

## **IS THERE METHOD TO THE MADNESS? EXAMINING HOW RACIOETHNIC MATCHING INFLUENCES RETAIL STORE PRODUCTIVITY**

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This article considers the efficacy of matching the racioethnicity of employees and the customer base as a human resource strategy within service organizations. Despite being advocated widely, the literature on its effectiveness is scant and riddled with conflicting findings. We revisit the theoretical rationale underlying this strategy, formulate new theory, and introduce the demographic representativeness construct (i.e., the congruence between employee and customer base profiles) to the organizational literature to test our hypotheses. Using multisource data pertaining to 739 stores of a U.S. retailer, the results indicate a positive effect of racioethnic representativeness on productivity, which is accounted for by improved customer satisfaction. Moreover, additional analyses showed this indirect relationship to be more pronounced in stores with larger minority customer bases.

Scholars have devoted considerable attention to understanding the relationship between employee demographic diversity and organizational performance yet have detected no consistent pattern (Jackson, Joshi, & Erhardt, 2003; Kochan et al., 2003; van Knippenberg & Shippers, 2007).

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