

Gender, Race, and Informal Networks:
A Study of Network Inclusion, Exclusion, and Resources

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“Somewhere behind the formal organizational chart at Indsco was another, shadow structure in which dramas of power were played out” (Kanter 1977:164)

Project Objectives

When I first read Rosabeth Moss Kanter's (1977) *Men and Women of the Corporation*, I was drawn to her description of the informal structure that existed in the shadows of the more obvious formal structure in corporations. This interest in informal work arrangements grew when I landed a job at a large corporation during graduate school. I observed how workers used their informal relationships to get around corporate rules, to obtain recognition for their work, and to acquire promotions. For example, one manager explained that when people rose to positions of power "they seem to be appointing their friends or people that have worked for them before, to other higher positions. And it looks, um, parochial, it looks closed. (But) After having observed that for a long time, I don't think there's anything really sinister about it...You know the safest thing to do is to take people whose work I know...and who I know I can count on and who won't let me down...It's safer to do that than to try somebody new" (McGuire 2000b:18).

My observations about informal networks were far from unique, however. Sociologists have come to understand informal networks as an important social resource because they direct the flow of information, power, and status in work organizations (Campbell, Marsden, and Hurlbert 1986; Lin, Ensel, and Vaughn 1981).¹ For instance, informal networks help workers to obtain jobs, to advance up the corporate ladder, to gain skills, and to acquire legitimacy (Bridges and Villemez 1986; Burt

¹ Sociologists define informal networks as the web of relationships that people use to exchange resources and services (Cook 1982; Scott 1991; Wellman 1983). Informal networks are distinct from formal networks in that they are not officially recognized or mandated by organizations and in that the content of their exchanges can be work-related, personal, or social (Ibarra 1993).

1992; Campbell and Rosenfeld 1985; Grieco 1996; Podolny and Baron 1997). These benefits are not distributed equally, however. Research indicates that women acquire fewer benefits than men, and Blacks obtain fewer benefits Whites, from their informal networks (Brass 1985; Ibarra 1992; 1993; McGuire 2000a; 2000b). Members of informal networks are not obligated to adopt equal opportunity policies or affirmative action goals, and therefore can use particularistic and discriminatory criteria for establishing network membership and distributing network resources. Workers who are excluded from such networks have no formal recourse because informal networks are not governed by corporate rules and legal mandates.

While scholars have shown that workers' race and gender affect the benefits they receive from their informal networks, several gaps in the current research prevent an understanding of *how* informal networks contribute to race and gender inequality (Braddock and McPartland 1987; Brass 1985; Campbell 1988; Ibarra 1992,1993). First, most explanations of race and gender differences in informal networks focus on the structural characteristics of employees' networks rather than their emergent properties, such as the expectations and rankings that network members create. These micro-level processes could shed light on why structural characteristics fail to fully explain race and gender differences in informal networks (McGuire 2000b). Second, scholars have not compared the processes underlying race differences in networks to those underlying gender differences in networks or examined how gender and race operate in unison to affect workers' networks (but see Miller, Lincoln, and Olson 1981). Such research is needed in order to identify the generic, informal processes that differentiate and rank social groups at work (Schwalbe, Godwin, Holden, Schrock, Thompson, and Wolkomir 2000). Finally, the dominant conceptualization of network exclusion, which assumes that one group purposefully bars another from its networks, is limited in that it ignores variations in exclusion, such as letting someone into your network but providing him/her with less help than your other members (Fernandez 1981; Higginbotham and Weber 1999; Kanter 1977; Ohlott, Ruderman, and McCauley 1994; Pierce 1995).

My study will address these gaps by examining how workers' criteria for network membership and providing help depends upon their, and their network members', race and gender. I will do this by comparing White men's, White women's, Black men's, and Black women's informal guidelines for determining (1) who gets included in, and excluded from, their networks, (2) what they give to their network members, (3) the risks they are willing to take for network members, and (4) whose requests for help get priority.

Theoretical Framework

The theoretical framework for this study draws upon network theory and status characteristics theory. Network theory combines structural and social exchange theories to explain with whom individuals form network ties and what resources individuals provide to their network members. Workers' structural location affects their attractiveness as network members, their access to potential network members, and their time to interact with others, according to network theory (Campbell, Marsden, and Hurlbert 1986; Feld 1981; Ibarra, 1993; Marsden 1990; Wellman and Wortley 1990). For instance, the segregation of White women and Blacks into low-status positions should diminish their chances of interacting with high-status employees because such positions typically have limited

autonomy, authority, and control over resources (McGuire 2000a). Workers in low-status positions should be less sought out by others and should have fewer opportunities to interact with powerful employees than workers in high-status positions.

To explain network members' decision-making processes, network theory draws upon social exchange theory. A key tenet of this theory is that workers weigh the costs and benefits of their interactions, with the goal of maximizing their benefits and minimizing their costs in relationships (Blau 1964; Cook 1982). For example, a manager in Ibarra's (1997:97) commented, "I develop the network contacts I need to get the job done, period. If I don't need them, I don't talk to them."

Despite scholarship showing how gender and race are embedded in organizations, network scholars have yet to theorize the relationship between gender, race, and informal networks (Acker 1990; Britton 2000; Martin 1997; Nkomo 1992). To offset this limitation in network theory, I draw upon status characteristics theory. According to this theory, workers evaluate each other based upon the amount of resources their group is assumed to have--the more resources a group is assumed to possess, the more competent its members are assumed to be (Ridgeway 1991, 1997; Thye 2000). Because workers' resources are related to their gender and race, workers may use gender and race as indicators of competence (Martin 1985; Ridgeway 1997; Ridgeway, Boyer, Kuipers, and Robinson 1998). As a result, potential network members may assume that White women and people of color are less competent than White men. These ideas about worth, known as status value beliefs, may lead workers to exclude White women and people of color from their informal networks, or to provide them with few resources, because they are seen as risky or poor network investments.

Data and Methods

The majority of the data for this study will come from semi-structured, intensive interviews with 40 employees. Intensive interviews are guided conversations in which the researcher poses a series of open-ended questions to the interviewees, followed by probes to obtain detailed explanations and examples (Denzin 1989; Lofland and Lofland 1984). This method allows interviewees to describe their experiences in their own words, rather than forcing them to choose among a restricted set of responses, which facilitates the development of new categories and concepts (Reinharz 1992; Strauss and Corbin 1990). Intensive interviewing is ideal for this study because my goal is to understand social processes and the meanings that individuals have of those processes (Strauss and Corbin 1990).

I will interview ten White men, ten White women, ten Black men, and ten Black women from a large corporation in the Midwest. U.S. Finance (a pseudonym) is a financial services company that employs over 20,000 individuals, has annual revenues over 30 billion dollars, and ranks in the top ten among financial-services providers (Hillstrom and Ruby 1994). For more details on the company, see McGuire (2000a). While my small sample and focus on a single organization mean that I will be unable to make generalizations about workers' networks, this is not the goal of my research. Rather, I seek to illuminate the interactional processes that contribute to gender and race inequality.

I am limiting my minority sample to Blacks because they are the largest minority group in U.S. Finance and because my survey data indicated that Asians' and Latinos' networks closely resembled those of Whites (McGuire 2000b). I chose the racial minority group that was the most different from

Whites because my goal is to understand the processes underlying race differences in networks. All interviews will be conducted with exempt employees (those occupying semi-professional, professional, and managerial jobs) because these workers are the gatekeepers to higher-level positions and corporate resources. The workers in my study will have at least one year of tenure at U.S. Finance to ensure that they have had adequate time to form a network. I will conduct all interviews at the company, unless the participant requests another location. Interviews have taken an average of one hour.

I have mailed letters to 120 employees, describing the project and requesting an interview. This sample includes 30 White men, 30 White women, 30 Black men, and 30 Black women. Within each race/sex group, 15 employees are in high-income bands (e.g., primarily managers and officers) and 15 are in medium to low income bands. I did this to ensure that I would interview employees from a range of organizational positions. I drew this stratified random sample from a list of individuals employed at one of the companies within U.S. Financial (several companies, each specializing in a different service, comprise U.S. Financial). Twenty employees have already volunteered to participate in the study. I interviewed eight of these individuals in December and will interview the other ten to eleven during spring break.²

To identify workers' informal networks, I am asking interviewees to whom they regularly give job, career, and personal help, which will allow me to capture a wide range of network relationships. I am distinguishing formal from informal network members by asking employees about the degree to which their jobs require them to interact with, and to help, their current network members.

I am investigating how employees form their network ties by asking them how they met their network members and how their relationships developed. I am paying particular attention to whether workers were sought out by network members or not, which is important in determining workers' informal status (the more sought out a network member, the higher his/her status). To understand if the informal rules for providing help depend upon gender and race, I will examine how workers distribute resources to each of their network members. I will analyze workers' rankings of their network members by examining which network members get priority, the risks that workers take for different network members, the network relationships with which workers are the most satisfied, and the network members who are perceived as burdens. I will use NUD*IST (Non-numerical unstructured data indexing searching and theory-building), a software program, to code and analyze the interview data.

I will use observational and secondary data to overcome the limitations of a single research method (Denzin 1989). I will "shadow" four interviewees (one from each race-sex group) for a day, which will allow me to observe interactions that individuals would not report in an interview or of which

² Prior to these interviews, I conducted a pilot study to test my interview guide. The pilot study consisted of interviews with five individuals, three of whom were employed by U.S. Finance and two of whom were employed by other financial services companies. I also informally interviewed two individuals from U.S. Finance's human resources department.

they are unaware.³ Employee poll results and company materials will assist me in describing the structure and culture of the company.

This project has been approved by the Institutional Review Board for Human Subjects Research.

Expected Findings and Significance of the Proposed Project

I expect that White women and people of color will be *indirectly* excluded from informal networks at work in that their requests for help will have less priority for their network members, their network members will take fewer risks on their behalf, and they will be perceived as being less beneficial to their network members than White men. Some of my initial interviews also raise the possibility that White women and Blacks are burdened with emotional and personal requests for help from their network members and that they work harder than White men at obtaining their network members and maintaining their network relationships.

This qualitative study will extend a quantitative one that I have already completed by identifying the informal processes that help to maintain race and gender stratification in work organizations. My previous research, based upon survey data from U.S. Finance employees, advanced our understanding of the structural factors affecting informal networks, but also raised questions that were difficult to answer with quantitative data. For instance, I found that structural differences between Whites and Blacks explained why Blacks received less help from their network members than Whites, but structural differences between men and women did not fully account for why women received less help than men (McGuire 2000b). In other words, even after I took into account job and organizational differences between men and women, I found that women received less work-related help from their network members than men (McGuire 2000b). My quantitative study described how much help different race-sex groups received from their network members overall, but did not indicate whether an employee gave different kinds, and amounts, of help to the White men, White women, men of color, and women of color in her/his network.

The proposed study will delve beneath the aggregate characteristics of employees' networks to explain how employees interact with, evaluate, and distribute resources to their network members. My focus on workers' relationships, as opposed to their network structure (i.e., the form, size, and composition of a worker's network), will elucidate the micro-level processes that contribute to stratification at work. By recognizing the distinctions between Black women, Black men, White women, and White men, this study will contribute to network theory by suggesting ways in which gender, race, and informal networks are connected.

This study's focus on informal networks has important policy implications as well. By understanding the processes that generate race and gender differences in informal networks, it will be able to help companies identify the informal mechanisms contributing to stratification. In fact, I will present my results, and offer recommendations, to a team at U.S. Finance in charge of increasing the number of minority managers in the company.

³ Shadowing involves following and observing an employee throughout his/her work day.

Feasibility

My scholarly record attests to my ability to produce, and publish, research that addresses critical issues in the area of gender, race, and stratification. Articles in *Gender & Society* and *Social Problems* investigate the formal consequences of gender and race at work. A chapter in *Mentoring Dilemmas: Developmental Relationships within Multicultural Organizations* examines the impact of employees' race/ethnicity and gender on the kinds of support they receive from their mentors. My recent article in *Work & Occupations* examines the consequences of race/ethnicity and gender for the types of network members that employees have.

My ability to complete this project will also be facilitated by my informal contacts within U.S. Finance. I developed these ties when I was employed as a research consultant in the human resources department in the mid 1990s. One of the people with whom I previously worked has been assigned to help me gather materials for my research and to identify people whom I can shadow.

Plans for Dissemination

I will present my results to U.S. Finance and offer recommendations for its recent diversity initiative, which seeks to increase the number of minority managers in the company. The National Center for African American Leadership, which offers leadership, training, and developmental programs for minority professionals across the country, has invited me to share my results with them as well. I will also be presenting preliminary results of this project at an international conference, "Rethinking Gender, Work, and Organization," in England this June.

I plan to submit at least two articles for publication from this study—one on integrating network theory and status characteristics theory and one on the different forms of network exclusion. This project will also be developed into a book in which I integrate the quantitative findings of my earlier work with the qualitative results of this study, with the survey data describing the structural characteristics of workers' networks and the interview data elucidating the interactional processes underlying race and gender differences in informal networks.

Previous grants received by IUSB

I received an IUSB summer faculty fellowship in 1998 and a seed grant for this project in 1999. The summer faculty fellowship helped me to submit two articles for publication, one of which received a "revise and resubmit" from a peer-reviewed journal and one of which is published (the enclosed *Work & Occupations* article). The seed grant helped me to apply for a National Science Foundation (NSF) grant and an American Sociological Association (ASA) grant.

Efforts underway for additional funding

My initial proposal for the ASA grant was rejected, so I revised and resubmitted it this past December. The ASA grant would cover most of the costs for transcribing my interviews.

I was recently informed that my NSF proposal received a "revise and resubmit." Once I get reviewers' comments back, I will revise and resubmit that proposal in June (the next NSF deadline). This grant would pay for my 2002 summer salary, which would allow me to develop outlines of my book chapters and to write one article.

Budget for Faculty Research Grant 2001

[Office of Research Note: See Calculating Salaries at <http://www.iusb.edu/~research/research/salary.html>]

Budget Justification

The most important resource I need for this study is time, which is reflected in my request for 2001 summer salary. The activities I have planned for the summer of 2001 include collecting data, coding data, analyzing the data, and preparing a paper based upon my preliminary results for a conference in England (see time line below).

Research Time line

January-April 2001	Conducting 10-11 interviews over spring break. Make one short trip to interview 4 employees. Begin coding data.
May-August 2001	Conduct remaining interviews & shadow 4 employees. Code remaining data. Begin analyzing data. Prepare paper, based upon preliminary results, for England conference.
September-Dec.2001	Analyze data. Begin outlining book chapters and one article.
January-April 2002	Analyze data. Develop first article. Present results to U.S. Finance (spring break).
May-August 2002	Develop book chapters. Prepare first article for publication (submit Fall 2002).

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