

Diversity & The Bar

There is More to Diversity than Sheer Numbers

A Gallup survey reveals what workplace diversity really means to employees, managers, and the balance sheet

By David C. Wilson

Workplace diversity involves more than you might think. Most people, regardless of their professional roles, see the phrase "workplace diversity" and tend to think about "gender and/or race," "quotas," and "cultural differences." But it is important to understand that workplace diversity is a matter not only of the law, but of personal perceptions that go well beyond legal requirements. Diversity is not, or should not, be solely a matter of numbers. Workplace diversity should be viewed as a culture of open communication, trust, and inclusiveness aimed at building a better, more competitive organization. Why? Because an organization free of discrimination is not just a good place to work, it is an organization that works better.

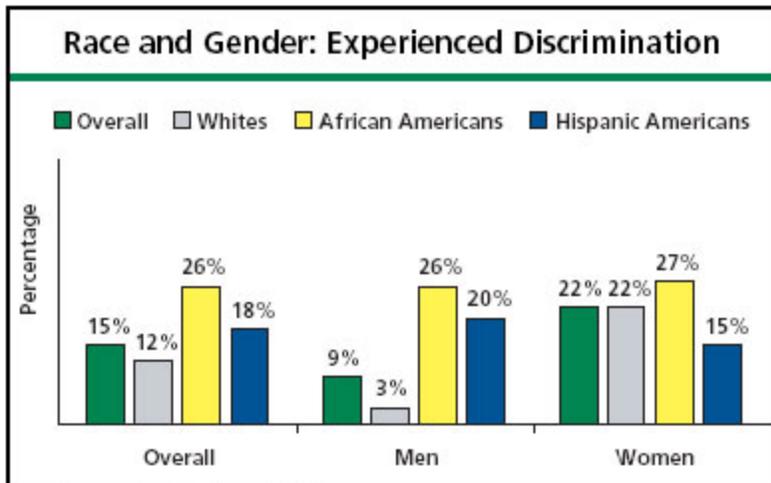
In April and June of 2005, The Gallup Organization, with support from Kaiser Permanente, The Society for Human Resource Management, and United Parcel Service, instituted a massive public opinion poll on discrimination, ultimately releasing "Employee Discrimination and Engagement in the Workplace" in February 2006. Gallup contacted 1,252 adults who were either currently employed, had been employed within the past two years, or were actively seeking employment. A disproportionate random sampling plan was used to permit breakouts of racial/ethnic minorities. All in all, there were 302 African American respondents, 310 Hispanic Americans, 104 Asian Americans, 492 Caucasians, and 44 individuals in the "other" category. Gallup sampled an equal number of men and women, too.

When Gallup completed the survey and analyzed the results, researchers found that on average 15 percent say they have been discriminated against (though about 27 percent say they have lost out on a new job, and 24 percent say they have been passed over for a promotion, because of discrimination). "That's a very significant number," says David Grimberg, senior public affairs specialist at the Equal Employment Opportunity Commission (EEOC). "Even 40 years after the EEOC was created, American workers still face a lot of discrimination," adds Grimberg.

Of those who say they have been discriminated against, 28 percent said it took the form of gender discrimination, 25 percent said it was racial/ethnic in nature, 18 percent said they had received unfair treatment because of their age, 12 percent said it was favoritism/nepotism, and 9 percent said their disability sparked discrimination.



The demographics of those who say they have been discriminated against are probably predictable: Caucasians are much less likely to say they have faced racial discrimination (12 percent) than are Asian Americans (31 percent), Hispanic Americans (18 percent), or African Americans (26 percent). Men are less likely (9 percent) than women (22 percent) to say they have been victims of gender discrimination. Older people are more likely than their juniors to say they have been treated unfairly because of age, though the oldest cohort has the same percentage as the youngest (11 percent of 18–29 year-olds, 15 percent of 30–39 year-olds, 18 percent of 40–49 year-olds, 17 percent of 50–59 year-olds, and 11 percent of those 60 or older say they have been the victims of age discrimination).



Source: Gallup Organization

But workplace discrimination does not affect only those it victimizes. According to the survey, about 42 percent of American workers believe that employers retaliate against employees who complain of discrimination. It is even worse for those who say they have been treated unfairly: Sixty-seven percent of those who reported discrimination believe employers retaliate against employees. Moreover, the groups that have long dealt with serious and entrenched discrimination—women, the least educated, and people of color—are also quite suspicious. Forty-six percent of women, 52 percent of people without high school diplomas, 54 percent of African Americans, 52 percent of Hispanic Americans, and 30 percent of Asian Americans say employers react negatively toward employees who claim discrimination. It is sobering that such large proportions of the workforce believe that there are negative consequences associated with filing claims about discrimination. Additionally, these numbers imply that current government statistics regarding complaints are likely underrepresenting the reality of things.

There is, however, a noticeable gap between the number of people who say they have been discriminated against and the number who have filed charges. It is not uncommon for members of minority groups to simply accept discrimination, feeling that it is just part of the work world. Fear of retribution, which is clearly widespread, plays a part. But a lot of members of EEOC-protected groups—many of them recent immigrants—are not aware they have federally mandated rights. Language and cultural barriers play a part, too.

Diversity Focus

Considering that workplace diversity is an important issue that consumes a great deal of time, energy, and money in terms of employee recruitment and retention, business leaders should be somewhat relieved that a relatively smaller percentage (15 percent) say they have been victims. Furthermore, if an employee in your organization complains to higher management that he or she has been discriminated

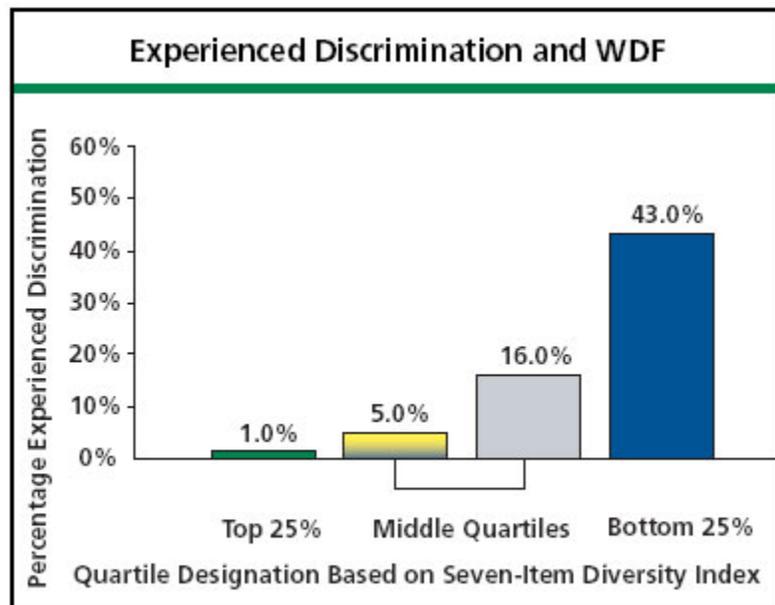
against, consider it relatively good news. To a certain extent, claims of discrimination are an indication of a positive diversity focus—people are more likely to come forward when they believe their leadership really cares about diversity, is truly fair, and would not retaliate against complainants. The Gallup study shows that 72 percent of those who do not believe their employers retaliate say they are "confident that their employer would be able to resolve it in a fair and just manner once they raised the issue." In other words, a discrimination complaint can be a signal of trust—as well as an indicator that some action should be taken immediately.

If employees lack confidence in their boss on issues of blatant and illegal mistreatment, no one—even people who are not members of a legally protected group—will feel safe, or worse, stand up for victims.

But what action? Though many organizations have a protocol for dealing with discrimination complaints, it is a very emotional issue and a tense situation. Managers are often dismayed and, let's face it, a little scared when presented with unexpected complaints of discrimination—or worse, find that they have been named as discriminators. Nonetheless, managers have to make it right, and right away. Karen Higginbotham, the director of civil rights at the Environmental Protection Agency, says, "People should always seek resolution at the lowest level first. An open and honest conversation between the two people involved to work out the issue can defuse the issue before it escalates." The next step, of course, is mediation with a neutral party, but if a discrimination complaint is based on misperceived behavior, a discussion can resolve problems before they become organizational disasters.

But that conversation only can happen if employees believe that it will be honest. Trust in the implicit fairness of management is a crucial component of workplace satisfaction. This is why personal perceptions of diversity go well beyond simply increasing the numbers of legally protected groups: If employees lack confidence in their boss on issues of blatant and illegal mistreatment, no one—even people who are not members of a legally protected group—will feel safe, or worse, stand up for victims.

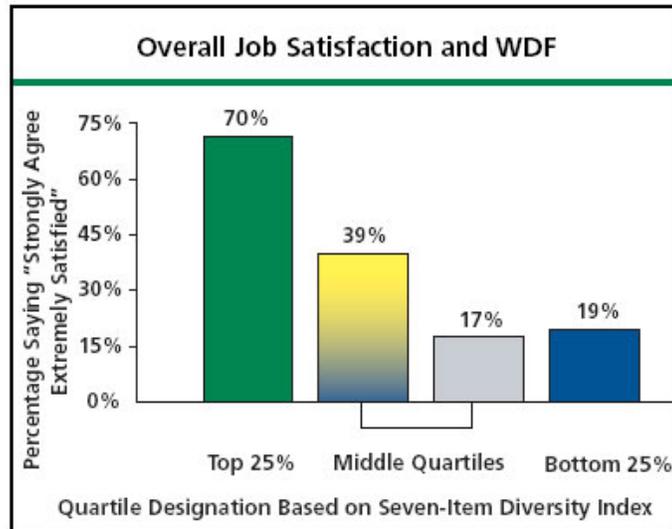
Nor will those employees feel satisfied, loyal, or likely stay around, according to the Gallup workplace survey. The survey included seven questions that, taken together, indicated respondents' perceptions of their workplaces' diversity focus (WDF). While the study shows that 15 percent have experienced discrimination, the findings also reveal that whether or not an organization truly emphasizes diversity,



Source: Gallup Organization

and takes action when discrimination occurs, has an enormous impact on workplace attitudes such as job satisfaction.

The people who gave the highest WDF scores—the top quartile—were the most satisfied (70 percent) with their workplace, while the people with the lowest WDF scores—the bottom quartile—were the least satisfied (19 percent). WDF scores in the upper 25 percent correlated with worker loyalty (74 percent said they would recommend their



Source: Gallup Organization

organization), and WDF scores in the bottom quarter correlated, of course, with disloyalty (only 18 percent said they would recommend their company). WDF also has an influence on worker retention. Those with the highest WDF scores were more likely (84 percent) to say they would stay, and those with the lowest WDF scores were more likely (48 percent) to say they wanted to work somewhere else.

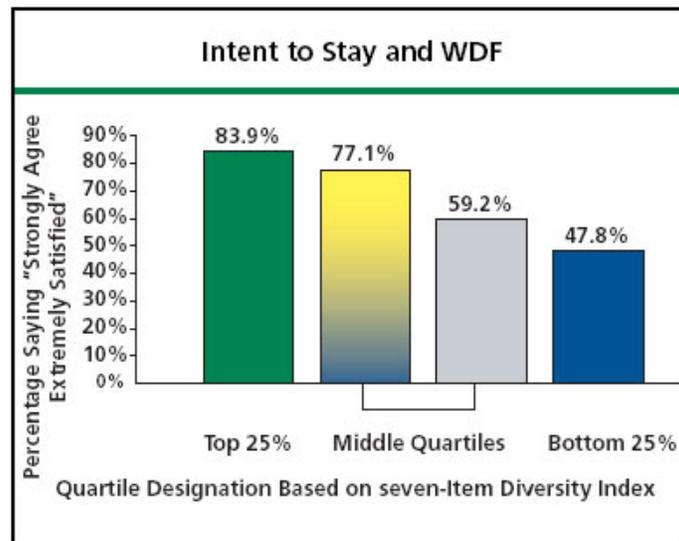
Profiting from Diversity

Business leaders are obligated to ensure that their workplaces are free of harassment and discrimination. From an employee's perspective, it is not enough to assume that your rights are valued and protected—it should be obvious that those in authority positions, from local leadership to the chief officers, are genuinely focused on fairness and equal opportunity through diversity. That is just good ethics. But there is also an economic aspect to consider. Workplaces that care about diversity also have the most engaged employees: Sixty percent of the workers who gave the highest (top quartile) WDF scores are engaged, versus 11 percent who gave the lowest (bottom quartile) scores.

Workplace Diversity Focus Items

- I am aware of my company's efforts to create diversity in the world.
- I believe that my company is adequately striving for diversity in the workplace.
- I value my company's diversity efforts in making a welcome and tolerant work environment for all employees.
- I believe that my company's workforce diversity contributes to our competitiveness in the marketplace.
- I trust senior management of my company or organization to deal with issues concerning equal treatment at my workplace.
- The head of my company or organization is committed to diversity at my workplace.
- If I experienced discrimination at my workplace, I am confident that my employer would be able to resolve it in a fair and just manner, once I raised the issue.

Engagement is crucial to the financial health of any organization because engaged employees are more productive, take fewer sick days, sue their employers less, and have higher retention rates. They are less expensive to employ and get more done. On the other hand, disengaged employees (and 38 percent of those who gave the lowest WDF scores are disengaged) cost business in lost productivity, worker's compensation claims, and wasted time—they cost much more than they are worth. Discrimination drives workers out, turns enthusiasm into fear, creates cynicism, and hobbles productivity. It should be said, however, that those disengaged employees are not necessarily bad employees. The cognitive and emotional costs of dealing with a negative environment can drive employees to feel constrained and less productive.



Source: Gallup Organization

So, considering the moral imperative and the financial benefit of workplace diversity, why hasn't every human in every company embraced inclusiveness wholeheartedly? Why do 15 percent of Americans say they have been discriminated against? It is shameful to say, but deep-seated prejudice certainly plays a part. But a bigger role belongs to misinterpretation of diversity.

It is Not a Numbers Game

Diversity by the numbers does not mean much. A workgroup featuring perfect representation of every EEOC-protected group does not necessarily function better, produce more, or work more efficiently, as several studies and infinite real-world experience bears out. (Incidentally, homogeneity does not, either.) Trying to impose diversity on an organization without ensuring a foundation of inclusiveness is a fool's errand, and in the long run can be more harmful than helpful. Hiring a minority into a work group that is not ready to accept him or her can have several negative consequences, including decreasing the new hire's chance of being successful, fueling self-fulfilling expectations about the suitability of minorities for the job, and discouraging other minorities about the fairness of opportunity in the organization.

Hiring by the numbers is not good for business. The variables that make diversity into profitability are WDF and inclusiveness. Only when a workplace has a culture of open communication and acceptance of diversity—not simply race or gender but also

diversity in opinion, perspectives, approaches to problems, individual strengths, and so forth— will an organization be able to leverage the potential richness of diversity in its workforce. You must focus on inclusiveness if you want to have a chance of leveraging the riches of diversity in an organization. Inclusiveness has to permeate the business—starting with absolute intolerance of discrimination and ending with absolute encouragement of good work—and the process is most effective if it comes from the top down.

Building Trust

"Sometimes, I feel like the world has slipped back 20 years," says Wilma Jackson, multicultural and community services director at Doane College, a small liberal arts college in Nebraska. "It seems there's a real lack of information about what discrimination really is, what it feels like." The first step in creating an inclusive organization is education—everyone in the organization has to understand what discrimination really is, how it feels, and how it thwarts the ambitions of the organization. That is why high WDF scores do not come from an annual diversity brochure or a "know your rights" poster in the break room. Perceptions of authentic concern for diversity are local—workers likely evaluate their own manager's behavior first, then upper management's, and then the CEO's last. Thus, perceptions of senior executives' intentions may be ruined by the actions of front-line managers. Furthermore, it is not easy to get employees to trust management—especially if they have seen promises made and broken, or friends and colleagues inexplicably dismissed, reassigned, or passed over for jobs or promotions. If management wants satisfaction and loyalty—and more importantly, engagement—they have to move first, and set the stage for a climate that emphasizes fairness.

Confidence and trust precede the development of worker loyalty, and effective and open communication between management and staff is a key factor in building trust. Processes and procedures for hiring, promotion, and growth opportunities must be transparent so that employees understand the business reasons for management's actions. And companies should consistently, and publicly, discuss the organization's definitions of and goals for workplace diversity. If management communicates the organization's focus, vision, and goals clearly and frequently, employees will both understand the company's direction and plan for success, and make job market decisions based on organizational actions. "Fairness and diversity are overarching considerations in all aspects of organizational functionality," says Higginbotham. "A variety of people will always bring forth a greater number of ideas and provide a host of viable solutions. All organizations can benefit from diversity."

Fair Play

Perceptions of senior executives' intentions may be ruined by the actions of front-line managers. Furthermore, it is not easy to get employees to trust management—especially if they have seen promises made and broken, or friends and colleagues inexplicably dismissed, reassigned, or passed over for jobs or promotions.

Workplace diversity and its relationship to worker engagement all boils down to perceived fairness. That is why it is important to remember that diversity extends beyond a focus on the sheer numbers of legally protected groups. Plain and simple, diversity is a culture of fair treatment, equal opportunity, and inclusivity, and those managers who take a progressive stance on diversity—beyond what the law requires—create a more comfortable work environment. Knowing that everyone will

get a fair shot at doing what they do best eases tensions, encourages loyalty, and increases engagement. And the value of these virtues goes beyond perception, all the way to the balance sheet. "Discrimination is just bad business," says Grimberg. "Most savvy employers know that."

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