

# CHAPTER 2

## Diversity in Organizations

(Click on the title when connected to the Internet for online video teaching notes.)

### LEARNING OBJECTIVES (ppt 2-2)

After studying this chapter, students should be able to:

1. Describe the two major forms of workforce diversity.
2. Identify the key biographical characteristics and describe how they are relevant to OB.
3. Define intellectual ability and demonstrate its relevance to OB.
4. Contrast the two types of ability.
5. Describe how organizations manage diversity effectively.
6. Show how culture affects our understanding of biographical characteristics and intellectual abilities.

### INSTRUCTOR RESOURCES

Instructors may wish to use the following resources when presenting this chapter.

#### **Text Exercises**

- Myth or Science? “Men Are Better at Science and Math Than Are Women”
- An Ethical Choice: “Are You More Biased Than You Think?”
- International OB: The Benefits Of Cultural Intelligence
- Point/Counterpoint: The Time Has Come To Move Past Race And Ethnicity
- Questions for Review
- Experiential Exercise: Feeling Excluded
- Ethical Dilemma: You Must Have Sex

#### **Text Cases**

- Case Incident 1: The Flynn Effect
- Case Incident 2: What does Diversity Training Teach?

#### **Instructor’s Choice**

This section presents an exercise that is NOT found in the student's textbook. Instructor's Choice reinforces the text's emphasis through various activities. Some Instructor's Choice activities are centered on debates, group exercises, Internet research, and student experiences. Some can be used in-class in their entirety, while others require some additional work on the student's part. The course instructor may choose to use these at anytime throughout the class—some may be more effective as icebreakers, while some may be used to pull together various concepts covered in the chapter.



## WEB EXERCISES

At the end of each chapter of this Instructor's Manual, you will find suggested exercises and ideas for researching the WWW on OB topics. The exercises "Exploring OB Topics on the Web" are set up so that you can simply photocopy the pages, distribute them to your class, and make assignments accordingly. You may want to assign the exercises as an out-of-class activity or as lab activities with your class.

### SUMMARY AND IMPLICATIONS FOR MANAGERS (ppt 2-16, 2-17))

This chapter looked at diversity from many perspectives. We paid particular attention to three variables—ability, biographical characteristics, and learning. Let's summarize what we found and consider its importance for a manager trying to understand organizational behavior.

**Ability** –Ability directly influences an employee's level of performance. Given the desire to get high-performing employees, what can a manager do about ability?

First, an effective selection process will improve the fit between employees and job requirements. A job analysis will provide information about jobs currently being done and the abilities individuals need to perform the jobs adequately. Applicants can then be tested, interviewed, and evaluated on the degree to which they possess the necessary abilities.

Second, promotion and transfer decisions affecting individuals already in the organization's employ should reflect candidates' abilities. As with new employees, care should be taken to assess critical abilities incumbents will need in the job and match those with the organization's human resources.

Third, managers can improve the fit by fine-tuning the job to better match an incumbent's abilities. Often, modifications with no significant impact on the job's basic activities, such as changing equipment or reorganizing tasks within a group, can better adapt work to the specific talents of a given employee.

**Biographical Characteristics** –We can readily observe biographical characteristics, but that doesn't mean we should explicitly use them in management decisions. We also need to be aware of implicit biases we or other managers may have.

**Diversity Management** –Diversity management must be an ongoing commitment that crosses all levels of the organization. Group management, recruiting, hiring, retention, and development practices can all be designed to leverage diversity for the organization's competitive advantage. Policies to improve the climate for diversity can be effective, so long as they are designed to acknowledge all employees' perspectives. One-shot diversity training sessions are less likely to be effective than comprehensive programs that address the climate for diversity at multiple levels.

This chapter opens with a vignette describing the efforts of Nebraska Furniture Mart (NFM) to recruit and retain employees in a tight labor market. The solution exemplifies how diversity in the workplace can be a win-win situation. The activities were used by Ed Lipsett, the NFM director of human resources, to direct to the Hispanic community. Although met with skepticism from the local Hispanic community, the company's actions eventually convinced the community that NFM was a new partner in economic growth.

## BRIEF CHAPTER OUTLINE

## I. INTRODUCTION

- Ethnicity is only one of the characteristics people bring when they join an organization.
- The chapter looks at how ethnicity and individual differences in the form of ability affect employee performance and satisfaction.

## II. DIVERSITY (ppt 2-2)

1. We are not all the same!
2. Demographic Characteristics of the U.S. Workforce are changing.
3. Levels of Diversity are surface and deep.
4. Unfair Discrimination is problematic.

## III. BIOGRAPHICAL CHARACTERISTICS (ppt 2-3, 2-4, 2-5)

1. Introduction
  - a. Start with factors that are readily available in an employee's personnel file.  
There is a sizable amount of research on these factors (age, gender, length of service).
2. Age
3. Gender
4. Race and Ethnicity
  - a. Controversial Issue
  - b. Seven Categories:
    - 1) American Indian
    - 2) Alaska Native
    - 3) Asian
    - 4) Black or African American
    - 5) Native Hawaiian
    - 6) White
    - 7) Two or more races
5. Additional characterizations
6. Research into effects of race and ethnic diversity
  - a. Employees tend to favor colleagues for their own race in performance evaluations, promotion decisions, pay raises.
  - b. Different attitudes on affirmative action with more African-Americans preferring such programs than do whites.
  - c. African-Americans generally do worse than whites in employment decisions.
  - d. No statistical difference between Whites and African-Americans in observed absence rates, applied social skills at work, or accident rates.
  - e. African-Americans and Hispanics have higher turnover rates than Whites.
7. Disabilities Act (ADA) 1990
8. Other Biographical Characteristics: Tenure, Religion, Sexual Orientation, and Gender Identity
  - a. Tenure
  - b. Religion
  - c. Sexual Orientation
  - d. Gender Identity

## IV. ABILITY (ppt 2-6, 2-7)

**Ability** is an individual's current capacity to perform various tasks in a job.

1. Intellectual Abilities needed to perform mental abilities (ppt 2-8)
2. Physical Abilities have nine basic abilities (Exhibit 2-2) (ppt 2-9, 2-10, 2-11)
3. The Role of Disabilities is significant (ppt 2-12)
4. Attracting, Selecting, Developing, and Retaining Diverse Employees
  - a. Target recruiting efforts toward underrepresented groups.

- b. Selection process is among the most important for diversity efforts.
- 5. Diversity in Groups
  - a. Groups are an essential part of organizational settings.
- 6. Effective Diversity Programs (ppt 2-13)
  - a. Effective Diversity programs have three components.
  - b. Most concern about diversity deals with fair treatment.

#### V. GLOBAL IMPLICATIONS

- 1. Biographical Characteristics (ppt 2-15)
  - a. Relations described here are not necessarily evident across cultures.
  - b. More research on cross-cultural factors is needed.
- 2. Intellectual Abilities (ppt 2-15)
  - a. Evidence is strong that structures and measures of intellectual abilities cross cultures.
  - b. Specific mental abilities indicate a higher-order factor called general mental ability.
- 3. Diversity Management (ppt 2-15)
  - a. International differences in managing workforce diversity exist.

## ENHANCED CHAPTER OUTLINE

### I. INTRODUCTION

- Ethnicity is only one of the characteristics people bring when they join an organization.
- The chapter looks at how ethnicity and individual differences in the form of ability affect employee performance and satisfaction.

### II. DIVERSITY

1. We are not all the same!
  - a. Effective diversity management increases an organization's access to the widest pool of skills, abilities, and ideas.
  - b. Differences lead to miscommunication, misunderstanding, and conflict.
2. Demographic Characteristics of the U.S. Workforce
  - a. Predicted change to the U.S. workforce has happened.
  - b. Ethnic groups comprise a larger component of the workforce.
  - c. Earnings Gaps between groups, including gender, have narrowed.
  - d. Aging workforce is important concern for U.S. corporations.
3. Levels of Diversity
  - a. Demographics mostly reflect surface-level diversity.
  - b. Secondary diversity factor is deep-level diversity.
4. Discrimination
  - a. Discrimination is to note a difference between things.
  - b. Unfair discrimination is assuming stereotypes about groups and refusing to recognize differences.
  - c. Exhibit 2-1 lists definitions and examples of different types of discrimination (page 43)
  - d. Under increasing legal scrutiny and social disapproval, most forms have faded.
  - e. May have resulted in an increase in covert forms such as incivility or exclusion.
  - f. Some forms are difficult to affect because they are unobservable.
  - g. Whether intentional or not, serious negative consequences may arise for employers.
  - h. Diversity is a broad term, and workplace diversity can describe any characteristic that makes one person different from another.

### III. BIOGRAPHICAL CHARACTERISTICS

1. Introduction
  - a. Start with factors that are readily available in an employee's personnel file. There is a sizable amount of research on these factors (age, gender, length of service).
2. Age
  - a. It is tempting to assume that age is also inversely related to absenteeism.
  - b. There is a widespread belief that productivity declines with age and that individual skills decay over time.
  - c. The relationship between age and job satisfaction is mixed.
3. Gender
  - a. There are few, if any, important differences between men and women that will affect their job performance, including the areas of:
    - 1) There is no significant difference in job productivity between men and women.
    - 2) Women are more willing to conform to authority.
    - 3) There is a difference between men and women in terms of preference for work schedules.
4. Race and Ethnicity
  - a. Controversial Issue

- b. Seven Categories:
  - 1) American Indian
  - 2) Alaska Native
  - 3) Asian
  - 4) Black or African American
  - 5) Native Hawaiian
  - 6) White
  - 7) Two or more races
- 5. Additional characterizations
  - a. English Speaker
  - b. Hispanic
- 6. Research into effects of race and ethnic diversity
  - a. Employees tend to favor colleagues from their own race in performance evaluations, promotion decisions, pay raises.
  - b. Different attitudes on affirmative action with more African-Americans preferring such programs than do whites.
  - c. African-Americans generally do worse than whites in employment decisions.
  - d. No statistical difference between Whites and African-Americans in observed absence rates, applied social skills at work, or accident rates.
  - e. African-Americans and Hispanics have higher turnover rates than Whites.
- 7. Disability
  - a. With the Americans with Disabilities Act (ADA) in 1990, individuals with disabilities became an increasing number in U.S. workforce.
  - b. Requires reasonable accommodation for disabilities.
  - c. A person is disabled who has any physical or mental impairment that substantially limits one or more major life activities.
  - d. So broad in definition that generality to work is very difficult to make.
  - e. The “reasonable accommodation” is problematic for employers.
  - f. Strong biases exist against those with mental impairment.
  - g. Research on workers with disabilities have found:
    - 1) They receive higher performance evaluations.
    - 2) Based on lower performance expectations.
    - 3) They are less likely to be hired.
- 8. Other Biographical Characteristics: Tenure, Religion, Sexual Orientation, and Gender Identity
  - a. Tenure
    - 1) The issue of the impact of job seniority on job performance has been subject to misconceptions and speculations.
    - 2) Extensive reviews of the seniority-productivity relationship have been conducted.
    - 3) Tenure is also a potent variable in explaining turnover.
    - 4) Tenure has consistently been found to be negatively related to turnover and has been suggested as one of the single best predictors of turnover.
    - 5) The evidence indicates that tenure and satisfaction are positively related.
  - b. Religion
    - 1) Religion is a touchy subject and often results in conflicts, especially between employees’ belief systems.
    - 2) Although employees are protected by U.S. federal law regarding their religion, it is still an issue in the workplace.
    - 3) Accommodation of religious beliefs and non-discriminatory practices are two areas that need to be addressed by companies.
  - c. Sexual Orientation
    - 1) Federal law does not protect employees against discrimination based on sexual orientation.
    - 2) Employers differ regarding their policies on this issue.

- d. Gender Identity
  - 1) Often referred to as transgender employees, this topic encompasses those individuals who change genders.

#### IV. ABILITY

- Ability** is an individual's current capacity to perform various tasks in a job.
1. Intellectual Abilities
    - a. Needed to perform mental abilities—thinking, reasoning, problem solving
    - b. Jobs differ in the demands placed on intellectual abilities.
    - c. Dimensions of intellectual ability (Exhibit 2-1)
    - d. Recent research in the area of multiple intelligences
  2. Physical Abilities
    - a. Less skilled and more standardized jobs
    - b. Nine basic abilities involved in the performance of physical tasks (Exhibit 2-2)
  3. The Role of Disabilities
    - a. Importance of ability at work increases difficulty in formulating workplace policies that recognize disabilities.
    - b. Disabilities are not problematic in reality in job decisions.
    - c. Diversity programs include and are meant for everyone.
  4. Attracting, Selecting, Developing, and Retaining Diverse Employees
    - a. Target recruiting efforts toward underrepresented groups.
    - b. Selection process is among the most important for diversity efforts.
    - c. Deep-level diversity seems to be very important in shaping people's reactions to one another.
    - d. Research suggests that stores that fostered a positive diversity climate were able to capitalize on their diverse workforce to make more money.
    - e. Demographic differences have been found to be associated with higher turnover in new hires.
    - f. Longer periods of time found that demographics were less of a predictor of turnover.
    - g. And, all workers appear to prefer organizations that value diversity.
  5. Diversity in Groups
    - a. Groups are an essential part of organizational settings.
    - b. If employees feel no cohesion or sense of membership, group attributes are likely to be less.
    - c. Does diversity help or hurt group performance?
      - 1) It can help.
      - 2) It can hurt.
      - 3) Emphasize higher-level similarities among members.
      - 4) Transformational leaders are more effective managing diverse teams.
  6. Effective Diversity Programs
    - a. Effective Diversity programs have three components.
    - b. Most concern about diversity deals with fair treatment.
    - c. Organizational leaders should look for underrepresentation in the organization
    - d. Safeway's diversity program addresses the issues needed to establish an effective diversity program.

#### V. GLOBAL IMPLICATIONS

1. Biographical Characteristics
  - a. Relations described here are not necessarily evident across cultures.
  - b. More research on cross-cultural factors is needed.
2. Intellectual Abilities
  - a. Evidence is strong that structures and measures of intellectual abilities cross cultures.
  - b. Specific mental abilities indicate a higher-order factor called general mental

- ability.
  - c. IQs vary to some degree across cultures, but are much smaller than one would consider educational or economic differences.
3. Diversity Management
- a. International differences in managing workforce diversity exist.
  - b. Each country has its own legal framework for diversity.
  - c. Types of demographic differences are different from country to country.