Chapter 2

Diversity in Organizations

**Chapter Overview**

PPT 2.2

This chapter examines individual characteristics, including age, gender, race, ethnicity, and abilities, and how they influence employee performance; how managers can increase their awareness of these characteristics and better manage a diverse workforce.

**Chapter Objectives**

After studying this chapter, the student should be able to:

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1. Demonstrate how workplace discrimination undermines diversity effectiveness.
2. Explain how stereotypes function in organizational settings.
3. Describe how key biographical characteristics are relevant to organizational behavior (OB).
4. Explain how other differentiating characteristics factor into OB.
5. Demonstrate the relevance of intellectual and physical abilities to OB.
6. Describe how organizations manage diversity effectively.

**Suggested Lecture Outline**

1. INTRODUCTION
   1. In this chapter, we demonstrate how workplace discrimination undermines diversity effectiveness, explain how stereotypes function in organizational settings, look at the key biological characteristics and their relevance to OB, explore intellectual and physical abilities and their relevance in OB, and discuss how to manage a diverse workforce effectively.
2. DIVERSITY
   1. Demographic Characteristics of the U.S. Workforce.

PPT 2.4

* + 1. A change has occurred in the formerly predominantly white, male managerial workforce. Today’s workforce is gender-balanced and multiethnic.
       1. Compared to 1950, women today are much more likely to be employed full time, have more education, and earn wages comparable to those of men.
       2. In addition, over the past 50 years, the earnings gap between Whites and other racial and ethnic groups has decreased significantly; past differences between Whites and Asians have disappeared or been reversed.
    2. This shift toward a diverse workforce means organizations need to make diversity management a central focus in their policies and practices.
  1. Levels of Diversity.

PPT 2.5

* + 1. Demographics mostly reflect surface level diversity, not thoughts and feelings, and can lead employees to perceive one another through stereotypes and assumptions.
    2. However, evidence has shown that as people get to know one another, they become less concerned about demographic differences if they see themselves as sharing more important characteristics, such as personality and values, that represent deep-level diversity.
       1. Individual differences in personality and cultur<keyterm olinkend="ch03gloss02" role="strong" preference="0">e shape preferences</keyterm><link linkend="ch03mn03" preference="1"/> for rewards, communication styles, reactions to leaders, negotiation styles, and many other aspects of behavior in organizations.

PPT 2.6

1. Discrimination.
   * 1. Although diversity does present many opportunities for organizations, effective diversity management also means working to eliminate unfair discrimination.

Exhibit 2-1

* + - 1. To discriminate is to note a difference between things, which in itself isn’t necessarily bad.
      2. Noticing one employee is more qualified for making hiring decisions, and noticing another is taking on leadership responsibilities exceptionally well is necessary for making promotion decisions.
         1. Usually when we talk about discrimination, though, we mean allowing our behavior to be influenced by stereotypes about groups of people. Rather than looking at individual characteristics, unfair discrimination assumes everyone in a group is the same.
    1. Stereotype Threat.
       1. Stereotype threat describes the degree to which we internally agree with the generally negative stereotyped perceptions of our groups.
          1. Along with that comes a fear of being judged when we are identified with the negative connotations of that group. This can happen when we are a minority in a situation.
          2. Stereotype threat has serious implications for the workplace. Those who feel it may have lower performance, lower satisfaction, negative job attitudes, decreased engagement, decreased motivation, higher absenteeism, more health issues, and higher turnover intentions.
    2. Discrimination in the Workplace.
       1. As Exhibit 2-1 shows, discrimination can occur in many ways, and its effects can be just as varied depending on the organizational context and the personal biases of its members.
          1. Some forms, like exclusion or incivility, are especially hard to root out because they are impossible to observe and may occur simply because the actor isn’t aware of the effects of his or her actions.
          2. Whether intentional or not, discrimination can lead to serious negative consequences for employers, but recognizing diversity opportunities can lead to an effective diversity management program and ultimately to a better organization.

1. BIOGRAPHICAL CHARACTERISTICS

PPT 2.7

* 1. Biographical characteristics such as age, gender, race, disability, and length of service are some of the most obvious ways employees differ.
     1. In general, many biographical differences are not important to actual work outcomes, and far more variation occurs within groups sharing biographical characteristics than between them.
  2. Age.

PPT 2.8

* + 1. The relationship between age and job performance is likely to be an issue of increasing importance during the next decade for many reasons.
       1. The workforce is aging.
       2. There is U.S. legislation that, for all intents and purposes, outlaws mandatory retirement.
    2. Employers express mixed feelings about the older worker.
       1. They see a number of positive qualities older workers bring to their jobs, such as experience, judgment, a strong work ethic, and commitment to quality. But older workers are also perceived as lacking flexibility and resisting new technology.
    3. What effect does age actually have on turnover, absenteeism, productivity, and satisfaction?
       1. Most studies show that there is little relationship between age and job performance.
       2. The evidence is mixed regarding age and job satisfaction. Satisfaction tends to continually increase among professionals as they age, whereas it falls among nonprofessionals during middle age and then rises again in the later years.
  1. Sex.

PPT 2.9

* + 1. Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do.
    2. The best place to begin to consider this is with the recognition that few, if any, important differences between men and women affect job performance.
       1. There are no consistent male-female differences in problem-solving ability, analytical skills, competitive drive, motivation, sociability, or learning ability.
    3. Unfortunately, sex roles still affect our perceptions.
       1. Once on the job, men and women may be offered a similar number of developmental experiences, but females are less likely to be assigned challenging positions by men, assignments that may help them achieve higher organizational positions.
       2. Moreover, men are more likely to be chosen for leadership roles even though men and women are equally effective leaders.
       3. Many countries have laws against sex discrimination, including Australia, the United Kingdom, and the United States. Other countries, such as Belgium, France, Norway, and Spain, are seeking gender diversity through laws to increase the percentage of women on boards of directors.
  1. Race and Ethnicity.
     1. Race is a controversial issue.
        1. We define raceas the biological heritage people use to identify themselves; ethnicityis the additional set of cultural characteristics that often overlaps with race.
     2. Race and ethnicity have been studied as they relate to employment outcomes such as hiring decisions, performance evaluations, pay, and workplace discrimination. We can summarize a few points.

PPT 2.10

* + - 1. In employment settings, individuals tend to slightly favor colleagues of their own race in performance evaluations, promotion decisions, and pay raises, although such differences are not found consistently, especially when highly structured methods of decision making are employed.
      2. In the United States, African Americans generally fare worse than Whites in employment decisions. They receive lower ratings in employment interviews, lower job performance ratings, less pay, and fewer promotions.
      3. Moreover, African Americans are often discriminated against in controlled experiments.
  1. Disabilities.
     1. With the passage of the Americans with Disabilities Act (ADA) in 1990, representation of individuals with disabilities in the U.S. workforce rapidly increased.

PPT 2.11

* + 1. The ADA requires employers to make reasonable accommodations to make their workplaces accessible to people with physical or mental disabilities.
    2. The U.S. Equal Employment Opportunity Commission, the federal agency responsible for enforcing employment discrimination laws, classifies a person as disabled who has any physical or mental impairment that substantially limits one or more major life activities.
       1. One of the most controversial aspects of the ADA is the provision that requires employers to make reasonable accommodations for people with psychiatric disabilities.
    3. The impact of disabilities on employment outcomes has been explored from a variety of perspectives.
       1. On the one hand, a review of the evidence suggests that workers with disabilities receive higher performance evaluations, whether or not the evaluations would be considered objective.
       2. This same review found that despite these higher performance ratings, individuals with disabilities tend to encounter lower performance expectations and are less likely to be hired.
       3. Negative employment situations are prevalent for individuals with mental disabilities, and there is some evidence to suggest mental disabilities may impair performance more than physical disabilities.
    4. In summary, the treatment of the disabled workforce has long been problematic, but the recognition of the talents and abilities of disabled individuals has made a difference toward reducing workplace discrimination.
       1. In addition, continuing technology and workplace advancements have greatly increased the scope of available jobs for those with all types of disabilities.
  1. Hidden Disabilities.
     1. Unless an individual decides to disclose a disability that isn’t easily observable, it can remain hidden at the discretion of the employee. These are called hidden disabilities (or invisible disabilities).
        1. Hidden disabilities generally fall under the categories of sensory disabilities (for example, impaired hearing); autoimmune disorders (like rheumatoid arthritis); chronic illness or pain (like carpal tunnel syndrome); cognitive or learning impairments (like attention deficit hyperactivity disorder); sleep disorders (like insomnia); and psychological challenges (like posttraumatic stress disorder).
     2. Research suggests that disclosing disabilities is actually beneficial to the individual, to others, and to the organization.
  2. Other Differentiating Characteristics.

PPT 2.12

* + 1. Religion. Perhaps the greatest religious diversity issue in the United States today revolves around Islam.
       1. There are nearly 3 million Muslims in the United States, and across the world, Islam is one of the most popular religions. Yet, there is evidence that people are discriminated against for their Islamic faith.
       2. Faith can be an employment issue when religious beliefs prohibit or encourage certain behaviors.
    2. Sexual Orientation and Gender Identity.
       1. Employees differ widely in their treatment of sexual orientation.
       2. Federal law does not prohibit discrimination against employees based on sexual orientation, though many states and municipalities do.
       3. Many organizations have implemented policies and procedures protecting employees on the basis of sexual orientation.
    3. Cultural Identity.
       1. Many people carry a strong cultural identity, a link with the culture of family ancestry or youth that lasts a lifetime, no matter where the individual may live in the world.
       2. People choose their cultural identity, and also how closely they observe the norms of that culture.
       3. Cultural norms influence the workplace. Organizations must adapt.
       4. Today’s global companies do well to understand and respect the cultural identities of their employees, both as groups and as individuals.

IV. ABILITY

PPT 2.13

* 1. Ability is an individual’s current capacity to perform the various tasks in a job. Overall abilities are made up of two sets of factors: intellectual and physical.
  2. Intellectual Abilities.
     1. Intellectual abilities are abilities needed to perform mental activities — thinking, reasoning, and problem solving.

PPT 2.14

* + 1. Most societies place a high value on intelligence, and for good reason.
    2. Smart people generally earn more money and attain higher levels of education.

Exhibit 2-2

* + 1. They are also more likely to emerge as leaders of groups.
    2. As shown in Exhibit 2-2, the seven most frequently cited dimensions making up intellectual abilities are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization, and memory.
       1. Intellectual dimensions are positively related, so if you score high on verbal comprehension, for example, you’re more likely to also score high on spatial visualization.
       2. The correlations aren’t perfect, meaning people do have specific abilities that predict important work-related outcomes when considered individually.
       3. However, they are high enough that researchers also recognize a general factor of intelligence, general mental ability.
       4. Evidence strongly supports the idea that the structures and measures of intellectual abilities generalize across cultures.
       5. There is some evidence that IQ scores vary to some degree across cultures, but these differences are much smaller when we take into account educational and economic differences.
    3. The intelligence test most widely used in hiring decisions, the Wonderlic Cognitive Ability Test, takes only 12 minutes to complete.
    4. Interestingly, while intelligence is a big help in performing a job well, it doesn’t make people happier or more satisfied with their jobs.
  1. Physical Abilities.

PPT 2.15

* + 1. Though the changing nature of work suggests intellectual abilities are increasingly important for many jobs, physical abilities have been and will remain valuable.

Exhibit 2-3

* + 1. Research on hundreds of jobs has identified nine basic abilities (see Exhibit 2-3) needed in the performance of physical tasks.
    2. Individuals differ in the extent to which they have each of these abilities.

V. IMPLEMENTING DIVERSITY MANAGEMENT STRATEGIES

1. A positive diversity climate exists in organizations in which there is an environment of inclusiveness and an acceptance of diversity.
2. Diversity management makes everyone more aware of and sensitive to the needs and differences of others.

PPT 2.16

* 1. Diversity is much more likely to be successful when we see it as everyone’s business than if we believe it helps only certain groups of employees.

PPT 2.17

1. Attracting, Selecting, Developing, and Retaining Diverse Employees
2. One method of enhancing workforce diversity is to target recruiting messages to specific demographic groups underrepresented in the workforce.
   1. This means placing advertisements in publications geared toward specific demographic groups; recruiting at colleges, universities, and other institutions with significant numbers of underrepresented minorities, and forming partnerships with associations like the Society for Women Engineers or the Graduate Minority Business Association.
      1. The selection process is one of the most important places to apply diversity efforts.
         1. Managers who hire need to value fairness and objectivity in selecting employees and focus on the productive potential of new recruits.
         2. Fortunately, ensuring that hiring is bias-free does appear to work. Where managers use a well-defined protocol for assessing applicant talent and the organization clearly prioritizes nondiscrimination policies, qualifications become far more important in determining who gets hired than demographic characteristics.
      2. A positive diversity climate should be the goal since all workers appear to prefer an organization that values diversity.
3. Diversity in Groups.

PPT 2.18

* 1. In some cases, diversity in traits can hurt team performance, whereas in others it can facilitate it.
     1. Whether diverse or homogenous teams are more effective depends on the characteristic of interest.
        1. Demographic diversity (in gender, race, and ethnicity) does not appear to either help or hurt team performance in general.
        2. Teams of individuals who are highly intelligent, conscientious, and interested in working in team settings are more effective.
     2. Groups of diverse individuals will be much more effective if leaders can show how members have a common interest in the group’s success.
     3. Leaders who emphasize higher-order goals and values in their leadership style are more effective in managing diverse teams.

1. Diversity Programs.

PPT 2.19

* 1. Effective, comprehensive workforce programs encouraging diversity have three distinct components.
     1. First, they teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics.
     2. Second, they teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.
     3. Third, they foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.
     4. Most negative reactions to employment discrimination are based on the idea that discriminatory treatment is unfair.
     5. Regardless of race or gender, people are generally in favor of diversity-oriented programs, including affirmative action, if they believe the policies ensure everyone a fair opportunity to show their skills and abilities.
        1. Research indicates that a tailored approach will be needed for international organizations.

1. IMPLICATIONS FOR MANAGERS

PPT 2.20

* 1. Understand your organization’s antidiscrimination policies thoroughly and share them with your employees.
  2. Assess and challenge your stereotype beliefs to increase your objectivity.
  3. Look beyond observable biographical characteristics and consider the individual’s capabilities before making management decisions; remain open and encouraging for individuals to disclose any hidden disabilities.
  4. Fully evaluate what accommodations a person with disabilities will need and then fine-tune the job to that person’s abilities.
  5. Seek to understand and respect the unique biographical characteristics of your employees; a fair but individualistic approach yields the best performance.

1. SUMMARY

PPT 2.21

* 1. This chapter looked at diversity from many perspectives. We paid particular attention to three variables—biographical characteristics, abilities, and diversity programs.
  2. Diversity management must be an ongoing commitment that crosses all levels of the organization.
     1. Policies to improve the climate for diversity can be effective, and diversity management can be learned.

**Discussion Questions**

1. Describe the two main levels of diversity. Give an example for each.

**Answer**: Surface-level diversity is reflected in demographics like age, race, and gender. It can lead employees to perceive one another through stereotypes and assumptions. Over the course of a relationship, this type of diversity becomes less important. Deep-level diversity is reflected in an individual’s personality and values. This type of diversity becomes more important over the course of a relationship.

Examples will vary. Ensure the key ideas of superficial differences versus fundamental deeper differences are clearly stated.

1. What is the role of stereotypes in an organization?

**Answer**: Employees use stereotypes to make assumptions about groups of people based on surface-level diversity. Instead of considering individual characteristics, an individual may assume everyone in a group is the same. This type of behavior can lead to unfair and potentially harmful discrimination in an organization.

1. List and describe key biographical characteristics. How are they relevant to OB?

**Answer**: Age, gender, race, disability, and length of service are some of the more important biographical characteristics. Other biographical characteristics include tenure, religion, sexual orientation, and gender identity. It is important to understand how biographical characteristics influence employee productivity, absence, turnover, deviance, citizenship, and satisfaction. For example, compared to younger workers, older employees are less likely to quit their jobs, have lower rates of avoidable absence, and are often more productive.

1. Define intellectual ability. What is the relevance of intellectual ability to OB?

**Answer**: Intellectual ability is the thinking, reasoning, and problem-solving ability needed to perform mental activities. The seven most frequently cited dimensions that make up intellectual ability are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization, and memory. People with higher levels of intellectual ability are more likely to emerge as leaders of groups, attain higher levels of education, and earn more money.

In the workplace, their skills are valuable, especially for jobs that require high levels of information processing, because these jobs require higher levels of intellectual ability. Keep in mind, though, that the correlation between intelligence and job satisfaction is about zero.

1. Compare and contrast intellectual and physical ability.

**Answer**: Ability refers to an individual’s current capacity to perform the various tasks in a job. Intellectual abilities are the abilities needed to perform mental activities, while physical abilities refer to the basic abilities needed to perform physical tasks. Jobs that involve intellectual ability place a premium on thinking, reasoning, and problem-solving skills. Jobs that demand physical abilities use any of nine basic skills: dynamic strength, trunk strength, static strength, explosive strength, extent flexibility, dynamic flexibility, body coordination, balance, and stamina.

1. How can organizations effectively manage diversity?

**Answer**: Diversity management makes everyone more aware of and sensitive to the needs and differences of others. Diversity programs are more likely to be successful when more individuals believe that they are likely to benefit from the program. Diversity programs that are comprehensive are more likely to be successful, whereas one-shot efforts tend to be less effective. Successful diversity management also requires ongoing commitment across all levels of the organization. Diversity management should be incorporated in group management, recruiting, hiring, retention, and development practices.

**Exercises**

1. Self-analysis. What is your position on diversity in the workplace? How would you describe your attitude toward diversity? Be detailed in your analysis.
2. Web Crawling. Find and present an online article on diversity in a country other than the United States. What commonalities are exposed and what differences are shown to exist?
3. Teamwork. In small groups meet and discuss diversity. Ask each group to prepare a list of metrics designed to measure progress in an organization toward diversity management. Each group should develop metrics to measure progress for both short-term and long-term objectives, and each group should develop metrics for upper-, middle-, and lower-level employees. Then, as a class, discuss the metrics -each group has developed. Look for the common ideas and discuss why they are important. Next, explore the lists for each employee level and discuss how and why they should be different.
4. Analyzing Your Organization (Cumulative Project). Ask students to brainstorm three diversity scenarios that could be encountered in an organization. For example, one scenario could involve two individuals who are up for a promotion. One is a white male, the other a Hispanic woman. The team making the decision is led by a white male. The team promotes the white male. Then, ask students to meet with different members of their organization to discuss their views on the scenarios and how they perceive how the situation was handled. Students should try to meet with as diverse a group of individuals as possible, perhaps including individuals of different ages, races, genders, and so on. What conclusions can be drawn from these responses regarding the effectiveness of their organization’s diversity management program? Keep in mind that this could be a very sensitive task, and instructors should review the need for anonymity and sensitivity in situations such as these.

**Suggested Assignments**

1.    In 2013, Diversity Inc. recognized seven companies for their efforts at diversity management.  Divide the class into small groups and ask each group to go to the following website: <http://www.diversityinc.com/diversity-events/video-2013-diversityinc-special-awards-dinner/>

2.    Ask each group to watch the clips of the award recipients and identify the common themes on successful diversity management.  How has each award recipient approached diversity management?

3.    After the small group work, have the students write up the findings and the potential impact of those general findings for the firms involved.  Discuss the lessons that can be learned from these organizations.