

# More Harm than Good: Gender Diversity Initiatives in Industry Work

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Despite decades of progress towards gender equality, only 5% of the skilled trade workers in Canada are female (*More Women Consider Careers in Trades*, 2023), and among the 3.9 million industrial workers in Canada, only 831,000 are women (*Statistics About Industrial Jobs*, 2019). These alarming figures highlight the stark reality of gender inequalities in today's workforce. As a response, diversity, equity, and inclusion (DEI) initiatives aimed at increasing female employees in male-dominated work environments have risen in popularity since the early 1980's with the passing of the Canadian Humans Right Act (1977) and the Employment Equity Act (1986) (Hiranandani, 2012). This emphasis on gender diversity is further reflected in the investments made by Fortune 500 companies having collectively spent around \$16 billion yearly on diversity initiatives as of 2017 (Dover et al., 2019). Given these statistics, it is crucial to examine the effectiveness of existing diversity programs, particularly those promoting gender diversity in skilled trades and industry work.

Further research should explore how diversity initiatives aimed at addressing gender biases in male-dominated trades can unintentionally create negative consequences for women including an increase in perceived incompetence (Dover et al., 2019), backlash and resistance (Dobbin & Kalev, 2016), and a reduced sense of belonging (Halliday et al., 2022). This essay analyzes the interplay between managerial discretion, signalling effects, and industry specific challenges to demonstrate the unintended negative consequences that gender diversity programs exert on female minorities in male-dominated industries. Managerial discretion, the autonomy of managers in making decisions, plays a critical role in the effectiveness of gender diversity initiatives as it can lead to inconsistent application, and biases affecting women's outcomes (Kalev et al., 2006). Moreover, fostering an inclusive work environment where all contributions are valued as equal is essential to avoid unintended signalling effects. This can be understood as an occurrence where behaviours or decisions made by an organization or its employees portray opinions or beliefs to others. Finally, understanding the effects of contextual factors such as industry specific challenges enables a comprehensive examination of how managerial choices and signalling effects contribute to adverse outcomes in gender diversity initiatives.

## Literature Review

### ***Managerial Discretion***

Managerial discretion, as previously defined, is the freedoms and liberties that a manager may exert concerning decisions and implementation of DEI programs within their organization. Inconsistent applications of gender diversity programs result in a variability of effects across different divisions and teams, which can in turn affect opportunities and outcomes for women. Findings by Dobbin and Kalev (2016) support this having found in their research that when diversity initiatives were the responsibility of the organization rather than individual managers it was much more effective. The findings were based on research done on more than 800 firms in the U.S. over three decades and found that common tools used for diversification, such as mandatory diversity training, hiring tests, performance ratings, and grievances systems, all have potential for failure. The article explains how these tools implemented by managers often result in, respectfully, increased resistance, amplified biases, failure to accurately reflect merit, and retaliation resulting in lack of reporting. Dobbin and Kalev (2016) propose that this failure is due to one commonality; reliance on the ability to control the manager's behaviour.

As a solution, they suggest using approaches that are based on principles of engagement versus mandates to encourage voluntary participation in diversity initiatives, increasing contact between managers and minority groups to foster familiarity and understanding, and social accountability to encourage managers to act fairly and promote transparency. The research highlights the importance of using diversification programs that engage managers to promote a sense of accountability towards cultivating diverse work environments rather than using command-and-control approaches. Specifically, it was found that by utilizing diversity initiatives based on engagement, contact, and social accountability, there was an increase in the representation of minorities, including women in management positions compared to when command-and-control approaches were used. Although this research does not directly correlate to women in skilled trades or industry work, the concept of how managerial discretion impacts the effectiveness of diversity initiatives is applicable. This is due to the potential for managerial biases to be particularly prevalent in trades as a result of strong traditional gender norms. Applications of the three recommended principles regarding diversity initiatives allows for the development of pro-diversity values, increased understanding, and equitable behaviour which

all contribute to developing a more diverse accepting work culture for females in male-dominated work environments.

In corroboration of these findings, the literature review by Portocarrero and Carter (2022) reviewed research that clarifies which diversity initiatives programs work versus which do not and also found managerial discretion to play a significant role in the outcome of diversity initiatives. Their research found that the colorblind process, ignoring how race and racism affect workplace inequalities, and managerial discretion are the two main contributing factors in the failure of diversity initiatives. For the purposes of this paper, only the former will be discussed. Portocarrero and Carter (2022) explain that the personal desires and motivations of managers may skew outcomes, such as performance evaluation scores. This example demonstrates how managerial discretion can result in negative outcomes for minority groups, as managers' unconscious biases and cognitive processes can influence scores and therefore, influence one's opportunities and potential for promotion. Overall, the study found that direct oversight and accountability, such as the use of oversight committees, transparency, and the use of goal setting, are crucial for the functioning of diversity programs. Portocarrero and Carter (2022) effectively demonstrate the functional and dysfunctional aspects of diversification programs

and further exemplify the role that managerial discretion has in the adverse outcomes of these initiatives.

### ***Signalling Effects***

In addition to managerial discretion, as determined by research, unintended signalling effects is another frequent negative result of poorly executed diversity initiative programs. Signalling effects are when an individual or organizations convey opinions or information to others through their actions and behaviours. Dover and colleagues (2020) reviewed psychological evidence to determine if diversity initiatives have adverse outcomes due to its implication in fairness signals, competence signals, and inclusion signals. Specifically, fairness signals, which is a promise of equitable treatment to all that may result in seemingly unjust treatment to the majority group, and signals of incompetence, which are actions or behaviours that convey an inability or a lack of knowledge within the workplace, will be discussed (Dover et al., 2020). Keeping managerial discretion in mind, through examination of fairness and competence signals, a more encompassing understanding of the negative outcomes of DEI programs can be achieved.

Further examinations show that fairness signals generate sentiments of being treated unjustly among non minority groups and feelings of being treated justly in underrepresented groups

(Dover et al., 2020). For example, Huffcutt and Roth (1998) found that standardized interviews reduce hiring inequalities and that unstructured interviews cause detriments for minority groups. Interestingly, regardless of this, their research found that individuals part of the dominant group believe the opposite is true. Evidence indicates that the mere presence of DEI hiring, signals to the majority group that unfair hiring practices are present, despite this being a fallacy (Dover et al., 2020). Therefore, as a byproduct of the pursuit of adequate representation of minority groups, majorities groups, in this case caucasian males, may perceive this as unfair hiring practices as the minority groups have a perceived advantage (Dover et al., 2020). As a result, this can contribute to majority groups being unsupportive towards anti discrimination practices causing further segregation and hostility directed at minority groups within the workplace. This demonstrates how the usage of DEI programs can have opposite effects from what is intended and can contribute to negative outcomes for underrepresented groups, such as females in trades. This outcome is due to the majority of employees, caucasian males, feeling they have been subject to unfair treatment, resulting in an exacerbation of turmoil within the workplace.

In continuation, competence signals are when the presence of diversity initiatives unintentionally communicate

that underrepresented groups need help in order to succeed within the organization (Leslie, 2018). This may include women in skilled trades and industry work being perceived as needing assistance or additional support to have a successful career within male-dominated fields. To further this point, Dover and colleagues (2020) explain how experiments have shown that “women and minorities hired under an affirmative action rationale are subject to [being] viewed as less qualified and as less competent than those hired in the absence of such a rationale” (p. 167). Unequivocally, this alludes to diversity hiring practices creating perceptions that the best or most equipped candidate is not being given the same opportunities as minority groups. Consequently, this perpetuates the irrationality that the minority group is less qualified or undeserving in comparison to the dominant group. This was demonstrated in research by Heilman and others (1992) which found that affirmative action status has negative consequences on female hires even when they were not perceived as less equipped than male counterparts. This conclusion supports Dover and colleagues (2020) claims that diversification programs, such as hiring practices centered on DEI, contribute to competence signals, which indicate affirmative action status. Ergo, this manifests into questioning the competence and skills of minorities, such as females in industry and trade work. This



outcome can further contribute to a slew of negative effects for minority groups as perceived lack of ability perpetuates stereotypes (Leslie, 2018).

In summary, the research clearly demonstrates how DEI programs can foster signals, such as fairness and competence, that create negative outcomes for minority groups. Moreover, Dover and colleagues (2020) literature review illuminates how the interaction effect between managerial discretion and signalling effects can amplify adverse outcomes for minority groups. To explain, managerial discretion significantly influences the effectiveness of diversity initiatives due to biased opinions and inconsistent applications of DEI programs (Dobbin & Kalev, 2016), which can inadvertently amplify signals of fairness or incompetence amongst minority groups. Understanding this interaction effect illustrates organizational challenges, but to gain a more complete understanding of gender diversity initiatives, exploration of contextual factors, such as industry specific challenges, is required.

### ***Contextual Factors***

Contextual factors are elements specific to an industry that impact opportunities, experiences, and outcomes for individuals in that environment. In this context, this includes industry specific challenges such as the unique obstacles females

face in male-dominated fields. This encompasses strong gender norms, the struggle for a sense of belonging, and the negative outcomes associated with these challenges, including mental health risks and lack of job satisfaction (Rubin et al., 2019). Through an understanding of these unique challenges, the severity of the adverse outcomes caused by managerial discretion and signalling effects in gender diversity initiatives can be better appreciated.

Research completed by Rubin and others (2019) found that “sense of belonging mediated the associations between organizational sexism and both mental health and job satisfaction. In addition, sense of belonging mediated the association between interpersonal sexism and mental health” (p. 278). To fully comprehend this, it should be noted that organizational sexism refers to inequalities caused by the organization, such as pay disparities, and that interpersonal sexism is related to sexist behaviour committed by individuals within the organization, such as inappropriate jokes (Rubin et al., 2019). In sum, Rubin and colleagues’s (2019) research found that both forms of sexism are related to a poorer sense of belonging within the workplace, which in turn is correlated with adverse mental health outcomes and reduced job satisfaction for minority groups. This was determined by means of confirmatory study where 190 women from a large Australian trade union, that

primarily employs men, completed online surveys which measured mental health, job satisfaction, sense of belonging, and sexism (Rubin et al., 2019). Additionally, it should be noted that the research sought to determine if women's perceived higher levels of femininity increased sexism, therefore modulating sense of belonging and associated adverse outcomes. However, analysis revealed that femininity did not associate significantly with sexism or any of the related outcomes. Subsequently, solely sense of belonging, job satisfaction, and mental health will be discussed in further detail.

It was found that sexism causes a reduced sense of belonging due to female minorities experiencing rejection, ostracism, and bullying from male coworkers (Richman & Leary, 2009). Moreover, feelings of isolation and loneliness caused by ostracism reduces sense of belonging and has negative consequences on women's job satisfaction and mental health (Mellor et al., 2008). As explained by Richman and Leary (2009) in their article which proposed a new framework for understanding rejection, individuals' physical and psychological well-being in addition to behaviours, motives, emotions, and thoughts is highly impacted by others' reactions. Rejection is associated with overall negative affect, such as feelings of sadness, and anger to name a couple, but the primary correlated emotion is "hurt feelings" (Richman & Leary, 2009). "Hurt

feelings” is associated with a multitude of negative outcomes including feelings of being unwanted or devalued, feelings of physical pain, and a potential for emotional numbness. In consideration of the multiple negative outcomes of rejection, the association between reduced sense of belonging, reduced job satisfaction and mental health can be better understood. With this awareness of the many negative outcomes that industry specific contextual factors have on female minorities, the potential disadvantages of DEI hiring, such as increased workplace sexism caused by managerial discretion and signalling effects, need to be more critically evaluated.

In summary, the literature demonstrates various ways in which diversity initiative programs can have negative effects on minority groups. First, managerial discretion was shown to increase resistance and amplify biases (Dobbin & Kalev, 2016) as well as cause adverse outcomes and limit opportunities (Portocarrero & Carter, 2022). Second, unintended signalling effects such as fairness signals, which is equitable treatment to the minority group that is perceived as unfair to the majority group, and competence signals, which convey the minority group is lacking or incompetent, were shown to be an unintended result of DEI initiatives (Dover et al., 2020). Moreover, managerial discretion was shown to amplify signalling effects, as biased DEI applications can exacerbate fairness and

competence signals, worsening outcomes for minorities. Third, contextual factors, such as workplace sexism, were shown to cause poor sense of belonging, reduced job satisfaction, and mental health decline in female minorities in industry trade work (Rubin et al., 2019). Additionally, rejection which is associated with a low sense of belonging was demonstrated to have various physical, mental, and emotional negative effects (Richman & Leary, 2009). In consideration of the detrimental effects of contextual factors on minority groups, and to the amplification of these harms through managerial discretion and signalling effects, it is crucial to reexamine diversity initiative programs to ensure they fulfill their intended purpose.

## Discussion

Given the research, further investigation is warranted to determine if remodelling DEI initiatives may result in better outcomes for minority groups. Based on the literature, recommendations for improving DEI programs include using approaches that are based on principles of engagement, increasing contact between managers and minority groups, promoting social accountability (Dobbin & Kalev, 2016), and use of oversight committees (Portocarrero & Carter, 2022). In consideration of these findings, future research should examine the potential benefits for a type of “middle man”, such as an

inclusion coordinator to help foster relationships between individuals in minority groups and management. This solution would aid communication by creating a middle ground and would promote community and understanding within the workplace aligning with the proposed suggestion of Dobbin and Kalev (2016). This solution has potential to mitigate negative effects as this would allow minorities to feel they have a safe space to report discrimination from coworkers or management, therefore aiding in controlling the effects of both managerial discretion and signalling effects. Additionally, this form of position would allow for direct oversight of DEI programs which would facilitate quick identification and mitigation of biased behaviors to help diminish negative outcomes (Portocarrero & Carter, 2022). Moreover, by developing a relationship between the proposed inclusion coordinator and minority groups, signs of rejection and decreased job satisfaction can more easily be noticed, desirably preventing negative outcomes that are the result of contextual factors such as mental health decline and decreased job satisfaction.

### ***Addressing Limitations***

Limitations do exist as a result of gaps in the literature. It should be noted that geographical limitations, as a result of all the reviewed research having taken place in westernized

countries, may cause the findings to not be applicable in lower socioeconomic countries. Furthermore, the experimental research by Huffcutt and Roth (1998) and Heilman and others (1992) both have limitations due to their reliance on perceptions; hence, more research is needed to fully grasp real-world-implications. Additionally, other limitations are present, such as a lack of direct research regarding DEI initiatives and women's outcomes in skilled trades and industry work. Parallels have been drawn from other research on female minority groups to reach conclusions, but the unique characteristics of skilled trade and industry work may limit the generalizability of these insights.

Due to the gaps in the literature, future research should investigate the effects of DEI initiatives on female minorities in industry workplaces. Experimental research comparing matched workplaces with and without a DEI program would allow for a clear understanding of the impacts on female minorities in industry work. Specifically, levels of perceived fairness, equality, and judgement within the workplace of both majority and minority groups should be analyzed. This would determine if the presence of DEI initiatives exacerbates issues such as managerial discretion, fairness signals, and competence signals. As a result of measuring these levels amongst both gender groups it can be determined how the presence of DEI programs

impact the workplace atmosphere. Additionally, levels of belonging, depression, and job satisfaction amongst minorities should be analyzed. This would determine if the presence of DEI initiatives significantly affects the well-being of individuals in minority groups. In summary, this research would determine how DEI programs impact workplace atmosphere and the well-being of female minorities. By doing this research, the true value of DEI initiatives within industry workplaces may be uncovered to allow for a better understanding of how to foster positive work experiences for female minorities.

### Conclusion

In conclusion, by understanding the impacts of managerial discretion, signalling effects, and industry specific challenges that female minorities in male-dominated work face, the negative outcomes of diversity, equity, and inclusion initiatives need to be more heavily scrutinized. A multitude of negative outcomes for female minority groups were presented in this paper, clearly outlining the negative impacts of DEI initiatives. Therefore, moving forward, cooperation should not only attempt to create safe spaces that encourage dialogue among minorities but should focus on creating an atmosphere where all are treated equally. DEI initiatives must be framed in a manner that does not put any group above another but rather



treats everyone equally as a means of minimizing segregation and limiting backlash and adverse outcomes for females in male-dominated work.

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