4.7 Organizational Practices used to Effectively Manage Diversity

MAJOR QUESTION,

What are organizations doing to effectively manage diversity, and what works best?

THE BIGGER PICTURE,

Whether you manage a diverse work group or find yourself managed within a diverse work group, you'll do better by understanding the various ways in which organizations attempt to manage diversity. You'll be able to review eight options in the following section. Hint: We recommend mutual adaptation.

What are organizations doing to effectively manage diversity? We can answer this question by first providing a framework for categorizing organizational initiatives.

Framework of Options,

One especially relevant framework was developed by R. Roosevelt Thomas Jr., a diversity expert. Thomas identified eight generic action options that organizations can use to address any type of diversity issue. After describing each option, we discuss relationships among them.[97]

Option 1: Include/Exclude,

Include/exclude is an outgrowth of affirmative action programs. Its primary goal is to either increase or decrease the number of diverse people at all levels of the organization. Shoney's restaurant chain attempted to include diverse employees after settling a discrimination lawsuit. The company subsequently hired African Americans into positions of dining-room supervisors and vice presidents, added more franchises owned by African Americans, and purchased more goods and services from minority-owned companies.[98]

Option 2: Deny,

People may deny differences exist, saying that all decisions are color-, gender-, and age-blind and that success is determined solely by merit and performance. Novartis Pharmaceuticals agreed to a $152 million settlement in a gender discrimination lawsuit. Holly Waters, one of the plaintiffs, charged that "she was not only paid less than her male equivalents at Novartis, but was fired when she was seven months pregnant after taking a few weeks off on advice of her doctors." Waters was the highest performer in her district.[99] Novartis denied that gender discrimination was a companywide issue despite the fact that 5,600 women received compensation in the settlement.

Option 3: Assimilate,

The idea behind assimilation is that, given time and reinforcement, all diverse people will learn to fit in or become like the dominant group. Organizations initially assimilate employees through their recruitment practices and through orientation programs that describe their preferred values and standard operating procedures. Employees then are encouraged to refer to policies and procedures when confused about what to do in a specific situation. These practices create behavioral homogeneity among employees.

A photo.

These U.S. soldiers of the 101st Airborne Division are a great illustration of assimilation. Note the uniform dress and structured approach toward marching. Assimilation techniques used by the military create homogeneity in dress, behavioral expectations, and many other aspects of military life. Do you think nonmilitary organizations desire the same type of homogeneity?

Option 4: Suppress,

Differences are squelched or discouraged when suppression is the diversity strategy. Managers and peers tell employees to quit whining and complaining about issues. Saying, "You've got to pay your dues" is another way to suppress differences and promote the status quo.

Option 5: Isolate,

Isolation maintains the status quo by setting the diverse person off to the side. Then he or she is unable to influence organizational change. Managers can isolate people and entire teams and departments by putting them on special projects, creating functionally independent entities often referred to as silos.

Option 6: Tolerate,

Toleration entails acknowledging differences but not valuing or accepting them. This live-and-let-live approach allows organizations to give lip service to the issue of managing diversity. It differs from isolation in that it allows for the inclusion of diverse people, but differences are still not truly valued or accepted.

Option 7: Build Relationships,

Relationship building is based on the premise that good relationships can overcome differences. It addresses diversity by fostering high-quality relationships—characterized by acceptance and understanding—among diverse groups. Marriott, for example, has paired younger and older employees in teams so they can more effectively capitalize on their strengths and weaknesses.

Option 8: Foster Mutual Adaptation,

Mutual adaptation allows people to change their views for the sake of creating positive relationships with others. Employees and managers alike must be willing to accept differences and, most important, agree that everyone and everything is open for change. Diversity training is one way to kick-start mutual adaptation. Research shows that such training can positively enhance people's attitudes and feelings about working with diverse employees.

Conclusions about Action Options,

Although the action options can be used alone or in combination, some are clearly more effective than others. Exclusion, denial, assimilation, suppression, isolation, and toleration are the least preferred options. Inclusion, building relationships, and mutual adaptation are preferred. That said, Thomas reminds us that mutual adaptation is the only approach that unquestionably endorses the philosophy behind managing diversity.

Choosing how to best manage diversity is a dynamic process and is influenced by the context. For instance, some organizations are not ready for mutual adaptation. The best they might be able to achieve is the inclusion of diverse people.

How Companies Are Responding to the Challenges of Diversity,

We close this chapter by sharing some examples and models that demonstrate how companies are responding to the emerging challenges of managing diversity. Compare these to Thomas's framework and you'll find the greatest activity around Options 7 and 8, building relationships and fostering mutual adaptation.

Response: Paying Attention to Sexual Orientation,

The Transgender Law Center estimates that about 2 percent of the population is transgender. The term transgender applies to anyone whose gender identity or gender expression is different from sex at birth. Although 61 percent of Fortune 500 firms forbid discrimination based on gender identity, transgender people are protected against discrimination in only 17 states and the District of Columbia. More companies recognize that they don't want to alienate this segment of the population, however, and are implementing programs to help them transition. Aetna, for example, has developed a policy that covers issues involving leave benefits, restroom use, and the transitioning employee's preferred pronouns and names. It also includes medical coverage for therapy and surgery. Companies including Alcatel-Lucent and Glassdoor have addressed the needs of transgender employees by trying to create an inclusive culture. Mariah DeLeon, Glassdoor's vice president of people, noted, "The phrase we have here is 'Bring your whole self to work.'"

Response: Addressing Changing Customer Demographics,

A Citizens Union Bank branch in Louisville, Kentucky, was designed and staffed with the goal of attracting more Latina/o customers. The interior contains "bright, colorful walls of yellows and blues, large-scale photos of Latin American countries, comfortable couches, sit-down desks, a children's play area, a television tuned to Hispanic programming, and even a vending area stocked with popular Latin American-brand soft drinks and snacks." The branch also took on a new name: Nuestro Banco, Spanish for "Our Bank." Branch deposits are setting records, and the CEO is planning to repeat the model in other locations.

Response: Helping Women Navigate the Career Labyrinth,

Organizations can make career navigation easier by providing flexible work schedules and the developmental assignments that prepare women for promotional opportunities. According to a business writer, the Boston Consulting Group "focuses heavily on recruiting and retaining women, offering part-time options, mentoring and professional-development programs." On-ramping programs encourage people to reenter the workforce after a temporary career break. Companies such as McKinsey & Co. and Goldman Sachs Group offer these to women in particular. Goldman, for example, instituted "returnship" programs that offer short-term job assignments to former employees.

Response: Helping Hispanics Succeed,

Miami Children's Hospital and Shaw Industries Inc. in Dalton, Georgia, hope to raise employee productivity, satisfaction, and motivation by developing customized training programs to improve the communication skills of their Spanish-speaking employees. Research reveals that retention and career progression of minorities can be significantly enhanced through effective mentoring.

Response: Providing Community and Corporate Training to Reduce the Mismatch between Education and Job Requirements.

To combat education gaps on a more global level, JPMorgan started The Fellowship Initiative (TFI) in New York in 2010 and expanded it to Chicago and Los Angeles in 2014. The goal is to provide intensive academic and leadership training to young men of color. Jamie Dimon, chair and CEO of JPMorgan, is committed to the program. "These young men need access to high quality education and positive role models in and outside the classroom," he said. Michael Bloomberg, then New York City's mayor, applauded JPMorgan's effort by concluding, "We need more civic-minded companies and organizations to step up and join this work, and I congratulate JPMorgan Chase for being a leader in this effort and for making a real difference in the lives of young men of color in our city."

At the individual corporate level, companies, including Wheeler Machinery Co. in Salt Lake City, have instituted specialized training programs that enable less-qualified people to perform more technically oriented jobs. Lockheed Martin and Agilent Technologies also offer paid apprenticeships or internships to attract high-school students interested in the sciences.

Response: Retaining and Valuing Skills and Expertise in an Aging Workforce.

Here are seven initiatives that can help organizations to motivate and retain an aging workforce:

Provide challenging work assignments that make a difference to the firm.

Give employees considerable autonomy and latitude in completing a task.

Provide equal access to training and learning opportunities when it comes to new technology.

Provide frequent recognition for skills, experience, and wisdom gained over the years.

Provide mentoring opportunities whereby older workers can pass on accumulated knowledge to younger employees.

Ensure that older workers receive sensitive, high-quality supervision.

Design a work environment that is both stimulating and fun.

You'll see a number of these tactics being used by BAE, a multinational defense and aerospace company, according to a writer for Bloomberg Businessweek. "When BAE learns that an employee with deep institutional knowledge plans to retire, whether in a few months or a couple of years, a knowledge-transfer group of about a half-dozen people of varying ages working in the same area is formed. The teams meet regularly over months to talk and exchange advice. Younger workers elicit tips, and in some cases older ones gradually hand off tasks to junior employees."

Some companies, such as Staples, have encountered problems managing older employees; see the Problem-Solving Application box.

Problem-Solving Application

64-Year-Old Male Sues Staples for Wrongful Termination and Age Discrimination

Bobby Nickel, a 66-year-old facilities manager for Staples Contract and Commercial, Inc., and Staples, Inc., was fired. He claims the company discriminated against and harassed him and ultimately terminated him due to his age.

From 2002 to 2008 Nickel worked for Corporate Express, which Staples then acquired. He received positive performance evaluations for nine years before his termination.

"Because Corporate Express' pay scale had been higher than the pay scale for employees hired by Staples, Nickel alleged in his complaint that his managers noted that they needed to 'get rid of' older, higher paid employees. Nickel's complaint also explained how he became the regular butt of jokes at staff meetings and was referred to as 'old coot' and 'old goat," according to blogger Larry Bodine.

Further, Nickel claimed that Lionel Marrero, his fulfillment center manager, regularly made harassing statements like, "Take a closer look at the older people. They are starting to drag and are slowing down. If they are not top performers, write them up and get rid of them." It was also alleged that Marrero said, "We need young, energetic people. Walk around the facility with the older workers and if they cannot keep up, then get rid of them.… We need to get rid of old people because they are slow. And we can get younger people to work cheaper."

Nickel was ultimately pressed by a manager to resign. When he didn't, he experienced increased incidents of harassment from coworkers and a manager. "This included being written up and suspended for 'stealing,' after taking a bell pepper valued at 68 cents from the company cafeteria." A receptionist told Nickel she had been instructed by management "to provide a false statement about Nickel's conduct but she refused to do so, said blogger Larry Bodine.

Counsel for Staples contended that the company had cause to suspend Nickel because he violated "the company's zero-tolerance policy when it came to 'dishonesty of any kind, including theft or misappropriation of company property.'"

Apply the 3-Step Problem-Solving Approach,

Step 1:Define the problem in this case.

Step 2:Identify the OB concepts or theories that may be causing the problem. For example, are stereotypes, diversity climate, or frameworks for managing diversity causes of the problem? Step 3:Recommend what you would do to correct the situation. Think both short term and long term.

Response: Resolving Generational Differences,

Traditional and boomer managers are encouraged to consider their approach toward managing the technologically savvy Gen Xers and Gen Ys. Gen Xers and Ys, for instance, are more likely to visit social networking sites during the workday, often perceiving this activity as a "virtual coffee break." In contrast, traditional and boomer managers are more likely to view this activity as wasted time, leading them to adopt policies that attempt to prevent it. Experts suggest that restricting access to social media will not work in the long run if an employer wants to motivate younger employees.

Would you like to improve your working relationships with diverse people? If yes, Self-Assessment 4.3 can help. It asks you to compare yourself with a group of other people you interact with and then to examine the quality of the relationships between yourself and these individuals. This enables you to gain a better understanding of how similarities and differences among people influence your attitudes and behavior.

SELF-ASSESSMENT 4.3, How Does My Diversity Profile Affect My Relationships with Other People?

Please be prepared to answer these questions if your instructor has assigned Self-Assessment 4.3 in Connect.

Which diversity dimensions have the greatest influence on the quality of your interpersonal relationships?

Consider the person with whom you have the most difficulty working. Which dimensions of diversity may contribute to this relationship? What can you do to improve it?