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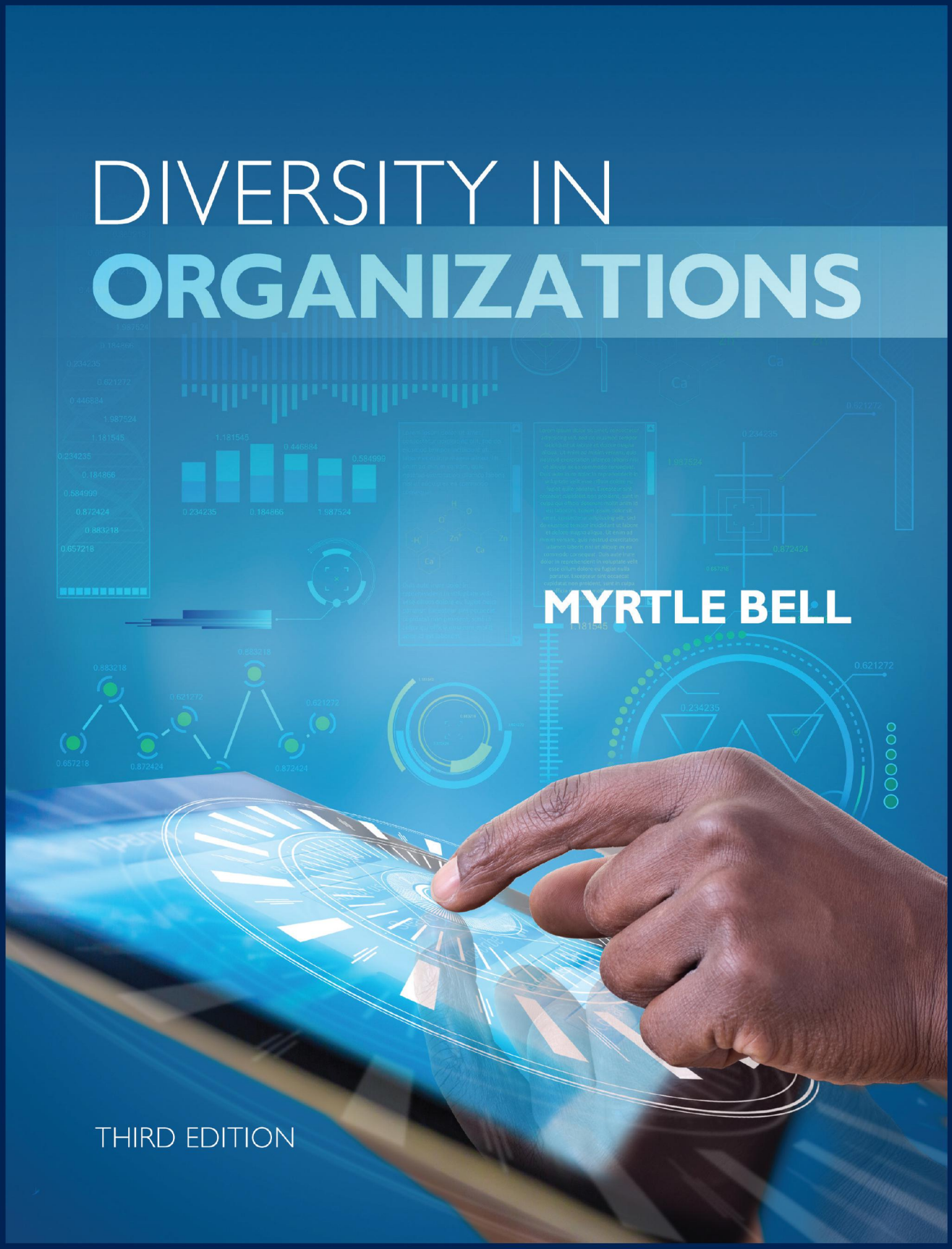
DIVERSITY IN ORGANIZATIONS



MYRTLE BELL

THIRD EDITION

Diversity in Organizations

THIRD EDITION

Myrtle P. Bell
University of Texas, Arlington

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***Diversity in Organizations,* Third Edition**
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For Vera L. Jefferson

Brief Contents

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PART 3 GLOBAL DIVERSITY

Preface

In the years since I wrote the first edition of *Diversity in Organizations*, many significant events related to diversity have occurred. In 2008, the United States elected its first Black president, the man identified as "Barack Obama, U.S. Senator" in the multiracial chapter of the first edition. Although my prescient Goolsby Leadership students in the spring of 2006 referred to him as "the hope of our generation," when I wrote that feature in 2005, I had no thought that Senator Obama would be elected U.S. president. That he was elected was momentous in and of itself, as were the diverse backgrounds of the people who voted for him.

Obama's election in 2008 and re-election in 2012 led to claims of a "post-racial" America, which are far from being realized, as evident, in part, by the race-based hatred and criticism directed toward him. As I began writing the third edition and once again investigating the status of each racial and ethnic group, women and men, people with disabilities, and other non-dominant group members, it became even more clear that far from being "post-racial," the need for diversity research and education remains strong. Blacks continue to have nearly twice the unemployment rate of Whites—a problem that persists even at the same education levels, and that has been the case for many decades. Racial profiling and police brutality against African American men, women, and children, often with impunity, continue. The male-female wage gap remains tenacious, even though women now earn more college and graduate degrees than men earn. Sexual harassment, discrimination, and segregation continue to be severe and pervasive problems for working women. For every non-dominant group, some disparities persist, and, in some cases, have worsened since the first and second editions of *Diversity in Organizations*. Anger, fear, and hatred pervade the news, social media, and many people's psyches, and perceptual and attitudinal gaps about race relations, inequality, and discrimination remain. On the other hand, increasing numbers of people are supporting and working for equality and inclusion. New legislation, social media, and innovative ways to get around barriers, such as using Title VII in cases of sexual orientation discrimination, are helping bring about positive change. Increasing numbers of organizational leaders seem to understand the power in diversity, and the business, moral, and ethical reasons to truly pursue inclusion. There is still much work to be done, but there is still progress amid retrenchment and there is still hope for a better, fairer, more just future for all of us, whose futures and hopes are inextricably intertwined. "If we go down, we go down together," is now clearer than ever.[1]

[1]West, C. (1993). *Race Matters*. Random House LLC: New York, NY, p. 8.

CHANGES TO THIS EDITION

As were previous editions, this edition of *Diversity in Organizations* is research-based, using hundreds of articles, chapters, and books from the fields of management, sociology, psychology, economics, criminal justice, and health as resources. This edition contains a general updating of the content of all chapters, including data on population, participation, and employment, legislation, litigation, relevant research, and features. Objectives and Key Facts in each chapter have been updated as well. Each chapter includes new examples of litigation under diversity-related laws, including those recently passed, and new relevant empirical research.

Some of the key changes in this edition are:

- Added research on hierarchies that exist even in "diverse" organizations.
- Added conceptual and empirical research on stereotype threat and stigma.
- Included the United Kingdom's Equality Act (2010).
- Included listing of audit studies on access discrimination worldwide.
- Provided more details on the education, income, participation, and employment of those who are foreign-born in the United States.
- Included content on class and classism.
- Provided Gallup Poll data on the population of sexual minorities.
- Included cases in which Title VII has been used to protect sexual minorities.
- Included research on work-family flexibility needs of low-wage workers.

ACKNOWLEDGMENTS

I thank Mike Roche, Sarah Ginn, Zach Fleischer, and the staff at Cengage Learning and its affiliated organizations for their support and guidance throughout the development of this edition.

I am grateful to the many colleagues who reviewed and offered valuable feedback on the book:

I thank Mary E. McLaughlin and Karen Lyness for their important input into the first editions that continues to strengthen this one. I am immensely grateful to all of those who are using the book for teaching diversity and especially to those who have provided ideas for improvement of this edition. While I was not able to incorporate them all, I sincerely appreciated them all and will continue to try to use them in the future. I appreciate Dennis J. Marquardt, whose research assistance and, more importantly, emotional support for my work are truly priceless. I am thankful he chose to work with me.

Although they are far too numerous to name, I owe a tremendous debt to the many members of the Gender and Diversity in Organizations division of the Academy of Management. These friends and colleagues continue to examine important questions in their research, providing the research evidence that is the foundation for this book. With diversity and inclusion work, when trying to educate and change deeply entrenched and strongly held attitudes, stereotypes, and misperceptions, a strong foundation built on sound empirical research and data is critical. Many semesters students tell me, "I had no idea," "Why don't they tell us this?", "I didn't believe you, so I looked it up, and found even more information," or, "This class should be mandatory for all college students." Evidence matters. I am therefore so very grateful to my dear GDO friends and many others who publish diversity research not because they need a publication, but because they are committed to the cause of equality, diversity, and inclusion.

Very special appreciation goes to my wonderful students at UT Arlington, who keep their "diversity hats" on and who e-mail me years later to let me know what a

difference the book and course have made for them and to share their continued diversity learning experiences. I thank them for enrolling in my Diversity in Organizations courses, for sharing their ideas, questions, and hopes, and for going out into the world to make things better, fairer, and more inclusive. They affect their organizations, employees, and customers, and ultimately, help make the world a better place. I know they change their worlds, which changes the world, one person at a time.

Words cannot express my gratitude to my dear husband and great champion, Earnest, without whom this edition and the others would not exist, and to my beloved children, who continue to inspire me to do this difficult work. My mother, Iris Johnson, is the reason I chose this path, having learned from a small child to love human beings regardless of their race, social status, skin color, or many of the other factors used to divide and harm. I appreciate her early and continued lessons and encouragement. I am grateful to my sister, Daphne, for believing in me always, and for the confidence I have always had in knowing she unequivocally has my back. This has truly shaped me as a human being.

Lastly, I thank God for the privilege of doing this work, and the certainty that it matters.

CHAPTER 1

CHAPTER OBJECTIVES

After completing this chapter, readers should have a firm understanding of the importance of diversity in organizations. Specifically, they should be able to:

- explain what "diversity" encompasses in the United States and some of the considerations used in determining the relevant diversity concerns in other areas.
- discuss changing population demographics and associated effects on workforce and customer diversity.
- explain interrelationships among diversity, discrimination, and inclusion.
- discuss research on the individual and organizational benefits of diversity and inclusion.

KEY FACTS

Changing population demographics and changing attitudes toward diversity have considerably increased diversity in many organizations, yet discrimination, inequality, and exclusion persist. Many organizations are more diverse than in the past, yet sexual harassment and segregation, glass ceilings and walls, and social hierarchies remain.[1]

Organizational context is important in determining diversity's effect on performance. Properly managed, diversity and inclusion can benefit organizations in the areas of cost, resource acquisition, marketing, creativity, problem solving, and system flexibility.

If an organization develops a reputation for valuing all types of employees and customers, it will become known as an organization in which workers and customers from all backgrounds feel they will be treated fairly.

Working in and learning in environments with people who are different can benefit individuals through intellectual engagement, perspective taking, and greater understanding of the implications and benefits of diversity.

Introduction

INTRODUCTION AND OVERVIEW

What Is Diversity?

In this book, **diversity** is defined as real or perceived differences among people in such areas as race, ethnicity, sex, age, physical and mental ability, sexual orientation, religion, work and family status, weight and appearance, social class, and other identity-based attributes that affect their interactions and relationships.[2] These focal areas encompass differences that are based on power or dominance relations among groups, particularly "identity groups," which are the collectivities people use to categorize themselves and others.[3] **Identity groups** are often readily apparent to others, sources of strong personal meaning, and related to historical disparities among groups in treatment, opportunities, and outcomes.

The definition of diversity includes the terms *real* and *perceived* to acknowledge the social constructions of many areas of difference. In particular, although race is socially constructed, perceptions of race, beliefs about people of different races, and discrimination on the basis of race strongly affect people's life chances and experiences.[4] Similarly, gender is also socially constructed, representing perceptions of how males and females *should* behave, rather than being representative of biological differences between the sexes that might *cause* males and females to behave differently. As do perceived racial differences, beliefs about the differences between males and females strongly affect the expectations of, experiences of, and opportunities for girls, boys, men, and women in families, society, and organizations.

In contrast to the categories of focus in this book, some research has explored diversity in terms of functional area (e.g., marketing, finance, or accounting), tenure, values, attitudes, and social class as they affect people's organizational experiences. These categories may also be sources of real or perceived differences that affect people's interactions, outcomes, and relationships at work. For example, engineering, finance, and accounting managers typically earn more and have greater occupational status than human resources managers. (The former positions are also more likely to be held by men than the latter position; sex typing and segregation of jobs, and their negative consequences for women, will be discussed in later chapters.) However, one's functional area at work is not likely to fit the criteria for identity groups—that is, readily apparent, or associated with historical disparities in treatment, opportunities, or outcomes in society at large.

Social class, referring to those "who occupy a similar position in the economic system of production, distribution, and consumption of goods and services in industrial societies"[5] meets some of the key criteria for inclusion (e.g., having strong personal meaning and stemming from or coinciding with significant power differences among groups; in some situations, it is also readily apparent). Although the

effects of social class are not separately considered, "practices that exclude, exploit, and limit the potential of poor and working-class people disproportionately affect women and ethnic minorities,"[6] who are covered in individual chapters in this book. For some racial and ethnic groups, upward class movement, along with associated benefits, is possible, given the right circumstances. For other groups, however, even education and income do not insulate them from discriminatory practices and exclusion. For example, regardless of their social class, Blacks must often "contend with being stereotyped as poor, ill- educated, criminal, lazy, and immoral."[7] Along with racial, ethnic, and class relationships, class-based differences related to diversity in organizations are included in many other chapters (e.g., work and family concerns for low wage workers, and part-time work as under-employment, which are more likely for women and minorities) as well. These and other class-based concerns, and their intersections with other diversity issues, are considered in various chapters.

Employment discrimination or **labor market discrimination** occurs when personal characteristics of applicants and workers that are unrelated to productivity are valued in the labor market.[8] **Access discrimination** occurs when people are denied employment opportunities, or "access" to jobs, because of their group memberships. **Treatment discrimination** occurs when people are employed but are treated unfairly on the job, receiving fewer rewards, resources, or opportunities than they should receive based on job-related criteria.[9] In cases of access or treatment discrimination, people with identical **productive characteristics**, such as performance, education, skills, and tenure, are treated differently because of factors such as race, ethnic origin, sex, age, physical ability, religion, and immigrant status.

Discrimination limits diversity and harms both targeted individuals, vicarious victims, and the organizations that completely miss or limit their contributions, resulting in lower commitment, morale, job satisfaction, and performance among those targeted and sometimes among those who observe it but are not themselves targeted.[10] It can be intentional and deliberate, or the unintentional result of organizational practices, such as having informal, unmonitored recruiting, selection, or performance evaluation practices. Discrimination may be interpersonal, occurring between individuals, or institutional, related to differential access to goods, services, and opportunities, and not necessarily involving any specific interpersonal encounter.[11] Regardless of intent or source, the outcome of discrimination is that members of some groups are systematically disadvantaged while others are advantaged. These systematic disadvantages include such things as chronically lower wages (e.g., the wage gap for women), chronically higher unemployment (e.g., for Blacks and people with disabilities), and a host of other negative individual, organizational, and societal consequences. Relationships among diversity, discrimination, individuals, organizations, and society will be discussed throughout the book.[12]

Along with efforts to avoid discrimination and ensure that employees are diverse, efforts to ensure employees are also included and able to fully contribute are critical to organizational success.[13] **Inclusion** is the degree to which "different voices of a diverse workforce are respected and heard."[14] As we will discuss, organizations can be quite "diverse" on the surface without being at all inclusive. In inclusive organizational cultures, all employees feel as though they are accepted, belong, and are able to contribute to decision-making processes.[15] Thus, throughout the book, "valuing diversity" refers to diversity *and* inclusion.

MULTIPLE GROUP MEMBERSHIPS AND PERMEABILITY OF BOUNDARIES

People's group memberships affect their outcomes, opportunities, and experiences in society and in organizations.[16] Employment, compensation, advancement, retention, participation, and competitiveness are a few of the outcomes that are related to demographic background. In the United States, those who are White, male, and do not have a disability generally earn higher wages and have higher organizational

status than minorities, females, or people with disabilities.[17] However, the categories of race, ethnicity, sex, age, physical ability, sexual orientation, and religion are not mutually exclusive. Everyone possesses a racial and ethnic background, age, sexual orientation, and, possibly, religion. Some of the categories are immutable, but others are not and may change over one's lifetime. People may be born with or acquire disabilities, and everyone ages. A person may be a member of the majority group in one area but not in another, for example, White and female or male and Latino. A white man may have a disability, be an older worker or of a minority religion, and personally experience job-related discrimination. He may also have a working wife, mother, or sister who has faced sex-based salary inequity or harassment or a daughter or granddaughter whom he would prefer not to have to face such discrimination at work.

Diversity research indicates that the commitment of top management to diversity increases the effectiveness of diversity initiatives. White men are considerably more likely to occupy leadership positions (executive, board member, or manager) than other group members.[18] Therefore, they are more likely to have the power to implement important changes at the organizational level and to influence behaviors and perspectives about the overall benefits of diversity; White men's commitment to diversity is essential.

Although data clearly show that members of some groups face more barriers and organizational discrimination, this book stresses the value of diversity to *everyone*. Roosevelt Thomas, a pioneer in diversity work, proposed that "managing diversity is a comprehensive managerial process for developing an environment that works for all employees."[19] While diversity and inclusion efforts should include *all employees*, data show that membership in some groups or that some combinations of memberships consistently have more negative ramifications for job-related opportunities and that some groups are systematically denied opportunities.[20] For example, Whites and men are less likely to report perceptions of workplace discrimination,[21] rate diversity as being less important, and have less favorable attitudes toward diversity[22] than minorities and women. Commitment to diversity requires a concerted effort to recognize, acknowledge, and address historical discrimination, differential treatment, and unearned advantages rather than resisting efforts to address inequities in the name of inclusiveness or color-blindness.[23] The research and recommendations in this book make apparent the need to consider the past and present while working toward a more just, fair, diverse, and inclusive future.

Misperception:
Diversity is beneficial only to minorities and women.

Reality:
Diversity can benefit everyone.

This book is relevant to large and small companies, colleges and universities, religious organizations, military organizations, hospitals, and any other organizations in which people work or wish to work or that have clients, customers, or constituents. Although under U.S. laws some organizations (e.g., churches and private clubs) may be allowed to prefer certain types of people over others as employees, many of the concepts in this book also apply to such organizations and can be of benefit to their leaders. For example, religious organizations may legally require that employees be members of a particular faith, yet they will likely have employees with work and family issues or may be wrestling with the issue of ordaining women. Similarly, the U.S. military is a unique male-dominated organization, yet its issues with sexual harassment and sexual orientation diversity can help inform other types of organizations dealing with the same issues. Hospitals have to learn to address patient racism and sexism, and need to be cognizant of cultural differences related to medical care.[24] As will be apparent from the variety of organizations discussed in

this book, diversity issues affect all organizations at some point. In addition, although most of the diversity research that is reported in this book was conducted in the United States, many of the concepts and findings, such as differential treatment based on racial or ethnic heritage, religion, sex, or sexual orientation, are relevant to non-dominant groups in other areas. Chapter 16 discusses these similarities in more detail.

TERMINOLOGY

In this book, when referring to the U.S. population, the following expressions are used somewhat interchangeably: sex/gender, Blacks/African Americans, Latinos/Hispanics, Asians/Asian Americans/Asians and Pacific Islanders, Native Americans/American Indians, Whites/Anglos/European Americans/Caucasians, and minorities/people of color.[25] Although the linked terms are not exactly the same (e.g., sex is biological while gender is socially constructed,[26] and not all Blacks consider themselves African American), the terms are widely recognized, their meanings are generally well understood, and they are often used interchangeably. Even so, there are important differences among them. Indeed, some scholars have argued persuasively that the ambiguity and fluidity of terminology render "race" and "ethnicity" almost meaningless.[27] Some researchers go so far as to use quotation marks at any mention of the word *race* to indicate its lack of meaning, despite its real consequences in people's lives.

Like gender, "race is socially constructed to denote boundaries between the powerful and less powerful" and is often defined by the more powerful group.[28] In the United States, these social constructions are reflected by the changes in terminology used by the Census Bureau over the years and in court rulings about who was or was not White. Latinos may be of any race, and people may be of more than one racial or ethnic background, which adds to the complexity of understanding race and what it means. In recent years, increasing numbers of Whites are self-identifying as Latino compared to in prior data collections,[29] further suggestive of the social construction of race. There are also substantial differences in the diversity-related experiences of Latinos who are Colombian, Dominican, Mexican, Nicaraguan, and Puerto Rican, with skin color within country of origin also playing a role.[30]

Ethnicity refers to a shared national origin or a shared cultural heritage. Thus, "Hispanic" is an ethnic description, although it is often treated as a racial one.[31] "Asian" is another ambiguous term. Is it an ethnicity, since ethnicity refers to a shared national origin, or is it a race, as the term is often used and understood? As with differences among Latinos, there are considerable differences among Asians who are from Korea and those from India or Vietnam, and among Black Americans, South African Blacks, and those from the West Indies. These and other contextual complexities related to race, ethnicity, sex, and gender and their effects on individuals in organizations will be explored in later chapters.

As discussed further in Chapter 2, instead of the terms *majority* and *minority*, which reflect population size, the terms *dominant* and *non-dominant* are used at times to distinguish between more powerful and less powerful groups, acknowledging the importance of power in access to and the control of resources. The powerful control more resources and are "dominant," regardless of whether they are more numerous (such as Whites in South Africa and men in the United States). Dominant groups make, interpret, and enforce regulations that affect and control the life chances and opportunities of those who are non-dominant. For example, the U.S. criminal justice system, police forces, the U.S. Supreme Court, Congress, Senate, and the office of the President, who make, interpret, and enforce laws, currently are and have historically been dominated by White men, which is similar to political and legal systems in many other parts of the world. Although many of the distinctions and terminology discussed are U.S.-centric, the idea of dominant and non-dominant groups is not.

CHANGING DEMOGRAPHICS AND CHANGING VIEWS: THE STIMULUS FOR DIVERSITY STUDIES AND WORK

As we discuss further in the chapters to follow, in the United States, after years of overt discrimination and exclusion, the Civil Rights and women's movements led to the passage of laws and efforts to reduce discrimination. These laws also required proactive methods, such as affirmative action, to include previously excluded groups, including racial and ethnic minorities and women. Following the Civil Rights movement, in 1987, Johnston and Packer's research on changing demographics of workers in the twenty-first century was published.[32] Their research sent shockwaves through organizations, bringing concern about how to "manage" the increasing diversity and how to capitalize on it from an economic perspective.[33] The Civil Rights and women's movements, changing laws, and changing demographics comprise moral/social, legal, and economic pressures, which are inter-related and have stimulated much of today's focus on diversity.[34]

From a business perspective, much of the impetus for change was changing demographics, which would mean different employees (and, ultimately, customers). Johnston and Packer noted that by the year 2000, 85% of the *net new entrants* into the U.S. workforce would be women and minorities. Often quoted, this statement was widely misunderstood to mean that by 2000, White men would constitute only 15% of the workforce. However, White men were then, and remain still, the largest single group in the **labor force**. It was the *net new entrants* who were increasingly women and minorities. The phrase *net new entrants* refers to the difference between those who entered the workforce (e.g., via becoming of working age or immigration) and those who left the workforce (e.g., via death, retirement, or otherwise withdrawing). Although women and minorities would comprise 85% of the net new entrants, because of the immense size of the workforce and because White men are the single largest majority in the workforce, it will be a long time before White men are no longer the largest single group. This misunderstanding or misinterpretation of terminology and projections about the increasing diversity of the workforce fueled interest in the topic and prompted concerns about the organizational ramifications of these changing demographics.

Ten years after their groundbreaking *Workforce 2000*, the Hudson Institute published *Workforce 2020*, which again predicted changes in work and in workforce demographics, but for the year 2020.[35] The report emphasized that about 66% of the workforce would continue to be non-Hispanic white men and women, 14% would be Latinos, 11% non-Hispanic Blacks, and 6% Asians. Most important to the demographics described in *Workforce 2020* were the aging and retirement of large numbers of baby-boomers, resulting in a plateauing of worker age.

Table 1.1 provides highlights of the U.S. civilian labor force in 1992, 2002, 2012, and projections for 2022. As predicted, the workforce is growing increasingly diverse in race and ethnicity, but non-Hispanic Whites remain the largest group. Racial and ethnic diversity will continue to increase, partly because the workforce is aging, and younger workers are more diverse in race and ethnicity than in the past.[36] Economic changes have prevented many aging workers from retiring completely, and there is even more age diversity in organizations than in the past. Table 1.2 provides population (rather than workforce) highlights for key general, social, and economic characteristics, including education, income, and poverty levels for the population. Of note is that women's earnings continue to be less than men's, even when women are working full-time, year round (see Table 1.2). These issues have important implications for individuals, employers, and organizational diversity.

As the Hudson Institute predicted, economic changes and globalization have resulted in more service-oriented jobs and more international customers and

TABLE 1.1 Civilian Labor Force by Age, Gender, and Ethnicity, 1992, 2002, 2012, and Projected 2022 (Numbers in Thousands).

	1992	%	2002	%	2012	%	2022	%
Group								
Total, 16 years and older	128,105	100.0	144,863	100.0	154,975	100.0	163,450	100.0
Age, years:								
16 to 24	21,617	16.9	22,366	15.4	21,285	13.7	18,462	11.3
25 to 54	91,429	71.4	101,720	70.2	101,253	65.3	103,195	63.1
55 and older	15,060	11.8	20,777	14.3	32,437	20.9	41,793	25.6
Gender:								
Men	69,964	54.6	77,500	53.5	82,327	53.1	86,913	53.2
Women	58,141	45.4	67,364	46.5	72,648	46.9	76,537	46.8
Race:								
White	108,837	85.0	120,150	82.9	123,684	79.8	126,923	77.7
Black	14,162	11.1	16,565	11.4	18,400	11.9	20,247	12.4
Asian	5,106	4.0	6,604	4.6	8,188	5.3	10,135	6.2
All other groups (1)	—	—	1,544	1.1	4,703	3.0	6,145	3.8
Ethnicity:								
Hispanic origin	11,338	8.9	17,943	12.4	24,391	15.7	31,179	19.1
Other than Hispanic origin	116,767	91.1	126,920	87.6	130,584	84.3	132,271	80.9
White non-Hispanic	98,724	77.1	103,349	71.3	101,892	65.7	99,431	60.8
Age of baby boomers	28 to 46		38 to 56		48 to 66	—	58 to 76	

(1) The "all other groups" category includes (1) those classified as being of multiple racial origin and (2) the racial categories of (2a) American Indian and Alaska Native and (2b) Native Hawaiian and Other Pacific Islanders.

SOURCE: Toosi, M. (2013). "Labor force projections to 2022: the labor force participation rate continues to fall." *Bureau of Labor Statistics*. Available at http://www.bls.gov/opub/mlr/2013/article/labor-force-projections-to-2022-the-labor-force-participation-rate-continues-to-fall-1.htm, accessed September 7, 2014.

business relationships. The loss of manufacturing jobs, where there is less opportunity for contact with dissimilar others, and the growth of service industry jobs, which involve considerable person-to-person interaction with dissimilar others, continue. These changes in types of jobs make awareness of and efforts to understand and to learn to interact with those who are dissimilar more critical than ever. Further, service industry jobs, often occupied by women, continue to increase, while manufacturing jobs, often occupied by men, continue to decline through layoffs, plant closures, and offshoring. Increasing globalization has also resulted in greater interaction among people from diverse backgrounds. Not only do employees interact with peers from diverse backgrounds in their local environment, they also interact with people who are from different cultures and belief systems and who often speak different first languages. Experience interacting, living, and working with people from different groups is an important skill in today's organizations.

Demographic changes are occurring in many countries around the world. In the United States and Canada, where growth of the workforce is slowing, fewer younger workers are being added than in the past. In some European countries and in Japan and China, the workforce is actually shrinking; more people are leaving than joining it. Along with the striking age of Japan's workforce, its underutilization of women workers is notable and has received considerable criticism. As a result of some of the demographic changes, many countries increasingly view developing nations as sources of new employees, even though a number of these countries have historically resisted, and sometimes continue to resist, immigration. Immigrants often have educational backgrounds, language skills, strengths, and weaknesses that are

TABLE 1.2 People Quick Facts.

General Characteristics	
Population (2013 estimate)	316,128,839
Female	50.8%
Median age (years) (2012)	37.2
One race, including Hispanic or Latino	
White alone	77.7%
Black alone	13.2%
American Indian and Alaska Native alone	1.2%
Asian alone	5.3%
Native Hawaiian and other Pacific Islander alone	0.2%
Two or more races	2.4%
Hispanic or Latino (of any race)	17.1%
White alone, not Hispanic or Latino	62.6%
Social Characteristics	
With a disability (18 to 64 years), 2012	19,606,506
Foreign born (% of total population), 2008–2012	12.9%
Speak a language other than English at home (population 5 years and over), 2008–2012	20.5%
High school graduate or higher, 25+, 2008–2012	85.7%
Bachelor's degree or higher, 25+, 2008–2012	28.5%
Economic Characteristics	
Median earnings male full-time, year-round workers, 2012	$48,629
Median earnings female full-time, year-round workers, 2012	$37,842
Median household income, 2008–2012	$53,046
Below poverty level, 2008–2012	14.9%

SOURCE: Adapted from People QuickFacts, U.S. Census, http://quickfacts.census.gov/qfd/states/00000.html, accessed October 14, 2014. 2012 data source: Annual Estimates of the Resident Population for Selected Age Groups by Sex for the United States, States, Counties, and Puerto Rico Commonwealth and Municipios: April 1, 2010 to July 1, 2013 Source: U.S. Census Bureau, Population Division Release Date: June 2014. http://factfinder2.census.gov/faces/tableservices/jsf/pages/productview.xhtml?pid=PEP_2013_PEPAGESEX&prodType=table, accessed August 30, 2014.

different from those of native workers, at times requiring efforts to integrate immigrants successfully while not discarding the original goals of equal opportunity legislation.[36]

DIVERSITY AND RACIAL HIERARCHIES

As we have discussed, despite more than 50 years of existence of anti-discrimination legislation and about 30 years of attention to "diversity" in organizations, the need for continued efforts to increase equality and inclusion remains strong. Although racial and ethnic minorities (men and women) now comprise a larger share of the labor force as was predicted by Johnston and Packer, Whites (women and men) continue to hold a disproportionate share of managerial jobs.[37] In a study by Stainback and Tomaskovic-Devey that directly assessed trends in managerial representation in the period between the passage of the Civil Rights Act of 1964 and the year 2000, researchers found a higher proportion of White men were managers in the private sector in 2000 than in 1966, and that White women had gained the greatest share of managerial jobs.[38] As shown in Table 1.3, 11% of White men were managers, and

TABLE 1.3 Trends in the Labor Force Size, Percent Managerial, and Race–Sex Composition of the Private Sector.

	1966	1980	1990	2000
Total Labor Force				
Employment	19,285,338	28,807,871	30,659,160	37,102,233
Percent managerial jobs	7.19	10.15	10.40	9.68
White Male				
Percent of labor force	62.27	48.47	42.19	37.62
Percent of all managers	90.97	75.69	65.35	57.14
Percent who are managers	10.50	15.85	16.11	14.70
White Female				
Percent of labor force	25.51	32.27	34.68	32.32
Percent of all managers	7.14	16.56	24.24	27.79
Percent who are managers	2.01	5.21	7.27	8.32
Black Male				
Percent of labor force	6.33	6.40	6.22	6.66
Percent of all managers	0.70	2.97	3.08	3.74
Percent who are managers	0.80	4.71	5.16	5.43
Black Female				
Percent of labor force	2.54	5.48	6.83	7.88
Percent of all managers	0.18	1.27	2.21	3.11
Percent who are managers	0.52	2.35	3.37	3.82

SOURCE: Adapted from Table 1, Trends in the Labor Force Size, Percent Managerial, and Race–Sex Composition of the Private Sector EEO-Reporting Firms, 1966 to 2000. Stainback, K., & Tomaskovic-Devey, D. (2009). "Intersections of Power and Privilege: Long-Term Trends in Managerial Representation." *American Sociological Review*, 74: 800–820.

White men were nearly 91% of all managers in 1966; in 2000, nearly 15% of White men were managers, and White men were 57% of all managers. White women, who comprised 28% of all managers in 2000, gained the greatest share of managerial jobs; in 1966, 2% of all White women were managers, and more than 8% were managers in 2000. The researchers concluded that White men's representation has changed very little in the older and more desirable (higher-paid, higher-status) sectors of the economy and that gains for White women, Black women, and Black men have been disproportionately higher represented in positions where they manage similar others. Black women's gains are most likely to be in the growing (lower-paid, lower-status) service sectors where they manage other Black women.[39] These findings are supportive of greater diversity, but also of glass ceilings, racial and gender segregation, and a racial hierarchy.

A social hierarchy is the ranking of individuals or groups, implicitly or explicitly, regarding a valued social dimension, such as race.[40] In the Stainback and Tomaskovic-Devey study, the data focused on Whites and Blacks and did not consider any other racial groups. However, multiple researchers have proposed that the diversity of the United States' population has resulted in a multi-racial hierarchy, rather than a bi-racial one, given the increasing racial and ethnic diversity of the population.[41] In three studies of more than 200,000 people who completed measures at Project Implicit,[42] researchers assessed the presence of "hierarchies in social evaluation," using Whites, Blacks, Asians, and Hispanics. In implicit, subconscious assessments, participants evaluated their own racial group most positively and ordered the

other groups as Whites, Asians, Blacks, and Hispanics.[43] When evaluating the four groups explicitly, the ordering changed slightly: Whites, Asians, Hispanics, and Blacks, with Whites and Asians preferring Hispanics over Blacks, and Blacks preferring Hispanics over Asians and Whites, on average. Research on disparities in hiring, pay, promotions, and layoffs that controlled for performance, education, and other human capital differences indicates that Whites are fairly consistently at the top of the social hierarchy, followed by Asians, Hispanics, and Blacks, with the latter two groups sometimes changing positions.[44] Thus, in the multi-racial hierarchy, there is indeed diversity, but without equality and inclusion.[45] Continued increases in population diversity and the relationships between diversity and organizational competitiveness, along with the moral and social concerns, make the continued pursuit of diversity, equality, and inclusion very important.

DIVERSITY AND ORGANIZATIONAL COMPETITIVENESS

In their often-cited article on the implications of cultural diversity for organizational competitiveness, Cox and Blake proposed that there are six specific business-related reasons that organizations should value diversity. They explained that effective management of diversity could benefit organizations in the areas of cost, resource acquisition, marketing, creativity, problem solving, and system flexibility.[46] Cox and Blake focused on those six reasons in order to highlight areas that had previously received limited research attention, not to imply that they were the only reasons for valuing diversity. Along with the business reasons, in this book, we also consider some of the social, moral, and legal reasons for doing so, which are entwined with the business reasons. In addition, Cox and Blake's suggestions focused on diversity as it applies to women and minorities; we apply their suggestions to the effects of different aspects of diversity—such as age, religion, sexual orientation, and others—on an organization's competitiveness.

Cost

Employee Turnover

The costs associated with doing a poor job of integrating workers from different backgrounds can be extremely high. Lower job satisfaction and the subsequent costs of turnover among women, minorities, people of various religious faiths, gay men and lesbians, and others whose contributions are often devalued in organizations can be tremendously expensive. Cox and Blake and other researchers have reported lower satisfaction and higher turnover of women and minorities when compared to men and Whites. This finding is an important organizational concern, particularly as the number of women and minorities in the workforce increases. If, along with women and minorities, employees from other groups are dissatisfied and quit in response to negative organizational treatment, organizational costs related to turnover may be tremendous. However, researchers have found that, for some employees, organizational efforts to support diversity can enhance commitment and reduce intentions to quit even when employees perceive discrimination.[47] On the other hand, if minority employees feel that their organization's purported commitment to diversity is insincere, dissatisfaction, lowered commitment, and cynicism can result.[48] In organizations with homogenous leadership, employees also perceive more racial and ethnic harassment and discrimination than in organizations with heterogeneous leadership.[49]

Although much of the research focuses on the turnover of women and minorities, one study found that increasing organizational diversity was associated with lowered attachment for Whites and males but not for women and minorities.[50] Other research indicates that at times both minorities and Whites experience discomfort in cross-race interactions, with minorities expecting to be targets of

prejudice and Whites fearing being perceived as prejudiced.[51] The possibility that increased diversity may be associated with lower attachment, turnover, and discomfort for people of different backgrounds suggests that organizations should take proactive measures to address and circumvent these negative outcomes while maximizing the positive outcomes. In addition, educating workers about the individual and organizational benefits of increasing diversity, and treating all employees with respect and providing them fair opportunities may reduce dissatisfaction, detachment, and fear among those who are uncertain about increasing diversity. In a study of public employees, when employees, including White men and women and men and women of color, perceived there was equal access to opportunities and fair treatment, intent to turnover decreased, for all employees.[52]

Costs associated with turnover include exit interviews, lost productivity while positions are unfilled, and recruiting costs and background checks for replacement employees. Organizations may find replacement to be more expensive than retaining current employees.[53] This is particularly true when the learning curve and training costs of replacements are also taken into consideration. Specific organizational efforts to address needs of specific workers may minimize turnover. For instance, research indicates that workers with child care responsibilities (commonly, women; increasingly, men) have more organizational commitment and lower turnover when companies provide child care subsidies, on-site day care, or other child care support.[54]

Litigation

Many people think of the costs associated with doing a poor job of integrating workers largely in terms of discrimination lawsuits; however, Cox and Blake did not specifically include litigation expenses among their cost factors. Fear of litigation is exacerbated by the media attention surrounding large damage awards involving major companies and is one of the external pressures that has stimulated organizations to focus on diversity.[55] As discussed further in Chapter 3, research suggests that large damage awards are indeed effective in improving opportunities for groups that have experienced discrimination, at least in the short term. However, despite the substantial media attention, the likelihood of an organization being sued by an aggrieved individual is relatively small, but the continuing costs associated with low job satisfaction and high turnover can be quite high. For example, the number of discrimination-related charges filed by individuals with the Equal Employment Opportunity Commission (EEOC) between 1997 and 2013 ranged from about 75,000 to nearly 100,000.[56] Although these are substantial numbers, they are quite small relative to the number of firms in the United States and relative to the more than 150 million people in the workforce.[57] The majority of workers who feel they are treated unfairly, not valued, or discriminated against do not sue. Instead, they may simply leave the organization and tell their family and friends about their experiences, which affects the organization's ability to attract other workers (e.g., resource acquisition) and customers.

Misperception:
The risk of being sued by an individual for discrimination is fairly high.

Reality:
Overall, an organization's likelihood of being sued by an individual is very small.

Lost Business

Costs associated with lost business should be added to the costs of absence, turnover, and discrimination lawsuits that are commonly associated with unfair

treatment of employees or customers. **Consumer Racial Profiling** is defined as "differential treatment of consumers in the marketplace based on race/ethnicity that constitutes denial of or degradation in the products and/or services that are offered to the consumer."[58] When employees or customers learn of or personally experience unfair treatment toward their group by an organization, they are less likely to want to work there or patronize it. In their study of discrimination against obese customers, King and colleagues found that customers who experienced discrimination spent less time in the store, less money than they had planned to spend, and were less likely to return to the store in the future.[59]

In addition, other groups who were not personally affected may find overt discrimination or other negative behaviors morally offensive and withdraw.[60] Dealing with negative publicity and protests against discriminatory policies can be expensive and time-consuming for organizations, as experienced by Cracker Barrel in response to its discriminatory policies toward Black customers and gay male and lesbian employees, discussed in Chapters 4 and 11, respectively.[61]

Resource Acquisition

An organization's ability to attract and retain employees from different backgrounds is referred to as *resource acquisition*. Those who have often been overlooked or devalued as potential employees often include women, racial and ethnic minorities, workers with disabilities, sexual minorities, and people from non-dominant religious faiths. Cox and Blake proposed that if an organization develops a reputation for valuing all types of workers, it will become known as an employer of choice, increasing its ability to compete for employees. Empirical research provides support for the positive effects of heterogeneous recruitment advertisements on minorities' desire to work for organizations.[62] Conversely, if an organization develops a reputation for valuing only a subset of workers, it may miss out on hiring excellent workers who do not fall into that subset. Other researchers have similarly argued that "talented people may be predisposed to avoid companies that discriminate."[63] Such organizations may also have higher compensation costs because of drawing from a smaller pool of workers (i.e., supply would be lower, making demand costs higher). As discussed in Featured Case 1.1, such an organization may also see lower productivity from both the preferred subset of workers and those who are not preferred.

In addition to *Fortune*'s annual issue on the best companies for minorities, *DiversityInc*, *Working Mother*, *Latina Style*, *Catalyst*, the American Association of Retired Persons (AARP), *Hispanic Today*, and other entities routinely identify best companies for women, minorities, parents, and other groups. These reports are widely read and provide substantial publicity for the companies that make, or fail to make, the lists. The high level of attention from the media may affect applicants' interest in companies as well as companies' ability to market to various consumer groups.

Marketing

Cox and Blake proposed that an organization's reputation for valuing all types of workers will also affect its ability to market to different types of consumers, which is again a combination of moral, social, and economic issues. Consumers who appreciate fair treatment for everyone will be more likely to patronize an organization known to value diversity and to treat all workers fairly and be less likely to patronize organizations known to discriminate.[64] Employers known for contributing to particular organizations (such as the United Negro College Fund or the Human Rights Campaign (HRC)) receive recognition from those organizations and their patrons. This recognition may translate into purchases and customer loyalty.

In addition, having employees who are from various backgrounds improves a company's marketing ability because such organizations will be better able to

FEATURED CASE 1.1

Case Study of Fictitious Clueless Company, Inc.

Assume that people from demographic groups Pens and Pencils are employed at Fictitious Company, Inc. Both Pens and Pencils have a similar number of excellent performers and poor performers in their group. Workers from both groups expect fair performance evaluations, pay raises, and promotions based on their performance. After a period of working for and excelling in performance, high-performing Pencils realize that despite their high qualifications and strong performance, their performance is rated lower than that of Pens, their pay raises are lower, and they are not likely to be promoted. This perception is validated when Pencils consider the management and executive levels of Fictitious Company and see very few people from the Pencils category in those levels. What is the expected result on motivation and future performance of high-performing Pencils? Low- and average-performing Pencils are observing. They realize that high-performing Pencils, despite their high performance, receive low performance ratings and few-to-no raises and promotions. What is the expected effect on the motivation to work harder and the future performance of low-performing Pencils?

After a period of employment at Fictitious Company, Pens realize that they are continually rated highly and receive pay raises and promotions regardless of their performance. If they make their sales and quality goals, they receive high raises and are promoted. If they miss their sales and quality goals, they still receive high raises and are promoted. If they are chronically late or absent on Mondays and Fridays, there are few-to-no negative consequences. What is the expected result on future performance and motivation of Pens who are truly good performers but observe Pens who miss sales and quality goals still being promoted and rewarded? What is the expected result on the motivation to improve and the future performance of Pens who are low performers but receive rewards nonetheless?

To summarize, at Fictitious Company, high-performing Pencils receive clear messages that their high performance is not valued. Low performing Pencils receive messages that there is no reason to strive for high performance because people like them receive no reward for high performance. Pens receive messages that their low and high performers are valued and rewarded similarly, so there is no need to strive for excellence. What is the result of this scenario for the overall performance and competitiveness of Fictitious Clueless Company, Inc.?

Contrast this scenario to that of Fictitious Savvy Company, Inc., in which members of Pens and Pencils expect, and receive, fair performance evaluations, promotions, and raises. What is the expected result on the future motivation and performance of high, average, and low performers among Pens and Pencils in Fictitious Savvy Company, Inc.? What is the expected result on the organizational performance of Fictitious Savvy Company?

develop products that meet the needs of and appeal to diverse consumers. After a period of declining sales and profits, Avon Products was able to successfully market to Blacks and Hispanics by increasing their representation among marketing managers. Avon's profitability increased tremendously as a result.

Organizations with employees from various backgrounds may also be more likely to avoid expensive marketing, product design, and other types of gaffes that may result from having homogeneous teams. For example, American Airlines' Latin America Pilot Reference Guide, an internal document, once caused the company negative publicity that could have affected its ability to market to Latino consumers (and other groups). The guide reportedly warned pilots that Latin American customers would call in false bomb threats to delay flights when they were running late and that they sometimes became unruly after drinking too much on flights. When news of the statements in the reference guide hit the press, the airline apologized and stated it would revise the manual.[65] In another example, retailer Zara distributed

two anti-Semitic products, including a handbag with images of swastikas and shirts with an eerie resemblance to the clothing Jews wore during the Holocaust.[66] The incidents were blamed on the company's fast time to production to capitalize on current trends and a supplier that changed an approved design rather than to a lack of diversity.[67] Zara destroyed the unsold shirts, yet the negative publicity remained in social media history.

Creativity and Problem Solving

Research indicates that groups composed of people from different backgrounds bring with them differences that result in greater creativity and problem-solving ability. These abilities stem from the different life experiences, language abilities, and education that groups composed of diverse members have. Empirical research also supports the idea that diversity positively affects group performance, creativity, and innovation. In longitudinal research, Watson, Kumar, and Michaelsen investigated the effects of diversity (in race, ethnicity, and nationality) on group performance. Following diverse and homogeneous groups of students over the course of a semester, these authors found that, initially, the homogeneous groups outperformed the diverse groups. By the end of the semester, however, the performance of the diverse groups exceeded the performance of the homogeneous groups. After learning to interact with each other, the diverse groups developed more and higher-quality solutions to problems than homogenous groups, exhibiting greater creativity and problem-solving skills.[68]

McLeod, Lobel, and Cox have empirically investigated the effects of racial diversity on idea generation in small groups. Using brainstorming techniques (which are commonly used in organizations for developing new ideas), they found that groups composed of diverse members produced higher-quality ideas than groups composed of homogenous members.[69] Further, some research suggests that the perceptions that there will be differences among dissimilar others cause group members to pay more attention in interactions, which results in better decision-making. Members of homogeneous groups may assume their thinking is similar, while heterogeneous group members may pay more careful attention to preparation, expecting to have to be more credible and thorough among dissimilar others.[70] Using eight years of data, Sara Ellison and Wallace Mullin, economists at MIT and George Washington University, respectively, found that gender diversity in the workplace helps firms to be more productive.[71] There was also greater cooperation in those firms in which diversity was perceived as being supported.

In his research on the logic of diversity, Scott Page, professor of Complex Systems at the University of Michigan, used simple frameworks to demonstrate how individuals with diverse problem-solving tools (as a result of diverse backgrounds) are able to outperform others in problem-solving tasks.[72] As an example, two people with diverse backgrounds would choose to test different potential product improvements differently, increasing the probability of finding a useful innovation. In problem-solving experiments, Page demonstrated how groups composed of diverse problem solvers confronting a difficult problem outperformed groups composed of the best individual performers. His research also showed how combinations of different tools can be more powerful than the tools themselves. As global competition increases, the ability to generate superior ideas, greater productivity, and the need to be thorough in considering options, are vital to success.

System Flexibility

System flexibility is another reason proposed for valuing diversity, in that it provides organizations with a competitive advantage. Cox and Blake argued that women have a higher tolerance for ambiguity than men. Tolerance for ambiguity is associated

with cognitive flexibility and success in uncertain situations. Bilingualism and biculturalism are related to cognitive flexibility and openness to experience.[73] Bilingual individuals have greater perspective taking skills.[74] In the United States, Latinos and Asians are often bilingual and bicultural, Blacks tend to be bicultural, and Native Americans who have lived on reservations among their native culture and also outside learn to navigate between two worlds.[75] Researchers have found bilingual children to be more successful at perspective-taking and performing a complex spatial task than monolinguals.[76] In the many regions of the world where the populations are multilingual and multicultural, cognitive flexibility, openness to experience, and navigating between worlds are common and are desirable diversity attributes. In addition, although they are not traditionally perceived as bi- or multicultural, the life experiences of some people with disabilities, gay males, and lesbians may provide them cognitive flexibility and openness to experience similar to that of bi- or multicultural individuals. Exposure to other cultures, languages, or the experiences and challenges of being different from those in the majority may help individuals develop the flexibility, openness, and perspective-taking abilities not possessed by others, which can be beneficial in diverse organizational settings.

Other Areas where Diversity Can Be Advantageous

Cooperative Behaviors

Researchers have found that groups composed of members from collectivist backgrounds (such as Asian, Black, and Latino) instead of individualist backgrounds (such as White/European American) displayed more cooperative behavior on group tasks.[77] In Ellison and Mullin's study mentioned earlier, where gender diversity was related to greater productivity, there was also greater cooperation in those firms in which diversity was perceived as being supported.[78] In an increasingly global and diverse environment, where cooperation is important to business success and where teamwork is vital, organizational diversity can therefore be an asset.

Interaction Effects with Organizational Strategy

Orlando Richard's study of the relationship between racial diversity and firm performance found a complex interaction effect.[79] Firms with a growth strategy (requiring innovation, idea generation, and creativity) were more successful when employees were diverse. Richard suggested that when firms have a growth strategy, racial diversity increases productivity, which increases firm performance. Thus, organizations might wish to actively seek out diversity as a particular source of a competitive edge when pursuing a growth strategy. Although Richard did not test other aspects of diversity, diversity in sex, age, and other areas may also be advantageous for high-growth firms. In another study, researchers following firms over time found that racial diversity had a positive, linear impact on long-term performance. In companies with more than moderate levels of diversity, there was a positive effect on both short- and long-term performance.[80]

Financial Returns

An association between effective management of diversity and stock prices has been established by Wright and colleagues. Using six years of data, they assessed the effect of positive publicity from affirmative action programs (which they used as evidence of valuing diversity) and negative publicity from damage awards in discrimination lawsuits on the stock returns of major corporations. They found positive influences on stock valuation for firms that received awards from the U.S. Department of Labor regarding their affirmative action programs. In contrast,

announcements of discrimination settlements were associated with negative stock price changes for the affected companies.[81] Gender diversity at high levels has also been associated with higher stock prices, firm quality, and financial performance.[82]

In South Africa, companies that actively resisted apartheid and agreed to be independently monitored for equal and fair employment practices, to maintain unsegregated facilities, to provide training for non-White employees, and to improve employees' lives outside the work environment realized greater growth in stock prices after the end of apartheid than did companies not agreeing to such monitoring.[83] These results indicate that bottom-line concerns and the moral and social reasons for pursuing diversity can coexist.[84]

Moral and Social Reasons for Valuing Diversity

As mentioned earlier, the economic, moral and social, and legal pressures have worked in concert to stimulate diversity in organizations. Diversity researchers and practitioners have legitimately been criticized for focusing solely on the "business case" reasons for pursuing diversity.[85] Many have argued that economic and commercial reasons for valuing diversity, although they have some merit, should not be the only reasons for supporting diversity.[86] This book is written from the perspective that moral, social, and legal reasons can and should work in concert with business reasons for supporting diversity through pursuit of equality and inclusion.[87] For example, the inequality and poverty often experienced by members of certain groups due to individual, institutional, and systemic discrimination are moral, social, and legal issues that can affect organizations' bottom line. Reduction of inequality, poverty, and discrimination can benefit society and future populations as well as organizations.

Difficulties Resulting from Increased Diversity and Organizational Responses

Although the foundation of this book is the positive value of diversity, it is important to consider some of the negative outcomes that may arise from increased diversity. Some of these negative consequences can include dysfunctional communication processes among group members from different racial, ethnic, age, and gender backgrounds, discrimination, harassment, perceptions that nontraditional workers are unqualified, and lowered attachment, commitment, and satisfaction.[88] As mentioned earlier, researchers have found that the cross-race interactions required by increasing organizational diversity can at times be taxing for employees.[89] On the other hand, multiple studies have indicated that although increased diversity was associated with negative outcomes initially, this lessened over time.[90] Research suggests that as employees get to know one another and exchange job-relevant information, any negative effects of surface-level differences can be reduced. In other words, people stop attending to outward appearances and begin attending to work-related differences.

Given the complexity of research results on diversity—found to be beneficial to interpersonal interactions and organizational functioning at times and negative at other times—it is imperative that organizations attend to diversity issues proactively. Leaders should facilitate interactions among people of diverse backgrounds at work, providing communication training if necessary, and monitor dysfunctional behaviors. Managers should directly confront and dispel the common perceptions that certain groups of people are qualified and other groups of people are not and practice zero tolerance of discrimination and harassment. As with any important change, organizations should take proactive steps to minimize negative outcomes resulting from increasing diversity while maximizing the positive ones.[91] Changes in

population demographics, globalization, the growth in service jobs requiring considerable interaction with dissimilar people, and other factors make these steps critical to organizational success.

Organizations that are supportive of diversity have faced boycotts and negative publicity from those who are resistant to diversity. *Fortune* magazine reports that in 1962, when Harvey C. Russell, a Black man, was named a vice president at Pepsi, the Ku Klux Klan called for a boycott of Pepsi products, flooding the country with handbills that encouraged customers not to buy Pepsi.[92] More recently, the Southern Baptist Convention led a boycott of Disney because of its inclusive policies toward gay and lesbian employees and customers.[93] After eight years of having little apparent effect, the Convention ended its boycott.

The "Value in Diversity" Perspective versus Negative Impacts of Diversity

Cedric Herring, professor of Sociology and Public Policy at the University of Illinois at Chicago, used data from the National Organizations Survey (NOS) to test the "value in diversity" perspective that is consistent with portions of Cox and Blake's arguments about diversity and organizational competitiveness.[94] He specifically wanted to determine the validity of questions about the positive impact of diversity on the bottom line. The NOS is comprised of 1,002 organizations drawn from a stratified random sample of 15 million U.S. work establishments, and Herring focused on 506 for-profit organizations that provided information about the sex and race of their workers, sales revenue, customers, market share, and profitability. He also controlled for other important factors, such as company and establishment size, organization age, industrial sector, and region that could have also affected the important variables. Herring found considerable support for the value-in-diversity hypothesis. Racial diversity was associated with increased sales revenue, more customers, greater market share, and greater relative profits, and gender diversity was associated with increased sales revenue, more customers, and greater relative profits. Herring acknowledged that some of the negative outcomes of increased diversity could concurrently exist in some organizations, but in his sample, using stringent tests, diversity did have a net positive impact on organizational functioning.

A different specific effort to test the effects of diversity on business performance was undertaken by Thomas Kochan and colleagues.[95] They analyzed results of relationships between race and gender diversity in four large firms, and found few direct effects of either, and no consistent positive or negative effects under all conditions. Importantly, they noted that "context is crucial in determining the nature of diversity's impact on performance."[96] Across different types of firms, having organization-wide diversity-sensitive managerial strategies, human resource policies, and supportive organizational cultures were important. In their meta-analysis, comprised of nearly 9,000 teams from 39 studies over a 17-year period, Joshi and Roh also found context to be very important in influencing the positive, negative, or neutral effects of team diversity.[97] Organizational focus on minimizing the negative outcomes and maximizing the positive ones, given the certainty of increasing diversity in the population (and among employees and customers), is warranted.

INDIVIDUAL BENEFITS OF DIVERSITY

In addition to the potential organizational benefits of diversity, longitudinal research provides evidence of the value of diversity to individuals. The research of Patricia Gurin and her colleagues identifying the benefits of a diverse learning environment

for students was used by the U.S. Supreme Court in its decision in favor of portions of the University of Michigan's diversity programs.[98] Gurin found that students whose classmates were diverse and who interacted with each other in meaningful ways and learned from each other were more likely to see diversity as not necessarily divisive, to see commonality in values, and to be able to take the perspective of others.

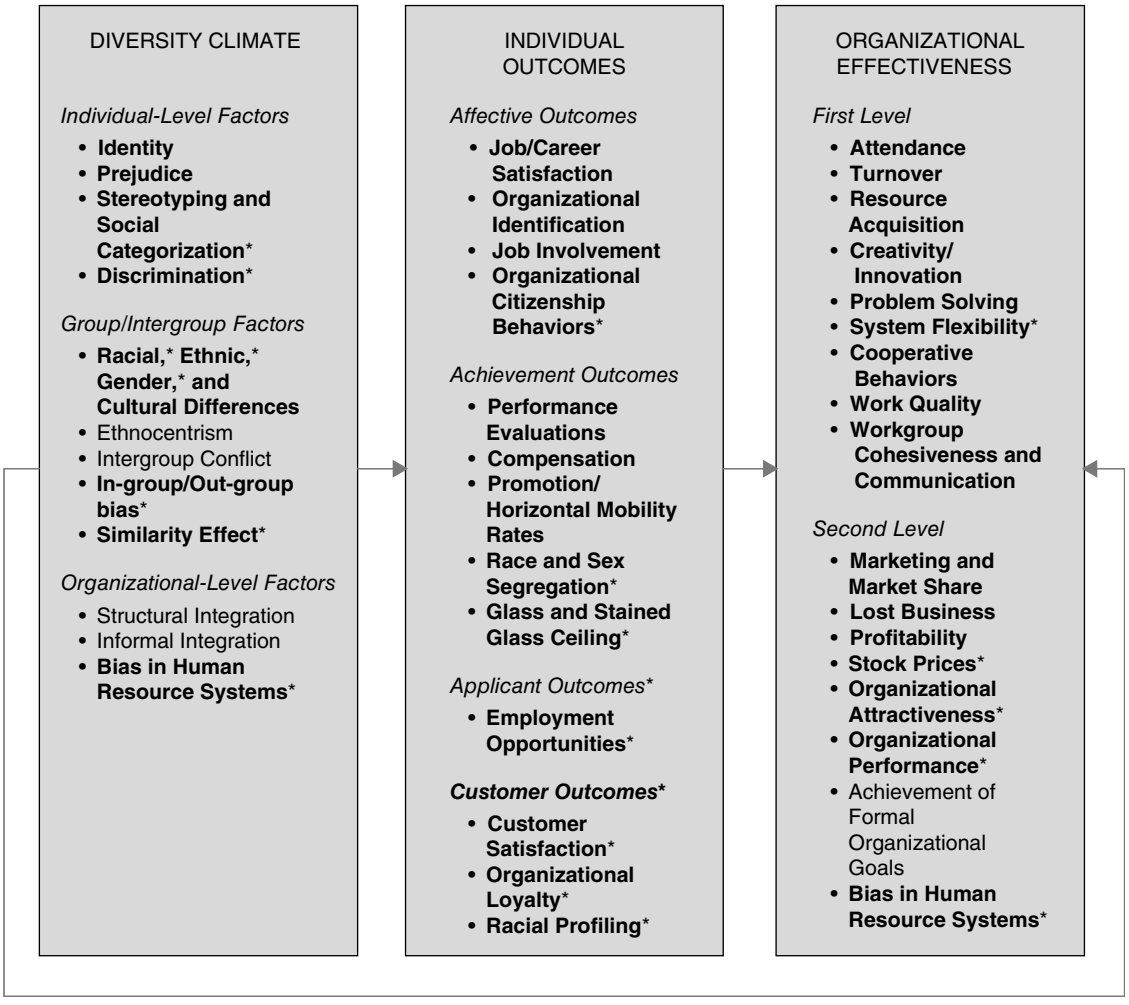
In another longitudinal study, Sylvia Hurtado found similar evidence of the benefits of diversity among college students.[99] Hurtado's study involved 4,403 students from nine public universities across the United States. When students interacted with diverse peers during their first year of college, changes in cognitive and social outcomes followed. By the second year of college, students expressed more interest in poverty, more support for race-based initiatives, more openness to the perspectives of others, and more tolerance for sexual minorities. Students who had taken diversity courses and participated in campus-sponsored diversity learning programs experienced the greatest number of positive benefits. Hurtado proposed that "these results suggest that campus efforts to integrate the curriculum, or adopt a diversity requirement, have far-reaching effects on a host of educational outcomes that prepare students as participants in a diverse economy."[100] In his longitudinal study involving 15,600 students at 365 universities, Octavio Villalpando found that after four years of college, regardless of the students' race or ethnicity, their level of satisfaction with their college experience was positively influenced by attending cultural awareness workshops, socializing with students from different racial or ethnic groups, taking courses with content on racial or ethnic issues, and campus policies that promote diversity initiatives.[101] Other researchers have also found that compared with a control group, those taking an elective diversity course had positive changes in attitudes toward people with disabilities, racial minorities, and gay male, lesbian, and bisexual workers, increased intercultural tolerance, and perceived equality of gender roles.[102]

The increasing diversity of populations and workforces makes preparation for such diversity invaluable to individuals, organizations, and society. In recognition of this, researchers have argued for mandatory diversity education,[103] and many universities are requiring students to take a diversity-related course. According to the Association of American Colleges and Universities, 54% of accredited colleges and universities in the United States have instituted diversity requirements and another 8% are developing such requirements.[104] Some schools go even further, and now offer diversity majors (e.g., the graduate psychology program of Cleveland State University), minors (e.g., the undergraduate business program at Virginia Tech), or certificate programs (e.g., the University of Texas at Arlington). Those who are equipped to work effectively in diverse environments reap individual benefits, and the organizations that employ them benefit as well. Of course, societal benefits, in which everyone has the opportunity to contribute and succeed, are also expected outcomes.

DIVERSITY, INDIVIDUAL OUTCOMES, AND ORGANIZATIONAL EFFECTIVENESS

In the previous sections, we defined diversity and discussed how valuing or devaluing diversity can influence organizational effectiveness. We emphasized Cox and Blake's six reasons for valuing diversity: cost, resource acquisition, marketing, creativity, problem solving, and system flexibility. In his pioneering book *Cultural Diversity in Organizations*, Cox included more details in his Interactional Model of the Impact of Diversity on Individual Career Outcomes and Organizational Effectiveness.[105] Cox proposed that the **diversity climate** of an organization affects individual outcomes, which then influence organizational effectiveness.[106] The diversity

FIGURE 1.1 Adapted Interactional Model of the Impact of Diversity on Individual and Organizational Outcomes.



*Not included in the original model.
Items in bold print examined in this book, including relevant research evidence.

climate "is the tone set by the organization and sensed by its members with regard to the value and role of diversity."[107] An adapted and broader version of this model is depicted in Figure 1.1, in which additional areas have been included in the diversity climate, individual outcomes, and organizational effectiveness. While the model has not been completely tested empirically, many of its proposed ideas and relationships have been empirically supported, as already mentioned in this chapter and as will be discussed in the remaining chapters.

ORGANIZATION OF THE BOOK

We have introduced the concept of diversity in this chapter and discussed Cox and Blake's six areas in which diversity is beneficial for organizations and the empirical evidence on the relationships between diversity and group and organizational performance. In the remainder of the book, we refer to these areas and

to other ways in which diversity is both inevitable and valuable for individuals and organizations, if combined with efforts to ensure equality and inclusion. As much as possible, for each group or topic discussed in the remaining chapters, the same six areas are covered. Although aspects unique to the various groups and topics require variations from this general plan, what standardization is possible will provide cohesion and improve readers' ability to consider and compare similarities and differences across groups. Each chapter begins with chapter objectives and relevant key facts. Where appropriate, the chapters are structured according to these standard sections: introduction and overview, population (including percentages and growth rates), education, and employment (including **participation rates**—working or looking for work, unemployment rates, income levels, and employment types). Within these sections, points of particular relevance to diversity in organizations, for example, the role of gender and gender role socialization in women's and men's occupational choices and in the ways they are treated by employers, are highlighted.

It is by use of this general plan and the focus on topics unique to each group that a distinct picture of the status and experiences of the various group members, important to learning and thinking critically about diversity issues, is provided. This approach should also provide readers with a cohesive foundation for understanding the aspects of diversity considered here and for others they may encounter in the future both in the United States and all over the world. For example, although different countries may have different minority or nondominant groups, readers can use the same approach to learn about and develop understanding of them. The following sections discuss details of the standard sections in each chapter.

Introduction and Overview

Each chapter focusing on a particular group (e.g., racial and ethnic groups, workers with disabilities) begins with an introduction and overview containing information unique to that group to help explain its status in relation to diversity in the United States. For example, in the United States, only Blacks have experienced the historical background of slavery and the subsequent discrimination that continues to shape their position in organizations and in society. Latinos are unique in terms of their diverse backgrounds (e.g., Cuba, Puerto Rico, Mexico, and Central America), races, language ability, and youthfulness of population. It is not widely known that even though they were considerably more accepted than Blacks, people of Mexican descent experienced extreme discrimination, segregation, and lynching in parts of California and Texas from the early 1900s to the 1970s. Mexican Americans pursued their civil rights during the same period African Americans fought for theirs, at times alongside African Americans and Asians.[108]

The experiences of Asian Americans as immigrants, refugees, or native-born Americans are unique to them. Perceived as the "model minority," Asians at the same time have encountered the glass ceiling and other forms of discrimination.[109] As we will see, the Asian experience in the United States is not uniform; it comprises an unequal distribution of education, wealth, and success, including poor education, extreme poverty, and welfare dependency.[110] And although some Asians choose self-employment as a means of earning high wages, research indicates some Asian entrepreneurs are self-employed as a result of discrimination, a lack of opportunities in formal organizations, and the glass ceiling. As with small businesses in general, many Asian businesses fail and others are only profitable because of long hours and the unpaid labor of family members.[111] Like others of color, in some parts of the United States, Asian

Americans make up the bulk of those employed as housekeepers and custodians, neighborhood gardeners, garment workers, and in other low-wage occupations. These jobs are quite different in occupation and earnings from the stereotype of the model minority, and reinforce the idea that stereotypes—both "positive" and negative, are problematic.

Population

The number of people in a particular group is critical for many different reasons. Large groups have more voice in democratic governmental processes, more consumer buying power, and strength in other areas. These benefits may positively affect their treatment in organizations and result in organizations paying more attention to their needs. However, as "minority" groups grow in size, they may seem more threatening to those in the majority, which may negatively affect their organizational status and treatment.[112] But from a positive viewpoint, the growth in minority group populations may allow majority group members to have more personal experiences with and knowledge of particular individuals, which *may*, therefore, allow them to rely on personal knowledge, rather than stereotypes, particularly if given organizational stimuli, tools, and support for doing so.

Along with the benefits that occur as a result of growth in numbers, as the group becomes a greater percentage of the overall population, its voice, buying power, and other strengths increase, warranting attention from persons interested in diversity issues. Even so, 30 million in a population of 60 million is much different from 30 million in a population of 300 million. Population growth occurs through births and immigration, and population growth rates affect both sheer numbers and the degree of impact that a particular group has. When a minority group is growing at a faster rate than the majority, over time, the minority group will increase its percentage of the population as a whole. When a minority group has both a higher birth rate and greater immigration than the majority group, this leads to a faster shift in the numbers and percentages of the minority group compared with the majority group. These shifts in population require different organizational strategies and perspectives in order to address the needs of increasingly diverse consumers, applicants, and employees. As an example, as Latinos have become a larger percentage of the population, some organizations have begun to actively recruit bilingual employees in human resources, customer service, marketing, and management positions.

Education

Each group's level of education affects whether and where its members are employed, their incomes, and their opportunities for and actual advancement. Thus, we provide details for each group on the numbers of people of working age with and without high school, college, and advanced degrees. Comparisons of educational achievements within (between men and women in the same racial group) and across groups (e.g., Blacks and Whites) provide insights into other factors (e.g., the glass ceiling and walls) that may be influencing the employment, income, and organizational advancement of different groups. For each demographic group, we investigate questions such as the following:

- Do White men and women have similar levels of education? If so, are they receiving similar returns (e.g., income, status, and advancement) on their educational investment?
- What is the educational status of immigrants? How does this affect their employment?
- Are there differences in education and employment among immigrants from different countries or from different races but the same country?

Employment, Unemployment, and Participation Rates

Levels of employment and participation rates of a group are closely linked to, but not always consistent with, education and provide information about a group's position in organizations. The percentages of people in a group who are employed, unemployed, underemployed, and not participating in the workforce compared with those of other groups are important in understanding group status and other diversity factors.

The chapters will consider questions such as the following:

- Are minorities with similar education more, less, or equally likely as Whites to be employed?
- When laid off, how long do different group members, such as older and younger workers, remain unemployed before finding similar employment?
- What are the participation rates for women from various racial and ethnic groups?
- Why are people with disabilities considerably less likely to be employed than are people without disabilities, even when similarly qualified and able to work?

We investigate what can be done about these issues and why organizations should be concerned about them. We consider what employment rates actually mean, compared with what is commonly reported, and how these figures differ across groups, emphasizing that for certain groups, unemployment rates are often understated and deceptive.

Because Whites are the majority of the population in the United States, their unemployment levels heavily weight the reported unemployment rates. Unemployment for Blacks is usually about twice the unemployment rate for Whites, but this is not commonly known or widely reported. For example, in 1972, the overall unemployment rate was 5.6%; for Whites, Blacks, and Hispanics the rates were 5.1%, 10.4%, and 7.5%, respectively (see Table 1.4). In 2013, when overall unemployment was 7.4%, the rates for Whites, Blacks, and Hispanics were 6.5%, 13.1%, and 9.1%, respectively. Similar disparities continue.[113]

The 2008 and 2013 unemployment rates for Asians, whose education levels are higher than those of other groups, were lowest of all groups, yet education does not account for all observed differences. For example, Blacks have higher average education levels than Latinos, yet Blacks have higher average unemployment rates. In specific chapters we look further at income and education by race, ethnicity, and sex, for each group. What dynamics of diversity are affecting unusual relationships, in which educational returns differ for members of different groups?

Unemployment levels published by the U.S. government and reported in the media understate the true levels of employment as well as completely excluding

TABLE 1.4 Percent U.S. Unemployment by Race and Ethnicity.

Unemployment Rate	1972	2008	2013
Total	5.6	5.8	7.4
Whites	5.1	5.2	6.5
Asians	n/a	4.0	5.2
Blacks	10.4	10.1	13.1
Hispanics	7.5	7.6	9.1

SOURCE: U.S. Department of Labor, Bureau of Labor Statistics. (2009). *Labor Force Characteristics by Race and Ethnicity*, Report 1020. http://www.bls.gov/cps/cpsrace2008.pdf, accessed August 30, 2014; U.S. Department of Labor, Bureau of Labor Statistics. (2013). *Labor Force Characteristics by Race and Ethnicity*, Report 1040. http://www.bls.gov/cps/cpsrace2013.pdf, accessed August 30, 2014.

people who are "underemployed" and those who are "discouraged workers." Under the official definition of unemployment, an individual must be actively seeking work to be included in the "official" unemployment rate.[114] Thus, "**discouraged workers**," those who want to work but have given up searching for employment, are not included in the official rates.[115]

The **underemployed** are people working part-time or on a temporary or intermittent basis but who desire regular, full-time work; those who are working for lower wages than their skills would justify or in positions requiring considerably lower skills than they possess; and those involuntarily working outside their fields ("occupational mismatch"). Underemployment negatively affects workers in a variety of ways. Earnings and benefits are lower when working part-time, temporary, or intermittent jobs. Health benefits, retirement, vacation, and other benefits are less likely and, if they exist, they are less lucrative in such jobs. Working for lower wages than one's skills merit not only negatively affects workers immediately but also results in lower employer contributions to pensions, 401(k) or other salary-driven benefits. Involuntarily working outside one's field can erode skills and decrease competitiveness for future opportunities. In addition to those negative effects, the underemployed experience reduced self-esteem, job attitudes, and likelihood of appropriate employment later.[116]

In the United States, discouraged and underemployed workers are more likely to be Blacks; in many European countries, they are likely to be immigrants.[117] In the United Kingdom, for instance, Bangladeshis are five times more likely to be unemployed and earn considerably less per hour than Whites.[118] Iraqis in Denmark are nearly six times more likely to be unemployed compared to the majority population (27% versus 5%).[119] Heslin and colleagues showed that immigrants were disproportionately represented among discouraged workers in many European Union economies. They estimated that the proportion of immigrants in the workforce and in the discouraged worker categories in 2010 were 11.5% and 23.9% in Australia, 6.3 and 12.1% in France, 9.8% and 15.4% in Germany, 3.9% and 7.1% in the Netherlands, and 7.9% and 9.0% in the United Kingdom.[120]

We discuss discouraged, unemployed, underemployed, and part-time workers and their relationships to diversity in organizations in later chapters.

Types of Employment and Income Levels

The jobs in which people are employed and their income levels provide much insight into the status of different groups. Comparisons among people with similar qualifications but different group memberships provide even greater insight into diversity-related factors at work (e.g., discrimination, equal opportunity, and the glass ceiling and walls). We investigate questions such as the following:

- In what types of occupations and industries do most members of a group work?
- What percentages of the group occupy executive, managerial, professional, and administrative, or other positions?
- Are similarly qualified women similarly likely to be in managerial or executive positions as men are?
- How do the pay and the advancement potential of the jobs and industries in which women and minorities are clustered compare with the pay and advancement potential of jobs and industries in which Whites and men tend to be clustered?

Education, employment rates, and types of employment lead logically to income. The more education one has, the more likely one is to be employed and earning higher wages. This is theoretically and practically true; however, returns on education vary by race, ethnicity, gender, physical ability, and other factors. In addition, not all groups are

afforded similar opportunities to acquire quality education, nor does education translate into higher income at similar rates for all racial and ethnic groups or for men and women. The following chapters explore relationships among education, employment, and income for different groups, along with some startling discoveries about the dynamics of discrimination, stereotyping, and other diversity issues.

Focal Issues

Where appropriate, details are provided on one or more issues of particular relevance to a chapter's focal area or group. Chapter 4 considers the negative effects of discrimination on the health of Blacks and the persistent effects of slavery and discrimination on their social and financial progress. One focal area in Chapter 9 is the relationship between socialization and women's lower likelihood of negotiating higher salaries successfully (and its impact upon the wage gap). Such investigations of the details of some of the diversity-related concerns unique to specific groups may be unfamiliar to readers as diversity issues but are actually quite common on a day-to-day basis. For example, many people are aware that male and female children are taught appropriate sex-typed behavior, but giving this a name ("gender role socialization") and explaining its relevance should help readers appreciate the everyday influences diversity issues have on individuals and organizations.

Individual and Organizational Recommendations

Relevant to its specific focus, each chapter makes recommendations for individuals and for organizations related to the concerns of the particular group under study as well as for improving the organizations' overall climate for diversity. Although organizational, societal, and systemic factors underlie much of the extant discrimination and resistance to diversity, some individual actions that people may take can influence individual outcomes. What can one person do? Chapter 4 provides recommendations for Black women that can reduce the double-whammy disadvantage of membership in two non-dominant groups. Chapter 9 includes specific recommendations on how organizations can help prevent sexual harassment and how individual women can reduce or address individual discrimination. Chapter 13 suggests ways in which older workers can avoid pre-interview exclusion based on high school or college completion dates on a résumé.

International Feature

Many chapters include an international feature that considers some aspects of their main subject from an international perspective. Chapter 10 compares family policies in the United States with those of other developed nations; Chapter 13 explores legislation in Australia that prohibits age discrimination against younger, as well as older, workers. Inclusion of international features clarifies the importance of diversity around the world and demonstrates ways in which readers and organizations may learn from and improve diversity issues in different regions.

Other Features

Each chapter includes at least one individual feature, organizational feature, research summary, or report on litigation or discrimination complaints. Reports of research from a variety of disciplines provide understandable discussions of rigorous empirical studies. Organizational features describe examples of diversity programs at actual companies. Descriptions of actual litigation or discrimination complaints against some of the same companies are reports on possibly familiar real-life issues and encourage readers' in-depth analysis and critiquing. Rather than touting any particular

company's diversity program as ideal or criticizing organizations that have undergone discrimination claims, the organizational and litigation features provide useful information on real programs and issues in organizations. As well, the descriptions of discrimination charges and settlements, particularly involving companies with long-standing diversity programs, underscore the importance of continued, vigilant commitment to diversity, equality, and inclusion. Organizations must make their stance on diversity widely known to every employee through repeated training, communication, and monitoring of decision making and employee outcomes. Our inclusion of positive reports as well as reports on charges of discrimination, settlements, and other problems also demonstrates the need to avoid blanket assumptions or judgments about an organization based on limited information.

Suggested chapter-end Actions and Exercises should enhance readers' understanding of the subject matter and help make abstract concepts and discussion more pragmatic. Some of these exercises are interviewing a person working in a job atypical for his or her sex, documenting the race and ethnic makeup of cashiers at a discount store, or constructing an organization chart of a company with which the reader is familiar (for possible evidence of glass ceilings, walls, and escalators). "Misperceptions" and "Reality" points interspersed throughout the chapters highlight some common misperceptions about a topic and then provide more accurate information.

Because diversity issues are interrelated, an important feature of the book is cross-references and discussion of the relevant interrelationships. For example, Chapter 11 includes a section on same-sex families that is also referenced in Chapter 10. As important as an individual examination of each group and topic is (i.e., separate chapters on racial groups), the cross-references and discussions of these interrelationships within chapters create a holistic view of diversity in organizations. Diversity issues are relevant to everyone, and to each other.

DETERMINING "DIVERSITY" IN AN INTERNATIONAL CONTEXT

Many issues related to inequality, discrimination, and diversity are similar, but it is important not to apply concepts from one area to another in wholesale fashion without considering contextual factors.[121] Race, ethnicity, sex, age, physical and mental ability, sexual orientation, religion, work and family status, social class, and weight and appearance are important differentiating factors in the United States, and some of these factors are also important in many other regions of the world. Depending on national context, culture, political and socioeconomic structures, and history, different factors of "diversity" will be of most importance in the interactions and relationships among people.[122]

Identifying and studying differences based on power or dominance relations, stemming from historical disparities and perpetuated by continued differential and pejorative treatment, can help determine key identity groups in different contexts around the world. For example, although slavery officially ended after the Civil War in the United States, segregation and discrimination continue to affect the experiences, opportunities, and outcomes of American Blacks. Moreover, even in the United Kingdom, where slavery was considerably shorter-lived than in the United States, long-standing differences in the treatment of Black, Asian, and minority ethnic immigrants (e.g., Turks, Pakistanis, and Indians) and their identifiable descendants compared with Whites in the United Kingdom continue to exist. Racial inequality is also an issue in South Africa where there has been a long history of discrimination against Blacks.[123] In Australia, British and European immigrants shaped restrictive immigration policies toward later, non-White immigrants, particularly Chinese and Pacific Islanders.[124] Similar histories and current disparities exist between "minority" and "majority" racial, ethnic, or religious groups around the world. In addition, the status of women makes sex

and gender a relevant difference in virtually all societies. Regardless of region, then, particular factors affecting different groups may be identified and then addressed in order to reduce discrimination and increase equality, inclusion, and organizational competitiveness.

SUMMARY

This chapter has introduced the concept of diversity, detailed the organization of the book, and explained what readers may expect. From an international perspective, it emphasized the importance of not using a one-size-fits-all approach to managing diversity, but instead focusing on the issues most relevant to the particular context. Although some groups have experienced considerably more discrimination, devaluation, and underutilization than others, historically and currently, we take the perspective that diversity is of importance to everyone. Multiple group memberships, in which one belongs to a dominant group in some situations and a non-dominant group in others (e.g., White, male, with a learning disability), the permeability of group boundaries (e.g., age and disability status), and the increasing diversity of populations, make attention to diversity important to individuals, organizations, and society. Thus, the overriding premise of this book is that diversity is valuable to individuals and organizations for moral, social, and business reasons and that people from various backgrounds should be afforded employment opportunities and allowed to reach their potential as employees, managers, executives, and leaders. Research indicates that job applicants, employees, customers, and constituents will respond positively when organizations value diversity, and negatively when they do not. Although increasing diversity may involve difficulties, this book is written from the perspective that those difficulties must be addressed so that everyone has opportunities to thrive and that this will be beneficial to individuals, organizations, and society.[125] From this perspective, the book continues its consideration of the past, present, and future of diversity in organizations.

KEY TERMS

Access discrimination – when people are denied employment opportunities, or "access" to jobs, based on their race, sex, age, or other factors not related to productivity.

Consumer Racial Profiling – differential treatment of consumers in the marketplace based on race/ethnicity that constitutes denial of or degradation in the products and/or services that are offered to the consumer.

Discouraged workers – people not currently looking for work because they believe there are no jobs available for them, for various reasons, including discrimination.

Diversity – real or perceived differences among people in race, ethnicity, sex, age, physical and mental ability, sexual orientation, religion, work and family status, weight and appearance, social class, and other identity-based attributes that affect their interactions and relationships.

Diversity climate – individual-, intergroup-, and organizational-level factors that comprise the atmosphere for different groups and of support for or resistance to diversity in an organization.

Employment discrimination – the valuation in the labor market of personal characteristics of applicants and workers that are unrelated to productivity.

Ethnicity – refers to a shared national origin or a shared cultural heritage.

Identity groups – the collectivities people use to categorize themselves and others.

Inclusion – the degree to which the different voices of a diverse workforce are respected and heard.

Labor force – all persons age 16 and over working or looking for work.

Labor market discrimination – the valuation in the labor market of personal characteristics of applicants and workers that are unrelated to productivity.

Participation rates – the ratio of persons age 16 and over who are working or looking for work divided by the population of persons age 16 and over.

Productive characteristics – such things as performance, education, skills, and tenure that are generally construed as legitimate reasons for differentiation among employees.

Treatment discrimination – when people are employed but are treated differently once employed, receiving fewer job-related rewards, resources, or opportunities than they should receive based on job-related criteria.

Underemployed – workers employed at less than their full employment potential, including those working part-time, temporary, or intermittent jobs but desiring regular, full-time work; those working for lower wages than their skills would imply or in positions requiring considerably lower skills than they possess; and those involuntarily working outside their fields.

QUESTIONS TO CONSIDER

1. What is diversity?
2. How can relevant diversity issues be identified in different contexts?
3. List and discuss the six reasons that Cox and Blake proposed as stimuli for attention to diversity in organizations.
4. What are some negative outcomes of increasing diversity, and given the inevitability of increasing diversity, what can organizations do to reduce these negative outcomes?
5. What does research say about the importance of diversity to individuals?

ACTIONS AND EXERCISES

1. Begin observing diversity in your work, school, neighborhood, religious, and/or entertainment environments. What is the racial, ethnic, gender, and age distribution of the people in each of these environments? What do you observe that you may not have noticed were you not investigating diversity in organizations? Explain.
2. Identify the relevant diversity categories in two different countries. What are the key factors (e.g., population, participation, poverty, group differences) involved in those categories?

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CHAPTER 2

CHAPTER OBJECTIVES

After completing this chapter, readers should have a greater understanding of the meaning of "minority" groups, the processes surrounding people's thinking about and treatment of those who are dissimilar to them, and what organizational processes can help to foster diversity, equality, and inclusion. Specifically, they should be able to:

- discuss the meaning of the terms minority group and non-dominant group.
- explain characteristics used to identify non-dominant groups and be able to use these characteristics to identify the non-dominant groups in one's particular environment.
- discuss thought processes related to stereotyping, prejudice, and discrimination and theories related to diversity in organizations.
- examine in-group favoritism and out-group bias.
- explain what organizations can do to promote diversity and inclusion, given knowledge about reasons for differential treatment, experiences, and outcomes for different demographic groups.
- have a foundation for synthesizing the material in the remaining chapters.

KEY FACTS

Characteristics of minority or non-dominant groups often include identifiability, differential power, discrimination, and group awareness.

Minority, or non-dominant, groups are not necessarily fewer in number than majority, or dominant, groups.

Categorization and stereotyping are often unconscious processes. People tend to attribute positive characteristics to members of their in-groups and negative characteristics to members of groups to which they do not belong.

In-group favoritism and out-group bias disadvantage non-dominant groups and impede diversity.

Structured interviews and control and monitoring of managerial decisions can reduce similarity effects and other biases in organizations.