

**WORKFORCE DIVERSITY: CONTROVERSIES,
AND AN INTERDISCIPLINARY APPROACH**

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ABSTRACT: Labor force participation rates, pay inequalities, occupational segregation, positions in the hierarchy, interactions between diverse groups, and organizational culture all demonstrate that diversity in the workplace has not been fully achieved. Existing approaches to supporting workplace diversity have not worked, and, in many cases, have resulted in new sets of problems or dilemmas. For example, the equal employment opportunity approach, although effective in increasing participation, has engendered a strong racial and gender backlash. Corporate efforts to increase sensitivity through in-house programs have often aroused animosity rather than defusing it. Family-friendly policies offered by many organizations are often not widely used because women who use them are perceived as less serious employees. Therefore, it is necessary to develop a new perspective on how to incorporate diverse groups successfully. A multilevel analysis must be developed that includes attention to individual, work group, organization, and societal factors. It is necessary to understand a variety of complex and relatively unanticipated problems: contradictions between intent and impact, resistance and backlash, and limited impact on organizational cultures. The goal is to reduce institutional and attitudinal barriers to diverse groups working together and to empower individuals and groups within a more favorable environment.

Introduction

The management of diversity in the workforce is one of several key organizational concerns that have been widely articulated and addressed in recent years. Much has been written in both the popular press and academic features (e.g. Cox, 1993; Fernandez, 1993; Jackson, 1992; Jamison & O'Mara, 1991). Diversity has become a buzzword along with flexibility, reengineering, and downsizing. In this paper, we examine the reasons why the incorporation retention of diverse groups in the workforce is an increasingly important topic yet one fraught with emerging complexities that require new strategies.

Understanding ways diverse groups can work together effectively has become essential for several reasons. Most striking is the well-documented fact that net new entrants ¹ to the U.S. labor force in coming years will be largely women, minorities, and immigrants (Johnson & Packard, 1987; Fullerton, 1991).

Promotion of diversity in the workplace is, however, complicated by forces rooted in history, economic and social trends, organizational traditions, and interpersonal dynamics. Those organizations that have promoted diversity programs have encountered increased problems in maintaining diversity throughout the workforce during recent years of downsizing and restructuring. As corporations have reorganized over the past decade to become more competitive, large numbers of middle and upper management jobs have been eliminated. Middle management jobs are slots that women and minorities have recently moved into; they are their entrée into upper level jobs. Women and minorities often leave larger corporations because of a "glass ceiling", which refers to the difficulty they have in attaining timely promotions into upper management positions (Deutsch,

1991; Trost, 1990). Reallocation of financial resources has often resulted in a decrease in importance given to diversity programs in corporations (Blanton, 1994).

In this paper, we point out that approaches to achieving a diverse workforce have come from several different disciplines, reflecting different ways of examining the problem. Some of the most challenging dilemmas revolve around two main themes. First, assumptions underlying different approaches to supporting diversity are often contradictory. For example, the equal employment law approach to fostering diversity states everyone must be treated the same. However, most in-house approaches to managing diversity imply that different peoples may need to be treated differently (e.g., allowing flextime, family leave, etc.). Second, policy changes and other diversity initiatives have not resulted in changes in basic organizational values or practices. For example, the organizations where family-friendly policies have been established are not necessarily the same organizations that hire and promote more women into management positions.

We begin this paper by discussing what diversity involves and how it can be characterized. We elaborate on the increasing importance of incorporating different groups in the workforce and on accompanying problems. We then examine several prominent and distinctly different explanations for existing workplace inequities (in hiring, occupation, promotion, and pay) offered by the disciplines of economics and psychology.

Support for Diversity: What does that mean?

Diversity is widely recognized to involve differences based on gender and race. It also includes differences based on ethnicity and regional origins (e.g., Spanish-speaking people from different countries have distinct cultures as do Asians and blacks from different region). Variations in class background, family structure, age, sexual orientation, and physical abilities also contribute to diversity.² When we refer to diversity in this paper, we recognize the myriad bases for difference. We have, however, focused much of our discussion (and the vast majority of our examples) on differences based on gender and race. We also recognize that racial and ethnic identities can be mixed, can vary over time, and can depend upon settings or context (Coughlin, 1993).³

There is also evidence that people in different positions (and people within the same position but of opposite genders and/or diverse ethnic groups) often experience the organization or the same event quite differently (Fine, Johnson, & Ryan, 1990; Tsui, Egan & O'Reilly, 1992; Jewson & Mason, 1996; Hamilton, 1992). The resulting challenge for organizations is effectively utilize groups that differ with respect to basic assumptions and how individuals should approach the tasks and relationships involved in accomplishing their work. Perhaps the most central distinction for our purposes is between creating a diverse workforce by bringing in new types of workers and managing the diversity once it has been introduced.

In this work, we define “support for diversity “ in a multifaceted way. We include elements of both the creation and the management of diversity, and consider effective support for diversity to be evident in both the processed and the outcomes of organizational work. We define it to include 1) a structural component (the actual

representation of diverse workers at different levels of the organization), 2) an interactional component (members of different groups working well together).

Diversity in Organizations: Why does it matter?

Diversity in organizations is an important issue for three reasons: 1) issues of equity/fairness, 2) the changed demography of net new entrants to the labor force, and 3) the need to maintain competitiveness. For most of the three decades since the Civil Rights Act of 1964, the debate over diversity in organizations centered largely on the issues of fairness and equity-that people should not be discriminated against and prevented access to jobs on ascriptive characteristics such as race, religion, national origin, or gender. The dramatic changes in the composition of net entrants to the labor force (entrants minus leavers) was pointed out in the widely cited Workforce 2000 (Johnson & Packer, 1987). This study projected that only 15% of the net new entrants to the labor force during the period 1885-2000 would be U.S. born white males while the other 85% would be women, minorities and immigrants.

As shown in Table 1, updated projections for 1990-2005 indicate that 85.5 of net entrants to the labor force will be women, minorities and immigrants, with white non-Hispanic males comprising only 14.5% of the increase. Women will be 57% of the net increase in the labor force 1990-2005; minorities will be 53.7%. A more detailed breakdown indicates that 31.8% will be white, non-Hispanic women; 15.8% black men and women; 27.8% Hispanic males and females; 10.1% Asian and other (Fullerton, 1991). As Table 2 indicates, it is projected that non-Hispanic white males will make up only 38.2% of the workforce by year 2005.

Insert Table 1 about here

Insert table 2 about here

Other sources discuss changes in the numbers and composition of flows of immigrant workers. According to Martin (1991), the labor force in the U.S. grew by about 2 million a year in the 1980s, with at least one-fourth of this due to foreign workers. In the 1950s Europeans were 52.7% of the immigrant flows into the U.S. whereas those originating in Asia were 6.1%. In the first half of the 1980s Europeans fell to 11% of immigrants and those from Asia rose to 47.4% (Borjas, 1990). (In both of these periods immigrants from the Americas were just under 40%, although they had risen to over 50% in the 1960s.)

Changes in the nature of work and structures of the economy also make it necessary that diverse people work well together. Many new business strategies, often adapted from other countries such as Japan or Sweden, involve more team –based approaches to work. Organizations are realizing that a focus on teamwork, employee participation, and empowerment can lead to a more efficient and innovative organization and thus to sustainable competitive advantage. In addition, with the growth in the service economy, interpersonal interactions have become central and effective communication skills critical (Jackson & Alvarez, 1992). Much of this work requires that employees interact with one another, with customers, and with suppliers.

The importance of dealing with diversity is also emphasized by an increasingly global economy. Organizations that conduct business internationally have come to realize the necessity of cross-cultural sensitivity. New mergers and alliances spurred by

the changing economy also require managing difference as diverse organizational culture come together to forge entities. Solid diversity management can reduce cost through lowering turnover and absenteeism (Cox & Blake, 1991).

Thus, a clear challenge emerges: In order to create organizations that are truly supportive of diversity, all initiatives whether they be policy, training, and/or team-building, must be accompanied by changes in cultural organizational values.

Summary

Diversity in the workplace has not been fully achieved. This was shown above in terms of representation (labor force participation rates, pay inequities, occupational segregation, positions in the hierarchy), interaction between diverse groups and organizational culture.

Existing approaches to supporting diversity in the workplace have not worked and in many cases have resulted in new sets of problems or dilemmas. The EEO approach although effective in some areas in increasing participation has encountered a strong racial and gender backlash. Corporate efforts increase sensitivity through in-house diversity programs has often aroused animosity rather defusing it. Family-friendly policies offered by many organizations are often not widely used because it is perceived that women who utilize them are less serious employees.

Therefore, we need to begin to develop a new perspective on how incorporate diverse groups successfully. In constructing a new and more workable approach, we need to draw from multiple disciplines (economics, psychology, sociology, business, and law). A multi-level analysis must be developed that includes attention to individual, work group, organization, and societal factors. In addition to understand a variety of complex and relatively unanticipated problems which we have termed “emerging

dilemmas' (contradictions between intent and impact, resistance and backlash, and limited impact on organizational cultures).

Development of a broader new approach that addresses often-conflicting problems requires that certain processes be encouraged and that particular substantive issues are addressed. The goal is to reduce institutional and attitudinal barriers to diverse groups within this more favorable environment.

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NOTES

- 1. The number of 'Net new entrants' are calculated as follows: 'net new entrants' equal 'entrants' (people who will be in the labor force on the future date but who were not on the earlier date specified) minus 'leavers' (people who will not be in the labor force on the future date but who were in it on the earlier date specified).**
- 2. The proposed Non-discrimination Act of 1994 would extend laws that ban discrimination based on race, religion, and national origin to include sexual orientation.**
- 3. For good discussions of how the concept of diversity differs from Affirmation Action, see Thomas (1992) and Cox (1993).**

TABLE 1
PROJECTED COMPOSITION OF NET CHANGE IN THE U.S. LABOR FORCE,
1990-2005

Demographic Category*	Net Change In category In labor force	category as % of total net change in labor force
By Gender		
Men	11,107	42.8%
Women	14,840	57.2%
Total	25,946	100.0%
By Race		
White, Non-Hispanic	12,002	46.3%
Black	4,107	15.8%
Hispanic	7,212	27.8%
Asian and other	2,627	10.1%
Total	25,946	100.0%
By Race and Gender		
White, Non-Hispanic		
Men	3,761	14.5%
Women	8,241	31.8%
Black		
Men	1,909	7.4%
Women	2,198	8.5%
Hispanic		
Men	4,146	16.0%
Women	3,066	11.8%
Asian and other		
Men	1,292	5.0%
Women	1,335	5.0%
Total	25,946	100.0%

SOURCE: Calculated from data in Fullerton, 1991 based on projections by the Office of Employment Projections, Bureau of Labor Statistics, as reported in Fullerton, 1991.

TABLE 2

COMPOSITION OF THE U.S. LABOR FORCE, 1990 AND PROJECTED COMPOSITION 2005

Demographic Category*	1990	2005
By Gender		
Men	54.7	52.6
Women	45.3	47.4
<hr/> Total	<hr/> 100.0	<hr/> 100.0%
By Race		
White	78.5	73.0
Black	10.5	11.6
Hispanic	7.7	11.1
Asian and other	3.1	4.3
<hr/> Total	<hr/> 100.0	<hr/> 100.0%
By Race and Gender		
White, Non-Hispanic		
Men	43.1	38.2
Women	35.4	34.8
Black		
Men	5.3	5.7
Women	5.4	5.9
Hispanic		
Men	4.6	6.6
Women	1.4	2.1
<hr/> Total	<hr/> 100.0	<hr/> 100.0%

***This data is not subdivided by native born and foreign born-both are included in all categories. Thus it does not highlight the importance of immigrant workers.**