



PART **2**

The individual

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CHAPTER

2

Diversity in organisations

LEARNING OBJECTIVES

After studying this chapter, you should be able to:

- 2.1 Describe the two major forms of workforce diversity.
- 2.2 Demonstrate how workplace discrimination undermines organisational effectiveness.
- 2.3 Describe how the key biographical characteristics are relevant to organisational behaviour (OB).
- 2.4 Explain how other differentiating characteristics factor into OB.
- 2.5 Demonstrate the relevance of intellectual and physical abilities to OB.
- 2.6 Describe how organisations manage diversity effectively.

Employability Skills Matrix

	Myth or science?	Career Objectives	Ethical choice	Point/Counterpoint	Experiential exercise	Case study 1	Case study 2
Critical thinking		✓	✓	✓	✓	✓	✓
Communication	✓	✓			✓	✓	
Collaboration					✓		
Knowledge application and analysis			✓	✓	✓	✓	✓
Social responsibility		✓	✓	✓	✓	✓	✓

Diversity and inclusiveness at AccorHotels

For many people, hospitality is not the first industry that comes to mind when they think about organisations at the forefront of diversity and inclusiveness. AccorHotels Group, however, is internationally recognised both for its encouragement of employee equality and prevention of discrimination. With 250 000 employees operating in 100 countries around the world, its network of brands includes Sofitel, Quay West, Swissôtel and Mercure. In Australia, AccorHotels has more than 10 000 employees who work across 208 hotels nationally.

Through the development and implementation of multiple initiatives, AccorHotels in Australia has taken significant steps to build a culture of diversity, inclusiveness and sustainability. In 2015, Chief Executive Simon McGrath acknowledged in an interview the importance of these issues in the hospitality industry: ‘Given the speed at which hospitality continues to grow we recognised that we needed a range of executive resources and people from diverse backgrounds. We’ve [now] embarked on 10 years of diversity programs in gender and race’. For example, AccorHotels Académie facilitates its Strategic Leaders Development Program, a leadership program for female managers. In 2017, 36% of AccorHotels’s general managers were women, and the organisation had committed to a 50% target in 2018.

In addition to increasing female representation, AccorHotels has also prioritised the development of Aboriginal and Torres Strait Islander employees. For example, one of its initiatives is a program hosted by the Indigenous Programs Team and AccorHotels Académie. The suite of activities is designed to increase applicants’ ‘skills and confidence’ to obtain a job with the organisation, and includes opportunities for training, a work placement with accompanying feedback, a work trial and an interview. In 2017, 5.3% of AccorHotels’s total employees were Indigenous, and the organisation had set a target of 600 employees in 2018. One of its most successful people is Kristy Stanton, AccorHotels’s first Indigenous general manager, who joined AccorHotels through its Indigenous Employment Parity Initiative. On International Women’s Day in 2017, Stanton explained the impact that her appointment has had on others, saying, ‘Since taking on my role, there are already other Indigenous employees—male and female—aspiring to be in my position and already I can see they are more confident to be outspoken about their career goals rather than shying away from them’.

AccorHotels is also strongly committed to supporting those who identify as lesbian, gay, bisexual, transgender, intersex and queer (LGBTIQ). In 2016, the organisation declared its support for marriage equality, with Simon McGrath saying, ‘Just like our 10 000 employees come from all walks of life, so too do our guests. It is our number one priority to ensure that our hotels make every person feel welcome, valued and equal regardless of their gender, race, religion or sexuality ... [we] openly pledge our support for marriage equality in Australia’. In 2018, AccorHotels was the major partner for the Sydney Gay and Lesbian Mardi Gras season, further demonstrating its support of the LGBTIQ community.



.....
AccorHotels’s first Indigenous general manager Kristy Stanton
SOURCE: Brook Mitchell/AFR.

Overall, AccorHotels is an example of a highly successful brand that has recognised the importance of valuing diversity and creating an inclusive workplace for all employees. This is also a source of pride and joy for employees. In the words of Kristy Stanton, ‘I love AccorHotels and everything it’s done for me. I also love the culture: everyone helps each other. The best part was getting my first general manager’s role. I thought it would be a great achievement in my early 30s. I did it at 25, so I was quite proud of myself’.

SOURCES: AccorHotels Group, ‘Diversity and inclusion’, <www.accorhotels.group>; Rebecca, ‘Sustainability and diversity detailed in new AccorHotels report’, Accor Vacation Club, 28 May 2018; S. White, ‘Meet the boss: Accor chief Simon McGrath’, *Sydney Morning Herald*, 24 July 2015; S. White, ‘AccorHotels positive about creating more job opportunities for Indigenous people’, *Sydney Morning Herald*, 29 June 2017; Australian Government, ‘Kristy Stanton—First indigenous general manager for AccorHotels’, <www.indigenous.gov.au>, 24 March 2017; AccorHotels, ‘2017 Corporate Responsibility Report’; Australasian Special Events, ‘AccorHotels fast-tracks female leaders to success’, 29 March 2016; J. Wilkinson, ‘AccorHotels commits to 50 per cent female general managers’, *Hotel Management*, 3 March 2017; R. Clarke, ‘AccorHotels Australia announces support for marriage equality’, *Accom News*, 14 February 2016; and B. Van Dorp, ‘AccorHotels partners with 2018 Sydney Gay and Lesbian Mardi Gras’, *Hotel Management*, 15 November 2017.

THE OPENING VIGNETTE ON ACCORHOTELS illustrates a growing recognition of the importance of promoting and managing diversity effectively in the 21st century. In this chapter, we’ll look at how organisations work to maximise the potential contributions of a diverse workforce. We’ll also show how demographic characteristics, such as ethnicity and individual differences in the form of ability, affect employee performance and satisfaction.

2.1

Describe the two major forms of workplace diversity.

Diversity

We are, each of us, unique. This is obvious enough, but managers sometimes forget they need to recognise the individual differences in their employees in order to capitalise on their unique strengths. In this chapter, we’ll learn how individual characteristics like age, gender, race, ethnicity and abilities can influence employee performance. We’ll also see how managers can develop awareness about these characteristics and manage their diverse workforces effectively. But first, let’s consider an overview of the changing workforce.

Demographic characteristics of the Australian workforce

The Australian workforce has become increasingly diverse. The workforce participation rate for women in Australia increased to an all-time high of 59.4% in January 2016.¹ Almost two-thirds of families with dependants had both parents employed, and nearly 20% of directors of companies listed on the Australian Securities Exchange (ASX) were women. In April 2018, more than half (52%) of appointments to ASX200 boards were female, marking the first time that more females were appointed than men.² However, while more Australian women are working, the gap in pay between women and men has increased, and there are still barriers to women fully participating in paid work, such as limited access to quality, well-paid and flexible work, as well as a lack of affordable and flexible child care.³

Australia’s workforce is ethnically diverse, with more than one-fifth of Australian workers being born overseas. Indigenous people, however, are 20% less likely to be participating in the workforce than non-Indigenous people.⁴ Workers over the age of 55 are an increasingly large portion of the workforce, both in Australia and globally. In Australia, there are currently more workers over the age of 55 than under 25, and that shift is set to continue.⁵

These changes are increasingly reflected in the make-up of managerial and professional jobs and they mean organisations must make diversity management a central component of their policies and practices.

Levels of diversity

Although much has been said about diversity in age, race, gender, ethnicity, religion and disability status, experts now recognise that these demographic characteristics are just the tip of the iceberg.⁶ Demographics mostly reflect **surface-level diversity**, not thoughts and feelings, and this can lead employees to perceive one another through stereotypes and assumptions. However, evidence has shown that as people get to know one another they become less concerned about demographic differences if they see themselves as sharing characteristics such as personality and values, which represent **deep-level diversity**.⁷

To understand this difference between surface-level and deep-level diversity, consider a few examples. Bill and Lisa are colleagues who seem to have little in common at first glance. Bill is a young, recently hired male university graduate with a legal degree, who grew up in western Sydney. Lisa is older and has been with the company for about 20 years. She grew up in rural Queensland and as a child travelled extensively with her parents. She achieved her current level in the organisation by starting as a Year 12 school leaver and working her way up through the hierarchy. At first, these colleagues may experience some differences in communication based on their surface-level differences in education, regional background and gender. However, as they get to know one another, they may find that they are both deeply committed to their families, share a common way of thinking about important work problems, like to work collaboratively and are interested in international assignments in the future. They even support the same football team! These deep-level similarities will overshadow the more superficial differences between them, and research suggests they will work well together.⁸

On the other hand, John and Ian are two single, male university graduates from Adelaide who recently started working together in an accounting firm. Although superficially they seem well matched, John is highly introverted, prefers to avoid risks, solicits the opinions of others before making decisions and likes to work in a quiet office; whereas Ian is extroverted, risk-seeking and assertive and likes a busy, active and energetic work environment. Their surface-level similarity will not necessarily lead to positive interactions because they have such fundamental, deep-level differences. It will be a challenge for them to collaborate regularly at work, and they will have to make some compromises to get things done together.

Throughout this book, you will encounter differences between deep-level and surface-level diversity in various contexts. Individual differences in personality and culture shape preferences for rewards, communication styles, reactions to leaders, negotiation styles and many other aspects of behaviour in organisations.

Discrimination

Although diversity does present many opportunities for organisations, effective diversity management also means working to eliminate unfair **discrimination**. Discriminating is noting a difference between things, which in itself isn't necessarily bad. Noticing that one employee is more qualified is necessary for making hiring decisions; noticing that another is taking on leadership responsibilities exceptionally well is necessary for making promotion decisions. Usually when we talk about discrimination, though, we mean allowing our behaviour to be influenced by stereotypes about groups of people. **Stereotyping** is judging someone on the basis of our perception of the group to which that person belongs. To use a machine metaphor, you might think of stereotypes as the fuel that powers the discrimination engine. Stereotypes can be insidious not only because they may affect the perpetrators of discrimination but also because they can affect how potential targets of discrimination see themselves.

surface-level diversity

Differences in easily perceived characteristics, such as gender, race, ethnicity, age or disability, that do not necessarily reflect the ways people think or feel, but that may activate certain stereotypes.

deep-level diversity

Differences in values, personality and work preferences that become progressively more important for determining similarity as people get to know one another better.

2.2

Demonstrate how workplace discrimination undermines organisational effectiveness.

discrimination Noting a difference between things; often we refer to unfair discrimination, which means making judgements about individuals based on stereotypes regarding their demographic group.

stereotyping Judging someone on the basis of our perception of the group to which that person belongs.



Ethical choice



Women in combat in the Australian military: helpful or harmful?

In his speech to the inaugural Woman and National Security conference in Canberra, Australia in April 2017, the Chief of Defence Air Chief Marshal Mark Binskin argued that diversity is a critical part of the Australian Defence Force (ADF). 'A diverse workforce is all about capability. The greater our diversity, the greater the range of ideas and insights to challenge the accepted norm, assess the risks, see them from a different perspective, and develop creative solutions,' he told the crowd. The ADF has taken multiple steps to promote gender equality and encourage women to progress into senior positions, including implementation of a government policy removing gender restrictions from combat roles. After these changes, women are able to apply and be considered for all positions in the ADF, including those involving fighting on the frontline.

This movement towards greater diversity, however, has ignited debate about the role of women in the modern defence force. More recently, Federal Member of Parliament Andrew Hastie, who served in the Special Air Service (SAS) for five years, told Sky News that 'fighting DNA of a close combat unit is best preserved when it's exclusively male'. Although Mr Hastie stressed that this was his personal opinion only, Senator Cory Bernardi echoed this view in a speech to Parliament, saying, 'I don't believe incorporating women into combat units is in the best interests of Australia's national security'. He also stated 'It's about blurring the lines between political correctness and sound tactics in the name of what I think is social justice'.

These comments sparked a negative reaction from some politicians, media commentators, and members of the Twitter community, with Senator Linda Reynolds, a highly experienced former member of the Australian Army Reserve, saying, 'I want to say to Senator Bernardi: shame on you. He could not have chosen a more insulting or demeaning topic, not only to all of our women who now serve in uniform, but all those women who want to put their hand up'. One of her Senate colleagues, Senator David Fawcett, also noted that women had made a very positive contribution to the ADF, arguing, 'If somebody is capable, willing and able to do the task to the required standard with the same amount of training and support that any other member has, then I don't think their gender should necessarily disqualify them'. As part of its ongoing push for gender equality, the ADF has also faced questions about its use of gender quotas in recruitment and selection, suggesting that this debate is unlikely to go away soon.

SOURCES: A. Greene, 'Defence force chief promotes gender diversity as crucial to Australia's military capability', ABC Online, 5 April 2017; M. Coughlan, 'Women in combat dangerous: Cory Bernardi', *The Herald*, 5 February 2018; Starts at 60 writers, 'Was he wrong? Cory Bernardi's "inappropriate" comment sparks backlash', 6 February 2018; M. Devine, 'Keep gender politics out of our military. Fighting capacity is what matters', *The Daily Telegraph*, 13 August 2017; J. Norman, 'Former army officer turned MP Andrew Hastie says women should not serve in combat roles', ABC News, 6 February 2018; and Defence Connect, 'Australia to withdraw reservation barring women from combat roles', 21 June 2017.

Stereotype threat

Let's say you are sitting in a restaurant, waiting for the blind date your co-worker arranged to find you in the crowded room. How do you think your co-worker described you to this person? Now consider how you would describe yourself to this new person if you'd talked on the phone before the date. What identifiable groups would you mention as a shorthand way for your date to know a bit about you so they could recognise you in the restaurant?

Chances are good that you'd mention your ethnicity, something about how you express your gender (such as the way you dress), how old you are, and maybe what you do for a living. You might also mention how tall you are if you're remarkably tall or short and—if you're candid—you might mention something about your build (solid, medium or slim). Overall, you'd give cues to your blind date about characteristics that are distinctive, or that stand out, about you. What you tell someone about yourself says a lot about what you think about yourself. Just as we stereotype others, we also stereotype ourselves.

Stereotype threat describes the degree to which we agree internally with the generally negative stereotyped perceptions of our groups. Along with that comes a fear of being judged when we're identified with the negative connotations of that group. This can happen when we're a minority in a situation. For instance, an older worker applying for a job in a predominantly millennial-age workforce may assume the interviewer thinks they are out of touch with current

stereotype threat The degree to which we agree internally with the generally negative stereotyped perceptions of our groups.

trends. What creates a stereotype threat is not whether the worker is or is not up to date with trends, but whether they agree internally that older workers (the group the worker identifies with) are out of date (the stereotype).

People become their own worst enemies when they feel stereotype threat. Ironically, they may unconsciously exaggerate the stereotype, like an older job applicant who talks about ageing, rambles during the conversation and discloses too much.⁹ Second, employees may engage in self-handicapping, in which they avoid effort so they can attribute their potential failure to other sources, such as stress or 'having a bad day'.¹⁰ Third, people may overcompensate for the stereotype threat they feel or work to avoid confirming the stereotype. For example, an older worker who actively tries to engage with technology and uses it as much as possible in the workplace may be attempting to overcome a stereotype threat of older individuals as technologically inept.¹¹ Stereotype threat can serve as a 'brain drain' for employees, causing them to deplete their working memories so they don't perform as well on employment tests or training.¹²

Stereotype threat has serious implications for the workplace. It can happen during pre-employment tests and assessments, performance evaluations and everyday workplace exchanges. It can lead to underperformance on tests, performance evaluations, training exercises, negotiations and everyday interactions with others as well as disengagement, poor job attitudes, a reluctance to seek feedback and poor performance in the employees experiencing the threat.¹³ We can combat it in the workplace by treating employees as individuals and not highlighting group differences. The following organisational changes can be successful in reducing stereotype threat:

- increasing awareness of how stereotypes may be perpetuated (especially when developing policies and practices)
- reducing differential and preferential treatment through objective assessments
- confronting microaggressions against minority groups
- adopting transparent practices that signal the value of all employees.¹⁴

Discrimination in the workplace

As we've just discussed, unfair discrimination assumes that everyone in a group is the same rather than looking at the characteristics of individuals within the group. This discrimination is often harmful for employees as well as for organisations.

Many different forms of discrimination take place in organisations, such as discriminatory policies and practices, exclusion and intimidation of employees. Although many of these actions are prohibited by law, and therefore aren't part of any organisation's official policies, thousands of cases of employment discrimination are documented every year, and many more go unreported. Because discrimination has increasingly come under both legal scrutiny and social disapproval, most overt forms have faded, which may have resulted in an increase in more covert forms, especially when leaders look the other way.¹⁵

As you can see, discrimination can take many forms, and its effects can vary depending on organisational context and the personal biases of employees. Some forms of discrimination, exclusion and incivility, for example, are especially hard to root out because they may occur simply because the person responsible isn't aware of the effects of their actions. Like stereotype threat, actual discrimination can lead to increased negative consequences for employers, including reduced productivity and organisational citizenship behaviour (OCB), more conflict, increased turnover and even increased risk-taking behaviour.¹⁶ Unfair discrimination also leaves qualified job candidates out of initial hiring and promotions. So, even if an employment discrimination lawsuit is never filed, a strong business case can be made for aggressively working to eliminate unfair discrimination.

Whether it's overt or covert, intentional or unintentional, discrimination is one of the primary factors that prevents diversity. On the other hand, recognising diversity opportunities can lead to an effective diversity management program and ultimately to a better organisation.

Diversity is a broad term, and the phrase 'workplace diversity' can refer to any characteristic that makes people different from one another. The following section covers some important surface-level characteristics that differentiate members of the workforce.

2.3

Describe how the key biographical characteristics are relevant to organisational behaviour (OB).

biographical characteristics

Personal characteristics—such as age, gender, race and length of tenure—that are objective and easily obtained from personnel records. These characteristics are representative of surface-level diversity.

Biographical characteristics

Biographical characteristics such as age, gender, race and disability are some of the most obvious ways employees differ. Let's begin by looking at factors that are easily definable and readily available—data that can be obtained, for the most part, from an employee's human resources (HR) file. Variations in surface-level characteristics may be the basis for discrimination against classes of employees, so it's worth knowing how related they actually are to work outcomes. As a general rule, many biographical differences are not important to actual work outcomes, and far more variation occurs within groups sharing biographical characteristics than between them.

Age

Age in the workforce is likely to be an issue of increasing importance during the next decade for many reasons. According to the Australian Institute of Health and Welfare, 'the proportion of older Australians participating in the labour force doubled between 2000–2015—from 6% to 13%'.¹⁷ There is strong evidence that this trend will continue, as the retirement intentions of Australians change, and more employees plan to work into their 70s and beyond.¹⁸ It is important to note that Australia, among other countries, has laws directed against age discrimination, although some exceptions exist.¹⁹ It is also encouraging that stereotypes of older workers as being behind the times, grumpy and inflexible are changing slowly. Managers often see a number of positive qualities that older workers bring to their jobs, such as a willingness to learn, confidence, genuine engagement and attention to detail.²⁰ The Public Utilities Board, the water agency of Singapore, reports that 27% of its workforce is over 55 because older workers bring workforce stability.²¹ And industries such as health care, education, government and nonprofits often welcome older workers.²² But older workers are still perceived as less adaptable and less motivated to learn new technology.²³ In Australia, a 2016 survey revealed that almost one-third of Australians perceived age-related discrimination while working or looking for employment during a 12-month period, suggesting that organisations still need to do more to address this issue.²⁴

Now let's look at the evidence. What effect does age actually have on turnover, absenteeism, productivity and satisfaction? Generally, as workers get older, they have fewer job alternatives because their skills have become more specialised. As a result they are less likely to quit their jobs.²⁵ Within organisations, older workers' longer tenure tends to provide them with higher wages, longer paid leave and benefits that may bind them to their employers.

It may seem likely that age is positively correlated to absenteeism, but this isn't true. Most studies show that older employees have lower rates of avoidable absence than younger employees. Furthermore, older workers do not have more psychological problems or day-to-day physical health problems than younger workers.²⁶

The majority of studies have shown 'virtually no relationship between age and job performance,' according to Director Harvey Sterns of the Institute for Life-Span Development and Gerontology.²⁷ Indeed, some studies indicate that older adults perform better. In Munich, a four-year study of 3800 Mercedes-Benz workers found that 'the older workers seemed to know better how to avoid severe errors,' said Matthias Weiss, the academic coordinator of the study.²⁸

Another performance-related observation is that creativity lessens as people age. Researcher David Galenson, who studied the ages of peak creativity, found that people who create through experimentation do 'their greatest work in their 40s, 50s, and 60s. These artists rely on wisdom, which increases with age'.²⁹

What about age and life satisfaction (which we discuss further in later chapters)? There is a cultural assumption that older people are more prone to depression and loneliness. Actually, a study of adults ages 18 to 94 found that positive moods increased with age. 'Contrary to the popular view that youth is the best time of life, the peak of emotional life may not occur until well into the seventh decade,' researcher Laura Carstensen said.³⁰

A review of more than 800 studies found that older workers tend to be more satisfied with their work, report better relationships with co-workers, and are more committed to their organisations.³¹ Other studies, however, have found that job satisfaction increases up to middle age, at which point it begins to drop off. When we separate the results by job type, though, we

find that satisfaction tends to increase continually among professionals as they age, whereas among non-professionals it falls during middle age and then rises again in later years. We'll discuss job satisfaction in depth in Chapter 3.

In summary, we can see that the surface-level characteristic of an employee's age is an unfounded basis for discrimination and that an age-diverse workforce is a benefit to an organisation.

Gender

Few issues initiate more debates, misconceptions and unsupported opinions than whether women perform as well at work as men.

Let's begin considering this topic with the recognition that few, if any, differences between men and women affect job performance.³² Although men may have slightly higher maths ability and women slightly higher verbal ability, the differences are fairly small, and there are no consistent male–female differences in problem-solving ability, analytical skills or learning ability.³³ One meta-analysis of job performance studies found that women scored slightly higher than men on performance measures.³⁴ A separate meta-analysis of 95 leadership studies indicated that women and men are rated equally effective as leaders.³⁵

Yet biases and stereotypes persist. In the hiring realm, managers are influenced by gender bias when selecting candidates for certain positions.³⁶ For instance, men prefer to hire other men in male-dominated occupations.³⁷ Once on the job, men and women may be offered a similar number of developmental experiences, but females are less likely to be assigned challenging positions by men, assignments that could help them achieve higher organisational positions.³⁸ Men are more likely to be chosen for leadership roles even though men and women are equally effective leaders. A study of 20 organisations in Spain, for example, suggested that men are generally selected for leadership roles that require handling organisational crises.³⁹ According to Naomi Sutherland, senior partner in diversity at recruiter Korn Ferry, 'Consciously or subconsciously, companies are still hesitant to take the risk on someone who looks different from their standard leadership profile'.⁴⁰

Sex discrimination has a pervasive negative impact. Notably, women still earn less money than men for the same positions,⁴¹ even in traditionally female roles.⁴² Furthermore, the sex differences in promotions, bonuses and salaries (across 97 different studies and nearly 400 000 people) are 14 times larger than their differences on performance evaluations.⁴³ Working mothers also face 'maternal wall bias', meaning they're often not considered for new positions after they have children, and both men and women experience discrimination in relation to their family caregiving roles.⁴⁴ Women who receive fewer challenging assignments and development opportunities from biased managers tend to curtail their management aspirations.⁴⁵ Women who are assertive in the workplace tend to be liked less and perceived as less employable.⁴⁶

We've seen that there are many misconceptions and contradictions about male and female workers. Thankfully, many countries, including Australia, the United Kingdom and the United States, have laws against sex discrimination. Other countries, such as Belgium, France, Norway and Spain, are seeking gender diversity through laws to increase the percentage of women on boards of directors.⁴⁷ As discussed at the beginning of this chapter, AccorHotels has taken steps to address gender inequity by setting targets for increased female representation in general manager positions. Gender biases and gender discrimination are still serious issues, but there are indications that the situation is improving.

Race and ethnicity

Race is a controversial issue in society and in organisations. We define **race** as the heritage people use to identify themselves; **ethnicity** is the additional set of cultural characteristics that often overlap with race. Typically, we associate race with biology, and ethnicity with culture, but there is a history of self-identifying for both classifications. Laws against racial and ethnic discrimination are in effect in many countries, including Australia, the United Kingdom and the United States.⁴⁸

Race and ethnicity have been studied because they relate to employment outcomes such as hiring decisions, performance evaluations, pay and workplace discrimination.

race Biological heritage that distinguishes one group of people from another.

ethnicity The grouping of people recognised as being unique on the basis of their speech, history, origins, culture or other unique characteristics.



Myth or science?



'Bald is better'

Surprisingly, it appears true that bald is better for men in the workplace. A recent study showed that observers believe a male's shaved head indicates greater masculinity, dominance and leadership potential than longer or thinning hair. Thinning hair was perceived as the least powerful look, and other studies have agreed that male-pattern baldness (when some hair remains) is not considered advantageous.

In some respects, the reported youthful advantage of a shaved head is counterintuitive. Because we have more hair when we are young, and contemporary culture considers youthfulness a desirable characteristic in the workplace (if you doubt this, see the discussions on ageing in this chapter), it would make more sense for a hairless head to be a distinct disadvantage. Yet the media is loaded with images of powerful men with shaved heads: military heroes, winning athletes and action heroes. No wonder study participants declared that the men with shaved heads were 2.5 centimetres taller and 13% stronger than the same men with hair.

A bald head has become the hallmark of some important business leaders, notably Jeff Bezos of Amazon, Lloyd Blankfein of Goldman Sachs and Marc Andreessen of Netscape. Men who shave their heads report it can give them a business advantage, whether or not it makes them look younger (which is debatable). According to psychologist Caroline Keating, just as older silver-back gorillas are 'typically the powerful actors in their social groups', so it is in the office, where baldness may 'signal who is in charge and potentially dangerous'. Research professor Michael Cunningham agrees, adding that baldness 'is nature's way of telling the rest of the world you are a survivor'. Men with shaved heads convey aggressiveness, competitiveness and independence, he adds. Will you join the 13% of men who shave their heads? Although we don't wish to advocate head shaving for this reason, it does demonstrate how biased we continue to be in judging people by superficial characteristics. Time will tell if this situation ever improves.

SOURCES: Based on D. Baer, 'People are psychologically biased to see bald men as dominant leaders', *Business Insider*, 13 February 2015; J. Misener, 'Men with shaved heads appear more dominant, study finds', *The Huffington Post*, 1 October 2012; A. E. Mannes, 'Shorn scalps and perceptions of male dominance', *Social Psychological and Personality Science*, 16 July 2012, pp. 198–205; and R. E. Silverman, 'Bald is powerful', *The Wall Street Journal*, 3 October 2012, pp. B1, B6.

Individuals may slightly favour colleagues of their own ethnicity in performance evaluations, promotion decisions and when planning pay raises, although these differences are not found consistently, especially when highly structured methods of decision making are employed.⁴⁹ However, there is a clear lack of cultural diversity at the top corporate level in Australia. For example, while 32 per cent of the Australian population has a background other than Anglo-Celtic, the number in leadership is minute. In ASX 200 companies, 77 per cent of CEOs have an Anglo-Celtic background and 18 per cent have a European background, while just 5 per cent—that's ten people—have a non-European background'.⁵⁰

Members of racial and ethnic minorities also report higher levels of discrimination in the workplace.⁵¹ In the Australian context, a 2017 survey revealed that Indigenous Australians experienced the greatest degree of discrimination in the workplace compared to other minority groups. Specifically, the national survey by the Diversity Council of Australia found that almost 38% of Aboriginal and Torres Strait Islander (ATSI) employees experienced harassment or discrimination over the previous 12-month period, compared to nearly 22% of non-ATSI workers.⁵²

As we discussed before, discrimination—for any reason—leads to increased turnover, which is detrimental to organisational performance. While better representation of all ethnic groups in organisations remains a goal, an individual of minority status is much less likely to leave the organisation if there's a feeling of inclusiveness, known as a **positive diversity climate**.⁵³ A positive climate for diversity can also lead to increased sales, commitment and retention, suggesting there are organisational performance gains associated with reducing racial and ethnic discrimination.⁵⁴

How do we move beyond the destructiveness of discrimination? The answer is in understanding one another's viewpoint. Evidence suggests that some people find interacting with other racial groups uncomfortable unless there are clear behavioural scripts to guide their behaviour,⁵⁵ so creating diverse work groups focused on mutual goals could be helpful, along with developing a positive diversity climate.

positive diversity climate

In an organisation, an environment of inclusiveness and an acceptance of diversity.

Disability

Workplace policies, both official and circumstantial, regarding individuals with physical or mental disabilities vary from country to country. In Australia, the *Federal Disability Discrimination Act 1992* (DDA) makes it illegal for an employer to discriminate against someone because they have a disability. People with a disability are therefore protected against discrimination in recruitment processes, decisions about who will get a job and many other areas. The Act also requires that an employer must make reasonable workplace changes or ‘workplace adjustments’ to accommodate employees with a disability.⁵⁶ Other countries, including the United States, the United Kingdom and Japan, have specific laws to protect individuals with disabilities.⁵⁷ In some cases, these laws have resulted in greater acceptance and accommodation of people with physical or mental impairments. In the United States, for example, the representation of individuals with disabilities in the workforce rapidly increased with the passage of the *Americans with Disabilities Act 1990* (ADA).⁵⁸

In Australia, however, evidence suggests that people with a disability still experience considerable difficulty obtaining ongoing employment. For example, the results of the 2015 Survey of Disability Ageing and Carers (SDAC) revealed that only 53.4% of people with a disability were in the labour force, compared to 83.2% of those without a disability.⁵⁹ Furthermore, in 2015–16, disability discrimination complaints comprised 37% of all complaints made to the Australian Human Rights Commission, the highest percentage overall.⁶⁰ Australia also ranks 21st out of 29 Organisation for Economic Co-operation and Development (OECD) countries with respect to employment rates for people with disabilities⁶¹, indicating that more work needs to be done to address this ongoing issue.

The impact of disabilities on employment outcomes has been explored from a variety of perspectives. On one hand, when disability status is randomly manipulated among hypothetical candidates, disabled individuals are rated as having superior personal qualities such as dependability.⁶² Another review suggested that workers with disabilities receive higher performance evaluations. However, individuals with disabilities tend to encounter lower performance expectations and are less likely to be hired.⁶³ Mental disabilities may impair performance more than physical disabilities: individuals with common mental health issues such as depression and anxiety are significantly more likely to be absent from work.⁶⁴

The elimination of discrimination against the disabled workforce has long been problematic. Similarly to Australia, for instance, policies in Europe to motivate employers have failed to boost the workforce participation rate for workers with disabilities, and outright quota systems in Germany, France and Poland have backfired.⁶⁵ However, the recognition of the talents and abilities of individuals with disabilities has made a positive impact. In addition, technology and workplace advancements have greatly increased the scope of available jobs for those with all types of disabilities. Managers need to be attuned to the true requirements of each job and match the skills of the individual to them, providing accommodations when needed. But what happens when employees do not disclose their disabilities? Let’s discuss this next.

Invisible disabilities

As we mentioned earlier, disabilities include observable characteristics such as missing limbs, illnesses that require a person to use a wheelchair and blindness. Other disabilities may not be obvious, at least not at first. Unless an individual decides to disclose a disability that isn’t easily observable, it can remain hidden at the discretion of the employee. These are called invisible disabilities (or hidden disabilities). Invisible disabilities generally fall under the categories of sensory disabilities (e.g. impaired hearing), autoimmune disorders (e.g. rheumatoid arthritis), chronic illness or pain (e.g. carpal tunnel syndrome), cognitive or learning impairments (e.g. attention deficit hyper-activity disorder [ADHD]), sleep disorders (e.g. insomnia) and psychological challenges (e.g. PTSD).⁶⁶

Unsurprisingly, many employees do not want to disclose their invisible disabilities, so they are prevented from getting the workplace accommodations they need in order to thrive in their jobs. Research indicates that individuals with hidden disabilities are often afraid of being stigmatised or ostracised if they disclose their disabilities to others in the workplace, and they believe that their managers will think they are less capable of strong job performance.⁶⁷

2.4

Explain how other differentiating characteristics factor into OB.

tenure Length of time spent in a job, organisation or field.

In some ways, a hidden disability is not truly invisible. For example, a person with undisclosed autism will still exhibit the behaviours characteristic of the condition, such as difficulty with verbal communication and lack of adaptability.⁶⁸ You may observe behaviours that lead you to suspect an individual has a hidden disability. Unfortunately, this behaviour could be incorrectly attributed to other causes—for instance, the slow, slurred speech of a co-worker could be misconstrued as symptoms of an alcohol problem rather than to the long-term effects of a stroke.

Research suggests that disclosure helps everyone—the employee, others and the organisation. Disclosure may increase the job satisfaction and well-being of the employee, help others understand and assist them to succeed in the workplace, and allow the organisation to accommodate the situation so that the employee and the organisation achieve top performance.⁶⁹

Other differentiating characteristics

The last set of characteristics we'll look at include tenure, religion, sexual orientation and gender identity, and cultural identity. These characteristics illustrate deep-level differences that provide opportunities for workplace diversity as long as discrimination can be overcome.

Tenure

Except for gender and racial differences, few issues are more subject to misconceptions and speculations than the impact of seniority and **tenure**—meaning time spent in a job, organisation or field.

Extensive reviews have been conducted of the seniority–productivity relationship.⁷⁰ The evidence demonstrates a positive relationship between organisational tenure (i.e. how long an employee has been in their organisation) and job performance. As such, organisational tenure appears to be a good predictor of employee performance, although there is some evidence that the relationship is not linear: differences in organisational tenure are more important to job performance for relatively new or inexperienced employees than among those who have been in the job longer. To use an Australian Football League analogy, a full-forward playing in their second season has more of an edge over a rookie than a tenth-year player has over one in their ninth year. Job tenure, on the other hand (i.e. how long an employee has been in their job), demonstrates a weak, inconsistent effect on employee outcomes, indicating that employees may lose desire for further career advancement.

Religion

Religious and non-religious people question each other's belief systems, and people of different religious faiths often experience conflict. There are few—if any—countries in which religion is a non-issue in the workplace. In the Australian context, discrimination in employment on the basis of religion happens 'when someone does not experience equality of opportunity in employment because of their religion. This may include being refused a job, being dismissed from employment, being denied training opportunities or being harassed at work'.⁷¹ However, discrimination based on religion itself is not specifically prohibited under Commonwealth legislation⁷², which has led to calls for a Religious Discrimination Act.⁷³ This proposal has ignited considerable debate in the Australian community, and the issue currently remains unsolved.

Perhaps the greatest religious diversity issue in Australia today revolves around Islam. Islam is one of the fastest growing religions in Australia, and across the world it is one of the most popular religions. There is a wide variety of perspectives on Islam. As one Islamic scholar has noted: 'There is no such thing as a single Muslim community, much as there is no single Christian community. Muslims vary hugely by ethnicity, faith, tradition, education, income, and degree of religious observance'.⁷⁴ There is evidence that Muslims in Australia regularly experience discrimination and harassment⁷⁵ and that this also extends to their experiences in the workplace.⁷⁶

It's worth noting that faith can be an employment issue when religious beliefs prohibit or encourage certain behaviours. Some pharmacists refuse to hand out RU-486, the 'morning after' abortion pill, because of their religious beliefs. Many Christians believe they should not work on Sundays, and many conservative Jews believe they should not work on Saturdays. Religious

individuals may also believe they have an obligation to express their beliefs in the workplace, and those who do not share those beliefs may object.

Sexual orientation and gender identity

While much has changed, the full acceptance and accommodation of lesbian, gay, bisexual, transgender and intersex (LGBTI) employees remains a work in progress. In the Australian workplace, despite recent legislative changes, LGBTI employees still experience high rates of discrimination.⁷⁷ A recent report found that six in ten LGBTI employees experienced homophobic verbal abuse at work, and 20% reported episodes of physical abuse.⁷⁸ In the United States, a Harvard University study sent fictitious but realistic résumés to 1700 actual entry-level job openings. The applications were identical with one exception: half mentioned involvement in gay organisations during college, and the other half did not. The applications without the mention received 60% more callbacks than the ones with it.⁷⁹

Perhaps as a result of perceived discrimination, many LGBTI employees do not disclose their status. For example, John Browne, former CEO of British Petroleum (BP), hid his sexual orientation until he was 59, when the press threatened to disclose that he was gay. Fearing the story would result in turmoil for the company, he resigned. Browne wrote recently, ‘Since my outing in 2007, many societies around the world have done more to embrace people who are lesbian, gay, bisexual, or transgender. But the business world has a long way to go’.⁸⁰

In Australia, on 1 August 2013, the Federal government amended the *Sex Discrimination Act 1984* to make discrimination on the basis of a person’s sexual orientation, gender identity and intersex status illegal.⁸¹ Despite this positive change, many LGBTI employees still feel isolated and unsupported in Australian organisations. In fact, recent research by the Diversity Council of Australia revealed that about one in three LGBTIQ+ employees have come out to their entire workplace.⁸² The research revealed that rates of disclosure were highest among gay men and lesbians, and lower among those who identified as transgender, gender diverse or bisexual. Furthermore, LGBTIQ+ employees who had not revealed their sexual orientation to their entire organisation ‘were 45 per cent less likely to be satisfied with their job’.⁸³

Even when federal legislation exists, many organisations have implemented their own policies and procedures that cover sexual orientation, and many have taken active steps to support their LGBTI employees. For example, KPMG Australia’s Pride@KPMG program is part of KPMG’s international network to support LGBTI employees in its offices worldwide.⁸⁴

It’s worth noting, however, that some organisations that claim to be inclusive don’t live up to the claim. For example, a recent study of five social cooperatives in Italy indicated that these so-called inclusive organisations actually expect individuals to remain quiet about their status.⁸⁵ Thus, while times have certainly changed, sexual orientation and gender identity remain individual differences that organisations must address in eliminating discrimination and promoting diversity.

Cultural identity

We’ve seen that people sometimes define themselves in terms of race and ethnicity. Many people carry a strong cultural identity as well—a link with the culture of family ancestry or youth that

A Taste of Harmony, a Scanlon Foundation initiative, celebrates diversity in Australian workplaces through food. Since 2008, more than 30 000 workplaces have participated in the annual event, which encourages employees to share food from a culture other than their own. Companies such as Australia Post and KPMG believe that this initiative is a great way to promote and celebrate diversity in the workplace.

SOURCE: Courtesy of Scanlon Foundation.





Career Objectives



Should I come out at work?

We have seen that people sometimes define themselves in terms of race and I'm gay, but no one at my workplace knows it. How much should I be willing to tell? I want to be sure to have a shot at the big positions in the firm.

—Ryan

Dear Ryan,

Unfortunately, you are right to be concerned. Here are some suggestions:

- *Look for an inclusive company culture that values the whole person.* Qantas CEO Alan Joyce said, 'You cannot get the full potential of people in your business if people have to hide who they are. And cannot contribute to the organisation because they are scared of the impact it will have on their career progression'. Recent research has focused on discovering new methods to counteract a discrimination culture in the United States, the United Kingdom and Australia.
- *Choose your moral ground.* Do you feel you have a responsibility to 'come out' to help effect social change? Do you have a right to keep your private life private? The balance is a private decision.
- *Recognise the value that you bring to the organisation.* Organisations now acknowledge the importance of diversity and how diversity can benefit an organisation long-term. According to Jennifer Westacott, Chief Executive of the Business Council of Australia, 'Establishing and maintaining an inclusive workplace, with a diverse workforce that taps into a broad range of ideas and perspectives, is a great competitive advantage'.
- *Weigh your options.* The word from people at the top who are gay (some who have come out and others who have not) is mixed. Although some have had difficult experiences, others have reported that they have felt valued and accepted. Apple CEO Tim Cook, for example, explained that, 'For years, I've been open with many people about my sexual orientation. Plenty of colleagues at Apple know I'm gay, and it doesn't seem to make a difference in the way they treat me'. It's important to acknowledge that this is not always the case, and depends largely on company culture.
- *Be aware of international and national laws.* Sadly, some nations and states are intolerant. You will need to study the laws to be sure you will be safe from repercussions when you reveal your status.

So think about your decision from both an ethical and a self-interest point of view. Your timing depends not only on what you think are your ethical responsibilities but also on your context: where you work, the culture of your organisation and the support of the people within it. Thankfully, globalisation is ensuring that the world becomes increasingly accepting and fair.

Good luck in your career!

SOURCES: D. Kitney, 'Qantas chief Alan Joyce: no success without risks', *The Weekend Australian*, 18 November 2015; M. Ward, 'Two out of three LGBTQ+ workers keep it hidden in the office', *Sydney Morning Herald*, 26 August 2018; T. Cook, 'Tim Cook speaks up', Bloomberg, 31 October 2014; and E. Tadros, P. Durkin and J. Gray, 'Business leaders proudly join LGBTI list', *Financial Review*, 2 December 2016.

lasts a lifetime, no matter where the individual may live in the world. People choose their cultural identity, and they also choose how closely they observe the norms of that culture. Cultural norms influence the workplace—sometimes resulting in clashes—and organisations must adapt.

Workplace practices that coincided with the norms of a person's cultural identity were commonplace years ago, when societies were less mobile. People looked for work near familial homes and organisations established holidays, observances, practices and customs that suited the majority. Organisations were generally not expected to accommodate each individual's preferences.

Thanks to global integration and changing labour markets, today's organisations do well to understand and respect the cultural identities of their employees, both as groups and as individuals. An Australian company looking to do business in, say, Latin America, needs to understand that employees in those cultures expect long summer holidays. A company that requires employees to work during this culturally established break will meet strong resistance.

An organisation seeking to be sensitive to the cultural identities of its employees should look beyond accommodating its majority groups and instead create as much of an individualised approach to practices and norms as possible. Often, managers can provide the bridge of workplace flexibility to meet both organisational goals and individual needs.

Ability

Contrary to what we were taught in school, human beings weren't all created equal. Most of us are to the left of the median on some normally distributed ability curve. For example, regardless of how motivated you are, it's unlikely that you can act as well as Hugh Jackman, write as well as J. K. Rowling or swim as fast as Cate Campbell. Of course, not everyone being equal in abilities doesn't imply that some individuals are inherently inferior to others. Everyone has strengths and weaknesses in terms of ability that make them relatively superior or inferior to others in performing certain tasks or activities.⁸⁶ From management's standpoint, the issue is not whether people differ in terms of their abilities; they clearly do. The issue is knowing *how* people differ in abilities and using that knowledge to increase the likelihood that an employee will perform the job well.

What does 'ability' mean? As the term is used here, **ability** is an individual's current capacity to perform the various tasks in a job. Overall, abilities are essentially made up of two sets of factors: intellectual and physical.

Intellectual abilities

Intellectual abilities are abilities needed to perform mental activities—thinking, reasoning and problem solving. Most societies place a high value on intelligence, and for good reason. Smart people generally earn more money and attain higher levels of education. They are also more likely to emerge as leaders of groups. However, assessing and measuring intellectual ability is not always simple. IQ tests are designed to ascertain a person's general intellectual abilities, but the origins, influence factors and testing of intelligence quotient (IQ) are controversial.⁸⁷ If you're looking to apply to a graduate program after completing university, you should be aware that many organisations in Australia use some form of psychometric testing to evaluate graduate applicants, frequently during the early stages of the assessment process⁸⁸, and this will often include a test of your intellectual ability. At KPMG Australia, ability testing takes place at the second stage of a multi-stage assessment process.⁸⁹

The seven most frequently cited dimensions making up intellectual abilities are number aptitude, verbal comprehension, perceptual speed, inductive reasoning, deductive reasoning, spatial visualisation and memory.⁹⁰

Intelligence dimensions are positively correlated, so if you score high on verbal comprehension, for example, you are also more likely to score high on spatial visualisation. The correlations aren't perfect, meaning people do have specific abilities that predict important work-related outcomes when considered individually. However, they are high enough that researchers also recognise a general factor of intelligence, **general mental ability (GMA)**.⁹¹

Evidence supports the idea that the structures and measures of intellectual abilities generalise across cultures. Someone in Venezuela or Sudan, for instance, does not have a different set of mental abilities from an Australian or Czech individual. There is some evidence that IQ scores vary to some degree across cultures, but those differences become much smaller when we take into account educational and economic differences.⁹²

Jobs differ in the demands they place on intellectual abilities. Research consistently indicates a correspondence between cognitive ability and task performance. Where employee tasks are highly routine and there are few or no opportunities to exercise discretion, a high IQ is not as important for performing well. However, that doesn't mean people with high IQs can't have an impact on traditionally less complex jobs.⁹³

Also, while intelligence is a big help in performing a job well, it doesn't make people happier or more satisfied with their jobs.⁹⁴ In fact, research suggests that those with higher cognitive ability and who are high performers in the workplace are likely to be victimised, bullied and mistreated by their peers due to envy and social comparison.⁹⁵

Physical abilities

Although the changing nature of work suggests intellectual abilities are increasingly important for many jobs, **physical abilities** have been and will remain valuable. Research on hundreds of jobs has identified nine basic abilities needed in the performance of physical tasks: these include various types of strength, different types of flexibility, and other factors such as body

2.5

Demonstrate the relevance of intellectual and physical abilities to OB.

ability An individual's capacity to perform the various tasks in a job.

intellectual abilities The capacity to do mental activities such as thinking, reasoning and problem solving.

general mental ability (GMA) An overall factor of intelligence, as suggested by the positive correlations among specific intellectual ability dimensions.

physical abilities The capacity to do tasks that demand stamina, dexterity, strength and similar characteristics.

coordination, balance and stamina.⁹⁶ High employee performance is likely to be achieved when the extent to which a job requires each of the nine abilities matches the abilities of employees in that job.

In summary, organisations are increasingly aware that an optimally productive workforce includes all types of people and does not automatically exclude anyone on the basis of personal characteristics. The potential benefits of diversity are enormous for forward-thinking managers. For example, a pilot program of software company SAP in Germany, India and Ireland has found that employees with autism achieve excellent performance in precision-oriented tasks such as debugging software.⁹⁷ SAP launched the same program in Australia in 2015, and aims to leverage the unique abilities and skills of those with autism to help them find ongoing employment within their organisation.⁹⁸ Of course, integrating diverse people into an optimally productive workforce takes skill. We will discuss how to bring the talents of a diverse workforce together in the next section.

2.6

Describe how organisations manage diversity effectively.

diversity management

The process and programs managers use to make everyone more aware of and sensitive to the needs and differences of others.

Implementing diversity management strategies

Having discussed a variety of ways that people differ, we'll now look at how a manager can and should manage these differences. **Diversity management** makes everyone more aware of and sensitive to the needs and differences of others. This definition highlights the fact that diversity programs include and are meant for everyone. Diversity is much more likely to be successful when we see it as everyone's business than when we believe it helps only certain groups of employees.

Attracting, selecting, developing and retaining diverse employees

One method of enhancing workforce diversity is to target recruitment messages to specific demographic groups that are underrepresented in the workforce. This means placing advertisements in publications geared towards those groups; pairing with TAFE colleges, universities and other institutions with significant numbers of underrepresented minorities, as Microsoft is doing to encourage women to undertake technology studies;⁹⁹ and forming partnerships with associations such as the Society of Women Engineers or the National Minority Supplier Development Council. In Australia, initiatives such as Tech Girls are Superheroes (see Chapter 5) seek to engage girls in STEM (science, technology, engineering and mathematics) entrepreneurship, areas in which females are especially underrepresented.

Research has shown that women and minorities have greater interest in employers that make special efforts to highlight a commitment to diversity in their recruiting materials. Diversity advertisements that fail to show women and minorities in positions of organisational leadership send a negative message about the diversity climate at an organisation.¹⁰⁰ Of course, to show the pictures, organisations must actually have diversity in their management ranks.

Some companies have been actively working towards recruiting less-represented groups. Etsy, an online retailer, hosts engineering classes and provides grants for aspiring women coders and then hires the best.¹⁰¹ McKinsey & Co. and Goldman Sachs have also actively recruited women who left the workforce to start families by offering phase-in programs and other benefits.¹⁰² Similarly, the Australian Federal Police accepted applications from female applicants only during some of its 2017 recruitment periods in an effort to improve representation of women across the workforce.¹⁰³

Diversity in groups

Most contemporary workplaces require extensive work in group settings. When people work in groups, they need to establish a common way of looking at and accomplishing the major tasks, and they need to communicate with one another often. If they feel little sense of membership and cohesion in their groups, all group attributes are likely to suffer.

In some cases, diversity in traits can hurt team performance, whereas in others it can facilitate performance.¹⁰⁴ Whether diverse or homogeneous teams are more effective depends on the characteristic of interest. Demographic diversity (in gender, race and ethnicity) does not appear to either help or hurt team performance in general, although ethnic diversity in management groups may increase organisational performance in the right conditions.¹⁰⁵

Teams of individuals who are highly intelligent, conscientious and interested in working in team settings are more effective. Consequently, diversity on these variables is likely to be a bad thing—it makes little sense to try to form teams that mix in members who are lower in intelligence or conscientiousness, and who are uninterested in teamwork. In other cases, diversity can be a strength. Groups of individuals with different types of expertise and education are more effective than homogeneous groups. Similarly, a group made entirely of assertive people who want to be in charge or a group whose members all prefer to follow the lead of others will be less effective than a group that mixes leaders and followers.

Regardless of the composition of the group, differences can be leveraged to achieve superior performance. The most important factor is to emphasise the similarities among members.¹⁰⁶

Expatriate adjustment

According to a 2013 survey by Mercer, a global consulting firm, 70% of multinational organisations were expecting to increase short-term international assignments and 55% were looking to increase their long-term assignments. These organisations note that they do so in order to provide technical and managerial skills not available locally, provide career and leadership development opportunities, ensure knowledge transfer and fulfil specific project needs.¹⁰⁷ The experience of moving to a different country and adjusting to its new cultural, interactive and work-related norms is a major undertaking for both the expatriate (i.e. the employee on international assignment) and the host country nationals. If it is not handled properly, poor adjustment can result in employee dissatisfaction, poor performance, prejudice and misunderstanding.¹⁰⁸

Several factors can be targeted to ensure that the adjustment process goes smoothly. For example, feelings of empowerment along with the motivation to interact with people of other cultures was found in one study to be related to ease of adjustment, increased satisfaction and reduced intentions to leave prematurely.¹⁰⁹ Although adjustment tends to increase over time in a curvilinear fashion for all expatriates, those with previous culture-specific work experience as well as higher self-esteem and self-efficacy tend to adjust and be promoted more quickly.¹¹⁰ A review of 66 studies on nearly 9000 expatriates suggests that several other factors work in concert to affect different forms of adjustment, including language ability, relational skills, role clarity and autonomy, organisational support and familial support.¹¹¹ These studies suggest that organisations should select employees for international assignments who are capable of adjusting quickly and then ensure they have the support they need for their assignment.

Effective diversity programs

Organisations use a variety of diversity programs in recruitment and selection policies, as well as training and development practices. Effective, comprehensive workforce programs encouraging diversity have three distinct components. First, they teach managers about the legal framework for equal employment opportunity and encourage fair treatment of all people regardless of their demographic characteristics. Second, they teach managers how a diverse workforce is better able to serve a diverse market of customers and clients. Third, they foster personal development practices that bring out the skills and abilities of all workers, acknowledging how differences in perspective can be a valuable way to improve performance for everyone.¹¹²

Most negative reactions to employment discrimination are based on the idea that discriminatory treatment is unfair. Regardless of race or gender, people are generally in favour of diversity-oriented programs, including affirmative action programs (AAPs), to increase the representation of minority groups and to ensure that everyone has a fair opportunity to show their skills and abilities.

Organisational leaders should examine their workforce to determine whether target groups have been underutilised. If groups of employees are not proportionally represented in top management,



Developing the talents of women is a strategic diversity imperative for business success at Nissan Motor Company in Japan. Attracted by Nissan's commitment to equality for women in the workplace and to developing their careers, Li Ning decided to join the company after graduating from Tokyo University.

SOURCE: Franck Robichon/EPA/Newscom.

managers should look for any hidden barriers to advancement. Managers can often improve recruiting practices, make selection systems more transparent and provide training for those employees who have not had adequate exposure to diversity material in the past. The organisation should also clearly communicate its policies to employees so they can

understand how and why certain practices are followed. Communications should focus as much as possible on qualifications and job performance; emphasising certain groups as needing more assistance could backfire.

Research also indicates that a tailored approach will be needed for international organisations. For instance, a case study of the multinational Finnish company TRANSCO found it was possible to develop a consistent global philosophy for diversity management. However, differences in legal and cultural factors across nations forced the company to develop unique policies to match the cultural and legal frameworks of each country in which it operated.¹¹³

Summary

In this chapter, we looked at diversity from many perspectives. We paid particular attention to three variables: biographical characteristics, abilities and diversity programs. Diversity management must be an ongoing commitment that crosses all levels of the organisation. Policies to improve the climate for diversity can be effective, and diversity management can be learned.

Implications for managers

- Understand your organisation's antidiscrimination policies thoroughly and share them with all employees.
- Assess and challenge your stereotype beliefs to increase your objectivity.
- Look beyond readily observable biographical characteristics and consider the individual's capabilities before making management decisions; remain open and encourage individuals to disclose any hidden disabilities.
- Fully evaluate what accommodations a person with disabilities will need and then fine-tune a job to that person's abilities.
- Seek to understand and respect the unique biographical characteristics of each individual; a fair but individualistic approach yields the best performance.

CHANGES ARE NECESSARY TO THE 457 VISA PROGRAM FOR TEMPORARY FOREIGN WORKERS

POINT

In April 2017, the Australian government announced that it would abolish the 457 visa program that allowed skilled migrants to work in Australia in areas with 'critical skill gaps' for up to four years and then apply for permanent residency. These changes were implemented in March 2018. Previously, foreign workers could bring family members with them, and there was no limit to the number of times they could enter and exit Australia. Instead, the government stated that it would introduce a two-year temporary visa designed to recruit specialist workers to address specific skill shortages that would not include any possibility of permanent residency. A four-year visa option was also made available. There are strong arguments for why such new visa arrangements are required. In particular:

- The new visa arrangements prioritise the rights of Australian workers. Indeed, in discussing the changes, the then Prime Minister Malcolm Turnbull stated that, 'We will no longer allow 457 visas to be passports to jobs that could and should go to Australians'. He further added that, '[However], it's important that businesses still get access to the skills they need to grow and invest ... the [replacement visa will be] specifically designed to recruit the best and the brightest in the national interest'.
- Applicants for the two new visa options would be subject to stricter requirements, and this would provide greater credibility to the program. For example, applicants for four-year visas would need to provide new qualifying English Language test scores to demonstrate their English language competency. Applicants would also need to provide evidence of at least two years' work experience in their area of employment and undergo a comprehensive criminal record check, among other changes.

Overall, skilled foreign workers who enter the country for a substantial period of time and are allowed to apply for permanent residency have the potential to take away jobs from Australians; therefore, the changes are needed.

COUNTERPOINT

While there are strong arguments for the new visa program for temporary foreign workers, the government's decision also prompted considerable criticism. For example, the Secretary of Unions NSW Mark Morey argued that the government's approach did not represent genuine change, and that 'a root and branch review [is needed], so that migrant exploitation and wage theft is properly tackled and Australian standards are both maintained and improved'. Additionally, research suggests that temporary foreign workers make an enormous contribution to the Australian economy, with many paying considerable tax without receiving any welfare or healthcare benefits. Other important points to consider are:

- The changes to the visa program included removing around 200 qualifying occupations from the list of approximately 650 job types initially included. Critics argue that this could have a significant impact on workers whose families have joined them in Australia where they have built lives and contributed to their local communities.
- It's possible that the changes to the 457 visa program will lead to more companies sending their operations offshore in a bid to reduce costs. This trend is already evident in the IT sector and is likely to affect other sectors that employ skilled migrants. In short, this will not increase the employment of Australians; simply more jobs will end up overseas.

In summary, the 457 visa changes are likely to be harmful to the Australian economy and could also damage the livelihood of many foreign workers who have made strong contributions and successfully integrated into Australian society.

SOURCES: K. Barlow, 'Turnbull Government to abolish and replace skilled migration "457" visas', *Huffington Post*, 18 April 2017; A. Beech, 'CEOs, university lecturers among those now able to apply for skilled worker visa', ABC News, 1 July 2017; '457 visa changes', Migration Downunder, <www.migrationdownunder.com>; P. Carp, 'Australian government to replace 457 temporary work visa', *The Guardian*, 18 April 2017; A. Patty, 'Abolition of 457 visas is "spin over substance", say unions', *Sydney Morning Herald*, 18 April 2017; J. Slater, 'What's so bad about 457 visas?', *Spectator Australia*, 21 April 2017; P. Karp, '"Nothing to go back for": when the 457 visa changes, lives will change too', *The Guardian*, 31 December 2017; and L. Spencer, 'Turnbull to abolish 457 visas', ARN, 18 April 2017.

Questions for review

1. What are the two major forms of workplace diversity?
2. How does workplace discrimination undermine organisational effectiveness?
3. How are the key biographical characteristics relevant to OB?
4. How do other differentiating characteristics factor into OB?
5. How are intellectual and physical abilities relevant to OB?
6. How can organisations manage diversity effectively?

Application and employability

Diversity, in a variety of forms, is important to the application of OB in the workplace. First, workplace discrimination can undermine the effectiveness of an organisation and can lead to many poor outcomes. Beyond biographical characteristics, other factors such as intellectual and physical abilities are important to OB. Knowledge of diversity in OB can help you and your organisation manage diversity effectively and can help you work effectively with co-workers who may be different from you in a variety of ways. In this chapter, you improved your critical thinking skills and learned various ways to approach issues of social responsibility by considering how even minor elements of

a person's appearance (e.g. baldness) can affect perceptions in the workplace, thinking about the role of diversity—specifically allowing women in combat roles—in the ADF, the considerations to make when deciding whether you should come out at work, and the usefulness and ethics surrounding changes to the 457 visa program. Next, you'll have more opportunities to develop these skills by recognising the differences and similarities between you and your classmates, considering invisible disabilities in the workplace, and learning about the case of Jordon Steele-John, an Australian senator bringing his lived experience of disability to Parliament.

Experiential exercise

DIFFERENCES

Form groups of four and then *individually* write down the following question without discussing it. It's important that the groups are randomly decided, not formed by seating, friendships or preferences.

- How diverse is your group, on a scale of 1 to 10, where 1 = very dissimilar and 10 = very similar?

Put your answer aside and discuss the following questions as a group.

- What games/toys did you like to play with when you were young?
- What do you consider to be your most sacred value (and why)?
- Are you spiritual at all?
- Tell us a bit about your family.
- Where's your favourite place on earth and why?

Now, *individually*, write down the following question.

- How diverse is your group, on a scale of 1 to 10, where 1 = very dissimilar and 10 = very similar?

As a group, calculate the average of your individual ratings from before and after the discussion. Then answer the following questions together, and share the difference between your averages and your answers with the class.

- Did your personal rating increase after the discussion? Did your group's average ratings increase after the discussion?
- Do you think that, if you had more time for discussion, your group's average rating would increase?
- What do you see as the role of surface-level diversity and deep-level diversity in a group's acceptance of individual differences?

Case study 1

INVISIBLE DISABILITIES: MENTAL ILLNESS IN ORGANISATIONS

According to the Invisible Disabilities Association in the United States, millions of people live with disabilities that are not easily observable. The term 'invisible disability' is defined as 'a physical, mental or neurological condition that limits a person's movements, senses, or activities that is invisible to the onlooker'. This can involve a variety of symptoms, including 'debilitating pain, fatigue, dizziness, cognitive dysfunctions, brain injuries, learning differences and mental health disorders, as well as hearing and vision impairments ... [that] can sometimes or always limit daily activities, rang[ing] from mild challenges to severe limitations, and vary[ing] from person to person'. This can include conditions such as ADHD, diabetes, mental illness, epilepsy and others. Statistics suggest that up to 90% of individuals with a disability in Australia do not have a visible disability, yet their symptoms can have a substantial impact on their well-being.

The issue of mental illness in the workplace has attracted considerable attention in recent times. Research indicates that one in five Australians will experience a mental illness in a 12-month period, and that Australian businesses lose more than \$6.5 billion annually by failing to provide treatment and assistance to employees. Additionally, mental health issues are the major cause of illness absence and long-term work incapacity in Australia. Workplace stress, in particular, is one of the main factors that both contributes to and can exacerbate existing mental illness. While many employees cope effectively with their conditions, there is a significant need to provide workers with more support and build mentally health organisations. In 2014, research by PricewaterhouseCoopers found that, on average, every dollar invested in improving mental health yields a \$2.30 return.

In early 2018, the *Australian Financial Review's BOSS* magazine featured a series of stories with Australian leaders who spoke openly and honestly about their experiences with mental illness in the workplace. One of those included in the conversation was EY Australia partner Tony Wiedermann, who discussed his initial reluctance to seek help for depression, which had affected his life intermittently for several decades. Although his career was progressing well and he had excellent physical health and a wonderful family, he struggled with multiple symptoms, including fatigue, poor concentration, anxiety and low self-esteem. After eventually consulting his GP, he accepted help and began taking anti-depressant medication. Following a stroke in 2016, he disclosed his mental illness to his colleagues, noting that they were 'surprised' to hear of his experience. Importantly, he pointed out, 'You can't tell if someone has depression or not and a lot of people are brilliant at masking it'.

Tony Wiedermann has learned to make changes to improve his mental well-being, including getting enough sleep, spending time with his family, following a healthy diet and engaging in physical exercise. While his own colleagues were supportive, he acknowledges that companies have 'a long way to go' in addressing mental health issues. At the same time, however,

he still encourages people to speak up if they need help. 'Everyone's path is different and the only bit of advice I give other people is: go talk to someone. I don't know of anyone who has been able to solve this themselves.'

Questions

1. What are some of the reasons that employees might be reluctant to disclose their mental illness(es) to their employers?
2. What might be some of the challenges for managers in supporting employees with mental illnesses?
3. What are some of the ways that organisations can assist employees with mental health conditions to perform to the best of their ability?

SOURCES: Australian Human Rights Commission, '2010 workers with mental illness: a practical guide for managers'; <www.humanrights.gov.au>; A. Fels, 'Australians are spending more on mental health services and employers need to take notice', *The Conversation*, 3 February 2016; '5 things about invisible disabilities you need to know', *House with no steps*, 15 February 2017; 'How do you define invisible disability?', *Invisible Disabilities Association*, <www.invisibledisabilities.org>; E. Reynolds, 'Australia's deadly workplace crisis: hidden epidemic in job world', <news.com.au>, 24 November 2017; and L. Christopher, 'EY Australia partner Tony Wiedermann's sad secret', *Australian Financial Review BOSS Magazine*, 8 February 2018.

Case study 2

MAKING PARLIAMENT HOUSE ACCESSIBLE

In 2017, Jordon Steele-John was appointed as Greens Senator for Western Australia. At 23 years old, he was the youngest person ever appointed to the Australian Upper House, a strong advocate for those with disabilities and a self-described 'mad Harry Potter fan'. He also uses a wheelchair as a result of having cerebral palsy. In one of his first interviews, the new senator spoke of his desire to use his lived experience to speak up for others and confront harmful beliefs about individuals with disabilities. 'Over the course of my life I've learned that to be a young person with a disability in contemporary Australia is to occupy the intersection of some of our society's most ingrained myths and most damaging preconceptions ... I've worked hard to bust these myths, challenge these preconceived ideas and be a strong voice for the issues that matter to me.'

Since entering Parliament, however, Steele-John's presence has highlighted the fact that Parliament House is still challenging for those who require a wheelchair to move around. On his first day, it was clear that many of the doorways were too narrow for his wheelchair to fit through easily, resulting in bruised and bloodied knuckles on his hands. While he noted that staff had been 'fantastic', Steele-John reflected on the fact that the three-decade old building was simply not designed to accommodate those with physical disabilities. 'We have to ask ourselves the question, though, why our parliament, which is the people's place, the people's house, never considered that someone with a disability would be a minister, an MP or a staffer.' Other issues he encountered included inadequate ramps in the Senate chamber, steps blocking access to many courtyards, non-accessible toilets in his office, and his wheelchair becoming stuck in the grass outside. Additionally, Senator Steele-John was largely isolated at the back of the chamber because his specifically designed bench was unable to accommodate desks for other senators to sit next to him.

Unfortunately these issues are not unique to Parliament House. Researchers have found that one of the major barriers to employment for people with disabilities in Australia is an inaccessible organisational environment, even though it is against the law to discriminate against someone in terms of access and use of commercial premises. This doesn't just involve ensuring workplaces are wheelchair-friendly for those with physical disabilities; other examples include having adequate lighting for employees who are vision-impaired, providing an Auslan interpreter at a job interview and ensuring that training materials are provided in accessible formats, such as subtitled videos for individuals who have a hearing impairment. With workplace discrimination against those with disabilities still a major problem in Australia, it is up to companies to recognise the value of their contributions and create sustainable change.

Questions

1. Think about your current university campus. Do you think it is accessible or not for individuals with disabilities? Why or why not? What could be changed to improve accessibility?
2. Why do you think some employers may be reluctant to make their work spaces more accessible?

SOURCES: Australian Government, 'Accessibility checklist for employers', <www.jobaccess.gov.au>; Australian Human Rights Commission, 'Issues paper: employment discrimination against Australians with disability', 2015; Australian Government, 'Ensuring accessibility in the workplace', <www.jobaccess.gov.au>; G. Hutchens, 'Jordon Steele-John, the "political nerd" who is ringing the changes', *The Guardian*, 11 November 2017; <https://www.theguardian.com/australia-news/2017/nov/11/jordon-steele-john-the-political-nerd-who-is-ringing-the-changes>; S. Dziedzic, 'New senator Jordon Steele-John ready to go, but Parliament House isn't quite ready for him', *ABC News*, 10 November 2017; B. Worthington, 'Jordon Steele-John has the loneliest seat in the Senate, and it's locking him out of the parliamentary process', *ABC News*, 2 April 2018; and Smart Company, 'How do I make my workplace accessible to everyone?' 31 August 2010; Australian Human Rights Commission, 'Vision Impairment', <www.humanrights.gov.au>.