

MGC1010: Introduction to Management

Week 7: Managing for Social Inclusion

Dr Mulyadi Robin, Department of Management

OVERVIEW OF TODAY'S LECTURE

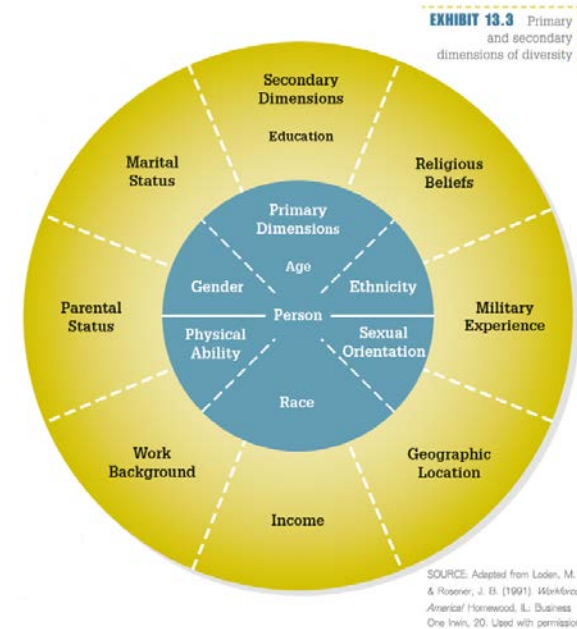
■ Diversity in Organisations

- What is diversity?
- Diversity through social identity theory
- Managing diversity
 - Response to legislative context
 - Voluntary set of corporate practices
 - Challenges of managing diversity

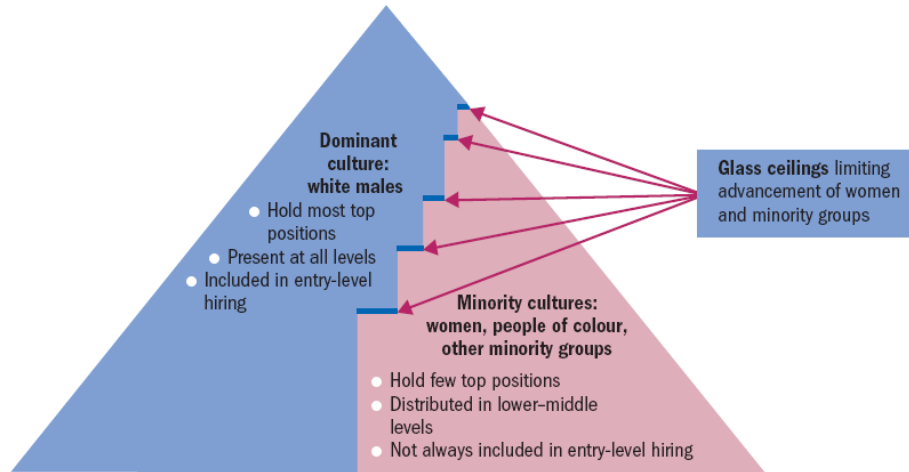


WHAT IS DIVERSITY?

- Diversity refers to the presence of differences
- Primary dimensions
 - Often unalterable and have a strong effects on people's perceptions
- Secondary Dimensions
 - Significant in shaping us, but are also shapeable in return



DIVERSITY AND MULTICULTURAL ORGANISATIONS



- The term **diversity** describes differences in race, gender, age, ethnicity, physical ability, culture and sexual orientation, among other individual differences.
- **Inclusivity**: the degree to which the organisation is open to anyone who can do the job, regardless of their diversity attributes.
- The 'best' organisational cultures in this sense are inclusive, because they value the talents, ideas and creative potential of all members.

CHANGING PARADIGMS: EQUAL OPPORTUNITY AND DIVERSITY

- Traditionally, equality management focused on legislative requirements
- Misconception that equal opportunities led to, or meant to lead to, equal outcomes (Liff, 1999).
- Shifting paradigm from achieving sameness to celebrating differences.
- However, still tends to be the focus of “diversity”



WHY DIVERSITY?

- Equal opportunity often framed as cost of abiding to the law, diversity more business-focused
- Can connect diversity to benchmarks to business success
- A terminology which is management (rather than legally) determined
- Complements practices such as TQM, CSR and HRM
 - Practices where organisational success is aligned with people management.



- Diversity now integrated into organizational strategy
 - 'For us it (diversity) goes way way beyond that. Diversity is about ensuring every single person comes to work every day and feels free to bring themselves to work... diversity of thought, diversity of background, diversity of experiences, diversity of education, not just the traditional aspects of diversity'
- Debbie Storey, Chief Diversity Officer, AT&T

THREE CASES FOR DIVERSITY: 1. BUSINESS CASE

- The business case is the key difference between diversity and equal opportunities
- The concept that promoting equality makes good business sense
 - Reflects potential market
 - Competitive advantage
 - Attracting best talent
 - Reducing discrimination costs



Limitations

- Often reactionary – triggered by a problem (i.e. demographic time bomb)
- Situated within a rationalistic framework
 - But this rationale can be easily reversed.
 - Duncan (2003) argues that younger workers can be viewed as cheaper and are attached to lower insurance premiums for the company
 - Potential clashes with ideologies underlying other policies

Duncan, C. (2003). Assessing anti-ageism routes to older worker re-engagement. *Work, Employment, and Society*. 17(1). 101 – 120. DOI:10.1177/0950017003017001265

THREE CASES FOR DIVERSITY: 2. SOCIAL JUSTICE CASE

- Situated upon moral principles of fairness and equity in a 'civilized society'
- Inequality is unfair and employers have a social duty to prevent inequality in their organizations
- Based on respect and knowledge

Limitations

- Legal-moral justification
 - Morality consists of “what is naturally the right thing to do”
 - Law is the civic codification of public conceptions of morality.
 - Moral standards don't change, but laws can change.
- Juxtaposition with business agenda
 - What if preventing inequality in organisations cost businesses?

THREE CASES FOR DIVERSITY: 3 GLOBALISATION THESIS

- Policies must reflect global dynamics of work
- Competition and opportunity on a transnational and international scale
- Flow of people around the globe greater than ever
- Multicultural teams now the norm
- Outsourcing brings both financial rewards and ethical/ business challenges

Limitations

- What if customers / environment don't demand it?
- What if it doesn't apply?
- How about implications for smaller businesses or workplaces?



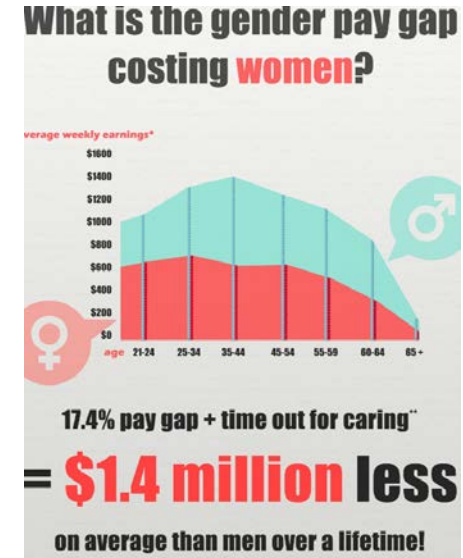
ALL THREE REASONS ARE OFTEN COMBINED

- There is no one best case for diversity.
- Each has weaknesses, and to justify diversity, organisations and managers have to consider all three.
- Australian Capital Territory Framework (ACT, 2010) – a public body that has a duty for employees to act a particular way
- Fostering a positive workplace environment makes **good business sense**. A positive workplace is characterised **by respect that supports employee engagement**. It also creates a **high performance culture** that encourages innovation and creativity (p.9).



DIVERSITY: STILL AN ISSUE?

- Legislative grounding
- Federal anti-discrimination laws in Australia:
 - Age Discrimination Act 2004
 - Australian Human Rights Commission Act 1986
 - Disability Discrimination Act 1992
 - Racial Discrimination Act 1975
 - Sex Discrimination Act 1984
- Each country have their own set of laws (which all companies operating in that region need to abide to)



SOCIAL IDENTITY THEORY

- A person has multiple "selves" that correspond to widening circles of group membership
- **Social identity** – a person's sense of who they are based on their group membership
- **Personal identity** – unique traits that make you, you; i.e. Personality, appearance etc.



SOCIAL IDENTITY THEORY

- Social psychology theory that attempts to explain cognitions and behaviour with the help of group processes.
- Tajfel (1979) proposed that the groups which people belonged to were an important source of pride and self-esteem.
- Groups give us a sense of social identity: a sense of belonging to the social world.
- We divide the world into us vs. them (in groups vs out groups)



Tajfel, H. (1979), Individuals and groups in social psychology. *British Journal of Social and Clinical Psychology*, 18: 183–190. doi:10.1111/j.2044-8260.1979.tb00324.x

SOCIAL IDENTITY THEORY



VHIL.NET

- Three cognitive processes that determine how a person is part of an in-group, or out-group (Tejfel & Turner, 1979)
 - Social Categorisation
 - Social Identification
 - Social comparison

SOCIAL CATEGORISATION

- The process of categorising people in order to understand and identify them.
 - Key process: labelling one another based on interest, ethnicity, religion, occupation, gender, and others.
- Not always negative, and is different to stereotyping!
- In this process, individuals also decide which group they, and other people, belong to.
- In-group and out-group categorisation happens here.

SOCIAL IDENTIFICATION & SOCIAL COMPARISON

Social Identification

- The process by which someone identify with an in-group more overtly.
- The person's collective identity becomes their in-group, and participation boosts self-esteem and creates a sense of belonging.
- Identify out-groups, who are seen as posing a threat to the in-group (i.e. new member to class, someone from a different ethnic background, side of town etc)

Social Comparison

- The process by which someone compare themselves and their groups with other groups.
- They then identify favourable bias towards the group in which they belong
- Often seen in social groups or subcultures based on clothing, music, sporting teams, political beliefs

HOW DOES DISCRIMINATION HAPPEN? *MINIMAL GROUP PARADIGM*

- Why do discrimination occur between groups?
- What are the minimal conditions required to induce prejudice?
- Experiment:
 - Remove all possible factors that accentuate intergroup bias
 - Categorise people based on in-group and out-group factors
 - Participants shown a series of paintings from two different painters and their preferences were noted.



Kadinsky Painting



Klee Painting

- However, they were categorised randomly rather than due to preferences – “Kadinsky group vs Klee group”
- Given anonymous task to allocate points to people in two groups (points = money received at end of experiment)
- Allocation of points → behavioural discrimination
- Finding:

There is a persistent tendency for participants to allocate more points to people in their own group!

Tajfel, H.; Billig, M. G.; Bundy, R. P. & Flament, C. (1971). Social categorization and intergroup behaviour. *European Journal of Social Psychology*. 1 (2): 149–178. doi:10.1002/ejsp.2420010202.

WHY DO DISCRIMINATION HAPPEN?

- In the process of forming our social identities, we compare in-group vs out-group
- Members of the in-group will tend to:
 - Favour in-group
 - Maximise the differences between the two (social comparison)
 - Minimize perception of differences between in-group members



HOW DO ORGANISATIONS MANAGE DIVERSITY?

- Response to legislative context
 - Equal opportunity
 - Affirmative action
- Voluntary set of corporate practices
 - Diversity management



MANAGING DIVERSITY: RESPONDING TO LEGISLATION

- Reasonable Adjustment
 - Required by law for disability
- Educational and development programs for particular groups (e.g. immigrants)
- Can also include 'special' conditions for particular groups (e.g. expats)



Affirmative Action

- Initiatives that focus on underrepresented groups
- Differences between 'positive action' and 'positive discrimination'
- Often controversial
 - E.g Affirmative Action not the way to help women
- Can also take more moderate forms
 - Mentoring

MANAGING DIVERSITY: VOLUNTARY CORPORATE PRACTICES

Diversity Training

- Interventions which provide
 - Awareness of diversity issues
 - Tools to manage situations with recognition and respect
 - Space to think and reflect on diversity at work
- May target particular group (e.g. upper management or future leaders)
- To be effective
 - Must challenge underlying biases/problems, rather than 'sugar coat'
 - Must be relevant to 'everyone'

Modifying Policies and Structures

- Addressing indirect discrimination
- Policies and practices often assume a male 'breadwinner' model
- Diversity (or lack of) diagnosed through demographic, horizontal and vertical people audits
- Initiatives
 - Exploring recruitment strategies
 - Providing flexible working practices for all
 - Enforcing parental leave for all

EXAMPLE: MONASH UNIVERSITY

PLANNING YOUR PARENTAL LEAVE

Length of service	Entitlements for fixed-term and continuing staff	
	Paid leave entitlement	Unpaid leave entitlement
24 months or more	✓ Leave for a continuous period of 52 weeks comprising 14 weeks' leave at 100% pay (to conclude no later than 14 weeks following the date of delivery) ✓ 38 weeks' leave at 60% pay	You may request a further period of up to 52 weeks' unpaid parental leave to commence immediately following the conclusion of the initial period of 52 weeks' parental leave, subject to the approval of the University.
12-24 months	✓ Leave for a continuous period of 52 weeks comprising 14 weeks' leave at 100% pay (to conclude no later than 14 weeks following the date of delivery) ✓ Leave at 60% pay at the rate of 3.16 weeks for each completed month of service after the first 12 months, plus unpaid leave for any remainder of the continuous 52-week period.	
Less than 12 months	✓ Leave at 100% pay at the rate of 1.16 weeks for each completed month of service (to conclude no later than 14 weeks following the date of delivery or placement).	Unpaid leave for the remainder of the continuous 52-week period after the birth of your child.



Maternity Leave Calculator

To **estimate** the amount of paid maternity (or adoption) leave you are entitled to, please use the Maternity/Adoption Leave Calculator (excel)

Access HR

For an **accurate** assessment of your entitlements, please contact Access HR on (03) 9902 0400.

RETURNING TO WORK

The family friendly workplace

We have a number of policies and procedures in place to promote workplace flexibility and to facilitate the successful combination of work and family responsibilities:

- ✓ Workforce Management Procedure – Flexible working arrangements
- ✓ Workforce Management Procedure - Work Life (Breastfeeding)
- ✓ Workforce Management Procedure - Work Life (Children in the Workplace)
- ✓ Workforce Management Procedure - Work from Home
- ✓ Workforce Management Procedure - Work Life (Job-Share)
- ✓ Equal Opportunity Policy



EXAMPLE: PwC (READING)

- Top-led approach to diversity
- Changing language used in the way he personally communicates
- Pushing for targets to improve diversity figures, but not quotas.
- Gender pay audit to ensure equality
- Appointing external diversity board
- Reducing unconscious bias
 - Why do some of my Asian colleagues not speak up during meetings?
 - Lack of leadership traits, or culture?

"Just an hour ago, one female leader quite rightly told me, 'Luke, that's very masculine language that just doesn't work for me or most women:'"

most Asian cultures, until people are asked to come forward, out of respect, they won't. In my head, it was that they weren't adding value, not being a big enough leader. Instead it was all about me inviting him or her to participate."

CHALLENGES IN DIVERSITY

- Global, local, organisational
 - Legislation may differ across different national settings
 - Managers faced with difficult decisions when organizational beliefs clash with cultural norms or even national legislation
 - Also an issue for domestic organizations in being sensitive whilst maintaining fairness and equality for all



DIVERSITY CHALLENGES IN ACTION: USA & AUSTRALIA

Apple CEO, Tim Cook wrote a memo on the ban to employees from in Washington DC, **where he's been taking meetings with top GOP lawmakers:**

In my conversations with officials here in Washington this week, I've made it clear that Apple believes deeply in the importance of immigration -- both to our company and to our nation's future. Apple would not exist without immigration, let alone thrive and innovate the way we do. I've heard from many of you who are deeply concerned about the executive order issued yesterday restricting immigration from seven Muslim-majority countries. I share your concerns. It is not a policy we support.

Late Saturday afternoon, Tesla CEO Elon Musk, an advisor to President Trump, tweeted that "the blanket entry ban on citizens from certain primarily Muslim countries is not the best way to address the country's challenges."

Musk was recently tapped to join the administration's Manufacturing Jobs Initiative. He has already been spotted in the White House.

Elon Musk @elonmusk 29 Jan
The blanket entry ban on citizens from certain primarily Muslim countries is not the best way to address the country's challenges

Elon Musk @elonmusk [Follow](#)

Many people negatively affected by this policy are strong supporters of the US. They've done right, not wrong & don't deserve to be rejected.

11:35 AM - 29 Jan 2017

13,641 41,448

Uber CEO steps down from Trump advisory council after users boycott

Travis Kalanick says participation in president's strategic and policy forum has been 'misinterpreted' as endorsement of Donald Trump's agenda



Travis Kalanick wrote in an email to Uber staff on Thursday that he stepped down after he spoke with Trump about his immigration executive order 'and its issues for our community'. Photograph: Danish Siddiqui/Reuters

DIVERSITY CHALLENGES IN ACTION: USA & AUSTRALIA



Qantas has joined other big brands, such as Google, Airbnb, ANZ and eBay in launching the "Until We All Belong" campaign for same-sex marriage.

The campaign calls on staff members and the public to show their support by wearing a specially-designed black ring.



PHOTO: The "Until We All Belong" ring is black, and has a break. (Supplied)

Staff at the companies involved can opt to wear the ring if they choose.

UNINTENDED CONSEQUENCES OF DIVERSITY MANAGEMENT

Fear of reverse discrimination

- Employees afraid that attempts to achieve greater diversity in their organisation will result in reverse discrimination
- e.g. female being promoted over more qualified and experienced male

Resistance to diversity program priorities

- Employees see diversity programs as distracting from the organisation's 'real work'.
- Might be resentful of diversity-promoting policies that are reinforced through special criteria in the organisation's performance appraisals and reward systems.

Unsupportive social atmosphere

- Diverse employees may be excluded from office camaraderie and social events.

READING: THREE SOCIAL DILEMMAS

- Three dilemmas faced by organisations wishing to attain and maintain workforce diversity
 - Organisational participation
 - Managerial participation
 - Individual participation
- Authors argue to attain and maintain diversity, the dilemmas of individual and managerial participation must be solved.
- Perception plays an important role in addressing these dilemmas
 - Managers need to align employees' perception
 - Diversity is a vehicle for achieving both personal and organisational goals, rather than impediment for individuals

Schneider & Northcraft. (1999) "Three Social Dilemmas of Workforce Diversity in Organizations: A Social Identity Perspective." *Human Relations*, 52(11) 1445

READING: WHY DIVERSITY PROGRAMS FAIL.

POOR RETURNS ON THE USUAL PROGRAMS

The three most popular interventions made firms less diverse, not more, because managers resisted strong-arming.

% CHANGE OVER FIVE YEARS



MANDATORY DIVERSITY TRAINING for managers led to significant decreases for Asian-Americans and black women.



TESTING job applicants hurt women and minorities—but not because they perform poorly. Hiring managers don't always test everyone (white men often get a pass) and don't interpret results consistently.



GRIEVANCE SYSTEMS likewise reduced diversity pretty much across the board. Though they're meant to reform biased managers, they often lead to retaliation.



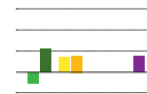
Executives favour a classic command-and-control approach to diversity because it boils expected behaviours down to dos and don'ts that are easy to understand and defend. **Yet this approach also flies in the face of nearly everything we know about how to motivate people to make changes.** Decades of social science research point to a simple truth: You won't get managers on board by blaming and shaming them with rules and re-education.

PROGRAMS THAT GET RESULTS

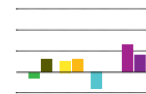
Companies do a better job of increasing diversity when they forgo the control tactics and frame their efforts more positively. The most effective programs spark engagement, increase contact among different groups, or draw on people's strong desire to look good to others.



VOLUNTARY TRAINING doesn't get managers' defenses up the way mandatory training does—and results in increases for several groups.



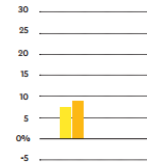
SELF-MANAGED TEAMS aren't designed to improve diversity, but they help by increasing contact between groups, which are often concentrated in certain functions.



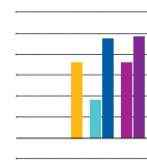
CROSS-TRAINING also increases managers' exposure to people from different groups. Gains for some groups appear to come at a cost to Hispanic men.



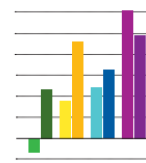
COLLEGE RECRUITMENT TARGETING WOMEN turns recruiting managers into diversity champions, so it also helps boost the numbers for black and Asian-American men.



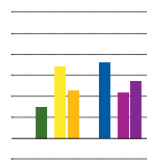
COLLEGE RECRUITMENT TARGETING MINORITIES often focuses on historically black schools, which lifts the numbers of African-American men and women.



MENTORING has an especially positive impact. Managers who often focuses on historically black schools, which lifts the numbers of African-American men and women.



DIVERSITY TASK FORCES promote social accountability because members bring solutions back to their departments—and notice whether their colleagues adopt them.



DIVERSITY MANAGERS sometimes put ineffective programs in place but have a positive impact overall—in part because managers know someone might ask them about their hiring and promotion decisions.

NOTE: IN OUR ANALYSIS, WE'VE ISOLATED THE EFFECTS OF DIVERSITY PROGRAMS FROM EVERYTHING ELSE GOING ON IN THE COMPANIES AND IN THE ECONOMY.

SUMMARY

- What is diversity?
- Diversity through social identity theory
- Managing diversity
 - Response to legislative context
 - Voluntary set of corporate practices
 - Challenges of managing diversity



Next week: No lectures – Easter Break!

Note: No tutorials on Good Friday, if you wish, you can attend any of the other tutorials (just send the tutor an e-mail before hand)!

