

# Experiential Exercise

## WORKFORCE DIVERSITY

**Purpose**

To learn about the different needs of a diverse workforce.

**Time required**

Approximately 40 minutes

**Participants and roles**

Divide the class into six groups of approximately equal size. Each group member is assigned one of the following roles:

- *Nancy* is 28 years old. She is a divorced mother of three children, ages 3, 5, and 7. She is the department head. She earns \$40,000 a year on her job and receives another \$3,600 a year in child support from her ex-husband.
- *Ethel* is a 72-year-old widow. She works 25 hours a week to supplement her \$8,000 annual pension. Including her hourly wage of \$8.50, she earns \$19,000 a year.
- *John* is a 34-year-old black male born in Trinidad who is now a U.S. resident. He is married and the father of two small children. John attends college at night and is within a year of earning his bachelor's degree. His salary is \$27,000 a year. His wife is an attorney and earns approximately \$50,000 a year.
- *Lu* is a 26-year-old physically impaired male Asian American. He is single and has a master's degree in education. Lu is paralyzed and confined to a wheelchair as a result of an auto accident. He earns \$32,000 a year.
- *Maria* is a single, 22-year-old Hispanic woman. Born and raised in Mexico, she came to the United States only three months ago. Maria's English needs considerable improvement. She earns \$20,000 a year.
- *Mike* is a 16-year-old white male high school sophomore who works 15 hours a week after school and during vacations. He earns \$7.20 an hour, or approximately \$5,600 a year.

The members of each group are to assume the character consistent with their assigned role.

**Background**

Our six participants work for a company that has recently installed a flexible benefits program. Instead of the traditional "one benefit package fits all," the company is allocating an additional 25 percent of each employee's annual pay to be used for discretionary benefits. Those benefits and their annual cost are listed below.

- \* Supplementary health care for employee:
  - Plan A (no deductible and pays 90%) = \$3,000
  - Plan B (\$200 deductible and pays 80%) = \$2,000
  - Plan C (\$1,000 deductible and pays 70%) = \$500
- \* Supplementary health care for dependents (same deductibles and percentages as above):
  - Plan A = \$2,000
  - Plan B = \$1,500
  - Plan C = \$500
- \* Supplementary dental plan = \$500
- \* Life insurance:

- Plan A (\$25,000 coverage) = \$500
  - Plan B (\$50,000 coverage) = \$1,000
  - Plan C (\$100,000 coverage) = \$2,000
  - Plan D (\$250,000 coverage) = \$3,000
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- \* Mental health plan = \$500
  - \* Prepaid legal assistance = \$300
  - \* Vacation = 2 percent of annual pay for each week, up to 6 weeks a year
  - \* Pension at retirement equal to approximately 50 percent of final annual earnings = \$1,500
  - \* Four-day workweek during the three summer months (available only to full-time employees) = 4 percent of annual pay
  - \* Day-care services (after company contribution) = \$2,000 for all of an employee's children, regardless of number
  - \* Company-provided transportation to and from work = \$750
  - \* College tuition reimbursement = \$1,000
  - \* Language class tuition reimbursement = \$500

**The Task**

1. Each group has 15 minutes (consider increasing this to 25 minutes) to develop a flexible benefits package that consumes 25 percent (and no more!) of their character's pay.
2. After completing step 1, each group appoints a spokesperson who describes to the entire class the benefits package they have arrived at for their character.
3. The entire class then discusses the results. How did the needs, concerns, and problems of each participant influence the group's decision? What do the results suggest for trying to motivate a diverse workforce?

Special thanks to Professor Penny Wright (San Diego State University) for her suggestions during the development of this exercise.

**Teaching Note:**

With these types of exercises, students will press for the "right answer." Emphasize that how they reached their decisions and awareness of other's perspectives is key here, much more so than the final decision. The allocation of resources may take several forms and be correct. Students should look at how well the needs were met by their decision.

**Questions**

1. What needs were identified?
2. How did each element of the benefit plan meet the identified need?
3. How diverse were the needs, and why were they so diverse?

Consider having students research this benefit Web site (<http://www.benefitslink.com/>) in order to make more informed decisions.

## Ethical Dilemma

### LYING IN BUSINESS

Do you think it's ever OK to lie? If one was negotiating for the release of hostages, most people would probably agree that if lying would lead to their safety, it's OK. What about in business, where the stakes are rarely life or death? Business executives like Martha Stewart have gone to jail for lying (submitting a false statement to federal investigators). Is misrepresentation or omitting factors okay as long as there is no outright lie?

Consider the negotiation process. A good negotiator never shows all his cards, right? And so omitting certain information is just part of the process. Well, it may surprise you to learn that the law will hold you liable for omitting information if partial disclosure is misleading, or if one side has superior information not accessible to the other.

In one case (*Jordan v. Duff and Phelps*), the company (Duff and Phelps) withheld information from an employee—Jordan—about the impending sale of their company. The problem: Jordan was leaving the organization and therefore sold his shares in the company. Ten days later, those shares became worth much more once the sale of the company became public. Jordan sued his former employer on the argument that they should have disclosed this information. Duff and Phelps countered that it never lied to Jordan. The Court of Appeals argued that in such situations one party cannot take “opportunistic advantage” of the other. In the eyes of the law, sometimes omitting relevant facts can be as bad as lying.

#### Teaching Note:

These questions can be used as a group Q & A in class, or in conjunction with students' selection of articles on OB topics from the popular press (*Newsweek*, *BusinessWeek*, *Forbes*, etc.). Another idea would be to assign the questions as a journal entry or short homework assignment. There will be many different points of view here. The idea is to use these questions to explore the “values” of students in your class.

#### Questions

1. In a business context, is it ever OK to lie? If yes, what are those situations? Why is it okay to lie in these situations?

**Answer:** No, honesty is still the best policy and integrity is a top quality in leaders. “White” lies told to spare someone's feelings are very different from intentionally concealing pertinent information in business. Like Enron, many companies have failed and gone bankrupt due to deception, lies, and omissions. Negotiations should also include dialogue that ends in a “win-win” scenario for both parties.

2. A recent survey revealed that 24 percent of managers said they fired someone for lying. Do you think it's fair to fire an employee who lies, no matter what the nature of the lie? Explain.

**Answer:** Yes, it is fair to fire someone for lying. The best and most ethical companies thrive on honest communication and ethical companies in general are more profitable. People who cannot be trusted are not valuable employees. Strong relationships are built on a foundation of trust. And respect and trust are key components for effective management. Top performers in organizations are part of the competitive advantage for companies, and

organizations need to retain those employees with a good moral and ethical record of accomplishment.

3. In business, is withholding information for one's advantage the same as lying? Why or why not?

**Answer:** Often it is the same. Lying and omission of details are similar. The debate would focus on the information withheld and the reasons for non-divulgence. It is a rare scenario that cannot be resolved through clear communication.

4. In a business context, if someone has something to gain by lying, what percent of the people do you think would lie?

**Answer:** Most research post-Enron has confirmed the fact that many people, including senior management do lie, especially under pressure. This question speaks to the character of the person and his/her motivation. Unfortunately, ethical behavior has decreased, ultimately resulting in the downfall of many corporations.

*Sources:* Based on "Brain Scans Detect More Activity in Those Who Lie," Reuters, November 29, 2004; <http://www.msnbc.msn.com/id/6609019>; P. Ekman and E. L. Rosenberg, *What the Face Reveals: Basic and Applied Studies of Spontaneous Expression Using the Facial Action Coding System (CAPS)*, New York: Oxford University Press. Second expanded edition 2004.