

Reassessing Diversity and Human Capital By Revisiting Maruyama's Theories

By
Ernie Stark, Ph.D.
Bellevue University
Paul Poppler, Ph.D.
Bellevue University

Presented to the
The Academy of Management
2008 Conference
Anaheim, CA.

Abstract

This paper proposes that corporate diversity programs have not demonstrated the “business case” for the creation of human capital. The authors propose that executives and managers re-conceptualize the creation of human capital advanced by proponents of diversity programs from the perspective of Maruyama’s theory of mindscapes that are reflective of Homeostatic and Morphogenetic causal-loop environments. This paper analyses the emergence of diversity programs in corporations and the “business case” effects. The paper then introduces Maruyama’s theories and discusses their potential in re-conceptualizing diversity as a means of achieving human capital.

Multiculturalism and Corporate Diversity Programs: A Brief Review

An argument of the multiculturalism movement is that it is necessary to extend the work of the civil rights movement to employment because traditional business rules and standards reflect reason and objectivity based in Eurocentric and White male favoritism (D’Sousa, 1992; Flowers & Richardson, 1996), and that this bestows power to oppress the powerless in both academia and the workplace (Johnson & Duberley, 2005). Beginning in the 1980s, the claim was heard across U.S. campuses that new rules and standards needed to be negotiated amongst different demographic groups and that all groups are

considered equal partners with equal claims of truth, justice, and power (D'Sousa, 1992).

Societal and employment legislative changes in the second half of the 20th century paralleled the increasing argument for adopting a multicultural perspective of society. Entering the workforce in ever-increasing numbers, women and minorities were reported as having problems adjusting to the workplace culture of their new employers (Hemphill & Haines, 1997). Echoing the multiculturalism argument, Human Resource (HR) professionals proposed that women and minority reported job difficulties not because of their qualifications, but because the workplace was patterned on White male heterosexual norms (D'Sousa, 1995). HR professionals addressed this situation by actively campaigning for businesses to break new ground in accelerating workforce demographic dissimilarity (Hemphill & Haines, 1997) and to adjust rules and standards such that demographic minority group members not be made to conform to a single organizational standard (Thomas, 1990). This implied a seismic shift (Gardenswartz & Rowe, 1997) because it accepted the proposition that multicultural differences were not construed as a deficit, nor should they matter (Weaver, 2000), but that all cultural values and preferences should be granted equal legitimacy in the workplace (D'Sousa, 1995).

However, this change required a rationale to convince business executives to allocate the necessary resources to enact the desired workplace cultural shift. Cox, Lobel, & McLeod (1991) provided such a rationale in the "value-in-diversity" hypothesis. This hypothesis proposed that corporations

would realize better productivity and employee morale through the acceptance of a variety of cultural values in the workplace (D'Souza, 1995). As this proposition was gaining acceptance, the HR field also witnessed the emergence "strategic human resource management" (Boxall, 1996; Beatty & Schneier, 1997). This concept proposes that human resources are a source of sustainable, rare, and inimitable competitive advantage (Becker & Gerhart, 1996). This concept challenged HR professionals to ensure that combined employee work behaviors interactively and synergistically create human capital, thus producing competitive advantages (Barney, 1995; Uhl-Bien, Graen, & Scandura, 2000; Hitt, Bierman, Shimizu, & Kochhar, 2001).

In the light of this challenge, HR professionals and scholars amended the multicultural argument regarding equality and social justice by jointly championing diversity as an opportunity to harness the potential of a new emerging workforce for increased profitability – the "business case" (D'Souza, 1995). Thomas (1990) argued that it was necessary to embrace increasing diversity in order to improve employee morale and firm productivity. Fernandez and Bar (1993) issued an imperative that success in the global market required that diversity be integrated into business and corporate strategic plans. Lebo (1996) added that in an economic climate characterized by tight budgets and an ever-increasing need to do-more-with-less it is imperative that firms move to unqualified acceptance of diversity. Weaver (1999), writing for HR professionals, stated that investing in a diverse workforce of professionals would yield long-term dividends for business organizations. Cited in the Boston Globe, Gray (2002)

argued that corporate diversity was imperative to long-term business competitiveness. Within a short time, HR professionals successfully repositioned arguments for increased workplace diversity in Corporate America to include hardheaded concerns about generating human capital for positive bottom line results adjacent to prior multicultural and social justice concerns.

Corporate American responded generously to these arguments. Quoting Michael C. Hyter, CEO of J. Howard and Associates, Hansen (2003, pp.30-31) reported that over \$8 billion is spent annually on diversity training, while \$400 to \$600 million is allotted annually by Corporate America to hiring diversity consultants. Given the significant annual investments, the question regarding what it means to “embrace diversity” cannot be avoided.

While enforcement of the Civil Rights Act of 1964 focused almost exclusively on achieving social justice for protected classes, Cross, Katz, Miller, and Seashore (1994) expressed a widely held belief that diversity should expand beyond racism and sexism and focus on heterosexism, classism, “ableism,” and other forms of discrimination at the individual, identity group, and systems level. In commenting on this, Mello (2006) offered a warning about “casting a wide net” in defining what it means to embrace diversity. He observed that diversity initiatives are often ill conceived and not integrated with an organization’s mission and goals; he also argued that managers must make critical decisions and “draw lines” concerning which diversity elements will be incorporated into a diversity initiative and which diversity elements will be excluded (pp. 63 – 64). Grossman (2000) expressed a similar concern that the meaning of “embracing diversity” has

become so inclusive as to threaten and marginalize the original issues of gender, race, and ethnicity. Today, embracing diversity is frequently conceived as including an array of differences between organizational members such as sexual orientation, tenure, education, socio-economic status, and more (Weaver, 2000), or as Mannix and Neal (2006) suggested, any attribute people use to tell themselves that another person is different.

Despite this unrestricted definitional range, certain demographic characteristics such as race, ethnicity, and gender are most visible and most likely to be the salient characteristics of the diversity concept in the majority of circumstances (Williams & O'Reilly, 1998; Mannix & Neal, 2005). The expenditure of corporate resources directed toward the embrace of diversity frequently proceeded on the assumption that racial, ethnic, and gender diversity among employees generates human capital in the form of distinct knowledge, skills, and abilities that serve as a source of sustained competitive advantage (Richard, 2000).

The Lack of Evidence Regarding Diversity's Contribution to the Bottom Line

The *Diversity Research Network*, a research consortium of industry chief executives and HR professionals, conducted what has generally been considered the most definitive study of the relationship between racial, ethnic and gender diversity and generation of human capital. At the request of the *Business Opportunity for Leadership Diversity Initiative*, the *Diversity Research Network* engaged in a five-year study financed in part by one of the most ardent champions of diversity, the *Society for Human Resource Management*. This

study was believed to be the largest field-based study on the topic ever undertaken (Kochan, Bezrukova, Ely, Jackson, Joshi, Jehn, Leonard, Levine, & Thomas, 2003). Heading this research was the respected human resource management scholar, Thomas A. Kochan, a professor at MIT's Sloan School of Management. The team noted, "We found that racial and gender diversity do not have the positive effect on performance proposed by those with a more optimistic view of the role that diversity can play in organizations, at least not consistently or under all conditions . . ." (Kochan, et al., 2003). In reference to the study, Bates (2003) noted, "Researchers hoping to establish that racial and gender diversity in the workplace leads to increased profits have been unable to establish that connection," while Hansen (2003, - quoting Kochan, p. 28) added, "The business case rhetoric for diversity is simply naive and overdone."

In 1999, Kuczynski predicted the findings of the Kochan et al. (2003) study by observing that the few relationships reported between diversity and the bottom line at the firm level were complex, and not necessarily positive. Gauer (2006) suggested that looking for the impact of diversity in corporate America at the organizational level did not address the appropriate level of analysis. Citing Kravits (2003, p149), Gauer noted, "...it is diversity at the group level within the organization that improves profitability, while diversity at the organizational level without respect to what is occurring in groups can hinder profitability." Stark explored this possibility in 2003. Building on Williams and O'Reilly's (1998) review of over 80 empirical studies concerned with various manifestations of racial, ethnic, and gender diversity on group performance, Stark (2003) included

an additional 20 studies either omitted by Williams and O'Reilly or published after their paper went to press. He concluded that the most optimistic conclusion one might reach is that there is no relationship between gender diversity and group processes and there is little empirical evidence to support a position that increasing the group gender diversity enhances group processes to a point where it is likely to influence a firm's bottom line. He also concluded that the literature appeared to provide little evidence supporting the assumption that gender diversity produces aggregate outcomes likely to contribute to a firm's bottom line beyond random chance.

In reviewing the empirical literature on racial and ethnic diversity on group processes, Stark (2003) concluded that the claims of improved group processes associated with racial and ethnic diversity appear to be at best inconclusive, if not unfounded. He also argued that the literature appeared to provide little evidence supporting the assumption that racial and ethnic diversity produces aggregate group outcomes likely to make a long-term contribution to a firm's bottom line beyond random chance.

Mannix and Neal (2006) noted that disentangling 50 years of social science research can only lead to the conclusion that surface-level social categories such as gender, race, and ethnicity tend to have negative effects on the ability of groups to function and that any associated business related performance advantage is found only under very narrow conditions. Perhaps, Kochan expressed the situation succinctly when he stated, "Although extensive academic studies show that there is little evidence to support the business case

for diversity, the business community has not embraced the literature” (Hansen, 2003, p. 30). Kochan et al. (2003) bluntly suggested that the business case for embracing racial, ethnic, and gender diversity (e.g., that it generates human capital that positively affects bottom line issues) might have run its course.

In Defense of a Social Justice Motivation for Diversity

Johnetta Cole (Emory University Professor of Anthropology and former board member of Coca-Cola and Home Depot) as reported by Kuczynski (1999) noted, “There are likely times when the bottom line is not being aggressively served by diversity initiatives; however, regardless of the bottom line issue, diversity in the workplace may simply be the right thing to do.” Folger’s (2001) argument for a diversity motivation based in “deontic” justice mirrors Cole’s thoughts. That is, people should be motivated toward fairness in access to employment because it is the “right thing to do” (e.g., end in itself) as opposed to a means for obtaining self-interest goals (e.g., improving corporate bottom line).

Cole’s statement suggests a return to a more basic and fundamental justification, that of a desire for “social justice.” A plea for social justice acknowledges the immorality of attempting to maintain a homogeneous workforce within a gender and racially/ethnically diverse nation. A desire for social justice acknowledges the subtle forms of sexism and racism that permeate our society and argues that businesses have a social responsibility to address and reduce such discrimination by generating new diversity initiatives and supporting existing ones. Kochan et al. (2003, p. 18) maintained that diversity professionals, industry leaders, and researchers might do better to recognize that

while there is no evidence to sustain the belief that racial, ethnic, and gender diversity will naturally translate into better results, such diversity is both a labor-market imperative, a social expectation, and a social value. For those reasons, Corporate America cannot retreat from its embrace of racial, ethnic, and gender diversity. Further, there is indication that the negative outcomes frequently associated with increased gender, racial, and ethnic diversity can be mitigated through well-designed organizational interventions (Kochan et al. 2003; Mannix & Neal, 2006).

Maruyama and Rethinking Diversity and Human Capital

Murningham and Conlon (1991) recognized the conceptual problem that would ultimately confound diversity research when they cautioned that without clarity about diversity theory's underpinnings, it would be exceedingly difficult to capture any relationship amongst diversity, human capital, and bottom line issues. Klien and Harrison (2007) argue that the problem lies with the fact that the claims used to advance the business case for diversity rely on ideal conditions, but such conditions are "all too rare in the tousel, emotional, and political world of work" (p. 27). The works of cultural anthropologist Mogoroh Maruyama (1978, 1980, 1982, 1996, 1997, 1999, 2001, 2003, 2004a, 2004b, 2006) suggest potential in clarifying the underpinnings of diversity theory, avoiding its "tousel, emotional, and political" conditions, and re-conceptualizing the links amongst diversity, human capital, and bottom line effects.

In exploring causality meta-types in biological and social theories, Maruyama (1980) proposed four meta-types in scientific theory that are most

Table 1: Maruyama's Causal Meta-type Models

<i>Causal Meta-Type Model</i>	<i>Characteristics</i>
Nonreciprocal Causal	Causal relations may be probabilistic or deterministic; no causal loops; causal relations obey a transitive law
Independent Event	Random distribution of independent events, each having its own probability; non-independent non-random structures tend to decay to more random, unstructured, and homogeneous states
Homeostatic Causal Loop	Causal relations may be probabilistic or deterministic and may form loops; structures and patterns are maintained by homeostatic causal loops. Once homeostasis is achieved, further organizational evolution is not probable absent a radical change in the environment.
Morphogenetic Causal Loop	Probabilistic or deterministic causal loops increase heterogeneity, generate patterns of mutually beneficial relations among heterogeneous elements, and raise the level of sophistication of the system. Homeostasis is avoided as increased heterogeneity drives further organizational evolution.

Based on Maruyama (1980). *Mindscales and Science Theories*. *Current Anthropology*, 21 (5). P. 589-590.

compelling in diversity research. The causal meta-types present differing frameworks for explaining causal relations, structure, and stability in a phenomenon (Maruyama, 1980).

Maruyama's (1978, 1980) description of *Morphogenetic causal-loop models* certainly suggests the possibility of linking diversity to human capital. He argued that the model's heterogeneous elements interact in either a probabilistic or a deterministic manner. That is, interactions continually generate heterogeneity and new patterns of mutually beneficial relations among heterogeneous elements. In such models, change usually occurs continuously

and gradually, but great leaps can occur because of differentiation-amplification. Small fluctuations, which are highly probable, may lead to dramatic consequences that initially appeared to have a low probability. Importantly, evolution through interaction does not cease in these models.

Accepting Becker and Gerhart's (1996) proposition that human resources are a potential source of sustained competitive advantage suggests that the *Morphogenetic Causal-Loop Model* holds great promise for translating diversity into human capital. Thus, the continued evolution of new patterns of mutually beneficial relationships among heterogeneous elements such as race, ethnicity, and gender within organizations could be expected to generate previously unknown and unique combinations of knowledge, skill, and behavior that create value in ways that are rare and/or difficult for competitors to emulate. Indeed, conventional wisdom has held that when racial, ethnic, and gender groups are compared in terms of means and standard deviation on some sociological or psychological measure, the results are interpreted to imply some "basic difference" between the "average" Black man and the "average" White man or between "most" of the women and "most" of the men (Maruyama, 1999), and these much recognized differences should lead to highly prized unique combinations of knowledge, skills, and abilities that are rare and difficult to emulate.

A Reasoned Explanation Why Diversity Has Failed To Make Its Business Case

As defined in Table 1, Maruyama's discussion of *Homeostatic Causal Loop Models* provides an explanation for the change that *did* occur through

corporate diversity embracement. That is, rather than continued evolution of new patterns of mutually beneficial relationships among heterogeneous elements such as race, ethnicity, and gender, the move for increased workplace diversity proceeded toward *stable* internal configurations that were satisfactory to heterogeneous elements. Given the challenge of compliance with civil rights, the change in workforce demographics, and acceptance of multiculturalism's premises, heterogeneous elements represented by minorities and women entered the workplace and began to interact with the White male power structure. The resulting interactions from increased diversity in the workplace served to generate new rules shifting power away from Eurocentric and White Male management perspectives toward the perspectives of those who had traditionally lacked power and influence.

As Maruyama observed (1980), the structures and the patterns emerging from heterogeneous interactions in *Homeostatic Casual-Loop Models* become enshrined and maintained by homeostatic casual loops, loops that act toward the stabilization of such structures and patterns and inhibit continued evolution of a phenomenon *unless* the environment changes. Conceptualized in this light, such homeostatic casual loops took the form of chief diversity officers, diversity coaches and consultants, diversity training, diversity scorecards, best diversity practices, and executive diversity conferences. These functions acted as loops to reinforce and safeguard the pattern of interactions that advanced the motivations of their constituencies. Such interactions were strengthened by citing numbers showing increased workforce representation of previously under

represented classes, producing documentation of improved career opportunities for and organizational advancement of women and minorities, and giving evidence of success in reducing the credence attributed to traditional management practices reflective of White, Male, Eurocentric values while promoting acceptance of the values inherent in multiculturalism. The unquestioned assumption justifying such patterns was that increased racial, ethnic, and gender diversity among employees is generating human capital in the form of distinct knowledge, skills, and abilities that serve as a source of sustained competitive advantage.

The ultimate result has been a shift toward one homogeneous perspective (multiculturalism via increased diversity) and away from another homogeneous perspective (White, Male, Eurocentrism). What has not resulted from the shift is a greater heterogeneity that brings about rare and inimitable competitive advantage through human capital (as witnessed by the continued lack of evidence that would clearly establish a business case for diversity). Albeit, one cannot dispute that the shift has achieved a much-needed degree of social justice.

According to this paper's analysis and our interpretation of the logic of Maruyama's theory, the heterogeneity proposed to be at the heart of the multicultural perspective and advanced as a justification for increased racial, ethnic, and gender diversity has ossified into a causal model of interactive patterns and structures where choice of behavior has become institutionalized and acceptance of prescribed paradigms has become necessary for in-group

membership. As suggested by Maruyama's Homeostatic model, this result is now static and is not likely to change until it is radically disturbed by macro environmental changes. Maruyama (1997) identified this outcome as "post-modernism" characterized by a convergence toward homogeneity driven by the desirability and attainment of in-group homogeneity. To the point, the causal loops that accompanied increased racial, ethnic, and gender diversity have resulted in patterns that promote multicultural values as reflective of in-group behavior across management circles even in the presence of a glaring lack of evidence that would justify a business case. Managers seeking to join that in-group are required to acquiescence to these values and behaviors, thus ensuring ever-increasing homogeneity of perspective. Lacking in the current state of affairs is the co-generative heterogeneity Maruyama observed in Morphogenetic causal models necessary to drive further evolution of relationships between diversity, strategic human resources practices, and generation of human capital.

A Reconceptualization of Diversity

Given that the business case for diversity has not been empirically supported in the presence of a continuing strategic human resource argument that combined, synergistic, and integrative employee effort creates unique human capital that bestows competitive advantages, this paper makes a counter proposition advocating reconceptualization of diversity. This reconceptualization argues that issues of race, gender, and ethnicity are best addressed and resolved from a social justice perspective and aligned with the orientation of a specific organization rather than attempting to make a dubious business case.

The reconceptualization also argues for diversity initiatives based in attraction of a variety of mindscapes and cognitive characteristics that would serve as the basis for synergistic and integrative human capital capabilities.

It is prudent to note that the value in diversity argument was rooted in classic studies of small group heterogeneity conducted by Hoffman and colleagues in which the focus was on diversity of personalities and not diversity of gender, race, or ethnicity. Further, where diversity has demonstrated a positive relationship with desirable business related outcomes, the diversity has been of a non-surface nature such as functional background, personality types, tenure, etc. (Mannix & Neal, 2006).

Given this recognition, Maruyama (1980, 1982) suggests a starting point with his discussion of human mindscapes. Mindscapes represent “a structure of reasoning, cognition, perception, conceptualization, design, and planning that

Table 2: Maruyama’s Basic Mindscape Types and Their Characteristics

<i>Mindscape Type</i>	<i>Component Orientation</i>	<i>Relation of Components</i>	<i>Cognitive Processes</i>
H-Type	Homogenistic	Hierarchical	Classificational
I-Type	Heterogenistic	Individualistic	Random
S-Type	Heterogenistic	Interactive	Homeostatic
G-Type	Heterogenistic	Interactive	Morphogenetic

Based on Maruyama (1980). Mindscapes and Science Theories. *Current Anthropology*, 21 (5). p. 591.

Table 3: Maruyama's Descriptors of Mindset Types

Concept Type	<i>Mindscapes: A structure of reasoning, cognition, perception, conceptualization, design, and planning that may vary from one individual, profession, culture, or social group to another</i>
H-Type	Homogenistic, heirarchiacal, classificational, competitive, zero-sum, extension, and one-truth
I-Type	Heterogenistic, independent, random, unique, negative-sum, caprice, and subjective
S-Type	Heterogenic, interactive, pattern-maintaining, cooperative, positive-sum, stability, poly-ocular, and stable
G-Type	Heterogenic, interactive, pattern-generating, co-generative, positive-sum, stability, poly-ocular, and evolutionary

Maruyama (1980). Mindscapes and Science Theories. *Current Anthropology*, 21 (5). p. 589-600. Also in Maruyama (1982). Mindscapes, Management, Business Policy, and Public Policy. *Academy of Management Review*. 7 (4). p. 612-619.

may vary from one individual, profession, culture, or social group to another.”

Although recognizing that there are many types of mindscapes and many combinations of mindscapes, Maruyama distinguished four general mindscapes that closely parallel the causality metatypes he observed in biological and social theories (summarized in tables 2 and 3).

Maruyama (February, 1996) advocated that any mindscape type found in one culture or society will be found in other cultures or societies. That is, these mindscapes types exist across cultures, but the cultural or social differences we observe reflect the way in which mindscapes become dominant and influence, transform, suppress, and exploit non-dominant mindscapes within a culture or

society. From this perspective, two races, two cultures, or two genders consist of mindscape types that are common to both sides. The difference between groups, cultures, or societies is to be found in the proportion among types, not in the absence of types. Further, when one type of mindset becomes dominant in an environment, those of non-dominant types suffer psychological stress as well as lack of educational and professional opportunities (Maruyama, 1999).

Central to all of Maruyama's writings is the concept of heterogeneity, and it is when heterogeneity as an aspect of diversity is approached from a cognitive perspective that the linkage between diversity and generation of human capital assumes greater potential. Given that heterogeneity is necessary and desirable in biological and social systems (Maruyama, 2004, b), heterogeneity of mindscapes within a business firm would appear to increase the potential for generation of human capital. More specifically, interactivity heterogeneity, as defined by Maruyama (2003), would function by finding ways for work groups to utilize individual differences in mindscapes in a symbiotic manner where differences are maintained but mutually beneficial interactions between group members increase to the point that it would be recognized as human capital.

The challenge within Corporate America would appear to be decreasing the dominant mindscape in a particular business environment so that interactive heterogeneity could occur. In an environment where the H-type dominants, one would seek to reduce the dominance of sequential, hierarchical, application of universal principles (Maruyama, 2001) that promotes extrapolation over innovation (Maruyama, 2004, b). In situations where the I-type dominates, one

would look to reduce independent, non-ordered, individualistic behavior (Maruyama, 2001) that produces caprice, independent, and random surprises (Maruyama, 2004, b).

While dominance of the S-type might appear desirable because it is interactive, simultaneous, and mutualistic (Maruyama, 2001), it cannot result in achieving heterogeneity because it is pattern maintaining in nature (Maruyama, 2004, b). It is through increasing the prevalence of the G-type mindset that Maruyama suggests that cognitive diversity can produce the interactive heterogeneity necessary to generate human capital. For the G-type is creative along with being heterogenic and interactive in the continued generation of new beneficial patterns (Maruyama, 2004, b), and this is not an issue of race, ethnicity, or gender.

A somewhat radical approach suggested by Maruyama (2006) is to seek to hire job applicants for middle or upper management positions in terms of their potential for making unorthodox change. Maruyama (2006) suggests that this potential could be investigated in one of two manners. First, a structured behaviorally oriented interview would be created to determine if the applicant has done something that no one else has done, the applicant's track record in swimming against orthodox currents, and the applicant's ability for problem solving in unforeseen future situations. During the interview, the interviewer would probe the applicant's understanding of the need and reasons for heterogeneity in his/her interactions within the work environment; as discussed later, this will be critical for bridging structural holes in information networks.

Second, one might utilize Maruyama's "Heterogram Analysis" used to find the cognitive types of individuals based on the concept of nonredundant complexity. Use of this selection instrument recognizes G-type individuals from their identification of patterns considered "beautiful" which have highly nonredundant complexity and separates them from individuals with other mindscape types.

It may not be necessary to identify and hire great numbers of G-types to achieve the cognitive diversity necessary to move toward generation of human capital. What would appear as critical is that individuals hired with a demonstrable G-type mindscape either consciously or subconsciously understand and appreciate the concept of interactive heterogeneity. This will likely be revealed in the individual's past behaviors demonstrating a proficiency in operating in ambiguous situations characterized by loose information networks with numerous structural holes. A structural hole is a weak information connection between two or more groups. A structural hole between two groups generally implies that people in each group focus on their own activities and do not attend to the activities of people in other groups, but the reality of structural holes is that they separate nonredundant sources of information that are more additive than overlapping (Burt, 2000).

This paper proposes that G-type managers be placed in positions where they have access to a multiple work groups with a variety of differing functions, responsibilities, and cultural norms. The G-type manager is comfortable with loose information networks rich in structural holes and he or she should be well

positioned to bridge the holes in such networks, access nonredundant information, and make unorthodox changes as suggested by Maruyama (2006). Thus, changes that combine the knowledge, skills, and abilities of people on both sides of a structural holes in previously unimagined ways creates value for the organization in a manner that is difficult for a competitor to copy. Initially, such changes may appear inconsequential or even appear lacking a high probability of any successful results, but due to differentiation-amplification, Maruyama (1980) predicts that great leaps can occur. The highly probable small fluctuations resulting from the G-type's mastery of networks rich in structural holes may produce dramatic consequences that initially appeared to have low probability but are enhanced by the causal loops that characterize

Given that Maruyama (1999) established that G-type individuals are found across all cultures and societies, there should be little potential for disparate impact on protected classes in personnel decisions. However, it may be that within some racial, ethnic, and gender groupings, G-types will have utilized various strategies for social and professional survival such as forming niches to avoid the dominant mindspace, camouflage their own mindspace, or switching intentionally back and forth between their mindset and the dominant organizational mindset depending on the situation.

In any event, it will be necessary to use all the tools available to identify the G-types. Even after hiring, organizations characterized by dominance of the H-, I-, and S-types can thwart and frustrate employees with a G-type mindspace (Maruyama, 2004). Maruyama also suggests interventions to make the

organization hospitable to G-types through lateral job rotations and job mixers that bring together employees from differing functions, backgrounds, and departments.

Finally, it will be critical at the executive level to ensure that the heterogeneity and interactivity associated with the introduction of G-type individuals be allowed to continually generate new mutually beneficial patterns of behavior between seemingly disparate parties as suggested in *Morphogenetic Casual-Loop Models* of change. This implies the need to understand clearly the essential differences between *Homeostatic Casual-Loop Models* of change and *Morphogenetic Casual-Loop Models* in that a dominance of S-type mindscapes will initially appear desirable because of a proclivity for being heterogenic, interactive, cooperative, positive-sum oriented, and polyocular. However a dominance of this mindscape can not be permitted to act out its proclivity for pattern-maintenance and stability thus constraining the generation of new patterns through institutionalization of feedback loops (i.e., functions, policies, procedures, etc.) that entrench new realities, maintain new orders, and solidify new powers and prevent continued evolution of new mutually beneficial patterns. If this can be avoided, then one has an approach for embracing diversity that is capable of generating human capital within a business environment.

References Cited

- Bates, S. (2003). No link found between diversity and bottom line. *HR magazine*, 48, (7) 12-14.
- Barney, J. B. (1995). Looking inside for competitive advantage. *Academy of Management Executive*, 9(4), 49-61.

- Beatty, R. and Schneier, C. (1997). New HR roles to impact organizational performance: From “partners” to “players.” *Human Resource Management Journal*, **36** (1), 29 – 37.
- Becker, B., & Gerhart B. (1996). The impact of human resource management on organizational performance. *Academy of Management Journal*, **39**, 779-801.
- Boxall, P. (1996). The strategic HRM debate and the resource based view of the firm. *Human Resource Management Journal*, **6** (3), 59 – 76.
- Burt, R. (2000), The network of structure of social capital. In Barry Staw and Robert Sutton (Eds.), *Research In Organizational Behavior*, **8**, 345-423.
- Cox, T., Lobel, S., and McLeod, P. (1991). Effects of ethnic group cultural differences on cooperative and competitive behavior on a group task. *The Academy of Management Journal*, **34**, 827-847.
- Cross, E. Y., Katz, J. H., Miller, F., & Seashore, E. W. (1994). *The promise of diversity*. Burr Ridge, IL: Irwin.
- D’Sousa, D. (1992). *Illiberal education: The politics of race and sex on campus*. New York, NY: Vintage Books.
- D’Sousa, D. (1995). *The end of racism*. New York, NY: The Free Press.
- Fernandez, J. P., & Barr, M. (1993). *The diversity advantage: How American business can out-perform Japanese and European companies in a global marketplace*. New York: Lexington Books.
- Flowers, B. J., & Richardson, F. C. (1996). Why is multiculturalism good? *The American Psychologist*, **51**, (6), 609-621.
- Folger, R. (2001). Fairness as deontology. In: S. Gilland, D. Steiner, & Skarlicki (Eds.), *Theoretical and cultural perspectives of organizational justice* (pp.3-33). Greenwich, CT: Information Age Publishing
- Gauer, J. S. (2006). How does diversity influence organizational effectiveness? A paper presented to the 14th annual conference of the Institute of Behavioral and Applied Management, Oct 5th-7th, Memphis, TN.
- Gardenswartz, L., & Rowe, A. (1997). Diversity Q & A: Effectively moving beyond affirmative action with a diversity task force. *Mosaics, SHRM focuses on workplace diversity*, **3**, 5.
- Gray, C. (2002). Employees a-plenty: The emerging workforce of people with disabilities. *Mosaics, SHRM focuses on workplace diversity*, **8**, 1, (4:7).
- Grossman, R. J. (2000). Is diversity working? *HR Magazine*, **45**, (3), 47-50.
- Hansen, F. (2003). Diversity’s business case doesn’t add up. *Workforce magazine*, April 28-32.
- Hemphill, H., & Haines, R. (1997). *Discrimination, harassment, and the failure of diversity training: What to do now?* Westport, CT: Quorum Books.
- Hitt, M., Bierman, L., Shimizu, K., & Kochhar, R. (2001). Direct and moderating effects of human capital on strategy and performance in professional service firms: A resource-based perspective. *Academy of Management Journal*, **44** (1), 45 – 71.
- Johnson, P., & Duberley J. (2005). *Understanding management research*. Sage: London.

Klien, K. J., & Harrison, D. A. (2007). On the diversity of diversity: Tidy logic, messier realities. *The Academy of Management Perspectives*, **21**, Issue 4, 26-33.

Kochan, T., Bezrukova, K., Ely, R., Jackson, S., Joshi, A., Jehn, K., Leonard, J., Levine, D. & Thomas, D. (2003). The effects of diversity on business performance: Report of the diversity research network. *Human Resource Management*, **42**, (1), 3-21.

Kravitz, D. A. (2003). More women in the workplace: Is there a payoff in firm performance? *Academy of Management Executive*, **17** (3), 148-149.

Kuczynski, S. (1999). If diversity, then higher profits? *HRM Magazine*, **44**, 66-74.

Lebo, F. (1996). *Mastering the diversity challenge: Easy on the job measures*. Del Ray Beach, FL: St. Lucie Press.

Mannix, E. & Neal, M. A. (2006). What differences make a difference? The promise and reality of diverse teams in organizations. *Psychological Science*, **6**, (2), 31-56.

Mello, J. (2006). *Strategic human resource management* (second edition). Mason, OH: Thompson-South Western Publishers.

Murnighan, K., & Conlon, E. (1991). The dynamics of intense work groups: A study of British string quartets. *Administrative Science Quarterly*, **36**, 165-186.

Maruyama, M. (January, 1978). Heterogenistics and Morphogenetics: Toward a New Concept of the Scientific. *Theory and Society*, **5**, (1), 75-96.

Maruyama, M. (1980). Mindscapes and science theories. *Current Anthropology*, **21**, (5), 589-600.

Maruyama, M. (1982). Mindscapes, Management, Business Policy, and Public Policy. *Academy of Management Review*, **7** (4), 612-619.

Maruyama, M. (February, 1996). Logics, cultures, and individuals. *UNESCO courier*.

Maruyama, M. (1997). Beyond post-modernism: Trends since 100 years. *Cybernetic*, **40**, 169-177.

Maruyama, M. (1999). Heterogram analysis: Where the assumptions of normal distribution is illogical. *Human Systems Management*, **18**, 53-60.

Maruyama, M. (2001). Individual types: Subcultural or transcultural? *The General Psychologist*, **36** (3), 64-67.

Maruyama, M. (2003). Interactive heterogeneity: An introduction. *International Review of Sociology*, **13**, (3) 499-507.

Maruyama, M. (2004, a). Polyocular vision or subunderstanding. *Organizational Studies*, **25**, (3), 467-480.

Maruyama, M. (2004, b). How to foster art and how art can foster futurogenic business, *Futures bulletin: The newsletter of the world futures studies federation*, **28**, (2-4), 5-9.

Maruyama, M. (2006). Future potentials, not already acquired skills. A paper presented to the 14th annual conference of the Institute of Behavioral and Applied Management, Oct 5th-7th, Memphis, TN.

Richard, O.C. (2000). Racial diversity, business strategy, and firm performance: A resource-based view. *Academy of Management Journal*, **43**, 164-177.

Stark, E. (2003). Undelivered Promises from the HR Profession: A Plea to Return to a More Defensible Motivation for Embracing Diversity. *Journal of Behavioral and Applied Management*, **4**, (3) 299-316.

Thomas, R. R. Jr. (1990). From affirmative action to affirming diversity. *Harvard Business Review*, **68**, (2) 107-117.

Ulh-Bien, M., Graen, G. B., & Scandura, T. A. (2000). Implications of leader-member exchange (LMX) for strategic human resource management systems: Relationships as social capital for competitive advantage. In Gerald R. Ferris (Ed.), *Research In Personnel and Human Resources Management*, **18**, 137-185.

Weaver, V. J. (1999). If your organization values professionals, why are they leaving. *Mosaics, SHRM focuses on workplace diversity*, **5**, 3, (4:5).

Weaver, V. J. (2000). Diversity: One size doesn't fit all. *Mosaics, SHRM focuses on workplace diversity*, **6**, 3, (4:6).

Williams, K. Y., & O'Reilly III (1998). Demography and diversity in organizations: A review of 40 years of research. In B. M. Staw and L. L. Cummings (Eds.), *Research in organizational behavior*, **15**, 77-140.