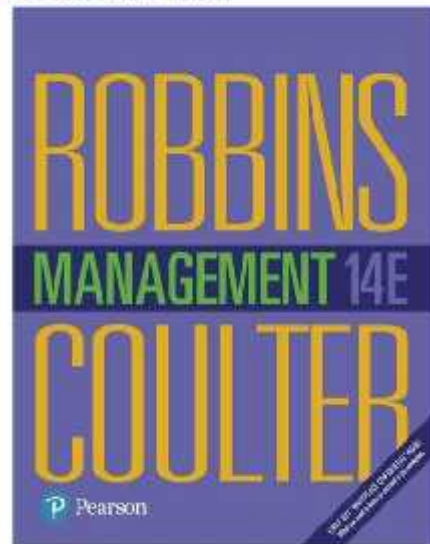


Management

Fourteenth Edition



Chapter 5 Managing Diversity

Learning Objectives

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

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

5.2 Describe the changing workplaces in the United States and around the world.

5.3 Explain the different types of diversity found in workplaces.

5.4 Discuss the challenges managers face in managing diversity.

5.5 Describe various workplace diversity management initiatives
Know how to find a great sponsor/mentor and be a great protégé

What is Workplace Diversity?

Workforce 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

Timeframe	Events
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 <i>Workforce 2000</i> 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 include 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

Exhibit 5-1 illustrates a historical overview of how the concept and meaning of workforce diversity has evolved.

Types of Diversity

- **Surface-level diversity:** Easily perceived differences that may trigger certain stereotypes, but that do not necessarily reflect the ways people think or feel
- **Deep-level diversity:** Differences in values, personality, and work preferences

Why is Managing Workplace Diversity So Important?

- People management
- Organizational performance
- Strategic

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



Exhibit 5-2 shows the three main categories of workforce diversity benefits: people management, organizational performance, and strategic.

Exhibit 5-3

Changing Population Makeup of the United States

Group	2015	2050
Foreign-born	14%	19%
Racial/ethnic groups		
White*	72%	47%
Hispanic	12%	29%
Black*	12%	13%
Asian*	4%	9%
* = Non-Hispanic		
American Indian/Alaska Native not included.		

What About Global Workforce Changes?

- Total world population
- Aging population

Exhibit 5-4

Global Aging: How Much Do You Know?

1. True or False: At age 65, life expectancy is expected to be an additional 20 years.
2. The world's older population (60 and older) is expected to change from 641 million in 2013 to _____ people in 2050?
 - a. decrease to 500 million
 - b. decrease to 750 million
 - c. increase to 1.5 billion
 - d. increase to 2 billion
3. Which of the world's continents has the highest percentage of older people (age 60 or older)?
 - a. North America
 - b. Latin America
 - c. Europe
 - d. Asia
4. True or False: The worldwide median age was 27 in 2015.
5. Which country had the world's highest percentage of older people in 2013?
 - a. Sweden
 - b. Japan
 - c. China
 - d. Italy

Exhibit 5-2 shows the three main categories of workforce diversity benefits: people management, organizational performance, and strategic.

Exhibit 5-4

Global Aging: Answers

Answers to quiz:

1. **True.** At age 60, people worldwide can expect to live an additional 20 years. That number is smaller in least developed countries (17 years) and higher in more developed countries (23 years). According to the United Nations, African countries and Asian countries (excluding Japan) are examples of least developed countries. The United States and Sweden are examples of more developed countries.
2. **d.** The number of older people is expected to be approximately 2 billion people in 2050.
3. **c.** Four of the top five countries with the greatest percentage of older people (age 60 or older) are located on the European continent: Italy (26.9%), Germany (26.8%), and Bulgaria and Finland (26.1%).
4. **False.** The worldwide median age was estimated to be about 30 in 2015. That age was 24 in 1950, and it is expected to reach 36 by 2050.
5. **b.** Japan, with 32 percent of its population aged 60 or over, has supplanted Italy as the world's oldest major country.

Exhibit 5-2 shows the three main categories of workforce diversity benefits: people management, organizational performance, and strategic.

Exhibit 5-5

Types of Diversity Found in Workplaces

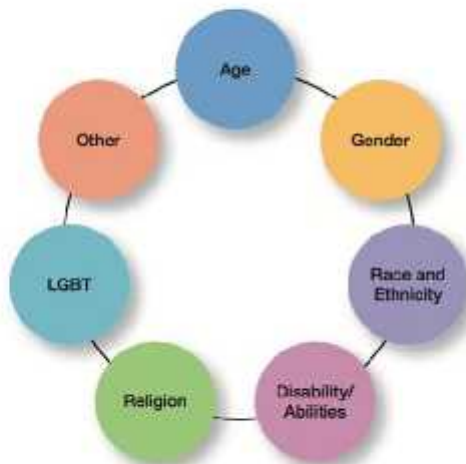


Exhibit 5-5 shows several types of workplace diversity.

Workforce Diversity: Age and Gender

- **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

Workforce Diversity: Race and Ethnicity

- **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

Workforce Diversity: Disability/Abilities and Religion

- **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

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

Exhibit 5-6 describes some of employers' unfounded fears about hiring disabled workers.

Workforce Diversity: LGBT and Other Types of Diversity

- **LGBT:** in two separate U.S. Supreme Court cases, the justices held that transgendered (gender identity) and lesbian, bisexual, and gay (sexual orientation) individuals were protected under Title VII's prohibition against sexual discrimination
- **Other types of diversity:** diversity refers to *any* dissimilarities or differences that might be present in a workplace

Challenges in Managing Diversity: Personal Bias

- **Bias:** a tendency or preference toward a particular perspective or ideology
- **Prejudice:** a preconceived belief, opinion, or judgment toward a person or a group of people

Challenges in Managing Diversity: Stereotyping and Discrimination

- **Stereotyping:** judging a person based on a 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

Exhibit 5-7

Forms of Discrimination

Types 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

Glass Ceiling

- **Glass ceiling:** the invisible barrier that separates women and minorities from top management positions

The Legal Aspect of Workplace Diversity

- Workplace diversity needs to be more than understanding and complying with federal laws

Exhibit 5-8

Major Equal Employment Opportunity Laws

Year	Law or Ruling	Description
1953	Equal Pay Act	Prohibits pay differences for equal work based on gender
1974 (amended in 1972)	Civil Rights Act, Title VII	Prohibits discrimination based on race, color, religion, national origin, or gender
1967 (amended in 1978)	Age Discrimination in Employment Act	Prohibits discrimination against employees 40 years and older
1973	Rehabilitation Act	Prohibits discrimination against a qualified person with a disability in the federal government as well as retaliation against a person who complained about discrimination
1978	Pregnancy Discrimination Act	Prohibits discrimination against women in employment decisions on the basis of pregnancy, childbirth, and related medical decisions
1990	Americans with Disabilities Act	Prohibits discrimination against individuals who have disabilities or chronic illnesses; also requires reasonable accommodations for these individuals
1991	Civil Rights Act of 1991	Reaffirms and tightens prohibition of discrimination and gives individuals right to sue for punitive damages
1993	Family and Medical Leave Act	Gives employees in organizations with 50 or more employees up to 12 weeks of unpaid leave each year for family or medical reasons
2008	Genetic Information Nondiscrimination Act	Prohibits discrimination against employees or applicants because of genetic information (one's own or family members' genetic tests)
2009	Lilly Ledbetter Fair Pay Act	Changes the statute of limitations on pay discrimination to 180 days from each paycheck

Mentoring

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

Exhibit 5-9

What a Good Mentor Does



Exhibit 5-9 looks at what a good mentor does.

Diversity Skills Training

- **Diversity skills training:** specialized training to educate employees about the importance of diversity and to teach them skills for working in a diverse workplace

Employee Resource Groups

- **Employee resource groups:** groups made up of employees connected by some common dimension of diversity

Review Learning Objective 5.1

- **Define workplace diversity and explain why managing it is so important.**
 - Workplace diversity is the ways in which people in an organization are different from and similar to one another
 - Why it's important:
 - People management benefits
 - Organizational performance benefits
 - Strategic benefits

Review Learning Objective 5.2

- **Describe the changing workplaces in the United States and around the world.**
 - United States
 - Total increase in population
 - Changing components of racial/ethnic groups
 - An aging population
 - The world:
 - Total world population
 - Aging of that population

Review Learning Objective 5.3

- **Explain the different types of diversity found in workplaces.**
 - Age (older workers and younger workers)
 - Gender (male and female)
 - Race and ethnicity (racial and ethnic classifications)
 - Disability/abilities (people with a disability that limits major life activities)
 - Religion (religious beliefs and religious practices)
 - Sexual orientation and gender identity (gay, lesbian, bisexual, and transgender)
 - Other (e.g., socioeconomic background, physical attractiveness, obesity, job seniority, etc.)

Review Learning Objective 5.4

- **Discuss the challenges managers face in managing diversity.**
 - Bias is a tendency or preference toward a particular perspective or ideology
 - Prejudice, which is a preconceived belief, opinion, or judgment toward a person or a group of people
 - Glass ceiling refers to the invisible barrier that separates women and minorities from top management positions

Review Learning Objective 5.5

- **Describe various workplace diversity management initiatives.**
 - Some of the federal laws on diversity include:
 - Title VII of the Civil Rights Act
 - The Americans with Disabilities Act
 - Age Discrimination in Employment Act
 - Workplace diversity initiatives to diversity include mentoring, diversity skills training, and employee resource groups