CHAPTER 1

Introduction

SECTION I

Introduction, Legislation, and Theories
Chapter Objectives

After completing this chapter, readers should have a firm understanding of the importance of diversity in organizations. They should specifically be able to:

- explain recent and projected changes in the demographic makeup of the U.S. population.
- explain what “diversity” encompasses.
- discuss research supportive of the individual and organizational benefits of diversity.
- understand the rationale and structure behind the organization of the book.
Introduction and Overview

• Diversity
  ➢ **The real or perceived differences among people that affect their interactions and relationships.**
  ➢ **Differences based on power or dominance relations between groups, including race, ethnicity, sex, religion, age, physical and mental ability, sexual orientation, work and family status, and weight and appearance are key areas of difference.**
  ➢ **Some differences exert more influence on one’s outcomes and opportunities than others.**

• Identity Groups
  ➢ **The collectivities people use to categorize themselves and others.**
  ➢ **People belong to multiple groups that at times have different levels of salience.**

• Areas of Empirical Research Considered
  ➢ **Management, psychology, social psychology, sociology, and economics**
Multiple Group Memberships and Permeability of Boundaries

• Whites
  – Are more likely to work in the primary labor market, which includes jobs in large organizations, with more opportunities for advancement and retirement, vacation, and medical benefits.

• People of Color
  – Are more likely to work in the secondary labor market of low-skilled, low-paid, insecure service-sector jobs that offer little or no opportunities for advancement, or health, vacation, or retirement benefits.

• Everyone belongs to multiple groups, and some group memberships change throughout the life course
Terminology used in text

- **Terms used interchangeably**
  - Sex/gender, Blacks/African Americans, Latinos/Hispanics, Asians/Asian Americans/Asians and Pacific Islanders, Whites/Anglos/European Americans/Caucasians, and people of color/minorities.
  - *Different people prefer different terms*

- **Ethnicity**
  - A shared national origin or a shared cultural heritage.

- **Gender and Race**
  - Socially constructed concepts that denote boundaries between the powerful and less powerful.
The Stimulus: Workforce 2000

• By the year 2000, 85% of the net new entrants to the U.S. workforce would be women and minorities.

• Most important to the demographics of Workforce 2020 will be the aging of the baby-boomers.

• Economic changes and globalization have resulted in more service-oriented jobs and more international customers and business relationships.
**Figure 1.1  Highlights from the Census 2000 Demographic Profiles (United States)**

<table>
<thead>
<tr>
<th>General Characteristics</th>
<th>Number</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total population</td>
<td>281,421,906</td>
<td>100.0</td>
</tr>
<tr>
<td>Male</td>
<td>138,053,563</td>
<td>49.1</td>
</tr>
<tr>
<td>Female</td>
<td>143,368,343</td>
<td>50.9</td>
</tr>
<tr>
<td>Median age (years)</td>
<td>35.3</td>
<td></td>
</tr>
<tr>
<td>Under 5 years</td>
<td>19,175,798</td>
<td>6.8</td>
</tr>
<tr>
<td>18 years and over</td>
<td>209,128,094</td>
<td>74.3</td>
</tr>
<tr>
<td>65 years and over</td>
<td>34,991,753</td>
<td>12.4</td>
</tr>
<tr>
<td>One race</td>
<td>274,595,678</td>
<td>97.6</td>
</tr>
<tr>
<td>White</td>
<td>211,460,626</td>
<td>75.1</td>
</tr>
<tr>
<td>Black</td>
<td>34,658,190</td>
<td>12.3</td>
</tr>
<tr>
<td>American Indian and Alaska Native</td>
<td>2,475,956</td>
<td>0.9</td>
</tr>
<tr>
<td>Asian</td>
<td>10,242,998</td>
<td>3.6</td>
</tr>
<tr>
<td>Native Hawaiian and other Pacific Islander</td>
<td>398,835</td>
<td>.1</td>
</tr>
<tr>
<td>Some other race</td>
<td>15,359,073</td>
<td>5.5</td>
</tr>
<tr>
<td>Two or more races</td>
<td>6,826,228</td>
<td>2.4</td>
</tr>
<tr>
<td>Hispanic or Latino (of any race)</td>
<td>35,305,818</td>
<td>12.5</td>
</tr>
<tr>
<td>Average household size</td>
<td>2.59</td>
<td></td>
</tr>
<tr>
<td>Average family size</td>
<td>3.14</td>
<td></td>
</tr>
</tbody>
</table>

Source: Adapted from U.S. Census Bureau, American FactFinder, http://factfinder.census.gov/servlet/SAFFFacts?_see+on, accessed 12/20/04.

© 2007 Thomson/South-Western. All rights reserved.
FIGURE 1.1  *Highlights from the Census 2000 Demographic Profiles (United States) (cont’d)*

<table>
<thead>
<tr>
<th>Social Characteristics</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Population 25 years and over</td>
<td>182,211,639</td>
<td>100.0</td>
</tr>
<tr>
<td>High school graduate or higher</td>
<td>146,496,014</td>
<td>80.4</td>
</tr>
<tr>
<td>Bachelor’s degree or higher</td>
<td>44,462,605</td>
<td>24.4</td>
</tr>
<tr>
<td>Civilian veterans</td>
<td>26,403,703</td>
<td>12.7</td>
</tr>
<tr>
<td>With a disability (population 5 years and over)</td>
<td>49,746,248</td>
<td>19.3</td>
</tr>
<tr>
<td>Foreign born</td>
<td>31,107,889</td>
<td>11.1</td>
</tr>
<tr>
<td>Now married (population 15 years and over)</td>
<td>120,231,273</td>
<td>54.4</td>
</tr>
<tr>
<td>Speak a language other than English at home (population 5 years and over)</td>
<td>46,951,595</td>
<td>17.9</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Economic Characteristics</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>In labor force (population 16 years and over)</td>
<td>138,820,935</td>
<td>63.9</td>
</tr>
<tr>
<td>Median household income in 1999 (dollars)</td>
<td>41,994</td>
<td></td>
</tr>
<tr>
<td>Per capita income in 1999 (dollars)</td>
<td>21,587</td>
<td></td>
</tr>
<tr>
<td>Families below poverty level</td>
<td>6,620,945</td>
<td>9.2</td>
</tr>
<tr>
<td>Individuals below poverty level</td>
<td>33,899,812</td>
<td>12.4</td>
</tr>
</tbody>
</table>

Source: Adapted from U.S. Census Bureau, American FactFinder, http://factfinder.census.gov/servlet/SAFFacts?_see+on, accessed 12/20/04.

© 2007 Thomson/South-Western. All rights reserved.
Diversity and Organizational Competitiveness

Reasons that organizations should value diversity

- Cost
- Resource Acquisition
- Marketing
- System Flexibility
- Problem Solving
- Creativity
Diversity and Organizational Competitiveness

• Reasons that organizations should value diversity:
  
  ➢ **Cost:** doing a poor job in integrating workers from different backgrounds can result in increased labor costs.
  
  ➢ **Resource Acquisition:** attracting and retaining employees from different backgrounds increases the ability to compete in tight labor markets.
  
  ➢ **Marketing:** having a reputation for valuing all types of workers affects the ability to market to different types of consumers.
  
  ➢ **Creativity and Problem Solving:** including groups from different backgrounds and experiences results in greater creativity and problem-solving ability.
  
  ➢ **System Flexibility:** the diverse life experiences of people helps them to develop cognitive flexibility and openness to experience.

• Moral and Social reasons also critical factors

• Legal reasons are less important than believed.
Difficulties Resulting from Increased Diversity and Organizational Responses

• Internal
  - Dysfunctional communication processes
  - Discrimination
  - Harassment
  - Perceptions that nontraditional workers are unqualified
  - Lowered Attachment, Commitment, and Satisfaction

• External
  - Boycotts
  - Negative publicity
Individual Benefits of Diversity

- The value of diversity is in cognitive and social outcomes that lead to:
  - Learning to interact with others in meaningful ways and to learn from each other.
  - Seeing diversity as not being necessarily divisive
  - Seeing commonality in values
  - Learning to take the perspective of others
  - Becoming more aware of social problems and supportive of diversity efforts
  - Increased tolerance for others
Topics in the Chapters Ahead

Organization of the book

- Introduction and Group Overview
- Population
- Education
- Employment and Income
- Focal Issues
- Individual and Organizational Recommendations
- International Feature
Key Terms

- Diversity
- Identity group
- Labor force
- Participation rate
- Primary labor market
- Secondary labor market