Managing Diversity

Janet Sayers

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Contents

1 Introduction

Managing diversity refers to a range of management and leadership practices that aim to value diversity in the workforce and help an organisation be more successful. The goal of managing diversity is to encourage productive and mutually beneficial interactions among employees in any organization and to value employees with different backgrounds, needs, and skill sets in order to produce optimal benefits for employees, for the organisations they work for, and for communities and customers they serve.

This book provides a full discussion of the development of modern managing diversity practice and is divided into four main parts: background, theory, groups and practice. The aim of this book is to provide an introductory overview of the practice of managing diversity and theoretical debates in the area.

This introduction covers the role of historical struggles in the development of managing diversity practice today, and then overviews the types of contemporary social and demographic changes that make managing diversity an urgent topic for managers world-wide. The second section, conceptual tools, presents concepts necessary to understand and analyze managing diversity. The third section, groups, presents more in-depth discussion of each of the main groups that managing diversity programs often focus on. The fourth and final section, practice, presents practical tools for implementing valuing diversity initiatives, and also to prevent discrimination and harassment from occurring.

The audience for this book is anyone wanting a general overview of this field.

> **Learning activity:** Choose recent newspaper or magazine article/s featuring a managing diversity issue. Discuss the article in groups. Why is this issue important for 1. organizations 2. managers 3. employees 4. customers and 5. communities?

A number of terms are used when people discuss and practice managing diversity. It can be quite confusing when learning about this area for the first time. Go to the 'Useful websites and resources' section for a link to a table of terms and their definitions used in this book. This table can be used with a simple learning activity to help learners become familiar with terminology – see the learning activity below.

> **Learning activity:** Print off the table of terms given at the end of this book. Select some grouped terms, memorize them, cut up the table, shuffle, and reconstruct the table from memory.

1.1 Background

Contemporary managing diversity practice emerged from a history of social activism. Understanding this history assists in appreciating the struggles of the past for equal rights, acknowledges the lessons that have been learnt, and helps explain the approaches and debates that now characterize the field of managing diversity.

Countries throughout history have sought solutions to inequality and discrimination in different but related ways. For instance human slavery has been widely condemned for centuries in many countries and yet human slave trades persist right now in the form of the sex slavery of women and young girls and immigrant illegal slave labor even in advanced economies. Humanists like human rights advocates, trade unionists, women's groups, and other activists have persistently brought issues of inequality and unfairness into public consciousness throughout human history and their role continues to the present day. These movements have been crucial to the development of progressive organisations throughout the world that operate in socially responsible and ethical ways.

Indigenous Rights and Anti-Slavery | Women's Rights Movement | Civil Rights Movement | Disability Activism | Managing Diversity
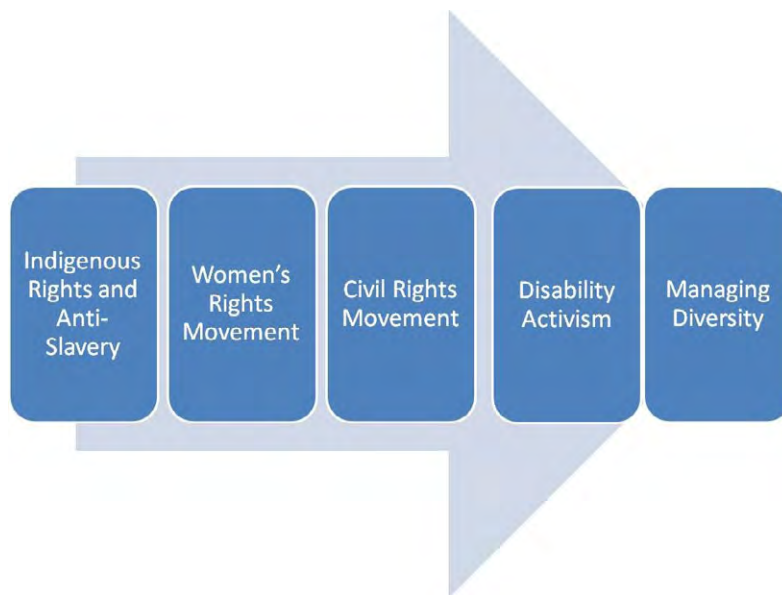
Figure1: Influence of social activism on managing diversity

Two movements particularly influential in the development of modern approaches to managing diversity are anti-racism (starting with anti-slavery and then the civil rights movements) and feminism (or women's rights). Although an in-depth discussion of these two movements is beyond the limits of this textbook, it is important to acknowledge the important role these social movements have had on assisting equal rights at work for all people (or indeed any social contexts).

Figure 2: The Official Medallion of the British Anti-Slavery Society (1795)

The anti-slavery movement was established from the mid 1700s onwards to curb the slavery trade which engaged in the traffic of people as slaves from Western Africa to the New World of the Americas. The progressive societies set up at this time around the world to eradicate the slave trade were largely successful and then during the late 1880s to early 1900s their emphasis started to include protecting aborigine peoples from the excesses of colonialism. The civil rights movement, a worldwide movement to extend the right to full participation of all peoples in the social and institutional life of nations, started alongside anti-slavery but was brought to the attention of many through American civil rights protests in 1960s USA. Non-violent methods of struggle like the protest march were used, e.g. like those associated with Martin Luther King Jnr.

Excerpt from Martin Luther King Jnr's 'I had a dream' speech

…Let us not wallow in the valley of despair.

*I say to you today, my friends, so even though we face the difficulties of today and tomorrow,
I still have a dream. It is a dream deeply rooted in the American dream.*

*I have a dream that one day this nation will rise up and live out the true meaning of its creed:
"We hold these truths to be self-evident: that all men are created equal."*

*I have a dream that one day on the red hills of Georgia the sons of former slaves
and the sons of former slave owners will be able to sit down together at the table of brotherhood.*

*I have a dream that one day even the state of Mississippi, a state sweltering with the heat of injustice,
sweltering with the heat of oppression, will be transformed into an oasis of freedom and justice.*

*I have a dream that my four little children will one day live in a nation where they will not be judged
by the color of their skin but by the content of their character.*

I have a dream today.

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> *I have a dream that one day, down in Alabama, with its vicious racists, with its governor having his lips*
> *dripping with the words of interposition and nullification; one day right there in Alabama, little black boys*
> *and black girls will be able to join hands with little white boys and white girls as sisters and brothers.*
>
> *I have a dream today.*
>
> *I have a dream that one day every valley shall be exalted, every hill and mountain shall be*
> *made low, the rough places will be made plain, and the crooked places will be made straight,*
> *and the glory of the Lord shall be revealed, and all flesh shall see it together…*

In the 1970s and 1980s many organisations introduced anti-racism training and associated programmes with mixed success. Much learning occurred in this period about the limits of confrontational approaches to anti-racism and the emergence of new models towards assisting facilitation of cultural understanding. Many people working within the field of anti-racism, including intellectuals at the forefront of the movement, began to feel ambivalent about the ways the terms 'racism' and 'racist' were being used to describe social behaviour. The terms were not subtle enough to differentiate between extreme racist acts of organisations like the KKK (Klu Klux Klan in the USA) or of WWII's Jewish Holocaust, and organisational processes and everyday practices. There was a radical backtrack away from describing behaviour as racist, and a turn to describing processes of 'racialisation'. The important distinction between the terms 'racism' and 'racialisation' is discussed further in this book.

Like the struggle of anti-racism, feminism has also worked to overcome women's oppression and has been instrumental to the enjoyment many women have today in meaningful paid work. Although the struggle for equality for women is far from over, women's rights activists have been central to gaining two fundamental human rights for women in many countries around the world: the right to vote (first wave feminism), and then the right to equal pay and equality at work (second wave feminism). Even these basic rights are far from secured, especially in some less progressive countries around the world. Equal Pay legislation is only a relatively new feature even in democratic countries with gender equality promoted in political spheres. The United States legislated for Equal Pay in 1963, the United Kingdom in 1970, and in France in 1972. These laws made it illegal for men and women to have different formal pay scales.

Learning activity: Write a brief story about a typical day if you are a woman, or the typical day of a close woman friend or relative if you are male. Include in your day what you chose to wear, catching public transport to get to work or study, meeting friends at a café for lunch, going out in the evening with your boyfriend, living arrangements and so on. Reflect upon how the freedoms we take for granted today have been fought for and won in the past. In many countries in the world these simple freedoms are still not available to women.

Like anti-racism feminism experienced a period of backlash in the 1970s and 1980s. As with anti-racism, lessons learnt from challenges to the legitimacy of feminist arguments about the foundations of sexism in society enabled more nuanced and useful concepts to be developed to understand practice.

Other social movements have also been critical and could just as easily be emphasised: 'grey-power' (the activism of older people), sexuality awareness activism (gay and transgender rights) and that of disabled people. Activists within each of these communities have had important roles to play in bringing pressure to bear on governments for social justice and reform.

Although social activists might appear to be concerned with their own area of reform – e.g. women's equality, anti-racism, disability rights – there has been and continues to be alliances between movements. People that are concerned with humanistic issues of social justice tend to sympathise and engage with other groups' causes also. Women and minority groups are not passively acted upon but have histories of developing resistance strategies and coping mechanisms. Each of these groups is addressed in more detail further on in this book, and discussion about each group in managing diversity practice.

1.2 What is diversity?

What do we mean by diversity? Definitions of diversity can range from narrow definitions to do with the study of identity to broad and all-encompassing definitions which describe changes in society (i.e. society is becoming more diverse).

When the word diversity is used it often means that groups are being described from the outside. When the word identity is being used it means that people are trying to understand what it means to belong to a social and cultural group. An 'identity group' is a group of people who share the same history, understandings, values and other features that constitute how they identify with each other, and the way people outside the group perceive them.

Often diversity is differentiated along primary, secondary and tertiary dimensions. Primary dimensions can include such identity characteristics as gender, ethnicity, race, sexual orientation, religion, age and mental or physical abilities and characteristics.

Secondary characteristics are argued to be less visible, exert a more variable influence on personal identity, and add a more subtle richness to the primary dimensions of diversity. They may include: socio-economic background; education; geographic location; first language; political or ethical orientation; family status; work style; work experience; military experience; organisational role and level; income and even communication style. Any of these factors could be a basis for discrimination; e.g. education is sometimes used a basis for excluding people from positions (e.g. people that have gone to private schools). Another factor often discussed is physical appearance or attractiveness discrimination. 'Attractive' people benefit from a 'halo' effect which means that people tend to attach positive characteristics to good-looking people. Research shows people who stick to traditional canons of beauty earn consistently more (10%+) than their peers.

In short, diversity can involve a 'kaleidoscope' of characteristics with some researchers listing up to 50 possible 'diversity dimensions'. Religion is a primary identity factor for many people, but models of diversity emanating from the secular West almost always place it as a secondary factor. It is placed as a primary factor in the diagram below.

**Primary Diversity
Dimensions** – Gender,
Race, Age, Ethnicity,
Sexual orientation,
Physical ability, Religion

**Secondary Diversity
Dimensions** – Marital
status, Parental status,
Appearance, Income

**Organizational or
Tertiary Dimensions -**
Work location,
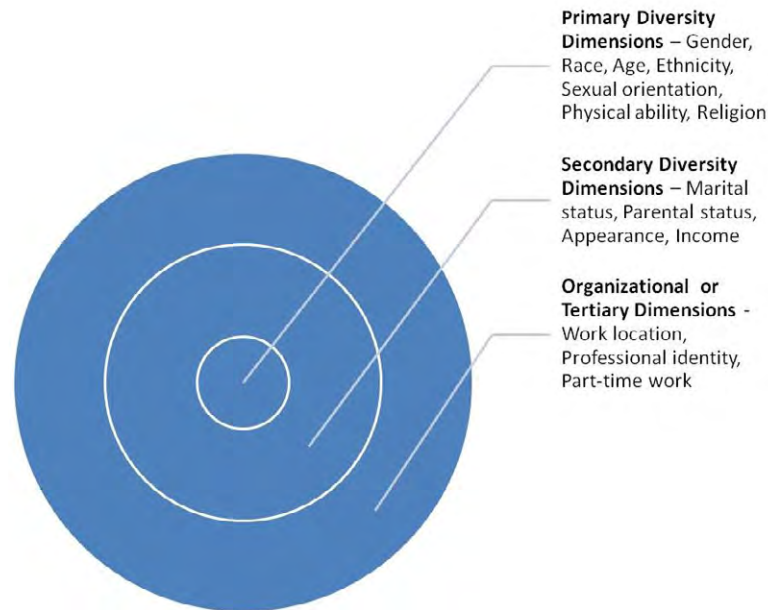Professional identity,
Part-time work

Figure 3: Diagram showing primary, secondary and tertiary characteristics of diversity

Tertiary or organisational dimensions of diversity are usually to do with the organisation itself, especially with aspects such as department divisions, the type of business, whether the organisation is hierarchical or horizontal and the type of organisational climate or culture. Being valued by the organisation is a key aspect of employee satisfaction; a major factor for employees in feeling valued is their relationship with their line supervisor. How a line manager values diverse employees is an important factor in employee work satisfaction. If line managers consider diversity to be something to be avoided, ignored, left out, or even actively discouraged, then this is a problem from an organisational and employee perspective.

One theme in the diversity literature is that diversity should not be thought of as simply 'identity-group representation' as people can belong to multiple identities, and no single identity can be understood autonomously. Individuals can obviously belong to multiple categories and also affiliation to groups can change over time. People move in an out of identification with particular groups: for instance, people get older and everyone will eventually be a mature worker. Belonging to an identity group is not a permanent or unchangeable circumstance. Individuals can and do alter their affiliation to groups all the time: for example, people identify with different ethnic groups depending on who they are communicating with or in order to assimilate into a new culture, and people can and do change their gender and/or sexual orientation. In addition individuals within groups are heterogeneous which means that they are all different. Men can have 'feminine' characteristics and women can have 'masculine' ones and people have personality traits that make them quite unique.

Globalization means it is becoming increasingly difficult to tell from a person's observable physical characteristics (such as their color, age, gender, dress, racial markers, or accent), their cultural or ethnic identity. Sometimes people prefer to identify with their virtual communities on the Internet or with other 'tribes' like skateboarders. A further complicating factor from a management point of view is that individuals do not necessarily want to be identified by their color, gender, ability level, or other characteristic, and may find it offensive if others label them in this way.

Diversity 'groups' are not static but they are also not necessarily 'minority' groups. The issue is whether or not a group is 'minoritized' rather than if they are a minority group. 'Minoritized' groups are actively constructed as 'other' outside of the dominant group/s through social practices. For example, men can be a minoritized group in early childhood education as most employees are women. Older workers can be a minoritised group because they may be associated with negative stereotypes around aging that are wrong, even though they might be a 'majority' group.

Despite primary identity markers seeming to become more fluid and less stable, identity is paradoxically becoming more important to people. Individuals see themselves as belonging to wider social category/ ies: female, male, European, indigenous, bi-sexual, homosexual, differently abled, older worker and so on and may strongly identify with these groups.

'Managing diversity' might refer to any initiative introduced to manage any of the issues associated with issues of diversity or identity. This is discussed next.

1.3   Managing diversity

> Joan Acker says the underlying issues that diversity practices address are: *"…systematic disparities between participants in power and control over goals, resources and outcomes; workplace decisions such as how to organise work; opportunities for promotion and interesting work; security in employment and benefits; pay and other monetary rewards; respect; and pleasures in work and work relations."* (Quoted in S. Sayce)

1.3.1   Justifications for valuing diversity today

Managing diversity practice today is still justified by three reform impetuses that have influenced managing diversity practice during its development.

Initially workplace policies and practices focused on eliminating discrimination and achieving justice (fairness) through legislation. Legislative reform included equal pay initiatives and human rights legislation to ensure people were not directly discriminated against because of their gender, ethnicity, age or other factors not relevant to the job. These practices emerged because of political pressures to lessen the negative effects of discrimination and direct sexism and racism.

Later (in the 1970s and 1980s) organisational focus became more on celebrating diversity and promoting access to the benefits of work. The 'hard' approaches of affirmative action and quota systems caused intergroup conflict and the unintended consequence of a 'backlash' against women and people of colour who were accused of not deserving jobs or promotion. In brief confrontational practices alienated many people and there was a discernible backlash against feminism and anti-racism that created poor cultures and climates for the forwarding of equality initiatives in organisations.
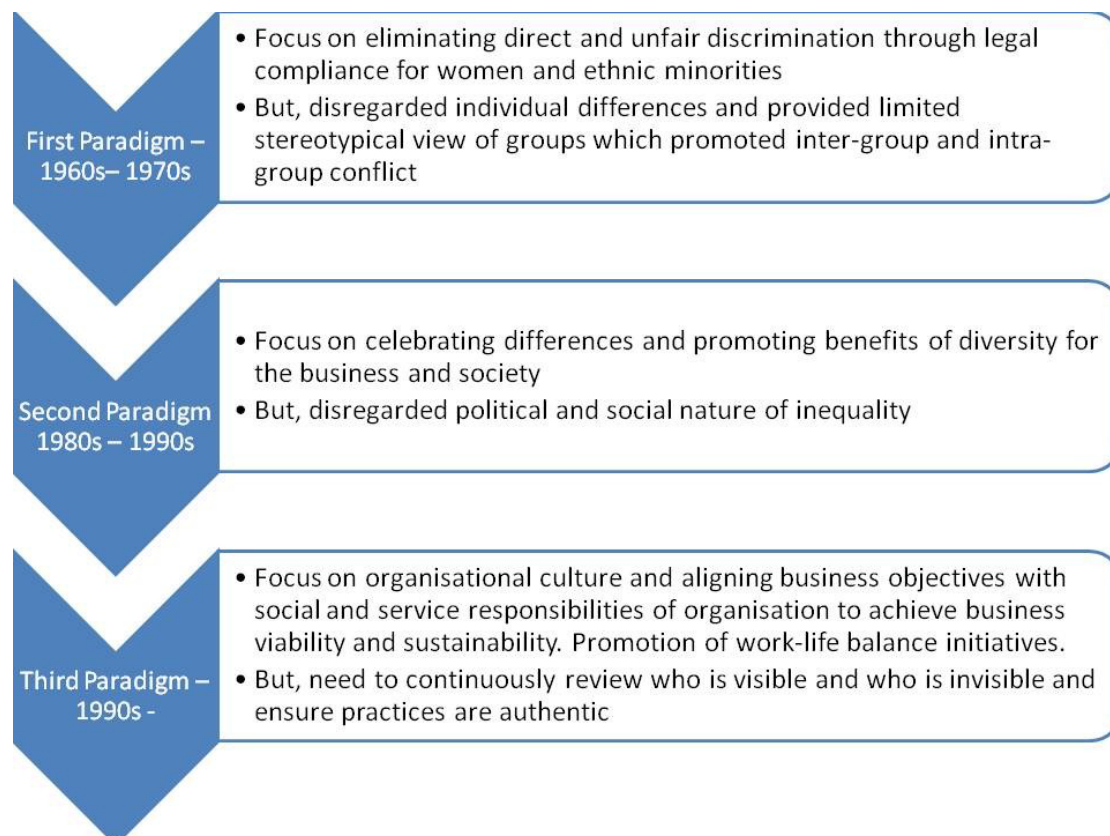
First Paradigm – 1960s– 1970s
- Focus on eliminating direct and unfair discrimination through legal compliance for women and ethnic minorities
- But, disregarded individual differences and provided limited stereotypical view of groups which promoted inter-group and intra-group conflict

Second Paradigm 1980s – 1990s
- Focus on celebrating differences and promoting benefits of diversity for the business and society
- But, disregarded political and social nature of inequality

Third Paradigm – 1990s -
- Focus on organisational culture and aligning business objectives with social and service responsibilities of organisation to achieve business viability and sustainability. Promotion of work-life balance initiatives.
- But, need to continuously review who is visible and who is invisible and ensure practices are authentic

Figure 4: Justifications for managing diversity practice since 1960s

This softening of the approach that characterised the 1990s was beneficial in that managing diversity became more widely accepted. By aligning diversity with business objectives managing diversity could be rationalised in terms of the positive and constructive language of business and especially service provision. Celebrating diversity and individual difference was recognised as being crucial to promoting intercultural harmony and getting acceptance of women in top management roles and in non-traditional occupations.

The Business Case for Diversity

Managing diversity adds value to a company by increasing productivity. These benefits can include:

1. increased retention;
2. reduced absenteeism;
3. better recruitment pool;
4. improved productivity;
5. improved staff loyalty, morale and job satisfaction;
6. greater customer satisfaction and sales;
7. access to wider markets;
8. improved public relations;
9. making the business more attractive to investors;
10. lowered risk of discrimination claims;
11. and lowered risk of safety and health claims.

In organisations today the focus tend to be on: developing cultures that encourage diversity; preventing the harmful health effects of bullying and harassment; aligning diversity with organisational strategic visions and values; social and ethical responsibility; the development of 'learning' organisations; and managing knowledge.

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1.3.2   Government approaches

The reality of organisational practice is that diversity adds real value (see the Business Case for Diversity above) and each justification above can be used by managers to encourage maximum engagement of individuals in organisational life. In addition, work is so important to productive life and social harmony, most governments will legislate for minimum standards of conduct that businesses must reach. This is to ensure that organizations do not discriminate and treat people fairly. Governments achieve this through providing human rights and employment legislation.

Because discrimination is pernicious and employment is so important, governments are always involved to some extent in setting parameters for acceptable behaviour around employment issues. When governments 'deregulate' the economy they are effectively reregulating for different sets of economic, social and political requirements.

There are four main governmental or social and employment policy rationales that can help us understand the reasons for government legislation. These are the liberal, radical, laissez-faire and business case approaches, and they overlap to some extent with the phases in organizational practice explained previously as organizations have to conform to legislation.

Radical
- Inequality is structural
- Focus on equal outcomes through targets and quotas

Liberal
- Processes should be fair and just
- Focus on anti-discrimination legislation and fair human resource policy and practices

Business
- Business outcomes benefit from diversity
- Focus is on organisational culture, service and learning

Laissez-faire
- Markets determine people's value
- Non-intervention in the labour market

The radical perspective argues that inequality in society and employment is historical and structural. Discrimination occurs because inequality is deeply embedded in social, political, and economic structures. Simply having anti-discrimination or human rights legislation is not enough. Often this strategy advocates hard affirmative action processes (which may involve using quota systems). This view was perfectly stated by US President Lyndon B. Johnson in 1965.

USA President Lyndon B Johnson

"Imagine a hundred-yard dash in which one of the two runners has his legs shackled together. He has progressed ten yards, while the unshackled runner has gone fifty yards. At that point the judges decide that the race is unfair. How do they rectify the situation? Do they merely remove the shackles and allow the race to proceed? Then they could say that "equal opportunity" now prevailed. But one of the runners would still be forty yards ahead of the other. Would it not be the better part of justice to allow the previously shackled runner to make up the forty-yard gap, or to start the race all over again? That would be affirmative action toward equality." Lyndon B Johnson, US President, Commencement Address at Howard University (June 4, 1965)

Critics of this view argue that the focus on outcomes and quotas merely shifts unfairness from one group to the other, resulting in 'reverse discrimination'. Some members of the disadvantaged groups themselves argue that affirmative action devalues their achievements by raising suspicion they didn't really deserve the job or promotion. Although this tactic to reverse inequality is now unpopular in America (ending up with legal cases of 'reverse discrimination') it still remains an important strategy in some countries to attempt to right the wrongs of the past.

In South Africa affirmative action has been used in public policy reform to create organisations that are representative of the wider population and to address historical inequalities. Affirmative action has used targets (quotas) although how effective they have been is debatable. Most people seem to agree that education is the key factor in dealing with social inequalities in South Africa. In organisational contexts affirmative action policy is worded as language of empowerment rather than targets and quotas.

The 'liberal perspective argues fairness in employment exists when all individuals are enabled freely and equally to compete for social rewards and so the role of policy makers is to ensure that the rules are fair. Monitoring and auditing of progress and outcomes is often a focus.

The business rationale which focuses on having front-line employees that reflect the demographic of the organization's targeted market is the most common rationale behind diversity implementation in the workplace. It is by far the most common and effective justification in practice. An example from Australia shows how the Australian Surf Life Saving Association has reacted to changes in the demographic make-up of their clients using the business case perspective to help them achieve their mission of 'beach safety'.

> The Australian Surf Lifesaving Association (SLA) has implemented a recruitment program to get more ethnic minorities as surf life-guards patrolling Australia's beaches. The Association reports that it is becoming more and more difficult to attract new recruits. They are also worried they will become a cultural 'oddity', forever seen as Anglo-Saxon, blonde and tanned (but white underneath). They want to be seen an 'inclusive' organization and are actively targeting Aborigine, Vietnamese and the Lebanese communities. As well as the benefits for the new recruits, who become associated with the iconic status of the Australian lifeguard, the service delivery of the Lifeguards improve because with a broader membership, and the SLA hopes that beach safety will improve.

The laissez-faire view is characterized by the belief that pure market economics will lead to fair outcomes. People are naturally unequal and so 'natural selection' should prevail in the labour market because the strongest will survive. Business is a competition: the laws of business are the 'law of the jungle' and so 'survival of the fittest' should operate. So, if policy makers intervene in the labour market this weakens the fabric of society.

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Critics of the laissez-faire view argue that its advocates act in their own self-interest to protect what they have and show no empathy for the costs of prejudice. Also business is actually about providing services to communities, is just as often cooperative as competitive, and ethical practice and social responsibility are core aspects of good business practice.

A good argument can be made that humans have evolved because of their
social and cooperative instincts as well as their competitive ones.
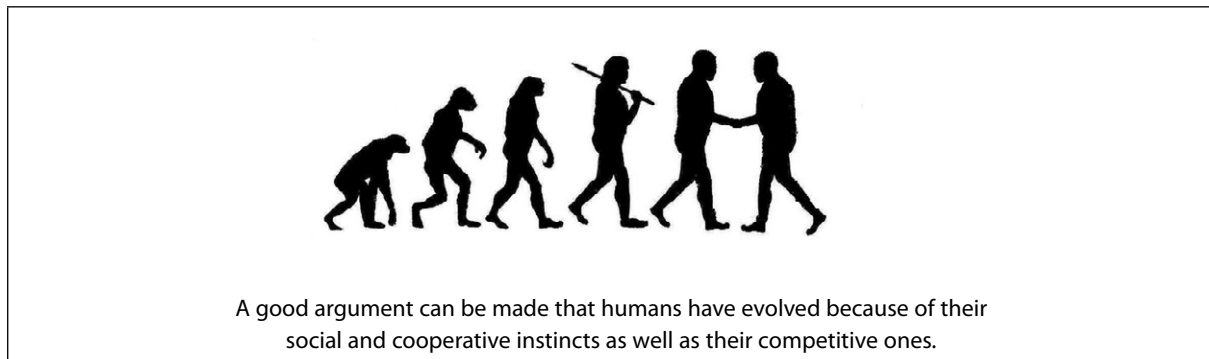
1.3.3   Debates

There are a number of debates in the field of managing diversity and EEO. These can be divided into four main areas: whether or not MD and should be concerned with equality at all; the role of local context; a related issue about the influence of the USA model of diversity; and a concern that the business case is not effective.

1. **Managing diversity and EEO are different topics**. Some people argue that managing diversity should not focus on equality at all. EEO tends to focus on groups and advances the view there are moral reasons organizations should engage in diversity programs. The perspective advanced in this book is that EEO and managing diversity operate together and that humanism and social justice justifications for managing diversity remain important to those working in the field.

2. **The role of local context.** Another debate is about the role of local contexts. Most researchers now agree that national conditions are paramount in developing approaches to managing diversity; this means that each country in the world engages with practice and the language of diversity in context-driven ways. Some contexts are more 'hard-edged' than others, some countries legislate more than others, and countries use different vocabularies in this field. In Singapore for instance the use of terms like 'harmony' and 'fairness' prevails over terms like diversity. In India private sector initiatives are rare, but public sector initiatives include reservation quotas which is an affirmative action practice and more hard-edged than diversity management. In other countries like Canada, Belgium and New Zealand there appears to be a much stronger alignment with business objectives and competitive advantage.

3. **The influence of the American model of managing diversity.** A related point relates to the influence of the American model of managing diversity on practice in other countries. The USA model tends to focus more on the individual than the group and is more focused on empowerment. America has a large 'managing diversity' industry. However, although American models have been influential it is wrong to assume that the USA approach can simply be adapted into different contexts. Different countries have distinct social and political histories, legislative environments, and demographic populations and challenges. Nevertheless despite uniqueness of countries, managing diversity initiatives almost always focus on women, ethnic groups, people with disabilities, and older workers. Managing diversity practice worldwide also tends to focus on inclusive initiatives like work-life balance, cross-cultural skill development and organizational initiatives like culture and learning.

4. **The business case is not effective**. Academics and practitioners are anxious about relying upon the business case to justify managing diversity and research literature often critiques the business case approach on three main grounds.

   a) The business case approach makes diversity 'semantically bleached'. This means that when the inclusive business case is solely used (e.g. like with work-life balance) recognition of groups and their disadvantages 'disappear'. Business case rhetoric ends up excluding diversity as it no longer recognizes difference.

   b) Although the rhetoric of managing diversity opens doors, the way diversity is levered strategically for value may use race and gender as symbolic capital that is not returned to the worker. Symbolic capital (the value a worker might provide because of their culture or gender) is more easily alienated from a worker and the value generated from it is not returned.

> Māori (the indigenous people) of New Zealand often comment that they are expected to officiate at formal organizational occasions (e.g. blessing buildings or welcoming distinguished visitors staff) but they are not rewarded for this work. This is an example of the use of symbolic capital which is valued by organizations but rarely rewarded.

   c) A third and perhaps most damning critique is that managing diversity is just not effective at addressing inequality. In many countries around the world there has been little or no trend away from inequality. The gap between the rich and poor is widening, and employment indicators show it is still women, ethnic minorities, and people with disabilities who are most vulnerable.

Economic policies world-wide are forcing people off state assistance, and making people take more responsibility for their own futures, including their retirement. This means that it is even more important that people have access to quality work and good pay during their productive working years, otherwise they end up in a lifetime cycle of poverty that can extend for generations. Critiques of managing diversity from economic perspectives express concern that in fully embracing the rhetoric of the business case managing diversity advocates undermine the equality project.

Managing diversity in contemporary contexts is a difficult task; it is characterized by vigorous debate with competing views about what should be done and what works. Because it is about what 'should' be done, the field is undergirded with ethical and moral arguments. Any situation a manager might face can be full of ambiguity and contradiction and needs sensitivity, cultural knowledge and skill, and the ability to act responsibly and with good faith.

So, the reality is that modern diversity management is challenging. Circumstances are often contradictory, ambiguous and tense. But managing diversity practice is also being undertaken critically and the vigorous debate within the field should not be mistaken for weakness. Its relentless self-examination is a crucial aspect of its practice and a key to its ongoing effectiveness and innovativeness. Managers who care about managing diversity want authentic tools and concepts that can help them get their jobs done efficiently and effectively so that they can build worlds that other people can inhabit harmoniously and productively.

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One solution to the argument about whether social justice and business objectives can co-exist is provided by Cynthia Cockburn who has argued that the idealistic approaches of liberals and radicals are simply straightjackets that impede further development in the field. She argues for a realistic and pragmatic approach of long-term and short-term agendas.
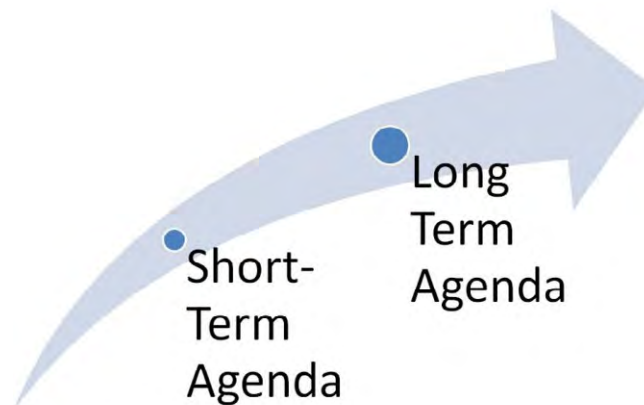
Managing diversity initiatives should be used in the short-term, but the long term view should always be towards the improvement of the position of all groups in society. Businesses are instrumental and so conceptual frameworks need to be less idealistic and more depoliticized and recognize the ways that businesses operate and harness difference. Models need to be more sophisticated in response to the more complex realities. However, power (who has it and who does not and how it is being used) still needs to stay at the centre of analysis.

Diversity managers talk:

"The way in which you actually draw people in, the way in which you sell EEO now has to reflect that wider political, social, economic climate and what that's saying is that competition is healthy…I don't want to compromise the message but I do want to find and target ways in which employers out there receive that message. So that does mean actually using different language, it does mean now promoting different selling points in terms of EEO and I still use a social justice message but I use other messages as well"

"It's not just social justice as in being a good guy and everyone getting a good deal and stuff. It is also very much the fact that I think that these organisations really don't benefit from the diversity of people that are available". (From research by Deborah Jones)

1.3.4   Demographic change

Demographic change is the main reason organisations need to adapt their practices in order to respond to increasing diversity within labor markets. Diversity alters pools of potential employees, and the needs of employees, as well as influencing broader business objectives like service provision. In addition, the constantly changing demographic profile of the broader population means that organisations need to develop strategies that will meet the needs and desires of the country's citizens.

Study Activity: In most countries there will be stakeholder groups interested in workplace issues that include diversity. These include government agencies interested in work, immigration, government employment bodies, industry groups, human rights groups, trade unions, specialized stakeholder agencies, and so on. Google search and list the stakeholder groups in your country.

Some major and common demographic and social changes are outlined below. Each of these demographic pressures is explored in more detail further on in this book.

Family structures are changing
- One-parent families more common
- Parents juggle work, parenting, household chores, and childcare

Ageing populations
- Pressure on health and welfare services
- Unpaid caring work by their children
- Positive aging, gradual retirement

Labour force diversity
- Women's participation
- Ethnic and religious diversity

Less social service support
- People with disabilities
- Health and stress issues

Figure 5: Social and demographic changes impacting on world of work

These demographic changes will have profound implications for organizations and managers in the coming decades. Implications include: the need to have better understanding and awareness of different cultures including their practices and religious beliefs; an appreciation of how diversity can benefit organizations; need to implement flexibility in work whilst ensuring quality of work is not eroded; the creation of non-discriminatory environments within organizations; and better integration of work and life so that workplaces are more family-friendly. These implications are discussed in more detail further on in this book.

Diversity brings business benefits. These include the following: the development of economically beneficial partnerships; new markets; legal compliance; products and services that are culturally sensitive and appropriate; people who are adept at social networking and team-work; social and environmental responsibility; a diverse workforce brings its own rewards in terms of increasing cultural awareness, sensitivity and awareness in individuals and firms.

Figure 6: Implications of demographic change for organizations and managers

Learning activity: What are some key demographic trends in your country? Explain why and how demographic change will impact upon business development and management practices.

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2 Conceptual tools

The following section discusses three sets of conceptual tools (or theory) that can help learners understand the field of managing diversity: understanding how the labour market works; understanding discrimination; and understanding complex social and cultural issues.

2.1 How the labour market works

This section sets out an overview of labour market theories than can help understand key issues that managing diversity initiatives address.

Three stakeholder groups make up the labour market and are in tension because they have different interests:

1. **Employers**. The main aim of employers is to produce profits. They do this by keeping costs down. In most organizations the single largest cost is labour. Therefore employers try to ensure labour costs are as low as possible.
2. **Employees** (and their union representatives). Employees' main objective is to improve their pay and conditions, whilst maintaining their long-term employability. Individual employees sometimes collect together in unions to make themselves stronger when negotiating with employers.
3. **Governments**. Governments are responsible for the well being of the economy as a whole and the health of the labour market is central to achieving this objective. Governments have different views on how to achieve social and economic well-being and exert their influence through legislation.

2.1.1 Occupational segregation and dual labour market theory

Understanding some basic principles of how labour markets work assists us in understanding the causes of disadvantage for some workers. Organisations are often hierarchically organised with those at the top earning more than those at the bottom. Simple powers of observation show us that hierarchy is gendered and ethnically marked.

Learning activity: Conduct a simple Google search for images of Boards of Directors and Senior Managers. Do you notice any uniformity in Western top management senior management teams? If so, what similarities do you notice?

Economists have produced two different explanations to account for inequality in organizations. One view does not see inequality as problematic. The other does.

1. Rational Decision-Making Thesis: People make rational decisions in a free market. Inequality is not a problem.
2. Labour Segmentation Theory: The labour market is divided into segments and people from disadvantaged groups get trapped in their market segment and are not able to move into segments that are better paid. Inequality is a problem.

The second reason identified above is also sometimes called occupational segregation. There are two types of occupational segregation: vertical and horizontal. Vertical segregation occurs when disadvantaged groups are concentrated at the bottom of the organisational hierarchy. When women feel trapped in lower segments of organisations they can see up to the top, want to get there, but can't break through the barrier: this is referred to as the 'glass ceiling'. Sometimes there are specific terms for the glass ceiling in certain industries; in information technology it is sometimes referred to as the silicone ceiling.

Figure 7: Vertical Segregation – Best Jobs are at the Top

Horizontal segregation occurs across industries so that some industries pay their workers better, provide better working conditions and greater security. Disadvantaged groups tend to be crowded into those industries with lower pay, poorer conditions and less security. Horizontal segregation is also sometimes called market segmentation.

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Occupational segregation causes two main problems:

1. People find it difficult to move horizontally across occupational groups. This is sometimes called the 'concrete wall' syndrome.
2. People in poorly paid jobs come to hold negative views about their self worth, which reinforces the stereotype that they are not very valuable to society, making it even harder to get a better job. This creates a poverty cycle that traps whole generations.

Glass ceiling
- Refers to the seen, yet unbreachable barrier that keeps minorities and women from rising to the upper rungs of the corporate ladder, regardless of their qualifications or achievements.

Silicone ceiling
- Same as above but metaphor used to describe women in information technology industries

Brick wall
- Refers to the silo effect of an ethnic group congregating in one occupation and so finding it difficult to move into other professions

Figure 8: Horizontal and vertical segregation – alternative terms
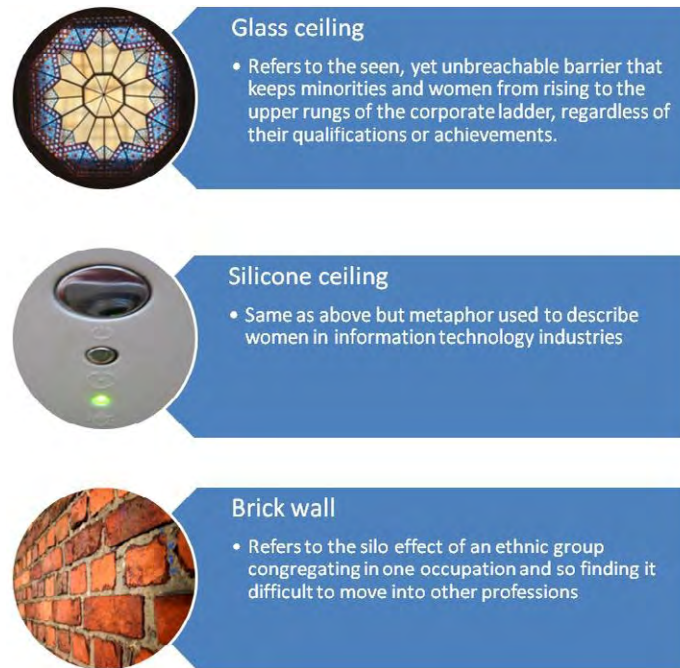
Another useful theory is Dual Labour Market Theory. In this theory there are two segments: primary (formal or central) and secondary (informal or periphery). Workers in the primary sector have relatively good pay, security, opportunities for advancement and working conditions. Jobs in the secondary sector tend to be poorly paid, have few opportunities for promotion, and have little protection or job security. These two labour markets are perceived as working independently of each other to a great extent. One of the reasons for this is because organisations in the primary sector have market power which tends to protect them from competition. Those in the secondary sector, however, face much stronger competition. Although the distinction between primary and secondary sectors appears to have become less apparent in recent years in both industrialized and developing countries (because of increased subcontracting and the globalization of trade), it is still important. In the 1980s the model was developed to show what was happening at the firm level and became known as the Flexible Firm model.
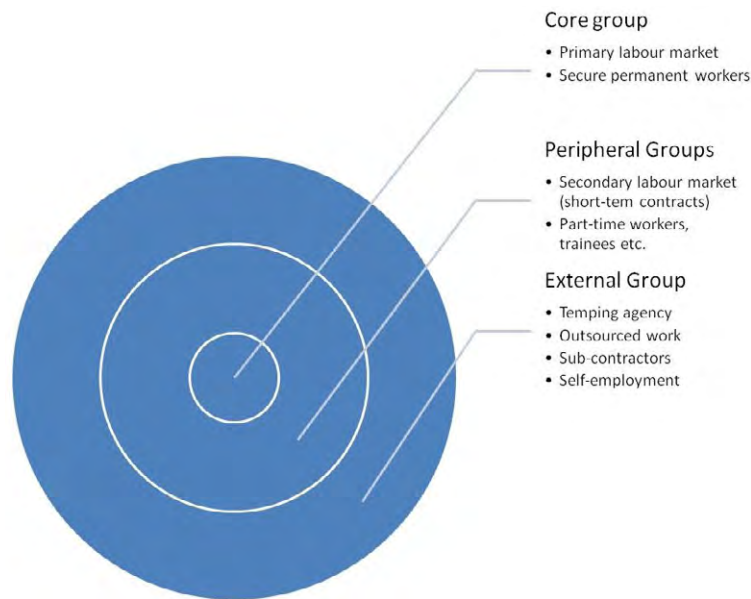
2.1.2   Competitive theory of labour and human capital theory

Wage differences are a normal aspect of competitive labour markets. From an employer's perspective (demand side) if wages are high they don't want to hire (buy) too many workers so demand for workers becomes low. If wages get too high then employers will look at other alternatives like using machines rather than people, or perhaps cutting back on production. From the employee's side (supply side) when wages are high they are more willing to work. When wages are low people will find alternatives to working. For example, married women with children may find the cost of child-care is not adequately covered. Young people may decide to do more study so they can get a better paying job. The point at which both employers and employees agree on a price for their labour is called the equilibrium wage. If wages were lower, employers couldn't get enough staff and would be have to raise the wages they were offering to attract more workers. If wages were higher than the equilibrium, more workers would be available than employers wanted at that price. Workers would compete for jobs and have to reduce their wage expectations.

This is a very simplified view of the world and is based on two assumptions.

1. There is a single labour market in which all employers and workers operate. This implies that if there is a drop in demand for workers in one type of job, and an increase in demand for workers in another type, then workers will move from one job to the other.

    In the aggregated long term this might be the case, but not in the short term.

2. There are no barriers to the mobility of workers. This implies that workers will move from one job to another in response to relatively small changes in wages.

In fact, most people can't very easily move from one job to another. For example, many people have difficulty moving to new locations because of family reasons.

This competitive labour market theory is useful for giving us a general sense of how labour markets work, how organisations make decisions about employing workers, and the possible reaction of workers to changes in wage levels. But how does this all relate to discrimination and managing diversity?

Free market economists say that occupational segregation is the result of the two processes of supply and demand. Basically employers and workers are free to make their own decisions. Employers will hire the cheapest labour they can find with the appropriate qualifications to do the job. Workers, on the other hand will go for the best-paying jobs taking into account their own personal skills and qualifications, constraints (such as having to look after young children), and personal preferences (e.g. working with people). However, a number of factors make the model imperfect, and they revolve around the function and use of the concept of human capital.

Women have lower average pay than men doctors and recent US research found that the gap has actually increased. In 1999 there was no gap in starting salaries for men and women doctors, but in 2008 there was a US$16 819 gap (after taking into account the same factors such as job specialist preferences and choices about part-time work). Why?

There are several explanations. Women are more likely to go into primary care fields such as internal medicine, family practice and pediatrics that pay less than specialties such as cardiology, radiology and orthopedic surgery. Also women also often choose to work fewer hours than men, resulting in lower pay. These two factors were taken into account in the research above so they don't explain the gap.

Seniority also can't explain the gap because the research focused on doctors who had just finished their residency or fellowship training and were about to start their first real jobs.

Two possible reasons are raised in the research: there is a bias in favor of male doctors or women are choosing lower-paying jobs on purpose because they offer greater flexibility in hours and are generally more family-friendly. The researchers think the first reason, gender bias, is unlikely because of equal pay legislation, and so opt for the second reason. They even go so far as to argue that the pay gap should be seen as a victory for women as they can avoid burnout and have a good quality of life. Their lower salary is a good thing for women according to the article because: *"Instead of being penalized because of their gender, female physicians may be seeking out employment arrangements that compensate them in other – nonfinancial – ways, and more employers may be beginning to offer such arrangements".*

What do you think?

The skills and experiences that workers use to get jobs are known as 'human capital'. A worker's human capital is made up of the skills, education, training, abilities and experience they have. These human capital factors determine an individual's worth to an employer. People who come to the market with low levels of education and training usually have fewer opportunities to build capital through experience because they do not have the opportunities to build skills by undertaking interesting or challenging tasks. Women choose to take time off work to have children or undertake other family responsibilities and so this is why their human capital is less, why they are paid less and the reason why they end up in less well-paying jobs.

Because it takes time and money to build human capital, there are lots of workers with low levels of human capital and very few workers with very high levels of it. These high human capital workers are believed to produce more valuable (and profitable) services than those with lower human capital. When there is a limited supply of anything the price for it goes up. Therefore workers with high human capital are scarce and can get higher wages. It is argued that free market principles ensure that levels of pay are directly related to levels of human capital (which relates to their productivity level). Disadvantaged groups are in lower paid jobs because they have lower levels of human capital (e.g. less education, less experience), therefore according to these theories, the disadvantaged rightfully receive lower pay than others because of their lower productivity.

There are a number of problems with this theory. One major problem is that it assumes everyone has equal access to opportunities for developing human capital. Unfortunately, there is also segregation in the education system. Some students get to go to better schools, have better support at home, have role models and have access to advantages such as computers.

In the labour market itself, these free market arguments are unable to account for barriers to advancement for those who have high human capital. For example, in many countries women have very similar levels of education to men, but women are not equally distributed throughout all occupations and levels.

Learning activity: Critique the following statements:

1. Women spend time and energy on domestic work and this prevents them from investing in human capital.
2. In a family, the rational or logical choice is for the spouse with the most human capital, the man, to be the main breadwinner because they can earn more money.
3. Women need to spend effort on housework and family responsibilities so they look for jobs that are part-time, or full-time jobs that are less demanding and so less rewarded so they have more energy for their families. This is the free choice of women and other groups in lesser paid positions.
4. Women's choice to have babies is economically irrational.

According to human capital theory in perfectly competitive labour markets employers also make rational decisions regarding who they employ. They are justified in choosing members of the advantaged groups because they have the most human capital. Employers are less likely to choose members of disadvantaged groups if they believe these people have higher costs and have lower levels of human capital and so are less productive. In such a view it is perfectly rational to not employ a young woman because they believe she is more likely to take maternity leave, or a mother who might have higher rates of absenteeism, lateness or be more likely to leave (because of family responsibilities). They may consider it is not economic to hire an older worker because older workers are believed to have higher health costs or an ethnic group member because they have poor attitudes to work (are lazy, happy-go-lucky, aggressive) or have language difficulties, or lack of country specific experience. They might believe also that it is inefficient and so therefore justifiable to not hire a disabled person because of the expense of changing the workplace if special equipment is needed. Fairly obviously these assumptions are wrong; organizations and managers are not rational and do not make accurate assumptions.

Human capital joke: Engineers and scientists will never make as much money as business executives. A rigorous mathematical proof explains why this is true:

Postulate 1: Knowledge is Power.

Postulate 2: Time is Money.

As every engineer knows,

$$\frac{Work}{Time} = Power$$

Since Knowledge = Power, and Time = Money, we have

$$\frac{Work}{Money} = Knowledge$$

Solving for Money, we get:

$$\frac{Work}{Knowledge} = Money$$

Thus, as Knowledge approaches zero, Money approaches infinity regardless of the Work done. Conclusion: The less you know, the more money you make.

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2.1.3   Implications

1. **Discrimination:** A major impediment to any functioning business or economy is discrimination. The difference in absenteeism between men and women is very small, assistance is almost always available to assist people with disabilities to change work stations so it needn't cost an employer anything, ethnic minority members engage in work the same way others do, and young women do not suddenly become unreliable if and when they decide to get pregnant. Inaccurate assumptions often lead to discriminatory behavior.

2. **Opportunities:** Human capital theory suggests that types and amounts of human capital do make a difference to people's opportunities. Low levels of human capital adversely affect the productivity levels and pay of the disadvantaged and limit the kinds of jobs they can get.

3. **Work and education are inter-related**. Action is needed at economy level to address education and training to reduce occupational segregation.

4. **Unpaid work**. Women's work at home is not formally recognized in the labour market models discussed above, and skills learnt outside formal paid work tend to get discredited in human capital theory also. Implications include encouraging more equal sharing of domestic responsibilities, and providing childcare options for parents.

5. **Historical disadvantage.** Finally economic models provide little insight into the ongoing effects of historical economic disadvantage. Historical processes are 'sticky' in the present. So, for instance the gendered nature of post-war secretarial work where secretarial work became associated with family roles like being a wife and mother (looking after the boss) still exists today. These social processes and expectations have not disappeared.

Malaysian Women, Family and Community Development Minister Datuk Seri Shahrizat Abdul Jalil recently stated that employers should encourage flexible working hours and part-time jobs so that more women can continue to work. She was responding to Human Resources Minister Datuk Dr S. Subramaniam's call for employers to discard their mentality of wanting staff members to work according to standard working hours in a bid to encourage more professional women to continue working.

"Most professional women choose family over career, and this retreat from employment will affect economic development…*Although there are companies which allowed women to work part-time, the number was still low…We are pushing for more flexible hours and part-time jobs for women and urging employers to set up childcare centres at the workplace…. We have been focusing on economic development but it should go hand-in-hand with social development… With global change, soon employers will have no choice but to provide part-time work and flexible hours to women."*

2.2   Understanding discrimination

This section sets out some concepts useful in understanding and combating discrimination. From the previous section we can see that discrimination impedes opportunity.

In order to appreciate the importance of managing diversity it is first necessary to understand some basic ideas about the ways that prejudice, discrimination, and stereotyping work. Each term involves some sort of negative evaluation of some group. Each term is summarized in the figure given below.
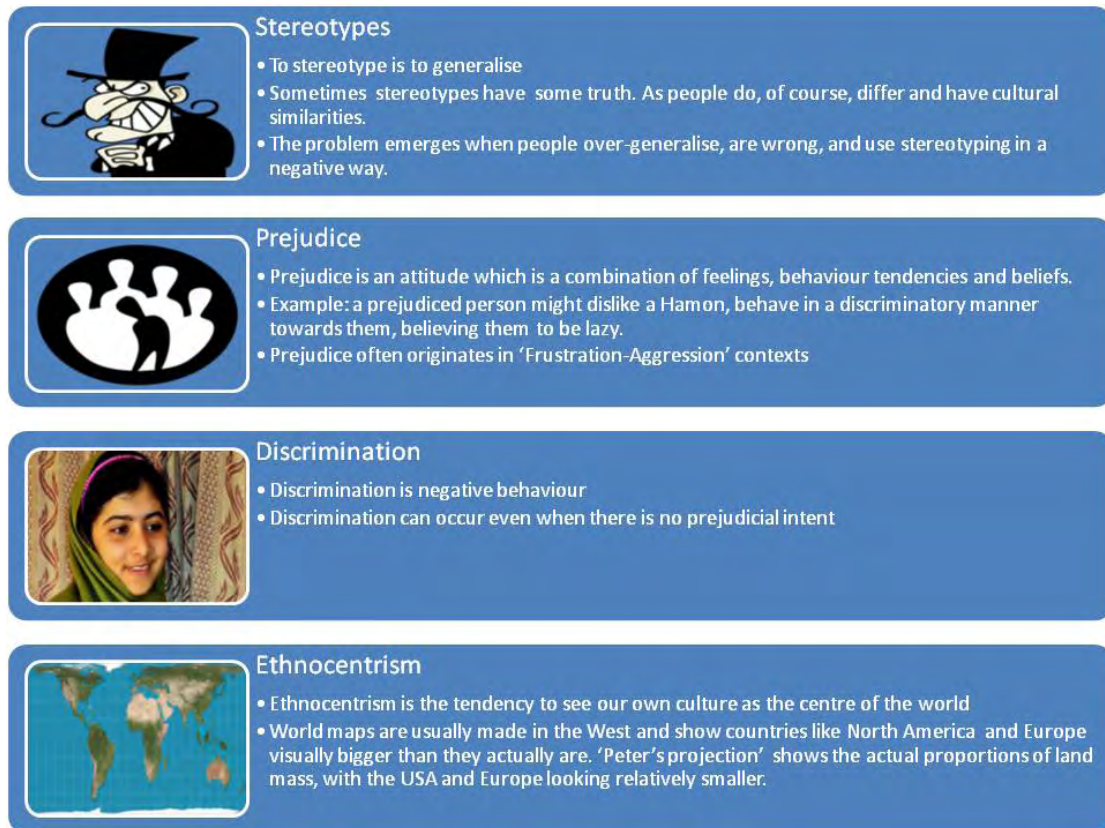
Stereotypes
- To stereotype is to generalise
- Sometimes stereotypes have some truth. As people do, of course, differ and have cultural similarities.
- The problem emerges when people over-generalise, are wrong, and use stereotyping in a negative way.

Prejudice
- Prejudice is an attitude which is a combination of feelings, behaviour tendencies and beliefs.
- Example: a prejudiced person might dislike a Hamon, behave in a discriminatory manner towards them, believing them to be lazy.
- Prejudice often originates in 'Frustration-Aggression' contexts

Discrimination
- Discrimination is negative behaviour
- Discrimination can occur even when there is no prejudicial intent

Ethnocentrism
- Ethnocentrism is the tendency to see our own culture as the centre of the world
- World maps are usually made in the West and show countries like North America and Europe visually bigger than they actually are. 'Peter's projection' shows the actual proportions of land mass, with the USA and Europe looking relatively smaller.

Figure 9: Definitions of some major terms

Prejudice and discrimination cause physical and emotional harm, as well as impacting on the overall performance of organizations. Although stereotyping is to some extent a normal process of organizing information to make sense of the world, negatively stereotyping leads to prejudice and discrimination when it based on erroneous assumptions. Harms caused by prejudice and discrimination are shown below.
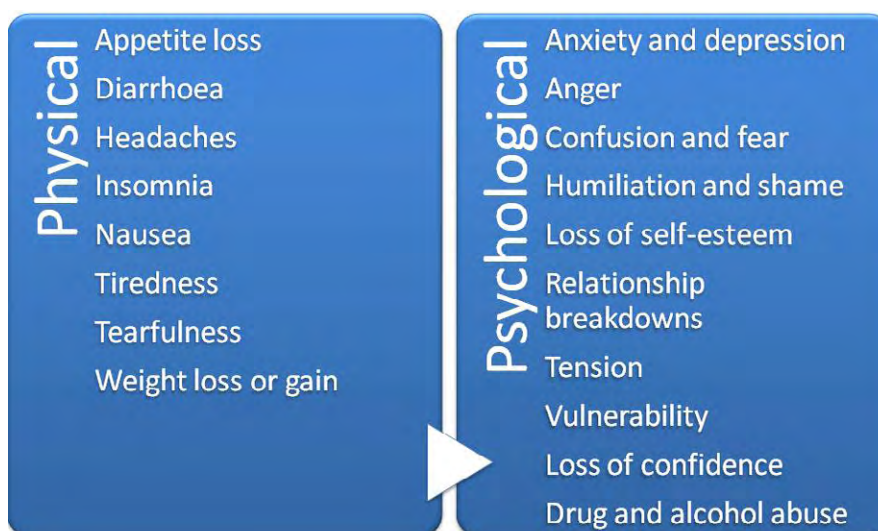
Physical
- Appetite loss
- Diarrhoea
- Headaches
- Insomnia
- Nausea
- Tiredness
- Tearfulness
- Weight loss or gain

Psychological
- Anxiety and depression
- Anger
- Confusion and fear
- Humiliation and shame
- Loss of self-esteem
- Relationship breakdowns
- Tension
- Vulnerability
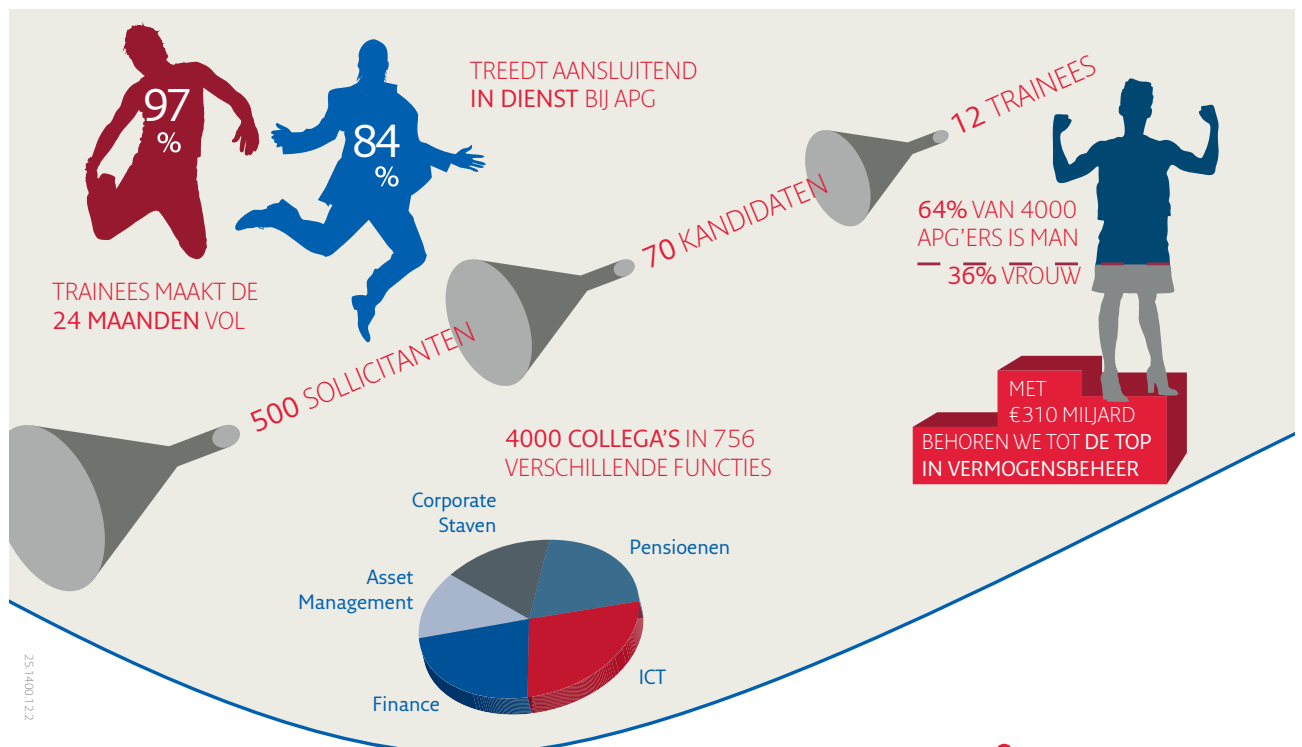- Loss of confidence
- Drug and alcohol abuse

Figure 10: Individual costs of discrimination

As well as potentially having negative effects on individuals, ignoring diversity and discriminating can have dire effects on organization performance. The risks of not managing diversity are given below.

Organisational Outcomes	Individual and Group Outcomes	Bottom Line Costs
• Higher absenteeism • Higher turnover • Retention and selection problems • Lower performance • Ineffective products/services • Higher litigation costs/fines • Adverse publicity • Low motivation and morale	• Discrimination and prejudice • Sexual harassment • Lower job satisfaction, commitment and performance • Lower salary and lower quality of work/life • Decreased morale • Higher stress • Less job involvement and lack of trust • Group conflict • Communication issues	• Lower organisational performance • Lower profits • Reduced competitiveness • Reduced return on training and development expenditure

Figure 11: The risks of not managing diversity

Learning activity: Go to http://tolerance.org and to http://implicit.harvard.edu/implicit

This 'tolerance' website is devoted to encouraging racial tolerance. There are many resources and tests so you can explore 'your hidden biases' which we all unconsciously have. There is a link to the Project Implicit website where you can check your implicit attitudes toward gender, race, age, sexual orientation and other social categories. You should get instant feedback on most of these tests. On the tolerance website you can also find many classroom exercises in the section 'deconstruct biased language'.

Learning activity: The power of replacement instead of suppression.

A recent study shows that thoughts that are suppressed return with greater strength and possibly more resistance to being avoided in the future. Having people avoid thinking prejudicial thoughts either in structured situations or in informal ways is likely to create a situation for 'prejudicial thought rebound'. Try this:

Try not to think of a favorite food. If you really love chocolate, try real hard not to imagine the color and smell of chocolate. Try not to imagine the texture and feel of chocolate in your hand and in your mouth. Try and keep that thought out of your mind altogether.

The evidence seems to be that if you work really hard at this exercise then you will have stronger thoughts about chocolate in the future! The point here is that what you should do is replace thoughts of chocolate with something more healthy – like say, a banana. Now, imagine the following:
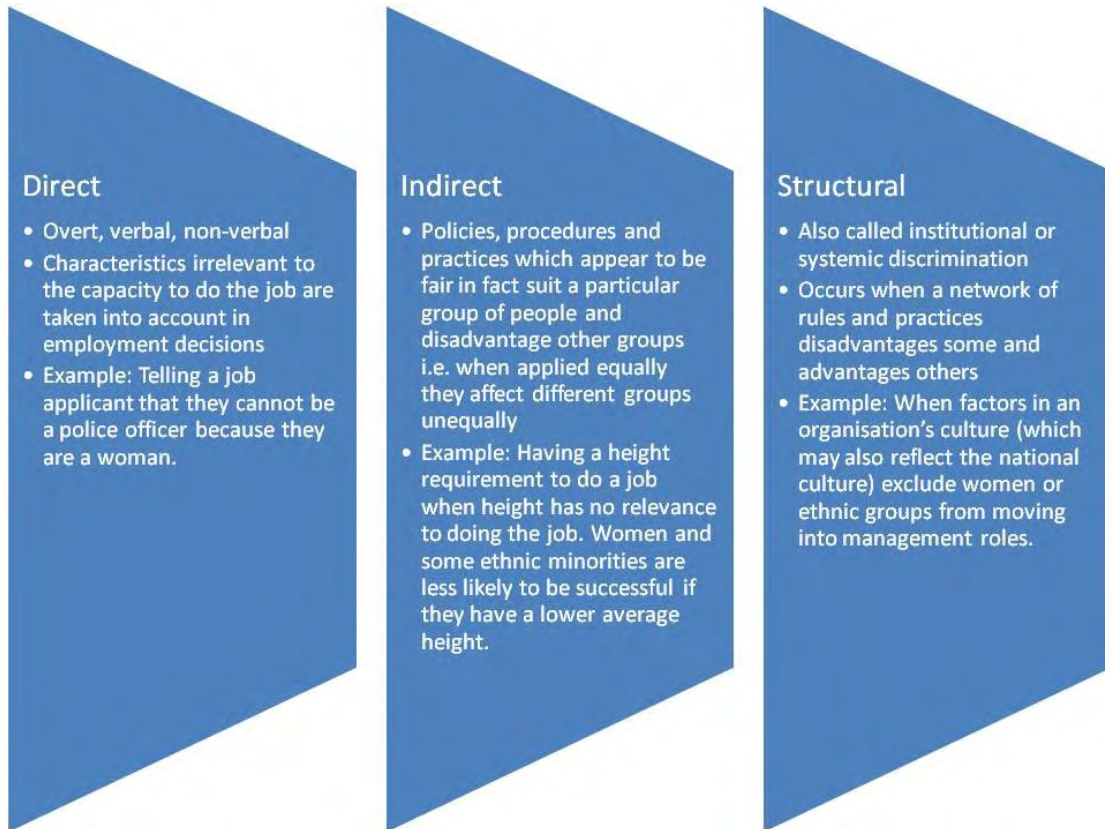
Each time you encounter chocolate image the texture of a banana, the yellow skin, the creamy and smooth texture and sweetness of the banana. Imagine the sensation as your mouth bites into it …

In short, **replacement** is more effective than **suppression**, and this works for overcoming prejudices at the personal level also. Don't just say to yourself I have to become a better person and not be prejudiced, but consciously try and replace the negative stereotypes you have with feelings and models that are more positive about a group of people .

In recent times the advent of social media has meant that firms are vulnerable to statements made in public by their executives and employees. The impact of negative publicity about racist and sexist behaviour made available to the public through social media can be dramatically negative. On the other hand good stories can act as positive marketing for businesses although the message has perceived as authentic.

In April 2012 Australian company Energy Watch's CEO made racist comments on Facebook. Their major sponsor pulled their sponsorship, and the company suffered negative television publicity and significant financial and reputation losses.

Often discriminatory activity is divided into three types – overt and obvious discrimination (direct), less obvious discrimination (indirect) and at the level of organizational functioning (institutional). The three types of discrimination are defined below, and an example is given.

Direct

- Overt, verbal, non-verbal
- Characteristics irrelevant to the capacity to do the job are taken into account in employment decisions
- Example: Telling a job applicant that they cannot be a police officer because they are a woman.

Indirect

- Policies, procedures and practices which appear to be fair in fact suit a particular group of people and disadvantage other groups i.e. when applied equally they affect different groups unequally
- Example: Having a height requirement to do a job when height has no relevance to doing the job. Women and some ethnic minorities are less likely to be successful if they have a lower average height.

Structural

- Also called institutional or systemic discrimination
- Occurs when a network of rules and practices disadvantages some and advantages others
- Example: When factors in an organisation's culture (which may also reflect the national culture) exclude women or ethnic groups from moving into management roles.

Figur 12: Three types of discrimination

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Other related concepts are: in-groups and out-groups, realistic group conflict theory and out-group homogeneity effect. These concepts are defined below.

In-group and out-group

- In-group means a feeling of 'us'. A group of people who share a sense of belonging
- Out-group means 'them'. A group of people perceived as distinctly different from or apart from the in-group.

Realistic group conflict theory

- The theory that prejudices arise from competition between groups for scarce resources
- N.B. Conflict can be constructive

Out-group homogeneity effect

- Perception of out-group members as more similar to one another than in-group members.
- Thus, they are alike, but we are diverse.

Figure 13: Discrimination terms

Learning activity: People often perceive that if resources are allocated to one group, then another group misses out. Thus, if women gain more employment then it is at the expense of men. The reality is much more complex, and many opportunities arise from thinking about the resource pie. Think creatively about how a pie can be changed to create a win-win situation (using a diversity group of your choice that is competing for a scarce resources (e.g. jobs, land, business).

2.3　Understanding complex social and cultural issues

It is useful when learning about managing diversity to appreciate that workplace practices and behaviours are socially constructed through the ways people use language (words and other symbols such as advertising images). For example, what is thought of as social categories of 'male' and 'female' are the result of human cultural practices. Biological sex characteristics of being male or female do not explain why societies develop gendered work roles for men and women. Gender roles are created by on-going dynamic processes of socialisation and enculturation. These include how we communicate (through language, images and media) about what it means to be male or female. The same applies to what we mean by belonging to a racial category, being disabled, and having a sexual orientation. Roles are normalised in the way we communicate about what it means to be a professional (e.g. teacher, accountant), a Board of Directors member or a manager.

Learning activity: Next time you are in a large toy store take some time to look at the boys and girls toys.

What sorts of gender roles are being encouraged? Are the toys more action-oriented for boys? Are they mainly set outside? What about the girls? Do they involve indoor activities, like cleaning, and caring for others? Gender roles are at least partly socially constructed.

The terms gender, race, and disability are nouns and so we tend to see these social and cultural categories as static. Many social theorists change these nouns to verbs and instead write and speak about gendering, racialising and disabling. When the word gender, a noun, is turned into gendering, a verb, it recognises that someone's gender is not pre-existing but is created; is in a process of always becoming. As well as showing that gender is fluid seeing it as a verb means that it becomes possible to contest and influence gender's meaning. Although of course people have certain characteristics that are female and male, this does not explain someone's gender which is a range of characteristics about their social roles. It also helps to explain how gender is not just constructed, but also actively performed, a notion that was popularised by Judith Butler.

Figure 14: Transgender women performing in Thailand

This means that gender is a very malleable construct, and that men and women both actively use parts of themselves that might be masculine or feminine in order to perform their work and carry out their roles.

> *"I feel quite happy being seen in a more motherly [role], I've got no problem with my feminine side at all, I'm quite proud of it. On initially seeing a man in my role I think children might, and parents also, might find me…they wouldn't want to approach me, but once they've seen me two or three times and see how I am with the children and see how I am with other parents, I think they then see that I am very approachable and motherly, if you will."* (Tony, teacher)
>
> *"…the more butch ones [male homosexual nurses] we used to tease that…they were honorary girls and one aggressively heterosexual male nurse that I worked with who'd been in the army who I used to be terrified of, but he and I became quite friendly actually because I nursed his wife and being a neuro-specialist he actually asked if I would look after her, which was a great compliment and we got on very well after that, to the point that he used to come up to me every morning and say good morning you're all clean and I'd say good morning you're all bastard (laughter)…I've never had any problems sexuality wise and as I say my last job was very much members of the girls, or honorary girls…."* (David, nurse) (From research by Alison Pullen and Ruth Simpson)

This idea of social construction is useful in understanding how organisations become gendered and racialized so that a 'normal' employee becomes an 'able bodied 25–45 year old white male', or 'young attractive Asian female'. So, for instance, Boards of Directors in Western countries tend to look white, male and 50+ with very few women, ethnic minority, or young board members. Normal behaviour is set by the group that holds the power through the way they construct their practices and symbolise their activities (e.g. members of a Board are action-oriented, decisive, competitive, technical and powerful rather than, say, nurturing, service-oriented and consultative). But this also means that the vision of what a Board of Directors looks like can be influenced and changed.

Although these social and cultural processes are on-going and we may be hardly consciously aware of them, and even maybe ourselves perpetuate them without thinking, they are not 'written in stone'. Understanding that exclusionary processes are socially constructed is the first step towards being empowered enough to influence and change the status quo.

> Social construction emphasizes the ongoing and dynamic processes and mechanisms through which gender race, sexuality, and disability are brought into being in the workplace.

'Othering' is a way of defining and securing one's own positive identity through the stigmatization of an 'other'. It defines people in term of 'us' and 'them. Othering can occur along racial, gender, geographic, ethnic, economic or ideological lines. Othering carries a danger of stigmatising the 'other' and is therefore a fragile basis for self-affirmation and identity. In organisations women, ethnic minorities, disability, gay/lesbians are often created as 'other'.

> **Learning activity:** An in-group can be defined as any group or category to which people feel they belong. An out-group is a group or category to which people feel they do not belong. Can you describe an in-group to which you belong, other than your family? What are some of the feelings that you have towards people who are not part of your in-group? Have you ever been in an out- group? How did it make you feel?

Racialization is a useful term to help understand the ways that professions become associated with certain ethnic groups, or organisations might actively and constructively present themselves racially. Often this process is discussed in the ways that certain ethnic groups, say cleaning or manual work in manufacturing, become racialised through immigration policy and recruitment practices. But the process is actually quite subtle. For instance, national airlines often actively and constructively present race within their marketing and branding practices. The issue is related to managing diversity because it paradoxically promotes gender and race positively, but also may narrowly stigmatize and stereotype women and ethnic groups.

Figure 15: Images of cabin crew from national airlines: Air India, Air New Zealand, Singapore Air, British Airlines, and Malaysian Air

Another useful concept is homogeneity, which is the tendency for people to appoint and promote people that look like themselves. This process is also sometimes called cultural cloning. Researchers in this area focus on 'whiteness' and normative practices; that is, how do processes of 'cultural cloning' actually operate and what are their effects. Why isn't white recognized as a color in diversity discourses? How do powerful groups gate-keep at the top? That is how do they control who gets jobs and who doesn't? The main problem with homogeneity from a managing diversity perspective is that the essential skill and knowledge requirements for work are formed through the 'competence and values' that are associated with the dominant group. They become the 'symbolic ideal' person for the job. When 'other' bodies that don't conform enter into the space of the symbolic ideal then they are a type of 'space invader'. They just don't belong in that space in other words. This helps explain the always surprisingly hostile remarks often launched against senior women managers and women politicians simply about the way they look.

3   Groups

This section discusses the main (primary) diversity groups in more detail.

3.1   Gender

The United Nations recently wrote that 70 percent of the 1.3 billion people who live in poverty around the world are women, more than two-thirds of the 960 million illiterate persons in the world are women, women grow half the world's food but are seldom land owners, most of the world's 20 million refugees are women and children, and women make up only 10 percent of the world's legislative seats. Clearly women are still a vulnerable population and representation in government and businesses would help.

Prior to World War II the number of women who participated in the work force in advanced economies at any one time fluctuated. However after the World Wars women's participation began to rise steadily. There are several reasons for this: married women entered the world of work in more numbers whereas previously they had not; with increased prosperity and a growth in household appliances there was a huge demand for labor; and the advent of contraceptive pill meant women could better control their fertility.

Since the 1960s the way women participate in the labour market has followed what has been called an 'M-shaped curve'. This is based on the idea that a significant number of women temporarily drop out of the work force to have children.

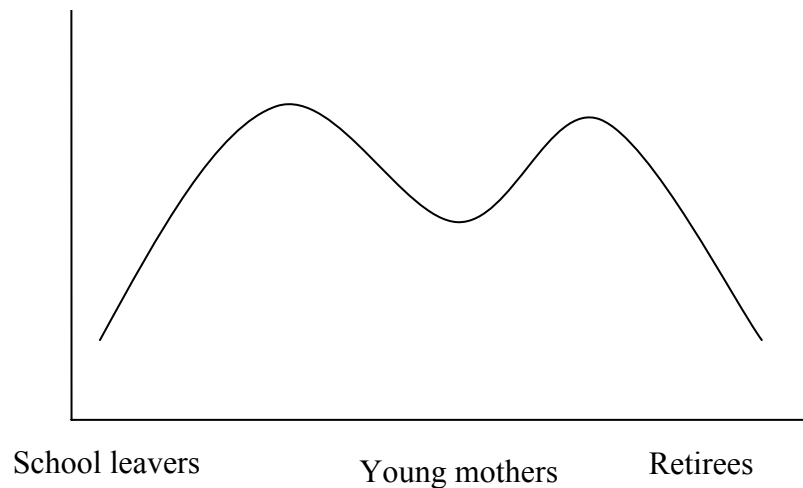Download free eBooks at bookboon.com

Figure 16: M-shaped women's participation curve

In the 1970s women continued to work after getting married but most stopped working once they started to have children. From the late 1970s this began to change and women began to return to work after child-rearing. Progressively women returned to work more and more quickly after having children. Now it is common for women to return to work only months or even weeks after the birth of their children. A further trend is the widening gap between the age at which women enter the labour market and when they bear their first child. This combination of women delaying having their first child and returning to work shortly after the birth has all contributed to higher participation rates for women in the work force.

A characteristic of women's work is that a high proportion work part time. However a considerable percentage of women that work part-time would like to work longer hours. Women make up the majority of workers who have two or more jobs. Men work part-time less.

Women do more household work than men and earn less as well. The pay gap appears from very early in women's careers whether or not they leave to have children. When women do, if they choose to, have children, the disadvantages due to interrupted careers simply compound these early disadvantages.

Figure 17: Equal Pay Poster from the Council of Trade Unions, NZ, circa 1970

The pay gap, or the average aggregated difference between men and women's wages, is usually explained by the following factors:

1. Lower levels of educational attainment;
2. Less work experience;
3. Having dependent children;
4. And the different types of jobs held.

However these factors do not explain the entire gap with up to 50% of the pay gap remaining unexplained. One reason for this 'unexplainable' difference may be gender discrimination.

Men tend to be concentrated in certain types of jobs and women in others. However men are spread over a wider range of jobs, whereas women are more concentrated into a few areas. This means that the competition for 'women's work' is stronger and thus pay rates are suppressed. Common jobs for men for example are:

1. Sales assistant
2. General manager
3. Engineer
4. IT professional

5. Truck driver
6. Builder/contractor
7. Crop/livestock
8. Laborer
9. Farm worker
10. Retail manager

Common jobs for women (and they tend to be more crowded into them) include:

1. Sales assistant
2. General clerk
3. Secretary
4. Registered nurse
5. Primary School teacher
6. Cleaner
7. Care giver
8. Information clerk/receptionist
9. Accounts clerk
10. Retail manager

You will notice from these lists that women are mainly found in the 'caring, support' jobs. Sometimes people use the medical term 'gynopathy' (which means disease particular to women) to talk about the syndrome whereby 'women's jobs' attract lower pay than men, and if an occupation becomes more peopled by women then the pay rates decline.

In addition to being concentrated in certain types of jobs, women are also found concentrated in the bottom rungs of the organizational hierarchy (vertical segregation). This is true even in those occupations in which they are predominant. For example, women make up 30% of medical doctors, but in the higher levels of the medical profession only 13% of specialists are women. Again, 30% of lawyers are women, but only 13% of principals in law firms are female. Women are also underrepresented in top management jobs.

Women's participation in the labour market increased dramatically in the latter half of last century. Although participation has increased it is the quality of participation that is now the focus: access to well paying professions and jobs for instance. Managing diversity initiatives around women are to do with quality of life (work-life balance, flexible work practices, elder-care issues) and quality affordable child care for working parents.

Another major area of concern is increasing the number of women on Boards of Directors.

> Most of Facebook's 800 million+ users are women. However, not one of their Board of Directors is a woman. Anne Mulcahy an experienced business analyst has said *"We're long past having to defend or explain why women should be on boards, given all the data that shows how companies with female as well as male directors perform better…It's unfortunate when companies with a large percentage of women constituents don't reflect that in their boardrooms"*. Susan Stautberg, co-founder of Women Corporate Directors, which promotes female board membership adds *"It doesn't make sense for a company that claims to be so forward looking to not have any women directors…If they just have an old boy's network in the boardroom, they won't have access to diverse ideas and strategies."*

3.2   Age

> Remember that we are all aging at the same rate. Every person will eventually be a mature worker. Being young is a temporary state.

The 'mature' or 'older' worker can be anyone over 35 (in some areas of the Information Technology sector) or over 45 (for women in the fashion or media industries) but is more often associated with those over 50. In populations where there has been a significant ageing in the population, which includes countries in Europe, America, Australia, Japan, and China, there has been considerable attention paid to employment initiatives for older people. These have focused on helping phase people out of work and into retirement, combating negative stereotypes about older people with positive ageing campaigns, and legislating against discrimination based on age. Not only is the individual cost of discrimination personally damaging for older people as it is for everyone, but unproductive and disengaged older populations will have a negative effect on economies and increase the health and welfare burden to the state. Keeping older people actively involved in meaningful productive work will benefit everyone.

Managing diversity initiatives in this area are concerned to combat myths about older workers (e.g. that older people are 'inflexible', slow to learn, and unable to cope with technology).

> **Learning activity**: Brainstorm a list of common myths and stereotypes about older workers. Critique the 'truth claims' of each myth; i.e. is this really a true statement about older people? Pose a set of more likely and positive assertions about older workers.

A number of employment initiatives are promoted as helping older workers and managers in managing an ageing workforce positively. Many initiatives are about introducing flexible options and emphasize the importance of open and trusting communication. Options include gradual or phased retirement which enables older workers to slowly reduce their work roles and responsibilities. This must be done in an environment where older workers do not feel vulnerable or under threat of having hours reduced against their will. Initiatives also emphasize retention, mentoring and knowledge transfer so that organisations retain older workers' skills, knowledge and experiences and have knowledge management strategies in place so valuable experiences do not 'walk out the door' when people leave the organization. Gradual retirement options include initiatives such as part-time work and job-sharing, contract or project work, special leave options and mentoring.

> Recent research has argued that managers demonstrate their highest levels of professional vitality in their 50s. Managers peaked at 57 years old in their ability to carry out tasks with passion, vigor, and competence, and to gain satisfaction from his or her work performance.

3.3   LGBT employees (Sexual orientation)

LGBT workers refer to employees who are lesbian, gay, bisexual and/or trans-sexual. Workplaces generally are seen as asexual places where sexuality is not relevant but in fact heterosexual norms dominate behaviour that occurs in most workplaces. Homosexual individuals face direct and indirect discrimination on a regular basis in many occupations such as the military. LBGT people often hide their sexuality and identity so they 'fit in' with the norms of the organisation.

Sexuality generally is becoming a focus of management attention in contemporary organisations. Many organisations now require employees to agree to 'no relationship' clauses in their contracts because of potential conflicts of interest that can emerge due to intimate relationships or because of fear of sexual harassment complaints. Despite a lack of management acknowledgement of the centrality of sexuality many people will find their life partners through their work as it is a central part of their life. There is an increasing recognition that workplaces are not asexual places at all, and people do take their bodies and emotions to work with them.

Heterosexuality is the norm and sexual identities are vigorously regulated in social relations. For LGBT employees this means their identity is erased. For instance the normal practice of displaying family pictures may not be an option for them if they have a same-sex partner. Opinions about LBGT workers tend to be more extreme regarding their sexuality; they are erroneously labeled as 'good gays' (i.e. gays with a long-term partner) and 'bad gays' (single and therefore promiscuous). People tend to focus straight in on their sexuality and ignore their relationships, personality, identity and other characteristics. LBGT have developed many tactics and strategies to overcome discrimination in the workplace. Some of them are given below.

Tactics of LGBT employees in response to unfair treatment in the workplace

Humor, ignoring attitudes, hiding (staying closeted), challenging (other people's stereotypes), education (of others), taking control (clearing up ambiguity/misunderstandings in conversations by immediately mentioning their partner is same sex for example, and then moving the conversation onto the next topic), developing alliances with sympathetic managers, becoming involved with sympathetic groups like trade unions, joining LBGT groups for social support, getting involved in activism, engaging with equality units, developing strong networks with colleagues and friends, and accessing counseling.

3.4   Ability/disability

People with disabilities still face persistent direct discrimination in employment. Just getting a decent job for decent money is still a challenge for many people with disabilities who face outright discrimination despite being qualified and able to do the work they apply for. Even the basic right to work is still being fought for by people with disabilities, their families and friends.

The term 'people with disabilities' can include challenges like: psychological issues (being mentally unwell); physical disabilities like limb impairment; being hearing or sight impaired; having a disease such as HIV; and even having a learning disability like ADHD or dyslexia.

Statistics on disability in employment disabled are less available than for other people in the labor market but a commonly cited figure is that about one in five people have some form of disability.

> Remember that even if you are fully able now, at some time in your working life you will probably have some sort of disability: whether it is depression, an injury from an accident, repetitive strain injury, a bad back, an illness or disease like cancer or some other normal life event. You are only ever temporarily able-bodied.

When viewing people with disabilities at work today it helps to understand disability in historical perspective. In ancient times people with disabilities would have been cared for by their families and integrated into their communities with a role to play in social and cultural life (for instance, people that had 'visions' may have been seers and prophets and even worshipped, whereas today they would be labeled as 'mentally unwell'). From the 19th century the institutionalization of people with 'mental and physical issues' into hospitals and psychiatric facilities took people out of societal contexts and moved them 'out-of-sight' of mainstream life. At this time the 'medical' model of disability became prominent. This means that people came to be defined by their 'disability' which became a 'medical condition' and came to be associated with infirmity. This is one reason why many people within disability communities still object to even being called 'people with disabilities'. They argue instead for a social model of disability which argues that society disables people by calling them disabled and thereby ignoring their abilities. All personal attributes become subsumed by the 'disability' so that disability takes over all perception of that person and their abilities.

The generally preferred view is that 'disability' arises from the disabling affect of society. The only true disability is a bad attitude and this is from people without disabilities not people with disabilities.

The following speech excerpt is from a Mackenzie Kench, a young woman student who was diagnosed with cerebral palsy when she was nine months old. She spoke with the assistance of an electronic voice.

"I was diagnosed with cerebral palsy when I was nine months old. I have a rare type of cerebral palsy which means all my muscles are affected but my intelligence is not affected. Throughout my life I have attended mainstreamed schools along with my able-bodied peers. Why shouldn't I be able to get a good job? I believe having a physical disability should not be an excuse not to work. After all disabled people still need money to pay the bills.

I am university student studying the arts. I would like to do sciences but realistically I can't do the practical aspects of the course. It is going to be the same thing when I am applying for work; there is no point in applying for jobs when I cannot physically do them.

The main problem I think I will have in getting employment is that some employers won't want to employ me, just because I have a disability. Many people's perception is that if you have a physical disability, you must also have a mental disability. I want to work for people who respect me for being me and the abilities and skills I can bring to the workplace, rather than work for somebody who pities me and doubts my abilities.

As you can see I am perfectly able to deliver a speech. However a school I attended discriminated against me when they refused to give me credit for a speech I did. They said I hadn't delivered the speech through my own voice as I had used my communication device. I am disabled, the only voice I have is through machinery. I took my case to the Human Rights Commission and reached an agreement. I hope my actions will prevent other young students from facing similar discrimination in our education system.

This event made me determined to find a university that would accept my disability and help me to complete my degree. The time I require to complete an assessment varies, depending on the nature of my assessments. This will be the same in the workplace. I will take longer to complete some tasks than others. However the fact I take longer amounts of time than other people to do tasks does not necessarily mean I am unable to meet deadlines. At high school I was the student that the teachers could rely on to have all their work up to date and I have completed all my assignments for this semester. A lot of my academic success is due to good time management skills and determination not to get behind in my work.

I want to work the same hours as any able-bodied person but I know my hours and employer need to be flexible. I have to go to specialist appointments and I will need my future employers to work with me to accommodate this issue. Perhaps people like myself could be employed, at first, on a part-time basis until the employee has established themselves as a good and beneficial member of the workplace, overcoming the perceptions made by colleagues and employers.

Another issue is that technology is not the most reliable. When your computer breaks down, you still have independence. When my communication device or wheelchair breaks down, I lose most of my independence. This is extremely frustrating and the fact I may not necessarily be able to participate in the workplace fully may be considered problematic by employers. We would need to develop strategies that could be put in place to help me work when my equipment decides not to work, so there is a short-term or long-term solution while the equipment is repaired.

My use and knowledge of technology could also be of benefit to my employer as I have grown up using sophisticated technology. This means that I am quickly able to adapt to new technology.

I have developed other skills to make up for the fact I can't do a lot of physical things. I have developed my listening and observational skills to a high level, which could be beneficial. Not speaking enables me to listen and observe more effectively so I can notice more details, which otherwise might be not picked up by other people. I may be able to contribute different ideas to the company based on simple observation rather than discussion.

To increase my likelihood of employment, I know I am going to have to be good at whatever I choose to do, if not the best, in my area of interest. If I have to have better education and higher qualifications to be employed, I plan to work hard to accomplish this. A lot of disabled people have an amazing amount of determination and perseverance which could be extremely useful in a workplace.

The key thing I believe would help improve employment prospects for people with disabilities is acceptance. Change within the workplace or any other community can't occur if people refuse to be accepting of other people who have disabilities or any kind of differences.

I hope I have given you the confidence to consider employing a disabled person. Who knows? Maybe in the future, I will be employed by one of you."

Managing diversity initiatives in the area of people with disabilities are often about overcoming negative stereotypes through telling positive success stories. Testimonials like the one above are extremely powerful in helping to promote the perspective of people with disabilities towards acceptance in employment. Also, simply working next to someone with a disability is all that is usually needed to break down any barriers towards acceptance. Temporarily able-bodied employees report greater morale and improvements in everyday organizational culture when they are working in environments that are welcoming of people with disabilities. People need to express altruism to feel fulfilled.

Figure 18: The social psychologist Elliot Aronson, with his guide dog Desi-Lu, 2011

Governments also usually provide financial and other support to employers and employees to help transition people with disabilities successfully into employment.

Learning activity: Conduct research to find out what agencies and grants are available to assist in the employment of people with disabilities in your own country.

3.5   Ethnicity and race

Race is an arbitrary, but widely held, social classification based on the physical appearance of a person, known as a phenotype. While the word 'race' is used to categorize people, it is based on a number of assumptions that are simply untrue or unhelpful, and contains negative and positive evaluations about society and groups. This categorization assumes that a group of physical characteristics denotes similarity in other areas, for example, intellect and abilities. This assumption is largely discredited, but remains a popular way of grouping people. In the 16th century, the term 'race' was used to refer to tribes, nations and people who shared common ancestry. During 19th century colonialism, race was used to distinguish the majority group from different others, and in terms of an inferior/superior relationship.

A better term used to distinguish people is ethnicity, which can be defined as a common-sense construction of a group who have shared cultural traditions and customary practices provide the members with their self-conscious identity as a nation.

The number of people that identify with multiple ethnicities is increasing world-wide. Many people identify with more than one ethnic group. Also people report their ethnic identity may change over time. Ethnicity, like gender, is becoming more fluid and is about self-identification of socio-cultural identity, rather than something that can be imposed from just looking at someone and making a judgment about who they are based on what they look like.

While race is used to categorize people on the basis of physical characteristics, ethnicity uses shared or common cultural orientations and bonds of national identity. Categorization in this way is broader than using a person's ancestry, nationality or citizenship alone and recognizes the importance that individuals place on social identity. A social group whose members share a number of characteristics is described as an ethnic group.

Each nation in the world has demographic profiles that are unique. Despite this uniqueness population flows accompanying globalization are a main reason for managing diversity initiatives in most countries.

New immigrants in every country usually suffer from unfair discrimination. This discrimination can be on the basis of work credentials (new immigrants' relevant work experience is often challenged), language skills and/or religious beliefs. The extent of discrimination is often hidden because new immigrants tend to be reticent and shy of 'making a fuss' in their adopted country. Also new immigrants often accept jobs well below their level of qualification and experience and so are 'under-employed'.

Researchers in studies around the world have pointed out that a significant barrier to decent employment for new settlers is employer prejudice, which can be simply biases against foreign-sounding surnames, which have nothing to do with aptitude for the job.

Research globally demonstrates employers do not discriminate against all new migrants evenly. Local managers tend to find managers from similar cultures easier to deal with. Reluctance to interface and learn about other cultures is a significant impediment to levering the benefits of diversity and managers should seek out opportunities to learn about different cultures and provide the same opportunities for their employees.

Existing ethnic groups within a country may have a history of struggle and disempowerment meaning that one group has been historically unfairly treated. This means that their opportunities in the labour market are curtailed and this can cause disempowerment along with all the negative outcomes associated with it. Managers may sometimes need to balance claims for legitimacy with regard to the competing interests of ethnic groups.

For instance, indigenous rights in employment have been a major issue in many nations, especially where indigenous people have suffered from the effects of colonisation. Indigenous people often resent being 'thrown in' with other diversity groups in legislation and employment initiatives as their grievances go beyond work and employment. They are concerned with on-going effects of colonisation and issues such as land rights and access to resources including services. Service providers like health and education often need to show particular sensitivity to these populations due to their critical role in improving the quality of life of indigenous people whose health and education levels are often well below those of other ethnic groups. Health and education providers are often at the forefront of understanding and implementing employment processes that help indigenous people overcome the ongoing negative impact of colonization.

Practical initiatives include cross-cultural awareness, training, and providing opportunities for learning through celebrating diversity at work (for example through acknowledging and integrating cultural festivals into organizational life). Multiculturalism is the new norm worldwide and celebrating diversity by enabling people to be 'themselves' at work is crucial. Exposure to other cultures is a key factor in promoting intercultural harmony and understanding.

> It is impossible to accurately identify someone's ethnicity or national identity from the way they look or the colour of their skin. The best indicator of where someone is from is when they start talking and you can 'hear' where they are from. Even then it is better to be tentative because people may reside concurrently in two or more continents. Ethnic identity can only be recognized through self-identification.

3.6   Religion

Religion is almost always perceived as being a secondary dimension of diversity. However, this betrays a peculiarly secular Western way of thinking about religion's place in culture. Actually for most people in the world the thought that religion is a secondary feature of their identity and culture is puzzling; it is primary.

Ethnic diversity is almost always accompanied by religious diversity. However, at the same time as religious diversity is becoming more apparent due to forces of globalization, many young people are becoming less religious in many countries and opting to describe themselves as atheist or agnostic when asked their religious affiliation.

Learning activity: It is common in many countries to begin meetings with a prayer. What are the advantages and disadvantages of observing religious rituals such as praying at work?

As religious diversity increases employers will face the need to actively plan for and manage with sensitivity a number of issues about their workforces they may not have thought of before such as special days and holidays, compassionate bereavement leave, prayer times and facilities, dress codes and appearance, public religious displays at work, religiously problematic or forbidden activities, the promotion of religion in the workplace, and how to deal with complaints, concerns and issues.

Four British Christians who claim they lost their jobs as a result of discrimination against their beliefs recently took their cases to the European Court of Human Rights. The workers included an airline worker stopped from wearing a cross and a registrar who did not want to marry gay couples. The four workers had previously lost separate employment tribunals relating to their beliefs. The lawyer representing a woman who wore a cross said her employer had permitted other religious symbols to be worn such as a Sikh turban, Sikh bracelet, Muslim hijab, and Jewish skull cap and that wearing the cross visibly did not have any detrimental effect on her ability to do her job. An opposing viewpoint was that employees' rights have to be limited in order to protect the rights of others. The case is also about the limits that employees can go to force their employers to alter employment conditions, so as to accommodate employees' religious beliefs.

4   Practice: Valuing diversity and preventing problems

Many of the issues raised by women about work since the 1950s, especially the inflexibility of work in terms of balancing work and family life, have now been mainstreamed into human resource management (HRM) policies and generally promoted as being beneficial for all workers. Promoting work-life balance is now seen as integral to good HRM practice. Flexibility benefits all workers not just women.

There are two main rules in managing diversity practice: **valuing diversity and prevention**. In enacting the first rule, valuing diversity, RESPECT is a fundamental value that drives valuing diversity practice – respect for others' cultures and ways of doing things. Respect can be enacted with the following activities:

- **R**emove barriers so people have the chance to perform to their full potential
- **E**mployment – Ensure people are considered for the employment of their choice
- **S**ystematize principles of fairness and merit
- **P**lanning – provide cost-effective initiatives and use good business planning
- **E**mploy the best person or team for the job
- **C**reate versatile workplaces that enable people to be productive and effective
- **T**alent and abilities are valued

> Police forces need to be responsive to communities and so they engage positively in managing diversity initiatives. Police forces recruit people from all ethnic groups so they can understand the perspectives of the different ethnic groups and so members of those groups feel they can join the Police. Police develop recruitment strategies that reflect the ethnic demographic make-up of their communities. They use recruitment seminars, hire liaison officers, promote and mentor ethnic minority offices, work closely with ethnic communities, and encourage people in these communities to see policing as a career option. Usually Police have public strategies of responsiveness to ethnic communities and although this responsiveness is often required in legislation, it makes good sense also. Police need personnel with multi-lingual and cross-cultural communication skills and need all their communications to be accurate and appropriate. Having a police force accused of being racist or insensitive to women (especially if they have been victims of a crime) could be very damaging to their reputation, credibility and ability to function effectively to serve and protect their communities. As well as ethnic sensitivity police officers have to develop religious sensitivity. Police have to deal with issues like deceased bodies and blood samples, gender roles within families of different faiths, and so on. These situations can be unfamiliar, challenging and potentially damaging if police officers do not deal with the issues tactfully and professionally.

The second rule of managing diversity practice is prevention; preventing a culture where harassment and bullying can exist by promoting a culture of inclusion where people can feel safe to be themselves. Good employment practice is fundamental to valuing diversity because it means that good human resource management practices are in place. Any employer, large or small, should have good processes and procedures for dealing with issues and should make sure employees are aware of them. When dealing with any employee employers should always act in good faith (i.e. honestly), be timely in communications, be constructive and cooperative, be proactive, respond thoroughly to concerns, keep an open mind, and show respect, including expecting respect shown in return.

Learning Activity: Select several case summaries of employment discrimination cases that have been before the employment courts or human rights commission in your country. For each case, what was the issue and what was the decision of the courts?

Good employment practice also means:

- having agreements with employees,
- making sure everyone is well-informed about their rights and obligations,
- recording all agreements in writing,
- clearing up any confusions immediately,
- communicating clearly in appropriate language (e.g. non-technical),
- raise concerns when they first arise, and
- investigate complaints.

More information about developing safe work cultures is given further in this section. Most countries around the world will have specific guidelines about complaints processes that must be legally met.

Learning activity: Find official web pages of your government that give information about employment legislation and processes of resolving grievances. Print out the processes, cut them into parts, and then reconstruct them from memory.

4.1   Work-life issues

There are a number of demographic and social trends that are driving the need for organizations to become more family friendly and to incorporate work-life policies into practice. A few of these are:

1. More women are in paid work, there are more dual income families, and there are more solo parents in the workforce,
2. An ageing population means more of the workforce is likely to be involved in caring for elderly relations and older people might require more flexible options at work,

3. More workers are putting in long hours, while the advent of mobile technology means it is easier for work to spill over into personal time,

4. People's attitudes to work are changing, and workers are requiring more balance between work and their home and leisure lives.

There are a large number of policies and practices that organizations have introduced that can help organizations improve work-life balance by incorporating flexibility. As this book as noted several times, the important thing to remember when introducing flexible work practices is the importance of ensuring quality work with good pay is the norm rather than the exception with flexible working options. Some flexible options are given below:

Flexible hours	Flexible working hours allow employees to work an agreed number of hours, spread over a set period of time. Employees are able to work the hours they choose while enabling the organisation to function effectively. In introducing flexible hours, it is important that there is a measure of predictability in the work arrangements that are established.
Regular part-time work	Regular part-time work allows employees to reduce their working hours in order to take care of family or other responsibilities, while maintaining an income. It is particularly useful for employees returning from parental leave. Employees working on a regular part-time basis have continuity of employment, and generally accrue other entitlements on a pro rata basis.
Job-sharing	Job-sharing is a voluntary arrangement in which two or more people share one full-time job, each working part-time on a regular, ongoing basis. There can be advantages for employers because there is more than one staff member trained in the job.
Home-based work	Home-based work (also known as teleworking or telecommuting) enables employees to spend part of their working time at home on a temporary or permanent basis. It can provide employees with further flexibility to assist in balancing their work and personal lives.
Flexible leave arrangements	Flexible leave arrangements include a number of measures to assist employees to respond to family emergencies, to provide care for a family member who is ill or to assist parents provide care for children in school holidays.
Career break schemes	Career break schemes allow an employee to negotiate a fixed period of time away from the workplace to undertake study or tend to private commitments, while returning to a job at the end of the period. This allows employers to retain skilled staff who might otherwise have been forced to leave their place of employment. Sabbaticals is a period of time off in addition to annual leave, on full pay.
Child care and elder care provisions	Employers can offer their workers a range of child care and elder care measures. Options include sponsoring places in existing child care centres, establishing carers' rooms and breastfeeding facilities, supporting the use of child care referral services, and introducing employees to community support networks on elder care.

Flexible leave arrangements can include:

- personal/carer's leave entitlements;
- 48/52 leave without pay model where an employee is granted four weeks leave without pay in the year and by spreading 48 weeks' pay over a working year the employee receives pay for the whole year at a slightly reduced rate;
- more flexible use of annual leave; and
- make up time and time off in lieu including through formal flexitime arrangements;
- compressed working week – eg. 4 × 10 hour days;
- flexible leave provisions – including career break schemes, domestic leave, study leave etc.;
- telecommuting/teleworking;
- flexible starting and finishing times;
- the ability to leave work suddenly to deal with family emergencies;
- the ability take time off for appointments and make it up later;
- job-sharing – where two or more employees share a job;
- job-splitting – where one job is split into two or more part-time positions;

- part-time work – permanent part-time work is an ongoing contract of employment, which means employees accrue cumulative benefits such as annual leave and sick leave;
- phased retirement – a reduction of work hours or responsibilities;
- temping;
- casual work;
- term-time working – where a carer stops work during school holidays;
- time banking;
- virtual teams (e-teams).

4.2   Culture and leadership

Creating change can take several years as it involves providing and communicating information on the business case, training and development, and shifting language use so that diversity and work-life balance are perceived positively. In recent years managing diversity is being incorporated into knowledge management planning and understanding about organisational learning. In addition managers are seeing their organisations as both global entities but also grounded in communities and as needing to be responsive to their communities which are inevitably becoming more diverse along demographic characteristics.

Managers may experience a number of barriers to diversity acceptance. These barriers need to be removed to ensure that an environment of inclusiveness is created in the organisation. These barriers can form a self-perpetuating circle of exclusion.
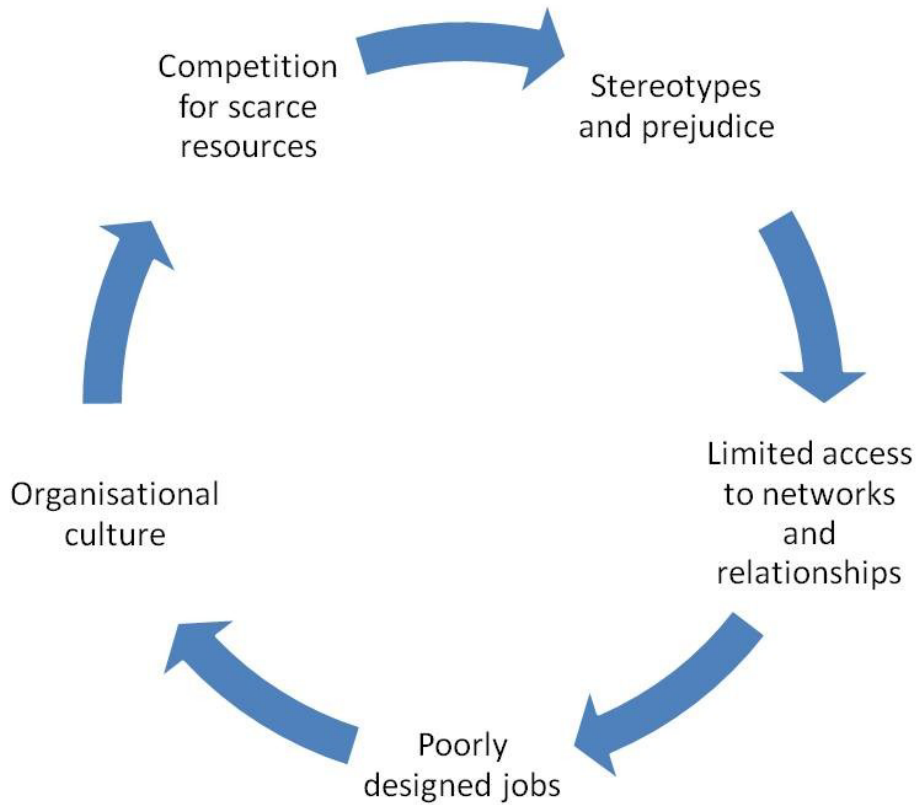
Figure 19: Barriers to implementing managing diversity initiatives

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One way of removing barriers is simply to carefully consider job selection criteria. For example if there is, for example, a height restriction for a certain job this should only be for good reasons. Height restrictions used to be common in police and fire service selection when they were used as 'short-hand' criteria for strength until employers realized this rule limited opportunities for some groups with lower average height like women and some ethnic populations. This issue is pictured light-heatedly in the illustration below.
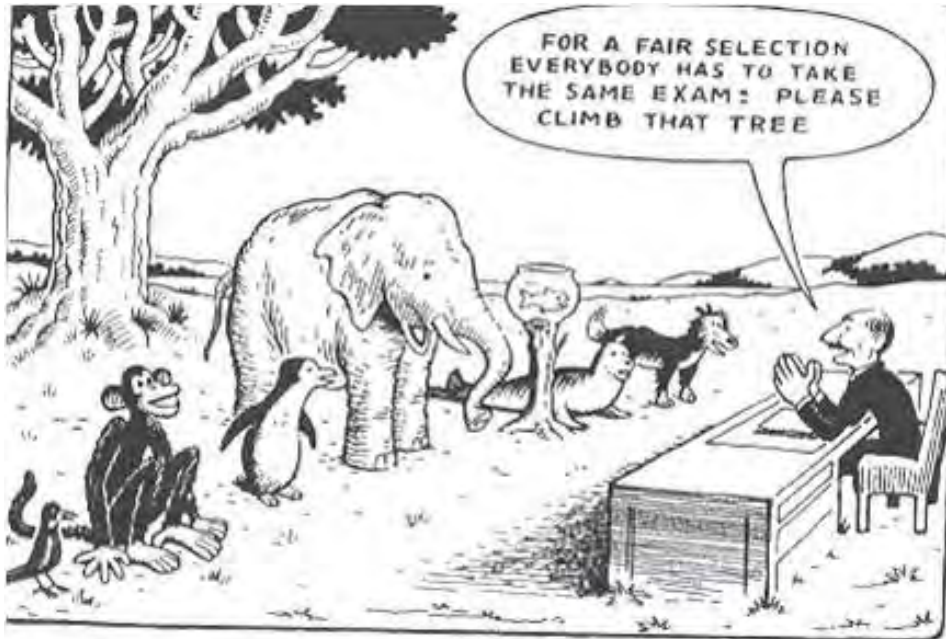

Figure 20: Humorous cartoon showing unfair selection process which advantages one candidate (the monkey)

Over the decades of managing diversity experimentation and implementation many lessons have been learnt about facilitating acceptance of valuing diversity initiatives and overcoming barriers in organisations. First and foremost the organisation must aim for an organisational culture that values diversity. Key factors in developing an inclusive organisational culture that values diversity are:

- Change organisational culture, including language and behavior
- Use the business case to justify benefits of diversity
- Identify change agents and support them
- Leadership: Need board-level champions
- Review, monitor and measure progress
- Integrate work-life policies into mainstream policies

Since the late 1990s there has been a tendency to join managing diversity with work-life balance initiatives. Corporate Social Responsibility (CSR) is a new focus and managing diversity and CSR are certainly interrelated. CSR enjoys general support and acceptance and if the end-point of CSR and diversity is the same then CSR can help promote an organisational climate that benefits diversity and it objectives. CSR focuses on aligning social, environmental and economic expectations of stakeholders which includes employees and communities. If CSR incorporates positive inclusion then it could be desirable to integrate the approaches in policy and strategy. However, managers need to be certain that the aims of managing diversity are not subsumed and forgotten under a more popular strategic focus (like CSR), as this may be detrimental to diversity objectives.

> Learning about managing diversity is a never-ending process. Like continuous improvement initiatives it is a 'race without end'.

4.3   Preventing harassment and bullying

The second rule of good managing diversity practice (after valuing diversity) is prevention. Managers should have processes in place to prevent the negative effects of bad publicity and the legal and other costs associated with unwanted workplace behaviors. Managers should always try and prevent problems before they happen and this is especially the case when it comes to bullying and harassment.

Bullying and harassment both involve unwanted, unwarranted behavior that victims find offensive, intimidating or humiliating and are have a detrimental effect upon a person's dignity, safety and well-being. Sexual and racial harassment are often specifically made unlawful. General harassment and bullying are often dealt with using workplace stress and safety policies and procedures if there is no legislation specifically dealing with it.

Harassment is defined as any unwelcome comment, conduct or gesture which is insulting, intimidating, humiliating, malicious, degrading or offensive, and is repeated, or an isolated incident so significant it affects someone's work. It can be focused on an individual's or group's race, color, gender, physical characteristics, sexual orientation, disability or other characteristic. It can range in severity along a continuum from mild (gestures or comments) to behavior that is physical and violent. Key elements of harassment are that it is:

1. Unwanted
2. Repeated
3. Uncomfortable for recipient
4. Significant and/or serious

Harassment can include the effect behavior has on bystanders who may also feel intimidated or offended by the behavior. Serious events are usually obvious but the accumulative impact of low-level behaviors can create a toxic environment. Simply being offended by someone's behavior would not be a serious or significant enough to count as being harassed. Responses may include feelings that range from acute embarrassment and discomfort to stress-related illness or even an unwillingness to come to work.

The majority of harassment complaints relate to sexual harassment incidents. These include:

- Threatening or making promises to get people to co-operate in sexual activity
- Punishing people because they wouldn't co-operate in sexual activity
- Sexual behaviors that create an intimidating, hostile or offensive environment
- Written or verbal abuse or threats
- Display of visual material (posters etc)
- Remarks, jokes, innuendo, taunting
- Spreading rumors
- Unwanted physical contact
- Offensive emails or faxes

Harassment is not:

- Appropriate or acceptable compliments
- Behavior based on mutual attraction
- Friendly banter which is mutually acceptable

Most research on sexual harassment shows that men predominantly harass women, although men do also harass other men, women harass other women, and women may harass men. Harassment does not necessarily occur between superiors and subordinates although the majority of harassment is by people in positions of seniority. Subordinates have been reported as harassing their superiors and the problem extends into client relationships and customer relationships as well. The common factor appears to be perceived control of the relationship and the power that one party may have over the other. It is more common to see harassment in smaller organizations where there are no policies and no behavioral expectations explicitly articulated to organizational members. Prevention strategies must cover work-related activities such as training courses, conferences, sales visits and work-related social events.

Workplace bullying is repeated, unreasonable behavior directed toward an employee, or group of employees, that creates a risk to health and safety. Unreasonable behavior means behavior that a reasonable person, having regard to all the circumstances, would expect to victimize, humiliate, undermine or threaten. Risk to health and safety includes risk to the mental or physical health of the employee.

Bully's behaviors include acts of commission (hostile verbal, nonverbal communication and interfering actions) and omission (the withholding of resources – time, information, training, support, equipment in order to guarantee failure) which are all driven by the bully's need to control the target.

At 3 a.m. on 16 March, 2005 Donna, a 60 year old divorced administrative assistant at a University stood in her front garden. Donna took a .38 special raised it to her right temple and ended her own life.

Donna had a history of depression and financial problems, and her workplace environment was bullying, stressful and demanding. In the last months of her life Donna's pleas for help from her employer were ignored. Instead the University chose to chase a $900 overpayment to Donna while she was on stress leave.

Donna's stress leave resulted from working for hostile supervisors intent on terminating her employment. In her time at the University Donna had become depressed and required leave from work. She considered she was overworked and underpaid. Donna described her manager as having a mean spirited and conflicting style of management.

On returning to work after 6 months stress leave, Donna was required to attend a performance evaluation meeting at which she was given 6 weeks to improve her performance or lose her job. Facing bankruptcy and overwhelmed with pressure and pain Donna became more and more depressed until she ended her life. In doing so, she hoped to make a statement to her employer about their destructive and bullying work practices.

Donna is only one person, however her story is one of many. Fortunately few employees take their own lives, but many suffer physically and psychologically from harassment in the workplace. Trauma caused by harassment in the workplace is real and costly.

All organisations should follow safe practices and create a climate where discrimination, harassment and bullying are not tolerated. For many organisations this is incorporated in health and safety requirements. The following diagram explains the basics of a good process for dealing with complaints which is essential in organisations that take this problem seriously.
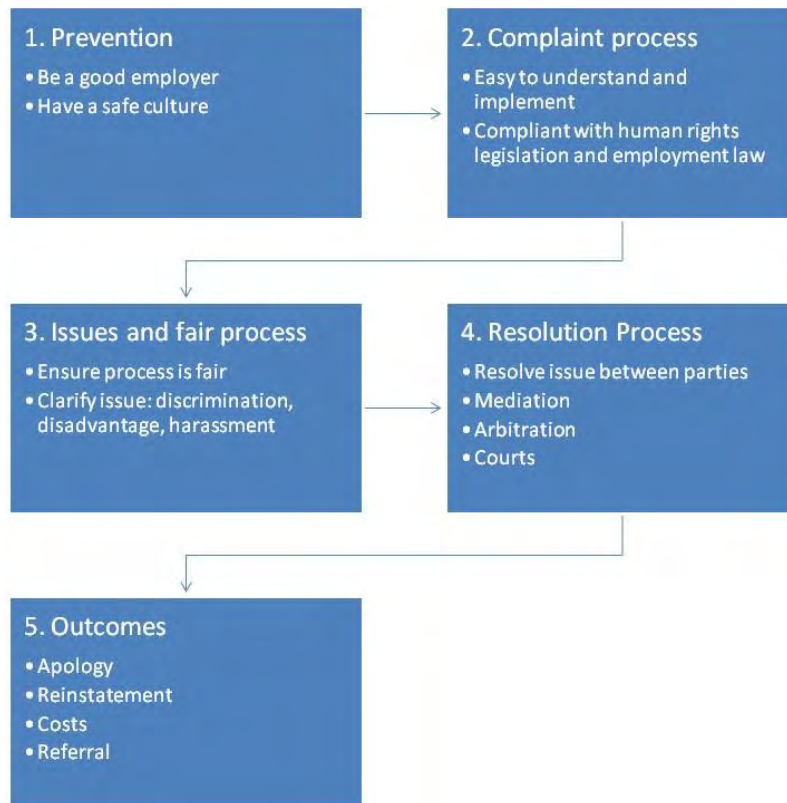

Figure 21: Summary of harassment prevention and resolution process

First prevent complaints by being a good employer and having a safe culture. Second, have a process for complaints that is easy to understand and implement and is compliant with employment legislation. Third clearly understand the issues and follow the principles of natural justice which involves providing an avenue for complaint, but also uphold the right of the person complained against to reply and also have a fair process. Fourth use the appropriate process for resolution with the most desirable choice always being trying to work out the issue immediately between the parties. Sometimes an issue can be a misunderstanding and can be resolved with a heartfelt apology and a promise not to do it again. Finally there are a number of outcomes that could eventuate. An apology is often all that an offended party wants – a symbolic gesture by the harasser that they have done something wrong whether they intended to or not. Usually if an issue ends up in the courts it becomes fraught and unpleasant and often employees do not wish to return to the workplace where the event/s occurred. Usually monetary compensation is small compared to the loss of income and the humiliation and hurt feelings that eventuate. An apology is usually the preferred outcome with compensation being relatively small which attests to the level of hurt felt by people who have been harassed.

Learning activity: Roughly calculate the cost of losing a professional worker on a salary of $60,000 who leaves an organization abruptly because of sexual harassment and then takes a case against the organization for sexual harassment. Use Tool 4 'Turnover costs' in the next section.

5   Tools

This section provides four tools useful for managers when they are dealing with workplace diversity issues covered in this book. They are: a workplace profile tool which is useful when matching an organisation's demographic profile to the community where it is located or serving and to human resource issues like selection, promotion and training; a remuneration checklist which can help an organisation benchmark itself against best-practice in remuneration; a staff turnover tool which can help managers understand their turnover and whether or not they have a problem with turnover; and finally a simple way to understand the cost of turnover so that it is easier to justify the necessity to eliminate all forms of bullying and harassment in an organisation. Sometimes spreadsheets for these tools can be found on the internet that can make calculations simple and quick or the tools below can be the starting point for the development of your own tools.

Organisations should have some idea of the demographic profile of their workforce. Most organisations collect information about basic demographics and this information can be easily collated in a spreadsheet. A simple profile example is given below with some other information that could be added to illustrate more detail about where people are in different levels in a large organisation.

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5.1   Tool 1: Workplace profile

	Women	Men	Ethnic Group 1	Ethnic Group 2	Age
Recruitment and Selection					
People applying for jobs					
People being interviewed for jobs					
People being appointed to jobs					
Remuneration					
Average starting salary					
Average salary increase					
Average salary					
Promotion					
People applying for promotion					
People being interviewed for promotion					
People being promoted					
Training					
People accessing workplace training					
Employee Turnover					
People resigning					
Average length of service (of all employees)					
Average length of service (of resignations)					

This profile can be compared to statistics that are available from the government regarding the demographic profile in the area the institution is located in order to see how well the organisation matches the local demographic profile. This sort of comparison is especially necessary in services, like health, education or local government.

Use the following checklist to compare and benchmark your organisations remuneration with organisations who are currently modelling best practice in this area. Simply fill in the column for 'My organisation' with F (Formal), AH (Ad Hoc) or UC (Under consideration) if you have are or thinking about implementing any of the best-practice remuneration policies set out in Column One.

5.2   Tool 2: Remuneration checklist

Best Practice Policies	F, AH or UC	Notes
Insurance schemes		
Superannuation schemes		
Parental leave payment		
Childcare subsidies or other childcare support		
Pay for care during travel or training		
Pay for emergency care		
Relocation assistance		
Study assistance		
Professional or other fee assistance		
Based on achievement rather than hours worked		
Gifts/vouchers/non-monetary 'thank yous'		
Bonus/Commission		
Return to work incentives/grants		
Share options		
Product or service subsidies		
Subsidised gym memberships		

5.3   Tool 3: Staff turnover measure

This simple table can be adapted into a simple spreadsheet that can calculate costs automatically. Links to spreadsheets already set up for automatic calculation of turnover costs are in the Resource section at the end of this book.

Columns on table are Organizational Groups (functional work groups or other criteria such as part-time and full-time staff), Exits (E), Voluntary Exits (VE), New Staff (NS) Average Total Staff (ATS), Staff Turnover (STO), and Voluntary Staff Turnover (VST).

Org Groups	E	VE	NS	ATS	STO	VST
Unit A						
Unit B						
Unit C						

Exits are all staff that left the organisation during the year (or other time frame). Voluntary exits are all staff who left voluntarily (not made redundant, performance-related, retirement, or because of reasons they self identify such as bullying, harassment, etc.). New staff are all new hires. Average Total Staff are the number of staff remaining after subtracting exits and adding new staff. This is the total number of employees, not FTE (full-time equivalent) figures.

The yearly turnover rate equals the number of exits/average number of employees multiplied by 100. Say we had a figure of 25% what does this actually mean? It is important to have some external reference point (like an industry standard) so that an organisation can make a judgment about whether that turnover is higher or lower than the average standard in the industry. You can also make internal comparisons to see if any particular work group has significantly more exits than other work groups and try and account for that by looking at E and VE numbers and also carefully examining exit interview records to see if any patterns are discernible.

5.4   Tool 4: Turnover costs

Replacement costs for a lost staff member can be up to 150% of the employee's remuneration.

Direct Costs	Secondary Costs
Replacement hiring (time and salary of people involved in process)	Reduced morale and stress
Costs to train new hires	Un-necessary overtime
Costs of lost productivity (to existing staff and job not being done)	
Administration and processing time	

The cost of replacing an employee on $40 000 is approximately $60 000, which underlines the importance of understanding the causes of excessive turnover and the cost of discrimination and/or harassment to an organisation.

6   Conclusion

Managing diversity is always about being sensitive to who has power and who is excluded because of the operation of that power. Managers need to act ethically, responsibly and effectively with regards to managing diversity which means they need to consider power and to keep asking questions like: 'Who does this benefit?' and 'How can I make this a system that contributes to the development and fulfillment of this organisation, the people that work for it, our customers, and the wider community?'

The key 'takeaway point' from this book is that managers need to constantly critically analyze organizational processes and ask two questions: "Who benefits?' and "Whose voice is being heard and whose is being silenced?". This is a never-ending process; a life-long learning process and is deeply rewarding for managers and the people they serve.

7   Useful websites and resources

Go to http://managingdiversityblogspot.blogspot.co.nz/2012/10/bookboon-managing-diversity-slides.html to download all slides that can be used with this textbook.

Work-Family Network https://workfamily.sas.upenn.edu/

Martin Luther King's 'I had a Dream Speech' can be viewed online at
http://www.youtube.com/watch?v=B3P6N9g-dQg

Quote of Malaysian Women, Family and Community Development Minister Datuk Seri Shahrizat Abdul Jalil is at http://www.mohr.gov.my

Christians take 'beliefs' fight to European Court of Human Rights
http://www.bbc.co.uk/news/uk-19472438

European Employment Policies to Promote Active Aging
http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=6783&type=2&furtherPubs=yes

Report on research about pay gap between men and women doctors in the USA is at
http://articles.latimes.com/2011/feb/03/news/la-heb-why-women-doctors-earn-less-20110203

Energy Watch Saga is storified at
http://storify.com/jgsayers/energy-watch-saga-facebook-racist-comments-causes

Facebook Board of Directors issue was reported on this website
http://www.bloomberg.com/news/2012-02-02/no-women-on-facebook-board-shows-white-male-influence.html

Research about professional vitality of older workers is at http://newmedia-eng.haifa.ac.il/?p=5929

See a longer discussion about the role of toys in social learning and a lesson plan at
http://managingdiversityblogspot.blogspot.co.nz/2011/11/understanding-gender-socialisation.html

Tool spreadsheets can be found at http://www.eeotrust.org.nz/toolkits/index.cfm

8   Further reading

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