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Exploring Diversity in the Workplace

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Exploring Diversity in the Workplace

by

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Abstract

From its inception, the United States has been a country of immigrants. However, the recent trends of both legal and illegal immigration when combined with longevity have created a uniquely diverse population. This population diversity has introduced a dynamic human behavior challenge for supervisors and managers at workplaces across the nation. As larger percentages of minorities and women are entering the labor force and older generations stay at work longer, it is vital to be inclusive to all cultural backgrounds and generations within an organization. With the growth of women and minorities in the work force there is evidence that the glass ceiling is beginning to crack. This can be fully accomplished by understanding and embracing the unique cultural characteristics and values held by all minorities as well as women. Numerous challenges such as miscommunication and subculture formation can face managers attempting to create an inclusive work environment. But, by achieving inclusivity, companies can expect employees to display higher levels of creativity, innovation, motivation, commitment, and overall productivity. Companies that embrace diversity of thought propel creativity, innovations, and initiatives, which in turn strengthens their intellectual capital and gains them competitive advantages (Llopis, 2016). Certain companies have successfully implemented inclusivity into their culture and have experienced the advantages related to diversity.

Introduction

Workplace diversity, “describes workers’ differences in terms of gender, race, age, ethnicity, religion, sexual orientation, and able-bodiedness” (Bachrach, & Schermerhorn, 2015, p.8). Over time, a divide has been created between genders, races, religions, and all other diverse factors because of specific focus on differences. What would the outcome be if humanity chose to focus on turning those differences into optimism rather than oppression? Our reality is that diversity is vastly more complicated than black and white. It includes a plethora of different cultural characteristics and values which make us internally different, as well as physical appearances, which display our external differences. Looking at each other through the prism of differences can lead to hostility and conflict in the workplace. However, having knowledge about others’ diverse backgrounds will create a sense of inclusion within an organization and by understanding their unique characteristics and personal identities a sense of belonging is created. Research shows that companies who go beyond the differences and focus strictly on the competencies, commitment, and knowledge necessary for a particular job improve operations. In a study that analyzed approximately 600 business decisions made by 200 different teams in a wide variety of companies over two years, Larson (2017) concluded there is a direct link between inclusive decision making and better business performance as inclusive teams made better business decisions by up to 87% of the time. However, we continue to learn how to improve together every day as classmates, colleagues, team mates, and friends.

Today's Workforce

With diversity as a constant trending topic and minority populations rising, organizations are striving to incorporate multiculturalism and pluralism into their cultures. By incorporating both minority and majority values into a company, you obtain a wholesome, inclusive culture. According to Statista (2017), Hispanic, African American, Asian, Bi-racial, and Native Hawaiian ethnicities are all projected to increase in population through 2060 while the white population is projected to drop nearly 20 percent. As the population continues to diversify, so too does the workforce.

Conscious awareness of the composition of ethnicities within occupations allows for a broad understanding of our diverse population. Statistically, as of 2016, the majority of Hispanic and Latino individuals hold jobs in production, transportation, material moving, construction, maintenance, and service industries. Most Black or African American peoples work in professional, management, sales and office, or service occupations and a majority 52.3% of Asians work in management or other professional occupations (“Labor force characteristics”, 2017). Another statistic which can be examined is unemployment percentages. Among ethnicities, American Indian and Alaska Native individuals have the highest unemployment rate at 8.9% followed (in order) by Black or African American (8.4%), Multi-racial (7.5%), Hispanic or Latino (5.8%), Native Hawaiian or Pacific Islander (4.4%), White (4.3%), and Asian (3.6%) (“Labor force characteristics”, 2017). These statistics provide a glimpse of the composition of our modern, diverse workforce.

Wage gaps between ethnicities continues to be a prevalent diversity concern today. “Among the major race and ethnicity groups, Hispanics and Blacks continued to have considerably lower earnings than Whites and Asians.” (“Labor force characteristics”, 2017). For example, the median weekly earnings for Asian men working full-time are \$1,151 compared to the median earnings of Hispanic men at just \$624 (“Labor force characteristics”, 2017). Allowing for more perspective into wage gaps, we can see how women suffer extensively. The median weekly earnings for Asian women working full time are \$902 and only \$586 for Hispanic women (“Labor force characteristics”, 2017). From this, we can see not only large wage gaps between ethnicities, but genders as well.

The Glass Ceiling Effect

The glass ceiling is “an invisible barrier to advancement by women and minorities in organizations” (Bachrach, & Schermerhorn, 2015, p. 274). The term was heavily used during the mid-1980s to describe an unofficially acknowledged barrier to advancement in a profession, especially affecting women and members of minorities. The barriers continue to exist and likely to continue for the foreseeable future. However, there is some evidence of how the ceiling might be starting to crack. In fact, Apple has reported that their representation of women across their footprint has increased by more than 6% in the past four years and that women in leadership positions have also increased. Walmart has also found success in breaking the glass ceiling through “The Women in Retail Field Development Program”. “Within five years of inception, the program proved to be a big success. The percentage of female store managers jumped to 25 percent. That is a 60

percent increase.” Walmart also reported how “women represent 40 percent of co-managers and 51 percent of assistant managers.” (“Cultural Diversity and Inclusion”, 2018, p.8). Although there are still considerable wage gaps and appointments to leadership positions between men and women, this shows how it is possible to begin to break the barriers of career advancement and how women and minorities are more than capable of being successful leaders in today’s society.

Challenges in Managing Diversity

As our population becomes more diverse, managers gain the challenging task of overseeing numerous cultural characteristics within their own workforce. According to Big Think Edge (2018) general workplace challenges introduced by diversity are: ethnic and cultural differences; differences in language; general and age differences; and respecting and accepting the differences of others. This means we must understand general characteristics of other cultural groups in order to maintain a responsive, committed, conflict free team. Establishing an inclusive and accepting culture becomes increasingly difficult when different ethnicities and genders are being paid discriminately within the same occupation. Additional challenges may arise in attempting to create an inclusive diverse workplace culture namely from perceived harassment, discrimination, and the formation of unhealthy subcultures.

In general, business leaders can help reduce diversity related animosity by examining the issues at play. “While the goal of creating an environment of acceptance and equal opportunity for everyone is important, by identifying the challenges and differences that exist among employees, organizational leaders are better able to examine

specific diversity issues to determine what changes need to be made to address them” (Big Think Edge, 2018). It is therefore important to continuously review existing company policies, guidelines, and training with an obvious view of implementing new ones that address challenges as they evolve.

Harassment and discrimination can occur in many different forms such as: prejudices, stereotyping, sexual harassment, pay discrimination, and many others. In some cases, discriminatory behavior is developed subconsciously from an individual’s childhood, however, many other instances of harassment are simply due to lack of cultural knowledge. For example, in American society, a “thumbs up” signifies something positive. Whereas, in other cultures, a “thumbs up” denotes a very negative message. Language and communication are perceived ambiguously through cultural lenses which allows room for misinterpretation when communicating across cultures. For managers to prevent, or reduce, discriminatory behavior from occurring in the workplace they should implement company policies consistency. Guidelines and standards (values) would provide management with a firm foundation of what diverse values they wish to uphold. Failure to uphold these values should have very clear consequences.

Another challenge managers may face in a diverse organization is the formation of unhealthy subcultures. An unhealthy subculture is a specific ethnic, gender, or age group which forms due to their similar knowledge, skills, or attributes all contained within the group (Bachrach, & Schermerhorn, 2015). This occurs because, as humans, we tend to group ourselves with similar people, thoughts, and values (ethnicity, gender, interests, or age). These subcultures can create conflict by acting like cliques or by not

accepting the thoughts and ideas of other co-workers. Managers can prevent the formation of these unhealthy subcultures by, first, creating standards and values to achieve an inclusive culture, followed by encouraging workers to step out of their comfort zone. By dissolving stagnate subcultures and mixing individuals of multiple backgrounds, skills, and knowledge together, a manager creates an innovative culture where workers can consider viewpoints they previously had not thought of.

Knowing and accepting certain cultural characteristics of coworkers creates a healthy, diverse culture. A culture such as this can be very productive and beneficial to an organization, but a mutual cultural understanding between co-workers is first necessary. A company will likely see increases in productivity, motivational levels, commitment, creativity, and innovation as they develop an understanding, and diversely functional culture.

Diversity Advantages

The productivity and success of a diverse company is largely dependent on the feeling of inclusivity among its workers. If an individual feels a sense of belonging to an organization, their commitment and motivation will increase because they feel they are truly a part of the company. In a Forbes article Zalis (2017) stated that a diverse workforce leads to more creative teams which increases a company's bottom line. By focusing on "shared knowledge and expertise on specific problems, they can improve performance by increasing the speed and quality of decisions." (Bachrach, & Schermerhorn, 2015, p. 250-251).

Achieving an inclusive work atmosphere is, without a doubt, extremely beneficial for a company and through inclusivity stems another benefit of diversity, creativity. Commonly, we tend to surround ourselves with people we are comfortable around; “about 72% of CEOs top Fortune 500 companies are white males” (Zalis, 2017), which means the vast majority of management across the United States is comprised of white males. However, when examining diversity at an executive level “companies ranking in the top quartile of executive-board diversity were 35% likelier to financially outperform the industry medians.” (Zalis, 2017); why is this? This “phenomena” is because by surrounding ourselves with others who are dissimilar, we receive ideas and thoughts that may be different than our own, thus, creating a thorough and creative work culture.

Another advantage is produced from a combination of the previous two, which is, improved performance due to lack of fear. Generally, “people like to fit in, so they are cautious about sticking their necks out. When we have a strong, homogeneous culture, we stifle the natural cognitive diversity in groups through the pressure to conform” (Stringfellow, 2018). Employees feel important and motivated when they are included and accepted into the work environment. As a result, they become active within the organization whichs lead to an internal sense of confidence. Making employees feel appreciated extinguishes fears and anxieties, allowing them to become more productive. In fact, “diverse teams see a 60% improvement in decision-making and a 2013 report by Deloitte shows how when employees feel included, innovation increases by 83%” (Stringfellow, 2018). The increase in overall productivity, creativity, innovation, and

motivation, as well as the decrease in fear, are all benefits of achieving inclusion and diversity in a work atmosphere.

With a profound amount of companies in the world who sell different products and services, it becomes difficult to distinguish between the qualities of each individual company. However, there is evidence to prove how many of the most successful companies today have a strong focus on diversity. Specifically, two companies who sit near the top of the Fortune 500 list focus heavily on diversity. Apple and Walmart had a combined revenue value of over \$700 billion in 2018 (“The Top 10”, 2018). What made these two companies rise to the top of the list? It is certainly not entirely due to diversification; however, upon dissection of the two organizations, net income and revenue growth does correlate with diversity representation.

Diversity and Inclusion - Apple

Apple has shown steady growth of net income since 2005 (with exception 2013 and 2016 in which there was a drop from the previous year) and now sits near the top of the Fortune 500 list (“Apple’s Net Income”, 2019). Comparatively, their representation of all minority ethnicities (Asian, African-American, Hispanic, and Multiracial) and women also increased during the same time frame. In fact, the number of women and other minorities under the age of 30 being represented in Apple has gone up by around 6% from 2014 to 2017 (“Inclusion and Diversity”, 2017). This means Apple’s profits and revenues are rising simultaneously with their diversity representation. Grace, a software engineer for Apple, directly referenced how diversity can increase creativity in her statement, “If we want a product to appeal to and work for a big group of people, it needs

to be built by a diverse group of people.” (“Inclusion and Diversity”, 2017). Having a diverse workforce allows for numerous unique perspectives about how to reach a target audience, the more customers a company can reach, the more successful they will become.

Apple also proves the diversity advantage of increasing employee performance by reducing their fears and anxiety. A wireless test engineer representing the Sikh religion, Raunaq, stated, “The culture at Apple allows me to be who I am and celebrate who I am.” (“Inclusion and Diversity”, 2017). His statement demonstrates the comfort and confidence that an individual can embody in an inclusive work environment. We know that performance at Apple is continuing to improve with evidence from the annual net profit increases, showing how their culture of success and inclusivity is thriving.

A final employee testimony demonstrates how making employees feel included and valued increases their motivation and commitment towards the parent company. Erik, a financial analyst in the retail department said how he has “gotten a lot from Apple. And I want to give something back.” (“Inclusion and Diversity”, 2017). Erik started his career with Apple in Shanghai and eventually aided in the creation of a Lesbian, Gay, Bisexual, Transgender, Queer (LGBTQ) support group there. He discussed how through encouragement from his team at Apple he lost his fear of coming out and is now comfortable discussing his sexuality (“Inclusion and Diversity”, 2017). The support Erik received from his team at Apple motivated him to become a change leader at Apple by showing other co-workers the same encouragement and driving change within the

organization, proving how through an inclusive culture, motivation and commitment is born.

Diversity and Inclusion - Walmart

Similar, to Apple, Walmart has reported constant growth in revenues and sales since 2006 (Walmart's Net Sales", 2019), and they too have a strategic focus on diversity. In their "Cultural Diversity and Inclusion Report" for 2018, they state their vision: "Everyone Included. By fostering a workplace culture where everyone is—and feels—included, everyone wins. Associates are happier, perform at their best and in turn, provide better service to our customers and members." ("Cultural Diversity and Inclusion", 2018). Their value of diversity is also expressed by president and CEO, Doug McMillon's statement, "Making sure every associate knows they matter will lead to creativity and innovation and help us achieve our potential." ("Cultural Diversity and Inclusion", 2018, p.3).

From statements contained in the company's diversity and inclusion report, Walmart makes it evident that they highly value diversity and have embraced it fully. They acknowledge the advantages of implementing an inclusive diversity program. They strategically created multiple support groups representing individuals of all ethnicities, genders, sexual orientation, or other diverse factors. Through that confidence, creativity and innovation flourish into the successful company that they are.

Similarities

Apple and Walmart are similar in the fact that they both extensively mention inclusion in their statements. This shows how both companies recognize the importance

of the concept and how it leads to additional advantages of diversity (creativity, innovation, etc.). Both companies have tremendous representation of minorities and are continuing to hire individuals of diverse backgrounds to allow for growth. Their focus on diversity is, without a doubt, a contributing factor to their continuous success.

Conclusion

Diversity continues to be a trending topic in the business world. Because of this it is important to understand how the population is becoming more diversified. There are beginning to be larger percentages of minorities entering the workforce which means it is critical to be inclusive of all cultural backgrounds in the workplace. By understanding and embracing the characteristics and values of all cultural representatives, an organization can successfully establish an inclusive culture. In doing so, they can expect employees to be more active and committed to the company. Proper diversification allows individuals of all skills, backgrounds, and knowledge to thrive together, leading to increases in creativity and innovation. Apple and Walmart have continued to grow and flourish for years after fully committing to the diversification of their workforce, proving the benefits it can bring to society.

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