the archetypal leader is a white, heterosexual male, commonly with a transactional and task-oriented leadership style (see Ayman and Korabik, 2010). In this regard, while it has been contended that EM managers typically develop leadership traits and identities that draw from different traditions and experiences with distinct advantages in comparison with mainstream leadership and organisational identities (see Helms, 1993; Liu and Baker, 2016), the archetypes of leadership promoted in many Western organisations are often racially homogenous in ways that disadvantage EM groups (see Liu and Baker (2016) for a discussion of leadership and ‘whiteness’). Indeed, the recent comments of the chairman of one of the largest companies in the world that white men were becoming “an endangered species” on company boards (www.bbc.co.uk/news/business-39241630) suggests the disdain of those that are traditionally privileged for any (even perceived) attempts to undermine their position.

Interestingly, while it is difficult to generate empirical evidence in relation to the attitudes of senior decision-makers on the leadership ambitions of EM groups, a postcolonial analysis of the views highlighted above captures the binary thinking of the executive in a way that emphasises the superiority of white men and accentuates the problematising of ‘othering’ (e.g. EM groups) as a perceived threat to the ‘established order’. Such underlying assumptions are likely to influence perceptions of the suitability of those categorised as ‘others’ to be leaders, thereby encouraging decision-makers to favour the recruitment and promotion of members of the white ethnic group who epitomise particular values that seemingly become self-selecting (see Chin, 2010; Frenkel and Shenhav, 2006). Thus, cultural capital and postcolonial theories suggest the importance of understanding the role of historical experience in the
construction of values and assumptions that underpin conceptions of the ‘appropriate leader’ (see DeGenova, 2010; Lamont and Lareau, 1988). These approaches also suggest that the leadership search in many organisations is likely to favour those that share a common heritage (see Bourdieu, 1984; Welsch, 1999), as this may be viewed as the best way to encourage cultural continuity. This may help to explain why individuals with no history of cultural heritage are either not routinely made leaders or have more difficulty in gaining acceptance as leaders (see also Harris and Ogbonna, 2016; Park and Westphal, 2013; Wyatt and Silvester, 2015).

It is thus arguable that the ensuing organisational preference for particular culturally influenced leadership personalities and traits (especially in the context of culture management) has had a disproportionate impact on EM groups who are commonly perceived as unsuitable, not because they lack the necessary abilities and skills, but because they fall outside the idealised groups. An illustration of this can be seen in recent data which suggest that while EM employees account for 10% of the British working population, they constitute only 6% of managerial staff (The McGregor-Smith Review, 2017), and a lower proportion of senior managers (see Wyatt and Silvester, 2015). Further, recent research into FTSE 100 organisations suggests that only 8% of directors are EM, a proportion which reduces to a lamentable 1.5% when UK-national EMs alone are recorded (see The Parker Review, 2016). The statistics for some specific sectors are equally striking. For example, football organisations, which are generally renowned for having strong organisational cultures (see Ogbonna and Harris, 2014), have a poor record of appointing or promoting EM groups to leadership positions. Indeed, while 25% of professional football players in Britain are from EM backgrounds, only 3.4% of team managers/coaches are from the same communities (see Conway, 2014).

Such low numbers of EM leaders have a profound impact on their capacity to generate the visibility and political power to influence organisational discourse on change and equality (DiTomaso, 2010). This also reduces the opportunities for other ethnic minorities to benefit from the ‘trickle-down effect’ of role modelling and other behaviours that help to encourage EMs to believe that the organisation is a fair environment in which they could fulfil their potential. Theorists applying social capital
understanding have also argued that the few EM employees that are accepted into leadership positions commonly find their leadership journeys hindered by social discrimination and negative experiences which are not shared by their white counterparts (e.g. Park and Westphal, 2013).

Overall, although there is limited research on culture and leadership or that links leadership and equality, diversity and inclusion, the dominant way in which leadership is conceptualised in general and in culture management in particular has encouraged a particular view of leadership which has privileged members of the white dominant ethnic group and restricted the leadership opportunities of EM groups. This disadvantage is especially pronounced in contexts where organisational culture is managed and where there is greater emphasis on the role of leadership in achieving the desired culture.

**Recruitment and Selection**

Another intervention that is commonly associated with strong organisational cultures and that is generally recommended to organisations embarking on planned culture change is the management of the recruitment and selection process. A recent contribution by Ployhart et al. (2014) provides a useful analysis of the role of recruitment and selection in changing or maintaining organisation culture. Indeed, beyond culture management, the significance of recruitment and selection is derived from the unique position of this practice as the link between potential employees from outside communities and the organisation (see Gilmore and Williams, 2013). This interface can be directed strategically in culture management regimes through the packaging of recruitment and selection criteria that create particular perceptions of person-organisation fit in ways that encourage desired applicants while discouraging others (see Ployhart et al., 2014).

However, despite the long-established concerns of equality and diversity scholars about the discriminatory potential of this organisational practice (e.g. Noon, 2010; Shen et al. 2009), the pivotal role of selective recruitment in culture management programmes and the potential impact on discrimination have remained relatively underexplored. Typically, the culture management literature emphasises the significance of recruitment and selection through what is commonly referred to as selective recruitment or the employment of ‘like-minded people’ (see Ogbonna, 1992). Selective recruitment relates to the careful
selection of employees not just on the basis of their ability to perform a given job but, more importantly, in relation to their ‘match’ with the espoused values, with the implication that such a match contributes to organisational performance (see Brannan and Hawkins, 2007; Catanzaro et al., 2010). The rationale is that it is easier to train employees to learn new skills but seemingly more difficult and expensive to achieve a culture match if none exists at the time of recruitment (see Chatman and Cha, 2003). The popularity of this approach to culture management is such that a sub-division of the culture literature (person-organisational culture fit) is devoted to exploring the ramifications of matching individuals to organisations (see for example, O’Reilly et al., 1991; Yu, 2014).

Recent debates on recruitment and selection have highlighted the complex nature of the discrimination that may be attributed to this process. For example, in an experimental study of resumé screening involving Arab ‘job seekers’, Derous et al. (2015) found evidence of what may be described as a ‘hierarchy of desirability’, in that the recruiters they studied rated Arab women more favourably than their male counterparts. Similarly, in a different study, Derous et al. (2017) concluded that skin tone rather than an ethnic-sounding name was the ethnicity cue for discrimination, with recruiters having a particular preference for lighter-skin Arabs in contrast to their darker-skin counterparts. However, while these findings may reflect the particular context of the studies, they complement other studies in contexts where visual cues are often not available to recruiters at resumé screening. Such studies continue to find prejudice in employment on the bases of traditional markers of race discrimination such as name (e.g. Kang et al., 2016; Widner and Chicoine, 2011).

Although as a managerial practice, recruitment and selection has been criticised extensively by scholars, it is the generally underexplored potential for this practice to perpetuate labour market discrimination that is pertinent to this article (see also recent contribution by Derous and Ryan (2018) who similarly bemoan the absence of research attention on the discrimination of ethnic minorities in resumé screening which is the first phase of the recruitment and selection process). As was argued earlier, recruitment and selection is positioned as central in culture management, and those organisations wishing to develop strong cultures are advised to pay attention to selection as a way of reinforcing desired values,
assumptions and behaviours. However, while a number of scholars have highlighted the potential for selective recruitment practices to discriminate against ethnic minorities (e.g. Ployhart et al., 2014), there has been little attempt to develop this line of research especially in relation to contexts where this practice is employed to manage culture. A postcolonial critique suggests that an understanding of the potential impact of recruitment and selection in culture management can be traced back to the early studies that laid the foundation for culture management, in that these studies commonly asserted the inherent superiority and inferiority of different races (see Cooke, 2003). For example, Frenkel and Shenhav (2006) cite the work of the management efficiency writer, Farhnam (1918), whose prescription for increasing efficiency was, in part, the exclusion of ‘negroes’ from any roles that required intellectual reasoning, as he believed that they lacked the capacity to engage in such tasks. While social and legal restraints are such that these views are unlikely to be expressed as freely in organisations today, there are indications that the underlying beliefs and assumptions have, in many respects, remained with studies continuing to find employers who are willing to admit their perception that ethnic minority employees lack discipline (e.g. Moss and Tilly, 2001). Such findings provide examples of ‘othering’ that can become the rationale for bias (even if unconscious) in recruitment. Thus, postcolonial theories provide insights into how the ethnocentric and orientalist assumptions that underpin popular conceptions of culture are designed to facilitate hegemony and control such that those of non-Western origin have a greater struggle to establish their credibility and legitimacy (see Cooke, 2003; Frenkel and Shenhav, 2006; Prasad, 2003). This can be understood alongside the discrimination in the external organisational context, where recent discourses in Britain and other parts of Europe and North America have contributed to the reinvigoration of wider societal processes of ‘othering’ in ways that have pernicious consequences for EM groups (e.g. Bernhardt, 2015; Bobo, 2017; DeGenova, 2010; Pitcher, 2009; Virdee and McGeever, 2017).

Insights from social capital and cultural capital theories suggest that, in practice, the interpretation of ‘like-mindedness’ or what can be referred to as person-culture fit (see O’Reilly et al., 1991), generally results in organisations recruiting people that are demographically similar to existing employees, especially to those that are charged with the task of managing the recruitment and selection process. Such
similarity attraction (see Avery et al., 2008) and the resulting homophily (see Mouw, 2006; Stewart and Garcia-Prieto, 2008) are frequently self-reinforcing in a manner that commonly results in a homogenisation of many organisations, especially strong-culture organisations. Similarly, it is often the case that individuals and groups (such as EM groups) that lack the social and cultural knowledge that are derived from socialisation into the dominant group in society struggle to acquire the cultural resources they need to succeed (see Bourdieu, 1985).

In seeking to achieve value congruence, organisations commonly resort (directly or indirectly) to using social networks as part of the recruitment and selection process. Indeed, mindful of the theorised difficulties that diverse groups (such as mixed ethnic groups) experience in organisations (see Pelled et al., 1999; Tsui and O’Reilly, 1989), decision-makers may feel that a selective recruitment policy that draws from a narrow pool may be one way of minimising these difficulties (see also Brief et al., 2000). However, social capital theorists have argued that such approaches to recruitment frequently result in organisations drawing from a racially homogenous pool because of the likelihood of information flowing along racial lines (see Stainback, 2008). Further, cultural capital theorists have noted the potentially disadvantaging impact of social networking which, they argue, is even more powerful than social class in influencing outcomes (e.g. Erickson, 1996). While evidence of the impact of social networks on recruitment discrimination is difficult to uncover, estimates indicate that up to 50% of vacancies in the United States are filled through social networks (see Mouw, 2003). Arguably, social media adds a further complicating dynamic on social networking in relation to recruitment and selection in that the large amount of information (especially demographic information) available increases visibility in a manner that may give rise to ‘othering’ and trigger implicit biases and discrimination (see Blount et al., 2016). These suggest that, with their limited networks, EM groups are likely to be disadvantaged in any organisation that relies on informal recruitment methods (see Harris and Ogbonna, 2016), and are likely to experience additional disadvantage in strong-culture organisations which, by definition, recruit on the subjective and non-transparent basis of the likelihood that the values of potential recruits will match those of the existing members of the organisation rather than on ability alone (see Chatman and Cha, 2003; Hawkins, 2008).
Further insights into the discriminatory potential of culture management-based recruitment and selection practices towards EM candidates can be seen in the findings of a Chartered Institute of Personnel and Development report which concluded that less than 50% of organisations took active steps to scrutinise their selection tests to ensure that they are valid, reliable and free from cultural bias (CIPD, 2009). Examples of unfairness in recruitment and selection tests include the widely cited cases of British Rail and London Underground, wherein tests were found to discriminate against EM candidates (see McKenna; 2000). Further, the more recent study of NHS Trusts in England which found that white candidates were 1.57 times more likely to be appointed from shortlisting than EM candidates (Kline et al., 2017) suggests that unfair discrimination through recruitment and selection is both profound and pervasive. An understanding of the potential role of organisational culture in this process is important and is especially significant in organisations (such as many NHS Trusts) which have a history of managing their cultures to achieve value congruence (see Employee Outlook, 2013).

Overall, recruitment and selection is an important organisational level function which plays a major role in linking organisations with external candidates seeking employment. However, the way in which recruitment and selection is positioned in general, and especially in managing organisational culture, encourages the implementation of ‘selective’ practices which reinforce similarity attraction in ways that expose EM candidates to potential discrimination.

**Internal Labour Markets**

The maintenance of internal labour market (promotion from within) is theorised as important in managing organisational culture. This is because by adopting a policy of internal promotion, managers increase their opportunity to homogenise organisational culture by restricting promotion to those that demonstrate both competence and acquiescence with the espoused cultural values (see Alvesson and Sveningsson, 2008; Ogbonna and Wilkinson, 2003).

However, while scholars have highlighted the role of a strong internal promotion policy on strengthening organisational culture, there has been insufficient evaluation of the impact of this on many disadvantaged organisational groups, especially EM groups. This evaluation is important because such
practices (especially in organisations seeking to develop strong cultures) extend the criteria for career progression to subjective factors. That is, rather than focusing on job competence, selection criteria for promotion are extended to incorporate idiosyncratic characteristics such as value alignment or ‘culture fit’.

In the context of culture and culture management, emerging organisational values (which are commonly consistent with the values of the dominant majority) are reinforced by those making promotion decisions in ways that may privilege particular groups and work against others. The logic of managing organisational culture is to maintain behavioural predictability and control, and thus reduce the likelihood of ‘undesired behaviours’ (see Chatman and Cha, 2003; Harris and Ogbonna, 2002). In this regard, it seems likely that those responsible for managing culture will subscribe to the values and basic underlying assumptions with which they are familiar, and will often view the maintenance of these values as a partial indicator of the success of the culture management. However, as postcolonial theorists have argued, while such ‘traditional’ values and assumptions may be understood in ways that appear cohesive and logically consistent to the mainstream, they may be perceived as fragmented, unjust and alien by ‘outsiders’ (see Welsch, 1999). Nonetheless, the consequences of not assimilating such values and underlying assumptions can be profound for career progression (see Casey, 1999; Ogbonna and Wilkinson, 2003; Ray, 1986).

Although it is difficult to ascertain the extent of EM disadvantage in relation to promotion and career progression, some recent reports have provided useful indicators of the difficulties of EM groups in this regard. Of particular significance is a major study commissioned by Business in the Community and YouGov which concluded that although the white employees in their sample expressed the lowest level of motivation (in relation to seeking promotion) of all the ethnic groups surveyed, they nevertheless received the highest number of promotions, with the average white employee reporting around four promotions in contrast to an average 2.5 promotions for EM employees (see Race at Work, 2015).

The reasons for the difficulties EM employees experience in accessing promotion are varied, but the most tangible explanations tend to be centred on human capital, social capital, cultural capital and individual willingness and motivation (see James, 2000). Human capital and motivation are within the
capacity of the individual, and success or failure in these areas can be attributed to the willingness of the individual to succeed. However, as has been highlighted in this article, social and cultural capital factors, which are largely outside the control of the individual, appear to work disproportionately against EM groups (e.g. Park and Westphal, 2013; Lamont and Lareau, 1988). Indeed, given the theorised tendency for individuals to have a particular preference for associating or working with others that are demographically similar (see Pelled et al., 1999; Tsui and O’Reilly, 1989), it seems probable that, without intervention, strong internal promotion practices will disadvantage EM groups, especially where this is adopted as part of achieving organisational value congruence in managing culture.

Applying cultural capital and social capital theories thus facilitates the generation of interesting insights into the ways in which internal promotion (especially as part of culture management) impacts on the labour market position of ethnic minorities. For example, cultural capital theorists explore the ways in which individuals generate cultural competences that become deeply ingrained in the habitus and are only accessible to those who have been similarly socialised (see Erickson, 1996). A practical example of this can be seen in how cultural capital can also be used by beneficiaries to create cultural distance and exclusions through privileges and informal knowledge (including linguistic aptitude such as grammar, accent and tone). These combine with other distinguishing attributes in ways that contribute to form parts of selection (for example, selection for promotion in organisations). Such selection is designed to reinforce the desired culture (see Lamont and Lareau, 1988) in ways that potentially disadvantage those (such as ethnic minority groups) that are not beneficiaries of cultural capital.

Social capital theorists take this line of reasoning forward by emphasising the importance of ‘in-group’ relationships through a variety of arguments including homophily and similarity attraction (Mouw, 2006; Stewart and Garcia-Prieto, 2008). These outcomes are predicated on the discriminatory tendency of individuals, and are reinforced by the exclusionary nature of organisational cultures through attachment to shared dominant values and assumptions that are designed to strengthen cultural identification (see Chatman and Cha, 2003). The potential significance of this can be seen in the findings of research that suggest that promotion opportunities and decisions are typically influenced by mentoring and sponsorship
ties, in that executives and managers commonly identify (and sponsor) the cases of typically demographically similar individuals, thereby facilitating their career progression (see Delivering Diversity Report, 2017). Indeed, one study concluded that although EM groups reported a higher desire and demand for mentoring, they were generally unsuccessful in gaining access to mentors (see Race for Opportunity, 2011). The same survey revealed that over 70% of EM employees of African descent who desired mentoring failed to achieve such mentoring. This compares with 37% of white employees who failed to achieve mentoring.

Further explanation from postcolonial understanding suggests that the definition of ‘competence’ in many promotion situations, but especially in culture management regimes, is biased in favour of Western acculturation, which accords less importance to values derived from other cultural contexts (for example obedience and harmony; see Frenkel and Shenhav, 2006; Moss and Tilly, 2001). The display of different values from those espoused in the organisation reinforces ‘difference’ and contributes to negative racial stereotyping in ways that disadvantage many EM groups (see Mardon et al., 2001).

The overall argument here is that the emphasis on internal labour market in culture management may work against EM groups in that it introduces additional non-job-related promotion criteria that distinguish organisational members by their willingness to subscribe fully to values and underlying assumptions that may or may not be consistent with their own backgrounds and experiences. Similarly, by not opening up job opportunities routinely to external candidates, internal promotion practices reduce the employment prospects of EM groups who are already disadvantaged.

Where Do We Go from Here?

This article has argued that the dominant approach through which organisational culture is conceptualised and the ways in which it is managed may encourage labour market inequality and disadvantage for EM groups (defined as access to employment and opportunities for promotion while in employment). The article drew on postcolonial, cultural capital and social capital theories to explore the ways in which three common intra-organisational culture interventions (leadership, selective recruitment and internal promotion) may contribute to the labour market disadvantage of ethnic minorities. This final section
discusses the implications for theory and practice and proposes some directions for future research.

The first implication is linked to the dominant way in which culture is conceptualised and which has contributed to the popularity of culture in HR/management theory and practice. While the literature is replete with different conceptualisations of culture, the popularity of culture in HR/management studies owes much to the work of Schein (1985) and others whose approaches typify the shared values and assumptions paradigm of culture (e.g. Barney, 1986; Cameron and Quinn, 2011). The popularity of Schien's work in particular is such that it is rare to read an article on culture without several citations for his contributions. It is also arguable that the prospect that managers can promote (and harness) shared values for competitive purposes is one reason for the burgeoning practitioner interest in managing culture (e.g. Small and Newton, 2014; Warrick, 2017). However, the idea of shared values and assumptions may mask the unfairness of culture in organisational settings. Indeed, as is the case with many other management constructs, organisational culture is commonly conceptualised as a neutral and benign construct which has the primary aim of facilitating understanding of the dynamics of organisational life (see discussions of different conceptualisations in Giorgi et al., 2015; Smircich, 1983). However, unlike many other concepts, organisational culture is an offshoot of societal culture, and it is logical to contend that the distinguishing characteristics of societies (for example, rites, norms, rituals, myths, symbols) and the racism that is common in many societies (e.g. Bernhardt, 2015; Bobo, 2017; Virdee and McGeever, 2017), will become more salient as these are played out in the smaller confines of organisations. Thus, organisational interventions that are derived from the underlying values of the wider society are likely to privilege members of the dominant ethnic group who have an inherent familiarity with the underpinning beliefs and assumptions (see Frenkel and Shenhav, 2006; Keller et al.; 2017).

Although the impacts of this approach to conceptualising organisational culture will be felt by EM groups whether or not culture is managed, the consequences are more likely to be profound in culture management regimes where the straight-jacketing of values, beliefs and assumptions is likely to exclude or, at least, make those that are outside the ‘mainstream’ less attractive (see Calas and Smircich, 1999; Cooke, 2003). This is especially significant in contexts where managers choose to exercise their
prerogative to recruit only those members of society that are perceived to share their idealised values and beliefs. Thus, far from being benign, culture (especially when implemented through culture management) perpetuates racialised power dynamics in organisations in ways that legitimise the interest of the racial majority and their capacity to set the terms of the intra-organisational relationships (see also Wallis and Kwon, 2008). An acknowledgement and understanding of these processes should encourage HR and management scholars and practitioners to consider how the theories they propound and the practices they implement may have pernicious consequences for diverse organisational groups.

The second implication is linked to the insights that are foregrounded by incorporating the three theoretical approaches of postcolonial, social and cultural capital theories in understanding the discrimination of EM groups in organisations. Whereas each of these approaches has contributed important insights to explaining different social and organisational phenomena, there are few examples of the application of any of the constructs in organisational culture research (e.g. Cooke, 2003) and even fewer instances where the three concepts have been employed simultaneously in exploring any aspect of organisational functioning. Arguably, each of the three approaches offers a useful but partial explanation for the reasons for the labour market disadvantage of EM groups. For example, the position of social capital theorists on EM disadvantage can be summarised in relation to EM groups’ lack of social connections that can be translated into career success (e.g. DiTomaso, 2010). Likewise, cultural capital theorists present the absence of informal knowledge, linguistic aptitude (such as grammar, accent and tone) and personal styles as combining to reproduce cultural repertoires that generate privileges (see Bourdieu, 1984; Lamont and Lareau, 1988) which are not easily accessible to EM groups. However, read on their own, an implication that can be derived from these two approaches is that EM groups would fare better if they were able to generate sufficient social and cultural capital. Yet, the introduction of postcolonial theory weakens such an assumption, as postcolonial theory emphasises the salience of experiences of colonialism and imperialism in the construction of the assumptions and ideologies that not only underlie HR and general management theories, but also inform their implementation in organisational contexts, for example through culture management (see Cooke, 2003; Frenkel and
Shenhav, 2006; Prasad, 2003). As this article has argued, incorporating all three theoretical perspectives in the evaluation of the labour market disadvantage of EM groups increases the analytical and explanatory details in ways that facilitate the generation of deeper insights. Indeed, while scholars have suggested that it may be useful to integrate culture and social capital in social analyses (e.g. Erickson, 1996), this article argues that a postcolonial understanding is required to complement such analyses and to provide an appreciation of how implicit ethnocentric and orientalist assumptions that characterise many Western management theories and practices may facilitate and perpetuate hegemony in ways that privilege some and disadvantage others (see also Frenkel and Shenhav, 2006; O’Brien, 2001).

A third implication arises from the discussion of the implementation of the practices that have been highlighted in this article as central to organisational culture, and especially culture management. Although the idea that organisations can engage in successful planned culture change (culture management) has been criticised extensively in the academic literature (e.g. Cooke, 2003; Willmott, 1993), the large number of organisations that continue to pursue culture change programmes is not only an example of an apparent academic hubris (see Ogbonna and Harris, 2015) but also an indication of the continuing popularity of and practitioner attachment to the concept of culture management (see Chatman and O’Reilly, 2016; Small and Newton, 2014; Warrick, 2017). However, the discriminatory potential of the interventions that are associated with culture management have not received the level of inquiry that matches the gravity of the problem. The adoption of contrasting theoretical perspectives of postcolonial, social and cultural capital theories in this article provides the space to scrutinise the fairness of culture management in organisations. Specifically, culture management relies on practices that are heavily influenced by informal knowledge (rituals, rites, symbols, linguistic nuances and personal styles), and such scrutiny reveals how these can undermine equality, diversity and inclusion since, by definition, these practices bestow particular benefits to those with ancestral advantage. Similarly, the discussion of the potentially racialised nature of discourses on leadership and the ethnocentric assumptions of ‘ideal leaders’ (see Chin, 2010; Liu and Baker, 2016) are such that interesting insights are generated into the disproportionately low numbers of EM that are promoted to leadership roles (e.g. The Parker Review,
Thus, not only should HR scholarship devote more attention to exploring the potentially disadvantaging effects of many organisational interventions, it should also consider its role in knowledge creation, the generation of professional standards and the validation of practitioners and should do more to prioritise equality, diversity and inclusion in all these areas.

Similarly, the organisational context in which the recruitment and promotion functions are implemented provides the necessary setting for the discrimination in the wider society to be effected. The growing populism and rise in extremism in Europe and in North America are likely to increase perceptions of difference and fuel discrimination (see Bernhardt, 2015; Bobo, 2017; Virdee and McGeever, 2017). This discrimination is more likely to be profound where managers seek to manage culture, as the values, beliefs, and assumptions that arise from culture management commonly advantage the dominant group that benefits from social ties arising from similarity attraction (Avery et al., 2008) and informal knowledge, linguistic aptitude and personal styles that are linked to advantages arising from their common heritage (see Cooke, 2003; Frenkel and Shenhav, 2006; Keller et al. 2017; Prasad, 2003). Thus, HR scholars and practitioners should collaborate to generate better understanding of approaches to recruitment and promotion that do not disadvantage those that are different on salient demographic characteristics such as race. A number of organisations and institutions have already started to experiment with alternative approaches such as CV-blind recruitment, and some are even incorporating performance on managing diversity and inclusion in the reward of managers as ways of encouraging them to focus attention on equality, diversity and inclusion (see Moran, 2017). However, the results of the trials of these initiatives in different Western countries are currently mixed (see O’Connor, 2016; The Economist, 2015), suggesting the potentially pernicious nature of embedded cultural values, belief and assumptions. Nonetheless, additional research is needed to evaluate the conditions under which these and other initiatives may be successful as well as the likelihood of widespread adoption.

However, while this article has discussed the potential for the dominant conceptualisation of organisational culture and culture management to contribute to discrimination, this should not imply that all EM groups are similarly affected, and it is important for future research to reflect this. For example,
there are sporadic reports of EM leaders who have succeeded in achieving leadership positions (e.g. Wyatt and Silvester, 2015; The Parker Review, 2016), and these provide interesting counterpoints to some of the discussions in this article. That is, the examples of successful EM managers and executives suggest that while individual actions are structurally constrained (see Bourdieu, 1984), and although practices arising from values and assumptions-based conceptualisations of culture and culture management may impose additional barriers, individuals are not completely devoid of agency (see also King, 2000). Thus, research attention should be directed at understanding EM individuals and groups that have succeeded against the odds. These individuals can be likened to ‘cultural intrapreneurs’ or entrepreneurs within organisations (see Antoncic and Hisrich, 2001) in their willingness to take risks, their resilience, tenacity, courage to succeed, and in the way they are able to deploy cultural resources to their advantage. While cultural entrepreneurship is still a developing area in organisational research (see Lounsbury Glynn, 2001; Klammer, 2011), it is a potentially useful construct, especially if it can be expanded to intra-organisational contexts (intrapreneurship) to explore how and why particular individuals and groups thrive in adversity, how these individuals and groups develop the skills to deploy culture to their advantage, whether particular EM groups are more likely to thrive and what impact increased numbers of EM leaders might have on conceptions of racial discrimination and disadvantage.

A further question for future research is whether the dominant approach in theorising culture and culture management has encouraged a view of culture that is inconsistent with the reality of many organisations. That is, the emphasis on shared values and underlying assumptions (e.g. Schein, 1985) may be placing undue attention on factors imported from outside the organisation, which may have little relevance to prevailing organisational contingencies and which are especially incompatible with the multicultural nature of contemporary organisations. Research that explores understanding of which aspects of culture are useful merely to facilitate general everyday interaction in a given industry or sector and which aspects are crucial for specific job-related organisational functioning and success will be particularly valuable. Such understanding may be facilitated by drawing on Swidler’s (1986) work on cultural ‘toolkits’ and ‘repertoires’ (see Giorgi et al., 2015; Howard-Grenville et al., 2011), but additional
research is required to enhance understanding of how ‘toolkits’ are developed, how meaning is constructed around cultural resources in a given context and how different individuals and groups (such as ethnic groups) can harness cultural resources to benefit their careers.

A final set of implications are for HR practitioners. While the foregoing discussions may have presented a critical and negative view of culture and culture management, it is useful to reiterate Lorsch and McTague’s (2016) position that the culture that emerges is the result of processes and practices managers put in place, and that culture should not be viewed as ‘the culprit’ when things go wrong. Many of the issues raised in this article are within the functional areas and responsibilities of HRM and there is a strong argument that the HR function is best placed to recognise the influences of postcolonialism, cultural and social capital and to play a more active role in developing and implementing policies and practices that promote equality, diversity and inclusion in the work place (see also Shen et al., 2009). However, a perennial concern remains the capacity of the HR function and HR practitioners to generate sufficient power, influence and organisational centrality (cf. Groysberg et al., 2018) to take strategic ownership of these organisational interventions in ways that signal their significance and potential to produce unfairness in intra-organisational dynamics. Further consideration of these issues is important because without the necessary power and influence, the human resource function is in danger of becoming part of the problem.
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