

Managing Individuals and a Diverse Work Force

Chapter 12

What Would You Do?

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Key Terms

Concept Check
Self-Assessment
Management Decision
Management Team Decision
Develop Your Career Potential
Take Two Video

STUDENT RESOURCES

ThomsonNOW On the Job and Biz
Flix video applications, concept tutorial, and concept exercise

Xtra! Five exhibit worksheets, author FAQs, quiz, Management News, and the video clips from the chapter with exercises

Web (<http://williams.swlearning.com>)
Quiz, PowerPoint slides, and glossary terms for this chapter

Wal-Mart Headquarters, Bentonville, Arkansas.¹

It all started when seven female employees in San Francisco sued for employment discrimination. Then a federal judge granted class-action status to the suit, allowing 1.5 million women who have worked or now work for Wal-Mart to join the lawsuit, and ordered the company to turn over 250 computer tapes containing payroll, performance, and promotion data for the last six years. When those data were analyzed by a statistics professor, here is what he found:

JOB	Women	Men	Women	Men
Store manager	\$89,300	\$105,700	14.30%	85.70%
Co-manager	56,300	59,500	22.80%	77.20%
Asst. manager	37,300	39,800	35.70%	64.30%
Mgt. trainee	22,400	23,200	41.30%	58.70%
Cashier	13,800	14,500	92.50%	7.50%

Women were consistently paid less than men in the same jobs, especially store managers. And, while 65 percent of Wal-Mart's million+ employees were female, a much smaller percentage of women held key management jobs, again especially store manager positions (just 14.3 percent). Even after controlling for seniority, part-time status, store location, and

job title, women were still paid 34 cents less an hour than male workers. Consistent with these data, it took the average woman 4.4 years to be promoted to assistant manager and 10 years to become a store manager, compared to just 2.9 years and 8.6 years, respectively, for the average man. Of course, Wal-Mart appealed the judge's decision to expand the case from the seven original plaintiffs to the class-action suit with 1.5 million women. That appeal and then an eventual trial or settlement may take years. The question now is what does Wal-Mart do in the interim?

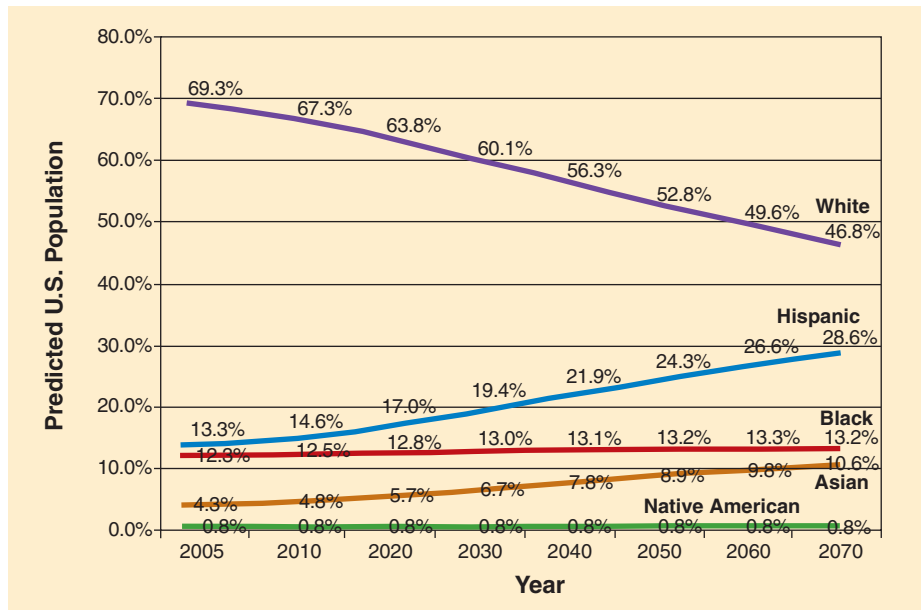
Certainly, pressure is building for Wal-Mart to address these issues. Even Wal-Mart stock holders are not happy. A spokesperson for Libra Investments, which owns 30,000 shares of Wal-Mart stock, said, "We are increasingly concerned about the number of lawsuits filed against Wal-Mart and the number of negative articles in the press. We believe there is a long-term financial risk to shareholders, from

community resistance to stores to [price-to-earnings] contraction." At Wal-Mart's annual shareholders' meeting, individual shareholder Barbara Ayers lectured Wal-Mart's chairman of the board, Rob Walton, saying, "We need to know what the facts are—not pictures and presentations. All of us need to know the complete details of how this company operates. That is your challenge, Mr. Walton."

So, what should Wal-Mart do to address these issues as it waits for the case to wind its way through the court system? First, when it comes to promotions, what should the company's policy be going forward? Should the company reserve a percentage of promotions for women? If so, on what basis? Or should it completely ignore gender in making promotion decisions? Some in the company argue that making any changes now is tantamount to an admission of guilt and would weaken the company's court case. Others argue that both Wal-Mart's female employees and the public perceive the promotion (and pay) differences as real and problematic, and that something needs to be done regardless of the class-action suit. So, what, if anything, should be done with respect to promotions? Second, what, if anything, should Wal-Mart do about its pay structure for men and women? Should it continue its current policy, or should it make changes, and if so, what kind? What's the right thing to do? Finally, what changes does Wal-Mart need to make in its organizational structure and company leadership so that these issues aren't problems in the future? According to Wal-Mart's CEO, "Diversity doesn't just happen. Just saying we are committed to diversity is not enough—we must put in place the right systems, processes and leadership to make it happen." **If you were in charge of diversity at Wal-Mart, what would you do?**

STUDY TIP

In the margin next to each paragraph or section in the chapter, write the question that the section answers. For example, "What is the difference between surface- and deep-level diversity?" could go on page 395. Once you have questions throughout the chapter, you can quiz yourself by using a blank piece of paper to cover the content. To check yourself, reveal each paragraph after you have answered the corresponding question.



Sources: "Projections of the Resident Population by Race, Hispanic Origin, and Nativity: Middle Series, 2001–2005, 2006–2010, 2011–2015, 2016–2020, 2025–2045, 2050–2070," U.S. Census Bureau, [Online] available at <http://www.census.gov/population/projections/nation/summary/np-t5-b.txt>, <http://www.census.gov/population/projections/nation/summary/np-t5-c.txt>, <http://www.census.gov/population/projections/nation/summary/np-t5-e.txt>, <http://www.census.gov/population/projections/nation/summary/np-t5-f.txt>, <http://www.census.gov/population/projections/nation/summary/np-t5-g.txt>.

Exhibit 12.1
Predicted U.S. Population,
Distributed by Race, 2005–2070

Other significant changes have already occurred, as Wal-Mart's situation in the opening case illustrates. For example, today women hold half the jobs in the United States, up from 38.2 percent in 1970.² Furthermore, white males, who comprised 63.9 percent of the work force in 1950, hold just 38.2 percent of today's jobs.³

These rather dramatic changes have taken place in a relatively short time. And, as these trends clearly show, the work force of the near future will be increasingly Hispanic, Asian American, African American, and female. It will also be older, as the average "baby boomer" approaches the age of 60 around 2010. Since many boomers are likely to postpone retirement and work well into their 70s to offset predicted reductions in Social Security and Medicare benefits, the work force may become even older than expected.⁴

This chapter begins with a review of work force diversity—what it is and why it matters. Next, you will learn about two basic dimensions of diversity: surface-level diversity, or how age, gender, race/ethnicity, and mental and physical disabilities affect people at work; and deep-level diversity, or how core personality differences influence behavior and attitudes. In the last section, you will learn how diversity can be managed. Here, you'll read about diversity paradigms, principles, and practices that help managers strengthen the diversity *and* the competitiveness of their organizations.

Workplace diversity as we know it today is changing. Exhibit 12.1 shows predictions from the U.S. Bureau of the Census of how the U.S. population will change over the next 65 years. The percentage of white, non-Hispanic Americans in the general population is expected to decline from 69.3 percent in 2005 to 46.8 percent by the year 2070. By contrast, the percentage of African Americans will increase (from 12.3 percent to 13.2 percent), as will the percentage of Asian Americans (from 4.3 percent to 10.6 percent). Meanwhile the proportion of Native Americans will hold steady (at 0.8 percent). The fastest-growing group by far, though, is Hispanics, who are expected to increase from 13.3 percent of the total population in 2005 to 28.6 percent by 2070.

Diversity and Why It Matters

diversity
A variety of demographic, cultural, and personal differences among an organization's employees and customers.

Diversity means variety. Therefore, **diversity** exists in organizations when there is a variety of demographic, cultural, and personal differences among the people who work there and the customers who do business there. For example, step into Longo Toyota in El Monte, California, one of Toyota's top-selling dealerships, and you'll find diversity in the form of salespeople who speak Spanish, Korean, Arabic, Vietnamese, Hebrew, and Mandarin Chinese. In fact, the 60

salespeople at Longo Toyota speak 30 different languages. Surprisingly, this level of diversity was achieved without a formal diversity plan in place.⁵

By contrast, some companies lack diversity, in their work force, their customers, or both. For example, Denny's restaurants paid \$54.4 million to settle a class-action lawsuit alleging discriminatory treatment of black customers at its restaurants. Edison International, a California-based utility company, paid more than \$11 million for wrongly rejecting job applicants on the basis of race. And phone company Bell Atlantic paid a whopping \$500 million to African American employees who were unfairly passed over for promotions.⁶ (Bell Atlantic and GTE have now merged and become Verizon Communications.)

Today, however, Denny's, Edison International, and Verizon have made great improvements in their level of diversity. At Denny's, all of the company's charitable contributions now go to organizations that benefit minorities. Furthermore, minorities now comprise 29.1 percent, 28.6 percent, and 24.6 percent of managers at Denny's, Edison International, and Verizon, respectively, and 47.4 percent, 44.9 percent, and 32 percent, respectively, of their workers.⁷ In fact, these companies have increased their diversity so much that they consistently make *Fortune* magazine's list of the 50 best companies for minorities.⁸

After reading the next section, you should be able to

- 1 describe diversity and explain why it matters.

1 DIVERSITY: DIFFERENCES THAT MATTER

You'll begin your exploration of diversity by learning **1.1 that diversity is not affirmative action** and **1.2 how to build a business case for diversity**.

1.1 Diversity Is Not Affirmative Action

A common misconception is that workplace diversity and affirmative action are the same, yet these concepts differ in several critical ways. To start, **affirmative action** refers to purposeful steps taken by an organization to create employment opportunities for minorities and women.⁹ By contrast, diversity exists in organizations when there is a variety of demographic, cultural, and personal differences among the people who work there and the customers who do business there. So one key difference is that affirmative action is more narrowly focused on demographics such as gender and race, while diversity has a broader focus that includes demographic, cultural, and personal differences. Furthermore, diversity can exist even if organizations don't take purposeful steps to create it. For example, as mentioned earlier, Longo Toyota achieved a high level of diversity without having a formal affirmative action program. Likewise, a local restaurant located near a university in a major city is likely to have a more diverse group of employees than one located in a small town. So, organizations can achieve diversity without affirmative action. Likewise, organizations that take affirmative action to create employment opportunities for women and minorities may not yet have diverse work forces.

Another important difference is that affirmative action is required by law for private employers with 15 or more employees, while diversity is not. Affirmative action originated with the 1964 Civil Rights Act that bans discrimination in voting, public places, federal government programs, federally supported public education, and employment. Title

affirmative action

Purposeful steps taken by an organization to create employment opportunities for minorities and women.

Affirmative action programs are substantially more controversial than diversity programs, but the former are finding some surprising proponents. Members of the group called "Angry White Guys for Affirmative Action" ostensibly support affirmative action because without it, reverse discrimination lawsuits lose some strength. The group publicly opposed California Proposition 209.



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VII of the Civil Rights Act (<http://www.eeoc.gov/policy/vii.html>) requires that workers have equal employment opportunities when being hired or promoted. More specifically, Title VII prohibits companies from discriminating on the basis of race, color, religion, gender, or national origin. Furthermore, Title VII created the Equal Employment Opportunity Commission, or EEOC (<http://www.eeoc.gov>), to administer these laws. By contrast, there is no federal law or agency to oversee diversity. Organizations that pursue diversity goals and programs do so voluntarily. For example, Fannie Mae, an organization that makes it easier and cheaper for lower-income families to obtain mortgages for home ownership, has pursued a diverse work force and customer base because, in the words of its former CEO Jim Johnson, doing so is “morally right.”¹⁰

Affirmative action programs and diversity programs also have different purposes. The purpose of affirmative action programs is to compensate for past discrimination, which was widespread when legislation was introduced in the 1960s; to prevent ongoing discrimination; and to provide equal opportunities to all, regardless of race, color, religion, gender, or national origin. Organizations that fail to uphold these laws may be required to

- hire, promote, or give back pay to those not hired or promoted;
- reinstate those who were wrongly terminated;
- pay attorneys’ fees and court costs for those who bring charges against them; or
- take other actions that make individuals whole by returning them to the condition or place they would have been had it not been for discrimination.¹¹

Consequently, affirmative action is basically a punitive approach.¹² By contrast, as shown in Exhibit 12.2, the general purpose of diversity programs is to create a positive work environment where no one is advantaged or disadvantaged, where “we” is everyone, where everyone can do his or her best work, where differences are respected and not ignored, and where everyone feels comfortable.¹³

Exhibit 12.2
General Purpose of Diversity
Programs

To create a positive work environment where
• no one is advantaged or disadvantaged.
• “we” is everyone.
• everyone can do his or her best work.
• differences are respected and not ignored.
• everyone feels comfortable.

Source: T. Roosevelt, “From Affirmative Action to Affirming Diversity,” *Harvard Business Review* 68, no. 2 (1990): 107–117.

So, unlike affirmative action, which punishes companies for not achieving specific gender and race ratios in their work forces, diversity programs seek to benefit both organizations and their employees by encouraging organizations to value all kinds of differences.

Despite affirmative action’s overall success in making workplaces much fairer than they used to be,¹⁴ many people argue that some affirmative action programs unconstitutionally offer preferential treatment to females and minorities at the expense of other employees—a view accepted by some courts.¹⁵ In California, voters approved Proposition 209,

which bans race- and gender-based affirmative action in college admissions, government hiring, and government contracting programs. Jake Weiss, a white worker in Jericho, New York, expressed a typical complaint when he said, “It used to be if you were white, you got everything in America and that wasn’t right. But now [with affirmative action], all that’s left for people like me are the crumbs.”¹⁶ And Christopher Katzenback, an attorney in a San Francisco law firm, said, “I think people want to be evaluated on their merits, not their race or gender, and that is the driving force behind a lot of this [reverse discrimination] litigation.”¹⁷

Furthermore, research shows that people who have gotten a job or promotion as a result of affirmative action are frequently viewed as unqualified, even when clear evidence of their qualifications exists.¹⁸ For example, one woman said, “I won a major prize [in my field], and some of the guys in my lab said it was because I was a woman. I’m certain they didn’t choose me because I was a woman. But it gave some disgruntled guys who didn’t get the prize a convenient excuse.”¹⁹

So, while affirmative action programs have created opportunities for minorities and women, those same minorities and women are frequently presumed to be unqualified when others believe they obtained their jobs as a result of affirmative action.

In summary, affirmative action and diversity are not the same thing. Not only are they fundamentally different, but they also differ in purpose, practice, and the reactions they produce.

1.2 Diversity Makes Good Business Sense

Those who support the idea of diversity in organizations often ignore its business aspects altogether, claiming instead that diversity is simply the “right thing to do.” Yet diversity actually makes good business sense in several ways: cost savings, attracting and retaining talent, and driving business growth.²⁰

Diversity helps companies with *cost savings* by reducing turnover, decreasing absenteeism, and enabling them to avoid expensive lawsuits. Because of lost productivity and the cost of recruiting and selecting new workers, companies lose substantial amounts of money when employees quit their jobs. In fact, turnover costs typically amount to more than 90 percent of employees’ salaries. By this estimate, if an executive who makes \$200,000 leaves the organization will have to spend approximately \$180,000 to find a replacement, and even the lowest-paid hourly workers can cost the company as much as \$10,000 when they quit. Since turnover rates for African Americans average 40 percent higher than for whites, and since women quit their jobs at twice the rate men do, companies that manage diverse work forces well can cut costs by reducing the turnover rates of these employees.²¹ And, with women absent from work 60 percent more often than men, primarily because of family responsibilities, diversity programs that address the needs of female workers can also reduce the substantial costs of absenteeism.

Diversity programs also save companies money by helping them avoid discrimination lawsuits, which have increased by a factor of 20 since 1970 and quadrupled just since 1995. Indeed, because companies lose two-thirds of all discrimination cases that go to trial, the best strategy from a business perspective is not to be sued for discrimination at all. When companies lose, the average individual settlement amounts to more than \$600,000.²² And settlement costs can be substantially higher in class-action lawsuits in which individuals join together to sue a company as a group. For example, Coca-Cola paid \$192.5 million to settle a class-action suit brought by 2,200 African American workers who were discriminated against in pay, promotions, and performance reviews; a similar lawsuit brought by 1,300 African American workers cost Texaco \$176 million.²³ Boeing paid \$72.5 million to settle a gender discrimination lawsuit with female employees who were paid less and not promoted because they were women.²⁴ Finally, Dial Corporation, the soap manufacturer, paid \$10 million to settle a sexual harassment lawsuit filed by 90 female employees at its manufacturing plants.²⁵ In fact, the average class-action lawsuit costs companies \$58.9 million for racial discrimination and \$24.9 million for gender discrimination.²⁶ According to the EEOC, companies paid \$420 million in damages in 2004 for discrimination lawsuits.²⁷

Diversity also makes business sense by helping companies *attract and retain talented workers*.²⁸ Indeed, diversity-friendly companies tend to attract better and more diverse job applicants. Very simply, diversity begets more diversity. Companies that make *Fortune* magazine’s list of the 50 best companies for minorities already attract a diverse and talented pool of job applicants. But, after being recognized by *Fortune* for their efforts, they experience even bigger increases in both the quality and the diversity of people who apply for jobs. Indeed, research shows that companies with acclaimed diversity programs

not only attract more talented workers, but also have higher stock market performance.²⁹

Just as important, however, is that these companies also create opportunities that encourage workers to stay. For example, Anne Shen Smith, vice president of support services for Pacific Enterprises, a California-based utility holding company, said that the company created opportunities by replacing the “old boy network,” in which only bosses could nominate employees for promotions, with a program called “Readiness for Management,” in which employees nominate themselves. Workers begin the process by taking a number of self-assessment tests to determine their strengths and weaknesses. Then they take training courses to improve their skills and knowledge. The Readiness for Management program works because it gives people who were previously overlooked a chance to move up and makes employees responsible for improving their skills and knowledge.³⁰ Employees who don’t take that responsibility don’t get promoted.

The third way that diversity makes business sense is by *driving business growth*. Diversity helps companies grow by improving their understanding of the marketplace. When companies have diverse work forces, they are better able to understand the needs of their increasingly diverse customer bases. For example, in the United States today 36 million African Americans, 41 million Hispanic Americans, 12 million Asian Americans, and 20 million gays and lesbians have respective total annual purchasing power of \$723 billion, \$686 billion, \$363 billion, and \$610 billion!³¹ Indeed, according to the U.S. secretary of commerce, “America’s population will increase 50 percent over the next 50 years, with almost 90 percent of that increase in the minority community.”³² Accordingly, the U.S. Department of Commerce expects minority purchasing power to at least triple during that time.³³ Companies such as SBC Communications are already taking note, trying to match the diversity of their work force to the diversity of their customer base.³⁴ William Howell, former chairman of JCPenney, said, “If we don’t have people of diverse backgrounds in the back, how in the world can we satisfy the diversity of people coming in through the front door?”³⁵ In fact, a survey of 34 U.S. multinational organizations found that tapping into “diverse customers and markets” was the number one reason managers gave for implementing diversity programs.³⁶

Diversity also helps companies grow through higher-quality problem solving. Though diverse groups initially have more difficulty working together than homogeneous groups, after several months diverse groups do a better job of identifying problems and generating alternative solutions, the two most important steps in problem solving.³⁷ Ernest Drew, former CEO of Hoechst Celanese, a chemical company, recalled a company conference in which the company’s top 125 managers, mostly white males, were joined by 50 lower-level employees, mostly minorities and women. Problem-solving teams were formed to discuss how the company’s corporate culture affected business and how it could be changed. Half the teams were composed of white males, while the other half were of mixed gender and race. Drew said, “It was so obvious that the diverse teams had the broader solutions. They had ideas I hadn’t even thought of. For the first time, we realized that diversity is a strength as it relates to problem solving. Before, we just thought of diversity as the total number of minorities and women in the company, like affirmative action. Now we knew we needed diversity at every level of the company where decisions are made.”³⁸

In short, says Virginia Clarke, of Spencer Stuart, an executive search firm, “There is a strong business case [for diversity] now.”³⁹

Review 1: Diversity: Differences That Matter

Diversity exists in organizations when there is a variety of demographic, cultural, and personal differences among the people who work there and the customers who do business there. A common misconception is that workplace

diversity and affirmative action are the same. However, affirmative action is more narrowly focused on demographics, is required by law, and is used to punish companies that discriminate on the basis of race, color, religion, gender, or national origin. By contrast, diversity is broader in focus (going beyond demographics), voluntary, more positive in that it encourages companies to value all kinds of differences, and, at this time, substantially less controversial than affirmative action. Thus, affirmative action and diversity differ in purpose, practice, and the reactions they produce. Diversity also makes good business sense in terms of cost savings (reducing turnover, decreasing absenteeism, and avoiding lawsuits), attracting and retaining talent, and driving business growth (improving marketplace understanding and promoting higher-quality problem solving).

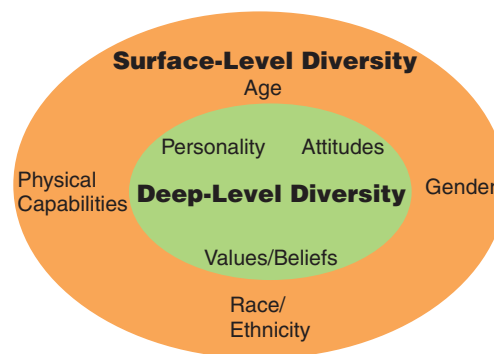


Exhibit 12.3
Surface- and Deep-Level Diversity

Diversity and Individual Differences

A survey that asked managers, “What is meant by diversity to decision-makers in your organization?” found that they most frequently mentioned race, culture, gender, national origin, age, religion, and regional origin.⁴⁰ When managers describe workers this way, they are focusing on surface-level diversity. **Surface-level diversity**, as illustrated in Exhibit 12.3, consists of differences that are immediately observable, typically unchangeable, and easy to measure.⁴¹ In other words, independent observers can usually agree on dimensions of surface-level diversity, such as another person’s age, gender, race/ethnicity, or physical capabilities.

And while most people start by using easily observable characteristics, such as surface-level diversity, to categorize or stereotype other people, those initial, surface-level categorizations typically give way to deeper impressions formed from knowledge of others’ behavior and psychological characteristics, such as personality and attitudes.⁴² When you think of others this way, you are focusing on deep-level diversity. **Deep-level diversity** consists of differences that are communicated through verbal and nonverbal behaviors and are learned only through extended interaction with others.⁴³ Examples of deep-level diversity include personality differences, attitudes, beliefs, and values. In other words, as people in diverse workplaces get to know each other, the initial focus on surface-level differences such as age, race/ethnicity, gender, and physical capabilities is replaced by deeper, more accurate knowledge of coworkers.

If managed properly, the shift from surface- to deep-level diversity can accomplish two things.⁴⁴ First, coming to know and understand each other better can result in reduced prejudice and conflict. Second, it can lead to stronger social integration. **Social integration** is the degree to which group members are psychologically attracted to working with each other to accomplish a common objective, or, as one manager put it, “working together to get the job done.”

After reading the next two sections, you should be able to

- 2** understand the special challenges that the dimensions of surface-level diversity pose for managers.
- 3** explain how the dimensions of deep-level diversity affect individual behavior and interactions in the workplace.

2 SURFACE-LEVEL DIVERSITY

Because age, gender, race/ethnicity, and disabilities are usually immediately observable, many managers and workers use these dimensions of surface-level diversity to form initial impressions and categorizations of coworkers, bosses, customers, or job applicants. Whether intentionally or not, sometimes those

surface-level diversity

Differences such as age, gender, race/ethnicity, and physical disabilities that are observable, typically unchangeable, and easy to measure.

deep-level diversity

Differences such as personality and attitudes that are communicated through verbal and nonverbal behaviors and are learned only through extended interaction with others.

social integration

The degree to which group members are psychologically attracted to working with each other to accomplish a common objective.

initial categorizations and impressions lead to decisions or behaviors that discriminate. Consequently, these dimensions of surface-level diversity pose special challenges for managers who are trying to create positive work environments where everyone feels comfortable and no one is advantaged or disadvantaged.

Let's learn more about those challenges and the ways that **2.1 age**, **2.2 gender**, **2.3 race/ethnicity**, and **2.4 mental or physical disabilities can affect decisions and behaviors in organizations**.

2.1 Age

age discrimination
Treating people differently (e.g., in hiring and firing, promotion, and compensation decisions) because of their age.

Age discrimination is treating people differently (e.g., in hiring and firing, promotion, and compensation decisions) because of their age. The victims of age discrimination are almost always “older” workers, based on the idea that “You can’t teach an old dog new tricks.” It’s commonly believed that older workers can’t learn how to use computers and technology, won’t adapt to change, are sick more often, and, in general, are much more expensive to employ than younger workers. One manager explained his preference for younger workers over older workers this way: “The way I look at it, for \$40,000 or \$50,000, I can get a smart, raw kid right out of undergrad who’s going to work seven days a week for me for the next two years. I’ll train him the way I want him, he’ll grow with me, and I’ll pay him long-term options so I own him, for lack of a better word. He’ll do exactly what I want—and if he doesn’t, I’ll fire him. . . . The alternative is to pay twice as much for some 40-year-old who does half the amount of work, has been trained improperly, and doesn’t listen to what I say.”⁴⁵

Unfortunately, attitudes like this are all too common.⁴⁶ According to the Society for Human Resource Management, 53 percent of 428 surveyed managers believed that older workers “didn’t keep up with technology,” and 28 percent said that older workers were “less flexible.”⁴⁷ For example, when 57-year old Sam Horgan, a former chief financial officer, was interviewing for a job, he was asked by a 30-something job interviewer, “Would you have trouble working with young bright people?”⁴⁸ Not surprisingly, 80 percent of human resource managers surveyed by *Personnel Management* magazine said that age discrimination was a major problem in their organizations and that older employees were not receiving the same training and promotional opportunities as younger workers.⁴⁹ Likewise, two-thirds of 10,000 people surveyed by AARP (American Association of Retired Persons) felt that they had been wrongly discharged from a job because of their age. In fact, a study by the Society for Human Resource Management found that 20 percent of all companies had been sued for age discrimination in the preceding five years.⁵⁰ Normally, somewhere between 17,000 and 20,000 age discrimination cases are filed with the EEOC each year.⁵¹ And these numbers may increase, given a U.S. Supreme Court ruling that employees may sue for age discrimination even if the discrimination was not intentional (see Chapter 11’s discussion of disparate treatment and adverse impact).⁵²

So, what’s reality and what’s myth? Do older employees actually cost more? In some ways, they do. The older people are and the longer they stay with a company, the more the company pays for salaries, pension plans, and vacation time. But older workers cost companies less, too, because they show better judgment, care more about the quality of their work, and are less likely to quit, show up late, or be absent, the cost of which can be substantial.⁵³ A survey by Chicago outplacement firm Challenger, Gray & Christmas found that only 3 percent of employees age 50 or over changed jobs in any given year compared to 10 percent of the entire work force and 12 percent of workers ages 25 to 34. The study also found that while older workers make up about 14 percent of the work force, they suffer only 10 percent of all workplace injuries and use fewer

health-care benefits than younger workers with school-age children.⁵⁴ As for the widespread belief that job performance declines with age, the scientific evidence clearly refutes this stereotype. Performance does not decline with age, regardless of the type of job.⁵⁵

What can companies do to reduce age discrimination?⁵⁶ To start, managers need to recognize that age discrimination is much more pervasive than they probably think. Whereas “old” used to mean mid-50s, in today’s workplace, “old” is closer to 40. When 773 CEOs were asked, “At what age does a worker’s productivity peak?” the average age they gave was 43. Thus, age discrimination may be affecting more workers because perceptions about age have changed. In addition, with the aging of the baby boomers, age discrimination is more likely to occur simply because there are millions more older workers than there used to be. And, because studies show that interviewers rate younger job candidates as more qualified (even when they aren’t), companies need to train managers and recruiters to make hiring and promotion decisions on the basis of qualifications, not age. Companies also need to monitor the extent to which older workers receive training. The Bureau of Labor Statistics found that the number of training courses and number of hours spent in training drops dramatically after employees reach the age of 44.⁵⁷ Finally, companies need to ensure that younger and older workers interact with each other. One study found that younger workers generally hold positive views of older workers and that the more time they spent working with older coworkers, the more positive their attitudes became.⁵⁸

2.2 Gender

Gender discrimination occurs when people are treated differently because of their gender. Gender discrimination and racial/ethnic discrimination (discussed in the next section) are often associated with the so-called **glass ceiling**, the invisible barrier that prevents women and minorities from advancing to the top jobs in organizations.

To what extent do women face gender discrimination in the workplace? In some ways, there is much less gender discrimination than there used to be. For example, whereas women held only 17 percent of managerial jobs in 1972, today they now outnumber men with 50.6 percent of managerial jobs, a number that is nearly equal to the percentage of women in the work force.⁵⁹ Likewise, women own 47 percent of all U.S. businesses.⁶⁰ Whereas women owned 700,000 businesses in 1977 and 4.1 million businesses in 1987, today they own 9 million!⁶¹ Finally, though women still earn less than men on average, the differential is narrowing. As Exhibit 12.4 shows, women earned 79.5 percent of what men did in 2003, up from 63 percent in 1979.

Although progress is being made, gender discrimination continues to operate via the glass ceiling at higher levels in organizations. For instance, as shown in Exhibit 12.5, in 2002/2003 a woman had the highest salary (i.e., was the top earner) in only 5.2 percent of *Fortune* 500 companies, and only 15.7 percent of corporate officers (i.e., top management) were women. Indeed, only 9 of the 500 largest companies in the United States have women CEOs.⁶² Similarly, only 13.6 percent of the members of corporate boards of directors were women.⁶³

Is gender discrimination the sole reason for the slow rate at which women have been promoted to middle and upper levels of management and corporate boards? Some studies indicate that it’s not.⁶⁴ In some instances, the slow progress appears to be due to career and job choices.

gender discrimination

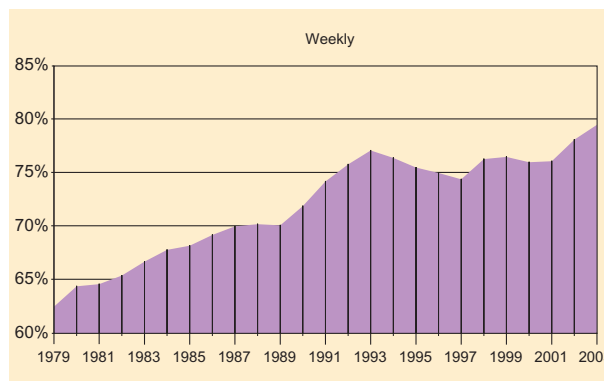
Treating people differently because of their gender.

glass ceiling

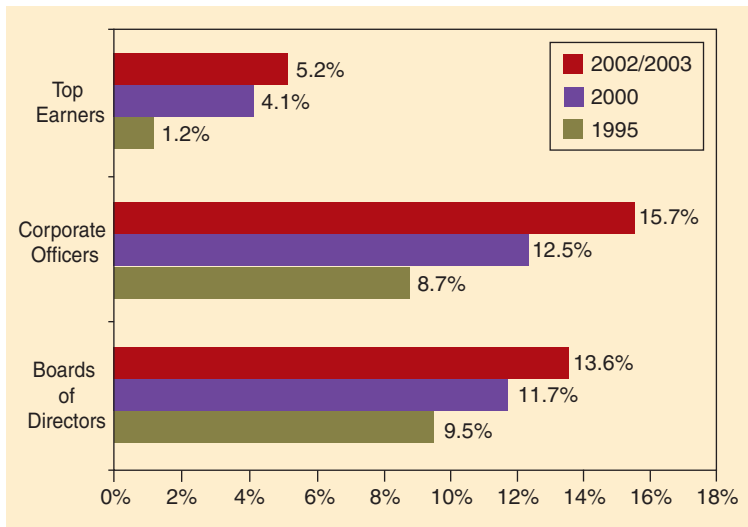
The invisible barrier that prevents women and minorities from advancing to the top jobs in organizations.

Exhibit 12.4

Women’s Earnings as a Percentage of Men’s



Sources: “Highlights of Women’s Earnings in 2001, 2002, 2003,” U.S. Department of Labor, Bureau of Labor Statistics, [Online] available at <http://www.bls.gov/cps/cpswom2001.pdf> and <http://www.bls.gov/opub/ted/2004/oct/wk4/art01.htm>, 25 May 2005.



Sources: "Census of Women Corporate Officers and Top Earners" Catalyst, [Online] available at http://www.catalystwomen.org/knowledge/titles/title.php?page=cen_WOTE02, 26 May 2005; "2003 Catalyst Census of Women Board Directors of the *Fortune* 1000," Catalyst, [Online] available at http://www.catalystwomen.org/knowledge/titles/title.php?page=cen_WBD03, 26 May 2005.

Exhibit 12.5

Women at *Fortune* 500 and 1000 Companies

more than 90 percent of executive women believed that the glass ceiling had hurt their careers.⁶⁷ In another study, 80 percent of women said they left their last organization because the glass ceiling had limited their chances for advancement.⁶⁸ A third study indicated that the glass ceiling is prompting more and more women to leave companies to start their own businesses.⁶⁹ Anita Borg, a senior researcher at a *Fortune* 500 company, summed up the frustrations of many professional women when she said, "You run into subtle sexism every day. It's like water torture. It wears you down."⁷⁰

What can companies do to make sure that women have the same opportunities for development and advancement as men? One strategy is mentoring, or pairing promising female executives with senior executives with whom they can talk and seek advice and support. A vice president at a utility company said, "I think it's the single most critical piece to women advancing career-wise. In my experience you need somebody to help guide you and . . . go to bat for you."⁷¹ In fact, 91 percent of female executives have a mentor at some point and feel their mentor was critical to their advancement.

Another strategy is to make sure that male-dominated social activities don't unintentionally exclude women. Nearly half (47 percent) of women in the work force believe that "exclusion from informal networks" makes it more difficult to advance their careers. By contrast, just 18 percent of CEOs thought this was a problem.⁷² One final strategy is to designate a "go-to person," other than their supervisors, that women can talk to if they believe that they are being held back or discriminated against because of their gender. Make sure this person has the knowledge and authority to conduct a fair, confidential internal investigation.⁷³

2.3 Race/Ethnicity

racial and ethnic discrimination
Treating people differently because of their race or ethnicity.

Racial and ethnic discrimination occurs when people are treated differently because of their race or ethnicity. To what extent is racial and ethnic discrimination a factor in the workplace? Thanks to the 1964 Civil Rights Act and Title VII, there is much less racial and ethnic discrimination than there used to be. For example, 18 *Fortune* 500 firms had an African American or Hispanic CEO in 2005, whereas none did in 1988.⁷⁴ Nonetheless, strong racial and ethnic disparities still exist. For instance, whereas about 12 percent of Americans are black, only 5.9 percent of managers and 3.2 percent of top managers are black.

Whereas men's career and job choices are often driven by the search for higher pay and advancement, women are more likely to choose jobs or careers that also give them a greater sense of accomplishment, more control over their work schedules, and easier movement in and out of the workplace.⁶⁵ Furthermore, women are historically much more likely than men to prioritize family over work at some time in their careers. For example, 96 percent of 600 female Harvard MBAs, held jobs while in their twenties. That dropped to 71 percent in their late thirties when they had children, but then increased to 82.5 percent in their late forties as their children became older.⁶⁶

Beyond these reasons, however, it's likely that gender discrimination does play a major role in women's slow progress into the higher levels of management. And even if you don't think so, many of the women you work with probably do. Indeed, one study found that

Similarly, about 13 percent of Americans are Hispanic, but only 6.3 percent are managers and 3.7 percent are CEOs. By contrast, Asians, who constitute about 4 percent of the population, are better represented holding 4 percent of management jobs and 3.4 percent of CEO jobs.⁷⁵

What accounts for the disparities between the percentages of minority groups in the general population and their smaller representation in management positions? Some studies have found that the disparities are due to preexisting differences in training, education, and skills and that when African Americans, Hispanics, Asian Americans, and whites have similar skills, training, and education, they are much more likely to have similar jobs and salaries.⁷⁶

Other studies, however, provide increasingly strong direct evidence of racial or ethnic discrimination in the workplace. For example, one study directly tested hiring discrimination by sending pairs of black and white males and pairs of Hispanic and non-Hispanic males to apply for the same jobs. Each pair had résumés with identical qualifications, and all were trained to present themselves in similar ways to minimize differences during interviews. The researchers found that the white males got three times as many job offers as the black males, and that the non-Hispanic males got three times as many offers as the Hispanic males.⁷⁷

Another study, which used similar methods to test hiring procedures at 149 different companies, found that whites received 10 percent more interviews than blacks. Half of the whites interviewed received job offers compared to only 11 percent of the blacks. And when job offers were made, blacks were much more likely to be offered lower-level positions, while whites were more likely to be offered jobs at higher levels than the jobs they had applied for.⁷⁸

Critics of these studies point out that it's nearly impossible to train different applicants to give identical responses in job interviews and that differences in interviewing skills may have somehow accounted for the results. However, British researchers found similar kinds of discrimination just by sending letters of inquiry to prospective employers. As in the other studies, the letters were identical except for the applicant's race. Employers frequently responded to letters from Afro-Caribbean, Indian, or Pakistani "applicants" by indicating that the positions had been filled. By contrast, they often responded to white, Anglo-Saxon "applicants" by inviting them to face-to-face interviews. Similar results were found with Vietnamese and Greek "applicants" in Australia.⁷⁹ In short, the evidence strongly indicates that there is strong and persistent racial and ethnic discrimination in the hiring processes of many organizations.

What can companies do to make sure that people of all racial and ethnic backgrounds have the same opportunities?⁸⁰ Start by looking at the numbers. Compare the hiring rates of whites to the hiring rates for different racial and ethnic applicants. Do the same thing for promotions within the company. See if nonwhite workers quit the company at higher rates than white workers. Also, survey employees to compare white and nonwhite employees' satisfaction with jobs, bosses, and the company, as well as their perceptions concerning equal treatment. Next, if the numbers indicate racial or ethnic disparities, consider employing a private firm to test your hiring system by having applicants of different races with identical qualifications apply for jobs in your company.⁸¹ Although disparities aren't proof of discrimination, it's much better to investigate hiring and promotion disparities yourself than to have the EEOC or a plaintiff's lawyer do it for you, especially since nearly half of the discrimination charges filed with the EEOC in a recent six-year period were related to race and ethnicity (which the EEOC calls "national origin").⁸²

Another step is to eliminate unclear selection and promotion criteria. Vague criteria allow decision makers to focus on non-job-related characteristics that may unintentionally lead to employment discrimination. Instead, selection and promotion criteria should spell out the specific knowledge, skills, abilities, education, and experience needed to perform a job well.

Finally, train managers and others who make hiring and promotion decisions. At Tower Records, the human resources staff assembles on a giant game board that covers a conference room floor. Tower store managers then answer questions about hiring situations. If they answer a question correctly, they move forward on the board. If they answer it incorrectly, they stay in place, and the group discusses what should have been done instead. The number of grievances about hiring procedures has dropped significantly since the training began.⁸³

2.4 Mental or Physical Disabilities

Back problems, foot pain, depression, alcoholism, epilepsy, paralysis, AIDS, cancer, learning disabilities, and substantial hearing or visual impairments: What do all these have in common? Each is a disability. According to the Americans with Disabilities Act (<http://www.usdoj.gov/crt/ada/adahom1.htm>), a **disability** is a mental or physical impairment that substantially limits one or more major life activities.⁸⁴ One in every five Americans, or more than 54 million people, has a disability.⁸⁵ **Disability discrimination** occurs when people are treated differently because of their disabilities.

disability
A mental or physical impairment that substantially limits one or more major life activities.

disability discrimination
Treating people differently because of their disabilities.

To what extent is disability discrimination a factor in the workplace? According to the U.S. Census Bureau, 80 percent of able men have jobs, compared to only 60 percent of those with disabilities. For women, the statistic is even lower, with 67 percent of able women being employed versus only 51 percent of disabled women. More specifically, only 47 percent of those who have a sensory disability, 32 percent of those who have a physical disability, and 28 percent of those who have a mental disability have jobs.⁸⁶ Furthermore, people with disabilities are disproportionately employed in low-status or part-time jobs, have little chance for advancement, and, on average, are twice as likely to live in poverty as able people.⁸⁷ Numerous studies also indicate that managers and the general public believe that discrimination against people with disabilities is common and widespread.⁸⁸

What accounts for the disparities between the employment and income levels of able people and people with disabilities? Contrary to popular opinion, it has nothing to do with the ability of people with disabilities to do their jobs well. Studies show that as long as companies make reasonable accommodations for disabilities (e.g., changing procedures or equipment), people with disabilities perform their jobs just as well as able people. Furthermore, they have better safety records and are not any more likely to be absent or quit their jobs.⁸⁹

What can companies do to make sure that people with disabilities have the same opportunities as everyone else? Beyond educational efforts to address incorrect stereotypes and expectations, a good place to start is to commit to reasonable workplace accommodations such as changing work schedules, reassigning jobs, acquiring or modifying equipment, or providing assistance when needed. Accommodations for disabilities needn't be expensive. According to the Job Accommodation Network, 71 percent of accommodations cost employers \$500 or less, and 20 percent of accommodations don't cost anything at all.⁹⁰ For example, rather than rebuild its offices, the U.S. Postal Service used inexpensive ramps to raise wheelchair-bound clerks to counter level so they could wait on customers. Other examples of low-cost accommodations include a telephone sound amplifier (\$48) for a hearing impaired factory worker; a rolodex card system with streets filed alphabetically with ZIP codes (\$150) for a learning impaired mail room worker who couldn't remember which streets had which ZIP codes; lateral filing cabinets (\$450 each) for a clerk who couldn't reach the vertical filing cabinets from her wheelchair; and a personal paging device (\$350) that vibrated to let a hearing disabled grocery store worker with Down syndrome who couldn't hear the public address system know when he was to go

- Physical changes, such as installing a ramp or modifying a workspace or restroom.
- A quieter workspace or other changes that reduce noisy distractions for someone with a mental disability.
- Training and other written materials in an accessible format, such as in Braille, on audio tape, or on computer disk.
- TTYs for use with telephones by people who are deaf, and hardware and software that make computers accessible to people who have vision impairments or who have difficulty using their hands.
- Time off for someone who needs treatment for a disability.

Source: "Americans with Disabilities Act: A Guide for People with Disabilities Seeking Employment," U.S. Department of Justice, [Online] available at <http://www.usdoj.gov/crt/ada/workta.htm>, 2 October 2003.

Exhibit 12.6

Reasonable Accommodations for Disabled Workers

to the store office.⁹¹ For further information about reasonable accommodations, contact the Job Accommodation Network (<http://janweb.icdi.wvu.edu/>), which provides free help and has a database of 26,000 successful accommodations.⁹² Exhibit 12.6 provides a list of common, inexpensive accommodations that companies can make for disabled workers.

Some of the accommodations just described involve *assistive technology* that gives workers with disabilities the tools they need to overcome their disabilities. Providing workers with assistive technology is also an effective strategy. According to the National Council on Disability, 92 percent of workers with disabilities who use assistive technology report that it helps them work faster and better, 81 percent indicate that it helps them work longer hours, and 67 percent say that it is critical to getting a job.⁹³ To learn about assistive technologies that can help workers with disabilities, see Abledata (<http://www.abledata.com/>), which lists 25,000 products from 3,000 organizations, or the National Rehabilitation Information Center (<http://www.naric.com/>), which provides information for specific disabilities.

Finally, companies should actively recruit qualified workers with disabilities. Numerous organizations, such as Mainstream, Kidder Resources, the American Council of the Blind (<http://www.acb.org/>), the National Federation of the Blind (<http://www.nfb.org/>), the National Association for the Deaf (<http://www.nad.org/>), the Epilepsy Foundation of America (<http://www.epilepsyfoundation.org/>), and the National Amputation Foundation (<http://www.nationalamputation.org/>), actively work with employers to find jobs for qualified people with disabilities. Companies can also place advertisements in publications, such as *Careers and the Disabled*, that specifically target workers with disabilities.⁹⁴

Review 2: Surface-Level Diversity

Age, gender, race/ethnicity, and physical and mental disabilities are dimensions of surface-level diversity. Because those dimensions are (usually) easily observed, managers and workers tend to rely on them to form initial impressions and stereotypes. Sometimes this can lead to age, gender, racial/ethnic, or disability discrimination (i.e., treating people differently) in the workplace. In general, older workers, women, people of color or different national origins, and people with disabilities are much less likely to be hired or promoted than white males. This disparity is often due to incorrect beliefs or stereotypes, such as "job performance declines with age," or "women aren't willing to travel on business," or "workers with disabilities aren't as competent as able workers." To reduce discrimination, companies can determine the hiring and promotion rates for different groups, train managers to make hiring and promotion decisions on the basis of specific criteria, and make sure that everyone has equal access to training, mentors, reasonable work accommodations, and

Address: nowhere.
Skills: none.
Flynn Bowen trained people who didn't have a typical résumé.

At UPS, diversity is about more than race or gender. It's about understanding other people's perspectives. That's why UPS Training and Development Manager Flynn Bowen was sent to Manhattan's Lower East Side for 30 days as part of the UPS Community Inclusion Program. His mission: to teach job skills to teenagers, the homeless, battered women and single parents. It paid off. Not only did some of her trainees gain confidence, and jobs, with UPS and other employers, they also gained a fresh outlook on their future. And Flynn? She gained a new appreciation for the things you'll never find on a résumé.

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Life experience may well be a point of overlap between surface-level diversity and deep-level diversity. As this ad shows, UPS is proactive in looking beyond even the traditional categories of surface-level diversity.

The result is a compassionate business practice that ensures diversity and is socially and ethically responsible.

disposition

The tendency to respond to situations and events in a predetermined manner.

personality

The relatively stable set of behaviors, attitudes, and emotions displayed over time that makes people different from each other.

extraversion

The degree to which someone is active, assertive, gregarious, sociable, talkative, and energized by others.

assistive technology. Finally, companies need to designate a “go-to person” that employees can talk to if they believe they have suffered discrimination.

3 DEEP-LEVEL DIVERSITY

Have you ever taken an instant dislike to someone—perhaps because of the way the person talked, acted, or treated you—only to decide, after spending some time working or interacting with this person, that your initial impressions were wrong and that he or she wasn't so bad after all?

If you've had this experience, then you understand the difference between surface- and deep-level diversity. As you just learned, people often use the dimensions of surface-level diversity to form initial impressions about others. Over time, however, as people have a chance to get to know each other, initial impressions based on age, gender, race/ethnicity, and mental or physical disabilities give way to deeper impressions based on behavior and psychological characteristics. When we think of others this way, we are focusing on deep-level diversity. *Deep-level diversity* represents differences that can be learned only through extended interaction with others. Examples of deep-level diversity include differences in personality, attitudes, beliefs, and values. In short, recognizing deep-level diversity requires getting to know and understand one another better.

And that matters, because it can result in less prejudice, discrimination, and conflict in the workplace. These changes can then lead to better *social integration*, the degree to which organizational or group members are psychologically attracted to working with each other to accomplish a common objective.

Let's examine deep-level diversity by exploring **3.1 the “Big Five” dimensions of personality** and **3.2 other significant work-related aspects of personality**.

3.1 Big Five Dimensions of Personality

Stop for a second and think about your boss (or the boss you had in your last job). What words would you use to describe him or her? Is your boss introverted or extraverted? Emotionally stable or unstable? Agreeable or disagreeable? Organized or disorganized? Open or closed to new experiences? When you describe your boss or others in this way, what you're really doing is describing dispositions and personality.

A **disposition** is the tendency to respond to situations and events in a predetermined manner. **Personality** is the relatively stable set of behaviors, attitudes, and emotions displayed over time that makes people different from each other.⁹⁵ For example, which of your aunts or uncles is a little offbeat, a little out of the ordinary? What was that aunt or uncle like when you were small? What is she or he like now? Chances are she or he is pretty much the same wacky person. In other words, the person's core personality hasn't changed. For years, personality researchers studied thousands of different ways to describe people's personalities. In the last decade, however, personality research conducted in different cultures, different settings, and different languages has shown that five basic dimensions of personality account for most of the differences in peoples' behaviors, attitudes, and emotions (or for why your boss is the way he or she is!). The *Big Five Personality Dimensions* are extraversion, emotional stability, agreeableness, conscientiousness, and openness to experience.⁹⁶

Extraversion is the degree to which someone is active, assertive, gregarious, sociable, talkative, and energized by others. In contrast to extraverts, introverts

are less active, prefer to be alone, and are shy, quiet, and reserved. For the best results in the workplace, introverts and extraverts should be correctly matched to their jobs. For example, the Peabody Hotel in Memphis, Tennessee, solved one of its problems by having job applicants complete an introversion/extraversion personality measure. Ken Hamko, a manager at the hotel, explained how this worked: “We had hostesses who wouldn’t stay by the door or greet guests or smile. When we gave them the personality profile, we found they didn’t like being in front of people. So we moved them into other positions and replaced them with extraverts.”⁹⁷

Emotional stability is the degree to which someone is not angry, depressed, anxious, emotional, insecure, or excitable. People who are emotionally stable respond well to stress. In other words, they can maintain a calm, problem-solving attitude in even the toughest situations (e.g., conflict, hostility, dangerous conditions, or extreme time pressures). By contrast, under only moderately stressful situations, emotionally unstable people find it difficult to handle the most basic demands of their jobs and become distraught, tearful, self-doubting, and anxious. Emotional stability is particularly important for high-stress jobs, such as police work, fire fighting, emergency medical treatment, or piloting planes. John S. Blonsick, a captain with Delta Air Lines, said:

*From the first day of flight training, pilot aspirants are tested for their ability to separate their emotions from their operational environment. The process allows a pilot to erect psychological barriers to avoid distractions in an environment that commands superior mental diligence and responses—an environment in which the decision-making process is conducted at slightly under the speed of sound. . . . Abnormal and emergency situations are handled in a cool and professional manner. Voice-recorder transcripts of accidents invariably read like training manuals, despite the life-threatening situations they depict. Crew members are focused and actively working to correct the situation as they have been trained to do right up to the very last moment before impact.*⁹⁸

As you learned in Chapter 1, emotional stability is also important for managers. Indeed, the number one mistake managers make is intimidating, bullying, and being abrasive to the people who work for them.

Agreeableness is the degree to which someone is cooperative, polite, flexible, forgiving, good-natured, tolerant, and trusting. Basically, agreeable people are easy to work with and be around, whereas disagreeable people are distrusting and difficult to work with and be around. A number of companies have made general attitude or agreeableness the most important factor in their hiring decisions. Small business owner Roger Cook says, “Hire nice people. I’m looking for personal—not professional—traits. I want a good or nice person. I can teach the skills. I call their references and ask, ‘Is he or she a nice person?’ I take a close look at how applicants answer questions and carry themselves. Why nice people? Because they’re trustworthy; they get along with other crew members: they are good with customers and they are usually hard workers.”⁹⁹

Conscientiousness is the degree to which someone is organized, hardworking, responsible, persevering, thorough, and achievement oriented. One management consultant wrote about his experiences with a conscientious employee:

*He arrived at our first meeting with a typed copy of his daily schedule, a sheet bearing his home and office phone numbers, addresses, and his email address. At his request, we established a timetable for meetings for the next four months. He showed up on time every time, day planner in hand, and carefully listed tasks and due dates. He questioned me exhaustively if he didn’t understand an assignment and returned on schedule with the completed work or with a clear explanation as to why it wasn’t done.*¹⁰⁰

Openness to experience is the degree to which someone is curious, broad-minded, and open to new ideas, things, and experiences; is spontaneous; and

emotional stability

The degree to which someone is not angry, depressed, anxious, emotional, insecure, or excitable.

agreeableness

The degree to which someone is cooperative, polite, flexible, forgiving, good-natured, tolerant, and trusting.

conscientiousness

The degree to which someone is organized, hardworking, responsible, persevering, thorough, and achievement oriented.

openness to experience

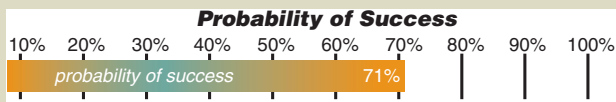
The degree to which someone is curious, broad-minded, and open to new ideas, things, and experiences; is spontaneous; and has a high tolerance for ambiguity.

Conscientiousness: The Organized, Hardworking, Responsible Personality

Conscientious people are organized, hardworking, responsible, persevering, thorough, and achievement oriented. Who wouldn't want to hire people with these personality traits? Indeed, 92 studies across five occupational groups (professionals, police, managers, sales, and skilled/semiskilled jobs) with a combined total of 12,893 study participants indicated that, on average, conscientious people are inherently more motivated and are better at their jobs.

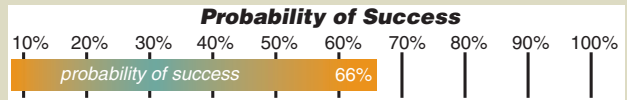
MOTIVATIONAL EFFORT

There is a 71 percent chance that conscientious workers will be more motivated and will work harder than less conscientious workers.



JOB PERFORMANCE

There is a 66 percent chance that conscientious workers will be better at their jobs than less conscientious workers.¹⁰¹



has a high tolerance for ambiguity. Most companies need people who are strong in terms of openness to experience to fill certain positions, but for other positions, this dimension is less important. People in marketing, advertising, research, or other creative jobs need to be curious, open to new ideas, and spontaneous. By contrast, openness to experience is not particularly important to accountants, who need to consistently apply stringent rules and formulas to make sense out of complex financial information.

Which of the Big Five Personality Dimensions has the largest impact on behavior in organizations? The cumulative results indicate that conscientiousness is related to job performance across five different occupational groups (professionals, police, managers, sales, and skilled or semiskilled jobs).¹⁰² In short, people “who are dependable, persistent, goal directed, and organized tend to be higher performers on virtually any job; viewed negatively, those who are careless, irresponsible, low-achievement striving, and impulsive tend to be lower performers on virtually any job.”¹⁰³ See the What Really Works feature in this chapter for further explanation. The results also indicate that extraversion is related to performance in jobs, such as sales and management, which involve significant interaction with others. In people-intensive jobs like these, it helps to be sociable, assertive, and talkative and to have energy and be able to energize others. Finally, people who are extraverted and open to experience seem to do much better in training. Being curious and open to new experiences, as well as sociable, assertive, talkative, and full of energy, helps people perform better in learning situations.¹⁰⁴

3.2 Work-Related Personality Dimensions

Does the way you keep your desk reveal something about your personality? Lots of people think so. For example, people with ultra-neat desks tend to

believe that a desk buried under mounds of paper, food wrappers, and old magazines is a sign that its owner is lazy, disorganized, undependable, and a dreamer. On the other hand, people with messy desks believe that a spotless desk with everything in its place is a sign that its owner is impatient, critical, controlling, analytical, and a perfectionist. Who knows, maybe if your desk is somewhere between “operating-room clean” and the “aftermath of a tornado,” it is a sign that you have a good-natured, flexible, and fun-loving personality.¹⁰⁵

Although studies indicate that extraversion, emotional stability, agreeableness, conscientiousness, and openness to experience are the five basic dimensions of personality in any culture, setting, or language, research has also identified additional personality dimensions that directly affect workplace attitudes and behaviors. These additional personality dimensions are authoritarianism, Machiavellian tendencies, Type A/B personality, locus of control, and positive/negative affectivity.

Authoritarianism is the extent to which an individual believes there should be power and status differences within the organization.¹⁰⁶ Authoritarian employees are likely to prefer a direct leadership style, in which the boss tells them exactly what to do. While this sounds desirable, one disadvantage is that even when they know a better solution or are aware of problems, authoritarian employees may simply carry out their boss’s orders without question. Also, authoritarian employees may not perform well on ambiguous tasks or for managers who encourage employees to use their own initiative and judgment.

Authoritarian leaders are highly demanding and expect employees to unquestioningly obey their orders. T. J. Rodgers, CEO of Cypress Semiconductor, is considered Silicon Valley’s toughest boss. Rodgers starts every meeting with a complaint, for example, noting at a recent meeting that a competitor had achieved 98 percent on-time deliveries and was “kicking our a**.” When he feared that good employees would be hired away by competitors, he ordered his managers to take stock options away from poor performers and give them to his best ones. Said Rodgers, “I’m more concerned about stars not getting enough stock than I am about turkeys not getting any.” And, consistent with his authoritarian style, Rodgers’s office contains a replica of an aircraft bomb labeled with the names of Cypress’s competitors.¹⁰⁷

People with **Machiavellian** personalities believe that virtually any type of behavior is acceptable if it helps satisfy needs or accomplish goals.¹⁰⁸ In other words, people with Machiavellian personalities believe that the ends justify the means. For example, “high Machs” are generally more willing to use lies and deceit to get their way than are “low Machs,” even in high-pressure situations where the chances of being caught in a lie are high.¹⁰⁹ High Machs believe that most people are gullible and can be manipulated. High Machs are also more effective at persuading others than are low Machs and tend to be resistant to others’ efforts to persuade them.¹¹⁰ One reason high Machs are more effective at persuading others is that low Machs (meaning most people) may be distracted by emotions or issues unrelated to winning. By contrast, high Machs are difficult to persuade because they ignore emotions and secondary issues and focus only on the things that move them closer to their goals. Also, because they are out for themselves and no one else, high Machs don’t do well in work teams. High Machs often cause conflicts within teams and sometimes cause teams to break up. The *Wall Street Journal* offers this vivid description of High Machs: “They tend to be narcissistic, arrogant, manipulative and goal-oriented. They trust no one and refuse to collaborate. They lack a capacity for empathy but are skilled at politics. Though they purposely disregard how they’re coming off to colleagues or subordinates, they’re often very good at sweet-talking bosses, who remain oblivious to their dastardly ways.”¹¹¹

The **Type A/B personality dimension** is the extent to which people tend toward impatience, hurriedness, competitiveness, and hostility.¹¹² **Type A personalities** try

authoritarianism

The extent to which an individual believes there should be power and status differences within organizations.

Machiavellian

The extent to which individuals believe that virtually any type of behavior is acceptable in trying to satisfy their needs or meet their goals.

Type A/B personality dimension

The extent to which people tend toward impatience, hurriedness, competitiveness, and hostility.

Type A personality

A person who tries to complete as many tasks as possible in the shortest possible time and is hard driving, competitive, impatient, perfectionistic, angry, and unable to relax.

Type B personality

A person who is relaxed, easygoing, and able to engage in leisure activities without worrying about work.

to complete as many tasks as possible in the shortest possible time and are hard driving, competitive, impatient, perfectionistic, angry, and unable to relax.¹¹³ Type A's have a high need for achievement and are also likely to be aggressive, self-confident, dominant, and extraverted. In contrast, **Type B personalities** are easygoing, patient, and able to relax and engage in leisure activities. Unlike Type A personalities, they are neither highly competitive nor excessively driven to accomplishment.

What do we know about the Type A/B personality dimension and the workplace? Contrary to what you'd expect, Type A's don't always outperform Type B's on the job. Type A's tend to perform better on tasks that demand quick decisions made at a rapid work pace under time pressure, but Type B's tend to perform better at tasks requiring well-thought-out decisions when there is little time pressure. And despite their ambition to succeed, top managers are much more likely to have Type B personalities than Type A personalities.¹¹⁴ Ironically, the task complexity and psychological challenge inherent in management jobs actually work against many Type A managers by dramatically increasing their stress levels.¹¹⁵ Type B's, on the other hand, do a much better job of handling and responding to the stress of managerial jobs.

The Type A/B personality dimension is also known for its well-established link to heart attacks.¹¹⁶ However, it is the hostility and anger of Type A personalities that increase the risk of heart attack, not their impatience, hurriedness, or competitiveness. For example, businessperson Matt Sicinski gets extremely hostile and angry when his coworkers miss deadlines or don't follow directions. Says Sicinski, "My feet get cold, and I get a throbbing in my head. I can feel every muscle in my body tense up." If he gets angry with someone on the phone, sometimes, he presses the mute button so he can't be heard and begins "cursing somebody up one side and down the other."¹¹⁷ How dangerous is angry, hostile behavior to your health? A long-term study at Duke University followed a group of lawyers for 25 years and found that those with higher hostility scores were 4.2 times as likely to have died over that period as those with low scores.¹¹⁸ This does not bode well for Sicinski, who at age 30 already has dangerously high blood pressure, which he admits is not responding well to his blood pressure medications.

You do poorly on an exam. Quick! Who do you blame, yourself or the professor? The answer to that question may, to some extent, indicate whether you have an internal or external locus of control. **Locus of control** is the degree to which people believe that their actions influence what happens to them. **Internal locus of control** is the belief that what happens to you is largely under your control. Therefore, students with an internal locus of control are more likely to hold themselves accountable for their exam performance ("I studied the wrong material" or "I didn't study enough."). Besides believing that what happens to them is largely under their control, internals are also easier to motivate (especially when rewards are linked to performance), more difficult to lead, more independent, and better able to handle complex information and solve complex problems.¹¹⁹ In contrast, an **external locus of control** is the belief that what happens to you is primarily due to factors beyond your control, such as luck, chance, or other powerful people.¹²⁰ Therefore, students with an external locus of control are more likely to attribute their poor exam performance to luck ("If only it had been an essay exam instead of multiple choice"), chance ("I didn't get enough sleep"), or the professor (a powerful person). In general, externals are more compliant and conforming and therefore are easier to lead than internals. For example, internals may question directives from their managers, while externals are likely to quietly accept them. Finally, internals are likely to perform better on complex tasks that require initiative and independent decision making, whereas externals tend to perform better on simple, repetitive tasks that are well structured.

locus of control

The degree to which individuals believe that their actions can influence what happens to them.

internal locus of control

The belief that what happens to you is largely the result of your own actions.

external locus of control

The belief that what happens to you is largely the result of factors beyond your control.

Affectivity is the stable tendency to experience positive or negative moods and to react to things in a generally positive or negative way.¹²¹ People with **positive affectivity** consistently notice and focus on the positive aspects of themselves and their environments. In other words, they seem to be in a good mood most of the time and are predisposed to being optimistic, cheerful, and cordial. By contrast, people with **negative affectivity** consistently notice and focus on the negative in themselves and their environments. They are frequently in bad moods, consistently expect the worst to happen, and are often irritated or pessimistic.

How stable are the positive or negative moods associated with positive/negative affectivity? A 10-year study by the National Institute of Aging found that even when people changed jobs or companies, the people who were the happiest at the beginning of the study were still the happiest at the end of the study 10 years later.¹²² Likewise, a much longer study found that high school counselors' ratings of student cheerfulness predicted how satisfied these people were with their jobs 30 years later.¹²³ Since dispositions toward positive or negative affectivity are long lasting and very stable, some companies have begun measuring affectivity during the hiring process. Elsie Houck, who oversees 1,200 employees at 72 bank centers for Bank One Dallas, said, "The biggest thing we're focusing on in this market is customer service. We want to make sure that we're really providing world-class service to our customers so we can retain them. My motto when we're hiring employees is, we've got to hire the right people in the right job. We look for people with a twinkle in their eye, a spring in their step, and a smile in their voice. It's important that they have a positive attitude [and are] filled with high energy and enthusiasm. If they have those qualities, we're going to provide world-class service to our customers."¹²⁴

Studies also show that employees with positive affectivity are absent less often, report feeling less stress, are less likely to be injured in workplace accidents, and are less likely to retaliate against management and the company when they believe that they have been treated unfairly.¹²⁵ Affectivity is also important because of **mood linkage**, a phenomenon in which one worker's negative affectivity and bad moods can spread to others. Studies of nurses and accountants show a strong relationship between individual workers' moods and the moods of their coworkers.¹²⁶ Finally, people with positive affectivity are better decision makers, are rated as having much higher managerial potential, and are more successful in sales jobs.¹²⁷

Review 3: Deep-Level Diversity

Deep-level diversity matters because it can reduce prejudice, discrimination, and conflict while increasing social integration. It consists of dispositional and personality differences that can be learned only through extended interaction with others. Research conducted in different cultures, settings, and languages indicates that there are five basic dimensions of personality: extraversion, emotional stability, agreeableness, conscientiousness, and openness to experience. Of these, conscientiousness is perhaps the most important because conscientious workers tend to be better performers on virtually any job. Extraversion is also related to performance in jobs that require significant interaction with others. Studies also show that the personality dimensions of authoritarianism, Machiavellian tendencies, Type A/B personality, locus of control, and positive/negative affectivity are important in the workplace. These personality dimensions are related to honesty, trust, teamwork, persuasive abilities, job performance, decision making, stress, heart disease, adaptability, promotions, interpersonal skills, motivation, initiative, job satisfaction, absenteeism, accidents, retaliatory behavior, mood linkage, and management potential.

affectivity

The stable tendency to experience positive or negative moods and to react to things in a generally positive or negative way.

positive affectivity

A personality trait in which individuals tend to notice and focus on the positive aspects of themselves and their environments.

negative affectivity

A personality trait in which individuals tend to notice and focus on the negative aspects of themselves and their environments.

mood linkage

A phenomenon in which one worker's negative affectivity and bad moods can spread to others.

How Can Diversity Be Managed?

How much should companies change their standard business practices to accommodate the diversity of their workers? For example, at Whirlpool Corporation's Laverne, Tennessee appliance factory, 10 percent of the work force is Muslim. Many Muslim men have long beards and wear skullcaps, while Muslim women wear flowing headscarves and modest, loose-fitting, form-hiding clothes. For safety reasons, long hair, hats of any kind, and loose clothing are prohibited on the factory floor. (Imagine any of these getting caught in moving machinery.) How should Whirlpool's managers deal with the obvious conflict between the Muslim religious practices and the company's safety procedures that are designed to prevent injury? Furthermore, at noon on Fridays, all Muslims attend 45- to 90-minute religious services at their mosques. With a typical Monday to Friday workweek and lunch breaks of just 30 minutes, how can Whirlpool's managers accommodate this Friday service without hurting the production schedule and without giving the Muslims special treatment (that may be resented by the 90 percent of workers who aren't Muslim)?¹²⁸

Likewise, what do you do when a talented top executive has a drinking problem that only seems to affect his behavior at company business parties (for entertaining clients), where he has made inappropriate advances toward female employees? What do you do when, despite aggressive company policies against racial discrimination, employees continue to tell racial jokes and publicly post cartoons displaying racial humor? And, since many people confuse diversity with affirmative action, what do you do to make sure that your company's diversity practices and policies are viewed as benefiting all workers and not just some workers?

No doubt about it, questions like these make managing diversity one of the toughest challenges that managers face.¹²⁹ Nonetheless, there are steps companies can take to begin to address these issues.

After reading the next section, you should be able to

- 4** explain the basic principles and practices that can be used to manage diversity.

4 MANAGING DIVERSITY

As discussed earlier, diversity programs try to create a positive work environment where no one is advantaged or disadvantaged, where "we" is everyone, where everyone can do his or her best work, where differences are respected and not ignored, and where everyone feels comfortable. Let's begin to address those goals by learning about **4.1 different diversity paradigms**, **4.2 diversity principles**, and **4.3 diversity training and practices**.

4.1 Diversity Paradigms

As shown in Exhibit 12.7, there are several different methods or paradigms for managing diversity: the discrimination and fairness paradigm, the access and legitimacy paradigm, and the learning and effectiveness paradigm.¹³⁰ The *discrimination and fairness paradigm*, which is the most common method of approaching diversity, focuses on equal opportunity, fair treatment, recruitment of minorities, and strict compliance with the equal employment opportunity laws. Under this approach, success is usually measured by how well companies achieve recruitment, promotion, and retention goals for women, people of different racial/ethnic backgrounds, or other underrepresented groups. For example, one manager said, "I do know that if you don't measure something, it doesn't count. You measure your market share. You measure your profitability. The same should be true for diversity. There has to be some way of measuring

DIVERSITY PARADIGM	FOCUS	SUCCESS MEASURED BY	BENEFITS	LIMITATIONS
Discrimination & Fairness	Equal opportunity Fair treatment Recruitment of minorities Strict compliance with laws	Recruitment, promotion, and retention goals for underrepresented group	Fairer treatment Increased demographic diversity	Focus on surface-level diversity
Access & Legitimacy	Acceptance and celebration of differences	Diversity in company matches diversity of primary stakeholders	Establishes a clear business reason for diversity	Focus on surface-level diversity
Learning & Effectiveness	Integrating deep-level differences into organization	Valuing people on the basis of individual knowledge, skills, and abilities	Values common ground Distinction between individual and group differences Less conflict, backlash, and divisiveness Bringing different talents and perspectives together	Focus on deep-level diversity is more difficult to measure and quantify

Exhibit 12.7
Paradigms for Managing Diversity

whether you did, in fact, cast your net widely, and whether the company is better off today in terms of the experience of people of color than it was a few years ago. I measure my market share and my profitability. Why not this?”¹³¹ The primary benefit of the discrimination and fairness paradigm is that it generally brings about fairer treatment of employees and increases demographic diversity. The primary limitation is that the focus of diversity remains on the surface-level diversity dimensions of gender, race, and ethnicity.

The *access and legitimacy paradigm* focuses on the acceptance and celebration of differences to ensure that the diversity within the company matches the diversity found among primary stakeholders, such as customers, suppliers, and local communities. This is similar to the *business growth* advantage of diversity discussed earlier in the chapter. The basic idea behind this approach is “We are living in an increasingly multicultural country, and new ethnic groups are quickly gaining consumer power. Our company needs a demographically more diverse work force to help us gain access to these differentiated segments.”¹³² Consistent with this goal, Ed Adams, vice president of human resources for Enterprise Rent-a-Car said, “We want people who speak the same language, literally and figuratively, as our customers. We don’t set quotas. We say [to our managers], ‘Reflect your local market.’”¹³³ The primary benefit of this approach is that it establishes a clear business reason for diversity. Like the discrimination and fairness paradigm, however, it focuses only on the surface-level diversity dimensions of gender, race, and ethnicity. Furthermore, employees who are assigned responsibility for customers and stakeholders on the basis of their gender, race, or ethnicity may eventually feel frustrated and exploited.

While the discrimination and fairness paradigm focuses on assimilation (having a demographically representative work force), and the access and

Amric Singh, center, who was fired from his job as a New York City policeman, and Pardeep Sing Nagra, left, an officer with Peel Regional Police in Ontario, Canada, listen as Arvinder Singh Sandhu, an officer with the Ontario Regional Police, Canada, speaks at a news conference in New York City. Sikh police officers from Great Britain and Canada joined Amric Singh at his announcement of a lawsuit in U.S. District Court in Manhattan against the New York police department, Commissioner Ray Kelly, and the city, claiming religious discrimination after he was fired.



AP PHOTO/BEBETO MATTHEWS

organizational plurality

A work environment where (1) all members are empowered to contribute in a way that maximizes the benefits to the organization, customers, and themselves, and (2) the individuality of each member is respected by not segmenting or polarizing people on the basis of their membership in a particular group.

Exhibit 12.8

Creating a Learning and Effectiveness Diversity Paradigm in an Organization

1. The leadership must understand that a diverse work force will embody different perspectives and approaches to work, and must truly value variety of opinion and insight.
2. The leadership must recognize both the learning opportunities and the challenges that the expression of different perspectives presents for an organization.
3. The organizational culture must create an expectation of high standards of performance for everyone.
4. The organizational culture must stimulate personal development.
5. The organizational culture must encourage openness and a high tolerance for debate and support constructive conflict on workrelated matters.
6. The culture must make workers feel valued.
7. The organization must have a well-articulated and widely understood mission. This keeps discussions about work differences from degenerating into debates about the validity of people's perspectives.
8. The organization must have a relatively egalitarian, nonbureaucratic structure.

Source: D. A. Thomas & R. J. Ely, "Making Differences Matter: A New Paradigm for Managing Diversity," *Harvard Business Review* 74 (September–October 1996): 79–90.

legitimacy paradigm focuses on differentiation (having demographic differences inside the company match those of key customers and stakeholders), the *learning and effectiveness paradigm* focuses on integrating deep-level diversity differences, such as personality, attitudes, beliefs, and values, into the actual work of the organization. Under this approach, people are valued not only on the basis of surface-level diversity (i.e., gender, race/ethnicity), but also for all of their knowledge, skills, abilities, and experiences. For example, Bedie Kohake didn't become a plant manager for Catalytica Pharmaceuticals, which makes Sudafed for Warner-Lambert and the HIV drug AZT for Glaxo-SmithKline, because she's female. She got the job because she graduated summa cum laude with a degree in chemical engineering and had a decade of experience working in manufacturing facilities for companies like DuPont Chemical, where she managed to increased production by 60 percent. Kohake, who manages 10 production areas and 100 workers, technicians, and chemical engineers, says, "I've never had any disadvantage here, because Catalytica practices diversity."¹³⁴ Exhibit 12.8 shows the necessary preconditions for creating a learning and effectiveness diversity paradigm within an organization.

In other words, the learning and effectiveness paradigm is consistent with achieving organizational plurality. **Organizational plurality** is a work environment where (1) all members are empowered to contribute in a way that maximizes the benefits to the organization, customers, and themselves, and (2) the individuality of each member is respected by not segmenting or polarizing people on the basis of their membership in a particular group.¹³⁵

The learning and effectiveness diversity paradigm offers four benefits.¹³⁶ First, it values common ground. Dave Thomas of the Harvard Business School explains: "Like the fairness paradigm, it promotes equal opportunity for all individuals. And like the access paradigm, it acknowledges cultural differences among people and recognizes the value in those differences. Yet this new model for managing diversity lets the organization internalize differences among employees so that it learns and grows because of them. Indeed, with the model fully in place, members of the

organization can say, 'We are all on the same team, with our differences—not despite them.'"¹³⁷

Second, it makes a distinction between individual and group differences. When diversity focuses only on differences between groups, such as females versus white males, large differences within groups are ignored.¹³⁸ For example, think of the women you know at work. Now, think for a second about what they have in common. After that, think about how they're different. If your situation is typical, the list of differences should be just as long, if not longer, than the list of commonalties. In short, managers can achieve a greater understanding of diversity and their employees by treating them as individuals and by realizing that not all African Americans, Hispanics, women, or white males want the same things at work.¹³⁹

Third, because the focus is on individual differences, the learning and effectiveness paradigm is less likely to encounter the conflict, backlash, and

divisiveness sometimes associated with diversity programs that focus only on group differences. Taylor Cox, one of the leading management writers on diversity, says, “We are concerned here with these more destructive forms of conflict which may be present with diverse work forces due to language barriers, cultural clash, or resentment by majority-group members of what they may perceive as preferential and unwarranted treatment of minority-group members.”¹⁴⁰ And Ray Haines, a consultant who has helped companies deal with the aftermath of diversity programs that became divisive, says, “There’s a large amount of backlash related to diversity training. It stirs up a lot of hostility, anguish, and resentment but doesn’t give people tools to deal with [the backlash]. You have people come in and talk about their specific ax to grind.”¹⁴¹ Certainly, not all diversity programs are divisive or lead to conflict. But, by focusing on individual rather than group differences, the learning and effectiveness paradigm helps to minimize these potential problems.

Finally, unlike the other diversity paradigms that simply focus on the value of being different (primarily in terms of surface-level diversity), the learning and effectiveness paradigm focuses on bringing different talents and perspectives *together* (i.e., deep-level diversity) to make the best organizational decisions and to produce innovative, competitive products and services.

4.2 Diversity Principles

While diversity paradigms represent general approaches or strategies for managing diversity, the diversity principles shown in Exhibit 12.9 will help managers do a better job of *managing company diversity programs*, no matter which diversity paradigm they choose.¹⁴²

Begin by *carefully and faithfully following and enforcing federal and state laws regarding equal opportunity employment*. Diversity programs can’t and won’t succeed if the company is being sued for discriminatory actions and behavior. Faithfully following the law will also reduce the time and expense associated with EEOC investigations or lawsuits. Start by learning more at the EEOC Web site (<http://www.eeoc.gov>). Following the law also means strictly and fairly enforcing company policies.

Treat group differences as important, but not special. Surface-level diversity dimensions such as age, gender, and race/ethnicity should be respected, but should not be treated as more important than other kinds of differences (i.e., deep-level diversity). Remember, the shift from surface- to deep-level diversity helps people know and understand each other better, reduces prejudice and conflict, and leads to stronger social integration with people wanting to work together and get the job done. Also, *find the common ground*. While respecting differences is important, it’s just as important, especially with diverse work forces, to actively find ways for employees to see and share commonalities.

Tailor opportunities to individuals, not groups. Special programs for training, development, mentoring, or promotions should be based on individual strengths and weaknesses, not on group status. Instead of making mentoring available for just one group of workers, create mentoring opportunities for everyone who wants to be mentored. For example, at Pacific Enterprises, all programs, including the Career Conversations forums, in which upper-level managers are publicly interviewed about themselves and how they got their jobs, are open to all employees.¹⁴³

Exhibit 12.9
Diversity Principles

1. Carefully and faithfully follow and enforce federal and state laws regarding equal employment opportunity.
2. Treat group differences as important, but not special.
3. Find the common ground.
4. Tailor opportunities to individuals, not groups.
5. Reexamine, but maintain, high standards.
6. Solicit negative as well as positive feedback.
7. Set high but realistic goals.

Source: L. S. Gottfredson, “Dilemmas in Developing Diversity Programs,” in *Diversity in the Workplace*, ed. S. E. Jackson & Associates (New York: Guildford Press, 1992).

DON'T BREAK THE LAW IN THE NAME OF DIVERSITY

As you learned in Chapter 11 on human resource management, the general effect of employment law, which is still evolving through court decisions, is that employers may not discriminate in employment decisions on the basis of gender, age, religion, color, national origin, race, or disability. Employment decisions should be based on factors that are “job related,” “reasonably necessary,” or a “business necessity” for successful job performance. With one exception (see Chapter 11 for further explanation), employers who use gender, age, race, or religion to make employment-related decisions when those factors are unrelated to an applicant’s or employee’s ability to perform a job may face charges of discrimination from employee lawsuits or the Equal Employment Opportunity Commission. So, do the right thing. Stay within the law as you build a diverse work force.

Reexamine, but maintain, high standards. Companies have a legal and moral obligation to make sure that their hiring and promotion procedures and standards are fair to all. At the same time, in today’s competitive markets, companies should not lower standards to promote diversity. This not only hurts the organizations, but also feeds the stereotype that applicants who are hired or promoted in the name of affirmative action or diversity are less qualified. For example, at the Marriott Marquis Hotel in New York’s Time Square, which has 1,700 employees who come from 70 countries and speak 47 different languages, managers are taught to cope with diversity by focusing on job performance. Jessica Brown, a quality-assurance manager who checks the cleanliness of rooms, says, “I don’t lower my standards for anybody.”¹⁴⁴

Solicit negative as well as positive feedback. Diversity is one of the most difficult management issues. No company or manager gets it right from the start. Consequently, companies should aggressively seek positive and negative feedback about their diversity programs. One way to do that is to use a series of measurements to see if progress is being made. L’Oreal, the cosmetics firm, has goals and measurements to track its progress in diversity with respect to recruitment, retention, and advancement, as well as the extent to which the company buys goods and services from minority- and women-owned suppliers.¹⁴⁵

Set high but realistic goals. Just because diversity is difficult doesn’t mean that organizations shouldn’t try to accomplish as much as possible. The general purpose of diversity programs is to try to create a positive work environment where no one is advantaged or disadvantaged, where “we” is everyone, where everyone can do his or her best work, where differences are respected and not ignored, and where everyone feels comfortable. Even if progress is slow, companies should not shrink from these goals.

4.3 Diversity Training and Practices

Organizations use diversity training and several common diversity practices to manage diversity. There are two basic types of diversity training programs. **Awareness training** is designed to raise employees’ awareness of diversity issues, such as the dimensions discussed in this chapter, and to get employees to challenge underlying assumptions or stereotypes they may have about others. As a starting point in awareness training, some companies have begun using the Implicit Association Test (IAT), which measures the extent to which people associate positive or negative thoughts (i.e., underlying assumptions or stereotypes) with blacks or whites, men or women, homosexuals or heterosexuals, young or old, or other groups. For example, test takers are shown black or white faces and must then instantly pair them with lists of words. Response times (shorter responses generally indicate stronger associations) and the pattern of associations indicates the extent to which people are biased. Most people are, and strongly so. For example, 88 percent of whites have a more positive mental association toward whites than toward blacks, but, surprisingly, so do blacks, 48 percent of whom show the same bias. Taking the IAT is a good way to increase awareness of diversity issues. To take the IAT and to learn more about the decade of research behind it, go to <http://implicit.harvard.edu>.¹⁴⁶ By contrast, **skills-based diversity training** teaches employees the practical skills they need for managing a diverse work

awareness training

Training that is designed to raise employees’ awareness of diversity issues and to challenge the underlying assumptions or stereotypes they may have about others.

skills-based diversity training

Training that teaches employees the practical skills they need for managing a diverse work force, such as flexibility and adaptability, negotiation, problem solving, and conflict resolution.

force, such as flexibility and adaptability, negotiation, problem solving, and conflict resolution.¹⁴⁷

Companies also use diversity audits, diversity pairing, and minority experiences for top executives to better manage diversity. **Diversity audits** are formal assessments that measure employee and management attitudes, investigate the extent to which people are advantaged or disadvantaged with respect to hiring and promotions, and review companies' diversity-related policies and procedures. For example, the results of a formal diversity audit prompted BRW, an architecture and engineering firm, to increase job advertising in minority publications, set up a diversity committee to make recommendations to upper management, provide diversity training for all employees, and rewrite the company handbook to make a stronger statement about the company's commitment to a diverse work force.¹⁴⁸

Earlier in the chapter you learned that *mentoring*, pairing a junior employee with a senior employee, is a common strategy for creating learning and promotional opportunities for women. Diversity pairing is a special kind of mentoring. In **diversity pairing**, people of different cultural backgrounds, genders, or races/ethnicities are paired for mentoring. The hope is that stereotypical beliefs and attitudes will change as people get to know each other as individuals.¹⁴⁹ Consultant Tom McGee, who has set up mentoring programs for numerous companies, supports diversity pairing, saying "the assumption that people participating in diversity mentoring programs are looking for someone of the same race or gender has been proved wrong in many cases."¹⁵⁰ Pat Carmichael, an African American female vice president at J.P. Morgan Chase bank, who was mentored early in her career by a white male, mentors men and women of all backgrounds. Regarding a current mentee, John Imperiale, a white assistant branch manager, she says, "My hope is that the exposure John has to me will give him insights when he's managing a diverse group of employees."¹⁵¹

Finally, because top managers are still overwhelmingly white and male, a number of companies believe that it is worthwhile to *have top executives experience what it is like to be in the minority*. This can be done by having top managers go to places or events where nearly everyone else is of a different gender or racial/ethnic background. At Hoechst Celanese (which has now split into two companies), top managers would join two organizations in which they were a minority. For instance, the CEO, a white male, joined the board of Hampton University, a historically African American college, and Jobs for Progress, a Hispanic organization that helps people prepare for jobs. Commenting on his experiences, he said, "The only way to break out of comfort zones is to be exposed to other people. When we are, it becomes clear that all people are similar." A Hoechst vice president who joined three organizations in which he was in the minority said, "Joining these organizations has been more helpful to me than two weeks of diversity training."¹⁵²

Review 4: Managing Diversity

The three paradigms for managing diversity are the discrimination and fairness paradigm (equal opportunity, fair treatment, strict compliance with the law), the access and legitimacy paradigm (matching internal diversity to external diversity), and the learning and effectiveness paradigm (achieving organizational plurality by integrating deep-level diversity into the work of the organization). Unlike the other paradigms that focus on surface-level differences, the learning and effectiveness program values common ground, distinguishes between individual and group differences, minimizes conflict and divisiveness, and focuses on bringing different talents and perspectives together. What principles can companies use when managing diversity? Follow and enforce federal and state laws regarding equal employment opportunity. Treat group differences as important, but not special. Find the common ground. Tailor opportunities to individuals, not groups. Reexamine, but maintain, high standards. Solicit negative as well as

diversity audits

Formal assessments that measure employee and management attitudes, investigate the extent to which people are advantaged or disadvantaged with respect to hiring and promotions, and review companies' diversity-related policies and procedures.

diversity pairing

A mentoring program in which people of different cultural backgrounds, genders, or races/ethnicities are paired together to get to know each other and change stereotypical beliefs and attitudes.

positive feedback. Set high but realistic goals. The two types of diversity training are awareness training and skills-based diversity training. Companies also manage diversity through diversity audits and diversity pairing and by having top executives experience what it is like to be in the minority.

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Concept Check

1. Explain the difference between diversity and affirmative action.
2. Does diversity make good business sense? Explain your answer.
3. What is the current trend in the United States with respect to workplace diversity? Use information from the chapter to defend your answer.
4. Distinguish between surface-level and deep-level diversity.
5. Identify and describe the big five dimensions of personality. People with which dimension are inherently more motivated and better at their jobs?
6. Identify and describe the work-related personality dimensions.
7. What is affectivity? Why do managers need to understand affectivity?
8. Compare the three paradigms for managing diversity. Discuss the benefits and limitations of each.
9. Explain the difference between organizational plurality and diversity.
10. Define and give examples of two types of diversity training. Which do you think would be more successful? Why?

Self-Assessment

DO YOU KNOW YOUR MIND?

Do you always speak your mind? Chances are that you probably don't—at least not always. In some cases, you may not even know your mind. Our conscious mind is not always aligned with our subconscious, and we may be motivated by deeply held beliefs that diverge from our image of who we are or want to be. Researchers at

Harvard have developed a series of assessments to help you identify your implicit associations about a variety of topics, many related to the diversity issues you learned about in this chapter. The Self-Assessment Appendix gives you instructions on completing a set of online tests at <http://implicit.harvard.edu>. Flip to page 620 to get started.

Management Decision

COMPANY OF INTJS SEEKS ESFP EMPLOYEE

Every business magazine you've picked up recently has had some kind of article on personality testing in the workplace.¹⁵³ You've read about the Caliper, used by FedEx, the Chicago Cubs, and the WNBA's Phoenix Mercury. Anne Mariucci, part-owner of the Mercury, uses the test to evaluate potential draft picks and make coaching assignments. With the help of a consultant, venerable retailer Neiman Marcus designed a test to identify the characteristics needed to be a successful sales associate; as a result, it has increased sales per associate by 42 percent and reduced staff turnover by 18 percent. Today, you're reading about a personality test originally designed for Olympic teams and military units (small groups in high-pressure situations with a single, focused goal).

As you close your magazine, you can't help thinking about diversity. As the manager in a medium-sized candy company, you have always made sure that your work force was diverse with respect to minorities and women, but until now you've never considered managing based on personalities. Even though personality tests sound like a good idea (lots of reputable companies are using them), you wonder about the drawbacks. There must be some, in addition to the several hundred dollars it would cost to test each of your 75 employees, or you would have started testing a long time ago.

The stack of articles you've read, however, is prompting you to think that personality testing might be a good idea. It looks like the only way to ensure deep-level diversity. New wave of tests, like the NEO Personality Inventory (Neuroticism, Extroversion, and

Openness) and the Occupational Personality Questionnaire, make less sweeping generalizations than their predecessors. By using narrower indicators, the NEO and OPQ can identify how people will behave in certain situations and, ultimately, how well an employee's personality is suited to the tasks his or her job requires.

Testing is already a \$400 million industry in the United States, and it's growing at 8 percent a year. The amount spent on personality testing alone has increased 10 to 15 percent each of the last three years. Most *Fortune* 500 companies use the venerable Myers-Briggs test. A recent study found that poorly performing employees cost U.S. employers \$100 billion a year, so perhaps it's time to jump on the bandwagon.

Questions

1. If you knew the personality profiles of your workers, how would you actually use the information to benefit the company? Can personality testing help you achieve the company's goal of becoming one of the largest candy makers in North America?
2. Does personality testing help cultivate deep-level diversity, or does it do the opposite, ensuring a company staffed with people who are the same? Is there another way to cultivate deep-level diversity besides personality testing?
3. Do you see any drawbacks to personality testing? In addition to a diverse work force, what benefits could a manager derive from personality testing?
4. Do you begin personality testing? Explain your answer.

Management Team Decision

IS OLDER NECESSARILY WISER?

Two weeks ago, you were pleased to receive a fat envelope from the U.S. government awarding your aeronautics company several hefty contracts with the Department of Defense.¹⁵⁴ As a result of the contracts, you'll have to increase production, so you immediately placed ads in the local paper for four skilled mechanics.

Résumés have been flooding in, and to your surprise, you are now sorting the prospective applicants into two groups. In addition to the usual crop of inexperienced youngsters eager to start their careers, you have an equally large pool of retired mechanics, many of them older than 65. They've spent their entire lives building planes and now want to work only 15 to 20 hours a week.

Flipping through the second pile, you realize that you face a difficult decision. Younger hires would require more training and supervision, but they could eventually become productive full-timers with the potential to stay at the company for most (if not all) of their careers. On the other hand, older veterans would be able to jump in feet first, but they would work fewer hours and probably have much shorter careers with the company. Whereas the veterans will expect pay commensurate with their experience, the newbies will accept much lower starting salaries.

Between 2000 and 2010, the number of Americans between the ages of 55 and 64 will jump 47 percent, compared with a scant 2.8 percent increase in the num-

ber of those aged 25 to 34. The group that makes up the bulk of most companies' management talent, those aged 35 to 45, will actually shrink by 13.7 percent! With the graying of the work force, this may be the first time you have to decide whether to hire older or younger workers, but it certainly won't be the last.

For this exercise, assemble a team of three to four students to represent the senior management team at the aeronautics firm in the scenario. Try using the

dialectical inquiry technique discussed in Chapter 5 (Planning and Decision Making) on page 132.

Questions

1. Do you hire older workers or younger workers? Explain your choice.
2. What challenges can you foresee in managing a multigenerational work force?

Develop Your Career Potential

FROM MAJORITY TO MINORITY AND BACK AGAIN

Do you know what it feels like to walk into a room where, because of your gender, race/ethnicity, religion, language, or some other dimension, you are intensely aware of being different from everyone else?¹⁵⁵ Some of you do. Most of you probably don't. And, since most managers are white and male, it's a good bet that they don't know either. The experience can be unsettling, especially the first time it happens.

Some companies have begun broadening perspectives and understanding by having their managers join groups or attend events where they are different from everyone else. As you read in Section 4.3, at Hoechst Celanese, the CEO, a white male, joined the board of Hampton University, a historically African American college, and Jobs for Progress, a Hispanic organization that helps people prepare for jobs.

For more than 30 years, UPS has required its top managers to participate in community service programs in inner cities or poor rural areas. James Casey, UPS's founder, started the program in 1968 to expose his white male managers to diverse experiences, people, and communities. Casey also hoped that the experience would increase empathy, break down stereotypes, and encourage volunteer and community service. Today, managers with 10 to 30 years of experience are assigned to community service tasks in inner cities or rural areas. Don Wofford, who directs the program, says, "We choose managers on the fast track, people

who'll be positioned to influence their work force and the community for years to come." The managers spend two weeks doing community service, followed by a weekend at home and then two more weeks of community service. Wofford says, "This format gives them a chance to digest the experience—they tend to come back renewed after the break, with a new focus, sometimes even more bewildered, but still ready to go for it."

Your assignment is to attend an event, meeting, or activity where you are different from almost everyone else in terms of your gender, race/ethnicity, religion, language, or some other dimension. You can choose a church service, local community group, volunteer organization, or student group on campus. Ask your professor for ideas. You should probably contact the group beforehand to arrange your visit. Answer the following questions after your visit.

Questions

1. Describe the event, meeting, activity, and/or organization you visited.
2. How were you different from others in attendance? Describe what it was like to be different from everyone else.
3. In what ways was this experience actually similar to previous experiences that you've had? In other words, while question 2 focuses on differences, this question focuses on similarities and commonalities.
4. What did you learn from this experience?



Biz Flix *In Good Company*

In Good Company, a 2004 film, stars Dennis Quaid as Dan Foreman, a seasoned advertising sales executive at the magazine, *Sports America*. A corporate takeover results in Dan having a new supervisor named Carter Duryea. On his first day on the job, Carter confesses to a young woman he meets on the elevator that he doesn't know what he's doing. In this scene, Dan and Carter meet for the first time.

What to Watch for and Ask Yourself

1. How does this scene relate to diversity?
2. Review the Chapter 2 clip from the same movie. How diverse is the advertising department at *Sports America*? Explain.
3. Consider the two clips together and think about deep-level diversity. Why do you think *Sports America* hired Carter Duryea?



Management Workplace Diversified Chemical

At Diversified Chemical in Detroit, everyone is excited about chemistry and its ability to positively affect the world through innovation. Since 1971, when Arnold Joseff and George Hill founded the company, Diversified Chemical has grown into a holding company with four subsidiaries and 200 employees who generate over \$70 million in annual sales. That growth was powered by the diverse perspectives and experiences of Diversified's employees, who created a continuous string of innovative products and business opportunities.

What to Watch for and Ask Yourself

1. Which diversity paradigm best describes what is happening at Diversified Chemical?
2. Using the dimensions discussed in the chapter, describe the work-related personalities of Arnold Joseff and George Hill.
3. What does diversity mean at Diversified Chemical?

Takeover
Two