The Role of Proximal Social Contexts: Assessing Stigma-by-Association Effects on Leader Appraisals

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Prior research suggests that segregation in the U.S. workplace is on the rise (Hellerstein, Neumark, & McInerney, 2008); as such, leaders are more likely to lead groups of followers composed primarily of their own race (Elliot & Smith, 2001; Smith & Elliott, 2002). Drawing from theory on stigma-by-association, the authors posit that such segregated proximal social contexts (i.e., the leader’s group of followers) can have detrimental effects on leader appraisals. Specifically, they argue that leaders of mostly Black follower groups experience stigmatization based on race stereotypic beliefs, which affects how they are viewed in the eyes of observers. The results of a large field study show performance evaluations generally tend to be lower when the proportion of Black followers is higher. Moreover, 3 experiments demonstrate that the impact of proximal social contexts extends to other outcomes (i.e., perceptions of market value and competency) but appears limited to those who are less internally and externally motivated to control their prejudice. Taken together, these findings explain how workplace segregation systematically can create a particular disadvantage for Black leaders.

Keywords: diversity in the workplace, racial differences, leadership

Fifty years after the Civil Rights Act of 1964 outlawed racial discrimination in the workplace, the racial makeup of corporate America’s chief executives remains largely unchanged. Indeed, it was not until 1998 that Franklin Raines was named chief executive officer (CEO) of Fannie Mae, thus becoming the first Black executive ever to head a Fortune 500 company. Four years later, the number of Blacks holding this position rose only slightly to three (Dingle & Hughes, 2002), and in 2012, this number rested at six (Bhasin, 2012). Although in 2009, Blacks comprised more than 12% of the population and 11.5% of the United States workforce (Toossi, 2009), they represented only 1.2% of the Fortune 500 CEOs. Albeit less drastically, this disproportionate trend was also reflected at lower levels of management, with 6.4% of middle and lower management positions being held by Black leaders (Bureau of Labor Statistics, 2010, Table 11). These findings raise the question of whether there are systemic differences between how Black and White workers are evaluated during their climb up the corporate ladder.

Although there is an abundance of conjecture in the popular press about the paucity of Black leaders within corporate settings (e.g., Black talent shortage, glass ceiling), we suggest that one potential reason might be bias in leader appraisals (i.e., evaluations of performance, market value, competency) because of a leader’s proximal social context, such as the makeup of the leader’s group of followers. Sociologists have demonstrated that the U.S. workplace has become increasingly segregated over the past decade (Hellerstein, Neumark, & McInerney, 2008); that is, Black leaders tend to lead groups of Black followers and White leaders tend to lead groups of White followers (Elliot & Smith, 2001; Smith & Elliott, 2002). In light of findings from psychologists who have shown that the demographic characteristics of one’s coworkers (i.e., gender and age) can affect the earnings of individual employ-
Drawing from the social psychological literature on stigma, we explore how and why the racial composition of a leader’s group of followers can affect others’ appraisals of his or her effectiveness. A stigma refers to an attribute that marks individuals as different and reduces their social worth as perceived by others (Crockett, Major, & Steele, 1998). After being “marked,” stigmatized individuals are associated with “discrediting dispositions” that coincide subsequently with negative stereotyping, negative evaluations, and discriminatory behaviors (Jones et al., 1984; Major & Eccleston, 2005). The stigmatization of Blacks, for instance, denotes that those who are Black are perceived as lazy and incompetent (Dixon & Rosenbaum, 2004), as incongruent with prototypical managers (Chung-Herrera & Lankau, 2005; Rosette, Leonardelli & Phillips, 2008), and are often denigrated and altogether avoided (e.g., Devine, 1989; Devine & Elliot, 1995; Krueger, 1996; Pflous & Williams, 1995).

Importantly, stigmas can transfer from a person who possesses a stigmatizing characteristic to one who does not, such that a previously nonstigmatized person experiences the same negative treatment as does the stigmatized individual (Goffman, 1963; Kulik, Bainbridge, & Cregan, 2008). This phenomenon, referred to as stigma-by-association, suggests that the personal and professional relationships with, or even being in close proximity to, stigmatized others can lead to the devaluation of nonstigmatized targets (Hebl & Mannix, 2003; Neuberg, Smith, Hoffman, & Russell, 1994; Pryor, Reeder, & Monroe, 2012). Accordingly, White leaders, who typically would not be devalued, might experience stigma-by-association effects for being associated with negatively stereotyped followers (i.e., Blacks). Likewise, Black leaders might be devalued further when associated with mostly Black followers.

In this article, we examine the effect of a group’s racial composition on observers’ perceptions of Black and White leaders. We focus on the perceptions of those outside the group because promotion decisions are generally made by superiors. This approach is in line with past research on leader appraisals, which has found consistent Black–White mean differences in work performance disfavoring Blacks, for both objective criteria and subjective supervisory ratings of performance (McKay & McDaniel, 2006; Roth, Huffcutt, & Bobko, 2003). Moreover, given race is a cue that individuals readily use in evaluating others, particularly in the absence of other information (Pryor et al., 2012), the perceptions of outside others who are not in direct contact with the leader are particularly relevant to the current research.

Next, we theorize and test how stigma-by-association is influenced by individuals’ level of motivation to respond without prejudice (Plant & Devine, 1998). Such race-related attitudes are important because they have been shown to substantially influence observers’ assessments of a leader (Ospina & Foldy, 2009). Furthermore, we unpack the psychological mechanisms underlying stigma-by-association by integrating literature on stereotype activation and application. By these means, we advance the current theory of stigma-by-association in the management domain by developing and testing theory on how this stereotype-based process can unfold in the organization. From a practical perspective, we uncover potential tools managers can use to motivate equitable evaluations.
a certain disparaging of work contexts that contain a confluence of Black personnel.

We posit that racially segregated proximal social contexts can create stigma-by-association effects for leaders. Consistent with past research on the process through which stigma unfolds (e.g., Pryor, Reeder, Yeadon, & Hesson-McInnis, 2004; Pryor, Reeder, Monroe, & Patel, 2009), stigma is transferred through both a reflexive, unconscious process that typically involves the triggering of implicit bias, and through a more deliberate, conscious process that generally entails an awareness of explicit bias. As such, stigma-by-association perpetuates the transfer of both implicit and explicit biases invoking “associative pathways” that link a negative stereotype to a particular stigma source (Kalik et al., 2008, p. 219). In the current research, the associative pathway is posited to result from the negative stereotypes associated with Blacks in segregated proximal social contexts, which are attached to individuals in leadership roles.

Indeed, stereotypes based on race have been found to routinely contribute to the devaluing of certain groups such as Blacks (e.g., Devine, 1989; Devine & Vasquez, 1998). Because stigma is socially constructed and can spread through associations, an individual who has been linked to a devalued group is likely to evoke the same evaluative response as a member of that group, such as in the case of parents of epileptic children (Parfene, Stewart, & King, 2009) or friends of gay men (Neuberg et al., 1994). Moreover, even mere physical proximity to stigmatized individuals has been found to trigger stigma-by-association effects (Hebl & Mannix, 2003; Pryor et al., 2012: Study 3). Thus, in proximal social contexts, the presence of Black members can signal social standing thereby stigmatizing the leader and conveying perceptions of lower promotion potential.

Specifically, we predict that leaders, who by virtue of their position occupy a visible role within the group, are especially susceptible to being associated with the stigmatized group and, thus, share its negative social evaluations. Because Blacks are stereotyped as incompetent (e.g., Devine, 1989) and potentially unsuccessful professionally (e.g., Greenhaus, Parasuraman, & Wormley, 1990), it is likely that the leaders of these groups will be perceived similarly. We hypothesize that higher percentages of Black followers will negatively influence leader appraisals with respect to three direct measures of stigmatization that are relevant to progression up the corporate ladder: perceived performance, market value (i.e., salary), and competency.

**Hypothesis 1:** The percentage of Black followers relates negatively to leader appraisals.

**The Moderating Role of Motivation to Respond Without Prejudice**

Although we anticipate that stigma-by-association will occur among many decision-makers, individuals are likely to differ in susceptibility to these effects. Devine and Monteith (1993, 1999) reasoned that responding without bias against others involves an effortful self-regulatory process. Although individuals can decide consciously to respond to stigmatized groups without prejudice, they must willfully learn to control their expressions of bias (Monteith, Ashburn-Nardo, Voils, & Czopp, 2002). For some individuals, behaving in an egalitarian manner is a central part of their self-concept and, as such, they are determined to eradicate any personal biases (Plant & Devine, 1998). Thus, internal motivations prompt these individuals to self-regulate their bias based primarily on personal reasons. Alternatively, external or normative factors can play a role in regulating bias if individuals are motivated to curtail their prejudiced responses by a desire to conform to prevailing sentiments or avoid punitive reactions from others (Plant & Devine, 1998). Externally motivated individuals, therefore, self-regulate their bias based on an externally imposed self-presentation demand.

Although some scholars have opted to examine internal or external motivation to respond without prejudice independently, the majority of the literature on this topic considers the two forms simultaneously. Importantly, the joint consideration of internal and external motivations can help managers pinpoint the specific combination that is most efficacious in tackling stigma-by-association. On the one hand, if high internal motivation, but not high external motivation is responsible for the attenuation of stigma-by-association effects, managers might be well served to focus their energies on the selection and promotion of such internally motivated personnel. On the other hand, if high external motivation is effective in attenuating stigma-by-association effects, regardless of high or low internal motivation, a productive approach might be for managers to alter organizational policies and systems to exert social pressures that curtail employees’ expressions of prejudice.

In reviewing the literature on motivations to respond without prejudice, Butz and Plant (2009) organized the existing findings to create a $2 \times 2$ matrix fully crossing the two types of motivation. Integrating this typology with the cognitive affective processing system (Mischel & Shoda, 1995), they theorized when and why people falling into each of the four quadrants express or suppress racial biases. Specifically, Butz and Plant (2009) labeled as “effective” those individuals who are high in internal, but low in external, believing that this combination allows individuals to optimally regulate their prejudice across situations. Those high in both forms of motivation are labeled “dedicated” based on their high intrinsic and extrinsic motivation. Individuals high in external, but low in internal, motivation are labeled “compliant” because of their drive to conform to the expectations of others. Though such a motivational approach can be successful in diminishing public displays of prejudice, it often proves insufficient to deter biased behavior because the intrinsic desire to do so is lacking (Wyer, 2007). Finally, those without either form of motivation are labeled “unmotivated;” these individuals consistently exhibit all forms of bias across settings (see Butz & Plant, 2009, for a more comprehensive review).

Devine, Plant, Amodio, Harmon-Jones, and Vance (2002) contended that “effective” types were not only the most proficient in controlling their implicit bias, but they also excelled at attenuating the expression of their explicit bias. As compared to “dedicated” types who respond with low levels of prejudice on external measures (i.e., that capture explicit bias), but high levels of prejudice on implicit measures (i.e., that capture implicit bias), “effective” types consistently express low levels of prejudice across explicit and implicit measures (Amodio, Devine, & Harmon-Jones, 2008; Hausmann & Ryan, 2004). Previously, scholars have argued that although “dedicated” individuals exert considerable effort to counter their explicit bias, “due to their less internalized motivation,
they should be less able to control their prejudice on implicit measures” (Butz & Plant, 2009; p.1321).

Because stigma-by-association processes involve expression of both implicit bias (i.e., due to reflexive, unconscious associations of race stereotypes) and explicit bias (i.e., due to the association of conscious, race stereotypic beliefs), the pairing of high internal and low external motivation could be the most efficacious way to attenuate implicit and explicit prejudice. Accordingly, consistent with the existing literature, we hypothesize a three-way interaction such that the combination of high internal motivation and low external motivation will attenuate the negative effect of Black followers on leader appraisals.

**Hypothesis 2:** Internal and external motivation jointly moderate the relationship between the percentage of Black followers and leader appraisals, such that the linkage will be attenuated by high internal and low external motivation to respond without prejudice.

The Mediating Role of Stereotypes

The process of stereotyping generally involves activation and application. “Stereotype activation is an increased accessibility of knowledge about social groups,” whereas “stereotype application is the use of this knowledge in perception and judgment” (Krieglmeyer & Sherman, 2012, p. 205). Proximal social contexts dominated by Black followers are apt to facilitate stereotype activation, as this process typically occurs when an individual encounters members of the stereotyped group. Though activation can take place automatically, a person can inhibit it (at least somewhat) if he or she is sufficiently motivated to do so (Amadio et al., 2008). That is, when a stereotype becomes activated, it does not inevitably affect decision-making; individuals can correct for their automatic inferences through more effortful, controlled processing modes (Beike & Sherman, 1994; Gilbert, 1989). Likewise, active stereotypes influence behavior via application when individuals lack the cognitive resources or motivation to prevent them from doing so (Macrae, Milne, & Bodenhausen, 1994; Neuberg & Fiske, 1987).

The preceding discussion suggests that the activation or application of stereotypes could mediate the anticipated interactive effects between racial contexts and the two motivations to respond without prejudice. Specifically, individuals who lack the proper motivation to suppress their biases are apt to experience stereotype activation when they see Black followers in a leader’s proximal social context; this activation can, in turn, lead them to rate the leader less favorably. By the same token, the absence of motivation to respond without prejudice could foster the application of cognitively accessible race-related stereotypes to influence evaluators’ appraisals of leaders. In either case, the result is that unmotivated individuals will respond to Black followers with negative stereotyping, which will detrimentally influence their appraisal of the leader, irrespective of leader race. Thus, we hypothesize a form of mediated moderation wherein motivation to respond without prejudice (i.e., the combination of high internal and low external) will reduce the tendency for Black followers to trigger negative stereotyping (i.e., activation or application), resulting in diminished leader appraisals.

**Hypothesis 3:** Stereotype activation mediates the interactive effects of racial context and motivations to respond without prejudice on leader appraisals.

**Hypothesis 4:** Stereotype application mediates the interactive effects of racial context and motivations to respond without prejudice on leader appraisals.

**Overview of the Present Research**

Our studies aim to test whether racially segregated proximal social contexts at work, when composed of primarily Black members, have detrimental effects on leader appraisals. We focus on evaluations relevant to the advancement of these leaders up the corporate ladder: leader’s perceived performance, market value, and competency. We also take steps to clarify the process by which stigma-by-association unfolds and examine if motivations to respond without prejudice can significantly attenuate these stigma-by-association effects.

To test our hypotheses, we gathered field data and conducted three experiments. We begin with a field test to determine whether the anticipated stigma-by-association effects on leader appraisals in racially segregated proximal social contexts apply in actual workplace settings. Subsequently, across our three experiments, we used different tasks to examine stigma-by-association effects: Study 2 used media press releases (e.g., Marx, Stapel, & Muller, 2005; Williams, Paluck, & Spencer-Rodgers, 2010); Study 3 replicated a boardroom setting to evaluate leadership (e.g., Jackson, Engstrom, Emmers-Somer, & The Seating Arrangement as Leadership Cues, 2007; Porter, Geis, & Jennings, 1983); and Study 4 focused on resume evaluation (e.g., Dovidio & Gaertner, 2000; Sanchez & Chavez, 2010). Each task has been validated by prior work and represents a different facet of life in workplace settings. As such, we sought to triangulate our results across different opportunities for manifestation of workplace prejudice.

**Study 1: The Effect of Proximal Social Context on Leader Performance Evaluations**

**Data**

The data for this study were gathered from a large service sector organization headquartered in the United States. Given our interest in the influence of follower characteristics on the perceptions of leaders, we focused on the performance evaluations of the organization’s managerial personnel. Specifically, the company’s human resource management department provided information on 3,880 managers who supervised more than 100,000 employees in 995 stores. We consider whether these evaluations are influenced by the racial composition of the manager’s subordinates. It is important to note that although we recognize that leaders and managers are not always synonymous (Zaleznik, 1992), sales managers must exhibit leadership to be effective (e.g., Rich, 1997). Thus, we feel confident generalizing results from this sample of sales managers to leaders in general.

**Measures**

**Performance evaluation.** As part of the company’s annual review process, supervisors evaluated managerial performance on
a five-point scale ranging from 1 (well below expectations) to 5 (well above expectations). These data were obtained from the company’s HR manager.

**Proportion of Black subordinates.** We divided the number of Black associates by the total number of associates in each store. (range = 0.01-.89).

**Controls.** We used a number of statistical controls to minimize their potentially confounding influence on the results. Individual-level control variables pertaining to the leaders consisted of race (Black, Hispanic, Native American, or Asian with White as the referent category), gender (0 = male, 1 = female), age, full-time status (0 = part-time, 1 = full-time), and tenure in the firm and position (in years). Prior evidence indicates that social identity, status, and human capital often influence performance evaluation ratings (Roberson, Galvin, & Charles, 2007). Store identity, status, and human capital often influence performance evaluation ratings (Roberson, Galvin, & Charles, 2007). Store level controls consisted of geographic region (Northeast, Central, South, and West with the latter serving as the referent category), size (i.e., number of employees), and store performance (i.e., annual sales in millions). We accounted for these variables because sales often vary by store size and location. Moreover, to ensure that the effect of Black associates on leader performance evaluations was not due to Black employees being concentrated in lower performing stores, we controlled for store performance as well.

**Results and Discussion**

Descriptive statistics and correlations are found in Table 1. It is noteworthy that the Black managers were more likely to work with a higher proportion of Black associates, r = .31, p < .01 confirming the tendency for racial matching between supervisors and subordinates reported elsewhere (e.g., Elliot & Smith, 2001). Because multiple leaders were employed in most of the stores (roughly four per store), we examined whether the ratings of leaders were statistically independent, a requirement of ordinary least squares regression (OLS). The intraclass correlation indicated that 8.1% of the variance in these ratings was at the store level, and this nesting effect was statistically significant, F(1045, 3025) = 1.27, p < .01. Accordingly, OLS is inappropriate, and instead, we employed multilevel modeling. To aid interpretation of the gamma coefficients (multilevel coefficients that are akin to betas from OLS), all continuous variables were grand-mean centered (Hofmann & Gavin, 1998). These results are summarized in Table 2.

Hypothesis 1 predicted a main effect of racial context on leader appraisals, such that leader evaluations would be less favorable as the proportion of Black followers increased. Adding the proportion of Black associates to a model containing the controls decreased the deviance of the model, indicating enhanced model fit, Δχ²(1) = 7.08, p < .01. As one might anticipate, leaders in higher performing stores received more favorable performance evaluations (γ = .02, t = 2.58, p = .01). Notably, except for gender effects that indicated female leaders received higher performance evaluations than male leaders (γ = .12, t = 3.61, p < .01), none of the social demographic constructs were significantly related to leader performance evaluation ratings. This seems to indicate a lack of traditional racial/ethnic bias in performance appraisals given that we accounted for differences in objective store performance (Roberson et al., 2007). More germane to the present study and the first hypothesis, however, we found that leaders’ performance evaluations were inversely related to the proportion of Black associates working in their stores (γ = −.28, t = −2.47, p = .01). For perspective, this translates to a predicted performance rating for leaders of groups with a higher percentage of Black associates (roughly a third) that is .10 less than that for leaders of groups with a lower percentage of Black associates (roughly none). Thus, the leaders in our sample appear to have been stigmatized by association with Black followers and Hypothesis 1 was supported.

To examine whether this phenomenon was invariant across leader racial/ethnicity and gender, we tested for cross-level interactions involving these demographic characteristics (Level 1) and the proportion of Black associates (Level 2). Although the random effects of racial/ethnicity and gender were significant, indicating

### Table 1

**Means, Standard Deviations, and Correlations In Study 1**

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<th>Variable</th>
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<td>7) Age</td>
<td>44.77</td>
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<td>8) Position tenure</td>
<td>2.95</td>
<td>3.96</td>
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<td>−.04**</td>
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<td>9) Organizational tenure</td>
<td>17.90</td>
<td>10.62</td>
<td>−.12**</td>
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<td>10) Northeast</td>
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<td>11) South</td>
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<td>13) Unit size</td>
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<td>74.97</td>
<td>−.01</td>
<td>.12**</td>
<td>.04**</td>
<td>−.02</td>
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<td>−.13**</td>
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<td>−.11**</td>
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<td>14) Store performance</td>
<td>11.88</td>
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<td>.16**</td>
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<td>−.01</td>
<td>.00</td>
<td>.06**</td>
<td>−.11**</td>
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<td>−.09**</td>
<td>−.08**</td>
<td>.95**</td>
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<td>15) % Black associates</td>
<td>.14</td>
<td>.18</td>
<td>.31**</td>
<td>−.08**</td>
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<td>.01</td>
<td>.02</td>
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<td>−.05**</td>
<td>−.07**</td>
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<td>.40**</td>
<td>−.20**</td>
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<td>.09**</td>
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<td>16) Performance evaluation</td>
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<td>.98</td>
<td>−.05**</td>
<td>.02</td>
<td>.04**</td>
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</table>

**Note.** Level 1 n = 3,880; Level 2 n = 995. Tenure is coded in years. The following variables were dummy-coded such that the focal variable = 1 and the referent = 0: Black, Hispanic, Asian, Native American (White = referent); Full-time (part-time = referent); female (male = referent); and Northeast, South, and Central (West = referent).

*p < .05. **p < .01.
Table 2
Summary of Multilevel Model Predicting Leader Performance Evaluation

<table>
<thead>
<tr>
<th>Level 1</th>
<th>Model</th>
<th>Intercept</th>
<th>Black</th>
<th>Hispanic</th>
<th>Asian</th>
<th>Native American</th>
<th>Female</th>
<th>Age</th>
<th>Positional tenure</th>
<th>Organizational tenure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>4.47 (.32)**</td>
<td>-1.15 (.07)*</td>
<td>-0.05 (.06)</td>
<td>0.19 (.11)</td>
<td>-0.70 (.38)</td>
<td>-0.41 (.32)</td>
<td>0.12 (.03)**</td>
<td>-0.00 (.00)</td>
<td>0.02 (.00)**</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>4.45 (.32)**</td>
<td>-1.12 (.07)</td>
<td>-0.06 (.06)</td>
<td>0.19 (.11)</td>
<td>-0.70 (.38)</td>
<td>-0.40 (.32)</td>
<td>0.12 (.03)**</td>
<td>-0.00 (.00)</td>
<td>0.02 (.00)**</td>
</tr>
</tbody>
</table>

Level 2

<table>
<thead>
<tr>
<th></th>
<th>Model</th>
<th>Northeast</th>
<th>South</th>
<th>Central</th>
<th>Size</th>
<th>Store performance</th>
<th>Percent Black</th>
<th>ΔR²</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1</td>
<td>-0.32 (.05)**</td>
<td>-0.07 (.05)</td>
<td>-0.09 (.06)</td>
<td>-0.00 (.00)</td>
<td>0.02 (.01)**</td>
<td>-0.28 (.11)**</td>
<td>.27</td>
</tr>
<tr>
<td></td>
<td>2</td>
<td>-0.31 (.05)**</td>
<td>-0.02 (.05)</td>
<td>-0.10 (.05)</td>
<td>-0.00 (.00)</td>
<td>0.02 (.01)**</td>
<td>-0.28 (.11)**</td>
<td>.01</td>
</tr>
</tbody>
</table>

Note. Level 1 N = 3,880; Level 2 N = 995. Tenure is coded in years. The following variables were dummy-coded such that the focal variable = 1 and the referent = 0: Black, Hispanic, Asian, Native American (White = referent); Full-time (part-time = referent); Female (male = referent); and Northeast, South, and Central (West = referent). Coefficients are unstandardized and numbers in parentheses are standard errors. ΔR² represents the percent of level-2 error variance explained relative to the previous step.

*p < .05, **p < .01.

The results provide field evidence that assessment of male and female leaders of all racioethnic backgrounds is influenced by the proportion of Black employees they supervise, though we did find that Black leaders are more likely to have more Black subordinates. Consistent with our premise, those overseeing a greater proportion of Black employees were rated relatively less effective in their leadership role than those with fewer Black leaders, even after accounting for the objective performance of their unit. Interestingly, this finding occurred in an organizational environment devoid of traditional forms of racioethnic bias that commonly plague performance appraisals (Roberson et al., 2007). Thus, even when companies are able to minimize the role of a leader’s race on his or her evaluations, the race of his or her followers could prove relevant nonetheless.

Although Study 1 provides preliminary evidence that the hypothesized type of stigma-by-association occurs in the field (H1), there are some important limitations. First, as with any field study, we lacked sufficient experimental control to rule out alternative explanations conclusively. We used several statistical controls to minimize the impact of the most likely confounds; however, experimentally manipulating the proportion of Black followers would allow for greater certainty about causality. A second and related concern is the possible covariation between the proportion of Black employees and leader performance evaluations. Meta-analyses (McKay & McDaniel, 2006; Roth et al., 2003) indicate consistent Black–White mean differences in job performance disfavoring Blacks. To the extent that a confluence of minority personnel leads to reduced, work-unit performance, these conditions might result in reduced ratings of leader performance. This is likely because leaders typically are held responsible for their subordinates’ performance (Murphy & Cleveland, 1995); however, our use of store performance as a control variable somewhat mitigates the concern that reductions in worker performance associated with high proportions of Black personnel explain the less favorable evaluations of leaders who supervise predominantly Black business units. Third, characteristic of diversity field research, we were unable to assess all of our variables of interest (i.e., decision-makers’ motivation to respond without prejudice). Fourth, we examined only performance evaluations as an outcome, leaving it uncertain as to whether the hypothesized effects generalize to other forms of leader appraisal. Study 2 addresses these limitations by experimentally manipulating the racial composition of the leader’s followers, assessing raters’ motivation to respond without prejudice, and examining perceived market value as the outcome.

Study 2: The Moderating Role of Motivations to Respond Without Prejudice

Participants

The sample consisted of 136 English-speaking adults solicited for participation in a voluntary study while they were shopping in a large, metropolitan city in the southern United States. Unfortunately, the demographics sheet was omitted inadvertently from the surveys distributed to participants and, thus, descriptive statistics on the sample are not available.

Experimental Design and Procedure

The experimental design involved leader race (White or Black) and follower race (mostly White, 75%; mixed, 50/50; or mostly Black, 75%) as between-subjects variables. Participants received a fictitious newspaper article describing an urban revitalization effort being spearheaded by an organization (i.e., The Simmons Group). Participants read descriptive information on the company that briefly detailed its history of successfully resuscitating blighted urban areas, and viewed a picture of the company’s employees and leader (Paul Callahan). The article stated that this was Callahan’s third project leading The Simmons Group and that this would be his biggest venture since assuming that role. All information such as the description of the company and number of employees was identical across conditions except for leader race and racial composition of the company’s employees.

After reading the fictitious newspaper article, participants then completed the dependent variable measure (i.e., market value),
followed by the motivation check, which asked participants to recall the race of the leader. Nearly all (>92%) participants correctly recalled the race of the leader. Moreover, a two-way chi-square test crossing the three levels of the racial composition manipulation with participants’ reollection of the racial composition (mostly White, mixed, or mostly Black) indicated that the composition manipulation was successful as well, $\chi^2(4) = 90.51, p < .001$; $\phi = .81$. Because the pattern of results is identical with and without incorrect responders, all data were included in the analyses.

**Measures**

**Market value.** To assess participant perceptions of the leader’s market value, we asked them to estimate the salary of the leader. We selected salary as our outcome for the market value study because the stigma-by-association effect appears to generalize to perceptions of a leader’s market value. Specifically, we found that leader salary estimates generally tend to be lowest when the proportion of Black followers was the highest (albeit not significantly lower than the 25% Black follower condition) among

**Results and Discussion**

Because our moderators involve categorical variables, we used analysis of covariance (ANCOVA) with our moderators as covariates to test our hypothesis that leaders would be valued less as the percentage of their followers who were Black increased (see Table 3). Though this main effect predicted by Hypothesis 1 was not significant in our ANCOVA, it was qualified nonetheless by the presence of a significant three-way interaction involving between the percentage of Black followers, internal motivation, and external motivation, $F(2, 124) = 3.21, p = .04, \eta^2 = .04$, as predicted by Hypothesis 2.

Hypothesis 2 predicted that the effect of Black followers on leader evaluations would be smallest among those participants who were high in internal and low in external motivation to respond without prejudice. To probe the significant three-way interaction we observed, we computed the simple effect of Black followers on leader evaluations at all four possible combinations of the internal and external motivation scales (i.e., 1 SD above and below the mean of each). Unexpectedly, the effect of Black followers was not significant for high internal, high external, $F(2, 124) = 1.15, p = .32, \eta^2 = .01$; low internal, high external, $F(2, 124) = .96, p = .38, \eta^2 = .01$; or high internal, low external, $F(2, 124) = .52, p = .60, \eta^2 = .01$ participants. The effect for those who were low in both types of motivation, however, was significant, $F(2, 124) = 5.64, p < .01, \eta^2 = .07$. As depicted in Figure 1, when either EM or IM was high, participants estimated similar levels of salary regardless of the racial make-up of followers. In contrast, participants who were not internally or externally motivated to respond without prejudice assigned a lower salary to leaders of predominantly Black groups than leaders of mixed and mostly White groups. This pattern fails to support that predicted by Hypothesis 2.

The market value study was a mixed design with between-subjects manipulation of Black followers and within-subjects manipulation of internal and external motivation to respond without prejudice. To examine participants’ perceptions of the leader’s market value, we asked them to estimate the salary of the leader. We selected salary as our outcome because the stigma-by-association effect appears to generalize to perceptions of a leader’s market value. Specifically, we found that leader salary estimates generally tend to be lowest when the proportion of Black followers was the highest (albeit not significantly lower than the 25% Black follower condition) among
Participants

A total of 275 working professionals, solicited by SurveyMonkey, took part in the study. There was considerable gender (135 women, 135 men, and five who did not indicate their gender) and age diversity ($M = 44.72$, $SD = 13.91$), but relatively little racial-ethnic diversity (226 White, nine Hispanic, 12 Asian American, 12 Black, 14 other, and two who did not respond to the background item). The participants also had diverse economic backgrounds with 14.9% earning $< \$25,000$, 14.2% earning $\$25,000 - \$49,000$, 29.1% earning $\$50,000 - \$99,000$, 18.9% earning $\$100,000 - \$149,000$, and 14.2% $> \$150,000$ per year (8.7% did not report their income). Though the sample was well educated relative to national averages, there was considerable heterogeneity with 11.6% having a completed high school or less, 27.6% having completed some college, 32.7% having earned an associate or bachelor’s degree, and 27.3% having earned a graduate degree (only two people did not report educational attainment).

Study 3: The Role of Stereotype Activation in the Effect of Proximal Social Contexts

Participants

A total of 275 working professionals, solicited by SurveyMonkey, took part in the study. There was considerable gender (135 women, 135 men, and five who did not indicate their gender) and age diversity ($M = 44.72$, $SD = 13.91$), but relatively little racial-ethnic diversity (226 White, nine Hispanic, 12 Asian American, 12 Black, 14 other, and two who did not respond to the background item). The participants also had diverse economic backgrounds with 14.9% earning $< \$25,000$, 14.2% earning $\$25,000 - \$49,000$, 29.1% earning $\$50,000 - \$99,000$, 18.9% earning $\$100,000 - \$149,000$, and 14.2% $> \$150,000$ per year (8.7% did not report their income). Though the sample was well educated relative to national averages, there was considerable heterogeneity with 11.6% having a completed high school or less, 27.6% having completed some college, 32.7% having earned an associate or bachelor’s degree, and 27.3% having earned a graduate degree (only two people did not report educational attainment).

Experimental Design and Procedure

Participants randomly viewed one of 12 photographs of a board meeting with one individual depicted at the head position of a rectangular table (no one was seated at the opposite end, proximal to the camera). Past research has shown that the head-of-the-table cue signifies the de facto leader and that this positional cue conveys leadership, status, dominance, and leadership emergence (Felipe, 1966; Hale, Mongeau, & Yetter, 1994; Hare & Bales, 1963; Pellegrini, 1971; Porter et al., 1983; Sommer, 1959). Each photo also depicted four other individuals seated around a rectangular table with two at the right and two at the left.

The experimental design involved all possible all-female racial configurations varying the number of Black followers from zero to four. In the interest of reducing further complexity, we used same-sex configurations to avoid mixed status effects reflective of gender disparities. Moreover, we elected to use all-women stimuli to balance the all-male stimuli employed in Study 2. No background information was provided on any of the individuals in the picture or the setting in which they were shown. Instead, participants were given the following instructions: “You will be asked to rate the group members on several dimensions just by looking at them. We realize that it is difficult to rate someone with so little information but that is exactly the issue that we are studying—the accuracy of people’s first impressions.”

After rating each group member on the dependent variable (i.e., competency), we asked participants to respond to the proposed mediator (i.e., stereotype activation), followed by the motivation variables. Next, participants completed the manipulation check, which asked them to identify the race of the group members.

Because no leader was identified explicitly for the participants, we needed to ensure that the person at the head-of-the-table was perceived to be the leader as we intended. Therefore, we asked them to indicate: “Which member do you think is the leader of this group?” Those at the head-of-the-table were selected as leader at more than 2.5 times the rate of chance, $\chi^2(4) = 213.56$, $p < .001$. We also used two-way chi-squared tests to examine whether the tendency to select those at the head-of-the-table (vs. all other members) differed as a function of the percentage of Black followers manipulation, $\chi^2(4) = 8.93$, $p = n.s.$, and it did not. Though this suggests the leadership manipulation was successful and it is appropriate to consider the individual at the head-of-the-table as the leader, a large proportion of the participants (48%) selected someone else as the leader. Consequently, we examined empirically whether the pattern of results differed for those who correctly identified the leader and those who did not. Notably, the results did
not differ significantly between the two groups (as indicated by nonsignificant interactions with a dummy variable distinguishing the two groups) and, thus, all data were included in the analyses.

**Measures**

Participants indicated their levels of agreement to the dependent variables by responding on 7-point Likert-type scales anchored by 1 (strongly disagree) and 7 (strongly agree). The participants completed the following measures in the order in which they are presented.

**Competency.** We assessed competency using two items assessing how smart and competent participants perceived those pictured to be. These items were high in internal consistency for each individual pictured (Cronbach’s alpha ranging from .86 to .92 with the internal consistency for ratings of the individual at the head-of-the-table being the highest).

**Stereotype activation.** We assessed stereotype activation using a shortened version of the word completion task employed in prior research (e.g., Sinclair & Kunda, 1999). In this task, participants were presented with 20 word fragments and asked to fill in the missing letters to form words. Nine of the fragments were designed to allow participants to form words involving common stereotypes of Blacks (e.g., L-A--_ = LAZY) whereas the others held no potential in this regard (e.g., T-R--_.). Similar measures have been used to test the activation of other racial stereotypes. For example, Gilbert and Hixon (1991) examined the activation of Asian stereotypes. Highlighting the effectiveness of such stereotype-activation measures, they noted (p. 510) that “the word fragment completion test has been shown to be extremely sensitive to the activation of constructs that have been either recently encountered (Tulving, Schacter, & Stark, 1982) or self-generated (Bassili & Smith, 1986)”.

To capture stereotype activation, we summed the number of stereotypical words each participant completed. It is important to note that word fragment completion measures are used as count variables and, therefore, reliability statistics are not calculated.

**Motivation to respond without prejudice.** As in Study 2, we used Plant and Devine’s (1998) scales to measure participants’ internal (α = .80) and external (α = .86) motivation to respond without prejudice.

**Results and Discussion**

We hypothesized (H1) that racial context (i.e., 0%, 25%, 50%, 75%, and 100% Black followers) would affect perceptions of leaders. As in Study 2, we used ANCOVA. The results of our analyses are displayed in Table 4. Though the percentage of Black followers failed to exhibit a significant effect on the perceptions of leaders, the results did not differ significantly between the two groups (as indicated by nonsignificant interactions with a dummy variable distinguishing the two groups) and, thus, all data were included in the analyses.

**Table 4**

*Summary of Analysis of Covariance Predicting Perceived Competency (Study 3)*

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>F</th>
<th>p</th>
<th>η²</th>
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<tbody>
<tr>
<td>Percent Black (PB)</td>
<td>10.84</td>
<td>4</td>
<td>2.11</td>
<td>.03</td>
<td>.03</td>
</tr>
<tr>
<td>Internal motivation (IM)</td>
<td>2.45</td>
<td>1</td>
<td>1.90</td>
<td>.01</td>
<td>.09</td>
</tr>
<tr>
<td>External motivation (EM)</td>
<td>1.22</td>
<td>1</td>
<td>0.95</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>IM × EM</td>
<td>1.74</td>
<td>1</td>
<td>1.35</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>PB × EM</td>
<td>0.55</td>
<td>4</td>
<td>0.11</td>
<td>0</td>
<td></td>
</tr>
<tr>
<td>PB × IM</td>
<td>3.22</td>
<td>4</td>
<td>0.63</td>
<td>.01</td>
<td></td>
</tr>
<tr>
<td>PB × EM × IM</td>
<td>17.15</td>
<td>4</td>
<td>3.33</td>
<td>.05</td>
<td></td>
</tr>
<tr>
<td>Error</td>
<td>328.17</td>
<td>255</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note. N = 275. SS = sum of squares.
1 *p < .05. **p < .01.

Although the pattern of results did not differ for those who responded to the leader manipulation correctly and incorrectly,
whether the stimulus individual in question was seated at the head-of-the-table (1 = yes, 0 = no). The four-way interaction involving all of these variables was statistically significant, $F(4, 1335) = 4.46, p < .01$. The simple slopes show that the Black Followers × Internal Motivation × External Motivation was significant for those at the head-of-the-table, $F(4, 1335) = 3.89, p < .01$, but not for those at the other table positions, $F(4, 1335) = .83, p = .50$. This suggests the stigma-by-association effect we investigated took place only for those with the implicit leadership cue (i.e., at the head-of-the-table) and not for stimuli in general.

The results suggest that decision-makers tend to stigmatize leaders of Black (vs. White) followers by viewing them less favorably. With the exception of the entirely Black group (which we discuss later in greater detail), the tendency to perceive leaders as less competent based on the proportion of their Black followers was pronounced among those who were less motivated internally and externally to suppress their prejudice against Blacks.

The results of Studies 1–3 suggest that perceptions of a leader’s market value and competency, respectively, are influenced by the race of their followers. What is uncertain from these studies, however, is the mechanism through which this stigma-by-association process occurs. In the current study, we explored stereotype activation as a mechanism through which stigma-by-association effects unfold; the results did not support this mediation. It is plausible, however, that rather than influencing the level of activation, racial contexts contribute to stigma-by-association by triggering application of stereotypes that are already active. Indeed, Gilbert and Hixon (1991) suggested that the same antecedent may affect activation in one manner while influencing application in another. Consequently, the final study attempts to replicate the three-way interactive effect found in Studies 2 and 3 and assess whether stereotype application serves as an intervening mechanism.

Study 4: The Role of Stereotype Application in the Effect of Proximal Social Contexts

Participants

A total of 145 participants volunteered to take part in a survey while they were shopping in a large, southern metropolitan city. Forty-six percent of the respondents were women, 31% belonged to racial/ethnic minority groups (10 Hispanic, 12 Black, 19 Asian American, four of other groups, and two nonindicators), and the average age was 36.01 ($SD = 13.42$).

Experimental Design and Procedure

The experimental design used both leader and follower race as a between-subjects variables (i.e., participants saw only one leader and one set of followers). In the materials the participants received, leaders were explicitly identified and participants only rated the leader. Participants received a resume of the leader containing a picture of either “Rasheed Jackson” (Black) or “Michael MeNamara” (White). Two men were used to avoid the potential confound of crossing race and gender. All resumes, irrespective of condition, contained identical education (bachelor’s degree and MBA) and experience (three corporate positions) information. The summary statement at the top of each resume described the leader

some readers may be concerned by the fact that nearly half of the participants indicated someone other than the woman at the head-of-the-table was the leader. This is not altogether surprising given that the head-of-the-table cue is implicit as opposed to an explicit identification of a leader. The implicit nature of this cue, however, means that individuals could have interpreted the cue subconsciously as opposed to the conscious level tapped by the manipulation check. Because we collected ratings of all individuals seated at the table, we were able to test this possibility empirically. On the one hand, if participants failed to recognize the head-of-the-table cue as a sign of leadership (consciously or unconsciously), stigma-by-association effects should occur irrespective of seating position. On the other hand, if participants implicitly recognized those at the head as leaders, we should see the anticipated pattern of results hold only for those at the head-of-the-table.

To test this proposition, we conducted multilevel analyses, which account for the nesting of competency ratings within participants, ICC = .51, $F(274, 1100) = 6.21, p < .001$. In this case, we treated each individual in the picture as a potential leader and used the proportion of Blacks among the other four individuals seated at the table to indicate the level of Black followership. This approach allowed us to systematically evaluate the association of stigma to each person at each level of racial composition. Again, we modeled the percentage of Black followers as a fixed factor and examined the interactive and independent effects of it, internal motivation, external motivation, and a dummy variable indicating
as: “A seasoned commodity trader/structurer with a solid track record in starting new businesses. Has thorough knowledge of financial derivatives and their applications. Proven leader in training professionals to understand, trade and market commodity derivatives, and forward products.”

In addition, participants received information profiling the candidate’s current employer—Power Technologies, Inc., a company of 10,000 employees specializing in the design, manufacture, and servicing of machinery and systems for the oil industry. The company’s headquarters were in Lafayette, LA and operated offices in Houston, TX, Atlanta, GA, New Orleans, LA, Baton Rouge, LA, and Corpus Christi, TX. This information was identical across conditions with the exception of the percentage of Black personnel, which was manipulated to be low (5%), medium (45%), or high (95%) and was conveyed in a pie chart under the heading “Employee Profile” to resemble common organizational promotional materials.

After reviewing the candidate’s resume and company profile, participants evaluated the candidate as a prospect for promotion. In particular, they were asked to rate the competency of the candidate. We then asked participants to respond to the proposed mediator (i.e., stereotype application), followed by the motivation variables.

At the end of the study, participants completed manipulation checks by indicating the leader’s name, race (Black or White), and the racial composition of the company (mostly White, mixed, or mostly Black). All participants correctly recalled the name of the leader they saw, and only six incorrectly recalled the race of the leader. Moreover, a two-way chi-square test indicated that the composition manipulation was classified correctly in the overwhelming majority of cases, \( \chi^2(2) = 53.75, p < .001 \); \( \phi_r = .76 \). Importantly, the pattern of results was identical with and without incorrect responders and, therefore, all data were included in the analyses.

**Measures**

Participants’ level of agreement with the statements included in the following measures was denoted by responses on a 7-point Likert-type scale ranging from 1 (strongly disagree) and 7 (strongly agree). The measures were presented to participants in the order they are presented below.

**Competency.** To assess perceived competency, we used the two items from Study 3 plus three additional items tapping (a) whether the participant would follow this individual and the extent to which the stimulus (b) looks like a leader, and (c) appears to have good leadership skills (\( \alpha = .82 \)).

**Stereotype application.** Similar to prior research (e.g., Gilbert & Hixon, 1991), we assessed and averaged participant responses to items measuring the extent to which the stimulus individual was perceived as exhibiting race-based stereotypes commonly ascribed to Black Americans (i.e., lazy, unbelievable, unmotivated, and ineffective communication; Moss & Tilly, 2001).

**Motivation to respond without prejudice.** Again we used the scales introduced by Plant and Devine (1998) to measure internal (\( \alpha = .73 \)) and external (\( \alpha = .77 \)) motivation to respond without prejudice.

### Results and Discussion

Because our stereotype application and competency measures used the same response format and required character evaluations of the leaders, it is important to demonstrate that they represented distinct constructs to the participants. Accordingly, we subjected the responses on the nine items to confirmatory factor analyses contrasting a single-factor with the anticipated two-factor structure using chi-square, the comparative fit index (CFI), and the root mean squared residual (RMSR) to assess model fit (Hu & Bentler, 1999). After allowing the error variances for two highly similar competency scale items to correlate (i.e., “looks smart” and “looks competent”), the single-factor model provided somewhat acceptable fit, \( \chi^2(26) = 76.49, CFI = .87, RMSR = .08 \), but the two-factor model fit significantly better, \( \chi^2(25) = 66.04, CFI = .90, RMSR = .08; \Delta \chi^2(1) = 10.45, p < .01 \). The correlation between the two factors was -.73. Thus, it appears that participants were able to differentiate between the proposed mediator and dependent variables.

Again, we used ANCOVA to examine our hypotheses (see Table 5). Though a main effect of context was predicted (Hypothesis 1), it was qualified by a higher-order effect. As in Studies 2 and 3, internal and external motivation to respond without prejudice collectively moderated the effect of racial context on leader perception, \( F(2, 133) = 3.46, p = .03, \eta^2 = .05 \). To probe this three-way interaction, we computed the simple effect of Black followers on perceived competency at all four possible combinations of the internal and external motivation scales (i.e., 1 SD above and below the mean of each). The effect of Black followers was not significant for high internal, high external, \( F(2, 133) = 2.24, p = .11, \eta^2 = .03 \); low internal, high external, \( F(2, 133) = .60, p = .55, \eta^2 = .01 \); or high internal, low external, \( F(2, 133) = 1.73, p = .18, \eta^2 = .03 \), participants. The effect for those who were low in both types of motivation, however, was significant, \( F(2, 133) = 4.35, p = .015, \eta^2 = .06 \). As depicted in Figure 3, when either EM or IM was high, participants estimated similar levels of competency regardless of the racial make-up of followers. In contrast, participants who were less motivated to respond without prejudice (i.e., low internal and external motivation) assigned lower competency to leaders of groups containing some (45%) or mostly (95%) Black members than to leaders of predominantly (95%) White groups.

<table>
<thead>
<tr>
<th>Source</th>
<th>SS</th>
<th>df</th>
<th>F</th>
<th>( \eta^2 )</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percent Black (PB)</td>
<td>2.91</td>
<td>2</td>
<td>2.94</td>
<td>0.04</td>
</tr>
<tr>
<td>Internal motivation (IM)</td>
<td>1.59</td>
<td>1</td>
<td>3.21</td>
<td>0.02</td>
</tr>
<tr>
<td>External motivation (EM)</td>
<td>0.01</td>
<td>1</td>
<td>0.02</td>
<td>0.00</td>
</tr>
<tr>
<td>IM × EM</td>
<td>0.2</td>
<td>1</td>
<td>0.03</td>
<td>0.00</td>
</tr>
<tr>
<td>PB × EM</td>
<td>3.09</td>
<td>2</td>
<td>3.12</td>
<td>0.04</td>
</tr>
<tr>
<td>PB × IM</td>
<td>0.24</td>
<td>2</td>
<td>0.24</td>
<td>0.00</td>
</tr>
<tr>
<td>PB × IM × EM</td>
<td>3.43</td>
<td>2</td>
<td>3.46</td>
<td>0.04</td>
</tr>
<tr>
<td>Error</td>
<td>65.93</td>
<td>133</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Note.** \( N = 145 \). \( SS = \) sum of squares.

\( *p < .05\). \( **p < .01\).
created through proximal social contexts. As in Studies 2 and 3, we conducted a post hoc assessment of the one conditional effect that proved statistically significant (i.e., when both forms of motivation were low). The difference between the extremes (i.e., 5% and 95% Black) was statistically significant in predicting competency \( b = -0.67, p = 0.02 \). Moreover, there was a significant difference in perceptions of competency between those with 45% and 5% Black followers \( b = -0.89, p = 0.01 \).

To explain how the three-way interaction we observed takes place, we examined whether stereotype application mediates the interactive effects of racial context and motivations to respond without prejudice on perceived competency (Hypothesis 4). Because our (a) independent variable is the three-way interaction of racial context and the two motivation variables and (b) we established that this interaction influences perceived competency, we began with an analysis of variance (ANOVA) predicting stereotype application. The ANOVA results showed that the Racial Context × Internal Motivation × External Motivation interaction exhibited a significant effect on stereotype application, \( F(2, 133) = 4.31, p = .015, \eta^2 = .06 \). Thus, racial context influenced stereotype application (i.e., more Black followers corresponded in more stereotyping of the leader) only when both forms of motivation to respond without prejudice were low, \( F(2, 133) = 3.70, p = .03, \eta^2 = .04 \). When added to the ANOVA used to predict competency, stereotype application negatively related to competency, \( F(1, 132) = 75.66, p < .01, \eta^2 = .31 \). Moreover, the three-way interaction was no longer statistically significant, \( F(2, 132) = .54, p = .58, \eta^2 < .01 \), in the model with the stereotyping variables, suggesting full mediation of the moderation effect (Muller et al., 2005).

To confirm these results, we also analyzed the data using regression, modeling the racial context manipulation as a continuous variable as opposed to a fixed factor. Regression analysis offers the advantage of having a single term to represent the effects of context as opposed to two dummy variables, which results in a model containing four as opposed to eight higher-order interactions. As such, we were able to compute the coefficients derived from models predicting the mediator and dependent variable, multiply them to compute indirect effects, and conduct bootstrapping analyses to determine the statistical significance of the indirect effect at different levels of the moderators. We conducted these analyses using Hayes (2013) PROCESS macro for SPSS with 1,000 bootstrapped estimates. Consistent with the results of our ANOVA, the indirect effect of racial context was significant only when both forms of motivation were low \( (b = -0.23, 99\% \text{ confidence interval: } -0.53, -0.01) \) and the three-way indirect effect on competency through stereotype application was significant \( (b = 0.09, 99\% \text{ confidence interval: } -0.17, -0.01) \). Though the three-way interaction was not as predicted in Hypothesis 2, it appears that this interactive effect was mediated by stereotype application in support of Hypothesis 4.

As in the prior experiments, we examined whether the effects reported differed as a function of the leader’s race. Again, all possible three-way interactions were included when examining this four-way interaction. The leader race variable exhibited neither a significant main effect—stereotype application: \( F(1, 121) = 1.40, p = .24, \eta^2 = .01 \); competency: \( F(1, 121) = .01, p = .91, \eta^2 < .01 \)—nor a moderating influence on the three-way interaction involving racial context and the two forms of motivation—stereotype application: \( F(2, 121) = .56, p = .57, \eta^2 = .01 \); competency: \( F(2, 121) = .42, p = .66, \eta^2 = .01 \)—indicating that the results apply equally to Black and White leaders.

These findings replicate and extend those of the prior three studies. Having more Black followers in a leader’s proximal social context (i.e., 45% or 95%) resulted in less favorable leader assessments than if few Black followers (5%) were present, but this pattern was attenuated by individual motivation to respond without prejudice such that stigma-by-association occurred only for those lacking internal and external motivation. A noteworthy extension across our studies was the identification of a mediating mechanism for the interactive effects of racial context, internal motivation, and external motivation. The data suggest that those lacking motivation to suppress their biases apply stereotypes associated with a stigmatized group to leaders associated with followers belonging to that group, thereby using these generalized stereotypes as a basis for evaluating the leader. We now turn our attention to discussing the collective impact of this research.

General Discussion

We found triangulated support for our hypotheses across one field study and three experiments that utilized key work-related decision-making tasks in which prejudice can occur. The results demonstrate that leaders were assigned lower appraisal ratings when they worked in more racially segregated proximal social
contexts (i.e., contained more Black followers; Study 1) and that these proximal social contexts can have a significant effect on the appraisals of a leader’s market value and competency (Studies 2–4). Specifically, those with mostly Black followers generally received the lowest performance evaluation ratings, perceived leader market value, and perceived competency unless all followers were Black. These stigma-by-association effects, however, were attenuated by the presence of either internal or external regulatory pressures to control personal biases.

Interestingly, we anticipated a linear pattern with the uniformly Black follower condition being rated the lowest. The curvilinear nature of the experimental results suggests there may be racial thresholds at which the presence of Black followers becomes more salient to observers (see Card, Mas, & Rothstein, 2008, for an example of racial thresholds in the residential literature). Moreover, the fact that these thresholds appeared at different levels of Black follower representation across studies implies that the level of the thresholds may be contingent upon how the levels of representation are visualized. When representation was illustrated graphically (i.e., using a pie chart), the threshold appeared between 5% and 45% Black. When pictures were used to illustrate representation, the tipping point appeared to be between 50% and 75%. Future research should seek to determine what factors influence the levels of these thresholds.

Our finding that the universally Black condition elicited a pattern altogether different than predicted also poses an interesting opportunity for subsequent research. For stigmatization to occur, individuals must take notice of targets and associate negative stereotypes with them (Link & Phelan, 2001). Perhaps the absence of White followers made race and, therefore, stereotypes less salient to observers unmotivated to respond without prejudice, resulting in them evaluating leaders of such groups comparably to leaders of all-White groups. Scholars should further examine this proposition in future work.

Furthermore, our work shows that motivation to respond without prejudice reduces the propensity for evaluators to generalize stereotypes to leader appraisals on the basis of their Black followers. Drawing from prior research, we hypothesized that the high internal/low external motivation combination would attenuate the stigmatizing effect of segregated proximal social contexts. Although we found support for this prediction, we also discovered consistent support for the buffering effects of external motivation. Those high in external motivation (whether they were high or low in internal motivation) did not denigrate leaders who supervised Black followers. Consequently, our findings support emerging evidence (e.g., Ziegert & Hanges, 2005) that external motivation can play an important role in reducing prejudice. Future research should continue to empirically test the predictions of Butz and Plant (2009) to create a more nuanced understanding of the external motivation to respond without prejudice dynamics.

We also explored mediating mechanisms in explaining the relationship between proximal social contexts and stigma-by-association effects. In particular, we theorized and tested the intervening influences of stereotype activation and application, and found that stereotype application fully mediated our three-way interactive effects across our experimental studies. These findings offer robust evidence to support stereotype application as a key mechanism underlying stigma-by-association. Accordingly, our findings further specified theory on stigma-by-association by identifying not only the conditions under which it is more or less likely to occur, but also an intervening variable that may account for it.

More broadly, our theory complements homosocial reproduction (Kanter, 1977) as an explanation of Black Americans’ difficulties in obtaining higher-level organizational positions. Homosocial reproduction describes the tendency for those in power to select, groom, sponsor, and promote those sharing their social identity group memberships, ultimately perpetuating existing status inequalities. Supplementing this top-down approach, we provide the opposite perspective by focusing on how subordinates’ characteristics are conferred upon their leaders. Whereas homosocial reproduction research has demonstrated the effect of supervisor demographic composition on discrimination, we have shown that discrimination can also occur due to the demographic makeup of one’s followers.

**Practical Implications**

Despite widespread awareness about the potential negative consequences of workplace racial bias (e.g., lawsuits), some readers might question whether there is anyone in organizational settings who presently lacks motivation to respond without bias. In anticipation of such a question, we point to empirical evidence indicating that racial bias persists. For instance, past research indicates organizations are more likely to prefer (a) candidates with White as opposed to Black-sounding names controlling for human capital (Bertrand & Mullainathan, 2004; Jacquemet & Yannelis, 2012), and (b) White candidates with a criminal record over a Black candidate without one (Puger, 2003). Findings such as these indicate that current organizational mechanisms in place are not adequately combating racial bias and that the current level of motivation possessed by organizational decision-makers is often insufficient. Furthermore, qualitative evidence (Moss & Tilly, 2001) has indicated that many employers freely acknowledge making racially biased decisions despite knowing they are legally prohibited. Collectively, this suggests that despite the seemingly apparent costs of being caught engaging in racial discrimination, there remains significant variance in motivation to respond without prejudice in modern organizational settings.

Nevertheless, our findings suggest that if individuals are motivated to suppress racial/ethnic biases, undesirable side effects can be averted. Specifically, we observed that both internal and external motivations are efficacious in regulating individuals’ control of their racial biases. Prescriptively, these results illustrate that although individuals are susceptible to biased evaluation of leaders based on the race of their followers, organizations can protect against the detriments of stigma-by-association by leveraging organizational norms and structures (e.g., hospitable diversity climates) for individuals to engage in deeper cognitive processing (Avery & McKay, 2010). To build hospitable diversity climates, organizations must overcome social identification processes that perpetuate in-group favoritism (i.e., preferences for similar others) and out-group derogation (i.e., disfavoring dissimilar others). The key issue in reducing such intergroup biases is the development of a superordinate identity that transcends any particular social identity group (e.g., race-ethnicity, gender; Chattopadhyay, Tuchowska, & George, 2004; Hogg & Terry, 2000). For instance, a company can develop an identity based upon organizational excellence to which all employees are encouraged to subscribe. As
part of such an initiative, the firm can highlight pivotal organizational accomplishments and recognize leaders who have made important contributions to corporate success. These measures can serve to provoke stronger identification with the organization (Dutton & Dukerich, 1991; Dutton, Dukerich, & Harquail, 1994; Dukerich, Golden, & Shortell, 2002) than with employee subgroups. Additionally, romance of leadership research has shown that perceivers are more likely to attribute success to leadership factors (Meindl, Ehrlich, & Dukerich, 1985). Hence, recognizing leader success is apt to attenuate biased perceptions of leaders who supervise minority personnel.

Beyond corporate-level concerns, an additional practical strategy is for companies to select personnel who are likely to exhibit a high internal motivation to respond without prejudice. Our rationale follows from Schneider’s (1987) attraction-selection-attrition, which suggests that people will be attracted to, selected by, and remain in organizations with which they share values. To build a work climate that eschews prejudice, organizations should consider targeting personnel who are predisposed against prejudice. The literature has identified a number of individual difference variables that significantly correlate with expressed prejudice such as agreeableness (Ekehammar & Akrami, 2003), openness to experience (Ekehammar & Akrami, 2003), right-wing authoritarianism (Pratto, Sidanius, Stallworth, & Malle, 1994; Sidanius & Pratto, 1999), and social dominance orientation (Ekehammar, Akrami, Gylje, & Zakrisson, 2004; Umphress, Simmons, Boswell, & Triana, 2008). People who are (a) highly warm and trusting, (b) highly broad-minded and imaginative, (c) less conventional and conforming, and (d) less accepting of group-based inequalities, express lower endorsement of prejudicial attitudes. Consequently, organizations may wish to screen prospective personnel on the above constructs to build workforces that are less prejudicial and more supportive of diversity as a strategic objective.

Finally, the present investigation spanned two central decision-making tasks involved in human resource management processes: performance assessment and compensation evaluation. With regards to these processes, extant research has highlighted that raters base their evaluations of ratee performance more upon their general impressions of ratees than on assessments of specific task performance elements (DeNisi & Peters, 1996; Schleicher & Day, 1998). Performance ratings subsequently relate to supervisory decisions regarding employee compensation (Gerhart, Rynes, & Fulmer, 2009; Murphy & Cleveland, 1995). Related to the current research, our finding that proximal social contexts influence leader appraisals suggests a need to closely scrutinize the bases used to evaluate leader performance. In particular, organizations should use procedures known to reduce appraisal biases such as frame-of-reference training and maintaining behavioral diaries to calibrate evaluators and enhance their memory of leader performance information (Levy & Williams, 2004). These methods can help ensure that leader evaluations are based upon the extent that leaders perform important performance elements successfully versus raters’ general impressions of them.

Limitations

Our findings should be qualified by several limitations suggestive of future research directions. For example, unlike some previous authors who have studied the effects of motivation to respond without prejudice (e.g., Devine et al., 2002), we were unable to separate temporally the assessment of motivation from exposure to experimental stimuli or completion of the dependent measures. This is much harder to accomplish when sampling working adults as opposed to undergraduate students because it involves repeated contact for participants to complete the study. Accordingly, we opted to include the motivation measures after participants had seen the experimental stimuli and completed the outcome measures to minimize the possibility of demand characteristics or order effects (Harrison, McLaughlin, & Coalter, 1996). To determine if this had the unanticipated consequence of the stimuli influencing participant responses to the motivation measures, we conducted an additional set of analyses in each study. Neither manipulation (leader or follower race) influenced motivation (of either form) in Studies 2 and 3; however, an effect was detected for leader race on internal motivation in Study 4, F(1, 141) = 10.74, p = .001, η² = .07. Interestingly, this difference was in the direction opposite than might be expected, as participants reported higher internal motivation to respond without prejudice when they had seen a White as opposed to a Black leader (5.77 vs. 5.16). Given the complementary nature of the findings from Studies 2–4, it is unlikely that this had any impact on our findings. Nonetheless, when possible, we urge researchers to temporally separate the collection of motivation from their manipulations and other measures.

Although our experiments included racially diverse participant pools recruited across varied settings, employed random assignment, and applied work-related tasks validated in previous research, we relied upon self-reports in Studies 2–4. This methodological feature of the investigation renders our findings potentially vulnerable to social desirability effects. We sought to address this limitation by including a field test that utilized supervisor ratings of leader performance (Study 1). Nevertheless, even though the findings of our field data were complementary to those of the experimental studies, it tested only our hypothesized main effect. These field data also do not rule out actual performance differences among managers as an alternative explanation for our findings. Future studies should seek to investigate the moderating and mediating mechanisms we examined in field contexts and seek better controls for possible differences in criterion type (e.g., performance measures including productivity, job knowledge, as well as task and contextual performance). As a related point, researchers could test the efficacy of organizational systems and policies that exert external pressures on individuals to regulate the expression of their racial biases. For example, it is plausible that interpersonal pressures exerted through social networks have a stronger moderating effect on stigma-by-association effects relative to system-wide policies, job design, or other structural features of the organization. A better understanding of these factors can offer important insights to ameliorating workplace discrimination.

Past sociological research has demonstrated that racial segregation in U.S. workplace settings is prevalent, and as such, Black leaders are more likely to supervise Black followers. We have shown that such racially segregated proximal social contexts are problematic because they significantly affect leader appraisals. In particular, leaders are evaluated less favorably based on the application of negative stereotypes associated with their Black followers. The automatic processing involved in stigma-by-association processes, however, can be disrupted if individuals are internally or externally motivated to control their expressions of racial bias.
Our findings suggest that it would behoove organizations to promote such motivations if they wish to increase the success of Black leaders in America.

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