

AMERICA!

DIVERSITY AS A VITAL RESOURCE

MARILYN LODEN

JUDY B. ROSENER

WORKFORCE AMERICA!

Managing Employee Diversity as a Vital Resource

MARILYN LODEN
JUDY B. ROSENER, Ph.D.

McGraw-Hill

New York San Francisco Washington, DC Auckland Bogotá
Caracas Lisbon London Madrid Mexico City Milan
Montreal New Delhi San Juan Singapore
Sydney Tokyo Toronto

McGraw-Hill

A Division of The McGraw-Hill Companies



© Marilyn Loden and Judy B. Rosener, 1991

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system, or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording, or otherwise, without the prior written permission of the publisher.

This publication is designed to provide accurate and authoritative information in regard to the subject matter covered. It is sold with the understanding that neither the author nor the publisher is engaged in rendering legal, accounting, or other professional service. If legal advice or other expert assistance is required, the services of a competent professional person should be sought.

From a Declaration of Principles jointly adopted by a Committee of the American Bar Association and a Committee of Publishers.

Library of Congress Cataloging-in-Publication Data

Loden, Marilyn.

Workforce America : managing employee diversity as a vital resource / Marilyn Loden, Judy B. Rosener.

p. cm.

Includes bibliographical references and index.

ISBN 1-55623-386-8

1. Manpower planning—United States. 2. Minorities—Employment—United States. 3. Women—Employment—United States. 4. Pluralism (Social sciences)—United States. I. Rosener, Judy B. II. Title.

HF5549.5.M3L64 1991

658.3'04—dc20

90-44016

Printed in the United States of America

13 14 15 16 DOC/DOC 0 9 8 7 6 5 4 3 2

Preface

In the early 1970s, while working as an organization development specialist at New York Telephone, I was assigned a project that I thought would occupy a few years of my professional life. That project, to raise the organization's consciousness about gender issues and increase career opportunities for women in management, turned out to be far more challenging than I had anticipated. It forced me to look critically at many assumptions and institutional policies I had heretofore accepted as "givens." It also challenged me to look at my own values, at relationships in my own life, and to acknowledge both the discomfoting limitations and the intriguing possibilities for change.

My early efforts to understand institutional sexism eventually led me to the realization that freedom and equality must be universal conditions—or none can be truly free. Therefore, fighting all forms of discrimination began to make more sense to me than focusing only on one. Understanding and valuing all types of human diversity made more sense than acknowledging just a few.

Since then, with the help of colleagues like Tom Gordon, Judy Rosener, Larry Waller, and clients like the good people at Northwestern Bell (an organization whose commitment to diversity predated all others in the American workplace), I

have come to realize the project that I began in 1972 is now an expanded, lifelong crusade. Everywhere, I see the incredible potential that diversity offers and the enormous waste of human talent that occurs in most organizations. Everyday, I am challenged to help clients see that potential and also recognize the waste. While this task is, at times, an overwhelming one, it is one I will never abandon. My associations with diverse others enrich me. My impatience with the pace of change motivates me to find new and better solutions. My determination to make a difference and to help institutions become more spirited, humane, and productive sustains me and provides meaning and purpose for my life. Most important of all, my conviction that respect for diversity is the key to solving our most pressing global problems continues to grow.

This book is the culmination of efforts that began in the early 1970s to help organizations value and manage employee diversity as a vital resource. It is based on all the ruminations, momentary doubts, and personal discoveries that have come out of almost two decades of consulting on diversity issues. *Workforce America* was born of a strong conviction that most people want to be part of the solution—they simply lack the awareness and skills to do so. It is my sincere hope that this book will provide many readers with the knowledge required to join in this crusade for culture change.

Marilyn Loden

Preface

I have always felt different. I'm a twin, and much taller and larger than my twin brother. As children, my brother, sister, and I never had a Christmas tree (because of our religion) but lived in a community where everyone else did. Our family was different from others in the blue-collar neighborhood where we were raised. We had one aunt who was a psychiatrist and another who was a lung surgeon—unusual occupations for women at the time. We had an aunt who was a farmer and one who was a screenwriter. My mother's career was raising three children and being a wife. It never occurred to me that women couldn't be whatever they wanted to be.

This belief was challenged in the 1970s, when I became an academic. After raising three children and witnessing the passage of the Civil Rights Act of 1964, I began to see how women, people of color, differently abled people, older people, gay men, and lesbians were disadvantaged by virtue of being different. Although my initial awareness began at UC Irvine where I am a faculty member, I soon realized that our campus was no different from other campuses, corporations, and government agencies across the country.

I learned that the reason women and people of color tend not to receive tenure at colleges and universities is because their research focus and methodologies are often considered

“nontraditional” and, therefore, “not scholarly.” This seemed to parallel the “glass ceiling” problem that existed within business and government. Everywhere, women and people of color just couldn’t seem to “make it” and didn’t seem to “fit.” I asked myself why.

I looked for reasons but found no theories that, by themselves, explained this phenomenon to my satisfaction. It was clear that the influx of women and people of color into the American workplace was creating confusion, discomfort, and irritation that got in the way of good work relationships. The phenomenon reminded me of static on the radio—interference with communication and understanding—the source of which is often difficult to ascertain. So I labeled the phenomenon *cultural static*.

I continued my quest to learn more about the static issue by reviewing the growing literature on the complex sociopolitical forces that disadvantage women and people of color at work. Barbara Gutek and Jean Lipman-Blumen were my early teachers. It didn’t take long to see that these forces are related to assumptions about competence, credibility, and the prevalence of organizational rewards systems that favor “sameness.” It was also apparent that “otherness”—or being different from those in the dominant group—seemed to be a major issue that both employees and organizations were struggling to manage.

This book is an attempt to confront the complex, subjective, painful, yet fascinating nature of the otherness issue. In practical rather than theoretical terms, it makes a case for the importance of managing diversity as a vital resource in order to maximize organizational effectiveness.

It was fortuitous that I learned about Marilyn Loden when I began developing an interest in the study of otherness. I had used her book, *Feminine Leadership*, in my M.B.A. Gender and Management classes and found that her observations supported my notion of static. Thus, when we met at a conference in 1986, I was delighted to discover we shared a mutual interest in each other’s work. Since then, we have become friends as well as colleagues. Our desire to share what we know with others brought us together to write this book. Working with Marilyn (and her husband John) has been a real

joy. If *Workforce America* makes the issue of valuing diversity more interesting, more visible, more exciting, or more compelling to its readers, I will consider that joy doubly rewarding.

Judy B. Rosener, Ph.D.

Acknowledgments

We wish to acknowledge the support and assistance of the many people and organizations that helped in the writing of this book. Without their ideas and encouragement, this project would have remained an unrealized goal. In particular, we express our sincere thanks to all the individuals who agreed to be interviewed for this book and the many institutions that cooperated with us in our efforts to gather information.

Among those who provided technical assistance were Greta Brooks, Diane Erickson, Susan Knight, Beverly Poland, and Naomi Smith. We thank them all for their efforts. We also wish to thank Richard Brahm, Jeff Krames, and Pat Pollok for the personal encouragement they provided during the writing of this book.

We are equally in the debt of several colleagues who helped us refine our thinking. In particular, we thank Lee Gardenswartz, Frank Quevedo, Anita Rowe, and Larry Waller who served as important sounding boards and Barbara Gutek, whose research was invaluable in helping to conceptualize diversity issues. We also owe special thanks to Tom Gordon, a friend and colleague who generously shared his ideas with us and did much to improve the clarity of the writing and thinking in this book.

Finally, for the moral support that they have always given us as we pursued this and other nonwifely projects, we wish to thank our husbands—John and Joe. In addition, we thank John Loden for his tireless efforts as an editor of this work.

ML
JBR

Introduction: Why This Book

As we approach the next millennium, organizations throughout America are facing an extraordinary new challenge—unlike any they have confronted in the past. Analysts believe this current challenge will have a powerful impact on our future as a productive society. Yet few U.S. institutions seem adequately prepared today to deal effectively with this momentous change—the increasing cultural diversity of the American workforce. By cultural diversity, we are referring primarily to differences in age, ethnic heritage, gender, physical ability/qualities, race, and sexual/affectional orientation.

Today, the challenges and potential opportunities posed by employee diversity in the American workplace are a growing reality. Since 1970, the number of women as a percentage of the total labor force has doubled. In 1990, they constituted 46 percent of the American workforce.¹ In 1985, people of color made up 13 percent of the workforce. By 1988, that percentage had risen to 18 percent.² During the next decade, women and people of color are expected to fill 75 percent of the 20+ million new jobs created in the United States. By the year 2010, white men will account for less than 40 percent of the total American labor force. In addition, diversity in age, ethnic heritage, physical ability, religious belief, sexual/affectional orientation, and work and educational background are also increasing in the

workplace as American society continues to become more culturally segmented.

Given the demand for increased commitment, innovation, and productivity in the global marketplace, can any competitive organization afford to ignore these changing demographics or assume they will have no impact on the way work is done? Moreover, can we assume that most employees, managers, administrators, and leaders are adequately prepared to deal effectively with increased workforce diversity? We believe the answer to both questions is an emphatic no.

To prosper in the future, we must value, understand, and better utilize our diversity in business, education, government, as well as in society in general. In other words, we must learn to manage employee diversity as a vital resource. *Workforce America* was written as a step towards achieving that goal.

This book is divided into three parts. Part I, "Raising Awareness," focuses on the impact that increased employee diversity will have on American institutions during the 1990s. It defines key dimensions of employee diversity. It also describes the assimilation strategy used in most U.S. institutions to manage diversity in the past and discusses the limitations of this approach for the 1990s and beyond.

Part II, "Managing Key Issues," focuses on specific workplace issues that must be recognized and addressed by managers and employees if diversity is to become a productive asset within organizations. It examines the negative consequences of stereotyping, garbled communication, collusion, and culture clash. It also provides specific strategies for addressing these issues and for transcending differences in order to develop a common sense of purpose that is shared and supported by all employees.

Part III, "Diversity and Organization Change," focuses on institutions and their leaders. It describes various approaches to valuing and managing employee diversity currently in use within leading-edge organizations. It identifies what today's leaders must *value and do* to assure that employee diversity is viewed as an asset and not as a liability throughout organizations. It also outlines a comprehensive, three-stage process for organization culture change in support of valuing employee diversity.

Because the dimensions of human difference are almost infinite in their variety, many people view employee diversity as an overwhelming topic. Some believe they must become “experts” regarding all important cultural differences that exist in the American workplace in order to manage diversity as a vital resource. But this is not the case.

Instead, managing diversity as an asset requires a framework for analyzing the impact of:

- Personal values, beliefs and actions
- Group dynamics
- Institutional policies, practices, and norms

on cooperation, mutual respect, creativity and productivity in diverse organizations. *Workforce America* provides readers with such a framework. Like a good pair of reading glasses, this framework can help one see many personal, group, and organizational issues more clearly. It can help identify the root causes of many organizational problems which inhibit creativity and cooperation among diverse employees. Most importantly, by utilizing the framework outlined in this book, managers and employees can develop a multicultural perspective that will enable them to value diversity in its many forms and successfully deal with a variety of related workplace issues. It will also allow them to begin to tap into a dynamic resource that is virtually inexhaustible in its variety and potential for creative new solutions.

NOTES

1. William B. Johnston and Arnold H. Packer, *Workforce 2000* (Indianapolis: Hudson Institute, 1987), p. 85.
2. *Handbook of Labor Statistics*, Bulletin 2340 (Washington, D.C.: U.S. Department of Labor, August 1989), pp. 19–24.

Contents

<i>Introduction: Why This Book</i>	<i>xvi</i>
------------------------------------	------------

PART I RAISING AWARENESS

<i>1. Diversity in the 90s</i>	<i>3</i>
<i>New Management Challenges</i>	<i>5</i>
<i>Demographic Changes</i>	<i>6</i>
<i>Impact of the Baby Bust</i>	<i>7</i>
<i>Teamwork and Commitment to Service</i>	<i>8</i>
<i>Mirroring the Marketplace</i>	<i>9</i>
<i>Mass Market or Mass of Markets</i>	<i>10</i>
<i>Vigorous Indifference versus Valuing Diversity</i>	<i>10</i>
<i>Closing the Knowledge Gap</i>	<i>11</i>
<i>Increased Frustration among Diverse Workers</i>	<i>13</i>
<i>A Pluralistic Management View</i>	<i>14</i>
<i>Multicultural Society versus Monocultural Society</i>	<i>14</i>
<i>2. Dimensions of Diversity</i>	<i>17</i>
<i>Defining Diversity</i>	<i>18</i>
<i>Impact of Dimensions</i>	<i>21</i>
<i>Homogeneous Clustering</i>	<i>23</i>
<i>Myths and Stereotypes</i>	<i>24</i>
<i>Encountering Diversity in the Workplace</i>	<i>24</i>

<i>Valuing Diversity</i>	26
<i>Readiness to Manage Diversity</i>	26
<i>Historical Assumptions about Diversity</i>	27
3. <i>The Dynamics of Assimilation</i>	36
<i>Practices that Reinforce Assimilation</i>	37
<i>The Homogenous Ideal</i>	42
<i>Impact of Assimilation on Others</i>	44
<i>Impact of Assimilation on the Dominant Group</i>	49
 PART II MANAGING KEY ISSUES	
4. <i>Beyond Stereotypes: Developing Authentic Relationships with Diverse Others</i>	57
<i>Stereotyping Defined</i>	58
<i>Prejudice versus Generalizing</i>	60
<i>Prejudice and Stereotyping as By-Products of Socialization</i>	61
<i>Stereotyping and the Dimensions of Diversity</i>	62
<i>Impact of Stereotyping on Others</i>	68
<i>Stereotyping as a Self-Fulfilling Prophecy</i>	70
<i>Prejudice versus Destructive "isms"</i>	70
<i>Managing Personal Prejudices and Stereotypes</i>	72
<i>The Disease Model for Understanding Prejudice</i>	74
<i>The Recovering Model for Managing Prejudice</i>	74
<i>Recognizing versus Judging Others</i>	75
<i>In Search of Authenticity: What Diverse Employees Want</i>	76
5. <i>Decoding Garbled Communication</i>	80
<i>Language Sensitivity</i>	82
<i>Standards for Appropriate and Inappropriate Language</i>	83
<i>Acknowledging Diverse Styles of Communication</i>	86
<i>Elements of Communication Style</i>	87
<i>Preferred Styles of Communication</i>	91
<i>How to Decode Garbled Communication</i>	99
<i>Communicating with Others</i>	102

6.	<i>Understanding Group Dynamics and Minimizing Collusion</i>	104
	<i>Comparing Dynamics within Diverse Work Groups</i>	105
	<i>Defining Group Dynamics</i>	107
	<i>Norms that Enhance Dynamics in Diverse Work Groups</i>	108
	<i>Collusion</i>	111
	<i>Collusion and Stereotyping</i>	113
	<i>How to Break Collusive Behavioral Patterns</i>	117
7.	<i>Managing Culture Clash</i>	119
	<i>Culture Clash Defined</i>	121
	<i>Types of Culture Clash</i>	122
	<i>Reactions to Culture Clash</i>	123
	<i>Culture Clash: A Case History</i>	124
	<i>Responses to Threatening Culture Clash</i>	125
	<i>Responses to Confusing Culture Clash</i>	128
	<i>Responses to Enhancing Culture Clash</i>	130
	<i>The Evolution of Culture Clash</i>	133
8.	<i>Establishing Common Ground</i>	137
	<i>Defining Common Ground</i>	138
	<i>Common Ground: Myth versus Reality</i>	139
	<i>The Path to Common Ground</i>	140
	<i>Key Steps along the Way</i>	142
	<i>Detours and Wrong Turns</i>	150

PART III DIVERSITY AND ORGANIZATION CHANGE

9.	<i>Valuing Diversity in Leading-Edge Organizations</i>	159
	<i>Common Characteristics in Leading-Edge Organizations</i>	161
	<i>Common Organizational Assumptions</i>	164
	<i>Common Organizational Practices</i>	166
	<i>Organizational Impact on All Employees</i>	176
10.	<i>The Pluralistic Leader</i>	180
	<i>Participative versus Pluralistic Leadership</i>	181
	<i>Pluralistic Leadership Characteristics</i>	182
	<i>Pluralistic Leadership and Others</i>	194

11. <i>Creating the Culture of Diversity</i>	196
<i>Phase 1: Setting the Stage</i>	197
<i>Phase 2: Education and Change Implementation</i>	202
<i>Phase 3: Ongoing Maintenance Activities</i>	213
<i>Achieving the Ultimate Goal</i>	214
12. <i>Workplace 2000: From Assimilation to Valuing Diversity</i>	216
<i>A Commitment to Diversity</i>	217
<i>Clinging to the Homogeneous Ideal</i>	218
<i>The Failure of Assimilation</i>	219
<i>Long-Term Benefits of Diversity</i>	219
<i>The Downside of "Business As Usual"</i>	220
<i>The Emerging New Order</i>	221
<i>Dangers of Denial</i>	221
<i>Complex Problems/Multiple Solutions</i>	222
<i>Chapter Synopses</i>	223
<i>Bibliography</i>	233
<i>Index</i>	245