

Diversity in Organizations

LEARNING OBJECTIVES

After studying this chapter, students should be able to:

- 2-1. Describe the two major forms of workplace diversity.
- 2-2. Demonstrate how workplace discrimination undermines organizational effectiveness.
- 2-3. Describe how the key biographical characteristics are relevant to OB.
- 2-4. Explain how other differentiating characteristics factor into OB
- 2-5. Demonstrate the relevance of intellectual and physical abilities to OB.
- 2-6. Describe how organizations manage diversity effectively.

INSTRUCTOR RESOURCES

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

Text Exercises

- An Ethical Choice: Affirmative Action for Unemployed Veterans
- Personal Inventory Assessments: Intercultural Sensitivity Scale
- Myth or Science?: “Bald is Better”
- Career Objectives: Is It Okay To Be Gay At Work?
- Point/Counterpoint: Affirmative Action Programs Have Outlived Their Usefulness
- Questions for Review
- Experiential Exercise: Differences
- Ethical Dilemma: Getting More Women on Board

Text Cases

- Case Incident 1: Walking the Walk
- Case Incident 2: The Encore Career

Instructor’s Choice

This section presents an exercise that is NOT found in the student's textbook. *Instructor's Choice* reinforces the text's emphasis through various activities. Some *Instructor's Choice* activities are centered on debates, group exercises, Internet research, and student experiences. Some can be used in class in their entirety, while others require some additional work on the student's part.

The course instructor may choose to use these at any time throughout the class—some may be more effective as icebreakers, while some may be used to pull together various concepts covered in the chapter.

Web Exercises

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

Summary and Implications for Managers

This chapter looks at diversity from many perspectives, paying particular attention to three variables—biographical characteristics, ability, and diversity programs. Diversity management must be an ongoing commitment that crosses all levels of the organization.

- Understand your organization's anti-discrimination policies thoroughly and share them with your employees.
- Assess and challenge your stereotype beliefs to increase your objectivity.
- Look beyond readily observable biographical characteristics and consider the individual’s capabilities before making management decisions.
- Fully evaluate what accommodations a person with disabilities will need and then fine-tune a job to that person’s abilities.
- Seek to understand and respect the unique biographical characteristics of your employees; a fair but individualistic approach yields the best performance.

This chapter opens with a vignette describing how Henry’s Turkey Service of Texas successfully exploited a loophole in the Fair Labor Standards Act of 1938. The exploitation of the disabled men is a tragic example of mistreating people for the ways in which they are different. Not only were the men abused by their supposed caretakers, but they also suffered workplace discrimination that kept them in debilitating roles without regard to their abilities or needs. In this chapter, we look at how organizations should work to maximize the potential contributions of a diverse workforce. Because each of us is different from others in a myriad of ways, we consider diversity in many different forms. We also show how individual differences in abilities affect employee behavior and effectiveness in organizations.

BRIEF CHAPTER OUTLINE

I. Introduction

- A. In this chapter, we’ll learn how individual characteristics like age, gender, race, ethnicity, and abilities can influence employee performance.
- B. We’ll also see how managers can develop awareness about these characteristics and manage a diverse workforce effectively.

I. Diversity

- A. Demographic Characteristics

1. Predicted change to the U.S. workforce has happened. The predominantly white, male managerial workforce of the past has given way to a gender-balanced, multiethnic workforce.
2. This permanent shift toward a diverse workforce means organizations need to make diversity management a central component of their policies and practices.

B. Levels of Diversity

1. Demographics mostly reflect **surface-level diversity**.
2. Secondary diversity factor is **deep-level diversity**.

II. Discrimination

1. Discrimination is to note a difference between things.

B. Stereotype Threat

1. **Stereotype threat** describes the degree to which we internally agree with the generally negative stereotyped perceptions of our groups.
2. People become their own worst enemies when they feel a stereotype threat.
 - a. They may unconsciously exaggerate the stereotype.
 - b. They may over-identify with the stereotype.
 - c. They may over-compensate for the stereotype threat they feel.
 - d. They may perform differently when reminded of their stereotyped group.
3. Stereotype threat has serious implications for the workplace. Employees who feel it may have lower performance, lower satisfaction, negative job attitudes, decreased engagement, decreased motivation, higher absenteeism, more health issues, and higher turnover intentions.
4. The following organizational changes can be successful in reducing stereotype threat: increasing awareness of how stereotypes may be perpetuated, reducing differential and preferential treatment through objective assessments, banning stereotyped practices and messages, confronting micro-aggressions against minority groups, and adopting transparent practices that signal the value of all employees.

C. Discrimination in the Workplace

1. Unfair discrimination is assuming stereotypes about groups and refusing to recognize differences.
2. Exhibit 2-1 lists definitions and examples of different types of discrimination.
3. **Biographical characteristics** such as age, gender, race, disability, and length of service are some of the most obvious ways employees differ.
4. Start with factors that are readily available in an employee's personnel file. There is a sizable amount of research on these factors.

D. Age

1. The relationship between age and job performance is likely to be an issue of increasing importance during the next decade for several reasons.
2. Employers hold mixed feelings about older workers.
 - a. They see a number of positive qualities older workers bring to their jobs, such as experience, judgment, a strong work ethic, and commitment to quality.
 - b. But older workers are also perceived as lacking flexibility and resisting new technology.
3. What effect does age actually have on turnover, absenteeism, productivity, and satisfaction?
 - a. The older you get, the less likely you are to quit your job.

4. It's tempting to assume that age is also inversely related to absenteeism.
 - a. Most studies do show an inverse relationship, but close examination finds it is partially a function of whether the absence is avoidable or unavoidable.
5. Many believe productivity declines with age.
 - a. It is often assumed that skills like speed, agility, strength, and coordination decay over time and that prolonged job boredom and lack of intellectual stimulation contribute to reduced productivity.
6. A final concern is the relationship between age and job satisfaction, where the evidence is mixed.
 - a. A review of more than 800 studies found that older workers tend to be more satisfied with their work, report better relationships with coworkers, and are more committed to their employing organizations.
 - b. Other studies, however, have found a U-shaped relationship.

E. Sex

1. Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do.
 - a. The best place to begin to consider this is with the recognition that few, if any, important differences between men and women affect job performance.
 - b. A recent meta-analysis of job performance studies found that women scored slightly higher than men on performance measures.
2. Yet biases and stereotypes persist.
 - a. Men are more likely to be chosen for leadership roles.
3. Women still earn less money than men for the same positions, even in traditionally female roles.
 - a. Working mothers also face "maternal wall bias" by employers, which limits their professional opportunities, and both men and women face discrimination for their family caregiving roles.
4. Many countries have laws against sexual discrimination.

F. Race and Ethnicity

1. Controversial Issue.
2. Additional characterizations.
 - a. English Speaker
 - b. Hispanic
3. Research into effects of race and ethnic diversity.
 - a. Employees tend to favor colleagues of their own race in performance evaluations, promotion decisions, pay raises.
 - b. African Americans and Hispanics perceive discrimination to be more prevalent in the workplace.
 - c. African Americans generally do worse than whites in employment decisions and are often discriminated against even in controlled experiments.
 - d. While better representation of all racial groups in organizations remains a goal, an individual of minority status is much less likely to leave the organization if there is a feeling of inclusiveness, known as a **positive diversity climate**.

G. Disabilities

1. With the Americans with Disabilities Act (ADA) in 1990, individuals with disabilities became an increasing number in the U.S. workforce.

2. A person is disabled who has any physical or mental impairment that substantially limits one or more major life activities.
3. The “reasonable accommodation” is problematic for employers.
4. Strong biases exist against those with mental impairment.
5. Research on workers with disabilities have found:
 - a. They receive higher performance evaluations based on lower performance expectations.
 - b. They are less likely to be hired.

H. Hidden Disabilities

1. Hidden, or invisible disabilities, generally fall under the category of sensory disabilities, chronic illness or pain, cognitive or learning impairments, sleep disorders, and psychological challenges.
2. As a result of recent changes to the Americans with Disabilities Act Amendments Act of 2008, U.S. organizations must accommodate employees with a very broad range of impairments.
3. However, employees must disclose their conditions to their employers in order to be eligible for workplace accommodations and employment protection.

I. Other Differentiating Characteristics

1. Tenure
 - a. The issue of the impact of job seniority on job performance has been subject to misconceptions and speculations.
 - b. Tenure, expressed as work experience, appears to be a good predictor of employee productivity.
2. Religion
 - a. Although employees are protected by U.S. federal law regarding their religion, it is still an issue in the workplace.
 - b. Religious discrimination claims have been a growing source of discrimination claims in the United States.
3. Sexual Orientation and Gender Identity
 - a. Federal law does not protect employees against discrimination based on sexual orientation.
 - b. Recent developments suggest that we may be on the cusp of change.
 - c. Many organizations have implemented policies and procedures protecting employees on the basis of sexual orientation.
 - d. Companies are increasingly putting in place policies to govern how their organizations treat transgender employees.
4. Cultural Identity
 - a. People choose their cultural identity, and they also choose how closely they observe the norms of that culture.
 - b. Cultural norms influence the workplace, sometimes resulting in clashes.
 - c. A company seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority groups and instead create as much of an individualized approach to practices and norms as possible.

III. Ability

- A. **Ability** is an individual’s current capacity to perform various tasks in a job.
- B. Intellectual Abilities

1. **Intellectual abilities** are abilities needed to perform mental activities—thinking, reasoning, and problem solving.
2. Most societies place a high value on intelligence, and for good reason.
3. The seven most frequently cited dimensions making up intellectual abilities are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization, and memory. (Exhibit 2-2)
 - a. If you score high on verbal comprehension, you're more likely to also score high on spatial visualization.
4. Researchers recognize a general factor of intelligence, **general mental ability (GMA)**.
5. Evidence strongly supports the idea that the structures and measures of intellectual abilities generalize across cultures.
6. Jobs differ in the demands they place on intellectual abilities.
 - a. The more complex a job in terms of information-processing demands, the more general intelligence and verbal abilities will be necessary to perform successfully.
 - b. Where employee behavior is highly routine and there are few or no opportunities to exercise discretion, a high IQ is not as important to performing well.
7. Although intelligence is a big help in performing a job well, it doesn't make people happier or more satisfied with their jobs.

C. Physical Abilities

1. Introduction
 - a. Though the changing nature of work suggests intellectual abilities are increasingly important for many jobs, physical abilities have been and will remain valuable.
 - b. Nine basic abilities involved in the performance of physical tasks. (Exhibit 2-3)

IV. Implementing Diversity Management Strategies

A. Introduction

1. Having discussed a variety of ways in which people differ, we now look at how a manager can and should manage these differences.
2. **Diversity management** makes everyone more aware of and sensitive to the needs and differences of others.

B. Attracting, Selecting, Developing, and Retaining Diverse Employees

1. One method of enhancing workforce diversity is to target recruiting messages to specific demographic groups underrepresented in the workforce.
2. The selection process is one of the most important places to apply diversity efforts.
 - a. Managers who hire need to value fairness and objectivity in selecting employees and focus on the productive potential of new recruits.
3. Individuals who are demographically different from their coworkers may be more likely to feel low commitment and leave, but a positive diversity climate can help.
 - a. All workers appear to prefer an organization that values diversity.

C. Diversity in Groups

1. Groups are an essential part of organizational settings.
 - a. If employees feel no cohesion or sense of membership, group attributes are likely to be less.
 - b. Does diversity help or hurt group performance?
 - (1) Whether diverse or homogeneous teams are more effective depends on the characteristic of interest.

- (2) On the other hand, teams of individuals who are highly intelligent, conscientious, and interested in working in team settings are more effective.
 - c. In other cases, differences can be a strength.
 - (1) Groups of individuals with different types of expertise and education are more effective than homogeneous groups.
- D. Effective Diversity Programs
 - 1. Effective diversity programs have three components:
 - a. They teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics.
 - b. They teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.
 - c. They foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.
 - 2. Much concern about diversity has to do with fair treatment.
 - 3. Organizational leaders should examine their workforce to determine whether target groups have been underutilized.
 - 4. If groups of employees are not proportionally represented in top management, managers should look for any hidden barriers to advancement.
 - 5. Communications should focus as much as possible on qualifications and job performance; emphasizing certain groups as needing more assistance could well backfire.
- V. Summary and Implications for Managers
 - A. This chapter looked at diversity from many perspectives, paying particular attention to three variables—biographical characteristics, ability, and diversity programs.
 - B. Diversity management must be an ongoing commitment that crosses all levels of the organization.
 - 1. Understand your organization's anti-discrimination policies thoroughly and share them with your employees.
 - 2. Assess and challenge your stereotype beliefs to increase your objectivity.
 - 3. Look beyond readily observable biographical characteristics and consider the individual's capabilities before making management decisions.
 - 4. Fully evaluate what accommodations a person with disabilities will need and then fine-tune a job to that person's abilities.
 - 5. Seek to understand and respect the unique biographical characteristics of your employees; a fair but individualistic approach yields the best performance.

EXPANDED CHAPTER OUTLINE

- I. Introduction
 - A. In this chapter, we look at how organizations work to maximize the potential contributions of a diverse workforce.
 - B. Because each of us is different from others in a myriad of ways, we consider diversity in many different forms.

C. We also show how individual differences in abilities affect employee behavior and effectiveness in organizations.

II. Diversity

A. In this chapter, we'll learn how individual characteristics like age, gender, race, ethnicity, and abilities can influence employee performance.

B. We'll also see how managers can develop awareness about these characteristics and manage a diverse workforce effectively.

C. Demographic Characteristics

1. The predominantly white, male managerial workforce of the past has given way to a gender-balanced, multiethnic workforce.

2. Earnings gaps between groups have narrowed.

3. Aging workforce is an important concern both in the U.S. and globally.

D. Levels of Diversity

1. Demographics mostly reflect **surface-level diversity**.

2. Secondary diversity factor is **deep-level diversity**.

III. Discrimination

A. **Discrimination** is to note a difference between things.

B. Stereotype Threat

1. **Stereotype threat** describes the degree to which we internally agree with the generally negative stereotyped perceptions of our groups.

2. People become their own worst enemies when they feel a stereotype threat.

a. They may unconsciously exaggerate the stereotype.

b. They may over-identify with the stereotype.

c. They may over-compensate for the stereotype threat they feel.

d. They may perform differently when reminded of their stereotyped group.

3. Stereotype threat has serious implications for the workplace.

4. Employees who feel it may have lower performance, lower satisfaction, negative job attitudes, decreased engagement, decreased motivation, higher absenteeism, more health issues, and higher turnover intentions.

5. The following organizational changes can be successful at reducing stereotype threat: increasing awareness of how stereotypes may be perpetuated, reducing differential and preferential treatment through objective assessments, banning stereotyped practices and messages, confronting micro-aggressions against minority groups, and adopting transparent practices that signal the value of all employees.

C. Discrimination in the Workplace

1. Unfair discrimination is assuming stereotypes about groups and refusing to recognize differences.

2. Exhibit 2-1 lists definitions and examples of different types of discrimination.

3. Under increasing legal scrutiny and social disapproval, most overt forms have faded, but this may have resulted in an increase in covert forms such as incivility or exclusion.

4. Some forms are difficult to root out because they are unobservable.

5. Whether intentional or not, serious negative consequences may arise for employers.

6. Diversity is a broad term, and workplace diversity can describe any characteristic that makes one person different from another.

IV. Biographical Characteristics

A. Introduction

1. **Biographical characteristics** such as age, race, gender, disability, and length of service are some of the most obvious ways employees differ.
2. Start with factors that are readily available in an employee's personnel file. There is a sizable amount of research on these factors.

B. Age

1. The relationship between age and job performance is likely to be an issue of increasing importance during the next decade for many reasons.
 - a. First, the workforce is aging.
 - b. Another reason is U.S. legislation, for all intents and purposes, outlaws mandatory retirement.
 - (1) Most U.S. workers today no longer have to retire at age 70.
2. Employers hold mixed feelings about older workers.
 - a. They see a number of positive qualities older workers bring to their jobs, such as experience, judgment, a strong work ethic, and commitment to quality.
 - b. But older workers are also perceived as lacking flexibility and resisting new technology.
 - c. And when organizations are actively seeking individuals who are adaptable and open to change, the negatives associated with age clearly hinder the initial hiring of older workers and increase the likelihood they will be let go during cutbacks.
3. What effect does age actually have on turnover, absenteeism, productivity, and satisfaction?
 - a. The older you get, the less likely you are to quit your job.
 - b. As workers get older, they have fewer alternative job opportunities as their skills have become more specialized to certain types of work.
 - c. Their long tenure also tends to provide them with higher wage rates, longer paid vacations, and more attractive pension benefits.
4. It's tempting to assume that age is also inversely related to absenteeism.
 - a. Most studies do show an inverse relationship, but close examination finds it is partially a function of whether the absence is avoidable or unavoidable.
 - b. In general, older employees have lower rates of avoidable absence than do younger employees.
 - c. However, they have equal rates of unavoidable absence, such as sickness absences.
5. Many believe productivity declines with age.
 - a. It is often assumed that skills like speed, agility, strength, and coordination decay over time and that prolonged job boredom and lack of intellectual stimulation contribute to reduced productivity.
 - (1) The evidence however, contradicts those assumptions.
6. A final concern is the relationship between age and job satisfaction, where the evidence is mixed.
 - a. A review of more than 800 studies found that older workers tend to be more satisfied with their work, report better relationships with coworkers, and are more committed to their employing organizations.
 - b. Other studies, however, have found a U-shaped relationship.

- (1) Several explanations could clear up these results, the most plausible being that these studies are intermixing professional and nonprofessional employees.
- (2) When we separate the two types, satisfaction tends to continually increase among professionals as they age, whereas it falls among nonprofessionals during middle age and then rises again in the later years.

C. Sex

1. Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do.
 - a. The best place to begin to consider this is with the recognition that few, if any, important differences between men and women affect job performance.
 - b. A recent meta-analysis of job performance studies found that women scored slightly higher than men on performance measures.
2. Women still earn less money than men for the same positions, even in traditionally female roles.
 - a. Working mothers also face “maternal wall bias” by employers, which limits their professional opportunities, and both men and women face discrimination for their family caregiving roles.
 - b. Research has shown that workers who experience the worst form of overt sexual discrimination or sexual harassment have higher levels of psychological stress, and these feelings in turn are related to lower levels of organizational commitment and job satisfaction, and higher intentions to leave.
 - c. Research continues to underline that although the reasons for employee turnover are complex, it is detrimental to organizational performance, particularly for intellectual positions, for managerial employees, in the United States, and in medium-sized firms.

D. Race and Ethnicity

1. Race is a controversial issue.
 - a. We define race as the heritage people use to identify themselves; ethnicity is the additional set of cultural characteristics that often develops with race.
 - b. Typically, we associate race with biology and ethnicity with culture, but there is a history of self-identifying for both classifications.
 - c. Laws against race and ethnic discrimination are in effect in many countries, including Australia, the United Kingdom, and the United States.
 - d. While better representation of all racial groups in organizations remains a goal, an individual of minority status is much less likely to leave the organization if there is a feeling of inclusiveness, known as **positive diversity climate**.
2. Research into effects of race and ethnic diversity.
 - a. Employees tend to favor colleagues of their own race in performance evaluations, promotion decisions, pay raises.
 - b. African-Americans generally do worse than whites in employment decisions.
 - c. Most research shows that members of racial and ethnic minorities report higher levels of discrimination in the workplace.
 - d. Discrimination leads to increased turnover, which is detrimental to organizational performance.
 - e. Some research suggests that having a positive climate for diversity overall can lead to increased sales.

E. Disability

1. With the Americans with Disabilities Act (ADA) in 1990, individuals with disabilities became an increasing number in the U.S. workforce.
2. It requires reasonable accommodation for disabilities.
3. A person is disabled who has any physical or mental impairment that substantially limits one or more major life activities.
- 4.
5. The “reasonable accommodation” is problematic for employers.
6. Research on workers with disabilities have found:
 - a. They receive higher performance evaluations based on lower performance expectations.
 - b. They are less likely to be hired.

F. Hidden Disabilities

1. Hidden, or invisible, disabilities generally fall under the categories of sensory disabilities, autoimmune disorders, chronic illness or pain, cognitive or learning impairments, sleep disorders, and psychological challenges.
2. As a result of recent changes to the Americans with Disabilities Act Amendments Act of 2008, U.S. organizations must accommodate employees with a very broad range of impairments.
3. However, employees must disclose their conditions to their employers in order to be eligible for workplace accommodations and employment protection.
4. Research suggests that disclosure helps all – the individual, others, and organizations.
5. Disclosure may increase the job satisfaction and well-being of the individual, help others understand and assist the individual to succeed in the workplace, and allow the organization to accommodate the situation to achieve top performance.

G. Other Differentiating Characteristics

1. Tenure

- a. The issue of the impact of job seniority on job performance has been subject to misconceptions and speculations.
 - (1) Extensive reviews of the seniority-productivity relationship have been conducted.

2. Religion

- a. Although employees are protected by U.S. federal law regarding their religion, it is still an issue in the workplace.
 - (1) Perhaps the greatest religious diversity issue in the United States today revolves around Islam.
 - (2) Perhaps as a result of different perceptions of religion’s role in the workplace, religious discrimination claims have been a growing source of discrimination claims in the United States.

3. Sexual Orientation and Gender Identity

a. Sexual orientation

- (1) While much has changed, the full acceptance and accommodation of gay, lesbian, bisexual, and transgender employees remains a work in progress.
- (2) Federal law does not protect employees against discrimination based on sexual orientation, although 29 states and more than 160 municipalities do.
- (3) Employers differ regarding their policies on this issue.

- b. Gender identity
 - (1) Companies are increasingly putting in place policies to govern how their organizations treat transgender employees.
- 4. Cultural Identity
 - a. People choose their cultural identity, and they also choose how closely they observe the norms of that culture.
 - b. Cultural norms influence the workplace, sometimes resulting in clashes.
 - c. Thanks to global integration and changing labor markets, global companies do well to understand and respect the cultural identities of their employees, both as groups and as individuals.
 - d. A company seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority group and instead create as much of an individualized approach to practices and norms as possible.

V. Ability

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

B. Intellectual Abilities

1. **Intellectual abilities** are abilities needed to perform mental activities – thinking, reasoning, and problem solving.
2. Most societies place a high value on intelligence, and for good reason.
 - a. Smart people generally earn more money and attain higher levels of education.
 - b. They are also more likely to emerge as leaders of groups.
 - c. Intelligence quotient (IQ) tests, for example, are designed to ascertain a person's general intellectual abilities.
 - d. So, too, are popular college admission tests, such as the SAT and ACT, and graduate admission tests in business (GMAT), law (LSAT), and medicine (MCAT).
 - e. Testing firms don't claim their tests assess intelligence, but experts know they do.
3. The seven most frequently cited dimensions making up intellectual abilities are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualization, and memory. Exhibit 2-2 describes these dimensions.
4. If you score high on verbal comprehension, you're more likely to also score high on spatial visualization.
 - a. The correlations aren't perfect, meaning people do have specific abilities that predict important work-related outcomes when considered individually.
 - b. However, they are high enough that researchers also recognize a general factor of intelligence, **general mental ability (GMA)**.
5. Evidence strongly supports the idea that the structures and measures of intellectual abilities generalize across cultures.
6. Jobs differ in the demands they place on intellectual abilities.
 - a. The more complex a job is in terms of information-processing demands, the more general intelligence and verbal abilities will be necessary to perform successfully.
 - b. Where employee behavior is highly routine and there are few or no opportunities to exercise discretion, a high IQ is not as important as performing well.
 - c. However, that does not mean people with high IQs cannot have an impact on traditionally less complex jobs.

7. Although intelligence is a big help in performing a job well, it doesn't make people happier or more satisfied with their jobs.
 - a. The correlation between intelligence and job satisfaction is about zero.
 - b. Research suggests that although intelligent people perform better and tend to have more interesting jobs, they are also more critical when evaluating their job conditions.
 - c. Thus, smart people have it better, but they also expect more.

C. Physical Abilities

1. Introduction

- a. Though the changing nature of work suggests intellectual abilities are increasingly important for many jobs, **physical abilities** have been and will remain valuable.
- b. Nine basic abilities involved in the performance of physical tasks. (Exhibit 2-3)

VI. Implementing Diversity Management Strategies

A. Introduction

1. Having discussed a variety of ways in which people differ, we now look at how a manager can and should manage these differences.
2. **Diversity management** makes everyone more aware of and sensitive to the needs and differences of others.
3. This definition highlights the fact that diversity programs include and are meant for everyone.
4. Diversity is much more likely to be successful when we see it as everyone's business than if we believe it helps only certain groups of employees.

B. Attracting, Selecting, Developing, and Retaining Diverse Employees

1. One method of enhancing workforce diversity is to target recruiting messages to specific demographic groups underrepresented in the workforce.
 - a. This means placing advertisements in publications geared toward specific demographic groups.
 - b. Diversity advertisements that fail to show women and minorities in positions of organizational leadership send a negative message about the diversity climate at an organization.
2. The selection process is one of the most important places to apply diversity efforts.
 - a. Managers who hire need to value fairness and objectivity in selecting employees, and focus on the productive potential of new recruits.
 - b. Where managers use a well-defined protocol for assessing applicant talent and the organization clearly prioritizes nondiscrimination policies, qualifications become far more important in determining who gets hired than demographic characteristics.
3. Similarity in personality appears to affect career advancement.
 - a. Those whose personality traits are similar to those of their coworkers are more likely to be promoted than those whose personalities are different.

C. Diversity in Groups

1. Groups are an essential part of organizational settings.
 - a. If employees feel no cohesion or sense of membership, group attributes are likely to be less.
 - b. Does diversity help or hurt group performance?

- (1) Whether diverse or homogeneous teams are more effective depends on the characteristic of interest.
 - (2) Demographic diversity (in gender, race, and ethnicity) does not appear to either help or hurt team performance in general.
 - (3) On the other hand, teams of individuals who are highly intelligent, conscientious, and interested in working in team settings are more effective.
 - (4) Thus, diversity on these variables is likely to be a bad thing – it makes little sense to try to form teams that mix in members who are lower in intelligence, conscientiousness, and uninterested in teamwork.
- c. In other cases, differences can be a strength.
- (1) Groups of individuals with different types of expertise and education are more effective than homogeneous groups.
 - (2) Similarly, a group made up entirely of assertive people who want to be in charge, or a group whose members all prefer to follow the lead of others, will be less effective than a group that mixes leaders and followers.
 - (3) Regardless of the composition of the group, differences can be leveraged to achieve superior performance.
 - (4) Groups of diverse individuals will be much more effective if leaders can show how members have a common interest in the group's success.
2. Evidence also shows transformational leaders (who emphasize higher-order goals and values in their leadership style) are more effective in managing diverse teams.
- D. Effective Diversity Programs
1. Effective diversity programs have three components:
 - a. They teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics.
 - b. They teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.
 - c. They foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.
 2. Much concern about diversity has to do with fair treatment.
 - a. Most negative reactions to employment discrimination are based on the idea that discriminatory treatment is unfair.
 - b. Regardless of race or gender, people are generally in favor of diversity-oriented programs, including affirmative action, if they believe the policies ensure everyone a fair opportunity to show their skills and abilities.
 3. Organizational leaders should examine their workforce to determine whether target groups have been underutilized.
 4. If groups of employees are not proportionally represented in top management, managers should look for any hidden barriers to advancement.
 5. Communications should focus as much as possible on qualifications and job performance; emphasizing certain groups as needing more assistance could well backfire.
 6. Finally, research indicates a tailored approach will be needed for international organizations.

VII. Summary and Implications for Managers

- A. This chapter looks at diversity from many perspectives paying particular attention to three variables – biographical characteristics, ability, and diversity programs.
- B. Diversity management must be an ongoing commitment that crosses all levels of the organization.
 - 1. Policies to improve the climate for diversity can be effective, so long as they are designed to acknowledge all employees' perspectives.
- C. Implications for managers:
 - 1. Understand your organization's anti-discrimination policies thoroughly and share them with your employees.
 - 2. Assess and challenge your stereotype beliefs to increase your objectivity.
 - 3. Look beyond readily observable biographical characteristics and consider the individual's capabilities before making management decisions.
 - 4. Fully evaluate what accommodations a person with disabilities will need and then fine-tune a job to that person's abilities.
 - 5. Seek to understand and respect the unique biographical characteristics of your employees; a fair but individualistic approach yields the best performance.

An Ethical Choice

Affirmative Action for Unemployed Veterans

This exercise contributes to:

Learning Objectives: *Describe how organizations manage diversity effectively; Demonstrate how workplace discrimination undermines organizational effectiveness*

Learning Outcomes: *Describe the factors that influence the formation of individual attitudes and values; Apply the study of perception and attribution to the workplace; Define diversity and describe the effects of diversity in the workforce*

AACSB: *Diverse and multicultural work environments*

Unemployed veterans, take heart: Walmart wants YOU. In a historic move, the retailing giant vows to hire any returning U.S. veteran who applies. Projections are that Walmart will extend job offers to 100,000 veterans from 2013 to 2018. Other businesses are launching similar initiatives, such as JPMorgan Chase's 100,000 Jobs Mission, which aims to hire that many veterans by 2020. Is this an ethical choice all businesses should be emulating, or a form of reverse discrimination?

Few people would disagree there is a need to address the plight of returning soldiers in America. As a rule, veterans say employers don't want them. "There are a lot of companies that say they want veterans, but that conflicts with the unemployment numbers," said Hakan Jackson, a former technician in the Air Force. He's right: unemployment rates remain higher for veterans. The suicide rate for veterans is also sharply higher than for active-duty soldiers, and the "hopelessness of unemployment almost certainly plays a role," reports Georgette Mosbacher, CEO of the Borghese Cosmetics Company and board member of the Intrepid Fallen Heroes

Fund. Veterans need jobs. But is affirmative action justified, or are these former soldiers not competing well in the job market?

According to some veterans, the returning soldiers are not competitive in the marketplace. Erik Sewell, an Iraq war veteran, suggested the reason the veteran unemployment rate is poor is partly because vets often don't market their strengths well or showcase their transferable skills to potential employers. Bryson DeTrent, a 12-year veteran of the National Guard, observed that one of the key reasons vets haven't found jobs is that they aren't working hard at it, preferring to collect unemployment instead. However, he also found that companies are reluctant to hire veterans, especially National Guard members, fearing these employees may later be recalled to duty. Employers also worry that veterans may suffer from post-traumatic stress disorder (PTSD), though some managers report that veterans' work ethic, team outlook, and receptivity to training are greater than among the general populace.

Sometimes, affirmative action is needed to give an unfairly disadvantaged workforce segment an opportunity to succeed, whether it is done through percentage quotas, number quotas, or hiring all prospective employees from the desired groups. But any affirmative action program risks including under-qualified individuals from the target group while excluding qualified individuals from other workforce segments, creating reverse discrimination. Resources are always scarce, and there are only so many jobs to go around. If a manager must choose between a qualified civilian candidate and a qualified veteran, the manager might favor the veteran without discrimination. But if a manager must choose an under-qualified veteran candidate over a qualified civilian candidate due to an affirmative action policy, the manager is forced to discriminate against the qualified candidate. Managers must balance the ethics of affirmative action against the responsibility of strengthening their workforces for the good of their organizations.

Sources: D. C. Baldrige and M. L. Swift, "Withholding Requests for Disability Accommodation: The Role of Individual Differences and Disability Attributes," *Journal of Management* (March 2013), pp. 743–762; G. Mosbacher, "Wal-Mart Wants You!" *The Wall Street Journal* (February 1, 2013), p. A11; B. Yerbak and C. V. Jackson, "Battling to Get More Vets in the Work Force," *Chicago Tribune* (October 28, 2012), http://articles.chicagotribune.com/2012-10-28/business/ct-biz-1028-vets--20121028_1_train-veteransunemployment-rate-war-zone; and "Veterans Unemployment Drops But Remains High," *HR Magazine* (February 2013), p. 16.

Class Exercise

1. Have the students divide into groups of four to five students.
2. Ask students to consider a situation in which their boss has asked for help in fulfilling a new company policy to hire a large number of returning war veterans.
3. After interviewing numerous veterans, and not finding a promising candidate, a candidate who had been on the short list prior to the company's new policy toward war veterans remains on the top of the list.
4. Have students prepare a letter to their boss outlining why the most promising candidate should be overlooked in favor of a less qualified veteran, and a letter outlining why the promising candidate should be hired even if it goes against company policy.
5. Ask students to vote on which individual is offered the new job. Discuss what this means for their prospects in the job market.

Teaching Notes

This exercise is applicable to face-to-face classes or synchronous online classes such as BlackBoard 9.1, WIMBA, and Second Life Virtual Classrooms. See <http://www.baclass.panam.edu/imob/SecondLife> for more information.

Personal Inventory Assessments

Intercultural Sensitivity Scale

Are you aware of intercultural dynamics? Take this PIA to assess your intercultural sensitivity.

Myth or Science?

“Bald is Better”

This exercise contributes to:

Learning Objectives: Describe how the key biographical characteristics are relevant to OB

Learning Outcomes: Describe the factors that influence the formation of individual attitudes and values; Apply the study of perception and attribution to the workplace; Define diversity and describe the effects of diversity in the workforce

AACSB: Diverse and multicultural work environments

This is true, at least for men: What you wear (or don't wear) on your head matters. A recent study showed that observers believe a male's shaved head indicates greater masculinity, dominance, and leadership potential than longer or thinning hair. Thinning hair was perceived as the least powerful look, and other studies have agreed that male-pattern baldness (where some hair remains) is not considered advantageous. But why is this?

In some respects, the reported youthful advantage of a shaved head is counterintuitive. Because we have more hair when we are young, and our culture considers youthfulness a sign of capability (if you doubt this, see the sections on aging in this chapter), it would make more sense for a hairless head to be a distinct disadvantage. Yet culture has influenced this perception, loading the media with images of powerful men who are intentionally bald with shaved heads – military heroes, winning athletes, action heroes. No wonder the study participants declared the men with shaved heads were an inch taller and 13 percent stronger than the same men with hair.

A shaved head has become the hallmark of some important CEOs, notably Jeff Bezos of Amazon, Dan Akerson of General Motors, and Steve Ballmer of Microsoft. Men who have shaved their heads report it can give them a business advantage, whether or not it makes them look older (which is debatable). According to psychologist Caroline Keating, just as older silver-back gorillas are “typically the powerful actors in their social groups,” so it is in the office,

where baldness may “signal who is in charge and potentially dangerous.” Research professor Michael Cunningham agrees, adding that baldness “is nature’s way of telling the rest of the world you are a survivor.” Men with shaved heads convey aggressiveness, competitiveness, and independence, he adds. Will you join the 13 percent of men who shave their heads? Time will tell.

Sources: J. Misener, “Men With Shaved Heads Appear More Dominant, Study Finds,” *The Huffington Post* (October 1, 2012), http://www.huffingtonpost.com/2012/10/01/bald-men-dominant-shaved-heads-study_n_1930489.html; A. E. Mannes, “Shorn Scalps and Perceptions of Male Dominance,” *Social Psychological and Personality Science*, doi: 10.1177/1948550612449490; and R. E. Silverman, “Bald Is Powerful,” *The Wall Street Journal* (October 3, 2012), pp. B1, B6.

Class Exercise

1. Ask students to discuss in class attitudes toward shaved heads versus balding. What does each student believe in agreement or disagreement with points made about balding?
2. Have students relate their own experiences or those of close friends to determine if any of them can remember situations in which they were judged either positively or negatively because of their hair.
3. What do these experiences tell students about surface-level characteristics and discrimination in the workplace?
4. Finally, as a class, ask students to look at images of men with shaved heads and men with full heads of hair. Ask students to write down the first thought that comes to mind. Tabulate the results and discuss what they mean for men looking for a job or a promotion.

Teaching Notes

This exercise is applicable to face-to-face classes or synchronous online classes such as BlackBoard 9.1, WIMBA, and Second Life Virtual Classrooms. See <http://www.baclass.panam.edu/imob/SecondLifefor> more information.

Career OBJECTIVES

Is it okay to be gay at work?

This exercise contributes to:

Learning Objectives: Describe how the key biological characteristics are relevant to OB; Describe how organizations manage diversity effectively

Learning Outcomes: Describe the factors that influence the formation of individual attitudes and values; Apply the study of perception and attribution to the workplace; Define diversity and describe the effects of diversity in the workforce

AACSB: Diverse and multicultural work environments

I’m gay, but no one at my workplace knows it. How much should I be willing to tell? I want to be sure to have a shot at the big positions in the firm.— Ryan

Dear Ryan:

Unfortunately, you are right to be concerned. Here are some suggestions:

- Look for an inclusive company culture. Apple CEO Tim Cook said, “I’ve had the good fortune to work at a company that loves creativity and innovation and knows it can only flourish when you embrace people’s differences. Not everyone is so lucky.” Recent research has focused on discovering new methods to counteract a discrimination culture in the United States, the United Kingdom, and Australia.
- Choose your moral ground. Do you feel you have a responsibility to “come out” to help effect social change? Do you have a right to keep your private life private? The balance is a private decision. A recent study by the U.S. Human Rights Campaign indicated that only half of LGBT employees nationwide disclose their status.
- Consider your future in top management. Corporate-level leaders are urged to be open with peers and employees. As Ernst & Young global vice chairperson Beth Brooke said about her decades of staying closeted, the pressure to be “authentic” adds stress if you are keeping your gay status a secret.
- Weigh your options. The word from people at the top who are gay (some who have come out and others who have not) is mixed. Brooke said, “Life really did get better” after she announced her status in a company-sponsored video. Mark Stephanz, a vice chairman at Bank of America Merrill Lynch, agreed, remarking that “most people still deal with you the same way they always do.” Yet Deena Fidas, deputy director for the largest LGBT civil rights group in the United States, reported that being gay in the workplace is still “far from being a ‘nonissue’.”
- Be aware of international and national laws. Sadly, some nations and states are intolerant. You will need to study the laws to be sure you will be safe from repercussions when you reveal your status. So, think about your decision from both an ethical and a self-interested point of view. Your timing depends not only on what you think are your ethical responsibilities, but also on your context – where you work, the culture of your organization, and the support of the people within it. Thankfully, globalization is ensuring that the world becomes increasingly accepting and fair.

Good luck in your career!

Sources: M. D. Birtel, “‘Treating’ Prejudice: An Exposure-Therapy Approach to Reducing Negative Reactions Toward Stigmatized Groups,” *Psychological Science* (November 2012): 1379–86; L. Cooper and J. Raspani, “The Cost of the Closet and the Rewards of Inclusion,” Human Rights Campaign report (May 2014), http://hrc-assets.s3-website-us-east-1.amazonaws.com/files/assets/resources/Cost_of_the_Closet_May2014.pdf; N. Rumens and J. Broomfield, “Gay Men in the Police: Identity Disclosure and Management Issues,” *Human Resource Management Journal* (July 2012): 283–98; and A. M. Ryan and J. L. Wessel, “Sexual Orientation Harassment in the Workplace: When Do Observers Intervene?” *Journal of Organizational Behavior* (May 2012): 488–509. *The opinions provided here are of the managers and authors only and do not necessarily reflect those of their organizations. The authors or managers are not responsible for any errors or omissions, or for the results obtained from the use of this information. In no event will the authors or managers, or their related partnerships or corporations thereof, be liable to you or anyone else for any decision made or action taken in reliance on the opinions provided here.*

Point/Counterpoint

Affirmative Action Programs Have Outlived Their Usefulness

This exercise contributes to:

Learning Objectives: Describe the two major forms of workplace diversity; Describe how organizations manage diversity effectively

Learning Outcomes: Describe the factors that influence the formation of individual attitudes and values; Apply the study of perception and attribution to the workplace; Define diversity and describe the effects of diversity in the workforce

AACSB: Diverse and multicultural work environments

Point

U.S. Supreme Court Justice Sonia Sotomayor is arguably the court's strongest supporter of affirmative action . . . in theory. In a recent case upholding the Michigan ban on affirmative action for underrepresented races in state university admission practices, Justice Sotomayor refused to use the term. "Affirmative action," she said, has the connotation of "intentional preferential treatment based on race alone." Yes, it does. Isn't that the point?

Now, we aren't saying that affirmative action was a bad idea, initially. The intentions were good when President John F. Kennedy first directed government contractors to "take affirmative action to ensure that . . . employees are treated during employment without regard to their race, creed, color, or national origin" (1961). Few would also argue with the later interpretation that included "actions, both in government and private industry, aimed at equalizing job opportunity."

Affirmative action programs (AAP) were needed to get the process of workplace diversity started, but that was all a long time ago. The practice, now outlawed in Arizona, California, Florida, Michigan, Nebraska, New Hampshire, Oklahoma, and Washington, raises the percentage of minority individuals but does not create a positive diversity climate. Here's why:

- Affirmative action lowers the standards for everyone by shifting the criteria for admission from performance standards to quotas based on race or other non-performance attributes. Performance standards for the organization are then effectively lowered. Groups not helped by the initiative will be resentful, and qualified members of the protected minority may be as well.
- Research indicates that minority students are not helped by school admission initiatives. In fact, a large-scale study showed that minority law students who attended schools best matched to their LSAT scores performed better than those who went to higher-ranked schools than their scores would warrant without affirmative action. Similarly, employees who are mismatched to their positions—who have poor person-organization fit—underperform and are generally less satisfied in their jobs.
- U.S. businesses and laws do support diversity, and indicators show that U.S. workers generally consider it important. But they value fairness more. In fact, though recently aimed at creating diversity, affirmative action was enacted to ensure fairness to the disadvantaged. Now that experience and research have proven a culture of inclusivity is more important for diversity than headcount, organizations should focus on the fairness of objective standards.

Affirmative action is even unfair to its highest-performing beneficiaries, who suffer from the misperception that their success is due only to its advantages.

Affirmative action has run its course to increase diversity, and it's time to create true equality by focusing on merit-based achievements.

Counterpoint

Affirmative action was enacted to ensure equality, and it's still needed today. When the United States was considering the issue for black minorities back in 1965, President Lyndon B. Johnson said, "You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, 'You are free to compete with all the others,' and still justly believe that you have been completely fair." Dr. Martin Luther agreed that, in order to create equal opportunity, proactive measures are needed as long as some people remain at a disadvantage. Therefore, what we should be asking is: are minority groups faring as well as majority groups in the United States? No, not by any indicator. Minority groups test lower in academics, are under-represented in management and leadership roles, and have a smaller presence in the professional ranks.

Affirmative action continues to benefit the community. Consider the following:

- Affirmative action programs have given all workers access to training and promotion opportunities through the establishment of merit-based norms.
- Affirmative action policies work around the world. The percentages of minorities in universities, management, and professions have increased in the years since it was adopted.
- Diversity has contributed to the college and workplace experience. As research shows, understanding and tolerance are increased when members of different people groups work together. Classrooms with a diverse student body help raise future leaders from minority, and sometimes economically disadvantaged groups, which helps them become integrated into U.S. society.

To be certain, fairness is in the eye of the beholder. Affirmative action provides opportunity, but then it is up to the individual to meet the expectations of schools or employers. As blogger Berneta Haynes wrote, "I'm not ashamed to admit that without affirmative action, I'm not certain I would be on the precipice of the law career that I'm at right now. As an African-American woman from a poor family, I have little doubt that affirmative action helped me get into college, earn a degree, and enroll in law school." Her underprivileged status earned her an opportunity to succeed, but is that different from anyone else using his or her social status to get a foot in the door?

If anything about affirmative action is changed through Supreme Court rulings, it should be only to expand the program until the statistics of minority-group achievements fully match those of the long-over-privileged majority.

Sources: D. Desilver, "Supreme Court Says States Can Ban Affirmative Action: 8 Already Have," Pew Research Center *Thinktank* (April 22, 2014), <http://www.pewresearch.org/fact-tank/2014/04/22/supreme-court-says-states-can-ban-affirmative-action-8-already-have/>; B. Haynes, "Affirmative Action Helped Me," *Inside Higher Ed* (March 12, 2013), www.insidehighered.com/views/2013/03/12/affirmative-action-helped-me-and-benefits-society-essay; D.

Leonhardt, "Rethinking Affirmative Action," *The New York Times* (October 13, 2012), www.nytimes.com/2012/10/14/sunday-review/rethinking-affirmativeaction.html?pagewanted=all; L. M. Leslie, D. M. Mayer, and D. A. Kravitz, "The Stigma of Affirmative Action: A Stereotyping-Based Theory and Meta-Analytic Test of the Consequences for Performance," *Academy of Management Journal* 57, no. 4(2014): 964–89; and B. Zimmer, "Affirmative Action's Hazy Definitions," *The Wall Street Journal* (April 26–27, 2014), C4. With help from Wikipedia.

Class Exercise

1. Assign teams of students comprising of three students each.
2. Assign Point or Counterpoint to each group.
3. Assign groups to focus on the issues in the Point/Counterpoint and to do some Internet or library fact-finding supporting their assigned positions.
4. In class, draw lots from groups assigned to a position.
5. Have the group members present their positions in persuasive presentation with the goal to address factors brought up by the opposing position.
6. Repeat for other groups.

or

Assign students to write a position paper on the Point or Counterpoint that contrasts the positions and draws conclusions based on facts.

Teaching Notes

This exercise is applicable to face-to-face classes or synchronous online classes such as BlackBoard 9.1, WIMBA, and Second Life Virtual Classrooms. See <http://www.baclass.panam.edu/imob/SecondLife> for more information.

Questions for Review

- 2-1. What are the two major forms of workplace diversity?

Answer: The two major forms of workplace diversity are surface level diversity and deep level diversity. Surface level diversity refers to differences in easily perceived characteristics, such as gender, race, ethnicity, age, or disability, that do not necessarily reflect the ways people think or feel but that may activate certain stereotypes. Deep level diversity refers to differences in values, personality, and work preferences that become progressively more important for determining similarity as people get to know one another better.

Learning Objective: Describe the two major forms of workplace diversity

Learning Outcome: Define diversity and describe the effects of diversity in the workforce

AACSB: Diverse and multicultural work environments

2-2. How does workplace discrimination undermine organizational effectiveness?

Answer: Actual discrimination can lead to increased negative consequences for employers, including reduced productivity and organizational citizenship behavior (OCB), more conflict, increased turnover, and even increased risk-taking behavior. Unfair discrimination also leaves qualified job candidates out of initial hiring and promotions.

Learning Objective: *Demonstrate how workplace discrimination undermines organizational effectiveness*

Learning Outcome: *Define diversity and describe the effects of diversity in the workforce*

AACSB: *Diverse and multicultural work environments*

2-3. What are the key biological characteristics and how they are relevant to OB?

Answer:

1. Age – Older workers bring experience, judgment, a strong work ethic, and commitment to quality.
2. Gender – Few differences between men and women that affect job performance.
3. Race (the biological heritage used to identify oneself) – Contentious issue; differences exist, but could be more culture-based.
4. Tenure – People with job tenure (seniority at a job) are more productive, absent less frequently, have lower turnover, and are more satisfied.
5. Religion – Islam is especially problematic in the workplace in this post-9/11 world.
6. Sexual Orientation – Federal law does not protect against discrimination, but state or local laws may. Domestic partner benefits are important considerations.
7. Gender Identity – Relatively new issue is transgendered employees.

These characteristics are important to OB since corporations are always searching for variables that can impact employee productivity, turnover, deviance, citizenship, and satisfaction. Data that is easily defined and available in an employee personnel file can contribute to success in an organization.

Learning Objectives: *Describe how the key biographical characteristics are relevant to OB*

Learning Outcomes: *Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*

AACSB: *Diverse and multicultural work environments*

2-4. How do other differentiating characteristics factor into OB?

Answer: Other differentiating characteristics include tenure, religion, sexual orientation and gender identity, and cultural identity. Tenure, expressed as work experience, appears to be a good predictor of employee productivity, though there is some evidence that the relationship is not linear: differences in tenure are more important to job performance for relatively new or inexperienced employees than among those who have been on the job longer. Religion can be an employment issue wherever religious beliefs prohibit or encourage certain behaviors. The behavioral expectations can be informal, or they may be systemic. Religious individuals may also believe they have an obligation to express their beliefs in the workplace, and those who do not share those beliefs may object. While

much has changed, the full acceptance and accommodation of lesbian, gay, bisexual, and transgender (LGBT) employees remains a work in progress. Surveys indicate that more than 90 percent of the Fortune 500 companies have policies that cover sexual orientation. Finally, an organization seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority groups and instead create as much of an individualized approach to practices and norms as possible. Often, managers can provide the bridge of workplace flexibility to meet both organizational goals and individual needs.

Learning Objective: Explain how other differentiating characteristics factor into

OB Learning Outcomes: Explain the relationship between differentiating characteristics traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values

AACSB: Diverse and multicultural work environments

- 2-5. What are the relevant points of intellectual and physical abilities to organizational behavior?

Answer: The two types of abilities are intellectual abilities and physical abilities.

Intellectual abilities lead to the mental abilities needed to perform jobs in the changing operational environments of today's business. Physical abilities have been a factor of job design and performance since Frederick Taylor's *Scientific Management*. Studies have suggested nine different physical abilities performed in work. They are mutually exclusive. Therefore, they are important considerations in the management functions.

Learning Objectives: Demonstrate the relevance of intellectual and physical abilities to OB

Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values

AACSB: Diverse and multicultural work environments

- 2-6. How can organizations manage diversity effectively?

Answer: Effective diversity management capitalizes on diversity for organizational success. This includes recruiting and selection as well as training and development of employees to take advantage of diverse workforces. Effective programs have three components:

1. They teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people.
2. They teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.
3. They foster personal development practices that bring out the skills and abilities of all workers.

Learning Objectives: Describe how organizations manage diversity effectively

Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values

AACSB: Diverse and multicultural work environments

Experiential Exercise

Differences

This exercise contributes to:

Learning Objective: Describe how organizations manage diversity effectively

Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values

AACSB: Diverse and multicultural work environments

The instructor randomly assigns the class into groups of four. It is important that group membership is truly randomly decided, not done by seating, friendships, or preferences. Without discussion, each group member first answers the following question on paper:

2-7. How diverse is your group, on a scale of 1–10, where 1 = very dissimilar and 10 = very similar?

Putting that paper away, each person shares with the group his or her answers to the following questions:

- What games/toys did you like to play with when you were young?
- What do you consider to be your most sacred value (and why)?
- Are you spiritual at all?
- Tell us a little about your family.
- Where's your favorite place on earth and why?

Each group member then answers the following question on paper:

2-8. How diverse is your group, on a scale of 1–10, where 1 = very dissimilar and 10 = very similar?

After groups calculate the average ratings from before and after the discussion, they will share with the class the difference between their averages and answer the following questions:

2-9. Did your personal rating increase after the discussion time? Did your group's average ratings increase after the discussion time?

2-10. Do you think that if you had more time for discussion, your group's average rating would increase?

2-11. What do you see as the role of surface-level diversity and deep-level diversity in a group's acceptance of individual differences?

Teaching Notes

This exercise is applicable to face-to-face classes or synchronous online classes such as BlackBoard 9.1, WIMBA, and Second Life Virtual Classrooms. See <http://www.baclass.panam.edu/imob/SecondLife> for more information.

Ethical Dilemma

The 30% Club in Hong Kong Aims to Uphold Board Diversity

This exercise contributes to:

Learning Objectives: Describe how organizations manage diversity effectively

Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values; Define diversity and describe the effects of diversity in the workforce

AACSB: Ethical understanding and reasoning; Diverse and multicultural work environments

It seems obvious that women are significantly under-represented on the boards of Hong Kong companies. According to the 2015 Women on Boards' Report, published by Community Business, out of 655 board directors of blue-chip companies in Hong Kong, only 73 of them are women, representing only 11 percent. The corresponding percentage of female directors in the United States is 19 percent.

Fern Ngai, CEO of Community Business, believes that there are still cultural and structural barriers that bar women from key decision-making positions. Although Germany just passed a law in 2015 requiring public companies to give 30 percent of board seats to women, Ngai does not believe in mandatory quotas for female directors. She claims that what really matters is the shift in mindset to seek greater gender diversity.

Is there a large enough supply of board-ready women to serve as directors? As a matter of fact, 33 percent of senior management positions are held by women in Hong Kong—the third-highest in the Asia Pacific region. These female senior managers will have the potential to become directors.

This is why the 30% Club Hong Kong has been formed. It is an outreach arm of The Women's Foundation, one of Hong Kong's leading non-profit-making organizations dedicated to the advancement of women's social status. The purpose of the Club is to raise awareness among business leaders of the importance of gender diversity through empirical research, community programs, as well as advocacy. The target is to increase the percentage of female directors to at least 30 percent. The club has been endorsed by the Equal Opportunities Commission of Hong Kong.

However, changing the dominance of male directors in Hong Kong is not easy. According to Jenny To, Talent Management and Communications Director at Pernod Ricard Asia in Hong Kong, the main challenge is to change the mindset of existing board members to accept diversity.

A spokesperson for the 30% Club said that companies with more women on their boards perform better than those with fewer women directors. This is supported by the Credit Suisse Research Institute's report in 2013 that the net income growth of firms with women directors averaged 14 percent from 2007 to 2012, compared with only 10 percent for companies with no female board members. Wendy Yung, Executive Director of Hysan Development Company, notes out

that directors from a diverse background could bring more collective insight and enrich constructive board decision-making.

Progression of board diversity remains hopeful and the 30 percent Club will continue to support sustainable business-led voluntary change to improve the current gender imbalance on corporate boards.

Sources: 30% Club HK, "Introduction to the 30% Club Hong Kong," <http://30percentclub.org.hk/media/pdfs/Introduction-to-the-30-percent-club.pdf>; "More Women Needed on Board," South China Morning Post, <http://www.scmp.com/article/996437/more-women-needed-board>; 30% Club HK, Office Web site, <http://30percentclub.org.hk/>; PricewaterhouseCoopers, <http://30percentclub.org.hk/> "Annual Corporate Directors Survey: The Gender Edition," May 2015, <http://www.pwc.com/us/en/corporate-governance/publications/assets/pwc-acds-2014-the-gender-edition.pdf>; Grant Thornton, "Corporate Governance Review," 2012, http://www.grant-thornton.co.uk/Global/Publication_pdf/Corporate_Governance_Review_2012.pdf; Chartered Secretaries, "Diversity on the Boards of Hong Kong Main Board Listed Companies," https://www.hkics.org.hk/media/publication/attachment/PUBLICATION_A_2333_Board%20Diversity_Full%20Report.pdf; Hong Kong Exchanges and Clearing Limited, Consultation Paper: Board Diversity, September 2012, <https://www.hkex.com.hk/eng/newsconsul/mktconsul/Documents/cp201209.pdf>; George W. Russell, "Balancing the Boards," <http://app1.hkicpa.org.hk/APLUS/2013/03/pdf/14-19-Diversity.pdf>; Luo Weiteng, "More Women Board Directors Fuels Company Growth in HK," *China Daily*, http://www.chinadaily.com.cn/hkedition/2015-03/04/content_19714310.htm; Claire Cain Miller, "Women on Boards: Where the U.S. Ranks," *The New York Times*, www.nytimes.com/2015/03/11/upshot/women-on-boards-where-the-us-ranks.html?_r=0.

Questions

2-12. Given that women participate in the labor force in roughly the same proportion as men, why do you think women occupy so few seats on boards of directors?

Answer: This question will have many possible answers depending on the viewpoints of students. Those who believe in the "old boy network" will say something to the effect that women are excluded from networks and relationships that result in ascension to a board. Those who believe that the workforce finally including women in similar numbers to men might suggest that the increase in women in the workforce are in lower managerial positions restricting women's consideration for boards. Some may suggest that appointment to a board is a factor of conceptual skill development that results from long periods of experience that women have not had time in the workforce to develop.

2-13. Do you agree with the quotas established in many countries? Why or why not?

Answer: The response to this question will spark considerable debate. Those who agree with the quota concept are those who likely believe in other governmental quotas including affirmative action. Those against will likely express the concept that appointment should be for the most qualified regardless of gender and the possibility that a country's policy will lead to degradation of board effectiveness.

2-14. Beyond legal remedies, what do you think can be done to increase women's representation on boards of directors?

Answer: One view will suggest that nothing needs to be done because as women develop the conceptual skills needed, the differences will eliminate themselves. Others will suggest that legal remedies are required because the situation will not change without requirements. Women desiring to climb to this level should engage in development

programs to help them acquire the conceptual skills needed for the board's work. Some may suggest that women take advantage of networking opportunities to raise their professional profiles.

Case Incident 1

Walking the Walk

This exercise contributes to:

Learning Objective: *Describe how organizations manage diversity effectively*

Learning Outcomes: *Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values*

AACSB: *Diverse and multicultural work environments.*

Do you want to work for Google? In some ways, who wouldn't? Sunny California, fabulous campus, free organic meals, perks galore . . . oh, and challenging work with some of the brightest minds in the field. By all accounts, Google is a class act, a symbol of modernization.

Does Google want you to work for it? Ah, that is the question. Eric Schmidt, a former Google CEO, and Jonathan Rosenberg, a former Google senior product manager, say Google searches for a certain type of person: a "smart creative." They say smart creatives are "a new kind of animal"—and the secret ingredient to Google's success.

Do you think you are a smart creative? Are you an impatient, outspoken, risk taker who is easily bored? Do you change jobs frequently? Are you intellectually flexible? Do you have technical know-how, business knowledge, and creativity? Do you think analytically? According to Schmidt and Rosenberg, answering yes to these questions makes you a smart creative. As you can see, being a smart creative is not all positive. But it will get you hired at Google.

One last question: Are you male or female? Google may be a symbol of the modernization of the workplace, but perhaps not of the workforce. The Google workforce, with 48,600 individuals, is a man's world—70 percent male overall. On the technical side, a full 83 percent of the engineering employees are male. In the management ranks, 79 percent of the managers are male. On the executive level, only three of the company's 36 executives are women.

Google officials say they are aware of the lack of diversity, but their diversity initiatives have failed. However, others report that sexist comments go unchecked and there is a frat-house atmosphere. In fact, an interviewer at an all-company presentation insultingly teased a man and woman who shared an office, asking them, "Which one of you does the dishes?"

Thankfully, Google has begun to put its smart creatives to work on new thoughts about diversity. With the help of social psychology research, the company sent all employees through training on unconscious bias, or our reflexive tendency to be biased toward our own groups, to force people to

consider their racist and sexist mindsets. So far, the training seems to be making a bigger difference than former initiatives, but the firm has a long way to go. Laszlo Bock, Google's top HR executive, said, "Suddenly you go from being completely oblivious to going, 'Oh my god, it's everywhere.'"

Critics are skeptical that Google and other large technology firms will ever count women in their ranks in numbers that reflect the population, though research continues to indicate that men and women are highly similar employees. Once Google has achieved greater diversity than it currently has, however, perhaps its executives can begin to work on the pay differentials: a recent Harvard study indicated that women computer scientists receive 89 percent of the pay men earn for the same jobs.

Sources: S. Goldenberg, "Exposing Hidden Bias at Google," *The New York Times*, September 25, 2014, B1, B9; S. Lohr, "The Google Formula for Success," *The New York Times*, September 29, 2014, B8; N. Wingfield, "Microsoft Chief Backpedals on Women's Pay," *The New York Times*, October 10, 2014, B7–B8; and E. Zell, Z. Krizan, and S. R. Teeter, "Evaluating Gender Similarities and Differences Using Metasynthesis," *American Psychologist* 70 (2015): 10–20.

Questions

2-15. Does this article change your perception of Google as an employer? How?

Answer: This item can be assigned as a Discussion Question in MyManagementLab. Student responses will vary.

2-16. Would you agree that although Google helps to modernize the workplace in other companies, its own workforce is old-fashioned?

Answer: Google does exert a huge influence on other organizations, changing the way they operate and think. Yet 70 percent of Google's workforce is male, which is an overwhelming imbalance. In each section of the organization and at each level of management, women are underrepresented.

2-17. Why are older employees often neglected or discriminated against?

Answer: Age discrimination at the workplace arises out of stereotypes of older employees that paint them as less active and productive than younger employees. They are often overlooked for promotion, training, and opportunities as they closer to retirement and therefore need less investment in the longer term. However, older employees are more competent and resourceful. They have experience, so they know how to carry out tasks and solve problems; and they are motivated by the knowledge that they need to continue demonstrating their value and productivity.

Case Incident 2

The Encore Career

This exercise contributes to:

Learning Objective: Describe how organizations manage diversity effectively

Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values

AACSB: Diverse and multicultural work environments

Over the past century, the average age of the workforce has increased as medical science has continued to enhance longevity and vitality. As we discussed in this chapter, many individuals will work past the previously established ages of retirement, and the fastest-growing segment of the workforce is individuals over the age of 55.

Unfortunately, older workers face a variety of discriminatory attitudes in the workplace. Researchers scanned more than 100 publications on age discrimination to determine what types of age stereotypes were most prevalent across studies. They found that stereotypes inferred that older workers are lower performers. Research, on the other hand, indicates they are not, and organizations are realizing the benefits of this needed employee group.

Dale Sweere, HR director for engineering firm Stanley Consultants, is one of the growing number of management professionals actively recruiting the older workforce. Sweere says older workers “typically hit the ground running much quicker and they fit into the organization well.” They bring to the job a higher skill level earned through years of experience, remember an industry’s history, and know the aging customer base.

Tell that to the older worker who is unemployed. Older workers have long been sought by government contractors, financial firms, and consultants, according to Cornelia Gamlem, president of consulting firm GEMS Group Ltd., and she actively recruits them. However, the U.S. Bureau of Labor Statistics reports that the average job search for an unemployed worker over age 55 is 56 weeks, versus 38 weeks for the rest of the unemployed population.

Enter the encore career, a.k.a. unretirement. Increasingly, older workers who aren’t finding fulfilling positions are seeking to opt out of traditional roles. After long careers in the workforce, an increasing number are embracing flexible, work-from-home options such as customer service positions. For instance, Olga Howard, 71, signed on as an independent contractor for 25–30 hours per week with Arise Virtual Solutions, handling questions for a financial software company after her long-term career ended. Others are starting up new businesses. Chris Farrell, author of *Unretirement*, said, “Older people are starting businesses more than any other age group.” Others funnel into nonprofit organizations, where the pay may not equal the individual’s previous earning power, but the mission is strong. “They need the money and the meaning,” said Encore.org CEO Marc Freedman. Still others are gaining additional education, such as Japan’s

“silver entrepreneurs,” who have benefited from the country’s tax credits for training older workers.

Individuals who embark on a second-act career often report they are very fulfilled. However, the loss of workers from their longstanding careers may be undesirable. “In this knowledge economy, the retention of older workers gives employers a competitive edge by allowing them to continue to tap a generation of knowledge and skill,” said Mark Schmit, executive director of the Society for Human Resource Management (SHRM) Foundation. “New thinking by HR professionals and employers will be required to recruit and retain them. Otherwise, organizations’ greatest asset will walk out the door.”

Sources: N. Eberstadt and M. W. Hodin, “America Needs to Rethink ‘Retirement,’” *The Wall Street Journal*, March 11, 2014, A15; S. Giegerich, “Older Job-Seekers Must Take Charge, Adapt,” *Chicago Tribune*, September 10, 2012, 2–3; R. J. Grossman, “Encore!” *HR Magazine*, July 2014, 27–31; T. Lytle, “Benefits for Older Workers,” *HR Magazine*, March 2012, 53–58; G. Norman, “Second Acts After 65,” *The Wall Street Journal*, September 24, 2014, A13; D. Stipp, “The Anti-Aging Revolution,” *Fortune*, June 14, 2010, 124–30; R. A. Posthuma and M. A. Campion, “Age Stereotypes in the Workplace: Common Stereotypes, Moderators, and Future Research Directions,” *Journal of Management* 35 (2009): 158–88; and P. Sullivan, “Older, They Turn a Phone Into a Job,” *The New York Times*, March 25, 2014, F3.

Questions

2-18. What changes in employment relationships are likely to occur as the population ages?

Answer: Jobs may need to be redesigned. Supervisors may require specific training in working with and leading older workers. Benefit programs may require restructuring to address issues of older workers.

2-19. Do you think increasing age diversity will create new challenges for managers? What types of challenges do you expect will be most profound?

Answer: This item can be assigned as a Discussion Question in MyManagementLab. Student responses will vary.

2-20. How can organizations cope with differences related to age discrimination in the workplace? How can older employees help?

Answer: Organizations and the leadership can cope with the changing workforce if they open their communication techniques as they observe the differences in work, attitude, and behavior brought by an older work force. And they must be prepared to make organizational changes to accommodate the differences productively. Older workers should make it a priority to continually seek opportunities to update their skills and be current in their professions.

My Management Lab

Go to **mymanagementlab.com** for Auto-graded writing questions as well as the following Assisted-graded writing questions:

2-21. In relation to this chapter’s Ethical Dilemma, one recent study found no link between female representation on boards of directors and these companies’ corporate

sustainability or environmental policies. The study's author expressed surprise at the findings. Do the findings surprise you? Why or why not?

2-22. Now that you've read the chapter and Case Incident 2, do you think organizations should work harder to retain and hire older workers? Why or why not?

2-23. **MyManagementLab Only** – comprehensive writing assignment for this chapter.

Instructor's Choice

Personality and Innovation at Apple-Application of Abilities Evaluation

This exercise contributes to:

Learning Objective: Describe how organizations manage diversity effectively

Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values

AACSB: Diverse and multicultural work environments

“It’s Showtime!” is now a phrase that can adequately describe the art and personality of Steve Jobs. At one time or another, Steve Jobs was called brilliant, creative, demanding, domineering, eccentric, a predatory competitor, hard, unforgiving, or one of the best marketing minds ever—quite an extensive array of abilities. One of Mr. Jobs’ passions was online music and digital entertainment. Just as Apple Computer revolutionized the character and style of computing, it planned to do the same in the world of music. From iPods, iLife software, iTunes for downloads, Pixar Animated movies, and Apple stores, Apple is on everyone’s lips once again. The up and down swings of Apple Computer are legendary; however, through it all, Steve Jobs’ vision was constant. He seemed to really be able to envision the future before it happens. With his death in 2011, some wondered whether Apple could retain its position as a design leader. One of Apple’s most recent product introduction, the color iPhone5, is one test of the company’s ability to succeed without its revolutionary founder and leader.

Using a search engine of your own choosing, find an article about Steve Jobs that outlines his successes and failures as a corporate executive and entrepreneur. What do you think are the Dimensions of Intellectual Ability that were exemplified by Jobs? Explain your rationale. Using a search engine of the Apple website, review the latest innovations from Apple. Can Apple duplicate the success of Steve Jobs? Describe the intellectual abilities of Apple’s former leader that were most instrumental in putting Apple on the map as a leader in the market.

Instructor’s Note

To aid the student in this application project, suggest that they read “Show Time” by Peter Burrows, found in *Business Week* (February 2, 2004, pp. 57–64). With respect to the intellectual abilities

presented in the chapter, Mr. Jobs would certainly rate high on extraversion, conscientiousness, and openness to experience. He would also have an internal locus of control approach, be self-monitoring, have high self-esteem, be a Type A personality, have a high need for achievement, and a high need for power. However, he is also very good at building partnerships. Note the differences between his ability to partner versus that of rival Microsoft. In fact, even though the Apple vs. Microsoft rivalry is legendary, Steve Jobs recognized the benefits of having his Apple (Mac) system be user friendly to the Windows world. His alliances in the entertainment field with Disney and various film producers gave him a head start in the emerging digital entertainment field.

Exploring OB Topics on the Web

This exercise contributes to:

Learning Objective: Describe how organizations manage diversity effectively

Learning Outcomes: Explain the relationship between personality traits and individual behavior; Describe the factors that influence the formation of individual attitudes and values

AACSB: Information technology; Diverse and multicultural work environments

1. Do an Internet search on age discrimination. Choose three sites that each deal with a different aspect of age discrimination (for example: discrimination in high tech industries, preventing discrimination, AARP's involvement with the issue, etc.) Write a one-page paper outlining the key points of the information obtained and whether it confirms what we learned about older workers in this chapter.
2. Find a current article of an organization that has been involved in an age discrimination suit. What were the specific issues involved? If resolved, what was the outcome? Bring a copy of the article to class and be prepared to discuss it. In addition to searching, here are some places to start digging:
www.aarp.com
www.bizjournals.com (there is a free registration process for this site)
www.hrlawindex.com (there is a free registration process for this site)
3. Top executives and tough jobs. Learn more about the skills and abilities managers need, like intelligence, leadership, motivation, etc., to be successful. Visit the About.com website and learn more. Print and bring an article to class for discussion. Try these pages or do your own search on About.com. Be sure to select links that look interesting, found in the left frame.
www.learning.about.com
www.psychology.about.com