



CHAPTER 5: Managing Diversity



4.1

Define workplace diversity and explain why managing it is so important.

4.2

Describe the changing workplaces in the United States and around the world.

4.3

Explain the different types of diversity found in workplaces.

4.4

Discuss the challenges managers face in managing diversity.

4.5

Describe various workplace diversity management initiatives.

LEARNING OUTCOMES

WHAT IS WORKPLACE DIVERSITY?

Workforce Diversity:

the ways in which people in an organization are different from and similar to one another.





EXHIBIT 4-1

Timeline of the Evolution of Workforce Diversity

1960s to 1970s	Focus on complying with laws and regulations: Title VII of Civil Rights Act; Equal Employment Opportunity Commission; affirmative action policies and programs
Early 1980s	Focus on assimilating minorities and women into corporate setting: Corporate programs developed to help improve self-confidence and qualifications of diverse individuals so they can “fit in”
Late 1980s	Concept of workforce diversity expanded from compliance to an issue of business survival: Publication of <i>Workforce 2000</i> opened business leaders’ eyes about the future composition of workforce—that is, more diverse; first use of term <i>workforce diversity</i>
Late 1980s to Late 1990s	Focus on fostering sensitivity: Shift from compliance and focusing only on women and minorities to including everyone; making employees more aware and sensitive to the needs and differences of others
New Millennium	Focus on diversity and inclusion for business success: Workforce diversity seen as core business issue; important to achieve business success, profitability, and growth

Based on Ernst & Young, “The New Global Mindset: Driving Innovation Through Diversity,” EYGM Limited, 2010, pp. 5–6; and R. Anand and M. Frances Winters, “A Retrospective View of Corporate Diversity Training from 1964 to the Present,” *Academy of Management Learning & Education*, September 2008, pp. 356–372.



WHAT IS WORKPLACE DIVERSITY? (CONT.)

- ▶ **Surface-level diversity –**
 - Easily perceived differences that may trigger certain stereotypes, but do not necessarily reflect the ways people think or feel.
- **Deep-level diversity –**
 - Differences in values, personality, and work preferences.



WHY IS MANAGING WORKFORCE DIVERSITY SO IMPORTANT?

- **People Management** – diversity *is*, after all, about people, both inside and outside the organization.
- **Organizational Performance** – cost savings include reducing employee turnover, absenteeism, and the chance of lawsuits.
- **Strategic** – workforce diversity is a key to extracting the best talent performance, market share, and suppliers from a diverse country and world.

EXHIBIT 4-2

Benefits of Workforce Diversity

People Management

- Better use of employee talent
- Increased quality of team problem-solving efforts
- Ability to attract and retain employees of diverse backgrounds

Organizational Performance

- Reduced costs associated with high turnover, absenteeism, and lawsuits
- Enhanced problem-solving ability
- Improved system flexibility

Strategic

- Increased understanding of the marketplace, which improves ability to better market to diverse consumers
- Potential to improve sales growth and increase market share
- Potential source of competitive advantage because of improved innovation efforts
- Viewed as moral and ethical; the “right” thing to do



Sources: Based on Ernst & Young, “The New Global Mindset: Driving Innovation Through Diversity,” EYGM Limited, 2010; M. P. Bell, M. L. Connerley, and F. K. Cocchiara, “The Case for Mandatory Diversity Education,” *Academy of Management Learning & Education*, December 2009, pp. 597–609; E. Kearney, D. Gebert, and S. C. Voelpel, “When and How Diversity Benefits Teams: The Importance of Team Members’ Need for Cognition,” *Academy of Management Journal*, June 2009, pp. 581–598; J. A. Gonzalez and A. S. DeNisi, “Cross-Level Effects of Demography and Diversity Climate on Organizational Attachment and Firm Effectiveness,” *Journal of Organizational Behavior*, January 2009, pp. 21–40; O. C. Richard, “Racial Diversity, Business Strategy, and Firm Performance: A Resource-Based View,” *Academy of Management Journal*, April 2000, pp. 164–177; and G. Robinson and K. Dechant, “Building a Business Case for Diversity,” *Academy of Management Executive*, August 1997, pp. 21–31.



THE CHANGING WORKPLACE

- Characteristics of the U.S. Population –
Total population of the United States projected to increase to 438 million by the year 2050
 - **Racial/ethnic groups** – changes in the percentages of the Hispanic and white population
 - **Aging population** – median age of 36.9 years up from 36.2 years in 2001



EXHIBIT 4-3

Changing Population Makeup of the United States

	2005	2050
Foreign-born	12%	19%
Racial/Ethnic Groups		
White*	67%	47%
Hispanic	14%	29%
Black*	13%	13%
Asian*	5%	9%

*= Non-Hispanic

American Indian/Alaska Native not included.

Sources: H. El Nasser, "U.S. Hispanic Population to Triple by 2050," *USA Today Online* [www.usatoday.com], February 12, 2008; and "U.S. Population Projections: 2005–2050," Pew Research Center [<http://pewhispanic.org/reports/>], February 11, 2008.



THE CHANGING WORKPLACE (CONT.)

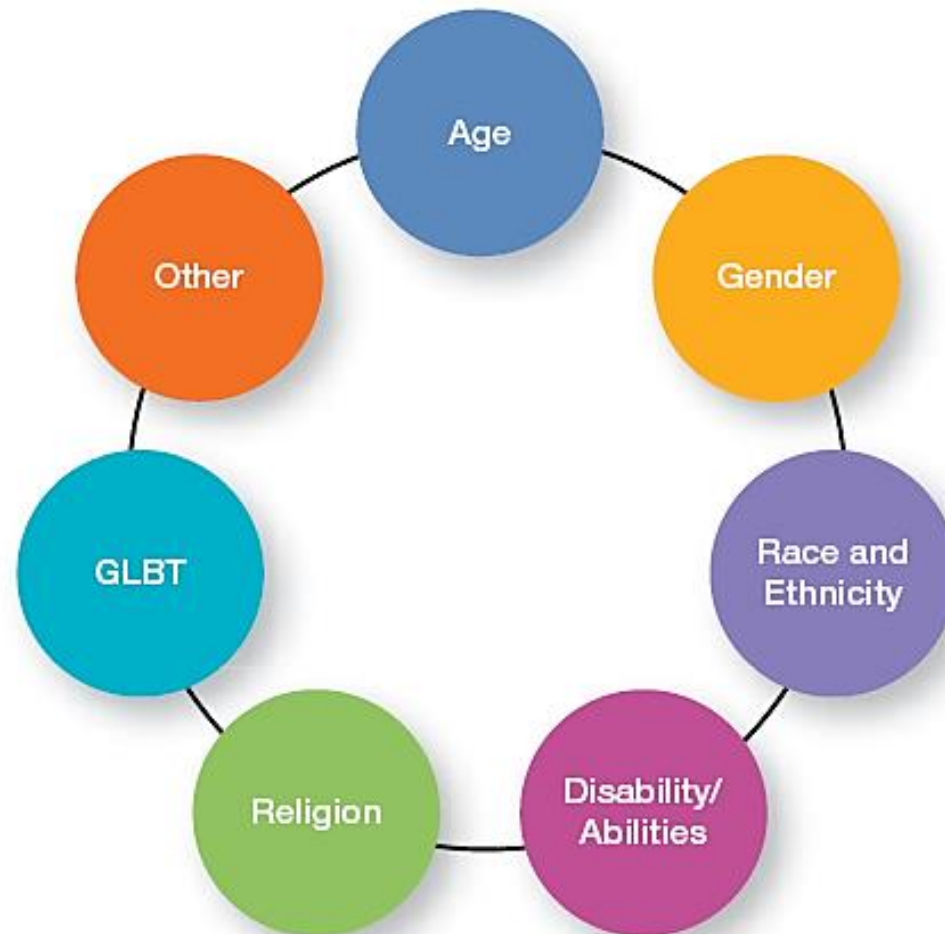
- Global Workforce Changes
 - Total world population – estimated at over almost 7.023 billion
 - An aging population – aging at an *unprecedented rate*





EXHIBIT 4-5

Types of Diversity Found in Workplaces





TYPES OF WORKPLACE DIVERSITY

- **Age** – Both Title VII of the *Civil Rights Act of 1964* and the *Age Discrimination in Employment Act of 1967* prohibit age discrimination.
- **Gender** – Women (49.8%) and men (50.2%) now each make up almost half of the workforce.
- **Race** – The biological heritage (including skin color and associated traits) that people use to identify themselves.
- **Ethnicity** – Social traits (such as cultural background or allegiance) that are shared by a human population.
- **Disability/Abilities** – The *Americans With Disabilities Act of 1990* prohibits discrimination against persons with disabilities.
- **Religion** – Title VII of the *Civil Rights Act* prohibits discrimination on the basis of religion.
- **GLBT: Sexual Orientation and Gender Identity** – U.S. federal law does not prohibit discrimination against employees on the basis of sexual orientation
- **Other Types of Diversity** – Diversity refers to *any* dissimilarities or differences that might be present in a workplace



EXHIBIT 4-6

Employers' Fears About Disabled Workers

- ▶ **FEAR:** *Hiring people with disabilities leads to higher employment costs and lower profit margins*
 - **REALITY:** Absentee rates for sick time are virtually equal between employees with and without disabilities; workers' disabilities are not a factor in formulas calculating insurance costs for workers' compensation
- ▶ **FEAR:** *Workers with disabilities lack job skills and experience necessary to perform as well as their abled counterparts*
 - **REALITY:** Commonplace technologies such as the Internet and voice-recognition software have eliminated many of the obstacles for workers with disabilities; many individuals with disabilities have great problem-solving skills from finding creative ways to perform tasks that others may take for granted
- ▶ **FEAR:** *Uncertainty over how to take potential disciplinary action with a worker with disabilities*
 - **REALITY:** A person with a disability for whom workplace accommodations have been provided has the same obligations and rights as far as job performance
- ▶ **FEAR:** *High costs associated with accommodating disabled employees*
 - **REALITY:** Most workers with disabilities require *no* accommodation but for those who do, more than half of the workplace modifications cost \$500 or less

Sources: R. Braum, "Disabled Workers: Employer Fears Are Groundless," *Bloomberg BusinessWeek Online*, October 2, 2009; and U.S. Department of Labor/Office of Disability Employment Policy, "Survey of Employer Perspectives on the Employment of People with Disabilities [http://www.dol.gov/odep/documents/survey_report_jan_09.doc], November 2008.



CHALLENGES IN MANAGING DIVERSITY

► Personal Bias

- **Bias** – A tendency or preference toward a particular perspective or ideology.
- **Prejudice** – A pre-conceived belief, opinion, or judgment toward a person or a group of people.
- **Stereotyping** – judging a person based on a prejudicial perception of a group to which that person belongs.
- **Discrimination** – when someone acts out their prejudicial attitudes toward people who are the targets of their prejudice.
- **Glass Ceiling** – the invisible barrier that separates women and minorities from top management positions.

Type of Discrimination	Definition	Examples from Organizations
Discriminatory policies or practices	Actions taken by representatives of the organization that deny equal opportunity to perform or unequal rewards for performance	Older workers may be targeted for layoffs because they are highly paid and have lucrative benefits. ^a
Sexual harassment	Unwanted sexual advances and other verbal or physical conduct of a sexual nature that create a hostile or offensive work environment	Salespeople at one company went on company-paid visits to strip clubs, brought strippers into the office to celebrate promotions, and fostered pervasive sexual rumors. ^b
Intimidation	Overt threats or bullying directed at members of specific groups of employees	African American employees at some companies have found nooses hanging over their work stations. ^c
Mockery and insults	Jokes or negative stereotypes; sometimes the result of jokes taken too far	Arab Americans have been asked at work whether they were carrying bombs or were members of terrorist organizations. ^d
Exclusion	Exclusion of certain people from job opportunities, social events, discussions, or informal mentoring; can occur unintentionally	Many women in finance claim they are assigned to marginal job roles or are given light workloads that don't lead to promotion. ^e
Incivility	Disrespectful treatment, including behaving in an aggressive manner, interrupting the person, or ignoring his or her opinions	Female lawyers note that male attorneys frequently cut them off or do not adequately address their comments. ^f

Notes:

- a. J. Levitz and P. Shishkin, "More Workers Cite Age Bias After Layoffs," *Wall Street Journal*, March 11, 2009, pp. D1–D2.
 b. W. M. Bulkeley, "A Data-Storage Titan Confronts Bias Claims," *Wall Street Journal*, September 12, 2007, pp. A1, A16.
 c. D. Walker, "Incident with Noose Stirs Old Memories," *McClatchy-Tribune Business News*, June 29, 2008; and D. Solis, "Racial Horror Stories Keep EEOC Busy," *Knight-Ridder Tribune Business News*, July 30, 2005, p. 1.
 d. H. Ibish and A. Stewart, *Report on Hate Crimes and Discrimination Against Arab Americans: The Post-September 11 Backlash, September 11, 2001—October 11, 2001* (Washington, DC: American-Arab Anti-Discrimination Committee, 2003).
 e. A. Raghavan, "Wall Street's Disappearing Women," *Forbes*, March 16, 2009, pp. 72–78.
 f. L. M. Cortina, "Unseen Injustice: Incivility as Modern Discrimination in Organizations."



TOP MANAGEMENT COMMITMENT TO DIVERSITY

- **Mentoring** – a process whereby an experienced organizational member (a mentor) provides advice and guidance to a less-experienced member (a protégé).
- **Diversity Skills Training** – specialized training to educate employees about the importance of diversity and to teach them skills for working in a diverse workplace.



EXHIBIT 4-9

What a Good Mentor Does

- Provides instruction
- Offers advice
- Gives constructive criticism
- Helps build appropriate skills
- Shares technical expertise
- Develops a high-quality, close, and supportive relationship with protégé
- Keeps lines of communication open
- Knows when to “let go” and let the protégé prove what he/she can do

Sources: J. Prime and C. A. Moss-Racusin, “Engaging Men in Gender Initiatives: What Change Agents Need to Know,” *Catalyst* [www.catalyst.org], 2009; T. J. DeLong, J. J. Gabarro, and R. J. Lees, “Why Mentoring Matters in a Hypercompetitive World,” *Harvard Business Review*, January 2008, pp. 115–121; S. N. Mehta, “Why Mentoring Works,” *Fortune*, July 9, 2001, p. 119; and D. A. Thomas, “Race Matters: The Truth About Mentoring Minorities,” *Harvard Business Review*, April 2001, pp. 99–107.



TOP MANAGEMENT COMMITMENT TO DIVERSITY (CONT.)

- **Employee Resource Groups – groups made up of employees connected by some common dimension of diversity.**



Thank You!