

# CHAPTER 2

## Diversity in Organizations

### LEARNING OBJECTIVES

After studying this chapter, students should be able to:

1. Describe the two major forms of workforce diversity.
2. Recognize stereotypes and understand how they function in organizational settings.
3. Identify the key biographical characteristics and describe how they are relevant to OB.
4. Define *intellectual ability* and demonstrate its relevance to OB.
5. Contrast intellectual and physical ability.
6. Describe how organizations manage diversity effectively.

### INSTRUCTOR RESOURCES

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

### Learning Catalytics Questions: Instructor Directions and Follow-Up

Organizational Behavior Concept	LC Question	Instructor Directions and Follow-Up
Attitudes about diversity and cross-cultural experiences	How comfortable would you be working in another country where you do not know the customs or the language? 1= very comfortable and 5 = not very comfortable	Start the class by introducing this question. Connect students' orientation to diversity and cross-cultural experiences with a discussion on the changing demographic characteristics on the U.S. workforce.  Explore further by asking your class if they think there is a connection with their generation and with their orientation to diversity. Why and why not?
Forms of discrimination	Which form of discrimination have you witnessed as most prevalent in your workplace? Why do you think this is so?	Introduce this topic when you discuss Exhibit 2-1, "Forms of Discrimination." Explain to students that you would like to mention a few short answers in class to promote reflection on the prevalence of workplace discrimination.  You can explain which of these types of discrimination is legal and illegal and which is likely to be covered in a company's policy.

### Text Exercises

- An Ethical Choice: Affirmative Action for Unemployed Veterans
- Myth or Science?: “Bald is Better”
- glOBalization!: Worldwide Talent Search for Women
- Point/Counterpoint: Affirmative Action Should Be Abolished
- Questions for Review
- Experiential Exercise: Feeling Excluded
- Ethical Dilemma: Board Quotas

### Text Cases

- Case Incident 1: Levitating IQs
- Case Incident 2: The Treasure Trove of the Aging Workforce

### Instructor’s Choice

This section presents an exercise that is NOT found in the student's textbook. *Instructor's Choice* reinforces the text's emphasis through various activities. Some *Instructor's Choice* activities are centered on debates, group exercises, Internet research, and student experiences. Some can be used in class in their entirety, while others require some additional work on the student's part. The course instructor may choose to use these at any time throughout the class—some may be more effective as icebreakers, while some may be used to pull together various concepts covered in the chapter.

### Web Exercises

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

### Summary and Implications for Managers

- A. This chapter looks at diversity from many perspectives, paying particular attention to three variables—biographical characteristics, ability, and diversity programs.
- B. Diversity management must be an ongoing commitment that crosses all levels of the organization.
- C. Policies to improve the climate for diversity can be effective, so long as they are designed to acknowledge all employees’ perspectives.

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*This chapter opens with a vignette describing the case of Ellen Pao and Alphonse ‘Buddy’ Fletcher. Both individuals have achieved high levels of academic and professional success and both have engaged in high-profile lawsuits claiming sexual and racial discrimination. If they win, they will set an important precedence against discrimination at the top levels of organizations. If they lose, they risk public embarrassment and financial loss.*

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## BRIEF CHAPTER OUTLINE

## I. Introduction

- A. In this chapter, we look at how organizations work to maximize the potential contributions of a diverse workforce.
- B. The chapter also looks at how ethnicity and individual differences in the form of ability affect employee performance and satisfaction.

## II. Diversity

- A. We are not all the same!
  1. Effective diversity management increases an organization's access to the widest pool of skills, abilities, and ideas.
  2. Differences lead to miscommunication, misunderstanding, and conflict.
- B. Demographic Characteristics of the U.S. Workforce
  1. Predicted change to the U.S. workforce has happened.
  2. This permanent shift toward a diverse workforce means organizations need to make diversity management a central component of their policies and practices.
- C. Levels of Diversity
  1. Demographics mostly reflect **surface-level diversity**.
  2. Secondary diversity factor is **deep-level diversity**.
- D. Discrimination
  1. Discrimination is to note a difference between things.
  2. Unfair discrimination is assuming stereotypes about groups and refusing to recognize differences.
  3. Exhibit 2-1 lists definitions and examples of different types of discrimination.

## III. Biographical Characteristics

- A. Introduction
  1. **Biographical characteristics** such as age, gender, race, disability, and length of service are some of the most obvious ways employees differ.
  2. Start with factors that are readily available in an employee's personnel file. There is a sizable amount of research on these factors.
- B. Age
  1. The relationship between age and job performance is likely to be an issue of increasing importance during the next decade for several reasons.
  2. Employers hold mixed feelings about older workers.
    - a. They see a number of positive qualities older workers bring to their jobs, such as experience, judgment, a strong work ethic, and commitment to quality.
    - b. But older workers are also perceived as lacking flexibility and resisting new technology.
  3. What effect does age actually have on turnover, absenteeism, productivity, and satisfaction?
    - a. The older you get, the less likely you are to quit your job.
  4. It's tempting to assume that age is also inversely related to absenteeism.
    - a. Most studies do show an inverse relationship, but close examination finds it is partially a function of whether the absence is avoidable or unavoidable.

5. Many believe productivity declines with age.
  - a. It is often assumed that skills like speed, agility, strength, and coordination decay over time and that prolonged job boredom and lack of intellectual stimulation contribute to reduced productivity.
6. A final concern is the relationship between age and job satisfaction, where the evidence is mixed.
  - a. A review of more than 800 studies found that older workers tend to be more satisfied with their work, report better relationships with co-workers, and are more committed to their employing organizations.
  - b. Other studies, however, have found a U-shaped relationship.
7. What are the effects of discrimination against individuals on the basis of age?
  - a. One large-scale study of over 8,000 employees in 128 companies found that organizational climate favoring age discrimination was associated with lower levels of commitment to the company.
  - b. This lower commitment was, in turn, related to lower levels of organizational performance.

#### C. Sex

1. Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do.
  - a. The best place to begin to consider this is with the recognition that few, if any, important differences between men and women affect job performance.
  - b. A recent mega-analysis of job performance studies found that women scored slightly higher than men on performance measures.
2. Sex roles still affect our perceptions.
  - a. Women who succeed in traditionally male domains are perceived as less likable, more hostile, and less desirable as supervisors
3. Women still earn less money than men for the same positions, even in traditionally female roles.
  - a. Working mothers also face “maternal wall bias” by employers, which limits their professional opportunities, and both men and women face discrimination for their family caregiving roles.
4. Again, it is worth asking what the implications of sex discrimination are for individuals.
  - a. Research has shown that workers who experience sexual harassment have higher levels of psychological stress, and these feelings in turn are related to lower levels of organizational commitment and job satisfaction, and higher intentions to turn over.
  - b. As with age discrimination, the evidence suggests that combating sex discrimination may be associated with better performance for the organization as a whole.

#### D. Race and Ethnicity

1. Controversial Issue.
2. Seven Categories:
  - a. American Indian and Alaska Native
  - b. Asian
  - c. Black or African American

- d. Native Hawaiian and Other Pacific Islander
- e. White
- f. Some Other Race
- g. Two or more races
3. Additional characterizations
  - a. English Speaker
  - b. Hispanic
4. Research into effects of race and ethnic diversity
  - a. Employees tend to favor colleagues of their own race in performance evaluations, promotion decisions, pay raises.
  - b. African Americans and Hispanics perceive discrimination to be more prevalent in the workplace.
  - c. African-Americans generally do worse than whites in employment decisions.
  - d. No statistical difference between Whites and African-Americans in observed absence rates, applied social skills at work, or accident rates.
- E. Disability
  1. With the Americans with Disabilities Act (ADA) in 1990, individuals with disabilities became an increasing number in the U.S. workforce.
  2. A person is disabled who has any physical or mental impairment that substantially limits one or more major life activities.
  3. The “reasonable accommodation” is problematic for employers.
  4. Strong biases exist against those with mental impairment.
  5. Research on workers with disabilities have found:
    - a. They receive higher performance evaluations.
    - b. Based on lower performance expectations.
    - c. They are less likely to be hired.
- F. Other Biographical Characteristics: Tenure, Religion, Sexual Orientation and Gender Identity, and Cultural Identity
  1. Tenure
    - a. The issue of the impact of job seniority on job performance has been subject to misconceptions and speculations.
    - b. Tenure, expressed as work experience, appears to be a good predictor of employee productivity.
  2. Religion
    - a. Although employees are protected by U.S. federal law regarding their religion, it is still an issue in the workplace.
    - b. Religious discrimination claims have been a growing source of discrimination claims in the United States.
  3. Sexual Orientation and Gender Identity
    - a. Federal law does not protect employees against discrimination based on sexual orientation.
    - b. Recent developments suggest that we may be on the cusp of change.
    - c. Many organizations have implemented policies and procedures protecting employees on the basis of sexual orientation.
    - d. Companies are increasingly putting in place policies to govern how their organizations treat transgender employees.

4. Cultural Identity
  - a. People choose their cultural identity, and they also choose how closely they observe the norms of that culture.
  - b. Cultural norms influence the workplace, sometimes resulting in clashes.
  - c. A company seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority groups and instead create as much of an individualized approach to practices and norms as possible.

#### IV. Ability

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

##### B. Intellectual Abilities

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

##### C. Physical Abilities

1. Introduction
  - a. Though the changing nature of work suggests intellectual abilities are increasingly important for many jobs, physical abilities have been and will remain valuable.
  - b. Nine basic abilities involved in the performance of physical tasks. (Exhibit 2-3)
2. The Role of Disabilities
  - a. Importance of ability at work increases difficulty in formulating workplace policies that recognize disabilities.
  - b. Recognizing that individuals have different abilities that can be taken into account when making hiring decisions is not problematic.
  - c. It is also possible to make accommodations for disabilities.

#### V. Implementing Diversity Management Strategies

##### A. Introduction

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

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

1. One method of enhancing workforce diversity is to target recruiting messages to specific demographic groups underrepresented in the workforce.
2. The selection process is one of the most important places to apply diversity efforts.
  - a. Managers who hire need to value fairness and objectivity in selecting employees and focus on the productive potential of new recruits.
3. Similarity in personality appears to affect career advancement.
  - a. Those whose personality traits are similar to those of their co-workers are more likely to be promoted than those whose personalities are different.
4. Individuals who are demographically different from their co-workers may be more likely to feel low commitment and to turn over, but a positive diversity climate can help.
  - a. All workers appear to prefer an organization that values diversity.

**C. Diversity in Groups**

1. Groups are an essential part of organizational settings.
  - a. If employees feel no cohesion or sense of membership, group attributes are likely to be less.
  - b. Does diversity help or hurt group performance?
    - (1) Whether diverse or homogeneous teams are more effective depends on the characteristic of interest.
    - (2) On the other hand, teams of individuals who are highly intelligent, conscientious, and interested in working in team settings are more effective.
  - c. In other cases, differences can be a strength.
    - (1) Groups of individuals with different types of expertise and education are more effective than homogeneous groups.
2. Evidence also shows transformational leaders (who emphasize higher-order goals and values in their leadership style) are more effective in managing diverse teams.

**D. Effective Diversity Programs**

1. Effective diversity programs have three components:
  - a. They teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics.
  - b. They teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.
  - c. They foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.
2. Much concern about diversity has to do with fair treatment.
3. A major study of the consequences of diversity programs came to what might seem a surprising conclusion.
  - a. Organizations that provided diversity training were not consistently more likely to have women and minorities in upper management positions than organizations that did not.
  - b. Experts have long known that one-shot training sessions without strategies to encourage effective diversity management back on the job are not likely to be very effective.

4. Researchers also suggest that diversity experiences are more likely to lead to positive adaptation for all parties if (1) the diversity experience undermines stereotypical attitudes, (2) the perceiver is motivated and able to consider a new perspective on others, (3) the perceiver engages in stereotype suppression and generative thought in response to the diversity experience, and (4) the positive experience of stereotype undermining is repeated frequently.
5. Organizational leaders should examine their workforce to determine whether target groups have been underutilized.
6. If groups of employees are not proportionally represented in top management, managers should look for any hidden barriers to advancement.
7. Communications should focus as much as possible on qualifications and job performance; emphasizing certain groups as needing more assistance could well backfire.

#### VI. Summary and Implications for Managers

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

#### EXPANDED CHAPTER OUTLINE

##### I. Introduction

- A. In this chapter, we look at how organizations work to maximize the potential contributions of a diverse workforce.
- B. We also show how demographic characteristics such as ethnicity and individual differences in the form of ability affect employee performance and satisfaction.
- C. The chapter begins with a Self-Assessment quiz that students can access to determine their current attitude toward older people. Note: there are no “right” answers to the questions and statements in the Self-Assessment. It creates an index number that compares to norms to suggest an attitudinal position of the respondent.

##### II. Diversity

- A. We are not all the same!
  1. Effective diversity management increases an organization's access to the widest pool of skills, abilities, and ideas.
  2. Differences lead to miscommunication, misunderstanding, and conflict.



- B. Demographic Characteristics of the U.S. Workforce
    - 1. Predicted change to the U.S. workforce has happened.
    - 2. Ethnic groups comprise a larger component of the workforce.
    - 3. Earnings gaps between groups, including gender, have narrowed.
    - 4. Aging workforce is an important concern for U.S. corporations.
  - C. Levels of Diversity
    - 1. Demographics mostly reflect **surface-level diversity**.
    - 2. Secondary diversity factor is **deep-level diversity**.
  - D. Discrimination
    - 1. **Discrimination** is to note a difference between things.
    - 2. Unfair discrimination is assuming stereotypes about groups and refusing to recognize differences.
    - 3. Exhibit 2-1 lists definitions and examples of different types of discrimination.
    - 4. Under increasing legal scrutiny and social disapproval, most overt forms have faded, but this may have resulted in an increase in covert forms such as incivility or exclusion.
    - 5. Some forms are difficult to root out because they are unobservable.
    - 6. Whether intentional or not, serious negative consequences may arise for employers.
    - 7. Diversity is a broad term, and workplace diversity can describe any characteristic that makes one person different from another.
- III. Biographical Characteristics
- A. Introduction
    - 1. **Biographical characteristics** such as age, race, gender, disability, and length of service are some of the most obvious ways employees differ.
    - 2. Start with factors that are readily available in an employee's personnel file. There is a sizable amount of research on these factors.
  - B. Age
    - 1. The relationship between age and job performance is likely to be an issue of increasing importance during the next decade for many reasons.
      - a. First, the workforce is aging.
      - b. Another reason is U.S. legislation that, for all intents and purposes, outlaws mandatory retirement.
        - (1) Most U.S. workers today no longer have to retire at age 70.
    - 2. Employers hold mixed feelings about older workers.
      - a. They see a number of positive qualities older workers bring to their jobs, such as experience, judgment, a strong work ethic, and commitment to quality.
      - b. But older workers are also perceived as lacking flexibility and resisting new technology.
      - c. And when organizations are actively seeking individuals who are adaptable and open to change, the negatives associated with age clearly hinder the initial hiring of older workers and increase the likelihood they will be let go during cutbacks.
    - 3. What effect does age actually have on turnover, absenteeism, productivity, and satisfaction?
      - a. The older you get, the less likely you are to quit your job.
      - b. As workers get older, they have fewer alternative job opportunities as their skills have become more specialized to certain types of work.

- c. Their long tenure also tends to provide them with higher wage rates, longer paid vacations, and more attractive pension benefits.
  4. It's tempting to assume that age is also inversely related to absenteeism.
    - a. Most studies do show an inverse relationship, but close examination finds it is partially a function of whether the absence is avoidable or unavoidable.
    - b. In general, older employees have lower rates of avoidable absence than do younger employees.
    - c. However, they have equal rates of unavoidable absence, such as sickness absences.
  5. Many believe productivity declines with age.
    - a. It is often assumed that skills like speed, agility, strength, and coordination decay over time and that prolonged job boredom and lack of intellectual stimulation contribute to reduced productivity.
      - (1) The evidence however, contradicts those assumptions.
      - (2) Reviews of the research find that age and job task performance are unrelated and that older workers are more likely to engage in citizenship behavior.
  6. A final concern is the relationship between age and job satisfaction, where the evidence is mixed.
    - a. A review of more than 800 studies found that older workers tend to be more satisfied with their work, report better relationships with co-workers, and are more committed to their employing organizations.
    - b. Other studies, however, have found a U-shaped relationship.
      - (1) Several explanations could clear up these results, the most plausible being that these studies are intermixing professional and nonprofessional employees.
      - (2) When we separate the two types, satisfaction tends to continually increase among professionals as they age, whereas it falls among nonprofessionals during middle age and then rises again in the later years.
  7. What are the effects of discrimination against individuals on the basis of age?
    - a. One large-scale study of over 8,000 employees in 128 companies found that organizational climate favoring age discrimination was associated with lower levels of commitment to the company.
    - b. This lower commitment was, in turn, related to lower levels of organizational performance.
    - c. Such results suggest that combating age discrimination may be associated with higher levels of organizational performance.
- C. Sex
  1. Few issues initiate more debates, misconceptions, and unsupported opinions than whether women perform as well on jobs as men do.
    - a. The best place to begin to consider this is with the recognition that few, if any, important differences between men and women affect job performance.
    - b. A recent meta-analysis of job performance studies found that women scored slightly higher than men on performance measures.
  2. Sex roles still affect our perceptions.
    - a. Women who succeed in traditionally male domains are perceived as less likable, more hostile, and less desirable as supervisors.

- b. Research also suggests that women believe sex-based discrimination is more prevalent than do male employees.
    - c. These beliefs are especially pronounced among women who work with a large proportion of men.
  3. Women still earn less money than men for the same positions, even in traditionally female roles.
    - a. Working mothers also face “maternal wall bias” by employers, which limits their professional opportunities, and both men and women face discrimination for their family caregiving roles.
    - b. Research has shown that workers who experience the worst form of overt sexual discrimination, sexual harassment, have higher levels of psychological stress, and these feelings in turn are related to lower levels of organizational commitment and job satisfaction, and higher intentions to leave.
    - c. Research continues to underline that although the reasons for employee turnover are complex, it is detrimental to organizational performance, particularly for intellectual positions, for managerial employees, in the United States, and in medium-sized firms.
- D. Race and Ethnicity
  1. Race is a controversial issue.
  2. Seven broad racial categories:
    - a. American Indian and Alaska Native
    - b. Asian
    - c. Black or African American
    - d. Native Hawaiian and Other Pacific Islander
    - e. Some Other Race
    - f. White
    - g. Two or More Races
  3. Additional characterizations:
    - a. English speaker
    - b. Hispanic
  4. Research into effects of race and ethnic diversity
    - a. Employees tend to favor colleagues for their own race in performance evaluations, promotion decisions, pay raises.
    - b. African-Americans and Hispanics perceive discrimination to be more prevalent in the workplace.
    - c. African-Americans generally do worse than whites in employment decisions.
    - d. No statistical difference between whites and African-Americans in observed absence rates, applied social skills at work, or accident rates.
    - e. Most research shows that members of racial and ethnic minorities report higher levels of discrimination in the workplace.
    - f. Discrimination leads to increased turnover, which is detrimental to organizational performance.
    - g. Some research suggests that having a positive climate for diversity overall can lead to increased sales.

- E. Disability
  1. With the Americans with Disabilities Act (ADA) in 1990, individuals with disabilities became an increasing number in U.S. workforce.
  2. It requires reasonable accommodation for disabilities.
  3. A person is disabled who has any physical or mental impairment that substantial limits one or more major life activities.
  4. So broad in definition that generality to work is very difficult to make.
  5. The “reasonable accommodation” is problematic for employers.
  6. Strong biases exist against those with mental impairment.
  7. Research on workers with disabilities have found:
    - a. They receive higher performance evaluations.
    - b. Based on lower performance expectations.
    - c. They are less likely to be hired.
    - d. Contrast these selection-oriented results with studies showing that the accomplishments of those with disabilities are often rated as more impressive than the same accomplishments in people without disabilities.
- F. Other Biographical Characteristics: Tenure, Religion, Sexual Orientation and Gender Identity
  1. Tenure
    - a. The issue of the impact of job seniority on job performance has been subject to misconceptions and speculations.
      - (1) Extensive reviews of the seniority-productivity relationship have been conducted.
      - (2) Tenure is also a potent variable in explaining turnover.
      - (3) Tenure has consistently been found to be negatively related to turnover and has been suggested as one of the single best predictors of turnover.
      - (4) The evidence indicates that tenure and satisfaction are positively related.
  2. Religion
    - a. Although employees are protected by U.S. federal law regarding their religion, it is still an issue in the workplace.
      - (1) Perhaps the greatest religious diversity issue in the United States today revolves around Islam.
      - (2) Perhaps as a result of different perceptions of religion’s role in the workplace, religious discrimination claims have been a growing source of discrimination claims in the United States.
  3. Sexual Orientation and Gender Identity
    - a. Sexual orientation
      - (1) While much has changed, the full acceptance and accommodation of gay, lesbian, bisexual, and transgender employees remains a work in progress.
      - (2) Federal law does not protect employees against discrimination based on sexual orientation, although 21 states and more than 160 municipalities do.
      - (3) Employers differ regarding their policies on this issue.
    - b. Gender identity
      - (1) Companies are increasingly putting in place policies to govern how their organizations treat transgender employees.

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

#### IV. Ability

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

##### B. Intellectual Abilities

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

- b. Research suggests that although intelligent people perform better and tend to have more interesting jobs, they are also more critical when evaluating their job conditions.
  - c. Thus, smart people have it better, but they also expect more.
- C. Physical Abilities
- 1. Introduction
    - a. Though the changing nature of work suggests intellectual abilities are increasingly important for many jobs, **physical abilities** have been and will remain valuable.
    - b. Nine basic abilities involved in the performance of physical tasks. (Exhibit 2–3)
  - 2. The Role of Disabilities
    - a. Importance of ability at work increases difficulty in formulating workplace policies that recognize disabilities.
    - b. Recognizing that individuals have different abilities that can be taken into account when making hiring decisions is not problematic.
    - c. It is discriminatory to make blanket assumptions about people on the basis of a disability.
    - d. It is also possible to make accommodations for disabilities.
- V. Implementing Diversity Management Strategies
- A. Introduction
- 1. Having discussed a variety of ways in which people differ, we now look at how a manager can and should manage these differences.
  - 2. **Diversity management** makes everyone more aware of and sensitive to the needs and differences of others.
  - 3. This definition highlights the fact that diversity programs include and are meant for everyone.
  - 4. Diversity is much more likely to be successful when we see it as everyone's business than if we believe it helps only certain groups of employees.
- B. Attracting, Selecting, Developing, and Retaining Diverse Employees
- 1. One method of enhancing workforce diversity is to target recruiting messages to specific demographic groups underrepresented in the workforce.
    - a. This means placing advertisements in publications geared toward specific demographic groups.
    - b. Diversity advertisements that fail to show women and minorities in positions of organizational leadership send a negative message about the diversity climate at an organization.
  - 2. The selection process is one of the most important places to apply diversity efforts.
    - a. Managers who hire need to value fairness and objectivity in selecting employees and focus on the productive potential of new recruits.
    - b. Where managers use a well-defined protocol for assessing applicant talent and the organization clearly prioritizes nondiscrimination policies, qualifications become far more important in determining who gets hired than demographic characteristics.
  - 3. Similarity in personality appears to affect career advancement.
    - a. Those whose personality traits are similar to those of their co-workers are more likely to be promoted than those whose personalities are different.
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- b. There's an important qualifier to these results: in collectivistic cultures, similarity to supervisors is more important for predicting advancement, whereas in individualistic cultures, similarity to peers is more important.
  - c. Once again, deep-level diversity factors appear to be more important in shaping people's reactions to one another than surface-level characteristics.
  - 4. Some data suggest individuals who are demographically different from their co-workers are more likely to feel low commitment and to turn over, but a positive diversity climate can help.
    - a. All workers appear to prefer an organization that values diversity.
- C. Diversity in Groups
- 1. Groups are an essential part of organizational settings.
    - a. If employees feel no cohesion or sense of membership, group attributes are likely to be less.
    - b. Does diversity help or hurt group performance?
      - (1) Whether diverse or homogeneous teams are more effective depends on the characteristic of interest.
      - (2) Demographic diversity (in gender, race, and ethnicity) does not appear to either help or hurt team performance in general.
      - (3) On the other hand, teams of individuals who are highly intelligent, conscientious, and interested in working in team settings are more effective.
      - (4) Thus, diversity on these variables is likely to be a bad thing—it makes little sense to try to form teams that mix in members who are lower in intelligence, conscientiousness, and uninterested in teamwork.
    - c. In other cases, differences can be a strength.
      - (1) Groups of individuals with different types of expertise and education are more effective than homogeneous groups.
      - (2) Similarly, a group made entirely of assertive people who want to be in charge, or a group whose members all prefer to follow the lead of others, will be less effective than a group that mixes leaders and followers.
      - (3) Regardless of the composition of the group, differences can be leveraged to achieve superior performance.
      - (4) Groups of diverse individuals will be much more effective if leaders can show how members have a common interest in the group's success.
  - 2. Evidence also shows transformational leaders (who emphasize higher-order goals and values in their leadership style) are more effective in managing diverse teams.
- D. Effective Diversity Programs
- 1. Effective diversity programs have three components:
    - a. They teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics.
    - b. They teach managers how a diverse workforce will be better able to serve a diverse market of customers and clients.
    - c. They foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.

2. Much concern about diversity has to do with fair treatment.
  - a. Most negative reactions to employment discrimination are based on the idea that discriminatory treatment is unfair.
  - b. Regardless of race or gender, people are generally in favor of diversity-oriented programs, including affirmative action, if they believe the policies ensure everyone a fair opportunity to show their skills and abilities.
3. A major study of the consequences of diversity programs came to what might seem a surprising conclusion.
  - a. Organizations that provided diversity training were not consistently more likely to have women and minorities in upper management positions than organizations that did not.
  - b. Experts have long known that one-shot training sessions without strategies to encourage effective diversity management back on the job are not likely to be very effective.
  - c. Some diversity programs are truly effective in improving representation in management since they include strategies to measure the representation of women and minorities in managerial positions, and they hold managers accountable for achieving more demographically diverse management teams.
4. Researchers also suggest that diversity experiences are more likely to lead to positive adaptation for all parties:
  - a. If the diversity experience undermines stereotypical attitudes.
  - b. If the perceiver is motivated and able to consider a new perspective on others.
  - c. If the perceiver engages in stereotype suppression and generative thought in response to the diversity experience.
  - d. If the positive experience of stereotype undermining is repeated frequently.
5. Diversity programs based on these principles are likely to be more effective than traditional classroom learning.
6. Organizational leaders should examine their workforce to determine whether target groups have been underutilized.
7. If groups of employees are not proportionally represented in top management, managers should look for any hidden barriers to advancement.
8. Communications should focus as much as possible on qualifications and job performance; emphasizing certain groups as needing more assistance could well backfire.

#### VI. Summary and Implications for Managers

- A. This chapter looks at diversity from many perspectives paying particular attention to three variables—biographical characteristics, ability, and diversity programs.
- B. Diversity management must be an ongoing commitment that crosses all levels of the organization.
  1. Policies to improve the climate for diversity can be effective, so long as they are designed to acknowledge all employees' perspectives.
- C. Implications for managers:
  1. Understand your organization's anti-discrimination policies thoroughly and share them with your employees.
  2. Assess and challenge your stereotype beliefs to increase your objectivity.



3. Look beyond readily observable biographical characteristics and consider the individual's capabilities before making management decisions.
4. Fully evaluate what accommodations a person with disabilities will need and then fine-tune a job to that person's abilities.
5. Seek to understand and respect the unique biographical characteristics of your employees; a fair but individualistic approach yields the best performance.

## An Ethical Choice

### Affirmative Action for Unemployed Veterans

*This exercise contributes to:*

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

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

**AACSB:** Diverse and multicultural work environments.

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

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

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

though some managers report that veterans' work ethic, team outlook, and receptivity to training are greater than among the general populace.

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

Sources: D. C. Baldrige and M. L. Swift, "Withholding Requests for Disability Accommodation: The Role of Individual Differences and Disability Attributes," *Journal of Management* (March 2013), pp. 743–762; G. Mosbacher, "Wal-Mart Wants You!" *The Wall Street Journal* (February 1, 2013), p. A11; B. Yerbak and C. V. Jackson, "Battling to Get More Vets in the Work Force," *Chicago Tribune* (October 28, 2012), [http://articles.chicagotribune.com/2012-10-28/business/ct-biz-1028-vets--20121028\\_1\\_train-veteransunemployment-rate-war-zone](http://articles.chicagotribune.com/2012-10-28/business/ct-biz-1028-vets--20121028_1_train-veteransunemployment-rate-war-zone); and "Veterans Unemployment Drops But Remains High," *HR Magazine* (February 2013), p. 16.

### Class Exercise

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

### Teaching Notes

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

# Myth or Science?

## “Bald is Better”

*This exercise contributes to:*

**Learning Objectives:** *Identify the key biographical characteristics and describe how they are relevant to OB; Recognize stereotypes and understand how they function in organizational settings*

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

**AACSB:** *Diverse and multicultural work environments*

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

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

A shaved head has become the hallmark of some important CEOs, notably Jeff Bezos of Amazon, Dan Akerson of General Motors, and Steve Ballmer of Microsoft. Men who have shaved their heads report it can give them a business advantage whether or not it makes them look older (which is debatable). According to psychologist Caroline Keating, just as older silver-back gorillas are “typically the powerful actors in their social groups,” so it is in the office, where baldness may “signal who is in charge and potentially dangerous.” Research professor Michael Cunningham agrees, adding that baldness “is nature's way of telling the rest of the world you are a survivor.” Men with shaved heads convey aggressiveness, competitiveness, and independence, he adds. Will you join the 13 percent of men who shave their heads? Time will tell.

Sources: J. Misener, “Men With Shaved Heads Appear More Dominant, Study Finds,” *The Huffington Post* (October 1, 2012), [http://www.huffingtonpost.com/2012/10/01/bald-men-dominant-shaved-heads-study\\_n\\_1930489.html](http://www.huffingtonpost.com/2012/10/01/bald-men-dominant-shaved-heads-study_n_1930489.html); A. E. Mannes, “Shorn Scalps and Perceptions of Male Dominance,” *Social Psychological and Personality Science*, doi: 10.1177/1948550612449490; and R. E. Silverman, “Bald Is Powerful,” *The Wall Street Journal* (October 3, 2012), pp. B1, B6.

### Class Exercise

1. Ask students to discuss in class attitudes toward shaved heads versus balding. What does each student believe in agreement or disagreement with points made about balding?
2. Have students relate their own experiences or those of close friends to determine if any of

them can remember situations in which they were judged either positively or negatively because of their hair.

3. What do these experiences tell students about surface-level characteristics and discrimination in the workplace?
4. Finally, as a class, ask students to look at images of men with shaved heads and men with full heads of hair. Ask students to write down the first thought that comes to mind. Tabulate the results and discuss what they mean for men looking for a job or a promotion.

### Teaching Notes

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

## gLOBalization! Worldwide Talent Search for Women

*This exercise contributes to:*

**Learning Objectives:** *Identify the key biological characteristics and describe how they are relevant to OB; Describe how organizations manage diversity effectively*

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

**AACSB:** *Diverse and multicultural work environments*

In looking to fill the worldwide skills gap, global companies are scouring the earth in search of top talent. What they are finding is a wealth of potential among women in emerging markets such as Brazil, Russia, India, China, and the United Arab Emirates. These women are educated: according to researcher Sylvia Ann Hewlett, they are “surprisingly well-qualified, out-achieving men in tertiary [college] education.” They are ambitious: in India, 83 percent of women ages 31 to 63 consider themselves highly ambitious, for example. And they are available to work: with stipulations.

While multinational corporations might seek to standardize recruitment strategies, company policies, and expectations for employee performance, increasing evidence suggests this standardization will not be successful with the female workforce worldwide. Recruitment of candidates for assignments in their home countries, for instance, is most successful when the companies are tuned into the specific needs and incentive points unique to women in those cultures. Ceree T. Eberly, chief people officer and senior vice president for Coca-Cola, concluded from her experience in China, Latin America, and Europe, “We have to reflect the local market.” A Western company’s family leave provision might but not be acceptable in India, where women tend to stay home longer after the birth of a child, as noted by Saundarya Rajesh,

president of Avtar Career Creators. The benefit may not be sufficient for a female employee in China as well, but for a different reason: the cultural expectation that adult children will serve as primary caregivers for their elderly parents. For out-of-country assignments, some obstacles for women are expensive Visa applications with long wait times and the cultural expectation that the “trailing” spouse should out-earn his wife.

Family leave policies are not the only areas where a “one size fits all” approach may prove ineffective. For example, a standardized dress code will mean different clothing in Saudi Arabia, where women must wear black headscarves, than in Europe. Even the nearly universal practice of a handshake between businesspeople is a hardship for women in cultures that do not allow women to touch men outside their families.

Companies should adapt their expectations of employee performance as well, according to Eberly. Time with family is highly valued in emerging market countries, so companies should establish boundaries such as limiting weekend e-mail and travel. In other cases, sensitivity to cultural values could save a worker from the perils of traveling dangerous streets alone at night. In cultures where women are forbidden to live on their own, single females must live with their families even if their jobs are far away. “Many very high-level women in Dubai have horrendous commutes because they have to live with their family of origin,” explained Hewlett. Safety is an issue: in Brazil, for example, 62 percent of women indicated commuting to and from work without incident is a challenge.

Savvy companies keen to tap the new candidate pool of women need to be ready to recruit, but they must also foresee the challenges of developing and retaining these uniquely equipped individuals. Mentoring programs, active women’s groups, and flexible working arrangements can go a long way toward bridging the gap.

Sources: K. Gurchiek, “The Global Battle for Female Talent,” *HR Magazine* (June 2012), pp. 48–52; E. Nickmeyer, “Saudis Push Young People, Including Women, Into Jobs,” *The Wall Street Journal* (January 31, 2012), p. A11; S. A. Hewlett and R. Rashid, “The Battle for Female Talent in Emerging Markets,” *Harvard Business Review* (May 2010), pp. 101–106; and K. Rose, “Muslims on Wall Street, Bridging Two Traditions,” *The New York Times* (April 15, 2012), pp. B1, B6.

## Point/Counterpoint

### Affirmative Action Should Be Abolished

*This exercise contributes to:*

**Learning Objectives:** *Recognize stereotypes and understand how they function in organizational setting; Describe how organizations manage diversity effectively*

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

**AACSB:** *Diverse and multicultural work environments*

#### Point

Michigan had it right when it banned preferential treatment of applicants for public university admissions in 2006, and the Supreme Court should use that case and the Fisher v. University of Texas case to confirm that affirmative action – whether for university admissions processes or in any other sphere – is a poor organizational choice. The practice, now outlawed in Arizona, California, Florida, Nebraska, New Hampshire, Oklahoma, and Washington, raises the percentage of minority individuals but does not create a positive diversity climate. Here's why:

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

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

#### Counterpoint

Affirmative action was enacted to ensure equality, and it's still needed today. When the United States was considering the issue for black minorities back in 1965, President Lyndon B. Johnson

said, “You do not take a person who, for years, has been hobbled by chains and liberate him, bring him up to the starting line of a race and then say, ‘You are free to compete with all the others,’ and still justly believe that you have been completely fair.” Dr. Martin Luther agreed that, in order to create equal opportunity, proactive measures are needed as long as some people remain at a disadvantage. Therefore, what we should be asking is: are minority groups faring as well as majority groups in the United States? No, not by any indicator. Minority groups test lower in academics, are under-represented in management and leadership roles, and have a smaller presence in the professional ranks.

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

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

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

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

Sources: B. Haynes, “Affirmative Action Helped Me,” *Inside Higher Ed* (March 12, 2013), <http://www.insidehighered.com/views/2013/03/12/affirmative-action-helped-me-and-benefits-society-essay>; L. Hurley, “Supreme Court Agrees to Hear Michigan Affirmative Action Case,” *Reuters* (March 25, 2013), <http://www.reuters.com/article/2013/03/25/us-usa-court-affirmative-idUSBRE92O0GM20130325>; D. Leonhardt, “Rethinking Affirmative Action,” *The New York Times* (October 13, 2012), <http://www.nytimes.com/2012/10/14/sunday-review/rethinking-affirmative-action.html?pagewanted=all>; and M. Sherman, “Supreme Court To Hear Affirmative Action Case,” *Huffington Post* (March 25, 2013), [http://www.huffingtonpost.com/2013/03/25/supreme-court-affirmative-action\\_n\\_2948200.html](http://www.huffingtonpost.com/2013/03/25/supreme-court-affirmative-action_n_2948200.html).

### Class Exercise

1. Assign teams of students comprising three students each.
2. Assign Point or Counterpoint to each group.
3. Assign groups to focus on the issues in the Point/Counterpoint and to do some Internet or library fact-finding supporting their assigned positions.
4. In class, draw lots from groups assigned to a position.

5. Have the group members present their positions in persuasive presentation with the goal to address factors brought up by the opposing position.
6. Repeat for other groups.

or

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

### Teaching Notes

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

## Questions for Review

- 2-1. What are the two major forms of workforce diversity?  
**Answer:** The two major forms of workforce diversity are ethnicity and individual differences. These demographic characteristics define the factors comprising diversity in the U.S. workforce. Ethnicity refers to the racial and ethnic backgrounds of individuals. The individual differences are the biological differences such as age, gender, race, disability, and length of service. These differences have been studied to determine their association with job performance, job satisfaction, turnover, and other concerns of organizational management.  
**Learning Objective:** Describe the two major forms of workforce diversity  
**Learning Outcome:** Define diversity and describe the effects of diversity in the workforce  
**AACSB:** Diverse and multicultural work environments
- 2-2. What are stereotypes and how do they function in organizational settings?  
**Answer:** Discrimination is to note a difference between things. Unfair discrimination is assuming stereotypes about groups and refusing to recognize differences. Under increasing legal scrutiny and social disapproval, most forms have faded. This may have resulted in an increase in covert forms of discrimination such as incivility or exclusion. Some forms are difficult to affect because they are unobservable. Whether intentional or not, serious negative consequences may arise for employers. Diversity is a broad term, and workplace diversity can describe any characteristic that makes one person different from another.  
**Learning Objective:** Recognize stereotypes and understand how they function in organizational settings  
**Learning Outcomes:** Explain the relationship between personality traits and individual



*behavior; Describe the factors that influence the formation of individual attitudes and values*

**AACSB:** *Diverse and multicultural work environments*

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

**Answer:**

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

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

**Learning Objectives:** *Identify the key biographical characteristics and describe how they are relevant to OB*

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

**AACSB:** *Diverse and multicultural work environments*

2-4. What is *intellectual ability* and how is it relevant to OB?

**Answer:** Intellectual abilities are the abilities needed to perform mental abilities—thinking, reasoning, and problem solving. Understanding the concept is essential to managers as they plan, organize, direct, and control a firm’s operations. Since different jobs require different application of abilities, the challenge of job design, recruiting and selecting workers, and evaluating performance based in applying the needed intellectual abilities to ensure fairness and appropriateness of management activities.

**Learning Objective:** *Define intellectual ability and demonstrate its relevance to OB*

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

**AACSB:** *Diverse and multicultural work environments*

2-5. How can you contrast intellectual and physical ability?

**Answer:** The two types of abilities are intellectual abilities and physical abilities. Intellectual abilities lead to the mental abilities needed to perform jobs in the changing operational environments of today’s business. Physical abilities have been a factor of job design and performance since Fredrick Taylor’s Scientific Management. Studies have

suggested nine different physical abilities performed in work. They are mutually exclusive. Therefore, they are important considerations in the management functions.

**Learning Objectives:** *Contrast intellectual and physical ability*

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

**AACSB:** *Diverse and multicultural work environments*

2-6. How do organizations manage diversity effectively?

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

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

**Learning Objectives:** *Describe how organizations manage diversity effectively*

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

**AACSB:** *Diverse and multicultural work environments*

## Experiential Exercise

### Feeling Excluded

*This exercise contributes to:*

**Learning Objective:** *Describe how organizations manage diversity effectively*

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

**AACSB:** *Diverse and multicultural work environments*

This 6-step exercise takes approximately 20 minutes.

Individual Work (Steps 1 and 2)

- 2-7. All participants are asked to recall a time when they have felt uncomfortable or targeted because of their demographic status. Ideally, situations at work should be used, but if no work situations come to mind, any situation will work. Encourage students to use any demographic characteristic they think is most appropriate, so they can write about feeling excluded on the basis of race, ethnicity, gender, age, disability status, religion, or any other characteristic. They should briefly describe the situation, what precipitated the

event, how they felt at the time, how they reacted, and how they believe the other party could have made the situation better.

- 2-8. The instructor asks the students to then think about a time when they might have either deliberately or accidentally done something that made someone else feel excluded or targeted because of their demographic status. Once again, they should briefly describe the situation, what precipitated the event, how they felt at the time, how the other person reacted, and how they could have made the situation better.

Small Groups (Steps 3 and 4)

- 2-9. Once everyone has written their descriptions, divide the class into small groups of no more than four people. If at all possible, try to compose groups that are somewhat demographically diverse, to avoid intergroup conflicts in the class review discussion. Students should be encouraged to discuss their situations and consider how their experiences were similar or different.
- 2-10. After reading through everyone's reactions, each group should develop a short list of principles for how they personally can work to avoid excluding or targeting people in the future. Encourage them to be as specific as possible, and also ask each group to find solutions that work for everyone. Solutions should focus on both avoiding getting into these situations in the first place and also on resolving these situations when they do occur.

Class Review (Steps 5 and 6)

- 2-11. Members of each group are invited to provide a very brief summary of the major principles of how they've felt excluded or targeted, and then to describe their groups' collective decisions regarding how these situations can be minimized in the future.
- 2-12. The instructor should lead a discussion on how companies might be able to develop comprehensive policies that will encourage people to be sensitive in their interactions with one another.

### Teaching Notes

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

## Ethical Dilemma

### Board Quotas

*This exercise contributes to:*

**Learning Objectives:** Describe how organizations manage diversity effectively

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

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

That women are underrepresented on boards of directors is an understatement. In the United States, only 16 percent of board members among the Fortune 500 are women. Among the 100 largest companies in Great Britain, women hold approximately 12 percent of board seats, a representation that has changed little over the past 5 years. In the European Union (EU) more generally, only 9.7 percent of the directors of the 300 largest companies are women. In China and India, the figure is roughly half that.

In response to such underrepresentation, many countries have enacted laws and guidelines. French law stipulates that corporate boards must be 20 percent female by 2014. A 2011 official British government report recommended that women make up at least 25 percent of the boards of the largest British companies. Belgium, Spain, the Netherlands, Norway, Iceland, and Italy have similar “pink quotas” in place, and Sweden is recommending 50 percent representation.

Sources: J. Werdigier, “In Britain, a Push for More Women on Boards of Large Companies,” *The New York Times* (February 25, 2011), p. B3; and J. Galbreath, “Are There Gender-Related Influences on Corporate Sustainability? A Study of Women on Boards of Directors,” *Journal of Management & Organization* 17, no. 1 (2011), pp. 17–38; and J. S. Lublin, “‘Pink Quotas’ Alter Europe’s Boards,” *The Wall Street Journal* (September 12, 2012), p. B8.

## Questions

2-13. Given that women participate in the labor force in roughly the same proportion as men, why do you think women occupy so few seats on boards of directors?

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

2-14. Do you agree with the quotas established in many EU countries? Why or why not?

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

2-15. Beyond legal remedies, what do you think can be done to increase women’s representation on boards of directors?

**Answer:** One view will suggest that nothing needs to be done because as women develop the conceptual skills needed, the differences will eliminate themselves. Others will suggest that legal remedies are required because the situation will not change without requirements. Women desiring to climb to this level should engage in development programs to help them acquire the conceptual skills needed for the board’s work. Some may suggest that women take advantage of networking opportunities to raise their professional profiles.

# Case Incident 1

## Levitating IQs

*This exercise contributes to:*

**Learning Objective:** Describe how organizations manage diversity effectively

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

**AACSB:** Diverse and multicultural work environments.

Given that a substantial amount of intellectual ability (up to 80 percent) is inherited, it might surprise you to learn that intelligence test scores are rising. In fact, scores have risen so dramatically that today's great-grandparents seem mentally deficient by comparison.

First, let's review the evidence for rising test scores. Then, we'll review explanations for the results. On an IQ scale where 100 is the average, scores have been rising about three points per decade, meaning if your grandparent scored 100, the average score for your generation would be around 115. That's a pretty big difference—about a standard deviation, meaning someone from your grandparent's generation whose score was at the 84th percentile would be only average (50th percentile) by today's norms.

James Flynn is a New Zealand researcher credited with first documenting the rising scores. He reported the results in 1984, when he found that almost everyone who took a well-validated IQ test in the 1970s did better than those who took one in the 1940s. Now Flynn is saying that though the scores continue to rise, it would “probably be better to say that we are ‘more modern’ than ‘smarter’.” The fact is that we're not getting better at everything, he reported recently. A modern mind simply takes a scientific approach to problems, with abstract classification, logic, and imaginative hypothetical reasoning. The prescientific mind was utilitarian, on the other hand, and concentrated on the uses for things.

This change in our mental processes may actually have a greater impact on the rising scores than better educational opportunities. Flynn reports that our ability to do puzzles, identify similarities, and process nonverbal symbols and visual images has increased, but not our ability to calculate arithmetic. Adults today have broader vocabularies and possess greater general information than in previous generations, but children do not, compared to children in previous generations. The Flynn effect has been shown to be valid in most countries in which it has been tested, even in less developed countries. Recently, Flynn reported a strong rise in scores in Kenya and Saudi Arabia, but a slower rise in Sudan and Brazil.

Before you chide your elders for what you think must be a differential in your favor, however, consider your future. IQ is not static throughout a person's lifetime, and it might just be a use-it-or-lose-it proposition. In general, verbal intelligence rises until middle age then slowly declines – but at different rates across individuals. Someone with a high IQ will have a much slower decline than a person with lower IQ; in his or her 80s and 90s, the high scorer's verbal intelligence will

about equal that of his or her teen years. Unfortunately for your elders, and maybe for you too, the reverse is true for analytical intelligence: it peaks in adolescence.

Despite the strong heritability of IQ, researchers continue to pursue mechanisms that might raise IQ scores, chief among them the pursuit of finer educational systems for youth and adult alike. Factors like regular physical exercise and brain exercises (even videogames) seem to boost brain power, at least temporarily. Other recent research in neuroscience has had difficulty pinpointing physical mechanisms that can boost IQ, although researchers propose that a focus on brain chemicals like dopamine may lead, in time, to drugs that can do so chemically.

Sources: Based on S. Begley, "Sex, Race, and IQ: Off Limits?" *Newsweek* (April 20, 2009), [www.newsweek.com](http://www.newsweek.com); B. Caplan, "The Intelligence Boom," *The Wall Street Journal* (October 10, 2012), p. A17; J. R. Flynn, "Are We Really Getting Smarter?" *The Wall Street Journal* (September 22–23, 2012), p. C3; M. A. Mingroni, "Resolving the IQ Paradox: Heterosis as a Cause of the Flynn Effect and Other Trends," *Psychological Review* (July 2007), pp. 806–829; and S. Begley, "Can You Build a Better Brain?" *Newsweek* (January 10, 2011), [www.newsweek.com](http://www.newsweek.com).

## Questions

2-16. Do you believe people are really getting smarter? Why or why not?

**Answer:** Yes, based on test scores, people are getting smarter. There is more of a focus on education today. Generations ago, many people did not complete high school and many worked in farming versus the service sector.

2-17. How do you reconcile Flynn's recent description of the modern mind with the General Social Survey's findings that U.S. adults perform poorly on scientific questions and aren't knowledgeable about scientific method?

**Answer:** It can be difficult to reconcile Flynn's findings that modern minds take a scientific approach to problem solving with the General Social Survey's findings. One possible explanation could be related to age. Verbal intelligence rises until middle age at which point it begins to slowly decline. Individuals with higher IQs will have a slower decline than individuals with lower IQs.

2-18. If the Flynn Effect is true, does this undermine the theory that IQ is inherited? Why or why not?

**Answer:** No it does not undermine the concept that IQ is inherited. Instead it supports the concept of evolutionary change as changes in physical or mental capabilities are found to make a person more successful and become characteristics that are passed down through genes. The result is a baseline of IQ ability that is increasing.

## Case Incident 2

### The Treasure Trove of the Aging Workforce

*This exercise contributes to:*

**Learning Objective:** Describe how organizations manage diversity effectively

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

**AACSB:** Diverse and multicultural work environments

Over the past century, the average age of the workforce has continually increased as medical science continues to enhance longevity and vitality. The fastest-growing segment of the workforce is individuals over the age of 55. Recent medical research is exploring techniques that could extend human life to 100 years or more. In addition, the combination of laws prohibiting age discrimination and elimination of defined-benefit pension plans means that many individuals continue to work well past the traditional age of retirement.

Unfortunately, older workers face a variety of discriminatory attitudes in the workplace. Researchers scanned over 100 publications on age discrimination to determine what types of age stereotypes were most prevalent across studies. They found that stereotypes that suggested job performance declined with age, counter to empirical evidence presented earlier in this chapter that relationships between age and core task performance are essentially nil. Stereotypes also suggest that older workers are less adaptable, less flexible, and incapable of learning new concepts. Research, on the other hand, suggests they are capable of learning and adapting to new situations when these are framed appropriately.

Organizations can take steps to limit age discrimination and ensure that employees are treated fairly regardless of age. Many of the techniques to limit age discrimination come down to fundamentally sound management practices relevant for all employees: set clear expectations for performance, deal with problems directly, communicate with workers frequently, and follow clear policies and procedures consistently. In particular, management professionals note that clarity and consistency can help ensure all employees are treated equally regardless of age.

Sources: Based on D. Stipp, "The Anti-Aging Revolution," *Fortune*, (June 14, 2010), pp. 124-130; R. A. Posthuma and M. A. Campion, "Age Stereotypes in the Workplace: Common Stereotypes, Moderators, and Future Research Directions," *Journal of Management* 35, (2009), pp. 158-188; and H. Perlowski, "With an Aging Workforce, a Rising Risk of Discrimination Claims," *Workforce Management Online*, (July 2008), [www.workforce.com](http://www.workforce.com)

### Questions

- 2-19. What changes in employment relationships are likely to occur as the population ages?  
**Answer:** Jobs may need to be redesigned. Supervisors may require specific training in working with and leading older workers. Benefit programs may require restructuring to address issues of older workers.

2-20. Do you think increasing age diversity will create new challenges for managers? What types of challenges do you expect will be most profound?

**Answer:** An aging population will require changes in the organization, including such components as job design, working hours, and leadership styles.

2-21. How can organizations cope with differences related to age discrimination in the workplace? How can older employees help?

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

2-22. What types of policies might lead to charges of age discrimination, and how can they be changed to eliminate these problems?

**Answer:** This list could be long but might include such things as changing policies of work time to more flextime, changing absenteeism and sick leave policies to address increased need for health care among older workers, and adding/changing benefit policies to recognize the specific needs of older workers.

## Instructor's Choice

### Personality and Innovation at Apple-Application of Abilities Evaluation

*This exercise contributes to:*

**Learning Objective:** Describe how organizations manage diversity effectively

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

**AACSB:** Diverse and multicultural work environments

“It’s Showtime!” is now a phrase that can adequately describe the art and personality of Steve Jobs. At one time or another, Steve Jobs was called brilliant, creative, demanding, domineering, eccentric, a predatory competitor, hard, unforgiving, or one of the best marketing minds ever—quite an extensive array of abilities. One of Mr. Jobs’ passions was online music and digital entertainment. Just as Apple Computer revolutionized the character and style of computing, it planned to do the same in the world of music. From iPods, iLife software, iTunes for downloads, Pixar Animated movies, and Apple stores, Apple is on everyone’s lips once again. The up and down swings of Apple Computer are legendary; however, through it all, Steve Jobs’ vision was constant. He seemed to really be able to envision the future before it happens. With his death in 2011, some wondered whether Apple could retain its position as a design leader. One of Apple’s most recent product introduction, the color iPhone5, is one test of the company’s ability to



succeed without its revolutionary founder and leader.

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

### Instructor's Note

To aid the student in this application project, suggest that they read "Show Time" by Peter Burrows, found in *Business Week* (February 2, 2004, pp. 57–64). With respect to the intellectual abilities presented in the chapter, Mr. Jobs would certainly rate high on extraversion, conscientiousness, and openness to experience. He would also have an internal locus of control approach, be self-monitoring, have high self-esteem, be a Type A personality, have a high need for achievement, and a high need for power. However, he is also very good at building partnerships. Note the differences between his ability to partner versus that of rival Microsoft. In fact, even though the Apple vs. Microsoft rivalry is legendary, Steve Jobs recognized the benefits of having his Apple (Mac) system be user friendly to the Windows world. His alliances in the entertainment field with Disney and various film producers gave him a head start in the emerging digital entertainment field.

## Exploring OB Topics on the Web

*This exercise contributes to:*

**Learning Objective:** Describe how organizations manage diversity effectively

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

**AACSB:** Information technology; Diverse and multicultural work environments

1. Do an Internet search on age discrimination. Choose three sites that each deal with a different aspect of age discrimination (for example: discrimination in high tech industries, preventing discrimination, AARP's involvement with the issue, etc.) Write a one-page paper outlining the key points of the information obtained and whether it confirms what we learned about older workers in this chapter.
2. Find a current article of an organization that has been involved in an age discrimination suit. What were the specific issues involved? If resolved, what was the outcome? Bring a copy of the website to class and be prepared to discuss it. In addition to searching, here are some places to start digging:  
[www.aarp.com](http://www.aarp.com)  
[www.bizjournals.com](http://www.bizjournals.com) (there is a free registration process for this site)

[www.hrlawindex.com](http://www.hrlawindex.com) (there is a free registration process for this site)

3. Top executives and tough jobs. Learn more about the skills and abilities managers need, like intelligence, leadership, motivation, etc., to be successful. Visit the About.com website and learn more. Print and bring an article to class for discussion. Try these pages or do your own search on About.com. Be sure to select links that look interesting, found in the left frame.

[www.learning.about.com](http://www.learning.about.com)

[www.psychology.about.com](http://www.psychology.about.com)