FIRST PERSON

Can You Please Get Me Some Cream?

I have been in sales for quite a few years. I attend my share of social events and conventions across the United States and really enjoy the opportunity to network with potential customers and partners, and even with my many competitors. I have stopped counting how many times, while I am getting coffee, drinks, snacks, or what not at the buffet table or going into the planned lunches and dinners, one of the other participants has turned to me and asked me if I could get some cream, coffee, ice, napkins…you name it, obviously mistaking me for the wait staff! I also get occasional surprised looks when I settle at one of the typical round dinner or lunch tables, as if people are wondering why I am joining them. I am at a loss about what to do about this. I am a sharp dresser, quite fancy actually; I am an old hand at these meetings and feel right at home there. Often, I have a name tag around my neck, identifying me as a participant in the event. The problem, at least for some people, seems to be that they just don’t see any of these and just focus on my face. I am first-generation Mexican-American, and I fully look, well, stereotypically Mexican—dark hair, olive skin, dark eyes; and that seems to be all that matters. It’s funny because the conventions and meetings are not the only time this happens. I have similar experiences when I work on my front yard, which looks amazing by the way because of my efforts, in our upscale neighborhood. I’ve had several people stop and ask me how much I charge for gardening services. My son tells me I should stop wearing the big straw hat or just stop doing the work myself, something he would love since he is required to help me. Still don’t quite know how to deal with this…

–Anonymous

Learning Objectives

5.1 Define diversity and review the challenges and opportunities it offers today’s organizations.

5.2 Elaborate on the research about the impact of diversity on groups and organizational performance.

5.3 Present data regarding diversity in the United States and other countries.

5.4 Compare approaches to diversity around the world.

5.5 Consider the historical context of diversity through the lens of colonialism, immigration, and slavery.

5.6 Discuss prejudice and discrimination and their impact on individuals and organizations.

5.7 Detail organizational responses to diversity.
The First Person anecdote exemplifies the impact of stereotypes on how we perceive and react to other people. The Mexican-American salesperson is assigned certain roles simply based on his group membership. Expectations and stereotypes are part of our Culture-as-Meta-Context (CMC); they stem from the cultural assumptions, values, and beliefs we grow up with and are therefore often engrained in our thinking and our behavior. In some cases, we may not even be aware that we are relying on them; in other cases, we may actively use these mental models to make decisions. These expectations and stereotypes can be based on different national cultures or on groups within countries or regions. This chapter considers group-level culture, aka diversity, and its implications to provide you with knowledge to build effective organizations that can take advantage of diversity. We will define diversity and its related concepts, review the benefits and challenges it engenders, and appraise how organizations address diversity and inclusion (D&I). In doing so, we consider colonialism, immigration, and slavery as key factors in today’s cultural diversity; outline the social and demographic trends that drive it; and look at prejudice and discrimination and their role in diversity efforts.

1. DIVERSITY: COMPLEX DEFINITIONS, CHALLENGES, AND OPPORTUNITIES

LO 5.1 Define diversity and review the challenges and opportunities it offers today’s organizations

Some countries, for example the United States, Canada, Indonesia, Tanzania, or Papua New Guinea, are culturally diverse and others less so (e.g., Japan and Korea). However, even countries that are homogeneous on some dimensions, for example ethnicity or religion, include groups that have distinctive identities and characteristics based on other dimensions such as gender, generation, or many other factors. People have dissimilar cultural identities even when they share a nationality, ethnicity, or language. As we discussed in Chapter 1, cultural diversity is neither new nor a debatable topic; it is a simple fact of human existence. Increased globalization and interconnectedness have not made the world any more homogeneous than it was in the past. If anything, by increasing contact among people, globalization is highlighting how diverse people are and how cultures around the world address the unique challenges various people encounter. As discussed in Chapter 4, we know that we use many factors to define in- and out-groups, so that nationality and ethnicity are only two of many other dimensions we rely on. People’s identity and needs are complex and include national-, regional-, and group-level cultural factors. We have to be able to address this diversity to help societies and organizations thrive.
Consider the case of The Virgin Group, a family-owned multinational company that includes over 60 businesses from multiple industries including airlines, hotels, media companies, retail stores, and even a commercial space venture. It claims 53 million customers worldwide, 69,000 employees in 35 countries, with a 2019 revenue of £1.6 billion (Virgin-About Us, 2019). The founder is the colorful entrepreneur Sir Richard Branson, who started the company in 1970 in the United Kingdom with Virgin Records and now claims one of the most recognizable brands in the world with a reputation for forward-looking business and managerial practices that address profit, people, and the planet. In addition to having to tackle cross-national cultural differences, Virgin has a particular focus on diversity. Branson says: “People tend to hire those who are most like themselves, and we don’t want to have a company in which everyone looks and thinks alike” (Virgin-About Us, 2019). He adds that in order to be successful a company must:

*Embrace diversity, starting with the choices you make for your first hires. An entrepreneur who hires a lot of people who are just like her and have had the same experiences will find that she’s leading a team that is less creative and helpful to customers, and ultimately produces lower profits. Plus you’d have a lot less fun!* (Ferrel, 2014)

Branson is expressing what many other managers are finding out. To be effective and creative, they need diverse talent and they must help those talented individuals thrive.

### 1.1 Definition and Dimensions of Diversity

The definition of culture is the same at the national, regional, or group levels. Culture is the complex system of long-lasting and dynamic learned assumptions, beliefs, values, and behaviors shared by members of a group. It is what makes that group unique and allows it to make sense of its environment. This definition applies to ethnic groups, gender, religion, and many other group-level cultures.

#### 1.1.1 Definitions of Diversity and Its Related Concepts

*Cultural diversity* refers to presence of people with distinctly different group affiliations and who hold significantly different cultural identities (Cox, 2000). One could use the term cultural diversity to address differences between nations, but the term typically refers to differences between groups within a country. The importance of addressing cultural diversity dates back to the 1960s and 1970s with the Civil Rights movement and legislations that we detail later in this chapter. Accordingly, business organizations started actively including diversity training, first to comply with legislation, then to improve work relations, and finally to leverage its potential power to support organizational effectiveness and productivity (Anand & Winters, 2008). With over 50 years
of diversity focus, the concept is still hotly debated and in spite of the fact that discussions of cultural diversity have become commonplace in many settings, research indicates that there is little agreement on its definition (Anand & Winters, 2008).

The large majority of organizations in the United States and many other countries address cultural diversity to some extent and currently, the expression diversity and inclusion or D&I is more often used to refer to an organization’s vision and practices regarding cultural diversity in the workplace. The use of both terms is significant for the following reasons:

- Diversity is relatively objective, observable, and measurable and focuses on differences.
- Managers can quantify diversity, and organizations have devised a number of metrics to measure it. The metrics can be as simple as statistics on the number of women and minorities who are recruited, retained, or promoted and their average salaries.
- Through measures of diversity, organizations aim to demonstrate that they have a diverse workforce that includes people who are representative of different communities.

For example, when the UK’s Lloyd’s Banking Group put D&I at the core of its operations, it set targets to have 40% women in senior roles by 2020 (Bourke, van Berkel, Garr, & Wong, 2017). Considerable research on cultural diversity focuses on gathering and analyzing these types of data. The numbers that indicate diversity matter. The US Bureau of Labor Statistics regularly measures and reports on various dimensions of cultural diversity; we rely on several of their findings in this chapter.

As opposed to diversity, inclusion is a subjective feeling that employees have of belonging and being accepted in an organization. It differs from diversity in that:

- Inclusion addresses an organization’s efforts to generate and encourage those feelings.
- It takes into account that, although there may be diverse groups and individuals in an organization, they may not feel welcome, accepted, or engaged.
- Using both D&I is an attempt to address not only the objective count but also whether the organization is actually embracing the diverse employees and whether they feel valued and engaged.

Lloyd’s of London also made inclusion and particularly gender equality a core value and changed many of its recruiting practices. Similarly, the North American
bank BMO when targeting D&I, not only put in place metrics and new diversity focused measures of success, it also implemented training programs that addressed biases and prepared managers to have tough conversations and codevelop solutions (Bourke et al., 2017).

A more recent trend goes even further and considers the importance of belonging defined as

…the feeling of security and support when there is a sense of acceptance, inclusion, and identity for a member of a certain group or place, and as the basic fundamental drive to form and maintain lasting, positive, and significant relationships with others. (Agarwal, 2019)

Belonging moves beyond diversity or D&I and aims at normalizing differences to allow people to address them and helps organizations address cultural diversity more effectively.

1.1.2 Dimensions of Diversity. Diversity can be based on many different factors. Figure 5.1 presents the primary and secondary dimensions that are typically included
when considering cultural diversity. The distinction between primary and secondary dimensions was first proposed by Marilyn Loden in 1996. The primary dimensions (sometimes called endowed traits—those depicted closest to the individuals in Figure 5.1) are those that are typically visible and less subject to change. They include race, ethnicity, gender, sexual orientation, age, and physical ability. These will be the primary focus of our discussions here and in the next chapter.

The secondary dimensions (sometimes called acquired traits—those depicted further from the individuals in Figure 5.1) are those that can usually be changed and include factors such as nationality, religion, income, education, marital status, as well as several others. Some primary and secondary dimensions will be relevant for some individuals and groups but not for others. For example, your age and the generation you belong to may be a central part of your identity, while for another person, race and sexual orientation may be central. Additionally, each of these dimensions may be more or less visible. For instance, physical abilities may be invisible to others, as may be race or ethnicity or sexual orientation. Similarly, secondary dimensions such as one’s religion may be highly visible, such as for Muslim women who wear a hijab or Christians who wear a prominent cross, or they may be undetectable such as when a married person does not wear a wedding ring or band, or when people’s nationality is not discernable from their physical characteristics or accent. As we will discuss later in this chapter, some of the dimensions of diversity, particularly those that are visible and prominent, can become a focal point for individuals themselves and for those around them.

1.1.3 Legally Protected Classes in the United States. While organizations may rely on various dimensions of diversity, in the United States, there are a limited number of categories that are considered legally protected (Protected class, 2020). These are:

- Race
- Color
- Religion or creed
- National origin or ancestry
- Sex, including sexual orientation
- Age
- Physical or mental ability
- Veteran status
- Genetic information
- Citizenship
People who belong to any of the above categories are federally and legally protected from employment discrimination on the basis of that characteristic. Many US states have created additional categories, for example protection for LBGTQ individuals. Additionally, each of these categories may include various other factors, such that, for example, sexual harassment falls under sex discrimination. While organizations are legally mandated to not discriminate based on these groupings, they can choose to either strictly comply with the law or expand their own definition and practice of diversity (we discuss this at the end of the chapter).

1.2 Why Does Diversity Matter?

Why should we address diversity in organizations? Wouldn’t treating everybody the same way be enough as long as managers are fair? Why do we have to consider individual cultural identities or build diverse teams? In the next section, we will review the research on the specific benefits and challenges to having diverse groups. Here, we address some of the basic social and business reasons why addressing diversity matters. Two fundamental reasons for addressing diversity are social justice and the overall benefits to organizations. Specifically:

- In a fair and just society where there is social justice, there is a moral obligation to treat all individuals with the same respect and provide everyone the same opportunities to perform and succeed. Focusing on diversity aims to achieve this fundamental ideal of social justice.

- Associated with the ideal of social justice is the concept of corporate social responsibility that states businesses can and must be a force for good and take actions that can improve society and the communities in which they operate. Addressing diversity is one such action. In August of 2019, JP Morgan CEO Jamie Dimon, the chair of the US Business Roundtable, speaking on behalf of the group that includes CEOs of several major companies including Amazon and American Airlines, stated: “Major employers are investing in their workers and communities because they know it is the only way to be successful over the long term” (Dilts, 2019).

- A more pragmatic reason for implementing diversity programs is that doing so is a legal requirement. For example, businesses must have regulatory compliance with laws that prevent discrimination based on the protected classes we discussed earlier.

- Diversity is good for business in that it improves performance as measured by financial outcomes, innovation, or employee engagement and satisfaction.
and allows businesses to access a broader customer base, as demonstrated by a number of research studies.

- Finally, talent is precious and hard to find, culture neutral, and the workforce no longer homogeneous. Managers consistently state that one of their major HR challenges is attracting and retaining high-quality employees (Starner, 2019). If they want to address that challenge successfully, they must be able to address the needs of many diverse employees, not just those who are similar to them or have traditionally been dominant in the workplace.

Today’s workforce does not look like the workforce of the 20th century. It is complex and diverse. The reasons society and organizations need to address diversity are complex and a combination of these factors. Regardless, cultural diversity is a fact of life and culture matters and cannot be ignored. Diversity is not decreasing, and it is clear that, by and large, businesses have embraced it as a basic element of success in a global environment.

1.3 Challenges and Controversy

In spite of the social and business case for addressing diversity, the topic is not without challenges and controversy. While most of us are comfortable discussing cross-national cultural differences, handling group culture and diversity often presents a challenge. Talking about culture when we contrast Americans, Canadians, Chinese, Germans, Indians … and so forth, is easy. We can admit that we don’t know certain things, we are comfortable asking questions and making comparisons, and we can even keep our sense of humor during such discussions. Members of cross-national teams have no trouble referring to their cultural differences. However, group cultures involve a very different dynamic.

1.3.1 Difficulty in Addressing Diversity. Conversations that involve race, ethnicity, gender, sexual orientation or identity, religion, or other group-based factors are emotionally charged and hard to undertake. As a result, we often avoid them and pretend to ignore key dimensions of one another’s complex cultural identities. However, the problem is that because of demographic changes, increased contact, and public scrutiny (e.g., the #metoo movement and lack of diversity in Silicon Valley tech companies) learning to address group-level diversity constructively is more essential than ever.

Consider how comfortable you would be asking people about the dimensions of cultural diversity in Figure 5.1. Would you ask your coworkers sitting next to you in a meeting or at lunch what their race or ethnic background is, how old they are, or what their sexual orientation is? How easy would it be to ask about their income and socioeconomic status, religion, marital status, or the origin of their accent? Alternatively, how comfortable would you be to share that information about yourself?
Your likely discomfort is not unexpected. It is representative of the challenge we face in addressing cultural diversity in all its complex dimensions. The mention of cultural diversity in an organization engenders emotional responses ranging from “Yes; we need to talk about this! It’s about time.” To “Oh, no; not again…” Why are these areas so hard to address? At some basic level, they are simply another level of culture, another dimension of our cultural identity. The several possible reasons why we are often reluctant to address culture at this level are summarized in Table 5.1.

In their official capacity, managers may believe that everyone is basically the same and therefore, all employees should be treated the same. Highlighting differences or providing something different to one group may appear unfair. For example, a manager may resist requests from a parent who has young children for a flexible schedule or modified work hours because he may feel that doing so would show preferential treatment. Lack of knowledge and skills regarding culture and diversity management can also be a factor. Other challenges further arise during one-on-one interactions at work. Dimensions of diversity can be deeply personal and revealing, making them difficult to address. They also may be the basis of stereotypes and prejudices that we, or others, hold and worry about exposing during such discussions. Group diversity is associated with traditionally unequal power among groups, making the topic hard to address. Finally, because of employment and antidiscrimination laws and regulations, it

<table>
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<th>Table 5.1 Reasons for the Difficulty in Addressing Diversity in the Workplace</th>
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<td><strong>For Managers</strong></td>
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<td>• They may have a parochial view of culture and simply assume that everyone in their organization is the same.</td>
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<td>• They may focus on being fair and treating everyone the same.</td>
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<tr>
<td>• They may not have the knowledge and tools to address diversity constructively.</td>
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<td>• They may get defensive about addressing cultural issues that appear more personal than cross-national cultures.</td>
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The traditional power differential among groups is a key factor. Additionally, in work settings, legal restrictions and organizational policies make these questions sensitive and sometimes illegal.
may be impossible to address some of these diversity issues directly. For example, asking a coworker or employee how old they are and when they may want to retire, even in a casual conversation, may become problematic if the person is let go during layoffs soon after.

There are many good reasons why we may shy away from discussing the dimensions of cultural diversity at work or even in our personal relationships: Too personal, too private, too difficult, and certainly illegal in some cases. However, given that effectively motivating and managing people to help them be engaged and productive means matching individual needs and organizational goals, considering and addressing the cultural diversity dimensions are relevant and essential. Additionally, if discussions of cultural diversity make people uncomfortable because they are personal and meaningful for most of us, that is precisely why we must learn how to address them appropriately in organizational settings and in our roles as managers. Finally, if the discomfort is related to blatant or implicit prejudice and biases related to views of in- and out-groups, then addressing them becomes particularly important as they may impact work-related decisions. If these dimensions matter to us and if they are a significant and meaningful part of who we are, we cannot simply ignore them.

1.3.2 Controversy and Challenges. To make matters even more challenging, issues related to the management of a diverse workforce have become both political and controversial, triggering a diversity backlash (Eli Inc., 2020). Critiques range from complaining that the concept is poorly defined, to diversity being overused, to having philosophical arguments related to questioning the need for such programs (for a review see, Berrey, 2015). Specifically:

- The definition of diversity can be as simple as what was presented earlier in this chapter. But it can also include other factors, such as racial inequality, gender discrimination, the relative power and positioning of various ethnic groups, often in comparison to white males, or the issue of white privilege (Holmes, 2015). It is not easy to define what a diversity program is supposed to address.

- Diversity and how it is applied is further interpreted differently depending on group membership. For example, for African Americans, diverse or integrated neighborhoods mean a 50/50 split between whites and minorities, whereas for Whites, the distribution is less equal (e.g., Farley, 2018). Determining the desired outcome of diversity programs is therefore challenging.

- The prevalence of the term diversity in various organizations along with various definitions and different interpretations often creates confusion and some suggest that it has become an empty buzzword (Demby, 2015; Sanneh, 2017).
Finally, some critiques of the concept of diversity suggest that in their search for social justice and equality, diversity programs create a new type of unfairness and discrimination that targets the majority white population (for a review see Dover, Major, & Kaiser, 2016).

This final point is the most controversial and emotionally charged critique of diversity. Accusations of “reverse discrimination” that have led to lawsuits, most notably against college admission processes (e.g., the lawsuit against Harvard University in 2019; Hartocollis, 2019), are associated with this position. On the one hand, some argue that by addressing diversity, organizations show favoritism to some groups over others. As a result, such programs alienate and anger some groups (Dover et al., 2016) and may lead to people questioning the qualifications and competence of diverse employees and managers (Lawrence, n.d.). On the other hand, proponents of diversity state that by not addressing diversity, organizations ignore the long-standing and residual impact of social, racial, and gender injustice. Debating such issues is beyond the scope of this chapter or book. However, it is essential that managers be aware that what may be a relatively straightforward and simple matter to some will undoubtedly look very different to others.

Whether one agrees with how organizations have approached diversity or not, there is no denying that people have different cultural identities that influence their assumptions, values, beliefs, and behaviors and how they see and interpret their environment; diversity (in its simplest definition) is a fact of life. Therefore, insisting that one approach to management should and must work for everyone is, at best, unproductive. Effective managers who have a Cultural Mindset (CM), are aware of their culture and its impact, and take culture into consideration when managing others. The approach in this book is to focus on CMC that shapes everyone’s assumptions, values, beliefs, and behaviors, rather than culture being something about “others,” meaning minorities, or blaming one group or another. Further, the concept of culture-just-is (CJI) as a factor that should be understood and taken into consideration, rather than evaluated, help managers address culture and support their employees, and organizations can be more effective, while avoiding some of the more controversial aspects of diversity discussion.

2. RESEARCH ON THE IMPACT OF DIVERSITY

LO 5.2 Elaborate on the research about the impact of diversity on groups and organizational performance

One way to answer the question of why companies should aim to be diverse and inclusive is to review the research on the impact of diversity on individual and group
performance and on overall firm performance. How and to what extent does diversity in membership impact groups and organizations?

2.1 Diversity in Groups

Do groups with diverse or heterogeneous members have an advantage? Research on the composition of groups shows it can have an impact on how a group functions and the type of decisions it makes (Moreland, Levine, & Wingert, 2009; van Dijk, Meyer, van Engen, & Loyd, 2017; Yam et al., 2018). Strong evidence suggests that groups with members who have similar backgrounds and orientations achieve higher cohesion (e.g., Dunlop & Beauchamp, 2011); those members often like one another more (Glaman, Jones, & Rozelle, 1996); they experience less conflict (Moreland et al., 2009); they reach decisions more quickly (Civettini, 2007); and they have lower turnover (O’Reilly, Caldwell, & Barnett, 1989). It is clear that similarity of group members helps the internal functioning of a group, provides validation to the members and, by reducing conflict, provides a comfortable environment for its members.

However, having diverse groups offers many benefits as well (Moreland et al., 2009; Nahavandi & Aranda, 1994). Diverse groups generate more alternatives and conduct a more thorough evaluation of those alternatives than homogeneous ones (e.g., Finkelstein & Hambrick, 1996). They also consider the ethical and moral consequences of their decisions more fully (Kujala & Pietilainen, 2007) and support members in integrating information that can improve their decision-making (Rink & Ellemers, 2010). Studies indicate that a diverse group with lesser ability members performs better in problem-solving than a group of similar high-ability individuals (Hong & Page, 2004), and groups with gender diversity have been shown to be more effective in tasks requiring complex information management and processing (Fenwick & Neal, 2002). Some research further suggests that being around a diverse group of people can lead group members to be more critical thinkers, reexamine facts, remain more objective, and make fewer factual errors (Rock & Grant, 2016). Furthermore, diverse perspectives are particularly needed when groups face complex situations (Mello & Ruckes, 2006), and such diversity is one of the elements that can prevent the poor decision-making that results from groupthink (Dumphy, 2004; Esser, 1998; Janis, 1971; Morehead, Neck, & West, 1998). In their comprehensive analysis of the impact of various types of heterogeneity on top management teams (TMTs) of organizations, Hambrick, Cho, and Chen (1996) conclude that heterogeneity is generally associated with performance improvement.

Overall, diversity in group membership appears to improve some outcomes such as productivity and innovation and negatively impacts process issues such as conflict (for a review see Stahl, Maznevski, Voigt, & Jonsen, 2010). The benefits of diversity appear to be most evident in complex, turbulent, and changing environments and
situations where multiple perspectives can contribute to group performance. Harvard Business School Professor Francesca Gino suggests that a diverse group can help reduce the impact of biases:

*That our decisions get sidetracked by biases is now well established. While it is hard to change how our brains are wired, it's possible to change the context of decisions by architecting the composition of decision-making teams for more diverse perspectives.* (Larson, 2017)

Her views are supported by many other researchers. Katherine Phillips, Professor of leadership and ethics at the Columbia Business School, says: “Simply interacting with individuals who are different forces group members to prepare better, to anticipate alternative viewpoints and to expect that reaching consensus will take effort” (Phillips, 2014).

These research findings have been part of the impetus for recommendations to increase diversity in organizations (Cox, 2000; Fitzsimmons, 2013), and especially to increase diversity in the leadership of public and business organizations (Combs & Luthans, 2007).

### 2.2 Diversity and Organizational Performance

In addition to the social justice argument, research indicates that diverse groups, including diverse leadership teams, can make better decisions particularly in complex environments, but does that translate into better organizational performance? In other words, does having a diverse workforce provide a competitive advantage, increase profits, or create value? Is there a business case to be made for D&I? An extensive study by McKinsey & Co provides clear answers regarding the impact of gender and ethnic diversity on firm financial performance by looking at over 1,000 companies in several industry groups across different countries (Hunt, Prince, Dixon-Fyle, & Yee, 2018). The research finds that more gender-diverse companies are 21% more likely to have better financial performance and better value creation (as measured by their profit margin). Likewise, ethnic diversity in the organizations is associated with 33% higher likelihood of better profits. These findings are further mirrored for diversity in the TMT and on the board of directors (Barta, Kleiner, & Neuman, 2012; Hunt, Layton, & Prince, 2015; Torchia, Calabró, & Morner, 2015). Interestingly, the researchers also find what they call a “penalty for low diversity” where companies with a less diverse workforce are more likely to underperform (Hunt et al., 2018). The link between diversity and financial performance has even been found in venture capital companies that are notoriously nondiverse, where the more similar the partners, the lower their investments’ performance (Gompers & Kovvali, 2018).
Extensive research further shows that diversity at all levels is associated with more innovative strategies and more innovation (e.g., Jg et al., 2017). A survey of 321 executives conducted by *Forbes* indicates that they value diversity as an engine of innovation (Global Diversity and Inclusion, 2011). Companies with diverse management introduce more product innovations and are better able to serve global markets (Nathan & Lee, 2015), and countries where there are many different value orientations are better innovators (Ramasamy & Yeung, 2016). The large majority of these studies have been across different industries and conducted in the United States as well as other countries. For example, a survey of 1,700 companies across eight countries shows that there is a significant correlation between diversity and innovation, and the more the companies included different dimensions of diversity, the stronger their innovation (as measured by the freshness of their revenue mix; Lorenzo & Reeves, 2018). The study’s authors state:

> Diversity has sometimes been critiqued as a culturally normative concept. Our results show that diversity can drive innovation performance in countries as different as Germany and India, however. Moreover, they imply that it can so do in a variety of ways. (Lorenzo & Reeves, 2018)

### 2.3 The Bottom Line

The evidence of the overall positive impact of diversity on performance of groups and organizations is consistent: diversity enhances innovation, decision-making, and the financial bottom line. These effects are due to several potential reasons. Companies that have diverse leadership and a diverse workforce:

- Project a positive image in an increasingly global and diverse world
- Can attract a wider and deeper talent pool
- Can access a broader group of consumers
- Are able to engage their diverse employees and motivate them better
- Have access to diverse perspectives and approaches when facing complex situations that are the norm in today’s global and turbulent environments

Lisa Wardell, the CEO of Adtalem Global Education, a Fortune 1000 company with over 18,000 employees, who has been highly successful in building diversity at all levels of her organization, says: “I believe that by broadening the talent pool, we’ve been able to recruit the leadership needed to focus on student outcomes and improvements, increase performance, drive growth, and meet the strategic objectives of our diverse board” (Wardell, 2018a, 2018b).
3. THE DIVERSITY LANDSCAPE

LO 5.3 Present data regarding diversity in the United States and other countries

We know from extensive research that having a diverse workforce that is engaged and contributes to the organization, while sometimes challenging, can help an organization be more innovative and effective, particularly in a complex environment. That in and of itself should be reason enough for organizations to aim to have a diverse workforce. However, there is also the simpler matter of the changing demographic landscape both within countries and across the world. The workforce and consumers are not the homogenous groups that some managers remember them to be; the world has changed.

3.1 Changes That Drive Diversity

People from many different backgrounds who embrace their diverse cultural identities are an increasingly large part of the workforce and a powerful segment of consumers. While these diverse groups have always existed, many were not welcome in business organizations, and when they were present, they either were expected to fully assimilate to how the majority acted, were relegated to low-level positions, or simply ignored and dismissed. The 1950s and 1960s organization so dramatically represented in popular media by programs such as *Mad Men* was populated and run by Anglo-European men. Minorities were a rare sight, and women, as long as they were not married, typically held low-level and support jobs. That cultural context no longer exists. Whether it is based on ethnic differences, gender, or generational changes, the population and the workforce are not homogeneous.

3.1.1 Cultural and Social Changes. Various events in the 1960s created major cultural and social shifts that affected the society and changed the face of the workforce. By the end of the 1970s an increasing number of women were using the pill (Goldin & Katz, 2002), freeing them from unwanted pregnancies and allowing them to enter and stay in the workforce in record numbers (18 million in 1950 to 66 million in 2000; Toossi, 2002). By pushing for antidiscrimination laws and numerous other equality-driven practices, the Civil Rights movement in the United States during the same period lowered barriers in education, housing, social programs, and other areas and allowed a large number of minorities to more easily enter various organizations. While previous generations of these diverse groups, when they were allowed into the workplace, had little power and were expected to assimilate fully and be satisfied with their lower status and pay and limited opportunities, with increasing numbers driven by legislation and social change, the new participants started demanding equal rights, equal pay, and
the ability to be themselves and contribute in their own right. Continued demographic shifts further contributed to pressures for change.

3.1.2 Demographic Changes. Organizations simply have to respond to the needs of diverse groups if they want to attract and retain the best talent and continue to be able to sell their products and services. Figures 5.2 and 5.3 represent the cultural diversity in the United States. A variety of demographic trends and projections, some of which are presented in Table 5.2, further show that the workforce is changing in the United States and around the world. Organizations simply cannot expect to continue attracting the type of employees or customers they have been relying on; they must learn to work with diverse audiences.

The demographic changes and trends in the United States and around the world are drastic and clear. The number of Anglo-European men who have been dominant in business and were the majority in most organizations is decreasing while women, various minorities, and younger generations are entering the workforce at higher numbers. Cultural diversity is also driven by migration (the movement of people around the world) and immigration (relocation to specific countries), as businesses in the United States and other countries rely heavily on new immigrants as workers and consumers (Aguilar, 2013).

3.1.3 Migration and Immigration. In the United States, continued immigration from around the world, and more specifically from Central and South America and Asia, is
increasing the diversity of the workforce, where Hispanics and Asians are the two fastest growing groups in the labor force (Toossi, 2002). Economics Professor Sari Pekkala Kerr believes that with an aging workforce around the world “immigration is a powerful way for countries to continue economic development and growth” (Blanding, 2018). As exemplified by the number of businesses they start and many success stories, immigrants are highly entrepreneurial and a source of economic vitality. In the United States many new immigrants including cofounder of Sun Microsystems Vinod Khosla from India, Arianna Huffington from Greece cofounder of Huffington Post, Chinese-born Weli Dai cofounder of Marvel Technologies, South-African Peter Thiel cofounder of PayPal, Canadian-South African, Elon Musk of Tesla, and Gisele Bundchen from Brazil founder of Sejaa Skincare are among the top entrepreneurs. Numerous second-generation (born in the United States to immigrant parents) immigrants including Steve Jobs, founder of Apple, Jeff Bezos, founder of Amazon, and others such as founders of eBay, Kraft Food, Google, Yahoo, and Panda Express are among the top entrepreneurs in the United States. By some estimate, 40% of Fortune 500 companies are founded by immigrants or their children (Aguilar, 2013).

Worldwide, migration and an aging population in many countries are further creating demographic shifts. In Japan and Western and Northern European countries, there simply will not be enough “native” people to work to support the economy and
<table>
<thead>
<tr>
<th>Table 5.2  Some Demographic Trends</th>
</tr>
</thead>
<tbody>
<tr>
<td>• By 2050, Caucasian or white Americans will no longer constitute the majority of the US population.</td>
</tr>
<tr>
<td>• By 2050, the total US population will increase by 36% to reach 441 million, with immigrants and their children making up 88% of the increase.</td>
</tr>
<tr>
<td>• Hispanics are projected to be the largest minority group of voters in the 2020 US election.</td>
</tr>
<tr>
<td>• By 2055, Asians, who made up less than 6% of population in 2018, are estimated to surpass Hispanics as the largest foreign-born group in the United States.</td>
</tr>
<tr>
<td>• Women are expected to see their numbers in the labor force grow slowly, but their growth rate will still be faster than that of men, leading to an increase from 46.8% in 2014 to 47.2% in 2024.</td>
</tr>
<tr>
<td>• The number of women in workforce was 18 million in 1950 and 66 million in 2000 (growing approximately 2.4% a year).</td>
</tr>
<tr>
<td>• Men’s share of the labor force is expected to decrease from 53.2% in 2014 to 52.8% in 2024, a rate that has been declining steadily since the end of the 1940s (growing only 0.6% a year).</td>
</tr>
<tr>
<td>• By 2024, Hispanics are projected to be nearly one-fifth of the labor force.</td>
</tr>
<tr>
<td>• Black men have a lower labor participation rate than men from other race and ethnic groups. Black women have had the highest labor participation rate, compared with women of other race and ethnic groups.</td>
</tr>
<tr>
<td>• Millennials may be the largest generational cohort in history—79.8 million in 2016.</td>
</tr>
<tr>
<td>• Immigrants to the United States started one out of four venture-backed public companies between 1990 and 2005.</td>
</tr>
<tr>
<td>• More than 40% of new businesses in New York and California are started by new immigrants.</td>
</tr>
<tr>
<td>• The number of consumers within the American population is growing less than 1% annually.</td>
</tr>
<tr>
<td>• There are more than 250 million migrants worldwide (2018).</td>
</tr>
<tr>
<td>• By the end of the 21st century, there will be more Muslims than Christians in the world; and 10% of all Europeans will be Muslims.</td>
</tr>
<tr>
<td>• The number of young and working-age people is projected to decline by 10% in China, 25% in Europe, 30% in South Korea, and more than 40% in Japan.</td>
</tr>
<tr>
<td>• By the mid-2050s, a third or more of the population in Europe and East Asia will be over 65 years.</td>
</tr>
<tr>
<td>• The United Nations estimates that 2 million people a year will move from poorer to developed nations over the next 40 years.</td>
</tr>
</tbody>
</table>

the social systems. Germany became aware of this challenge earlier than most other countries during its post–World War II economic boom. When recruitment from Southern Europe did not fulfill the country’s need, Germany’s big businesses pressured their government to turn to its former ally Turkey, and invited Turks between the ages of 18 and 45 years to be *Gastarbeiter*, or guest workers (Reay, 2017). While they were supposed to stay for short periods of time, by 1973, 700,000 Turks were living in Germany and although under German law they could not become citizens, their children and grandchildren did. There are now approximately 4 million people of Turkish descent living in Germany (Reay, 2017). Studies indicate that they are poorer, less educated, underpaid, and less well integrated into German society than other immigrant groups (Bartsch, Brandt, & Steinworth, 2010). They are, however, essential to the economy, while Germany, like many other European countries, is struggling to integrate diverse people it desperately needs for its economy to continue to flourish.

### 3.2 Diversity in Organizations

Many companies have had some sort of program to increase workforce diversity since at least the 1970s and several boast about extensive recruitment efforts and organizational changes that have attracted diverse individuals (Dobbin & Kalev, 2016). According to the Bureau of Labor Statistics, the overall US workforce roughly mirrors the country’s demographic makeup with labor participation approximately 60% across all ethnic groups (BLS Reports, 2018). All groups, including women, are working more or less to the same extent. However, some striking disparities and gaps emerge.

#### 3.2.1 Disparities in Pay

First, there are earning gaps among all the groups and between men and women that hold across all major occupational groups (see Table 5.3). Asians fare better than other ethnic groups in the income area, but they still face challenges. Because they have both more education and higher average income than others, they are often overlooked in diversity discussions and sometimes even included with whites in various diversity measures (McGirt, 2018). Buck Gee and Denise Peck, two former Silicon Valley executives who looked into the challenges that Asians face in organizations, state: “Because Asian Americans are not considered an underrepresented minority, they are given little priority or attention in diversity programs” (McGirt, 2018).

#### 3.2.2 Lack of Diversity in Leadership

In 2018, the BBC created a composite image of the top 100 US Fortune 500 CEOs to produce the average face of a CEO and, not surprisingly, it was a white male (What the average American CEO looks like, 2018). The numbers in Table 5.3 regarding leadership of Fortune 500 companies fluctuate as CEOs retire and are replaced, but the overall trends are not changing.
The shocking 2015 *New York Times* headline “Fewer Women Run Big Companies Than Men Named John” dramatically illustrates the gender gap in the leadership of big US companies (Wolfers, 2015). There has been some progress in corporate boards, but the top leadership is still strikingly white and male, all the while the labor force no longer is. An Ernst and Young study showed that for every one woman, there were more Jameses, Roberts, Johns, and Williams—combined—serving on the boards of S&P 1,500 companies (McGregor, 2015). A recent study shows that women and members of underrepresented groups occupy 38.6% of board seats of Fortune 100 companies (Olson, 2019).

However, when it comes to top leadership, minorities, and particularly women of color, are practically absent. It is clear that minorities face a considerable, and sometimes insurmountable, challenge when trying to reach top leadership roles. Many minorities have voiced how lonely and stressful it can be to be one of the few people of color in still white higher organizational levels. The feeling of being on the spot and under a microscope, having to carefully monitor one’s behavior, and having to judiciously craft an appropriate and acceptable professional identity can be taxing and difficult to manage for women of all races, ethnic minorities, and members of the LGBTQ community. Devon Carbado and Mitu Gulati (2013), authors of the book *Acting White*, suggest that members of minority groups have to be careful to not too closely fit the stereotypes others have of their group, in other words “be black, but not too black.” We discussed some of the challenges created by such perceptual biases in Chapter 3, and we will revisit them later in this chapter.

### Table 5.3 Labor Statistics by Ethnicity and Gender

<table>
<thead>
<tr>
<th></th>
<th>Whites</th>
<th>Blacks</th>
<th>Hispanics</th>
<th>Asians</th>
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</thead>
<tbody>
<tr>
<td><strong>Percentage of the US workforce</strong></td>
<td>78%</td>
<td>13%</td>
<td>17%</td>
<td>6%</td>
</tr>
<tr>
<td><strong>Earning/week</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men: $971</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women: $795</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men: $710</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women: $657</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men: $695</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women: $603</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men: $1,207</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women: $903</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td><strong>Number of leadership positions in Fortune 500</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men: 456</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women: 23</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men: 3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women: 0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men: 11</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Women: 0</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Men: 5 (4 Indians; 1 Chinese)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Women: 2 (1 Indian; 1 Chinese)</td>
<td></td>
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</tbody>
</table>

*BLS does not provide data for other ethnic groups.*

*89% of Hispanics are classified as White—the total adds up to more than 100%.*

*These numbers change regularly—these are best ones available as of August 2019.*

Sources: BLS Reports (2018) and Donnelly (2018).
US companies are not alone in the lack of diversity in their leadership. For example, a 2019 report by Deloitte indicates that while minorities make up 23% of Canada’s population, they only hold 4% of corporate board positions (Canada at 175, 2019). Additionally, the report indicates that members of underrepresented groups, including many LGBTQ individuals, continue to witness or face discrimination. A 2017 survey in the United Kingdom found that there were only 36 ethnic minorities and women among the top 1,000 most powerful leaders in a variety of sectors (Duncan & Holder, 2017). France has only one top female CEO (Engie’s Isabelle Kocher); women lead only 3% of the 145 large Nordic companies. Referring to the gender gap Karen Frosig, who is the CEO of Denmark’s Sydbank, says: “At the executive level the cork is still in the bottle” (Zander, 2014). To address this gap, Norway has a formal 40% quota for women on company boards. Finland has a softer quota, and the EU is looking at imposing similar rules. However, even with the required quota in Norway, there was no female CEO in the top 32 companies in that country (Zander, 2014).

The demographic changes are evident and undeniable. The social and historical contexts that shape them and triggered the social movements of the 1960s and 1970s and underlie the diversity debate are more complex.

4. APPROACHES TO DIVERSITY AROUND THE WORLD

LO 5.4 Compare approaches to diversity around the world

The dimensions and definitions of cultural diversity are not the same across all countries. While in the United States diversity means cultural diversity and refers to the dimensions presented in Figure 5.1, in Europe the focus is more often on language and nationality. In other countries such as Mexico or China the word diversity evokes biological diversity (Mor Barak, 2014). All countries do not have similar assumptions regarding how diversity should be addressed, or if it should be addressed at all. Table 5.4 presents a checklist of the presence of diversity-related laws in the world’s top five economies. It is important to note that the simple existence or absence of legislation does not necessarily indicate cultural diversity practices, lack of discrimination, or inclusive organizations. However, as you can see from the information in Table 5.4, all of the countries in this list have some legislations or policies aimed at some aspect of diversity. Although there are differences in whether and how countries address diversity, a global survey conducted by the accounting firm Deloitte shows that close to 70% of executives rate D&I as an important issue (Bourke et al., 2017). The same research also shows that progress is not fast enough and that many companies and executives could be doing more.
4.1 Two Different Philosophical Approaches to Diversity: France and the United States

Comparing France and the United States illustrates two of the philosophies related to addressing diversity. While both countries are Western democracies and include many culturally diverse individuals and groups, they approach diversity in dissimilar ways.

4.1.1 Liberté, Égalité, Fraternité. The French constitution’s first article states that the country is an “indivisible, secular, democratic and social republic. It ensures the equality of all citizens before the law, without distinction of origin, race or religion” (McGonagle, 2017). France’s constitution is based on the principles of secularism and universalism where everyone is the same. By focusing on this sameness, the French ideal is to treat everyone fairly by erasing, rather than celebrating, their differences. As a result, the country does not collect data related to race or ethnicity or other group-related differences or institute policies, laws, and regulations that in any way may highlight differences. It is estimated that 85% are white Europeans with other groups from many of France’s former colonies in sub-Saharan Africa, and an estimated 10% are Muslims. One aspect of France’s approach to cultural diversity which is in line with the country’s identity as a secular nation is the ban on the conspicuous display of obvious religious symbols, such as a yarmulke, a veil, a turban, or a cross in public settings such as schools. UCLA professor Laure Murat, a French immigrant to the United States, states:

The legacy of secularism in France, promoting the idea of a “neutral” and “universal” citizen regardless of his or her race, religion, sexual orientation, and so on, leads to a politics that is the reverse of American multiculturalism… On the
one hand, you have a utopia that would like to erase all kinds of differences and posit a neutral Republic, on the other, a society that pays lots of attention to identity differences, focusing on the rights of minorities and promoting “inclusiveness.” (Murat & Perreau, 2016)

France’s approach to diversity is based on an admirable ideal that aims to treat everyone equally by removing differences and their impact. However, a negative outcome of this approach is that when you disregard cultural differences, you simply do not address them or the challenges and problems that they create in organizations and in society. Referring back to acculturation strategies we reviewed in Chapter 4, by relying on the assumption that there are no cultural differences based on ethnicity or race, and that therefore, there is no need to preserve them, everyone in France is supposed to assimilate and simply become French. Addressing this challenge and how ethnic groups are treated, Bruno Perreau, an MIT professor, states: “They are asked to abandon who they are and what they think and to prove they can act, talk, and function like the majority. But they are permanently called out in the name of their identities and practices” (Murat & Perreau, 2016). In other words, assimilation is the only option that is considered; however, because of obvious and clearly visible differences in physical characteristics, religion, language, and accents, in-groups and out-groups still exist and various groups are seen as different and are not allowed to fully assimilate. The riots in 2005 and 2017 in several areas of France have been partly attributed to segregated housing, discrimination in employment and education, police brutality targeting ethnic minorities, and overall lack of economic opportunity for ethnic groups. Nadira Achab, whose grandparents were Algerian, but whose family has lived in France, echoed the perception of many minorities in the country: “People here just want to be treated like normal citizens, not second-class citizens. It’s sad that we’re still not…I’m French, my parents are French, we’ve been French for two generations, yet I’m still constantly being asked: ‘Are you French?’” (Chrisafis, 2015).

4.1.2 A Nation of Immigrants. The approach to multiculturalism in the United States is drastically different than that of France.

Given the history of immigration in the United States, the presence of different groups is fully recognized. Although the various groups have not been treated equally, the ideals and goals in the United States are no longer to erase differences but instead to acknowledge and respect them. The melting pot which favored assimilation has given way to the salad or mosaic. Without debating which of the two approaches is more effective, they are both the product of different approaches and assumptions related to cultural differences. Each is the result of the CMC in which it was developed and they simple are—CJI. Nonetheless, the French are often shocked at the extent to which Americans focus on race and talk about ethnic differences. Americans, for their part, are puzzled by how the French do not allow for personal expressions of differences and focus on sameness instead.
The United States has been at the forefront of both the social movement toward cultural diversity and some, but not all, of the legislation that protects various minority groups. Other countries have made more progress regarding some aspects of both gender and LGBTQ rights; nonetheless, topics related to D&I appear to be more in the fabric of many US companies than other countries. In the United States, the Title VII of the Civil Rights Act of 1964 gives the Federal government broad powers to fight discrimination through the Equal Employment Opportunity Commission (EEOC; see Appendix B for a timeline). Several other legislations have further built on the 1964 Act to provide protection based on a number of categories, called protected classes. Specifically, in the United States, employers may not legally make employment decisions based on a person’s race, color, religion, sex (including pregnancy, gender identity, and sexual orientation), national origin, age (40 years or older), marital status, disability, or genetic information (EEOC—https://www.eeoc.gov/employees/). These laws address several forms of discrimination including sexual harassment and hostile work environments. While providing equal opportunity as a principle is not controversial, affirmative action, that aims at correcting historical discrimination particularly against African Americans, by providing them with additional opportunities, has been hotly debated and labeled as “reverse discrimination” by some. Even with affirmative action, the United States does not have any quotas regarding women or minorities, as is the case in Mexico for political parties or some other countries such as Norway regarding percentage of women on company boards.

While all organizations claim to comply with diversity-related laws, the many complaints and lawsuits brought on by employees indicate that even basic legal compliance is far from simple or fully implemented. In 2018, the EEOC received 76,418 charges of workplace discrimination related to retaliation, sex, disability, race, age, and national origin as the top causes, and secured $505 million for victims in private sector, state and local government, and federal workplaces (EEOC, 2019). These do not include the many other complaints that are addressed internally and through civil lawsuits that are brought or settled. Nonetheless, the ideals and principles of diversity have taken hold in the large majority of US companies as represented by the focus on D&I.

4.2 Mexico: Legislating Gender Parity

Similar to France, Mexico does not keep official statistics on ethnicity. Statistics available through other organizations estimate that 60% of the country’s population is Mexican Mestizo from the intermarriage of indigenous people and Europeans, with 30% Amerindians or mostly Amerindians who are the indigenous people of the country and another 10% Europeans who are primarily the direct descendants of the Spanish who conquered Mexico in the 16th century (World Atlas-Mexico, 2019). Mexico recognizes 62 ethnic and 68 linguistic groups (Herrera, 2015). Commenting
on race and appearance is much more tolerated than in the United States, and
Mexicans tend to focus more on social class and socioeconomic background as the
source of inequality and discrimination rather than on race or ethnicity. Additionally,
slang labels based on skin color are common as those who have light skin, whether
they are Mexican or foreigners, are openly called “güero(a).” A particular area of
challenge for Mexico has been gender inequality in a highly masculine culture (more
about this in Chapters 7 and 8). Glaring and persistent gender inequality continues
to exist in areas of economic participation, health, employment, and education (The

Mexico’s approach to diversity has been top-down through changes in legislation
rather than slower, voluntary actions. In the mid-1990s the country officially and legally
recognized its multicultural character (Herrera, 2015), and a 2014 landmark constitu-
tional reform now mandates that political parties enforce gender parity in their selection
of candidates, so that women must make up 50% of those on any party’s ballot. As a result,
in 2018, women won close to 50% of the seats in the Lower House of Congress and
Senate, placing Mexico in the top five countries for gender equity in political repre-
sentation (Mlambo-Ngcuka, 2018). The new mayor of Mexico City, Claudia Sheinbaum,
states: “Gender equality has to be a part of the national project. It can’t just be women
in elected posts, and that’s it. The country is going to have to change dramatically, with
more rights and more representation for women” (Whelan, 2018). It will take
some time to see whether this legislated gender parity will lead to cultural changes
regarding gender in other areas. However, the Mexican case provides an experiment
for other countries to see whether legislating equality and diversity can be effective.

4.3 Japan: Slow Entry Into Cultural Diversity

Japan, which is a liberal democracy and the world’s third largest economy, is often
cited as one of the most culturally homogeneous countries in the world. Ninety-eight
percent of the country’s residents identify themselves as Yamato, a dynasty that has
ruled Japan since its birth in the 7th century BC (World Atlas-Japan, 2019). There are
few regional differences and even fewer immigrants. In modern history, Koreans, who
are the largest group of immigrants in Japan, came after Japan colonized Korea and in
the aftermath of the Korean War between the North and the South in the 1950s. They
have not been particularly welcome and have never fully integrated into the main-
stream. Since there are no birthright citizenship laws in Japan, Korean immigrants and
their children who are born in Japan do not have permanent status and have remained
on the fringes of society (Smith, 2019). Gender equity is a further challenge. Japan’s
constitution has recognized equal rights for women since the end of World War II,
but it has one of the worst records among industrialized countries regarding gender
equity (ranked 110 among 149 countries; Global Gender Gap Report, 2018) with
three quarters of Japanese companies reporting no female senior executives. Japanese
women still face a stark choice between staying single and working or getting married and having children. Women work in high numbers, but they often do so in part-time and low-paid jobs and quit to get married and start a family. In a recent scandal where academic records were altered to give male medical students preferential admission over more qualified women, Tetsuo Yukioka, a university administrator, admitted: “I suspect that there was a lack of sensitivity to the rules of modern society” (Larmer, 2018). The reason for denying women admission was the age-old assumption that they will waste their education since they will quit once they have children.

Japan is facing demographic-driven economic challenges. Its population is aging and the birth rates are low, factors that have contributed to the impetus for the beginning of a diversity movement. The country has recently granted over 300,000 visas to workers primarily from China, Vietnam, and the Philippines for the caregiving, food, farming, and a number of other industries (Yamawaki, 2019). These newcomers are not expected to stay long, and many are not allowed to bring their family members. Similarly, economic needs have been the cause of a movement labeled “womenomics” originated by Kathy Matsui, the Japanese-American vice chair of Goldman Sachs Japan, and adopted by former Prime minister Shinzo Abe who stated that his aim is to create “a society where women can shine” (Larmer, 2018).

The idea of multiculturalism is new to Japan, and it is driven by labor shortages and economic needs rather than social justice or human right principles. Regardless of the motive, like many other parts of the world, there is a recognition that the talent needed to feed the economic engine is diverse. As a result, the government has stated that it aims to create a “vibrant cohesive society that respects diverse cultures” (Yamawaki, 2019).

4.4 India: Social Class as a Dimension of Diversity

India is not as ethnically diverse as many other countries (72% Indo Aryans, 25% Dravidians, and 3% other ethnicities; CIA World Factbook-India, 2019), but the country offers cultural diversity on other dimensions. By some estimates, there are over 200 dialects and languages spoken in India, 22 of them officially recognized, with Hindi as the most dominant (41% of the population), followed by Bengali (8.1%), Telugu (7.2%), Marathi (7%), Tamil (6%), and many others, and English serving as the official and business language (World Atlas-India, 2019). There is also considerable religious diversity with a majority of Hindus (80%) and a number of other groups (Muslims [14.25%], Christians [2.3%], Sikhs [1.7%], and 2% other religions (CIA World Factbook-India, 2019). Legislation in 2019 that banned new Muslim migrants from the country gave rise to accusations of racism and considerable social unrest that illustrate India’s ongoing challenges regarding religious diversity. Additionally, many regional differences are reflected in rivalries between groups such as Southern and Northern Indians, and Punjabis and Madrassis or Tamilians.
A significant diversity dimension that is rather unique to India is the ancient caste system that provides a rigid social hierarchy and divides Hindus into four categories (Brahmins, Kshatriyas, Vaishyas, and Shudras) and the outcaste or untouchable. The main casts are further divided into thousands of subcastes based on occupations, or Jatis (Meena, 2015; “What is India’s caste system,” 2019). The caste system, which was reinforced by the British during their occupation of the country to segregate Indians, is no longer legal or officially recognized. Although there is mobility among the castes, a whole group, not individuals move up, so the system continues to create sharp dividing lines in India. As a result, since the 1950s, many laws, similar to affirmative action laws in the United States, have aimed to stop caste discrimination and correct its impact through quotas in government and education (“What is India’s caste system,” 2019). While the country is changing, the fact that only 5.8% of Indian marriages are between people from different castes, a percentage that has changed little in 4 decades (Ray, Chaudhuri, & Sahai, 2017), indicates that the laws have not erased the deep cultural assumptions, values, beliefs, and behaviors. A recent murder of a young man who married a woman from a higher caste further demonstrates the staying power of old stereotypes (Slater, 2019).

Deep cultural assumptions change slowly, but India’s booming economy and business organizations are taking advantage of the country’s diversity. Studies indicate that linguistic, religious, and regional diversity are increasing in many organizations, and gender diversity is particularly prominent in the powerful software industry (Meena, 2015). Additionally, 2014 laws have aimed to end discrimination against transgender individuals by recognizing a third gender, taking a step toward changing deep stigma associated with the LGBTQ community. Furthermore, several other new policies governing maternity benefits and reporting requirements to prevent sexual harassment support gender diversity (Wijekoon, Sutton, Alvi, & Gopalikrishnan, 2018). Finally, the many powerful and successful global and multinational corporations such as the Tata Group (https://www.tata.com/newsroom/diversity-is-good-for-business-tcs), Café Coffee Day (https://www.cafecoffeeday.com/awards), the Godrej Group (https://www.godrej.com/who-we-are.html), and other more local companies have made D&I a cornerstone of their mission and corporate culture. Vidur Gupta, director of the staffing firm Spectrum Talent Management, states: “A lot of our clients, which are global multinationals, give us an extra or added incentive—up to 25% of our fee—to help recruit female candidates” (Sushma, 2018).

4.5 The European Union: Ideals of Equality and Uneven Application

The European Charter of Fundamental Rights Title III-Article 21 broadly supports diversity and states:

*Any discrimination based on any ground such as sex, race, colour, ethnic or social origin, genetic features, language, religion or belief, political or any other opinion,*
membership of a national minority, property, birth, disability, age or sexual orientation shall be prohibited. (https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:12012P/TXT)

While the EU can be considered as a collective, there are many differences among the various countries. Attitudes and legislation regarding immigration vary from one country to another, as do issues of gender parity and LGBTQ rights. For example, only half of the 28 EU countries have legalized same-sex marriage as of 2019. Based on the Global Gender Gap Report (2018), many, but not all, of the countries rank in the top 50 regarding women’s economic participation, educational and health attainments, and political empowerment. Countries such as Hungary, Cyprus, Malta, the Czech Republic, Greece, and Italy fare less well on addressing the gender gap. Additionally, while the laws provide equality and protection to ethnic minorities, the practice is less consistent, as described in the example of France.

More recently, the number of Muslims who made up 4.9% of the EU population in 2016 (Hackett, Conner, & Stonawski, 2017) saw a dramatic rise as a result of the Syrian civil war and other conflicts in the Middle East and Africa. In spite of pro-diversity leaders such German Chancellor Angela Merkel who stated “It is beyond question that our country was historically formed by Christianity and Judaism. But it’s also the case that with 4.5 million Muslims living with us, their religion, Islam, has also become a part of Germany,” and liberal and humanitarian laws, the integration of Muslims has been challenging in many parts of the EU (Frum, 2018). White nationalists have called the newcomers invaders, and the intolerance has engendered violence against the Muslim and Jewish populations with bombings of mosques and synagogues (Beckett, 2019).

Different definitions and conceptions of diversity and different legal frameworks have led to widely different results in how diversity is addressed around the world. It is essential to not approach diversity with a parochial or ethnocentric view; diversity does not mean the same thing in all countries. The dimensions that need to be addressed are not the same. We therefore must recognize the diversity within diversity and acknowledge the importance of societal contexts. What is clear is that, at least in theory, the large majority of countries recognize the importance of addressing some form of cultural diversity, whether it’s language, religion, gender, ethnicity, sexual orientation, social class, or other dimensions. Similarly, businesses have, to a large extent, tried to capitalize on the cultural diversity of their workforce and their customers and have implemented a variety of programs to be more inclusive.
LO 5.5 Consider the historical context of diversity through the lens of colonialism, immigration, and slavery

Understanding the deep social and historical roots of diversity in the United States and around the world is beyond the scope of this book. However, it is essential that managers understand some of the roots and the social and historical factors that drive the movement to diversify organizations and the accompanying debates and controversies. Worldwide, colonialism and its lingering effects shape many of the diversity discussions. In the United States, slavery and immigration are key factors. Whether these are part of one’s personal experiences or not, and whether we are aware of them or not, they are a factor in everyone’s CMC. These historical events have left their indelible imprint on how people perceive their world and how they think; they are part of and inform the culture and diversity discussions.

Colonialism and slavery are not proud elements of our cultural heritage; nonetheless, their presence and impact have to be acknowledged and their legacy has to be taken into account. We will present the key issues in this next section, with the recognition that an in-depth and exhaustive discussion is beyond the focus of this book.

5.1 Colonialism

Colonialism, defined as one country fully or partially controlling others, has existed since the dawn of history. In the more recent past, European colonialism started in the 15th century with Spanish and Portuguese explorers and reached its peak with the dominance of Northern European powers around the end of the 19th to the middle of the 20th century. Similarly, Japanese imperialism was focused on Asia, stretching to some parts of Russia. In one way or another, colonialism has involved the dispossession of indigenous populations of their land and other resources and an accompanying narrative of “civilizing” them (Jazeel, 2012). The concept of postcolonialism recognizes the continued impact of colonialism on the groups who were colonized and on the relationship between them and the colonizers (Jazeel, 2012; McClintock, 1992; Nash, 2002). The groundbreaking work of Edward Said (1978) suggests that our very conceptions of the East (Orient) and West (Occident) are in and of themselves based on seeing one as the starting point, and are therefore artificial and socially constructed points of views. The “Far-East” is only far from a Western perspective; for the Chinese it is the middle kingdom. How we view the world and its history is inherently a cultural perspective.
5.1.1 The Lasting Impact of Colonial Views on Culture and Organizations. For our purposes, one of the lasting impacts of colonialism is ethnocentric views with a strong sense of superiority and a clear Us-vs-Them attitude that see the other as “less than,” hostile, and dangerous. Additionally, colonialism has relied on deculturation, sometimes presented as assimilation, as the imposed strategy for acculturation for the colonized groups who were, in all cases, seen as inferior and expected to give up their culture. Such discussions may appear to be beyond the scope of a managerially oriented text about culture; however, colonialism has impacted not only those directly involved, but it has also shaped the global economy. Institutions such as the East India Company (or its Dutch equivalent, the Dutch East India company), which was created in the 1600s to control the trade between England and India, imposed the English culture on the colonies and laid the foundation for future international trade. It was a business organization that became a political power house. In his book *The Corporation That Changed the World* (2006), historian Nick Robins argues that the East India Company was the foundation of modern multinational business by its focus on profits, pioneering the shareholder model and the excesses and ethical scandals of its executives. The American Revolution was precipitated by imposition of new tax laws from Great Britain. Trade, economic development, and business are closely intertwined with colonialism.

It is essential that we acknowledge the sometimes direct and sometimes indirect residual impact of colonialism in our worldviews and perspectives. For example, as stated earlier in this chapter recent data from the United Kingdom show that 97% of key decision-makers in the country are white (Duncan & Holder, 2017). Specifically, in a country with a strong and recent colonial past, and with now decades of anti-discrimination laws that have governed all aspects of society, including education, and where 13% of the population is considered to be ethnic minorities, still only 36 out of the 1,000 most powerful political, financial, judicial, cultural, and security leaders are from ethnic minorities and only seven are Black or ethnic minority women (Duncan & Holder, 2017). There are clearly many reasons why this power imbalance exists; however, the impact of parochial and ethnocentric views that shape people’s CMC cannot be overlooked. Edmond Burke, a member of parliament stated in a 1783 speech: “Every rupee of profit made by an Englishman is lost forever to India” (St. John, 2012, p. 76). This legacy continues to impact the United Kingdom and other colonial powers and the many countries that they colonized.

5.1.2 Colonialism and Diversity. Similar factors play a part in diversity discussions and challenges in all Western European countries as immigrants from their former colonies, along with many others, make up the cultural diversity of their population. By some estimates, close to 45% of immigrants to France are from Northern and Sub-Saharan Africa, many from previous French colonies with immigrants from other EU and European countries coming second with around 32% (Elkins & Bisson, 2019).
The *First Person* account by Dr. Juan Roche (Chapter 2) shows the continued impact of Spanish colonialism in the relationships with its former colonies. In 2007, the King of Spain bluntly told the Venezuelan president to “Shut up,” as he was using Spain as a foil for his attacks on the West. This insult was taken by many as a further indication that Spain still treats its former colonies as children (Romero, 2007). The several hundred year-long relationship between Spain and its former Latin American colonies has resulted in extensive migration from those countries to Spain with many migrants complaining of xenophobic treatment and even violence in Spain (Romero, 2007).

Parochialism, ethnocentrism, the Us-vs-Them attitude, and seeing people from the out-group as inferior and less worthy are part and parcel of the colonial history of the world. Whether we are aware of it or not, they are a factor in our CMC. As we are increasingly recognizing the benefits and challenges of diversity, we do so with these attitudes coloring many of our views and actions.

5.2 Immigration and Slavery in the United States

It may be no surprise that US organizations and human resource practices are at the forefront of many current D&I efforts. The United States has a deep and troubled connection with diversity through immigration and slavery. Many have suggested that unequal treatment based on race and ethnicity is deeply ingrained in US-American culture and institutional practices (e.g., James Baldwin and Ta-Nehisi Coates).

5.2.1 Immigration to the United States. While many in the United States have the view that immigration is the heart of the country and highly desirable and cite the Emma Lazarus 1883 sonnet on the Statue of Liberty, *Give me your tired, your poor, your huddled masses yearning to breathe free*, as the symbol of the American ideal, the country has a mixed record regarding immigration. Ian Haney Lopez, Professor of Public Law at the University of California in Berkeley, suggests that the United States has dual and contradicting traditions: one that welcomes immigration as the life blood of the country, and another that stems from nativism and racism and favors Europeans, particularly Northern Europeans, as superior and desirable (Vega, 2019).

Appendix B presents some examples of the anti-immigrant side of this duality. There are many legislations and policies that have favored “white,” defined in a variety of ways (Smith, 2002a, 2002b). What is clear is that being white continued for many years to be the dominant criteria for granting citizenship and led to systematic discrimination against other groups. While these legislations were abolished in 1965, the more recent populist, nationalist, and anti-immigration movements indicate continued strong parochialism, ethnocentrism, and an Us-vs-Them attitude and hostility toward people of color. These are part of the US-American cultural context, and it is within that CMC that organizations implement the D&I practices. The *First
5.2.2 The Legacy of Slavery and Segregation. There is no way to overstate the dark legacy and continued impact of slavery and racial segregation in the United States. A recent issue of the *New York Times Magazine* entitled The 1619 Project (the year the first African slaves were sold in the American British colony; https://www.nytimes.com/interactive/2019/08/14/magazine/1619-america-slavery.html) paints a bleak and horrifying picture of slavery and its lasting impact in the United States. While, the short presentation here will not do the topic justice, it aims at highlighting key points as one of the main impetuses behind the diversity movement. (Appendix C presents a summary timeline of key events related to the enslavement of an estimated 10 million Africans and milestones of the Civil Rights movement in the United States).

Slavery goes far beyond ethnocentrism and simple hostile attitudes which are at the root of seeing the “other” as less than, and inferior. In 2006, Ron Law and 18 others filed a complaint of workplace discrimination with the US Equal Employment Opportunity Commission against the Austral USA, a defense contractor commercial ship builder in Alabama. They had found nooses hanging from the ceiling in the breakroom, racist graffiti in the bathroom, Ku Klux Klan references, slurs etched into the ships they were building, and images of hanging men at the job site, had been subject to direct threats from other employees, and had overheard their managers referring to black employees in highly derogatory terms (Jameel & Yerardi, 2019). These incidents are but one example of the lasting legacy of slavery. Many other instances of racism and discrimination ranging from police brutality, to healthcare and housing disparities, to criminal justice and educational inequalities, and job discrimination just to name a few continue to impact African Americans and other ethnic minorities in the United States. The formal and institutional vestiges of slavery were not dismantled that long ago and their impact has not disappeared.

When slavery was legally abolished in 1865, various forms of legal and informal segregation laws and practices replaced it, from Jim Crow laws to redlining in housing (see Appendix C for key points). As a result, many other forms of racism and discrimination impacting all aspects of social and organizational life remain. While there are numerous examples of positive changes, old cultural assumptions and corresponding behaviors still persist. The recency of these historical events suggests that major cultural changes, particularly those related to deep assumptions, values, and beliefs regarding race in the United States are still very much a work in progress. The CMC does not simply change because of legal changes. In addition to policies favoring white immigrants and the lasting legacy of slavery, numerous other instances of racism and discrimination are easy to find. In the United States, the decimation of native people and their cultures including the creation of reservations and forced boarding of children in Indian Schools (the last one closed in 1970s in the United States),
the internment of Japanese-Americans during World War II, and the recent immigrant family separation policies are just some of the most dramatic examples.

5.3 Continued Impact

As the United States moves forward on achieving its ideals of an equal and just society, hate crimes against racial, ethnic, and religious minorities; LGBTQ individuals; women; and many others who are perceived or labeled as outsiders have been on the rise. FBI reports indicate a 17% rise of hate crimes from 2016 to 2017 with 3 out of 5 motivated by race or ethnicity (Eligon, 2018). Verbal and physical attacks on Asian Americans increased in the wake of the COVID-19 epidemic of 2020 with many, including government officials, inaccurately calling the virus “Chinese or Wuhan virus” further fanning the flame of ethnic divisions.

The stabbing of five people during a Hanukkah celebration in December 2019 in Monsey, New York, had anti-Semitic motives; mass shootings in El Paso, Texas, in August of 2019 that killed 22 people targeted Mexican immigrants; 11 worshippers were killed in the Tree of Life Synagogue in Pittsburgh, Pennslyvania, by a man yelling anti-Semitic slogans in 2018; the massacre of 49 people in a Latino gay nightclub in Orlando, Florida, in 2016 was motivated by hate; the killing of 9 people inside a historically Black church in Charleston, South Carolina, in 2015 was racially motivated (Faupel, Scheuerman, Parris, & Werum, 2019).

Similarly, around the world, demonstrations and violence by white nationalists and neo-Nazi groups, with extreme and hostile views of the “other,” targeting individuals who are members of what is considered diverse groups, are occurring with more frequency. Fifty-one people were killed in a Mosque in Christchurch in New Zealand in March of 2018; six Muslim worshippers were killed in Quebec City in 2017; twelve people were injured in the United Kingdom by a van driven by a man motivated by anti-Muslim hatred; a British member of parliament was stabbed to death by an avowed white supremacist for her liberal views in 2016; a rapper and antifascist activist was stabbed to death in Greece in 2013; 77 people were killed by a shooter in Norway who wanted to prevent a “Muslim invasion” (Beckett, 2019). Blatant and unconcealed racism and discrimination may not be the norm in many societies and organizations, but incidents that indicate persistent parochialism, ethnocentrism, and the Us-vs-Them attitude are not hard to find. Such attitudes are not limited to ethnic groups. Many other primary and secondary dimensions of diversity, specifically gender and sexual orientation and identity, are the basis of bias and discrimination in many countries and organizational settings.

While these examples may appear somewhat disconnected from cross-cultural management, they are a fundamental and inherent part of the cultural assumptions, values, beliefs, and practices that form the meta-context of group-level culture. They are at the heart of cultural diversity movements. It is essential for managers to be aware
of how and when these factors in CMC may influence their own and others’ decisions and actions.

6. CHALLENGES: PREJUDICE AND DISCRIMINATION

LO 5.6 Discuss prejudice and discrimination and their impact on individuals and organizations

While some may argue that the United States and other parts of the world have overcome their past history and are now postracial where prejudice and discrimination are no longer serious or significant issues, researchers have by and large debunked such assertions (e.g., Coates, 2015; Hannah-Jones, 2016). Accordingly, examples of both blatant and subtle prejudice and discrimination and hatred and violence motivated by racism are on the rise.

6.1 Examples of Prejudice and Discrimination

The legacy of colonialism and slavery may appear to be part of the distant past and many who are not part of various minority groups may rarely if ever witness or experience any instance of prejudice or discrimination. However, both continue to impact many around the world.

- In the wake of the COVID-19 epidemic, on March 9, 2020 in Los Angeles, Yuanyuan Zhu, who had moved to the United States in 2015, was going to her gym when a man shouted at the bus driving past her to “Run them over.” He then approached her and spit in her face (Tavernise & Oppel, 2020).
- A black female executive in her 60s who was boarding a plane during priority first-class seating was told by fellow passengers that she is in the wrong line.
- In March of 2020, an Asian American family in Fresno contacted police after they found graffiti on their SUV spelling out a hateful message mentioning COVID-19 (Martinez, 2020).
- Jimmy Kennedy, who had earned $13 million during his National Football League career, was repeatedly denied a coveted “private client” status at JPMorgan Chase, and after repeated attempts, was finally told bluntly that being Black and of large stature was a factor in the denial (Flitter, 2019).
- “I am a German when we win, but I am an immigrant when we lose. I am still not accepted into society” are the words of Mesut Özil, German-born soccer
superstar, when he quit the German national team citing racism as a primary reason (Smith & Eckardt, 2018).

- On April 12, 2018, Donte Robinson and Rashon Nelson were waiting to meet a business associate at a Starbucks in Philadelphia when the cafe manager called the police reporting that they were in the cafe without ordering anything leading to their arrest. Their arrest touched off a national furor over racial profiling and prompted Starbucks to take the unprecedented action of closing all its 8,000 US stores for 1 day to provide racial bias training to all its employees (Starbucks stories, 2018). The two men eventually settled their lawsuit with the city of Philadelphia for a symbolic $1 each and a promise from officials to set up a $200,000 program for young entrepreneurs (Whack, 2018).

- Ariana Miyamoto, a biracial beauty queen who was crowned Miss Universe Japan in 2015, and half Indian Priyanka Yoshikawa who became Miss World Japan in 2016 were both attacked in Japanese social media for not being Japanese enough (Miss Japan, 2016).

- Blacks are systematically undertreated for pain, and some healthcare professionals hold medically false beliefs, such as black skin being thicker or blacks aging more slowly than whites, that contribute to disparities in healthcare delivery (Hoffman, Trawalter, Axt, & Oliver, 2016) and lower life expectancies for black Americans, who face greater risk of developing a variety of health problems and not receiving equal attention and care (Schwartz & Dawes, 2020).

- Asians are more likely to be hired than other groups, but they are less likely to be promoted into management and therefore less likely to lead organizations (McGirt, 2018).

- Minority job applicants who “whiten” their résumés by changing references to their race double their chances of getting interviews and jobs even in companies with diversity programs (Kang, DeCelles, Tilcsik, & Jun, 2016).

- A black female dean does not wear jeans or dress casually, even on weekends, because campus police has stopped her repeatedly, even though she has worked in that university for over 20 years.

6.2 Stereotypes, Accessibility, and Primary Dimensions of Diversity

Beliefs and expectations about who others are and should be have real and significant consequences. We discussed various biases, including stereotypes, which are
beliefs regarding people based on the group to which they belong, in Chapter 3. Although blatant stereotypes that are deliberate and unconcealed are not as common as they used to be, subtle and unconscious biases continue to impact how we perceive others and how we act (Amodio, 2014; Fiske & Taylor, 2017).

6.2.1 Definitions. Stereotypes are the basis of prejudice, which is an emotional response to and judgment of a social group and its members based on stereotypes and other preconceptions. Prejudice can lead to discrimination, which refers to unfair and differential behaviors and actions (see Figure 5.4). As we discussed earlier in this chapter, the roots of stereotypes, prejudice, and discrimination are historical and social; they stem from our culture. The primary goal of D&I efforts is to prevent, reduce, or eliminate the impact of these processes to assure that all members of an organization have the same opportunity to contribute and to perform.

The various biases and stereotypes that we hold are rooted in our cultural assumptions; they are part of our CMC. Our stereotypes become the basis for what has been called a master status and lead to chronic accessibility of certain traits or categories. Master status refers to social positions that are the primary identifying characteristic of an individual (Van den Scott & Van den Hoonard, 2016). These characteristics become chronically accessible, meaning that they are the ones that we notice and use to categorize others (Fiske & Taylor, 2017). The visible primary dimensions of diversity are frequently used as master status and are chronically available to us. They
become what is available and easy to access and what we use to decide who others are, or should be. The more we use them, the more engrained they become, causing us to use them even more often.

The *First Person* scenario illustrated how physical characteristics and assumed ethnicity were used as the basis of assessing who the person is and making assumptions regarding what he should be doing. Research shows that the first things we notice about others is their skin color (often used as a proxy for ethnicity) and their gender; both are visible and help us to quickly categorize people. Both are also the basis of many stereotypes and prejudice that are then applied to those individuals. Our evaluation of them, our decisions regarding how we treat them, are based on that one visible and accessible master status. In Chapter 3, we discussed in detail how our cognitive processes help us simplify events and allow us to be efficient while often causing us to be ineffective.

### 6.2.2 Implicit Biases in Management and Organizations

These processes are at the heart of our *unconscious* or *implicit biases*. They are activated without our conscious knowledge and operate automatically and outside of our control before we become aware of them. While they have been the subject of cognitive psychology research for many years, it is only recently that they have been applied to managerial settings. For example, in addition to using the concept in D&I initiatives, researchers have started looking at how these biases have made their way into technology and the algorithms that are triggered in our web searches. Consider that until recently, typing “CEO” in your message box on a mobile phone would have brought up the emoji of a man in a suit; you are now likely to get both a man and a woman, but they are still both blond and obviously white. Similarly, the default for all emojis where skin color is represented is white. Subtle messages such as these reinforce stereotypes and implicit biases.

More significantly, recent studies show that various algorithms used in hiring can replicate institutional and historical biases against women and minorities (Bogen, 2019).

For example, Facebook ads for cashiers were shown primarily to women (85%) and jobs at taxi companies were shown disproportionately to black users (75%). These programs are designed to learn and replicate patterns of behaviors; it is therefore not a surprise that they learn and replicate our biases. In 2018, Amazon scrapped its Artificial Intelligence (AI)-based recruiting tool because it was found to show a bias against women. The reason was that the system was built on patterns of résumés submitted to the company over a 10-year period, most of which came from male candidates, so it learned that males were what it should look for (Dastin, 2018).

The biases in our modern technologies are a contemporary example of *institutional biases*, which refers to biases based on race or sex or other dimensions that are embedded in the fabric of our society and that systematically disadvantage certain groups. Just as our personal biases are subconscious and automatic, institutional biases
often operate below the radar and can go unnoticed for periods of time (Dobbin & Kalev, 2016). Racial and ethnic disparities in the healthcare and criminal justice systems, racial profiling, systems for school funding and governmental housing, and financial policies that favored whites and wealthier individuals and communities are societal examples of institutional biases (Jana & Diaz Mejias, 2018). Organizational practices such as regularly moving employees to different locations, evaluation and promotion criteria that are written based on stereotypically male characteristics, or the school system schedules and hours that are built on outdated gender roles are other examples. All of these practices move stereotypes and prejudice into actions and behaviors that lead to discrimination.

6.3 Discrimination

Our stereotypes and biases can translate into prejudice, and then discrimination. What you think about a group of people (your stereotypes) may create strong negative feelings, opinions, and judgments (prejudice) that can then translate into discriminatory policies, and behaviors (see Figure 5.4). The small number of minorities and women in top leadership positions is, at least partially, caused by subtle or even blatant discrimination. The many formal and informal complaints and grievances based on racial, ethnic, gender, and other forms of discrimination suggest that prejudice and discrimination impact many. Consider the following cases:

- In 2010, 60 African American workers led a suit against GE after their supervisor called them the N-word, lazy blacks, and other derogatory terms, and denied them bathroom breaks and medical attention. The company was also sued in 2005 for wage and promotion discrimination (Nittle, 2019).

- In 2018 the Big 5 corporation paid a management trainee Robert Sanders $165,000 because the store manager subjected him to ongoing racial harassment, calling him derogatory names, telling him he had the face of a janitor, and making death threats against him (https://www1.eeoc.gov/eeoc/newsroom/release/9-18-18.cfm).

- Clothing retailer Abercrombie & Fitch settled a lawsuit for $50 million brought against it by Black, Asian, and Latino employees who were not allowed to work on the sales floor because they did not look “classically American” (Nittle, 2019).

- Over the past 40 years, data from the Harvard Business School indicate that 40% of non–African American Harvard MBAs reach top ranks in organizations as compared to only 13% of black female Harvard MBAs (McGregor, 2018).
In 2019, Dante Trice and Angela Washington sued the Pearland Independent School District in Texas for humiliating their son after a teacher used a sharpie marker to color his fade haircut (where the sides and back are cut very close to the head giving the appearance of lighter color), although it did not depict any inappropriate symbols disallowed by the school’s dress code policy.

Blatant discrimination is not rare and neither are its subtler forms. A recent study shows the negative reaction of white male executives when a woman or minority is appointed as a leader of their organization. Researchers Michael McDonald, Gareth Keeves, and Jim Westphal (2018) looked at the aftermath of the appointment of 1,000 female or minority executives in various companies. They found that white males’ negative biases of their new CEOs negatively affected their identification and engagement with the company and reduced their willingness to help and support other minorities in their organization. Westphal only could provide one explanation: “I think it is part of a biased reaction to a minority assuming a very high-status position in the organization” (McGregor & Siegel, 2018).

6.3.1 Impact of Discrimination. Some of the effects of prejudice and discrimination are measurable and obvious, as in the cases described above: people lose their job, are denied promotions, get less pay, and are humiliated. Other effects are subtler. Many women and minorities feel that they have to be constantly on guard to avoid potential bias and discrimination. Georgetown University Professor Laura Roberts says: “Much of the advice that minorities are often given around advancing and succeeding emphasizes the ways in which they may need to conform or assimilate—to see who’s in power and emulate those models of power;” while they are constantly in the spotlight, every misstep is magnified and they are not allowed to be themselves (McGregor, 2018). Research cited earlier in this chapter about trying not to be “too black” further echoes the effect of subtle discrimination.

Many members of nontraditional groups have learned to “code switch” and act “white” in order to get and keep their jobs and be successful. Moses Monterroza (2017) says: “For us, code-switching is a tool that allows us to circumvent those uncomfortable situations, to put on a mask so as not to confuse people with our ‘otherness’.” Another person describes her experience: “You feel like you’re losing a part of yourself, and you feel like you have to blend in this new predicament or situation” (Monterroza, 2017). These responses to perceived prejudice and discrimination place an emotional tax on many members of underrepresented groups, preventing them from putting all of their energy and effort into simply doing their job and helping the organization achieve higher levels of success. While individuals attempt to prevent discrimination through their own actions, organizations have the responsibility, power, and resources to affect major change.
Doing Business in India

With considerable natural resources, as the world’s second most populous and diverse nation, largest democracy, and one of the oldest civilizations, India has become a vibrant and dynamic powerhouse that has undergone considerable change while presenting many stark contrasts and paradoxes. The vestiges of the British rule continue to impact the country that is now a high-tech mecca while it continues to retain deep religious and traditional roots. Understanding India is certainly not easy, so no easy guide could do it justice.

• Maybe to a greater extent than many other countries, the long and rich history of India plays a significant role even today. Read and learn about it before you go.

• Religious, linguistic, and regional diversity is considerable, so it is important that you know the background of the individuals and groups you will be interacting with. The caste system is no longer legal, but still practically in effect. There are many divisions and deeply ingrained inequalities in the country that may be hard to accept. As a visitor, try not to make assumptions and keep your judgments to yourself.

• The culture is collectivistic with deep respect for elders, one’s family and clan, and those who have power. Establishing relationships is therefore essential.

• There is a strong sense of fatalism that translates into letting things happen and not having high anxiety about time and getting things done, while there is also a strong entrepreneurial spirit. People will be late, appointments may not be kept, plans will change often. Being patient and flexible and going with the flow will help you succeed.

• Direct confrontation, especially blunt refusals, is not desirable. Practice getting to your point more circuitously and allow your partners the time and space to get to their point as well.

• Because of the cultural diversity, how you greet people, what you eat, who you can interact with, what gifts to bring, and so forth will vary greatly. Do your research about your primary partners ahead of time, so that you can avoid faux pas.

While English is one of the over 20 official languages in India, do not assume that you can get by without help. Get a guide or cultural mentor who can help you navigate this rich and complex culture that provides immense possibility for success and quick and serious mistakes.
Notwithstanding the different definitions of diversity or national variations in approaches to cultural diversity, organizations around the world have a range of options on how they address and manage diversity from ignoring it and not addressing it to fully implementing D&I practices.

7.1 Stages of D&I

Few organizations are homogeneous or completely ignore diversity. Even in countries where the labor force is ethnically homogeneous such as in Japan or Saudi Arabia, other diversity dimensions including gender or age require addressing the needs of diverse people. D&I is therefore not an “all or none” proposition; organizations can undertake a variety of efforts. Figure 5.5 presents various stages of addressing D&I, which range from:

- **Doing nothing**: The organization makes no effort to address diversity. Such uniform organizations are increasingly rare, at least in the United States, most industrialized countries, and many other countries in the world.

- **Compliance with legal requirements**: The organization conforms with the letter of the law without showing further commitment beyond avoiding legal jeopardy.

- **Valuing cultural diversity**: The organization may try to mimic the cultural diversity of its community in its employees and managers by hiring people who represent various groups or by concentrating on the needs of their community. It would provide visible artifacts to represent diversity, for example different interest groups and ethnic celebrations, and track its diversity efforts through performance measures such as percentage of minorities and women, who get promoted, and so forth. A firm operating in a Hispanic community may, for instance, recruit new employees at universities that have a large Hispanic student body, hire and promote Hispanic managers, provide various documents and services in Spanish, and devise a Spanish language marketing campaign. In this stage, the focus is often on pointing to the business benefits of diversity.

- **Systematic and Deliberate D&I**: The final stage in response to diversity is both quantitatively and qualitatively different so that the organization not only has
more processes to value diversity, it further addresses cultural diversity in more complex ways by integrating it in the mission and working on changing its culture. It is currently upheld as the model for D&I. Organizations in this stage address both diversity and inclusion, where diverse groups feel welcome and accepted.

Examples of organizations that systematically and deliberately address diversity include P&G. The company has spent over $2 billion annually over the past 7 years to build a diverse supplier group that includes 1,500 women and minority-owned businesses (P&G Diversity, 2015). It further has an extensive leader development strategy that supports diversity; has focused on multiple dimensions of diversity including physical ability; and holds managers and executives accountable by tying part of their compensation to achieving diversity goals (Burke, 2017). Other firms, such as Dow Inc., Comcast Corp, and Salesforce.com, are showing their commitment to D&I by having top executives in the C-suite, rather than in Human Resource departments only, responsible for diversity efforts (Holger, 2019).

The stated desire and goal to be both diverse and inclusive are based not only on the simple fact that the workforce and consumers are changing but also because of many of the well-documented benefits of diversity. Part V of the book will focus specifically on ways in which individuals and organizations can be effective in
cross- and multicultural environments, which include group-level culture. Here we will look at the areas an organization that aims to be inclusive can address. What can be done and what are the limits?

7.2 Organizational Options

Figure 5.6 presents a typology of prejudice and discrimination to help guide an organization’s actions. On one dimension, individuals—or groups and even organizations—may range from having prejudice and strong negative feelings toward members of other groups, to having no negative or positive feelings. On the other dimension, they may or may not act on their feelings and judgments. As a result, people are likely to have four generic approaches to how they view and react to diversity:

- Those in the upper-right quadrant (nonprejudiced and nondiscriminatory, NP-ND), are open-minded, tolerant, and appreciate and seek multiculturalism. They have few prejudices and do not act in a discriminatory manner toward others. These are the allies and diversity advocates. They are already on board with D&I.

- On the opposite quadrant, at the bottom-left (prejudiced and discriminatory, P-D), are individuals who openly show their prejudice toward different
groups and are willing to act on them. These are individuals who are most likely set in their belief system and unwilling to consider alternatives and prone to openly resisting D&I efforts. James Damore, a Google engineer who wrote a lengthy memo called *Google Ideological Echo Chamber* expressing his traditional views of women that were in sharp contrast with the company’s D&I mission, would fall in this category (Wakabayashi, 2017).

- On the upper-left side (NP-D) are individuals who do not have strong prejudicial feelings but may inadvertently discriminate or passively tolerate discrimination. They are generally unaware of cultural issues and may have an open mind, but either because of lack of knowledge or interest in learning about cultural factors, or simply because they act out of habit or follow others, they may discriminate against some groups.

- At the lower-right side are individuals with strong prejudicial convictions who do not act on them (P-ND). They may abide by perceived social norms, bow down to peer pressure, or abide by organizational directives regarding nondiscrimination, all the while their personal beliefs and feelings remain intolerant of out-groups. For example, business owners who continue to serve diverse customers and immigrants while still holding prejudicial feelings toward them would fall in this category. They suppress their feelings and their judgments of the “other” and behave in socially acceptable or financially beneficial ways.

Individuals in each of these quadrants have different CMCs and operate based on different assumptions, values, and beliefs. Therefore, they are likely to respond very differently to an organization’s effort to create or maintain a diverse workforce and would require a different program: there is no “one-size-fits-all” approach to implementing D&I programs.

### 7.2.1 Implementing D&I Programs

The classification depicted in Figure 5.6 can be used to catalog organizations as well and can provide a framework for D&I. For example, organizations that are simply complying with legal and regulatory pressures, without a mission or culture that supports diversity, may fall into the lower-right quadrant. Those that are champions of diversity and integrate D&I in their culture, strategies, and processes would place into the upper-right quadrant. Many organizations fall in the middle with careless and inadvertent discrimination because, although they may have good intentions, they have not fully aligned their values and beliefs with their processes, mission, and culture.

For example, consider a university that abides by the Federal Title IX mandates that require it to address diversity issues as they relate to their students and includes the appropriate language in their documents. Accordingly, all faculty, staff, and students are
required to complete a yearly diversity-related training. However, the university does not collect data beyond what is required for student issues, does not provide support to address faculty and staff diversity challenges, and has few systems in place to address discrimination for employee. As a result, although it aims to support diversity, it lacks some of the systems it needs to address any issues that may arise.

So, whom should organizations target? Where would resources be most effectively and efficiently expended? Each group in Figure 5.6 needs a different type of support and training; there is no one-size-fits-all solution. As social science research has well established, changing behaviors is much easier than changing feelings and attitudes. Additionally, actual behaviors are, by and large, appropriate areas to address in work settings, whereas feelings are not. Organizations can expect their employees not to discriminate, but cannot require them not to have prejudices. While we may hope to also change employees’ and managers’ beliefs and feelings, organizations cannot address them directly.

Those who are in the NP-ND group do not need basic training and information about the importance of diversity; rather they need resources and support to expand the D&I focus. They are ready to be the change champions and allies and likely willing to mentor others and take on leadership and advocacy roles in the D&I process. British consultant Sheree Atcheson (2018), who specializes in D&I, defines allies as “any person that actively promotes and aspires to advance the culture of inclusion through intentional, positive and conscious efforts that benefit people as a whole.” On the opposite end of the spectrum are those who are in the P-D group and who are likely to be unwilling to learn and change. They are a poor fit for organizations that are diverse and aim to be inclusive. James Damore, the Google engineer, was eventually fired from Google (Wakabayashi, 2017). The NP-D group is an excellent target for growth and development. People in this group are generally not prejudiced and not likely to hold strong stereotypes and may have an open mind. However, they lack awareness, knowledge, and information. Training and development can help them recognize the power and impact of their action. Finally, the P-ND group can be a challenge. Their feelings and judgments may be well hidden and they may abide by organizational policies and act in a nondiscriminatory manner. Changing their deep-seated assumptions may not be possible.

The classifications presented in Figure 5.6 are not just for nondiverse individuals; everyone operates with a CMC. Members of diverse groups also can be found in different quadrants. We all have culture and a cultural identity that shape our perspectives. Everyone’s CMC acts as a context and as a guide. Culture is not about just diverse people. Gaining awareness of our own cultural assumptions, values, beliefs, and behaviors is a necessary starting point for everyone. Additionally, we all have explicit and implicit biases. Therefore, training and development and participation in various programs should not target just one group. Furthermore, it is important to focus on broad diversity factors rather than making a program just about a minority group. Learning
about unconscious biases, the processes that they engender, and how to address them
benefits all members of an organization in their interactions with diverse groups.

7.2.2 Focused Targeting of D&I Programs. Going back to the basic question at the
beginning of this chapter: How do we address diversity? There is, of course, no simple
answer. There is considerable evidence that shows that many programs that target
only one group (often white males) fail and may create a backlash (e.g., Dobbin &
Kalev, 2016; Rampen, 2019; Weber, 2018). Creating guilt and shame is not effective in
any type of learning and equally ineffective in business settings. Given the disagree-
ments, controversies, and diversity in the definition of diversity, it is clear that there
is not one program that works for everyone. People have different views of culture and
its role and different CMCs. Managers can disagree with and debate the benefits and
consequences of various diversity programs and how they are implemented.

What is not debatable, and is increasingly critical, in the global business envi-
ronment is understanding the fact that people’s cultural identities are diverse and that
they have different CMCs. We simply cannot manage everyone the same way, or
assume that our own CMC and its corresponding assumptions, values, beliefs, and
practices are the norm and will or should work for everyone. There are no right or
wrong cultural values; CJI. Therefore, managers in today’s global environment must
learn how to develop a CM that allows them to address the needs of their diverse
employees. Being aware of your CMC and how it acts as a background and a guide is
essential. Your own culture and your biases and how they operate (THINK) is the
starting point. Having knowledge about diversity, its historical and social roots, and its
challenges and benefits, the topics we have addressed in this chapter, provides the
KNOW and some tools to start the difficult conversations.

FIRST PERSON REVISITED

The salesperson in the opening anecdote is experiencing the impact of stereotypes. His
Mexican origin, its corresponding physical characteristics, and the stereotypes they trigger
are used as a master status that creates certain expectations regarding who he is and what he
should be doing. Those expectations are the first thing people access when they see him and
cause them to disregard relevant and factual information about who he is and his role in
those settings. While for some, these biases may be intentional and even malicious, in
many other cases, they are simply implicit and subconscious and rooted in people’s CMC.
Changing them starts with awareness and then knowledge and information.
APPLYING WHAT YOU LEARNED: HOW TO BECOME AN ALLY

A diversity ally is someone who is committed to D&I and actively promotes equality, equity, and fairness through words and actions to benefit all members of an organization. Based on material you have read in this chapter, you know that to be an ally you must both not hold strong stereotypes (both positive and negative) of others and not discriminate against others. An ally does not need to be a member of a specific group since many of us have multiple cultural identities. Here are some steps you can take:

1. Work on self-assessment through reflection and feedback. You must become aware of your own explicit and implicit biases and their impact on your thinking and actions.

2. Connect with diverse individuals and groups in your organization and develop strong relationships.

3. Be open to learning; ask questions when you don’t know.

4. Practice what you preach—your actions are stronger than your words.

5. Listen and trust others—you may not understand or have direct experience with what they are experiencing and describing; you have to be willing to trust and empathize.

6. Focus on lifting others—all others, regardless of the group they belong to.

7. Call out inappropriate behaviors when you see and hear them.

8. Use inclusive language.

9. Be humble and an active listener; learn to ask questions.

10. Finally, remember that others must see you as an ally; it is not something that you can declare for yourself and it is not about you!
MANAGERIAL CHALLENGE: OFF-COLOR COMMENTS

One of your highly productive team members who has been with the organization the longest has made slightly off-color comments that border on inappropriate. Recently, she commented on how cute one of your new clients is and was wondering if he may be gay because he is so well put together and always smells so nice. She is a bit too friendly with him, but he seems to respond well to her. On another occasion, she made a joke about not being able to make sense of a colleague’s memo and how it seemed to be written in Arabic (the colleague is Egyptian). These are not common occurrences, but they come up. Aside from these comments, this productive team member is extremely helpful and goes out of her way to support others, mentor new people, and is generally cheerful and positive. She really contributes to the team and to the organization. You have noticed that others sometimes cringe at her jokes and comments, but no one has complained.

1. What is your assessment of the situation?
2. What can you do? What should you do?
3. What are the implications of your actions?
SELF-ASSESSMENT 5.1: THE IMPLICIT BIAS TEST

We have talked about biases in Chapter 3 and revisited the topic in this chapter. We know that our brain has developed to process information quickly and efficiently. The need for efficiency along with our desire to be consistent make all of us subject to biases. The first step in being able to address our biases is to be aware that we have them and use them. While we can identify some of our biases with reflection and self-observation, others are deeply engrained, implicit, and hidden.

The Project Implicit at Harvard University provides a broad range of test of implicit bias. You can take as many of the self-assessments as you would like at https://implicit.harvard.edu/implicit/takeatest.html.

Consider the following questions after you complete the self-assessments you selected.
1. Why did you take the assessments you did?
2. To what extent did the result surprise you?
3. What did you learn about yourself?
4. How can you use this information in the future?
SELF-ASSESSMENT 5.2: THE STEREOTYPES I HOLD

All of us hold stereotypes about various groups. We acquire them from our family and community and through our own experiences. While some may appear to have some basis in fact, stereotypes always overgeneralize people based on the group to which we think they belong and therefore are likely to lead us to either oversimplify or make mistakes regarding others. The first and most significant step to prevent mistakes is self-awareness.

1 Identification

Using the grid below, identify several stereotypes that you hold about different groups, exploring the sources and listing personal experiences related to them. An example is provided. This is a self-assessment to allow you to reflect and grow, not a class exercise. The more honest you are, the more you will benefit.

<table>
<thead>
<tr>
<th>Stereotype</th>
<th>Source</th>
<th>Personal Experience</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Example:</strong></td>
<td>My grandfather always said that.</td>
<td>My Chinese team member last semester was very quiet.</td>
</tr>
<tr>
<td>Asians are good team members but not leaders.</td>
<td>I learned about Asians being team players and conformists.</td>
<td>Asian students in class rarely talk.</td>
</tr>
<tr>
<td></td>
<td>I have read about Japanese baseball and how they are good at teams.</td>
<td></td>
</tr>
</tbody>
</table>

[Table cells filled with example information]
2 Looking for Disconfirmation

For each of the stereotypes you listed above, reflect on events or evidence that you have either directly or indirectly that contradicts the stereotype and may disconfirm it. Finding or remembering disconfirming information may be difficult since our cognitive processes and biases may interfere with that process. An example is provided.

<table>
<thead>
<tr>
<th>Stereotype</th>
<th>Disconfirming Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Example:</td>
<td></td>
</tr>
</tbody>
</table>
| Asians are good team members but not leaders. | • The Japanese, Chinese, Indians, and Koreans are leading the world in many areas of business.  
• There are many Asian leaders in high-tech firms.  
• The Japanese are courageous military leaders. |

3 Review and Plan

Now that you have some awareness of a few of the stereotypes you hold, consider the following:

- How often have you relied on these stereotypes?
- What have been the outcomes?
- What changes can you make?
- How will you go about making those changes?
EXERCISE 5.1: EQUALITY AND EQUITY

Objective: This exercise addresses the cognitive factors in CM.

Instructions:

Consider the image below:

Group Work

In your group discuss the following questions.

1. What does each panel present? What approach does each represent? What is the key message?
2. What are some examples of each approach in society and in organizations?
3. How would each approach translate to organizations? How would managerial and organizational practices differ under each approach?
4. What are the implications of each?

Debate

Your instructor will assign you to one of two groups: Equality vs. Equity. Prepare persuasive arguments for the approach you have been assigned to make the case that it is the best approach to addressing diversity in organizations.
EXERCISE 5.2: STATEMENTS ON D&I

Objective: This exercise builds your knowledge of diversity.

Instructions: Read the prompt before completing the individual and group exercises below.

Most companies have some statement regarding D&I posted prominently on their website. Here are some examples:


A commitment we take pride in

The people who use our products every day are as diverse as our world. The more we reflect them, the better we can understand their needs. That’s simply meeting expectations.

Inclusivity is where we go beyond them. Our employees are encouraged to bring their unique selves to work every day, and bring out the best in each other. Because when every skill is used and every voice heard, positive change can happen.


McDonald’s has potentially created more economic impact for diverse communities than any other company in the world. Our belief is rooted in “**Diversity IS Inclusion**”, a bold and seismic value proposition where EVERY individual feels their culture, identity, and experiences are valued and respected. We know that listening to and participating in knowledge-sharing and eclectic insights has helped make us the organization we are today—from our crew members to our board members. From our suppliers to our customers to our community partners.

By aligning our “**Diversity IS Inclusion**” proposition with our culture pillars of **Customer Obsessed, Better Together,** and **Committed to Lead,** we are affecting the business in a positive way.

**Google** ([https://diversity.google/](https://diversity.google/))

Making progress on diversity, equity, and inclusion

Google’s mission is to organize the world’s information and make it universally accessible and useful. When we say we want to build for everyone, we mean everyone. To do that well, we need a workforce that’s more representative of the users we serve.

Google is committed to creating a diverse and inclusive workforce. Our employees thrive when we get this right. We aim to create a workplace that celebrates the
diversity of our employees, customers, and users. We endeavor to build products that work for everyone by including perspectives from backgrounds that vary by race, ethnicity, social background, religion, gender, age, disability, sexual orientation, veteran status, and national origin.

*Individual Work*

Search for two other statements on D&I in other organizations (business, nonprofit, health care, education, or government).

1. How are they similar or different?
2. What are common themes?
3. What makes some more powerful than others?

*Group Work*

1. Review the D&I statements that each of your group members have found.
2. Identify the common themes.
3. As a group, develop a D&I statement for one of your member's companies or for your university, school, or college.
4. Prepare a 5-minute presentation to pitch your D&I statement.
CASE STUDY: PERSONAL TRAGEDIES

George Williams

George Williams has been working for his company for over 20 years. He knows almost everyone and has good relationships with his coworkers. He occasionally goes out to lunch with coworkers and regularly attends company picnics and other annual events with his wife and family, when they are invited. Their home is relatively far from work, and he spends his evenings and weekends with his family and friends, who are almost all from his community rather than from work.

Last year, George’s wife, Elizabeth, developed a serious illness that required extensive hospitalization and outpatient care and sadly passed away after a few months. While she was ill and needing care at home, George used some of his many accumulated sick days and vacation days to attend to her, while their several grown children who live close by all pitched in. When Elizabeth passed away on a Friday afternoon, George was understandably devastated. He spent the weekend with his children making the funeral arrangement, which was set for the following Thursday in the afternoon. On the Monday following his wife’s death and the rest of that week, George went to work. He did not tell anyone about his wife; no one even knew that she was sick. He took Thursday afternoon and the following Friday off to attend the funeral and went back to work on Monday.

One of George’s coworkers who lives in the same community as him found out about Elizabeth’s death and told their boss on the Monday after the funeral. George’s boss got him a condolence card and sent flowers on behalf of the company; coworkers awkwardly stopped by to tell George how sorry they were. He stoically accepted his coworkers’ sympathy. Life at work went back to normal.

Grace Santos

Grace Santos was born in the United States, the only daughter of Filipino immigrant parents. Her father passed away when she was in college and her mother Joyce, and one of her three brothers, Joseph, decided to return to the Philippines a few years ago to be closer to the large extended family. The other two brothers and Grace built successful business careers in the United States. Grace has been working for 12 years for the same company since she graduated with her accountancy masters and has done very well. She is a well-respected and well-liked manager and has been promoted several times and is being considered for a top leadership position.

Grace’s mother, Joyce, who lives in the Philippines developed a serious illness that required extensive hospitalization and outpatient care. Her son Joseph, her sisters, and
brothers and cousins all took turns to care for her, but Grace had to travel to Manila to help her mother. Her boss was understanding as Grace took time off using her many days of accumulated sick leave and some vacation days. He suggested that Grace take family leave but she decided against that option and volunteered to do work remotely while with her mother in Manila. Although she managed to get a lot of work done and kept up with all the demands and deadlines, many of her coworkers have made comments about her absence.

Over a 1-year period, although Grace’s mother was stable, she was not really improving, so Grace made two extended trips to be with her. Unfortunately, Joyce passed away while Grace was back in the United States. Grace was devastated. She told her boss that she was traveling back to Manila but did not have a return date planned because she had to take care of her mother’s house and support her family. She used the 2-day bereavement leave and since she had only a few days of sick leave and vacation left, asked her boss to support her with some flexible work options again.

The company allowed employees to donate sick days to other employees and Grace got a few days from several of her closest associates. They also sent flowers and a card. Although Grace was one of his best employees and she managed to still get her job done remotely, her boss was irritated and wondering if Grace is really committed to her job, a feeling that was shared by several others in the company. He was reconsidering whether she really is leadership material.

Questions

1. What is your reaction to how George and Grace each handled the challenges posed by a sick family member?
2. What is your evaluation of the behavior of each of their bosses and coworkers?
3. In your opinion, were the situations handled properly?
4. What role do you think George and Grace’s culture plays in this situation?
5. What role do you think your culture plays in your assessment of the situation?
6. How should managers handle these types of situations?