

Chapter 2

What Is Diversity?

Definition and Terms

Any useful discussion of the topic of diversity must start with a fundamental clarification of the term. The term *diversity* itself has a number of different interpretations. *Diversity* can be defined as a “**collective mixture characterized by differences and similarities that are applied in pursuit of organizational objectives.**” *Diversity management* then can be defined as “**the process of planning for, organizing, directing, and supporting these collective mixtures in a way that adds a measurable difference to organizational performance.**”

Diversity and its mixtures can be organized into four interdependent and sometimes overlapping aspects: Workforce diversity, behavioral diversity, structural diversity, and business diversity.

Workforce diversity encompasses group and situational identities of the organization’s employees (i.e., gender, race, ethnicity, religion, sexual orientation, physical ability, age, family status, economic background and status, and geographical background and status). It also includes changes in the labor market demographics.

Behavioral diversity encompasses work styles, thinking styles, learning styles, communication styles, aspirations, beliefs/value systems as well as changes in the attitudes and expectation on the part of employees.

Structural diversity encompasses interactions across functions, across organizational levels in the hierarchy, across divisions, between parent companies and subsidiaries, and across organizations engaged in strategic alliances and cooperative ventures. As organizations attempt to become more flexible, less layered, more team-based, and more multi- and cross-functional, measuring this type of diversity will require more attention.

Business diversity encompasses the expansion and segmentation of customer markets, the diversification of products and services offered, and the variety of operating environments in which organizations work and compete (i.e., legal and regulatory context, labor market realities, community and societal expectations/relationships, business cultures and norms). Increasing competitive pressures, globalization, rapid advances in product technologies, changing demographics in the customer bases both within domestic markets and across borders, and shifts in business/government relationships all signal a need to measure an organization's response and impact on business diversity.

As you can see, diversity is a mosaic of mixtures that includes everyone, representing their differences and similarities, and the variety of processes, systems, and aspects of the global environment in which the organization must respond. An organization's inherent bias about diversity can cloud the definition and is often reflected in the way it is positioned and defined by executives and managers. When executives and managers have not internalized the important message that diversity includes everyone, their comments frequently imply that "white males need not apply." In many organizations, diversity has been positioned to focus on women and people of color, therefore a "diverse person" in such an organization cannot be a white man.

Some organizations use diversity as a shorthand for a variety of characteristics such as learning style, individual thinking style, and so on, but often leave out issues of differences involving race, gender, age, physical abilities, and sexual orientation. In any event, the definitions are less comprehensive than they should be to address the real opportunities and complex issues that diversity offers. Given today's workplace and marketplace challenges, with fierce competition for talent and market share, market pressures for responsiveness, etc., diversity offers many opportunities and advantages. The entire organization must clearly understand what diversity and diversity management truly mean and realize that diversity involves everyone.

Primary and Secondary Dimensions

A fundamental error that some people make is thinking diversity is synonymous with the word *culture*. They think diversity focuses on “what Hispanics do in their culture” or “what women want.” This approach is inherently flawed because it reinforces stereotypes, which those who truly value diversity are trying to eliminate.

People come in a variety of shapes, sizes, and colors. This variety is what differentiates us from one another. While we share the important dimensions of humanness with all members of our species, there are biological and environmental differences that separate and distinguish us as individuals and groups. It is this vast array of physical and cultural differences that constitutes the spectrum of human diversity.

Since people are different, the definition of diversity must include important human characteristics that impact an individual's values, opportunities, and perceptions of themselves and others at work and that highlight how individuals aggregate into

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larger subgroups based on shared characteristics. Using these criteria, a workplace definition would, at bare minimum, include

- ❖ Age
- ❖ Ethnicity
- ❖ Gender
- ❖ Mental/physical abilities and characteristics
- ❖ Race
- ❖ Sexual orientation

These six differences are called *core* or *primary* dimensions of diversity because they exert an important impact on our early socialization and a powerful, sustained impact throughout every stage of life. These six dimensions represent properties and characteristics that constitute the core of our diverse identities. All individuals have a variety of dimensions of diversity through which they experience the world and by which they are defined. At the core of each of us, there is at least a minimum of these six dimensions.

Beyond the six *primary* dimensions, there are several *secondary* dimensions that play an important role in shaping our values, expectations, and experiences as well. These include

- ❖ Communication style
- ❖ Education
- ❖ Family status
- ❖ Military experience
- ❖ Organizational role and level

- ❖ Religion
- ❖ First language
- ❖ Geographic location
- ❖ Income
- ❖ Work experience
- ❖ Work style

Like the core dimensions, these secondary dimensions share certain characteristics. Generally, they are more variable in nature, less visible to others around us, and more variable in the degree of influence they exert on our individual lives. Many secondary dimensions contain an element of control or choice. Because we acquire, discard, and modify these dimensions, their power is less constant and more individualized than is true for the core dimensions. Yet despite the fact that these dimensions have less life-long influence, most individuals are more conscious of their impact at a given point in time than they are regarding primary dimensions. Usually, it is easier to see the connection of these secondary dimensions and events in someone's life (e.g., their first language might influence their communication style, their education level might influence their organizational role and level, etc.).

Often people refer to primary dimensions as those they are able to see. They include things people know about us before we open our mouths, because they are physically visible (except sexual orientation). When people feel they are being stereotyped based on primary dimensions, they can become sensitive about it. People are usually less sensitive about secondary dimensions, because they are elements we have made a choice on or have the power to change. We also have the

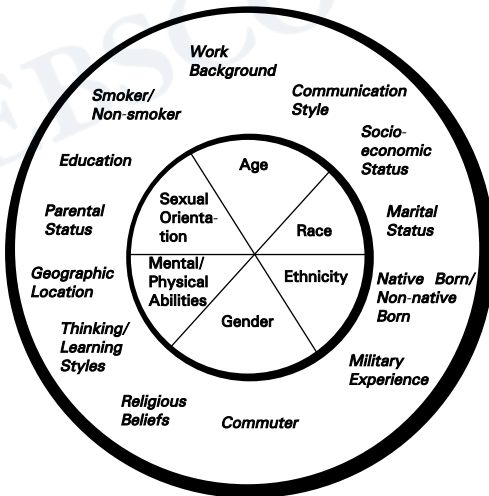
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choice of whether or not to disclose information about secondary dimensions; we can conceal it if we like.

Think about which dimensions have the most impact on you as a person. The primary dimensions are important; nonetheless, we are greatly influenced by where we live, whether we are married or not, and our financial status. The primary and secondary dimensions help us perceive each other's uniqueness far beyond our culture or communication style. They help us begin to define who we really are as unique individuals.

An example of these primary and secondary dimensions of diversity is shown in Figure 2-1.

Figure 2-1. Primary and Secondary Dimensions of Diversity



One of the major areas of difficulty in dealing with diversity is how people react to difference. In most cases, peoples' responses have already been imprinted since early childhood, based on a wide range of influences. When individuals start to realize the extent to which these influences have shaped their perceptions, awareness begins. Awareness then leads to greater understanding and, ultimately, the potential to build a positive environment. Awareness also opens a window of opportunity for you and the organization to focus on a new, more effective path. The challenge for you as a manager of today's workplace is to harness the strength of this diversity, nurture it, and use it to mold a productive workplace that the organization needs and desires.

A diverse workplace is inevitable, but the benefits of diversity are not inevitable unless that diversity is used in a way that adds a measurable difference to organizational performance. The environment within the organization will determine if the benefits of diversity are realized. Specific steps must be taken to create an environment where all employees feel welcome, feel valued for what they bring to the organization, and feel that their talents are being utilized. While each diversity dimension adds a layer of complexity, it is the dynamic interaction among all dimensions of diversity that influences a person's self-image, values, opportunities, and expectations—and, from an organizational standpoint, offers a tremendous opportunity for improved performance and competitive advantage.

Diversity Statistics Quiz

The statistical demographics of today's workplace will change from region to region, and occupation to occupation. The only constant is that we continue to develop and change through the

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individual contributions of a vast combination of cultures, languages, and abilities, all working together to achieve success. This requires managers to be aware of and sensitive to differences in the workplace and to use that knowledge without reinforcing negative stereotypes. What's your level of knowledge of diversity? The quiz below will help you gain information regarding changes related to diversity and explore the possible implications and impact on your organization. Simply complete the worksheet in Exercise 2-1. Answers to the quiz can be found in Figure 2-3 at the end of the chapter.

Exercise 2-1. Diversity Statistics Quiz

1. By the year 2020, what will be the estimated percentage of females in the workforce? _____%
2. Of the 8.7 million immigrants who arrived in the United States between 1980 and 1990, what percentage have college degrees? _____% What percentage of U.S. natives have college degrees? _____%
3. In the United States, what percentage of male executives under age 40 are fathers? _____% What percentage of female executives under age 40 are mothers? _____%
4. What are the two most racially and ethnically diverse states in the United States? _____
The two least? _____
5. How many people indicated they were "multi-racial" in the 2000 Census? Select a letter:
(a) 1 million (b) 20 million (c) 12 million (d) 7 million
6. Fill in the blanks: Women make up _____ percent of all shoppers in the United States; they spend _____ cents of every dollar.

7. By the year 2050, what percent of the total U.S. population will Asians, Hispanics, African Americans, and other non-white groups represent? _____%
8. What demographic group represents the fastest growing customer base in the United States? _____
9. What are the top six frequently cited barriers to advancement listed by women in the workplace? _____
10. Fill in the blank: One out of _____ African-American households makes more than \$50,000 per year.

Interpreting Your Answers

As you review your answers to this diversity quiz, ask yourself the following questions:

- ❖ What questions were the most difficult? Why?
- ❖ Which of your answers were the most surprising? Why?
- ❖ Which demographics will potentially have the most impact on your organization? Why?
- ❖ What are the most significant implications of these changing demographics?

Workplace Trends

There are a number of studies that have followed the changing mosaic of America. Two of the most widely publicized studies were commissioned by the U.S. Department of Labor and conducted by the Hudson Institute: “Workforce 2000” in 1987, and ten years later “Workforce 2020” in 1997. According to these studies, the most significant trends in the U.S. population are

- ❖ Decreasing percentage of Caucasians
- ❖ Increasing percentage of people of color
- ❖ Decreasing birth rates
- ❖ Increasing percentages of people in their middle and older years

These trends translate into significant changes in the workforce composition, from more homogeneous to heterogeneous as shown in Figure 2-2.

Figure 2-2. Changing Trend from a Homogeneous Workforce to a More Heterogeneous Workforce

Homogeneous	Heterogeneous
❖ White male	❖ Women and minorities
❖ 29 years old	❖ 40+ years old
❖ Married with children	❖ Variety of lifestyles
❖ Less than 12 years of education	❖ 12+ years of education

Because of these changes in the workforce, organizations must be prepared to deal with

- ❖ An equal balance of men and women
- ❖ Shrinking numbers of whites and increasing numbers of people of color
- ❖ Most *new entrants* to the workforce will be women or people of color (over 85 percent in the 21st century)

- ❖ A shortage of *new entrants* in the workforce under age 24
- ❖ An increasing percentage of people aged 35 to 55 and older

The bottom line is that the workplace of the past no longer exists and hasn't for quite some time. It is not like past years when the typical workplace was made up of a homogeneous group of married white men who were 29 years old, married, with less than 12 years of education. During that time, most of them had wives who were “stay-at-home” mothers to care for the children. Compare this with today's reality of a workplace rich with diverse people from all walks of life, backgrounds, values, and ways of perceiving the world. Nonetheless, many organizations are structured for operation around the “old homogeneous model” that diminishes their ability to grow and ultimately to compete in a global marketplace.

People in the homogeneous workplace naturally created an American work environment that was appropriate for people who were present in the workforce at that time and who had similar backgrounds. When the organizational structure reflected the needs, backgrounds, and values of those who were in it, the system worked well for getting things accomplished. It makes little if any sense to blame those who created a system that supported and worked for the workplace needs of the time period. However, as the landscape of America changed—along with its workforce pools and composition—organizations fell woefully behind. Few organizations reflect the needs, backgrounds, and values of a diverse America and do not accommodate today's workforce in a way that effectively addresses its requirements for performance.

As far back as 1992, 52 percent of working adults were women, and 11 percent of the men were minorities, which means only 37 percent of working adults were white

males—and the percentages of white males are decreasing. It just makes good business sense to reexamine a situation in which 63 percent of the workforce may be less productive than they could be because they work in an outdated system.

With ever-increasing amounts of change in the workforce, workplace diversity cannot be ignored. It is a critical challenge that must be faced. The first part of addressing the current trend of a multicultural, diverse workforce lies in knowing how diversity can impact your organization. It has both potential downsides and potential opportunities.

Potential Risks if Diversity Is Not Managed

Workplace diversity can impact an organization in many ways. If it is not managed properly, diversity can

- ❖ **Hinder productivity.** When diverse work teams are not trained to leverage the uniqueness they bring and fail to avoid barriers such as prejudice and stereotypes, productivity can suffer.
- ❖ **Create conflicts.** Generational conflicts between younger and more senior workers can occur.
- ❖ **Lead to communication gaps.** Words, phrases, and behavior have different contextual meanings in different cultures, which can lead to misunderstandings and failure.
- ❖ **Result in unfair hiring/promotional preferences.** During selection, interviewing practices of hiring to individual preferences versus real job requirements can develop. Candidates who are qualified based on the real job requirements might be overlooked, dismissed, or not even selected for an interview if these practices are not challenged.

Other workplace changes such as flattened organizations, the need for faster cycle times, and team-based or matrix organizational structures can prove challenging to those with an “old-school” model of how organizations used to work in the “homogeneous past.” It can also be daunting to new entrants to the workforce who are not prepared to handle this new way of operating, especially if they are put in charge of a group who was accustomed to the old way.

There are some potential obstacles that must be overcome if an organization is to be successful. Some of them include the following:

- ❖ **Societal Traditions.** Certain occupations are sometimes associated with certain types of people. For example, in many societies, nurturing roles of secretary, nurse, social workers, and the like are primarily filled by women. Older workers and women are often excluded from physical jobs. Those who are physically or mentally challenged have difficulty finding work. Those who “buck the system” and obtain jobs in fields that have traditionally been held by people of the opposite sex typically encounter resistance.
- ❖ **Industry Norms.** Certain industries have norms that make it difficult for diverse individuals. For example, those in construction-related fields or the automotive industry often attend trade shows and conferences that are male dominated and include seductively dressed female spokesmodels. Women or individuals from different ethnic groups might feel uncomfortable being in those environments.
- ❖ **Lack of Awareness.** Many people might not be aware or “down play” the impact of diversity on a work environment.

They might not realize the impact on productivity, morale, competitiveness, etc. Only after their awareness has been raised can an organization be fully capable of achieving top-level performance.

- ❖ **Stereotyping.** Everyone stereotypes. Stereotypes are defined as fixed, inflexible notions about a group. Stereotypes, whether positive or negative, are the heart of prejudice, and they block the ability to think about people as individuals. Many stereotypical generalizations are based on misconceptions and errors in judgment. Sometimes people generalize too much or stereotype simply because they do not have all the facts, have limited personal experience, or are using distorted information that itself is based on stereotypes. In order to take advantage of diversity's potential, individuals must first learn to identify the stereotypical perceptions they hold, and then work toward changing them.

Potential Opportunities if Diversity Is Managed Effectively

Workplace diversity can be a tremendous strength and a real “ace in the hand” of an organization that uses these workforce assets strategically. Capitalizing on workplace diversity can help an organization

- ❖ **Gain a competitive advantage.** Coming up with improved ways and perspectives for doing things faster, cheaper, and better that might be as unique as the diversity of the group can translate into a unique competitive advantage.
- ❖ **Enter new markets.** Customers from different demographic groups, backgrounds, and countries can be added to the organization's market.

- ❖ **Become more creative and innovative.** As stated earlier, more and different input can be generated if these sharing behaviors are cultivated and utilized.
- ❖ **Increase employee satisfaction.** When employees don't understand one another, they become frustrated easily. Capitalizing on workplace diversity means learning how to accept differences and working well with others. This helps increase morale and satisfaction.

Diversity History and Approaches

Diversity History

To understand diversity from a contemporary perspective, it is helpful to briefly review the history of diversity in the U.S. workplace over the past 30 years. Several governmental initiatives have been enacted with regard to diversity. They include initiatives such as:

Civil Rights Act

This act was created as an outgrowth of the human rights movement and was enacted in 1964. It was the beginning of a wave of social change that continues even today.

Affirmative Action

Shortly after the Civil Rights Act of 1964, Affirmative Action legislation was enacted. Its intent was to ensure that employers took positive steps to attract, promote, and retain women and minorities if they were underrepresented in the organization's workforce. This legislation was forced onto employers and

came to be viewed as “quota-filling,” which sometimes created animosity between groups. While Affirmative Action was not the final solution, it was a necessary step appropriate for the times America faced.

Equal Employment Opportunity

Next, Equal Employment Opportunity legislation was enacted to prohibit discrimination on the basis of race, color, religion, sex, national origin, age, disability, or veteran status. It has been updated to include discrimination based on sexual orientation. EEO attempted to provide applicants and employees with equitable treatment in an organization's human resources and management practices, including recruitment, hiring, training, compensation, and promotion. The Equal Employment Opportunity Commission (EEOC) is now responsible for monitoring and enforcing legislation regarding workplace diversity.

Sexual Harassment

This area became a focus of business in the 1980s and 1990s. As more women entered the workforce, incidents of sexual intimidation on the job increased. Research has shown that a large percentage of women report having experienced some sort of sexual harassment. With recent publicity in this area, the courts are making awards on an increasing number of claims.

Americans with Disabilities Act

The most recent human rights legislation was the passing of the Americans with Disabilities Act (ADA) in 1990, which applies to 53 million Americans. ADA requires employers to

make “reasonable accommodations” in employing people with job-related limitations. The main impact is on selection and job descriptions in employment, and in modifying facilities for buildings and retail outlets. The law includes people with HIV and AIDS, as well as many older people.

Approaches to Diversity

Throughout the years, there have been a number of approaches to manage diversity. Here are a few examples:

The Golden Rule

This approach suggested that we “treat each other like we would like to be treated.” However, the majority culture assumed that this meant treating people according to the traditional standards already established. This approach left no room to acknowledge individual differences. This leaves a lot to be desired and does not effectively meet the needs of a diverse workforce.

Right the Wrongs

This approach is often likened to Affirmative Action. It acknowledges that minorities and women have been effectively mistreated when it comes to fair representation in organizations. It often generated a white male backlash and charges of reverse discrimination since some white males and others felt this was nothing but quotas to hire unqualified people and a means to take their jobs away. Dr. Roosevelt Thomas, author of “Beyond Race and Gender,” wrote in a 1990 *Harvard Business Review* article:

“What managers fear from diversity is lowering of standards, a sense that ‘anything goes.’ Of course standards

must not suffer. In fact, competence counts more than ever. The goal is to manage diversity in such a way as to get from a diverse workforce the same productivity that we once got from a homogeneous workforce. The diversity I'm talking about is not only race, gender, creed, and ethnicity, but also age, background, education, function and personality differences. The objective is not to assimilate minorities and women into the dominant white male culture, but to create a dominant heterogeneous culture."

The "right the wrongs" approach created an "us versus them" mentality, which destroys teamwork and productivity, and negatively impacts people and the bottom line.

Valuing Differences

The "Valuing Differences" approach is inclusive. It acknowledges differences and recognizes that they exist, but the approach doesn't require that people are assimilated into the dominant culture. It incorporates much of the current thinking related to diversity that focuses on diversity as a business imperative and asset.

By using a "Valuing Differences" approach, diversity becomes equally valuable to traditional employees, because it gives them the freedom to break out of the stereotypes they have been forced to conform to. For diversity to work, organizations must make certain that diversity is viewed as an asset to be utilized to meet its strategic business objectives.

Figure 2-3. Diversity Statistics Quiz Answers

1. By the year 2020, what will be the estimated percentage of females in the workforce? **Answer:** 50% according to Judy, R. W. & D'Amico, C. (1997). Hudson Institute Workforce 2020 Report. Indianapolis, IN: The Hudson Institute.
2. Of the 8.7 million immigrants who arrived in the United States between 1980 and 1990, what percentage have college degrees? What percentage of U.S. natives have college degrees? **Answers:** 23.7%; 20.3% respectively according to Fililowski, D. (1993, February). Perspectives. *Personnel Journal*.
3. In the United States, what percentage of male executives under age 40 are fathers? What percentage of female executives under age 40 are mothers? **Answers:** 90%; 35% respectively according to Solomon, C. M. (1990, April). Careers under glass. *Personnel Journal*, p. 102.
4. What are the two most racially and ethnically diverse states in the United States? The two least? **Answers:** New Mexico and California; Maine and Vermont. New Mexico's diversity index is 60, which means there is a 60 percent chance that any two randomly selected New Mexicans are different either racially or ethnically. California's diversity index is 59. Maine's and Vermont's diversity indexes are 4. Source: Meyer, P. (1991, April 11). Diversity index developed from 1990 Census statistics. *USA Today*, p. 1A.
5. How many people indicated they were "multi-racial" in the 2000 Census? **Answer:** Nearly 7 million Americans took advantage of the first opportunity to check off more than one race on their 2000 Census forms. More than 40 percent of those who did so were younger than 18, proof that the American populace will be even more diverse in

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decades to come. Some businesses see that as a signal to start broadening their messages now. Source: Retrieved April 19, 2002, www.Diversityinc.com

6. Women make up _____ percent of all shoppers in the United States; they spend _____ cents of every dollar. **Answers:** Women make up **73 percent** of all shoppers in the United States; they spend **80 cents** of every dollar according to www.Diversitycentral.com
7. By the year 2050, what percent of the total U.S. population will Asians, Hispanics, African Americans, and other non-white groups represent? **Answer:** 47 percent. Source: Wellner, A. S. & Weisul, K. (1992, December 21). A spicier stew for the melting pot. *Business Week*, p. 26.
8. What demographic group represents the fastest growing customer base in the United States? **Answer:** Hispanics. Trudy Suchan, a cartographer in the Census Bureau's Population Division who helped publish a new atlas, said she thought the atlas showed "a surprising reach of the Hispanic population. We tend to think of the Hispanic population as existing only in the West and the Southwest. But this picture shows a greater reach." Source: Retrieved August 10, 2001, www.Diversityinc.com
9. What are the top six frequently cited barriers to advancement listed by women in the workplace? **Answer:**
 - ❖ Lack of mentoring opportunities
 - ❖ Commitment to personal and family responsibilities
 - ❖ Exclusion from informal networks of communication
 - ❖ Lack of women role models

- ❖ Failure of senior leadership to assume accountability for women's advancement
- ❖ Stereotyping and preconceptions of women's roles and abilities

Source: *Catalyst Newsletter* (2001, July).
www.catalystwomen.org

10. One out of _____ African-American households makes more than \$50,000 per year. Answer: 1 out of 8 (13 percent)

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Web sites:

www.Diversityinc.com

www.DiversityCentral.com

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