GLOBAL EDITION

MANAGING DIVERSITY

5

Management

THIRTEENTH EDITION

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LEARNING OBJECTIVES

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

    ▪ **Develop your skill** at valuing and working with diverse individuals and teams.

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

3. **Explain** the different types of diversity found in workplaces.

4. **Discuss** the challenges managers face in managing diversity.

5. **Describe** various workplace diversity.

    ▪ **Know how** to find a great sponsor/mentor and be a great protégé.

WHAT IS WORKPLACE DIVERSITY?

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

EXHIBIT 5-1
TIMELINE OF THE EVOLUTION OF WORKFORCE DIVERSITY

1960s to 1970s

Focus on complying with laws and regulations:

Title VII of Civil Rights Act; Equal Employment Opportunity Commission; affirmative action policies and programs

Early 1980s

Focus on assimilating minorities and women into corporate setting:

Corporate programs developed to help improve self-confidence and qualifications of diverse individuals so they can "fit in"

Late 1980s

Concept of workforce diversity expanded from compliance to an issue of business survival:

Publication of *Workforce 2000* opened business leaders' eyes about the future composition of workforce—that is, more diverse; first use of term *workforce diversity*

Late 1980s to Late 1990s

Focus on fostering sensitivity:

Shift from compliance and focusing only on women and minorities to including everyone; making employees more aware and sensitive to the needs and differences of others

New Millennium

Focus on diversity and inclusion for business success:

Workforce diversity seen as core business issue; important to achieve business success, profitability, and growth
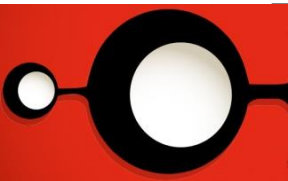
WHAT IS WORKPLACE DIVERSITY? (CONT.)

► **Surface-level diversity**

  ► Easily perceived differences that may trigger certain stereotypes, but do not necessarily reflect the ways people think or feel.
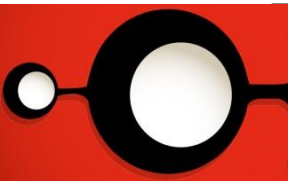
► **Deep-level diversity**

  ► Differences in values, personality, and work preferences.

Deep-level diversity is more important since it affects the way people view organizational work rewards, communicate, react, negotiate, etc.
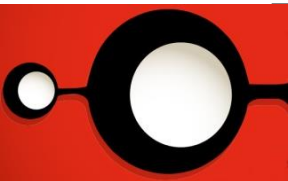
WHY IS MANAGING WORKFORCE DIVERSITY SO IMPORTANT?

▶ **People Management** – diversity is, after all, about people, both inside and outside the organization.

▶ **Organizational Performance** – cost savings include reducing employee turnover, absenteeism, and the chance of lawsuits.

▶ **Strategic** – workforce diversity is a key to extracting the best talent performance, market share, and suppliers from a diverse country and world.

EXHIBIT 5-2
BENEFITS OF WORKFORCE DIVERSITY

People Management

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

Organizational Performance

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

Strategic

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

FYI!

▶ Companies with diverse leadership are:

  ▶ 45 percent more likely to report a growth in market share over the previous year

 ▶ 70 percent more likely to have captured a new market
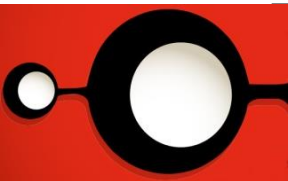
THE CHANGING WORKPLACE

▶ **Characteristics of the U.S. Population** – Total population of the United States projected to increase to 438 million by the year 2050

▶ **Racial/ethnic groups** – changes in the percentages of the Hispanic and white population

▶ **Aging population** – median age of 36.9 years up from 36.2 years in 2001
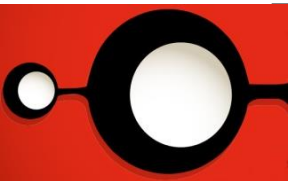
EXHIBIT 5-3
CHANGING POPULATION MAKEUP OF THE UNITED STATES

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

*= Non-Hispanic

American Indian/Alaska Native not included.
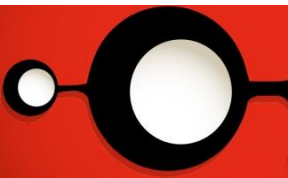
THE CHANGING WORKPLACE (CONT.)

- **Global Workforce Changes**
  - Total world population – estimated at over almost 7.023 billion
  - An aging population – aging at an unprecedented rate
    - People age 65 and older will soon outnumber children under age 5 for the first time in history
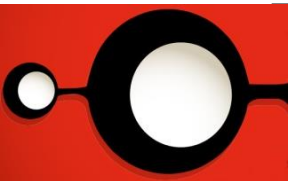
EXHIBIT 5-4
GLOBAL AGING: HOW MUCH DO YOU KNOW?

1. True or False: The world's children under age 5 outnumber people aged 65 and over.
2. The world's older population (65 and older) increased by approximately how many people each month in 2008?
   a. 75,000
   b. 350,000
   c. 600,000
   d. 870,000
3. Which of the world's developing regions has the highest percentage of older people?
   a. Africa
   b. Latin America
   c. The Caribbean
   d. Asia
4. True or False: More than half of the world's older people live in the industrialized nations of Europe, North America, Japan, and Australia.
5. Which country had the world's highest percentage of older people in 2008?
   a. Sweden
   b. Japan
   c. Spain
   d. Italy
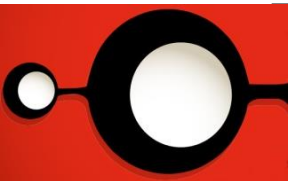
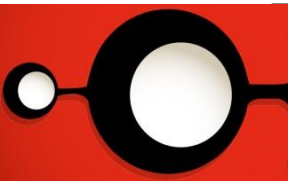# EXHIBIT 5-4
GLOBAL AGING: HOW MUCH DO YOU KNOW? (CONT.)

Answers to quiz:

1. *True.* Although the world's population is aging, children still outnumber older people as of 2008. Projections indicate, however, that in fewer than 10 years, older people will outnumber children for the first time in history.

2. *d.* The estimated change in the total size of the world's older population between July 2007 and July 2008 was more than 10.4 million people, an average of 870,000 each month.

3. *c.* The Caribbean, with 7.8 percent of all people aged 65 and over in 2008. Numbers for the other regions: Latin America, 6.4 percent; Asia (excluding Japan), 6.2 percent; and Africa, 3.3 percent.

4. *False.* Although industrialized nations have higher percentages of older people than most developing countries, 62 percent of all people aged 65 and over now live in the developing regions of Africa, Asia, Latin America, the Caribbean, and Oceania.

5. *b.* Japan, with 22 percent of its population aged 65 or over, has supplanted Italy as the world's oldest major country.
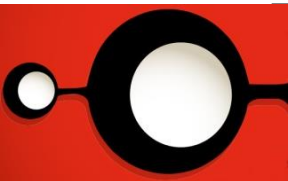
EXHIBIT 5-5
# TYPES OF DIVERSITY FOUND IN WORKPLACES
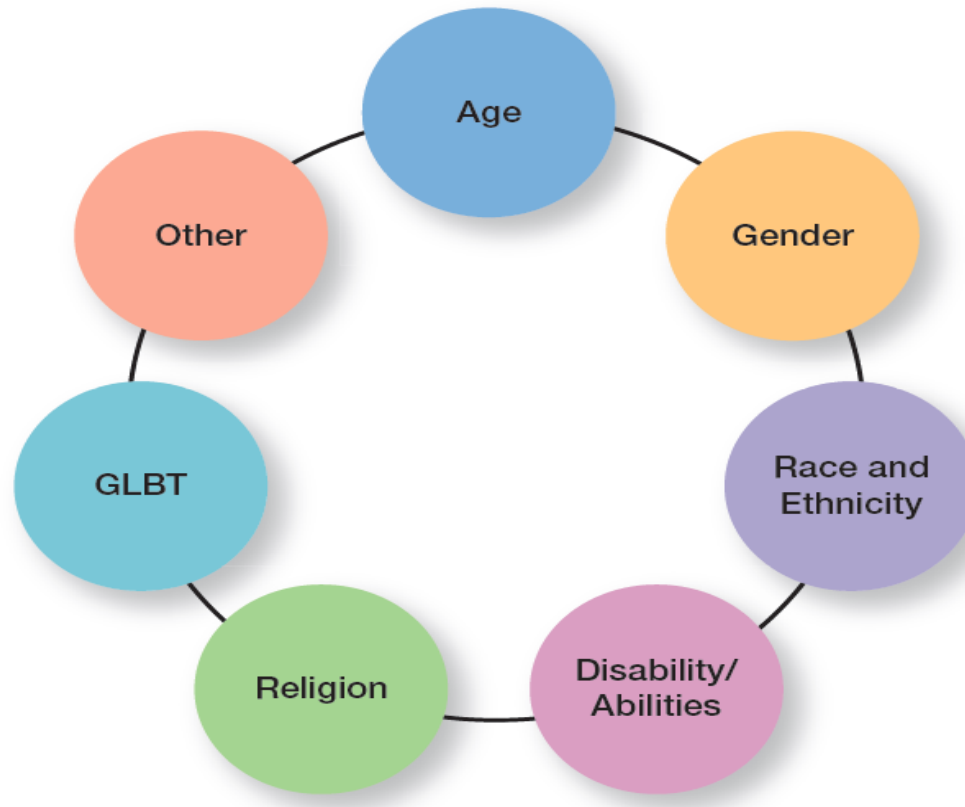
TYPES OF WORKPLACE DIVERSITY

▶ **Age** – Both Title VII of the Civil Rights Act of 1964 and the Age Discrimination in Employment Act of 1967 prohibit age discrimination.

▶ **Gender** – Women (49.8%) and men (50.2%) now each make up almost half of the workforce.

▶ **Race** – The biological heritage (including skin color and associated traits) that people use to identify themselves.

▶ **Ethnicity** – Social traits (such as cultural background or allegiance) that are shared by a human population.

▶ **Disability/Abilities** – The Americans With Disabilities Act of 1990 prohibits discrimination against persons with disabilities.

▶ **Religion** – Title VII of the Civil Rights Act prohibits discrimination on the basis of religion.

▶ **Other Types of Diversity** – Diversity refers to any dissimilarities or differences that might be present in a workplace

EXHIBIT 5-6
EMPLOYERS' FEARS ABOUT DISABLED WORKERS

FEAR: Hiring people with disabilities leads to higher employment costs and lower profit margins

REALITY: Absentee rates for sick time are virtually equal between employees with and without disabilities; workers' disabilities are not a factor in formulas calculating insurance costs for workers' compensation

FEAR: Workers with disabilities lack job skills and experience necessary to perform as well as their abled counterparts

REALITY: Commonplace technologies such as the Internet and voice-recognition software have eliminated many of the obstacles for workers with disabilities; many individuals with disabilities have great problem-solving skills from finding creative ways to perform tasks that others may take for granted

FEAR: Uncertainty over how to take potential disciplinary action with a worker with disabilities

REALITY: A person with a disability for whom workplace accommodations have been provided has the same obligations and rights as far as job performance

FEAR: High costs associated with accommodating disabled employees

REALITY: Most workers with disabilities require no accommodation but for those who do, more than half of the workplace modifications cost $500 or less
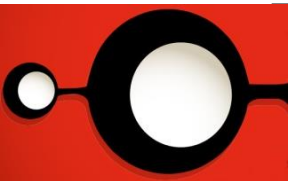
CHALLENGES IN MANAGING DIVERSITY

▶ **Personal Bias**
  - ▶ Bias – A tendency or preference toward a particular perspective or ideology.
  - ▶ Prejudice – A pre-conceived belief, opinion, or judgment toward a person or a group of people.

▶ **Stereotyping** – judging a person based on a prejudicial perception of a group to which that person belongs.

▶ **Discrimination** – when someone acts out their prejudicial attitudes toward people who are the targets of their prejudice.

▶ **Glass Ceiling** – the invisible barrier that separates women and minorities from top management positions.
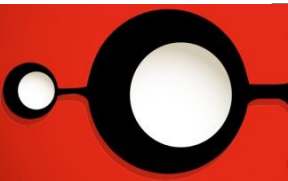
Exhibit 5-7 Forms of Discrimination

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

TOP MANAGEMENT COMMITMENT TO DIVERSITY

▶ **Mentoring** – a process whereby an experienced organizational member (a mentor) provides advice and guidance to a less-experienced member (a protégé).

▶ **Diversity Skills Training** – specialized training to educate employees about the importance of diversity and to teach them skills for working in a diverse workplace.

EXHIBIT 5-9
WHAT A GOOD MENTOR DOES

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

TOP MANAGEMENT COMMITMENT TO DIVERSITY (CONT.)

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